

North East Skills Advisory Panel

Local Skills Report

March 2021



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Section 1: Foreword



Ellen Thinesen

Chair, North East Skills Advisory Panel
Chief Executive, Education Partnership North East.

I'm delighted to contribute to this interim Local Skills Report, as Chair of the Skills Advisory Panel (SAP) for the North East Local Enterprise Partnership (North East LEP) and as the representative for Further Education on the North East LEP Board.

As Chief Executive of Education Partnership North East, comprising City of Sunderland, Hartlepool Sixth and Northumberland Colleges, I am privileged to be able to take my experience as a further and technical education leader, and contribute nationally to help influence educational policy and reform for the benefit of the North East and our local communities.

On a personal note, I am deeply passionate about system wide partnerships and their power to transform the economy, skills innovation and social mobility. And as these are key drivers for the SAP, I am honoured to serve as chair and to be able to collaborate with our committed members who represent a diverse range of public and private sector employers, local authorities, educational providers and government partners.

The North East landscape is unique and geographically distinct from many other regions. Equally, the skills landscape is complex. This is why our strong representation through the SAP helps to identify and align current and future employment prospects to regional and local skills priorities, and as an outcome, better support our North East communities to adapt to market change and future demand.

The effects of COVID-19 on the North East are significant. However, whilst our ambition remains purposefully bold and many opportunities lay ahead, there is more to do better understand the medium to longer-term impacts of the pandemic on our region's productivity and development. We will report on these in due course.

On behalf of the SAP I would like to sincerely thank all those who have contributed to the focus and content of our first interim report and I look forward to sharing a final version later in the year.

Overview of the North East Local Enterprise Partnership

The North East LEP provides strategic economic leadership for the region, working with partners and facilitating the delivery of the North East Strategic Economic Plan (SEP). The SEP provides a strategy for economic growth for the period 2014 – 2024.

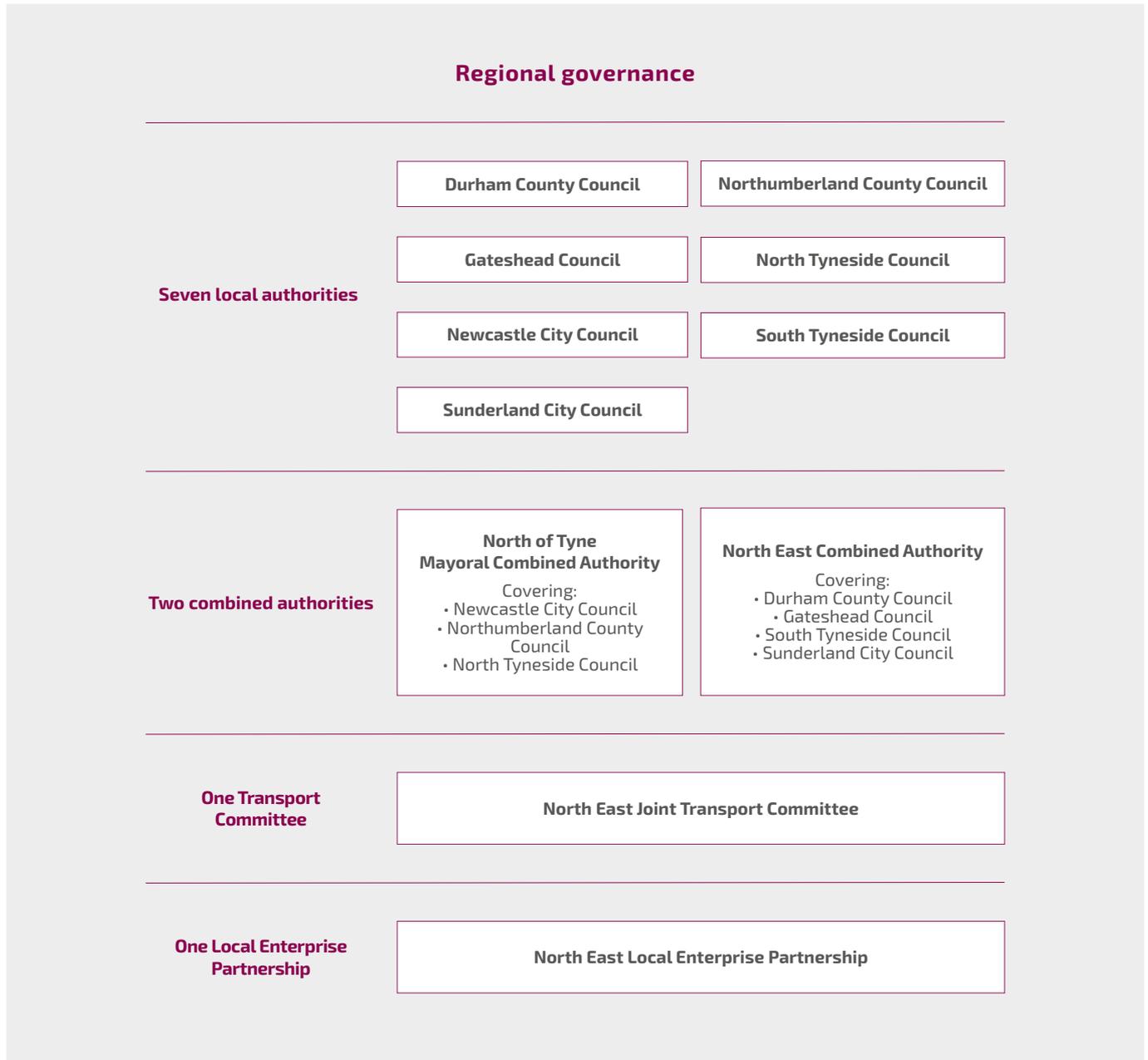


Figure 1- North East Local Enterprise Partnership Regional Governance Structure - 2020¹

¹ North East LEP, (2020). The North East Strategic Economic Plan – January 2019. Available at: <https://www.nelep.co.uk/wp-content/uploads/2019/03/nel404-sep-refresh-2018-web-new-final.pdf>

Our aim is to create 100,000 more jobs for the North East economy and to ensure that 70% of these jobs are better jobs - better job is defined as being in managerial, professional and technical roles.

The North East LEP is leading on the delivery of a strategy for employability and skills which will strengthen the North East LEP area's position as a globally competitive region, through ensuring the supply of skilled people meets demand from a growing and prosperous business base. It will do this by shifting the skills market in the North East LEP area towards higher level skills, building greater demand for higher skills, be it in response to existing employer needs, projected shortages, or new skills-sets for emerging opportunities. The aim is to create a landscape where companies and individuals realise the benefits of training and see the returns on their investment. A skilled workforce is central to private sector-led growth and the North East LEP area's workforce has a strong reputation for responding to the opportunities presented by a growing and changing economy. By investing public resources and stimulating employer investment in skills, a better functioning labour market can be created that delivers the human capital for our growing economy.

What is our ambition for 2024?

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

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

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

There are key challenges for the North East LEP area and without doubt the COVID-19 global pandemic will have significant implications on our labour market.

Prior to March 2020, there were challenges but also promising signs of improvement:

- There are fewer employment opportunities per head than England, excluding London, and the North East LEP prioritises this by setting the ambitions outlined above.
- The proportion of the North East LEP area population that is working age is slightly above that of England, excluding London.
- Whilst the North East LEP area has lower rates of economic activity and employment than England, excluding London, these rates have increased since 2014.
- The working age population of the North East has a lower qualifications profile than England as whole, however the North East LEP area has made progress on this since 2014 with the percentage with higher level qualifications increased and the percentage with none decreasing.
- Fewer employers in the North East LEP area than across England reported that they had experienced skills shortage vacancies.
- Both the economic activity inactivity rate and the unemployment rate have fallen over the last five years and unemployment rate for young people (16-24) and older workers (50-64) had also decreased.

COVID-19 has impacted significantly on the North East LEP area. As with the rest of the UK, the North East LEP area was experiencing a fragile recovery as it emerged from the summer of 2020 but there were significant risks and challenges as we went into autumn and winter and the new phases of lockdown in early 2021.

A year ago, in March 2020, the North East LEP Board formed the North East COVID-19 Economic Response Group to lead a joint response across all sectors to the pandemic, starting with immediate response to support business and employment, and to co-ordinate action in the region to support national challenges.

Ongoing reviews of evidence presented to the North East LEP Board provide an insight in real time of some of the key national and regional data impacting on the North East LEP area economy. At its meeting in March 2021, the Board considered the latest data, with headlines including:

- UK GDP remains 6.3% below the levels seen in February 2020, the last month before the main impact of the COVID-19 pandemic.
- ONS reports that between 8 and 21 February 2021, 11% of businesses in the North East LEP area had temporarily closed or paused trading and 5% of the businesses in the North East LEP area had no cash reserves.
- 10% of businesses in the North East LEP area expected to make redundancies in the next three months and 6% intended to permanently close one or more of their sites in the same period (although it should be noted that they were surveyed before the March Budget announcement of the extension to the furlough scheme).
- In Q4, (Oct-Dec 2020) the North East LEP area had the second highest unemployment rate among the English regions (6.5% compared with 5.3% in England).
- In total around 82,900 people were unemployed in the region. 12,600 more than in Q1 (Jan-Mar) 2020
- The unemployment rate is highest among young people.
- In February 2021 vacancy levels in the North East LEP area were at about 94% of their level in the same week of 2020. This was above the equivalent figure for England and the second highest of the nine English regions.
- Vacancy levels were above the levels a year ago in manufacturing, construction, transport and logistics, and scientific and quality assurance activities, UK vacancy levels were low in catering and hospitality, travel and tourism, sales, administration, clerical, secretarial, wholesale and retail.
- Data from the Department for Education shows that in August to October 2020 the number of apprenticeships starts in the North East LEP area was 34% below the total in the same period in 2019. Of note, intermediate apprenticeships starts were at just half the level of the previous year but the number of higher apprenticeships starts had only slightly decreased.

Whilst these challenges affect much of the regional area, there is clear evidence that the life sciences and pharmaceuticals sector has performed well during the pandemic, with growth and strong performance from in the support organisations in the region, involved in organising supply of essential products and medicines, in support of the UK COVID-19 response. The worst affected sectors during the pandemic, including hospitality and travel, may re-hire employees to meet rising demand as lockdown restrictions are eased and business reopens.

However, given the extent to which the COVID-19 crisis has fundamentally shifted demand, there is likely to be a substantial proportion of workers who will need to find new jobs in a different sector or business. Additionally, many workers who retain their jobs will find they have changed and are thus likely to require re-training to transition to new and/or different roles.

Skills, employment, inclusion and progression is one of five inter-related priorities outlined in our North East SEP **'More and Better Jobs.'** To address the impact of COVID-19, whilst maintaining the drive to create 100,000 more and better jobs, the Skills Advisory Panel has an important function in understanding the North East LEP area labour market, the provision of skills and training and articulating key priorities.

Section 2: Skills Advisory Panels – Introduction

Skills Advisory Panels: the national context

Skills Advisory Panels (SAPs) bring together employers, skills providers and key local stakeholders to better understand and resolve skills mismatches at a local level. There are 36 SAPs across England as part of Mayoral Combined Authorities and Local Enterprise Partnerships.

The Department for Education (DfE) supports SAPs with grant funding primarily to produce high-quality analysis of local labour markets and [Local Skills Reports](#)². The Reports set out the local strengths and skills needs and how the SAP proposes its area addresses its key priorities. The Reports aim to influence local partners and feed intelligence to central government, including the national-level [Skills and Productivity Board](#) (SPB)³.

In January 2021, DfE published its White Paper "[Skills for Jobs: Lifelong Learning for Opportunity and Growth](#),"⁴ which set out several reforms aimed at putting employers more firmly at the heart of the skills system. The White Paper outlined plans to test in 2021-22, in a small number of areas, "Local Skills Improvement Plans" created by business representative organisations.

North East Skills Advisory Panel (SAP)

The North East Skills Advisory Panel (SAP) is the Skills Advisory body to the main North East LEP Board. The SAP has oversight of the delivery of regional skills, employment, inclusion and progression programmes and projects, it reports into government and the National Skills and Productivity boards. Along with the North East LEP's executive, it led the 'people' strand of the COVID-19 Economic Response.

The Skills Advisory Panel brings together members to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges. These include both immediate needs and challenges and looking at what is required to help the North East LEP area adapt to future labour market changes, and to grasp future opportunities and support colleges, universities and other providers to deliver the skills required by employers, now and in the future. Furthermore, this allows us to generate analysis of our local skills and labour markets to understand the local position, to discuss and agree local skills needs priorities in the short-term and more longer-term and consider how these will be met through local provision over time.

The role of the SAP also includes:

- Development and oversight of evidence-based regional economic strategies and plans for skills.
- Economic leadership, co-ordination and influence – in and for the North East LEP area.
- Acting through a programme of delivery.
- Where appropriate securing and prioritising investment.

The North East SAP includes representative from the North East LEP, the North East Combined Authority, North of Tyne Combined Authority, universities, colleges, skills providers and local businesses, illustrated below.

² Department for Education, (2020). Guidance: Skills Advisory Panels. Available at: <https://www.gov.uk/government/publications/skills-advisory-panels>

³ Department for Education, (2020). Correspondence: Skills and Productivity Board remit letter 2020. Available at: <https://www.gov.uk/government/publications/skills-and-productivity-board-remit-letter-2020>

⁴ Department for Education, (2021). White Paper: Skills for Jobs: Lifelong Learning for Opportunity and Growth. Available at: <https://www.gov.uk/government/publications/skills-for-jobs-lifelong-learning-for-opportunity-and-growth>

Table 1 – North East Skills Advisory Panel Members - 2021

Sector / Organisation / Department or Institution	Member name	Title and organisation
Further Education	Ellen Thinnesen (Chair)	Chief Executive Officer, Education Partnership North East
North of Tyne Combined Authority	Councillor Joyce McCarty	Deputy Leader of Newcastle City Council and portfolio holder for Employability and Inclusion, North of Tyne Combined Authority (NoTCA)
North East Combined Authority	Councillor Simon Henig	Leader of Durham County Council and portfolio holder for Skills and Employment, North East Combined Authority (NECA)
North East Local Enterprise Partnership (LEP)	Michelle Rainbow	Skills Director, North East LEP
North East Local Enterprise Partnership (LEP)	Helen Golightly	Chief Executive Officer, North East LEP
Health & Life Sciences Sector	Emma Banks	Head, RA Marketing
Digital Creative & Software Sector	Karen Marshall	Apprentice, Education & Engagement Lead, Accenture
Pharmaceutical Manufacturing Sector	Sam Harrison	Learning and Development Manager, Sterling Pharma Solutions
Energy	Vacant	
HE organisation	Sir David Bell	Vice-Chancellor, University of Sunderland
Representatives of key organisations and partnerships	Sandra Brydon	Operations & Partnerships Manager (Northumberland, Tyne & Wear) Department Work and Pensions (DWP)
	Paul Butler	Chief Executive Officer, North East Automotive Alliance
	Vacant	BEIS, Cities and Local Growth
	John Taylor	Head of FE Directorate Territorial Team (North East and Cumbria), Education and Skills Funding Agency (ESFA)
	Chris Zarraga	Director, Schools North East
	Beth Farhat	Regional Secretary, Northern Trade Union Congress (TUC)
	Karen Routledge	Nominated representative, North East Learning Providers
	Niamh Corcoran	Policy Adviser, North East of England Chamber of Commerce (NEECC)
	Sarah Glendinning	Regional Director, Confederation of British Industry (CBI)
	Carol Botten	Chief Executive Officer, Voluntary Organisations' Network North East (VONNE)
	Jill Cassells	Workforce Director (North East and North Cumbria), ICS - NHS
	Vacant	Department for Education (DfE)

COVID-19 response

Since March 2020, the Skills Advisory Panel has provided a single point of coordination between government bodies, regional agencies, education organisations and local authorities for the North East COVID-19 skills response.

During the initial stages of the COVID-19 lockdown, the SAP met weekly and subsequently made a commitment that throughout the continued COVID-19 pandemic period, it would meet monthly. Through its membership, which includes organisations such as the CBI, TUC, NEECC and representatives from schools, further and higher education providers, independent providers, small and larger employers, the NHS and government, it has continued to inform and be informed on local, regional and national policy, initiatives and programmes.

Some interventions have been scaled rapidly to mitigate the impact of COVID-19 and to assimilate national and regional interventions but the focus of the SAP remains the same:

- providing young people access to high quality careers guidance
- improving destinations for all young people
- raising skill levels across our workforce, for sustainable employment schemes
- enabling opportunities for lifelong learning
- improving digital skills and access to digital connectivity for every age group
- acknowledging that older workers (50+) are just as likely to be impacted by COVID-19 as younger people.

Focussing on six workstreams, the SAP have undertaken the following actions throughout the year:

- collated and collected monthly data and intelligence.
- updated baseline data evidence on;
 - skills supply and demand
 - current and future requirements
- investment priorities
 - impact of COVID-19 on workforce and employment patterns.
- provided detailed response to government regarding the efficacy of interventions especially during the early stages of development.
- developed a series of evidence-based 'asks' to input into the [North East Recovery Deal](#)⁵ document
- worked with our education partners and local authorities throughout the period to support them with the transition of young people from schools into further education, apprenticeships and higher education including developing a highly effective and accessible portal. [North East Ambition- Work Experience](#)
- developed a detailed understanding of the challenges around COVID-19 including the impact on apprenticeships through a working group of providers and government agencies.
- proposed a number of considerations for the ESFA and Institute for Apprenticeships and Technical Education including
 - further support for employers
 - re-instatement of functional skills flexibilities
 - reviewing the 5% employer co-investment within incentive offers
 - maximising the apprenticeship levy to meet local skills needs.
 - consultation on the apprenticeship standards funding bands.
 - extension of COVID-19 payments
 - simplifying and localising the management of redundancy vacancies
 - greater demand for 19+ apprenticeships

⁵ DepaNorth East LEP, (2020). Recovery and Renewal Deal for the North East– September 2020. Available at: <https://www.northeastlep.co.uk/wp-content/uploads/2020/10/north-east-recovery-and-renewal-deal-for-publication.pdf>

- developed a web platform promoting real-time vacancy opportunities and latterly on a more substantial platform rolled out across the Northern Powerhouse, [North East Opportunities](#).
- led on behalf of the North East in several national groups, including a submission from the Youth Employment Group (YEG) regarding specific interventions for young people, the development of Digital Bootcamps and alongside DWP development of a digital Mid-Life MOT approach.
- advised on the development of the [North East Data Hub](#) to make LMI available across providers, employers, individuals and career guidance professionals and will articulate medium to long term skills needs for employers.

The SAP and the North East LEP skills team are continuing to work with our regional and local partners to ensure that businesses, communities and individuals are aware of and can access support and interventions to mitigate the impact of COVID-19 on skills and employment. Schemes including JRS, SEISS, JETS, Kickstart, offers of support through JCP and DWP including the rapid response team, the National Careers Service and the Skills Toolkit are being promoted through partners, the North East Growth Hub and through a sustained and effective social media campaign to support our businesses and residents.

The focus of future SAP meetings will be forward planning activities to meet SEP priorities, alongside reviewing and readjusting the COVID-19 response SAP plan.

See Annex B for the agenda items of the SAP since February 2019 (See Annex B Figure 2.1).

Section 3: Skills strengths and needs

Overview of the North East LEP area

The North East LEP area is the most northerly LEP area in England, located between Scotland, Cumbria, Tees Valley, North Yorkshire and the North Sea. At just over 3,000 square miles, we are the sixth largest LEP area in England by geographic size. The North East LEP area hosts a mix of urban, suburban and rural areas that span our seven local authority areas of County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland. This variety of places and setting provides an excellent living and working environment with high-quality of life, and includes:

- Three cities:
 - Newcastle that has science, education, culture, digital and service sectors and acts as our transport gateway
 - Durham that is a leading university, science and tourism centre at the hub of a largely rural county
 - Sunderland, home of Nissan's UK-leading automotive manufacturing, has education, culture and a well-established digital software sector.
- Key industrial sites, business parks and innovation hubs, including Cobalt Business Park, Infinity Park, NETPark, Newcastle Helix, Integra 61, Quorum Business Park, the International Advanced Manufacturing Park and 21 Enterprise Zone sites.

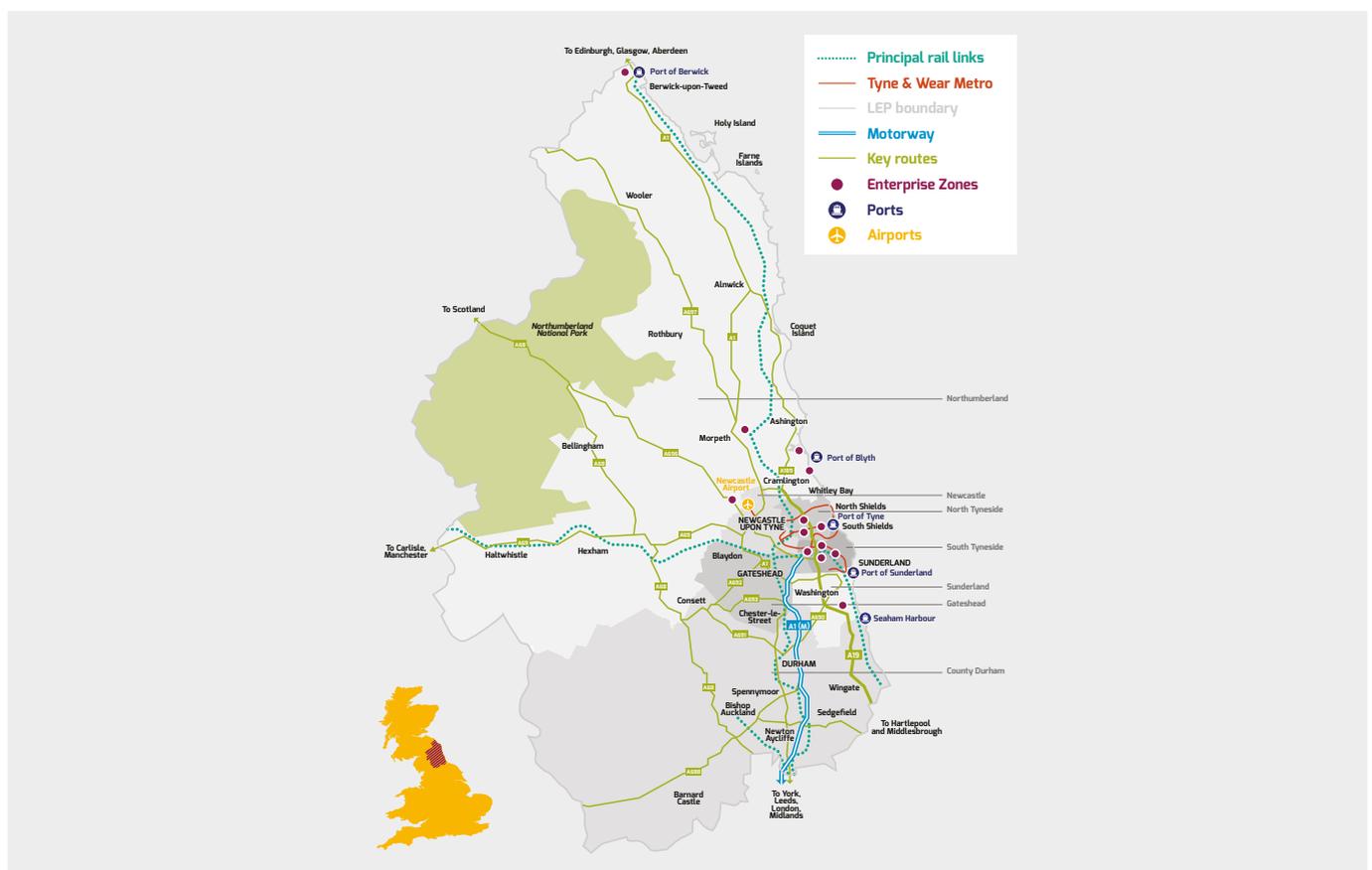


Figure 2 - Key links across the North East LEP area⁶

6 North East LEP, (2020). The North East Strategic Economic Plan – January 2019. Available at: <https://www.nelep.co.uk/wp-content/uploads/2019/03/nel404-sep-refresh-2018-web-new-final.pdf>

The North East LEP area's communities and economic activities are heavily concentrated around the coast, the area's rivers and major transport routes. Reflecting this, the North East LEP area's five ports (Port of Berwick, Port of Blyth, Port of Sunderland, Port of Tyne and Seaham Harbour) are key assets, alongside Newcastle International Airport. Within the region, we have strong connectivity through public transport, roads, infrastructure and a UK leading digital infrastructure.

The North East LEP area has a population of two million people, the ninth largest LEP area by population; 1.2 million are aged 16 to 65, with 32% of this age group having a degree or equivalent qualification. Our people are friendly, welcoming, collaborative and proud of their history. They have a strong and distinctive sense of place, a capacity for resilience, ingenuity, and a deep and shared passion for our landscapes, cities and culture.

Demographics

In the North East LEP area there is a subtle difference to national trends. Whilst the area exhibits the same ageing trends as the national population it is growing more slowly, partially driven by lower levels of in-migration and partially by lower life expectancies. In fact, the home population net of migrants falls in more years than it grows, and it also remains less diverse. Whilst this presents some longer-term challenges for the productive capacity of the economy, it does provide a strong rationale for action in the region and means that the population is relatively stable and homogenous, creating a suitable location for testing and pilots.

Overall, these trends create opportunities and challenges for ensuring that older age is healthy and productive, with success in that respect likely to be driven by a combination of social and medical interventions. This therefore provides a key context for health and life sciences sectors in the region.

According to the latest (mid-2019) estimates, the proportion of the population that are of working age (age 16-64) in the North East LEP area was similar to that of England and slightly higher than that of England excluding London. However, the North East LEP area had an older age structure than the comparators with a larger proportion of the population in the 50-64 and 65+ age bands and a smaller proportion in the 0-15 and 25-49 age bands and projected population growth is forecast to be the lowest of the core city LEPs. Combined these trends means that there will be 10,300 fewer individuals of working age in the North East LEP area in 2028 than ten years earlier.

Qualifications

Working-age people in the North East LEP area have a lower qualifications profile than England excluding London with a higher proportion with no or low qualifications (NVQ Level 1 and 2) qualifications, a lower proportion with high (NVQ Level 4+) qualifications, equivalent to degree level or above. Among the eight core city LEPs, the North East LEP has the lowest percentage of 16-64 year-olds qualified to L4 and above and the highest percentage with low or no qualifications.

On a positive note, the qualifications profile of the North East LEP area is beginning to change.

Since 2014 the proportion of 16-64 year-olds qualified to level 4 and above has increased by 4.2 percentage points and younger people have a higher qualifications profile than older age groups, for example 43.7% of 25-29 year-olds and 41.1% of 30- to 39-year-olds in the North East LEP area have Level 4+ compared to 29.6% of 50-64-year-olds. Between 2014 and 2019 the North East had a higher percentage increase than England in the proportion of those aged 2-24, 25-29 and 30-39 qualified to this level.

Skills strengths

Overview

The North East LEP area is a modern, progressive, and outward looking region. Over recent decades, new industries have emerged, historic capabilities have been transformed and the North East's communities have continued to evolve.

Capabilities in engineering, marine and sub-sea technologies have been at the heart of its transition to become a global hub for energy and environmental technologies and a leading focus for growth in the renewables sector, with the capabilities to make a significant contribution to the global challenge of decarbonisation.

The region's passion and capacity for making high quality products has attracted global investment, in turn establishing the region as an advanced manufacturing hub for automotive, pharmaceuticals and other sectors and their supply chains.

The North East LEP area is globally focused, with strong export performance in goods and growing service exports. With the right interventions to protect and extend the North East LEP area's trading relationships with Japan, the US, Europe and India, the North East LEP area can build a wider international profile.

The regional area has quickly developed into a recognised hub for the creative industries, with fast growing digital industries and a prominent arts and culture scene.

Public services are an underpinning strength to the economy. High quality public health care and education services have provided support to its people, providing ladders of opportunity, skills, and good quality jobs. Together they offer a crucible for ideas, with the deployment of university science creating new opportunities for innovation and translation of health and life sciences, with the potential for ongoing service improvement and new industrial development.

The regional area has seen a growing presence in business services, with a significant footprint across financial, professional and business services, international quality consultancy services and emerging new strengths as technology and digital businesses find new business applications across the economy.

Health and social care, whilst not an 'opportunity area' is an important and large employment sector in the North East. The future workforce demand for health and social care across the UK is startling and the North East LEP area is no exception.

Nationally, the NHS employs 1.5 million people. It is the largest UK employer and one of the largest globally. According to a recent report by Ortus Economic Research ⁷ (see Annex B), the health and social care sector in the North East LEP area employs 125,000 people, accounting for 15% of total employment (above the national average).

Technology is transforming the health and social care sector. Although there has been high-profile failure to digitise secondary care ([National Audit Office, 2020](#))⁸, with the sector often characterised as a technological laggard, change is happening and will happen. We have commissioned research to consider the implications and opportunities for our labour market. (see Annex B)

⁷ Ortus Economic Research, (2021). Executive Summary: employment and skills needs of the offshore wind, tourism, and health and social care sectors in the North East LEP area. See Annex B

⁸ National Audit Office, (2020). Digital transformation in the NHS. Available at: <https://www.nao.org.uk/wp-content/uploads/2019/05/Digital-transformation-in-the-NHS.pdf>

Areas of opportunity

Within the North East Strategic Plan we describe four areas of strategic importance – Digital, Advanced Manufacturing, Health and Life Sciences, and Energy – these areas are where we can build a stronger North East economy; one that reinforces our position as a contributor to regional, national and global economic growth.

We also highlight four service sectors – Education, Financial, Professional and Business Services, Transport and Logistics and Construction – these sectors support the wider economy and offer significant opportunity for 'more and better jobs' in the North East.

Energy

Energy Strategy – Energy for Growth⁹

The North East LEP area has significant capabilities in offshore energy and subsea technologies, with these having the potential to contribute to delivering clean growth. Particular areas of expertise include subsea engineering, robotics, planning and development and the design and fabrication of components including pipelines, umbilicals and wind turbine foundations. These are supported by over 7km of deep-water quayside across the Ports of Blyth, Sunderland and Tyne, over 400 hectares of development land, with much of this having Enterprise Zone status, and test and demonstration facilities including the Offshore Renewable Energy Catapult's hub at Blyth, which includes the world's largest open-access facilities for testing wind turbines and power, and the only UK centre for testing offshore cables.

Three of the universities in the North East LEP area - Durham, Newcastle and Northumbria - have globally recognised research assets in this sector and host collaborative test facilities such as Tyne Subsea, a collaboration between Newcastle University and BEL Valves, offering leading commercial hyperbaric test facilities.

The North East LEP's location makes us well-placed to access key offshore wind development sites including Dogger Bank, Firth of Forth and Hornsea. Strengthening deployment in UK markets will create opportunities for the North East to export to global markets for offshore energy and other subsea sectors as they develop. The North East LEP is working closely with the Tees Valley Combined Authority, industry and this wider network through Energi Coast on a joint cluster strategy as one of the key clusters identified in the Offshore Wind Sector Deal.

Advanced Manufacturing

Manufacturing accounts for 16% of the North East's GVA, with specialisms in automotive and other vehicle manufacturing, pharmaceuticals and chemicals. The North East LEP area's manufacturing industries are key contributors to regional GVA, employment and productivity and the region has managed to retain a higher proportion of the regional economy in manufacturing than might have been expected relative to other comparator areas. Further sectoral and supply chain growth focused on those businesses in the region and through strengthened trade and investment will continue to add value.

The regional area is also seeking to strengthen innovation performance in manufacturing through a number of programmes and initiatives which focused on the economic sustainability of manufacturing, the shift to greener processes and products, and through a focus on digitisation. This drive to make North East LEP area manufacturing smarter and greener and to sustain and grow trade and inward investment will make important contributions to the future of mobility, clean growth and ageing society Grand Challenges and will be affected by the innovative technologies that are driving the AI and Data Grand Challenge. North East LEP area sectors are also able to contribute prominently to key Sector Deals, in particular, the Automotive Sector Deal, Chemicals and Life Sciences. Key assets include:

⁹ North East LEP, (2019). North East Energy for Growth. Available at: <https://www.nelep.co.uk/wp-content/uploads/2019/09/full-strategy-energy-for-growth-strategy.pdf>

In automotive, Nissan in Sunderland is the largest car plant in the UK, representing 30% of UK production capacity and 20% of Europe's electric vehicle construction. It is supported by over 240 businesses, including 28 Tier 1 suppliers and Europe's largest battery factor. Other vehicle manufacturers in the region include Komatsu, Caterpillar and Cummins (heavy construction and off-road equipment) and Hitachi (rail).

There are 14 pharmaceutical manufacturers in the regional area, including the large multinationals GSK and MSD and contract development and manufacturing organisations including Arcinova, Aesica, High Force Research, Sterling Pharma Solutions and Piramal. The region has particular expertise in high potency and continuous manufacturing. Key chemicals businesses in the region include AkzoNobel, Procter and Gamble, Thomas Swan and Kilfrost.

Health and Life Sciences

*Our strategy for regional growth and national change in health, life sciences and medicines manufacturing.*¹⁰

Working with and through the North East Health and Life Sciences Steering Group, the North East LEP has co-ordinated the development of this Health and Life Sciences Growth Strategy. It sets out how the region can deliver a strong contribution to the aims of the SEP through a focus on its established pharmaceutical manufacturing cluster, its range of health and life sciences capabilities in business and research, and its excellent public health services and supporting ecosystem. Together, these assets provide a compelling opportunity and competitive advantage for the region, with the potential to contribute to transformation of the productivity and structure of employment in the region, in turn inducing a wider set of economic benefits.

The North East has extensive life sciences, health research and innovation expertise, UK leading NHS trusts for both the quality of their health services and their research engagement and a significant clusters of innovative life sciences businesses and pharmaceuticals manufacturers, supported by Catapult facilities.

There are about 1,500 people in the North East LEP area working in around 85 enterprises undertaking health and life science innovation. There are also about 4,000 working in advanced pharmaceutical manufacturing. More broadly, about 125,000 people are employed in human health and social work activities and there are almost 70,000 health professionals and associate professionals.

Tech

*Digital for Growth Strategy*¹¹

There are about 2,200 digital businesses in the North East LEP area. This number has increased by 18% since 2015; bigger than the 14% increase nationally. The North East LEP area digital businesses are more likely to have ten or more employees than nationally (6%, compared to 5%). Most North East LEP area digital businesses (59%) undertake 'computer consultancy activities', but this is a lower percentage than nationally (63%). 19% of North East LEP area digital businesses are involved in business and domestic software development, compared to 17% nationally.

There are 24,000 people in the North East LEP area employed in digital industries, 2.9% of the total in employment, the same percentage as nationally but higher than the North of England as a whole (2.4%). The North East LEP area percentage is the third highest among the eight core city LEP areas with only the West of England (3.8%) and Leeds City Region (3.0%) having larger proportions of workers within these industries. The number employed in these industries in the North East LEAP area increased by 9% between 2015 and 2018, a larger percentage change than nationally (6%)

¹⁰ North East LEP, (2021). Our strategy for regional growth and national change in health, life sciences and medicines manufacturing. Available at: <https://www.northeastlep.co.uk/wp-content/uploads/2021/02/hlsciences-full-strategy-final-1.pdf>

¹¹ North East LEP, (2019). Digital for Growth The North East's Digital Strategy. Available at: <https://www.northeastlep.co.uk/wp-content/uploads/2019/10/digital-for-growth-strategy.pdf>

In addition to our Areas of Opportunity, we describe four further important service sectors, illustrated below. Our service sectors support the wider economy and offer significant opportunity for 'more and better jobs' in the North East:



Figure 3 - Service Sector employment in North East LEP area

Inclusive Digital Skills

UK Wide Context

A report by WorldSkills UK, with the Learning & Work Institute and Enginuity¹², published in March 2021 highlights gaps in digital skills provision, identified below:

Employers and digital skills

- Over nine in ten (92%) businesses say that having a basic level of digital skills is important for employees at their organisation, and four in five (82%) job vacancies ask for digital skills.
- Alongside the near-universal demand for basic digital skills, many employers require advanced digital skills, with one in four employers (27%) saying the majority of their workers require skills at this level.
- Demand for advanced digital skills has increased in recent years, and it is set to go on rising; three in five employers (60%) expect their reliance on advanced digital skills to increase in the next five years.
- While demand for digital skills is particularly high in some sectors – such as IT and communications – it is notable that in every sector, there is a near universal demand for basic digital skills, and significant demand for advanced digital skills.
- One in four (23%) employers say that their current workforce lacks the basic digital skills that they need, rising to over one in three (37%) in relation to advanced digital skills.
- Such skills gaps can have a significant impact on businesses; three in four (76%) businesses say that a lack of digital skills would affect the profitability of their business.
- There are also concerns about whether provision of digital skills is kept up to date with the rapidly changing demands of employers.
- Employers who do face digital skills gaps tend to rely on on-the-job training and recruitment to fill these gaps.

¹² WorldSkills UK, Learning & Work Institute and Enginuity, (2021). Disconnected: Exploring the digital skills gap. Available at: <https://www.worldskillsuk.org/wp-content/uploads/2021/03/Disconnected-Report.pdf>

Young people and digital skills

- Nearly nine in ten (88%) of young people say that digital skills will be essential for their career.
- Young people are 'digital natives' who have grown up surrounded by digital technology, and the majority (62%) are confident that they have the basic digital skills that employers need.
- However, fewer than one in five (18%) young people are confident they have the advanced digital skills that employers need.
- Three in five (62%) young males are interested in a digital career, compared to just two in five (42%) young females, and there is a similar gender gap in young peoples' confidence in their digital skills.
- Half (51%) of young people are interested in a career which will require advanced digital skills.
- Young people are keen to continue upskilling throughout their careers, with seven in ten (70%) saying they want an employer that invests in their digital skills.
- While there is significant interest in digital skills, there remains a digital divide, with many young people in digital poverty – on the eve of the pandemic, nearly one in ten (9%) young people had no access to a laptop, desktop or tablet at home.
- Digital poverty is particularly prevalent among those from lower socio-economic groups, where one in five (21%) households with children have no access to an appropriate device, and over one in twenty (6%) have no access to the internet.

Inclusive Digital Skills – North East LEP evidence base

Employment in digital occupations

There are 42,700 people in the North East LEP area working in digital occupations. This represents 3.5% of employment in the region, a smaller proportion than nationally (4.4%) and the second lowest among English regions. Two thirds of those employed in these occupations in the North East (28,700) are IT and telecommunications professionals with a further 21% being IT technicians. The remainder are directors and engineers. Employment in digital occupations in the North East region has increased by 24% in the past five years, a larger percentage increase than nationally (18%).

The North East LEP area had the largest percentage increase in the number of IT and telecom professionals of any English region during that period (up 44%, compared with 19% nationally). 85% of the 42,700 North East LEP area workers in digital occupations are male, compared to 83% nationally. 87% are employees, with 98% of these being in permanent jobs. Nationally, there is a slightly higher percentage of employees (89%) among workers in digital occupations. North East LEP area workers in digital occupations are less likely to be working full-time than nationally (91%, compared to 94%) but the proportion is still much higher than for all occupations in the region (73%).

Distribution of digital professionals and associate professionals

Using evidence from the Annual Population Survey (2016/18)¹³ and Employer Skills Survey (2017)¹⁴;

- the majority of North East workers in digital professional and associate professional occupations work outside the broad information and communication industry.
- about 42% of workers in these occupations do work in this industry but 11% work in manufacturing industries.
 - of the remainder, there are similar numbers in most broad service industries with the highest percentages in:
 - finance, insurance and real estate (7%),
 - public admin and defence (7%),
 - professional, scientific and technical activities (6%) and
 - distribution, transport, hotels and restaurants (6%).

¹³ Office for National Statistics, (2019). Annual Population Survey unpublished three-year analysis 2016–2018 (using the DCMS definition of digital occupations).

¹⁴ Office for National Statistics, (2017). Employer Skills Survey 2017.

Digital skills for life and work¹⁵

- 79% of adult residents of the North East LEP area have 'essential digital skills for life', 81% have 'foundation skills.'
- 64% think that their digital skills have increased in the last year, however, 26% feel that their digital skills are not good enough. These proportions are similar to the UK figures (78%, 81%, 65% and 27%).
- 35% of adult residents of the North East region have 'full essential digital skills for work'. This proportion is much smaller than nationally (47%)

Employer skills requirements

- 20% of skill gaps in the North East are a result of the introduction of new technology, compared to 18% nationally, respectively, 28% and 30% of North East LEP area businesses with hard to fill and skills-shortage vacancies state that these have resulted in difficulties introducing technological changes. These are much higher percentages than nationally (20% and 22%)
- Among North East LEP area businesses anticipating a need for new skills in the next 12 months, almost half (48%) mention digital skills with 30% citing advanced or specialist IT skills. 48% of North East businesses who have recently provided training had included training relating to new technology. The above three percentages match the national equivalents.

North East LEP Skills assets - resources and specialist provision

The North East LEP area has the full range of educational settings and provision. Across the constituent seven local authorities there are 807 primary schools and 225 secondary schools (DfE). These are made up from:

- Academies, government funded but run by an academy trust rather than a local authority.
- Colleges - providing full-time study at Key Stage 4.
- Independent schools - privately funded.
- Maintained schools - government funded and run by a local authority.
- Special schools - schools that specialise in educating pupils with special educational needs.

Within the North East LEP area there are two University Technical Colleges one with a specialism of engineering and the other Digital and Health and Life Sciences

The percentage of all North East LEP area pupils achieving the expected level in reading writing and maths at the end of key Stage 2 has been above the England average since 2015. However, outcomes at key Stage 4 are significantly lower than in other regional areas and the progress made at secondary school is below the national level, it is worth noting that contextual factors do not feature as part of these performance indicators. The proportion of secondary schools to be judged as good or outstanding is also below the national average (2019) while the proportion of primary schools in those categories is above the England average.

¹⁵ Lloyds Bank UK, (2019). Consumer Digital Index 2019 (regional data only). Available at: https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/lb-consumer-digital-index-2019-report.pdf

Further Education

In the North East LEP area, further education (FE) is delivered across a range of nine FE colleges, independent learning providers (ILPs), other publicly funded organisations, higher education institutions (HEIs), schools and sixth forms. We know that colleges are strategic leaders in their locality to ensure an effective skills system that responds to the needs of local communities and businesses.

Colleges and independent learning providers are also key partners for translating the North East LEP's economic vision of 'more and better jobs' into a reality;

- A recent survey of FE colleges recorded a strength in engineering and manufacturing technology SSA, indicating that the North East has a well-developed strength in education in this sector subject area.
- The majority of skills facilities were built or have undergone major refurbishment in the last 15 years and are generally well equipped for modern teaching, enabling them to quickly respond to a virtual mode of teaching in line with COVID-19 restrictions.
- There are 358 independent learning providers delivering FE level training to residents in the North East LEP area. As well as 40 schools/sixth forms, HEIs and other public sector organisations delivering FE level learning and training ¹⁶.

Higher Education

- The higher education institutions in the North East LEP area play a vital role helping to build a strong regional economy, from their contribution to innovation, social mobility and workplace productivity, to the role they play in bringing skills and investment to the North East's economy.
- Higher education is delivered by four universities;
 - Newcastle University
 - The University of Sunderland
 - Durham University
 - Northumbria University.

Provision that meets skills needs

Across the education and skills sector, there have been a number of developments to ensure the offer is economically relevant and developing to meet emerging skills needs:

- **Northumberland College STEM hub** - state-of-the-art facilities in health care (Health Hub), digital academy and STEM hub (engineering, advanced manufacturing, renewables, network engineering, health science and pharmaceutical)
- **Mathematics School 2022** – Durham University in partnership with Durham Sixth Centre will open a new flagship mathematics schools to help raise attainment in mathematics and other STEM subject areas.
- **Eagles Community Arena** – providing a community venue for sports participation, vocation training, health & wellbeing provision and events.
- **Beacon of Light** – a strategic regeneration and skills capital project focusing on education, health & wellbeing, sport & play and world of work (providing employability skills) delivered in partnership with the Stadium of Light Foundation.
- **East Durham College, Rural Skills** – major redevelopment and refurbishment of Houghall Campus including construction of a consolidated building for students with high educational needs, and an extended offer in land-based, wildlife management, agriculture, small animal care, vet nursing and equine training.
- **South Tyneside College marine school** – refurbishment of marine and offshore technology facilities to increase capacity for students.
- **Blyth Education and Community Hub** – creating a training centre for offshore and wind energy technologies, in partnership with Newcastle University.

¹⁶ Department for Education, (2020). Statistical data set: Further education and skills data. Available at: <https://www.gov.uk/government/statistical-data-sets/fe-data-library-further-education-and-skills>

- **Bishop Auckland College** – structural investment in South West Durham Training building (dates back to 1960s)
- **TyneMet College STEM & Innovation Centre facilities** – providing STEM vocational training to support engineering and manufacturing local industries.
- **South Shields, Metro Training Maintenance Skills Centre** – improved maintenance facilities supporting more comprehensive training, apprenticeships and skills opportunities for Nexus and Metro staff.
- **North East Institute of Mining** – providing modern facilities including training workshops and lectures, in the Hall's Common Room of the Great North, bringing local engineering businesses and learners together to halt the outflow of engineering skills from the region and encourage study in the field of engineering.
- **Sunderland College** – transformation of Bede Campus to include a 360-degree immersive visualisation 'dome' that will allow students to train in several virtual reality environments.
- **Tyne Coast** – relocation to modern facilities in South Shields town centre.
- **Derwentside College** – expansion of construction workshops

Specialist technical provision

North East Institute of Technology

The North East Institute of Technology (IoT) led by New College Durham, is delivered through a partnership of Sunderland College, East Durham College, Middlesbrough College, Tyne Coast College and NA College Trust. Working alongside strategic partners Nissan, EshGroup and Newcastle University to deliver quality higher-level technical training in subjects such as digital, advanced manufacturing and engineering. The IoT aims to help close skills gaps in STEM areas and focus on the specific technical skills required to provide employers with the skilled workforce they need, using professional grade equipment to help produce work-ready employees.

Skills needs

In 2019, the Employer Skills Survey carried out by Department for Education demonstrated the skills that will need to be developed in the workforce. This is shown below. As the economy moves from rapid response to recovery from COVID-19, this may change, however the trends will remain similar. This, and the evidence being developed through commissioned research (detailed in Section 6) informs and will inform the strategy outlined in Section 4.

Table 2 – Skills needs – Employer Skills Survey

Skills that will neStrategic Skills Priorities	England	North East
Specialist skills or knowledge needed to perform the role	50%	46%
Knowledge of products and services offered by your organisation and organisations like yours	48%	42%
Adapting to new equipment or materials	45%	41%
Solving complex problems requiring a solution specific to the situation	38%	31%
Reading and understanding instructions, guidelines, manuals or reports	30%	24%
Knowledge of how your organisation works	30%	25%
Computer literacy / basic IT skills	30%	26%
Advanced or specialist IT skills	29%	27%
Writing instructions, guidelines, manuals or reports	23%	21%
More complex numerical or statistical skills and understanding	18%	14%
Basic numerical skills and understanding	16%	15%
Manual dexterity	14%	13%
Communicating in a foreign language	9%	8%
None of the above	11%	16%

Section 4. Skills strategy

Enhancing our region's skills base is essential to improving our economic performance. Investment in skills helps individuals access available employment opportunities, establish businesses and build careers. At an economy-wide level, it helps drive productivity growth and social mobility.

This investment will be most effective if it reflects the skills needed by employers, ensuring alignment between labour demand and supply. This is particularly important at the current time, as the region's economy, pre COVID-19 pandemic, was going through a period of transition.

Compared to the national position, the North East LEP area has fewer employment opportunities per head, resulting in a lower employment rate. The North East LEP area also has a lower qualifications profile with a larger proportion of individuals having no qualifications and a smaller proportion with high level qualifications (degree level or above) The North East also has lower earnings, with median earnings just 90% of the England rate. Whilst wages have increased by 11% since 2014, this is a lower rate of growth than in all but one of the other core city LEP areas and the gap with England has increased. The North East has lower levels of in-migration, from both the rest of the UK and internationally. In particular, most graduates employed in the North East grew up here and/or studied here – with the region not attracting those from other regions.

However, the North East LEP area's labour market is undergoing a significant shift. Since the publication of the North East LEP's Strategic Economic Plan¹⁷ in 2014 (and pre-March 2020) employment had increased by 73,000, with this increase being driven by increases in managerial, professional and technical roles. Unemployment and economic inactivity had decreased, with particularly strong improvements for women. We had seen increasing qualification levels, with the proportion of those in the North East LEP area with high level qualifications increasing and the proportion with no qualifications decreasing. There have been particularly strong increases in the proportion of young people (aged 20-24) qualified to degree level and above.

Whilst each of these trends are to be welcomed, any period of change in the labour market tends to lead to issues of mismatch. For example, businesses in the North East are more likely to report difficulties in recruiting professional and skilled trade workers than the national average. This suggests that the supply of workers with these skills has not kept up with the increasing demand. Similarly, increasing demand for digital skills are leading to mismatches.

Other significant challenges include:

- Whilst primary school performance is amongst the best in the UK, The North East has poorer outcomes at secondary level and significant variation across schools.
- Fewer North East school leavers going on to attend the top performing UK universities.
- Employers are under-investing in the training and workforce development with this being particularly acute in some sectors.

Looking forward, the North East has several strengths that it can draw on to deliver excellent quality employment opportunities and earning potential for residents including:

- The region performs well in relation to the number of students (at school, college and university-level) studying science, technology, engineering and mathematics (STEM) subjects. However, increasing demand will mean that further take-up is required.
- The high quality of technical education in the region. Apprenticeships have historically been an important part of North East skills provision and uptake of higher and degree apprenticeships is higher than the national average.

¹⁷ North East LEP, (2020). The North East Strategic Economic Plan – January 2019. Available at: <https://www.nelep.co.uk/wp-content/uploads/2019/03/ne1404-sep-refresh-2018-web-new-final.pdf>

- The North East has a strong and diverse university sector, with over 85,000 students studying at four universities. The sector is outward-focused, with over 17,000 international students and campuses in Malaysia and Singapore (Newcastle University) and Hong Kong (University of Sunderland).
- The North East's schools, colleges and universities are rated highly. 21% of North East schools are rated as outstanding by Ofsted, with a further 61% rated as good. Primary school performance is amongst the best in the UK.

Key inclusion challenges include:

- A number of communities that were severely affected by previous periods of economic change and have not yet recovered, and these communities are far more likely to be most impacted by economic challenges due to COVID-19.
- Lower levels of social mobility and progression within the North East had historically been exacerbated by a lack of good quality careers guidance and understanding of progression opportunities.
- It is envisaged that the EU transition will create challenges for several sectors that draw heavily from a migrant workforce and/or are labour intensive. These include agriculture, construction, contact and customer services centres, health and social care, hospitality and retail.
- Some groups are more likely to be out of work than others, including those with health issues and disabilities.
- There is growing evidence of in-work poverty across the UK, the North East need to ensure that it focuses on creating opportunities that offer good wages, hours and working conditions to provide opportunities to move out of poverty.

Strategic Skills Priorities

In response to the skills needs outlined in Chapter 3, we have identified the following strategic skills priorities, aligned to the Strategic Economic Plan priorities – skills, employment, inclusion, and progression.

Table 3 – Strategic Skills Priorities

Deliver North East Ambition	Build on the success of the Gatsby Good Career Guidance Benchmark pilot with schools, colleges and employers delivering outstanding careers guidance from primary education to employment.
Deliver Education Challenge	Work with partners to support school leaders, teachers and governors to reduce the gap between our best and lowest performing schools and to ambitiously aim that all students have the opportunity to be educated in good or outstanding schools.
Improve skills progression	Improve skills progression by encouraging the provision of high-quality opportunities to learn through further and higher education (FE/HE) and other providers.
Increase youth employment	Increase youth employment by creating and building pathways for the most vulnerable and disadvantaged young people into education, training and employment and helping young people understand why skills development is beneficial.
Improve labour market activation	Encourage the commission of holistic approaches that include employers and the integration of services so people facing health barriers are fit for work, have a clearer path to career progression, and that organisational culture prioritises wellbeing to reduce excessive workload and stress.
Ensure connected communities	Increase social mobility and economic activity by working with partners to increase access to digital skills.
Help deliver Fuller Working Lives	Reduce inactivity levels in our older workforce and help older employees develop new skills, encourage flexible employment and offer specific support to those out of the labour market.

Table 4 – Priority and supporting rationale

Skills priority category	Priorities and supporting rationale
Cross-cutting skills priorities (far-reaching, cross-sector)	<p>Ensuring skills provision meets current demand.</p> <ul style="list-style-type: none"> • The Skills Advisory Panel (SAP) is in place to facilitate discussions and action to address mismatches between skills supply and employer demand more effectively. • A strong emphasis is placed on linking engagement with employers, workplace experiences and curriculum learning to labour market information and the North East's employment sectors through the Education Challenge. • The North East are developing robust labour market information through the North East's SAP and have commissioned work to look at future skills needs within key sectors to inform this priority. • Employers have access to a network of education and training providers (colleges, schools, independent learning providers, higher education) that offer a demand led, flexible provision, meeting the current/future economy skills needs.
	<p>Good Career Guidance – all ages</p> <ul style="list-style-type: none"> • Ensure that all people in the North East's region have access to and understand labour market information and have access to good career guidance. • Intensive support is in place through the North East's North East Ambition programme, to support schools, colleges, universities and independent learning, including SEND, to deliver outstanding careers guidance. • The world of work is changing and will continue to do so at a rapid pace – it is not enough to only provide careers guidance to people in formal education.
	<p>Apprenticeships</p> <ul style="list-style-type: none"> • The North East are actively promoting the importance and benefits of apprenticeships as a means of plugging technical skills gaps. • Leading the North East LEP Apprenticeships steering group, working in partnership with ESFA, Institute for Apprenticeships & Technical Education and the Apprenticeship Ambassador network to facilitate collaboration between education and learning providers to ensure the apprenticeship offer in the region meets current and future skills needs. • We are supporting career practitioners to embed Apprenticeships in their careers practice and are working with DfE and Gatsby to progress with local providers involved. • As the English region with consistently the lowest number of Apprenticeship starts, through North East Ambition we are developing a Skills Portal to encourage the take up of Apprenticeships.
	<p>Higher and technical education</p> <ul style="list-style-type: none"> • The North East are supportive of T-Levels and are working with teams in government and institutions (including the North East Institute of Technology) in the North East who are currently piloting T-Levels to develop best practice for employers and learners. • Supporting education and skills partners to implement good quality T-Levels and specialist technical education to widen choice for young people. Facilitating collaboration to enable effective design and increased demand through;

T-Level Stakeholder group – National stakeholder group to capture the collective offers from Government, sector representatives (AOC, ETF) and Awarding Organisations and highlight challenges in delivery

- Attracting and engaging employers given complex skills system
- Ensuring all the support available to Providers and Employers reaches them
- Fulfilling future industrial placement requirements when T-Levels are scaled up
- Understanding progression routes

T-Level Provider group - Provider group (4 Colleges, 1 Sixth Form Centre and 3 Schools)

- understand the T-Level offer in the LEP area
- support collaboration between providers and employers in the design and delivery of T-Levels
- identify challenges for making T-Levels a success in the North East LEP area and where appropriate, using the Skills Advisory Board and/or the T-Level Stakeholder Group as a vehicle to support and drive change
- raise the profile of the T-Level offer in the North East LEP area across a variety of audiences such as Career leads and teams within Schools, Colleges and ILPs, Employers, Learners and Parents
- raise awareness amongst T-Level providers of the progression routes available for learners across the North East LEP area e.g. HTQs, Apprenticeships etc.
- champion success at a regional and national level

Cross-cutting skills priorities (far-reaching, cross-sector)

T-Level Route groups - encouraging collaboration at a route/pathway level to share good practice/ lessons learnt, maximise workforce development opportunities and adopt a coherent approach to maximising employer engagement. Route groups bring together:

- the teacher leads and industrial placement co-ordinators
- local Awarding body lead(s)
- the regional facilitator from Education Training Foundation (ETF)
- Employer representation from for example, membership organisations (NECC, CBI, FSB) and sector representatives such as CITB, HEE, Catapults and key employer partners.

Ensure that the North East's approach to productivity is inclusive

- with a particular focus on supporting people who are out of the labour market or cycling in and out of low paid roles into sustained, good quality employment, with progression opportunities. The North East need to:
 - Improve adult basic skills, including digital
 - Support people with disabilities and health conditions
 - Support progression from low pay to address in-work poverty
 - Support to ensure those that are currently out of the labour market also receive careers guidance.
- Work with business, education and learning partners to improve the take up of traineeships as a progression pathway to Apprenticeships and other employment opportunities
- North East LEP is an approved Kickstart Gateway organisation and is working with businesses to increase engagement with Kickstart and other initiatives such as government grants for employers.

Continue to work with partners to deliver and expand our COVID-19 Recovery and Renewal Deal around the themes of

COVID-19 recovery and renewal skills priorities

- **Job recovery** - rapid and sustained interventions to help people into jobs and training, including a jobs recovery programme that will provide jobs and training for 20,000.
- **Building the economy of the future** - maximising the potential of our existing assets and exploring opportunities to enter new markets and supply chains – powered by innovation.
- **Supporting businesses** - rapid recovery of businesses and sectors.
- **Communities and place** - creating resilient places and strong communities as they adapt to living with COVID-19, as well as other challenges and opportunities and supporting the cultural recovery.
- **Digital and connectivity infrastructure investment** – building infrastructure to lead transformation and encourage future investment.
 - Implementing targeted packages of support for businesses to develop the ability to respond to economic shocks within the workforce. Accessing ESF funding to provide SMEs with detailed skills audits, tailored skills action plans and support to navigate the skills provision.
 - Supporting employers to offer work experience, work placements and industrial placement taking account of COVID-19 workplace restrictions. Piloting and testing resources to enable employers to deliver virtual work experience, work challenges and industrial placements.
 - The future skills requirements further support the North East’s ambition to ensure that outstanding careers provision is available to each and every person in and out of the labour market within the North East’s region.
 - Through North East Ambition, focusing support for the hardest hit by the economic downturn by promoting and maximising the impact of government initiatives such as Kickstart, Skills Bootcamps, employer grants for Apprenticeships and Traineeships.

Fusion skills

- The North East has a regional fusion skill working group that is focused on convening schools, universities, businesses, and colleges, to explain the concept and gaining buy-in to scope and deliver the pilot.
- Be the first in the UK to deliver a pilot that demonstrates how fusion skills (STEM and arts and design skills) are imperative for success in an A.I workplace. The pilot will consider the blending of human and machine talents within a business process, with a view to create better outcomes than when each works independently.

Technical Education

- Address the North East’s current and future skills gap. The North East’s evidence tells us that these will largely be in technical level occupations and STEM focused growth sectors.
- The North East know that the North East’s growth sectors are primarily STEM focused and need a strong skills pipeline if they are to reach their full potential. Support around skills and promoting T-Levels, is embedded within the sector and cluster development plans.
- Through good careers guidance from primary age, through secondary education and into further education highlight the opportunities and future roles associated with STEM, arts and design skills, routes and pathways into good jobs through T-Levels, apprenticeships or academic routes.
- Our sector strategies will allow us to develop STEM- related skills interventions to try to ensure a pipeline of appropriately skilled individuals who understand the opportunities to stay and grow their career in the North East LEP region.
- Continue to support the development and growth of the North East Institute of Technology, the region’s two UTCs and STEM provision across primary, secondary and tertiary education.

STEM Sector priorities (or occupational priorities)

Inclusive Digital Skills

- The North East want to empower individuals to take action to future proof their career by having the opportunity to develop skills and access training in line with labour market demand, for example, the opportunity to develop digital skills.
- Ensure that everyone in the North East is able to develop their digital skills, regardless of age, career stage, background, or sector. This reflects the critical importance of a digitally enabled workforce for a productive economy.

Section 5: Skills action plan

Using the Skills Advisory Panel's evidence base and wider consultation with our stakeholders and partners we have developed a skills action plan. The skills action plan identifies specific activity and programmes against the Strategic Economic Plan priorities for Skills, Employment, Inclusion and Progression.

Recommendations from the evidence base:

- Ensuring provision to support young people to develop their skills is aligned to current and future skills needs.
- The profile of skills shortage vacancies should be used to help shape the focus of future employer engagement activities and provision.
- Improving understanding of the training and development needs of the existing workforce and how these can be met.
- The SAP strengthens its evidence base on destinations.
- A need to review skills provision to establish whether changes are required to support men to access available employment opportunities. Changes may be needed in relation to subject areas, mode of delivery and/or how courses are promoted to these target groups.
- Ensuring that the North East can maintain and build on its good labour market performance amongst women. It will be important to ensure that women are able to reskill given that evidence suggests that women's roles are at greater risk of automation than men's over the next 10 years.
- Developing skills provision that will help those that are currently not in work to access and progress in employment.
- Ensure that skills provision reflects not just the needs of the region but also the needs of specific communities within the North East.

Skills Action Plan - Delivering our ambition:

Strategic Skills Priorities	Strategic objective	Action	Timescale
Deliver North East Ambition	Deliver outstanding careers guidance from primary education to employment.	<p>Excellence in Careers Guidance.</p> <p>Examine how North East Ambition can learn lessons from its successes in schools and colleges and extend support to those already in employment and widen the scope of North East Ambition to VSOs, the third sector and independent learning providers.</p> <p>Evaluate the careers module in initial teacher training at a primary level.</p> <p>Continue to deliver training and development to support partners to collect, analyse and share destination data.</p>	Long term

Deliver Education Challenge	Reduce the gap between our best and lowest performing schools and to ambitiously aim that all students can be educated in good or outstanding schools.	<p>Opportunity North East. Expand the support offered to One Vision schools, aiming to improve the destination outcomes of a selected cohort through targeted and personalised careers advice and interventions over three academic years.</p>	Medium term
		<p>School Governance. Develop a strategy for the North East LEP to capitalise on its position as the only LEP to be a School Governor Champion to encourage LEPs to recruit businesses, particularly from SMEs, to be school governors.</p>	Short term
		<p>Ford Next Generation Learning. Expand the pilot work with further institutions to support effective partnerships between education leaders, teachers and employers to provide high quality learning opportunities for young people ensuring they are prepared to succeed in their next steps.</p>	Short term
Improve skills progression	Improve skills progression by encouraging the provision of high-quality opportunities to learn through further and higher education (FE/ HE) and other providers.	<p>Graduate retention and talent attraction: prepare an impactful plan to promote the North East as a location for recent graduates and skilled workers (Live, Work, Stay strategy).</p>	Long term
		<p>Developing pilot projects: Look for opportunities to pilot an employability or Fusion Skills framework so that individuals can demonstrate core competencies aiding access to employment and progression opportunities, to create an inclusive and agile workforce with the skillset to keep pace with the challenge of change in demand for skills and to make the most of the opportunities that advanced robotics, autonomous transport, AI and advanced materials will bring to the North East.</p>	Long term
		<p>Building an evidence base: Analyse data to establish if there is evidence of barriers in entry to apprenticeships and develop a strategy to address any gap in provision of traineeships.</p>	Short term
Increase youth employment	Decrease youth unemployment. Increase youth employment by creating and building pathways for the most vulnerable and disadvantaged young people into education, training, and employment.	<p>Developing future programming: Provide specialist intensive support for those most distant from the labour market because of disadvantage, poverty and poor physical and mental health, by developing calls through the remaining European Social Fund (ESF) programmes to tackle the most acute challenges in targeted and holistic support. Examine how learnings can feed into replacement investment post-European funding.</p> <p>Look at innovative ways to help young people who can develop their digital skills.</p>	Short term
		<p>Access to apprenticeships: Grow the number of apprenticeships by developing access courses in consultation with local employers and training providers.</p>	Long term
		<p>Building an evidence base: Formalise learning from the highly successful Generation North East and develop future models to prevent youth unemployment.</p>	Short term

Improve labour market activation	<p>Improve labour market activation: Encourage the commission of holistic approaches that include employers and the integration of services so people facing health barriers are fit for work, have a clearer path to career progression.</p>	<p>Building an evidence base: Analyse data from successful programmes such as Mental Health Trailblazer and Working Links and link data national level evidence from organisation such as the Learning and Work Institute.</p>	Medium term
		<p>Developing Future Programming: Use the evidence base to develop a strategy using the evidence to inform future funding and investment post- European structural funds.</p>	Medium term
Ensure connected communities	<p>Increase social mobility and economic activity by working with partners to increase access to digital skills.</p>	<p>Develop new programming: Scope out projects that provide targeted support for communities and individuals, focusing on those with multiple barriers or protected characteristics, and ensure this is a strategic funding priority.</p>	Medium term
		<p>Identify key barriers and challenges (e.g. geographical and access to training) in order to use an evidenced based approach to deploying resource.</p> <p>Work with third sector to ensure that digital inclusion is a critical part of the digital for growth workforce strategy.</p> <p>Work to secure funding and other resources to ensure that all North-East residents can develop their digital skills regardless of their age, location, or economic status.</p> <p>Working with government departments, combined authorities, local authorities as well as local communities, the voluntary sector, and businesses to prioritise digital skills.</p>	
Help deliver Fuller Working Lives	<p>Reduce inactivity levels in our older workforce and help older employees develop new skills, encourage flexible employment, and offer specific support to those out of the labour market.</p>	<p>50+ Choices: Work with Education Development Trust to support Skills Facilitators to engage with SMEs to understand the importance and productivity benefits of a mixed age workforce and access various targeted schemes that can help the upskilling and retention of the key 50+ workforce.</p>	Short term

Section 6: Assessment of progress

Overview

As the North East LEP, we are governed by our LEP Board which comprises of business leaders, education providers, economic experts and local authorities. It is at North East LEP Board meetings that key decisions are made. The Chair of the LEP, Lucy Winskell is also Pro Vice-Chancellor (Employability and Partnerships) at Northumbria University.

We also have an investment board and three advisory boards to drive forward our delivery programmes while our executive team is responsible for the day-to-day delivery of each programme.

The North East Skills Advisory Panel leads on the delivery of the strategic skills, employment and superseded the previous Employment and Skills Board.

The Skills Advisory Panel has a strong regional membership including representatives from business membership organisation, sector groups, the TUC, the voluntary sector, HE, FE, learning providers and schools. We also have a range of both small and larger employers, including those from our growth sectors and large employment sectors, including the NHS. Our SAP Chair is also the FE representative on the main board, and we have several main board members on the SAP.

We also have several skills steering groups, leading on key strategic programmes – careers, apprenticeships, technical education and employment, inclusion and progression and the LEP has a key role on the region's ESIF committee as well as several national steering groups, advisory groups and working groups to ensure the North East is represented.

COVID-19 Early-Stage Response

Since March 2020 the Skills Advisory Panel has provided a single point of coordination between government bodies, regional agencies, education organisations and local authorities in the North East COVID-19 Skills response.

During the early stages of the COVID-19 lockdown, the SAP met weekly and subsequently made a commitment that throughout the continued COVID-19 pandemic it will meet monthly. Through its membership which includes organisations such as the CBI, TUC, North East England Chamber of Commerce and representatives from schools, further and higher education providers, and independent providers, small and larger employers, the NHS and government it has continued to inform and be informed on local, regional and national policy, initiatives and programmes.

Labour market

The North East Skills Advisory Panel has been working to understand the region's current and future skills needs and labour market challenges. The membership of the SAP provides strategic leadership around skills matters and brings together a group of strategic partners and business decision makers to oversee skills policy development, intelligence sharing and implementation. The key focus of the SAP since inception has been far reaching:

Build Influence and local leadership role

We have:

- produced materials, disseminated and presented analysis and strategy to relevant stakeholders at Skills Advisory Panel meetings and wider, for example through the North East Data Hub, the North East Ambition portal, presentations to career leaders, presentations to CBI, Chamber of Commerce, FSB members, presentations to AoC regional meetings, head teacher groups, local authority careers groups, governing bodies of FE colleges, schools, the IoT, UTCs and Independent Learning Provider network meetings as well as interested national and international organisations.
- held workshops or other events to present and further explain analysis and strategy to relevant stakeholders and encourage stakeholders to work collaboratively with the local area to resolve local skills challenges. For example we recently held an employer event jointly with the DfE, ESFA and DWP as well as the CBI and TUC and over 180 SMEs to present the opportunities from the Jobs Fund including traineeships, apprenticeships and Kickstart.
- delivered activities that ensure the underlying policy work and papers that drive decision-making at the SAP are high-quality including a review of the Skills for Jobs White Paper, and the strategic opportunities for the North East.

Build and increase analytical capability

We have agreed the following as key priorities to 2024:

- produce further rounds of analysis in relation to economic shocks to allow the SAP and wider LEP to respond accordingly;
- undertake additional analysis, and/or deep dives into areas of particular interest around local skills needs and labour market challenges;
- respond to particular aspects of the feedback received from DfE as a result of the recent progress review;
- fund staff or specialist contractors to further develop the analytical framework;
- upskill staff to build and increase the analytical capability of the SAP and to help embed sustainability;
- undertake activities to ensure relevant stakeholders have the capability to interpret and act on the analysis and the evidence base developed by the SAP;
- fund access to data and analytical software and tools;
- undertake consultations/policy development work that will aid the turning of local skills and labour market analysis into effective action plans.

From its inception, the SAP has commissioned a number of research and analytical projects in order to further explore and understand the current and future skills needs across a range of North East key sectors and technical skills requirements are part of this work. Examples of research projects include:

Assessment of employment and skills needs in the North East

A study to collate and analyse data on employment and skills needs of the North East offshore wind sector, tourism and digital employment and skills needs in health and social care sector, and the extent to which these are being met. This included a detail analysis of existing datasets including the Office for National Statistics (including Annual Population Survey, UK Business Counts and Business Register and Employment Survey), DfE and HESA. The work also included a detailed survey of employers to capture their employment and skills needs, through a telephone questionnaire and in-depth qualitative interviews to explore certain themes in more detail.

Scoping exercise of methods to assess future skills needs

A study to identify, scope and develop new or innovative methodologies to undertaking future skills assessments. This study focused on methodologies that have a track record in supporting decision-makers understand and plan for the future but are not frequently applied in relation to skills planning. The research questions for this study included:

- What methodologies can help the North East Skills Advisory Panel understand the future skills needs of sectors?
- Which of these methodologies should the North East pilot and why?
- What needs to be in place for these methodologies to be piloted in the North East?

Piloting innovative approaches to assessing future skills needs

Based on the afore mentioned methodological project, the SAP commissioned a research project to pilot the innovative approach to assessing current and future skills needs within two specific sectors, health and social care and green economy. This work is seeking to understand:

- What are the social, political, economic, environmental and technological trends that will impact on the North East offshore wind sector; tourism and digital skills within the health and social care sector and how will these impact on skills needs of the sector?
- Exploring the implications of these trends on skills needs rather than on undertaking primary research into the trends. Looking at employers that are considered to be industry-leaders in the identified sectors (for example, growth businesses, businesses that have successfully developed their presence in global markets and/or that are engaged in innovation):
- What are the skills and capabilities that have helped them achieve their success and how did they access these?
- What skills and capabilities do they think will be important to the next stage of their development?

This work includes a reflective piece so that the SAP can continue to learn and adapt the research approach, with the intention that this methodology will be rolled out. This will enable the SAP to understand future skills needs within other key sectors in the region.

Development of an assets and capability map of skills provision

The SAP has the development of an assets and capability map to provide a detailed overview of current skills provision including the physical assets and capabilities underpinning it and complementing the wider research programme to understand skills demand in the North East LEP area. It covers post-16 skills provision including further education institutions, higher education institutions and private training providers. This work also explores how our assets, provision and capabilities can meet current and future regional skills demand and will be used to inform future investment in infrastructure, provision and resources.

Health and Life Sciences Sector Skills Assessment

Building on the employer's surveys conducting in the afore-mentioned research projects, researching the pharmaceutical manufacturing sector in the North East. Recognising the forecast growth potential of the sector (identified in the Science Industry Partnership's 2020 Skills Strategy) and the future market opportunities identified by the North East LEP's Health and Life Sciences Steering Group. The aim is to understand the industry needs and the provision needed to meet the existing and future needs in skills, training and employment.

Digitally enabled workforce

The SAP has commissioned work to look at the application of digital technology across all sectors to analyse future skills demand. As part of the North East Digital for Growth Strategy, there is a working group specifically focussed on workforce to prioritise activity require by education, employers and society to ensure the North East has an inclusive digitally enabled economy.

Understanding the Digital Divide in the North East

The COVID-19 pandemic has caused disruption to economies and societies across the world. It has brought into sharp focus the scale and impact of digital exclusion across the UK. Digital exclusion, where people lack digital skills, connectivity and accessibility, has been recognised as a problem for several years and is most likely to impact the most disadvantaged individuals and communities. Concerns about digital exclusion have been exacerbated by the pandemic, during which time access to the internet and digital devices have been vital to enabling people to access services and maintain social contact. This project will explore the nature and extent of digital inclusion across the region; the impact it has on people's engagement in learning, job seeking and accessing services and how the global pandemic has exacerbated digital exclusion challenges. The work will inform the SAP's response to the issue and inform an action plan to address the problem.

Co-development of projects, business cases and other provision

The SAP have supported education and skills providers and employers in the development of applications, business cases and projects to develop and deliver skills solutions to meet skills and labour market needs in the area:

Supporting national skills initiatives:

- **Skills Boot Camps** - worked closely with FE, HE and learning providers to facilitate a regional partnership submission for a Department of Education Digital Skills bootcamp pilot.
- **Development of Institute of Technology** - led by New College Durham, in partnership with Sunderland College, East Durham College, Middlesbrough College, Tyne Coast College and NA College Trust, delivering quality higher-level technical training to help close skills gaps in STEM areas.
- **Kickstart** – North East LEP is an approved DWP Kickstart organisation, supporting a cluster of, to date over 90 business, to deliver Kickstart programmes and support progression to employment for eligible young people.
- **50+ Choices** – one of ten LEPs to secure DWP funding to deliver a pilot project to support SME engagement with the Mid-Life MOT initiative as part of DWP's 50+ Choices strategy.

Accessing ESF funding to deliver:

- **North East Ambition** – supporting all North East LEP area schools and colleges to achieve the Good Careers Guidance benchmarks by 2024. Enhancing the provision of good-quality career guidance by providing a range of resources for schools and colleges.
- **SME skills support** - working in partnership to expand the North East Ambition programme to support SMEs to navigate the skills system and encourage engagement with education to provide a pipeline of informed young people entering the future workforce.

Supporting regional stakeholders to access ESF funding to deliver:

- **Generation North East** – which has supported over 6,500 individuals (18-29yrs) with over 2,500 of those moving into employment/self-employment. The successful collaboration of Newcastle Futures, Gateshead Council, North Tyneside Council, Northumberland County Council, South Tyneside Council, Princes Trust and led by Newcastle City Council, it leaves behind a legacy of improved youth employment support and several innovations for the ongoing work of employability providers.
- **DurhamWorks** – a YEI programme that has now supported 8,210 young people since its commencement in January 2016. 5,117 have completed the programme and of those 4,380 (86%) have progressed into employment, education or training or gained a qualification.
- **DurhamEnable** – received ESF approval to introduce a new Supported Employment service across the county, building on the success of DurhamWorks, supporting 900 County Durham residents with disabilities to move into or closer to employment.
- **Good Work** - the SAP has supported the development of a partnership project with Durham University to develop a series of case studies looking at 'good work'.

Continued COVID-19 recovery and renewal

In response to feedback from careers leaders and employers a Work Experience Framework has been developed and tested to support schools, colleges and employers to deliver meaningful encounters both virtually and in a blended approach once COVID-19 related restrictions allow. The framework includes employability skill activity as well as 360°workplace tours and employer talking head videos.

The Skills Advisory Panel has identified the impact on COVID-19 on apprenticeship delivery as a priority. This is now part of an overall ask around Jobs Recovery in the regional Economic Response to COVID-19.¹⁸

Data on a wide range of topics is presented through our North East Data Hub. This has allowed the SAP to track and respond to emerging data throughout the COVID-19 lockdown periods.

For access to our COVID-19 intelligence report, please follow this link: <https://www.northeastdatahub.co.uk/research-and-publications/>

Progress against the Skills Action Plan

Strategic objective 1: Deliver outstanding careers guidance from primary education to employment.

Primary Pilot:

- Working with 70 primary schools to test the embedding of the good career guidance benchmark.
- During Year 1, the Pilot has achieved its aims of translating and embedding the Benchmarks within primary school settings.
- Evidence shows the Pilot is making good progress in building the capacity of schools to deliver a consistent, comprehensive, and high-quality career education for all students.
- School cultures in relation to Career Related Learning (CRL) have been positively impacted by the Pilot with 82% of survey respondents indicating that CRL is now part of their school's general curriculum.
- Evidence shows that the Pilot may positively impact pupil outcomes in the future with 89% of survey respondents indicating that pupils are able to talk more about their career plans.

Enterprise Advisor Network:

- Continuing to build on the Enterprise Advisor network and help employers and SMEs engage and partner effectively with educators, learners and wider communities.
- Despite the devastating effect of the COVID-19 pandemic on the economy the North East has continued to build upon strong foundations, successes this year include:
- We have achieved our highest number of businesses in the network; the Enterprise Adviser network has grown to over 145 businesses
- We have achieved record breaking levels of engagement, 121 schools / colleges are matched, the highest number of matches the North East LEP has achieved
- We have increased our reach of SME businesses- since January 2020 to March 2021 engaged with 90 SME businesses to support better engagement with education
- Encouraging business growth and employment by supporting around 40 SMEs to recruit via the Kickstart scheme.

¹⁸ North East LEP, (2020). Recovery and Renewal Deal for the North East– September 2020. Available at: <https://www.northeastlep.co.uk/wp-content/uploads/2020/10/north-east-recovery-and-renewal-deal-for-publication.pdf>

Careers Hubs:

Building communities of best practice to support schools and colleges. To embed the Good Careers Guidance benchmarks in secondary schools. Currently engaging 80% of all schools in the region through our Career Leaders Network and our online resources and 70 schools intensively through the Careers Hubs.

A sustained improvement in the engagement with career leads; over 92% of career leads have been involved in at least one official meeting.

- 15% more schools have signed up with key initiatives e.g. Inspiring the Future, Founders4schools and Skills Builder.
- Approximately 20% more schools now have careers champions and have successfully ensured all teaching departments understand their careers responsibilities in relation to the curriculum.
- Through our College Hub, including by engaging a number of Vice Principals from FE partners across the region, we supported the Gatsby Foundation to produce a video resource for World Skills that highlighted the benefits of Higher Technical Qualifications. In addition, we have led on a number of other initiatives that have linked curriculum staff from the region's FE colleges to employers in sectors where there are currently skills shortages.
- Established a Special Educational Needs and Disabilities (SEND) specialised hub of 20 schools to support the embedding of benchmarks in SEND setting.
- Teacher externships: providing externships for educators to gain industry relevant experience which can be brought back into the classroom.

Strategic Objective 2: Reduce the gap between our best and lowest performing schools and to ambitiously aim that all students can be educated in good or outstanding schools.

Key Highlights:

- Delivering Opportunity North East in 16 schools across the North East LEP area. Significant challenges have been faced during the last academic term, 74% of students were able to access virtual advice and guidance and career related activity and interventions. The data evidences positive direction of travel against a number of assessment criteria following interventions and interviews.
- Expanded delivery of the Next Generation Learning Pilot focussing on school leadership, high quality continuing professional development (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 numeracy skills by:
 - Engaging with the 6 pilot schools and their wider communities.
 - Providing expertise to a wider cohort of schools, focussing on curriculum content development.
 - Being the first Ford Next Generation Community outside of the United States of America (US) and to act as Ambassadors across the UK and Europe.
 - Acting as a host region for an international Project Based Learning (PBL) symposium of expertise.
 - Developing an improved governance recruitment model. Expanding governance recruitment in new ways, for instance the partnership with Newcastle University to recruit undergraduates to be schools' governors.

Strategic objective 3: Improve skills progression by encouraging the provision of high-quality opportunities to learn through further and higher education (FE/HE) and other providers.

Key Highlights:

- Developing an analysis of the region's assets within FE, HE and other providers to inform future investment and provision. Using this to look at geographical provision within the North East and ensure that skills provision is meeting the needs of specific communities within the North East.
- Scoping a pilot programme for transferable or fusion skills. The pilot will be influenced by the findings in the Taylor Review. A proposition for a pilot was included in the draft Local Industrial Strategy.
- Working with the Apprenticeship Growth Partnership and other partners to increase the number of apprenticeships available at all levels within growth and labour-intensive sectors.
- Working with ESFA to support employer engagement in providing T-Level placements including a series of targeted events to promote T-Levels placements and facilitating conversations between employer cluster groups and providers on mapping effective T-Levels within curriculum design.
- Updating the evidence base, tendering digital skills needs assessment in the Green Energy, Health and Social Care sectors.

Strategic Objective 4: Decrease youth unemployment. Increase youth employment by creating and building pathways for the most vulnerable and disadvantaged young people into education, training and employment.

Key Highlights:

Working with partners, such as Generation North East and DurhamWorks, 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.

Strategic Objective 5: Improve labour market activation: Encourage the commission of holistic approaches that include employers and the integration of services so people facing health barriers are fit for work, have a clearer path to career progression.

Key Highlights:

- Continuing to develop holistic packages of support for people facing health barriers to employment, building on successful projects such as Mental Health Trailblazer and Working Links, showcasing the benefits of collaboration and wider dissemination of the demonstrable benefits and outcomes from bespoke and holistic programmes.
- The National Careers Service has been working with local authorities to roll out the Jobs Fuse programme. This is a new programme that supports workers impacted by the COVID-19 crisis to return to work and help employers fill vacancies. The programme has been launched in Durham and South Tyneside (at the time of writing) and planning was underway in the rest of the North East LEP region. The programme is flexible and will be integrated into existing services where appropriate. The programme also provides direct support for furloughed workers, it also provides information and support to employers to plan for their furloughed employees.
- Ensuring support is in place for those that have moved from unemployment or inactivity into work to help them progress and acquire further skills by working with key partners, develop and pilot schemes include National Retraining Scheme and to capitalise on opportunities through other sources.

Strategic Objective 6: Increase social mobility and economic activity by working with partners to increase access to digital skills.

Key Highlights:

- Undertaking research to integrate a digital skills strategy in the North East LEP's new digital strategy.
- Digital for Growth Workforce Delivery Group formed is engaged in a scoping exercise to bring together regional initiatives.
- 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.
- 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.
- Working with government departments, combined authorities, local authorities as well as local communities, the voluntary sector and businesses to prioritise digital skills.

Strategic Objective 7: Reduce inactivity levels in our older workforce and help older employees develop new skills, encourage flexible employment and offer specific support to those out of the labour market.

Key Highlights:

- Developing and implementing the North East's Fuller Working Lives (FWL) Strategy with a supporting communications plan that targets employers and addresses the challenges and opportunities around this agenda.
- Secured DWP funding to deliver a Mid-Life MOT pilot project, as part of DWPs rebranded 50+ Choices strategy.
- Working with universities, the NHS and Public Health England to ensure that workforce places are integrated into wider strategies around an aging population.

All of the above is ongoing. Further areas of particular focus are included in Section 5 - Skills Action Plan

Section 7: Case studies

Case study one - Industry Insights Sessions

North East Ambition delivered a programme of Industry Insights sessions to help strengthen employer engagement with [areas of opportunity](#) identified in the [North East Strategic Economic Plan](#)¹⁹ – Advanced Manufacturing, Digital, Energy and Health and Life Sciences. The aim was to raise awareness of these industries across with education, including career leaders, curriculum leads, teaching teams, schools, students and parents.

The first insights session held in January 2021 focused on the electrification industry. Electrification is a huge area of strength in the North East that requires a unique blend of higher technical skills in order to progress a career in this industry – the purpose of this session was to increase understanding of what these skills are.

Kim Smith, College Hub Facilitator at the North East LEP, said: “In preparation for our session, we spoke to employers within the Electrification industry to understand the current and future job opportunities, skills requirements and shortages, and challenges in filling these vacancies.

“After speaking with Ryan Maughan, Founder of [Avid Technology](#) and Chair of [EV North](#), it became apparent that they had been approached by Further Education (FE) Providers asking about manufacturing and processing qualifications, rather than the design and technological specialisms required. This highlighted a lack of understanding about career paths into the industry and further supported the need to increase awareness and understanding.”

Kim added: “We then spoke to General Further Education Providers to discuss how we could support with accessing the most appropriate target audience, following the industry cuts across a range of subject areas.”

We welcomed 40 attendees from all 11 Providers’ in both academic and vocational curriculum areas such as Maths, engineering, physics, automotive and ICT, and from technical education, engaged in Institute of Technologies and in supporting Apprenticeships.

Attendees benefitted from hearing about electrification through the eyes of an employer, gained insight into the opportunities and challenges faced by sectors, and what this means for career opportunities and skill needs for the future workforce. There were fruitful discussions between education and business which resulted in the providers having a clearer understanding about the gaps in provision at level two entry level and higher-degree apprenticeships in the region.

The session also demonstrated the transferability of the skill sets the sector lends itself to, particularly within the chemicals and pharmaceutical sectors. Providers have since shared the one-hour session, which was recorded, with students in relevant subject areas and have included it in their communications with schools.

Kim added: “It’s opened up a dialogue between the Providers and the Electrification industry. Next steps have now been agreed for opportunities for upskilling teachers and exploring opportunities for work experiences, as well industrial placements once out of lockdown restrictions.”

“Feedback about the session was very positive and has resulted in a second session being delivered focused upon Health Life Sciences in February.”

[The recording can be accessed here](#). In addition, a conversation with Paul Butler and Ryan Maughan about the opportunities electrification offers the North East has been published on the LEP website [here](#).

¹⁹ North East LEP, (2020). The North East Strategic Economic Plan – January 2019. Available at: <https://www.nelep.co.uk/wp-content/uploads/2019/03/ne1404-sep-refresh-2018-web-new-final.pdf>

Case study two - Health and Life Sciences Framework Development

North East Ambition is working with the Medicines Manufacturing industry, to help address current skills shortages and the future skills requirements needed to enable growth in the sector within the North East of England.

The North East LEP has recently carried out in-depth analysis of industry skills needs through surveys with North East employers, which have been reviewed to inform and develop a framework that will help support the sector with this issue. The survey findings were published in the [Skills in Health and Life Sciences report](#) and presented to the Skills Advisory Panel in February 2021. It was agreed to form a sector skills group to develop the framework.

The report highlighted that most of the participating employers are currently working with education, and many are part of the [North East Ambition](#) project as [Enterprise Advisers](#) or [STEM Ambassadors](#). Many employers are also apprenticeship levy payers and are keen to explore how to utilise this more effectively.

An online event was also hosted by North East Ambition in March 2021, providing 30 educators and employers an opportunity to discuss the findings, and to build the framework.

Karen Burgess, Enterprise Coordinator at the North East LEP, said: "Health, life sciences and medicines manufacturing are key [areas of opportunity](#) for future economic growth in our region, as detailed in our [Strategic Economic Plan](#). Development of an appropriately skilled workforce will be critical to enable the sector to grow and thrive, in line with our recently launched [North East Health, Life Sciences and Medicines Manufacturing Strategy](#).

"Next steps are to establish a Health and Life Sciences Skills working group, which will be a collaboration between employers and educators to help tackle the skills challenges within the sector. We then plan to do a second phase of research looking at the skills needs of innovative life sciences in the region."

Case study three - Industry Insights Sessions

Northumberland College is planning to invest in state-of-the-art health care facilities to challenge the growing skills gap in the health and social care sector across the region, as part of a multi-million-pound investment programme.

The Health Hub, which will be located at the College's Ashington campus, will comprise a hospital ward, treatment room, sluice area and self-contained apartment to mirror a modern home care environment. Resources will include life-size patient care mannequins, specialist medical equipment and an increasing focus on immersive and digital technologies.

The Hub will enable students to train in industry-standard facilities, participate in practical activities and engage in simulated role play situations to gain essential industry skills and prepare them for work placements and future employment within the sector.

Nigel Harrett, Principal of Northumberland College, said: "We are looking forward to the opening of our new Health Hub, which will ensure that our students learn in professional working environments. This state-of-the-art resource will support the college in meeting the needs of the local economy and producing the next generation of highly-skilled health professionals."

The new Health Hub will provide significant benefits to students, employers and the wider community. It is part of the first phase of the college's multi-million-pound investment programme, which is being project managed by real estate consultants, Hollis.

The re-development will also include a full refurbishment of classrooms on three floors near the new Health Hub, in addition to new windows, new heating and electrics, efficiency improvements such as LED lighting, plus new teaching equipment and IT infrastructure.

Northumberland College merged with Sunderland College in March last year to create Education Partnership North East, one of the largest college groups in the country. Chief Executive of Education Partnership North East, Ellen Thinnesen, who is also a qualified nurse, said: "Health and social care is one of the region's largest industry sectors with new emerging specialist areas. The new Health Hub at Northumberland College, an industry advisory board and further visionary investments over the coming years, will allow us to train technical students to the highest standards, expand the reach of skills development across the North East and develop and strengthen our regional and national employer partnerships."

Last year there were approximately 3,500 vacancies in the North East adult social care sector, however, an estimated 28,000 new jobs will need to be filled by 2035 to accommodate the growing demands of an ageing population.

The college's Ashington campus will also see the construction of an advanced, state-of-the-art digital academy and a new careers, financial guidance and welfare zone,

The investments are part of a multi-million-pound redevelopment programme that was announced last year. The first phase of the redevelopment programme is already underway and the new facilities are transforming the college into a modern, careers and skills-focused centre for school leavers and adults in Northumberland.

The North East's higher education and further education institutions play a vital role in helping to build a strong regional economy, from their contributions to innovation, social mobility and workplace productivity, to the role they play in bringing skills and investment to the region.

Read more about the role of our universities, colleges and educational establishments in the [North East Strategic Economic Plan](#).

Section 8: Looking Forward

2021 and beyond

The COVID-19 pandemic has brought the biggest economic shock of our lifetimes, with no straightforward recovery. Our response should be of the same proportion, if we are to return our region to positive economic growth. We need to mitigate the impacts of COVID-19 and identify new opportunities for our businesses and residents.

Even with unprecedented government support there has been an uplift in unemployment and emerging data suggests that even now once the Job Retention Scheme ends in June 2021, we may see a rapid increase in unemployment or job insecurity, and a lower level of recruitment across the highest impacted sectors.

Data and intelligence suggest our young people and those over the age of 50 are particularly vulnerable, so we need to ensure that we continue to monitor data and intelligence across all sectors to be able to influence resources and interventions as appropriate, either through direct delivery or working across our wide range of partners and stakeholders in education, the voluntary sector, government programmes and support, remaining European programmes and regional investment.

Simultaneously we need to ensure that the region continues to deliver the skills, employment, inclusion and progression elements of the Strategic Economic Plan and responds to the current and future skills needs of our labour market, to ensuring that we have an alignment between skills supply and skills demand over the next five to ten years.

Continued good governance is important if we are to provide an evidence led approach to skills and training provision across the North East, to respond to economic challenges and to deliver the agreed strategic priorities for the region. The Skills Advisory Panel is best-placed to provide that advisory function on behalf of the North East LEP board with key representation from our business base, our sectors, our education institutions, the voluntary sector, unions and government colleagues.

We welcomed the Skills for Jobs White Paper and are pleased to see many of the recommendations are aligned with activity already underway in the North East LEP area.

Our shorter-term priorities are:

- Continuation of COVID-19 economic recovery and to ensure North East employers access the range of opportunities announced within Jobs Fund programme with incentives for apprenticeships, traineeships, and Kickstart.
- To continue to develop and promote Job Opportunities throughout the [North East Opportunities](https://www.northeastopportunities.co.uk/) <https://www.northeastopportunities.co.uk/>.
- To ensure that the North East capitalises on the opportunities within the Skills for Jobs white paper and to align this with the North East strategic priority of driving growth in high quality technical education, with T-levels, technical qualifications and higher technical qualifications.
- A focus on inclusive digital skills, through skills bootcamp and other regionalised interventions to ensure we address the challenges identified in digital skills provision and take up.
- We also need to work closely with our colleagues across Business Growth to encourage and nurture early-stage businesses, entrepreneurs and individuals taking the self-employment route. Our FE colleges and universities are working with students to explore opportunities for self-employment and early-stage business start-up. This work has intensified post COVID-19, as opportunities for graduate employment has decreased in the region.

In the slightly more medium to long term:

- We will continue to provide data and robust labour market information and intelligence through the [North East Data Hub](#) and the development of North East Skills portal. The North East Data Hub provides up-to-date data, research and commentary pieces on the North East economy, and through the use of APIs we are continuing to open up new datasets and expand the platform. We will also provide regular commentary pieces on our labour market, specifically targeted for the education and skills sector.
- We will continue to roll out Phase 2 of North East Ambition to engage SMEs not previously engaged with skills provision, bridging the gaps with education.
- We will utilise our networks and the Skills Advisory Panel to provide early-stage intelligence, alongside data, to consider whether existing provision is suitable for a post- COVID-19 economy and how curriculum delivery maybe supported by employers and businesses to provide real opportunities for learners to 'learn through the lens' of an industry or sector.
- We will continue to have a rolling programme of research and analytical projects in order to further explore key areas of interest agreed by the SAP. Our current work programme has focussed on understanding future skills needs within the North East economy, and activity has included:
 - Generating a detailed evidence base in relation to three key sectors including Offshore Wind; Health and Social Care and Tourism sectors.
 - Extensive surveying and consultation of employers in the Offshore Wind; Health and Social Care and Tourism sectors.
 - An in-depth research project exploring the current and future skills needs within two of the key sectors including the health and social care and the green economy. This work has included a detailed literature review produced by the Institute of Employment Studies and uses an innovative approach to understanding future skills needs, including scenario planning and learning from leading-edge employers. This work will include a reflective piece so we can continue to learn and adapt our approach with the intention of rolling this research approach to other sectors in the future.
 - Understanding the extent of digital divide and digital inclusion within the North East; the impact it has on people's engagement in learning, job seeking and accessing services and how the global pandemic has exacerbated digital exclusion challenges.

We will address Sectoral Skills needs, for example in health and life sciences. Our strategy describes²⁰;

Developing skills to support health and life sciences growth: In response to identified skills needs, the Skills Advisory Panel (SAP), facilitated by the North East LEP will aim to respond to ongoing skills needs.

The sector has identified several key trends in the development of expertise and education within the region which require support which will be facilitated through the SAP:

- Senior-level leadership and strategic-level employees are often sought outside the North East region from other regions within the UK and abroad. While companies have generally been able to recruit successfully into these roles, more needs to be done to develop the future supply of skills in the region to fulfil more of these roles as part of the SEP 'more and better' goal.
- Within research areas, high quality scientific analysts and formulation scientists are more difficult to recruit, whereas technicians and manufacturing operator positions have typically shorter recruitment cycles, largely sourced within the region.
- Graduate-level employees are attracted to the region or can be recruited locally, assisted by our four universities in Newcastle, Durham, Northumbria and Sunderland. These provide a research base and level of specialist expertise that is crucial to growing the health and life sciences sector in the region. Over one-quarter of students at our universities study life sciences subjects, the highest number of life sciences students in England relative to the size of the workforce.
- More needs to be done to encourage businesses to utilise Apprenticeship Levy funds. This is a major benefit for businesses to retrain, upskill, and retain staff.

²⁰ North East LEP, (2021). Our strategy for regional growth and national change in health, life sciences and medicines manufacturing. Available at: <https://www.northeastlep.co.uk/wp-content/uploads/2021/02/hlsciences-full-strategy-final-1.pdf>

• Investment in skills

The UK Community Renewal Fund will support individuals to gain the skills they need to seize new opportunities and ensure their local communities are prosperous and productive. This includes equipping people with the skills they need to capitalise on the opportunities and needs of their local area and meet the needs of an increasingly green and digital economy.

- **Work-based training** – addressing specific local need from local employers for on-the-job training to support local growth, such as taking on trainee builders for a new infrastructure project.
- **Retraining, upskilling or reskilling members of the workforce** – helping organisations to identify and understand skills gaps or provide access to financial support for relevant training where the local workforce may require new skills to meet the needs of a local employer or sector and support local economic transitions.
- **Promoting the advancement of digital skills and inclusion** – supporting the development of digital skills for digitally excluded individuals, especially where digital exclusion presents a barrier to employment, building confidence in application of basic and advanced digital skills and promoting safety and awareness' online.

A skilled workforce is central to private sector-led growth and the region's workforce has to be able to respond to the opportunities presented by a growing and changing economy, particularly in light of COVID-19 and the changes this will bring to the labour market.

The North East LEP skills team, agency partners, local authority and combined authority colleagues as well as employers, businesses and business representative organisations are working together to bring the strategy to life and to ensure the key aims are delivered.

We are happy to engage with the widest network possible and would be happy to receive feedback, input, perspective and challenge from communities across the North East.

Please feel free to get in touch with the Skills Director, North East Local Enterprise Partnership

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