

North East Local Enterprise Partnership **Annual general meeting**

25 January 2022





Lucy Winskell OBE

Chair

North East Local Enterprise Partnership

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 North East Local Enterprise Partnership

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LEP senior management team



Helen Golightly OBE
Chief Executive Officer



Richard Baker
Strategy and Policy Director



Colin Bell
Business and Sector
Growth Director



Michelle Rainbow
Skills Director



Jen Robson
Head of Communications



Alan Welby
Innovation Director

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Helen Golightly OBE

Chief Executive Officer

North East Local Enterprise Partnership

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Our role

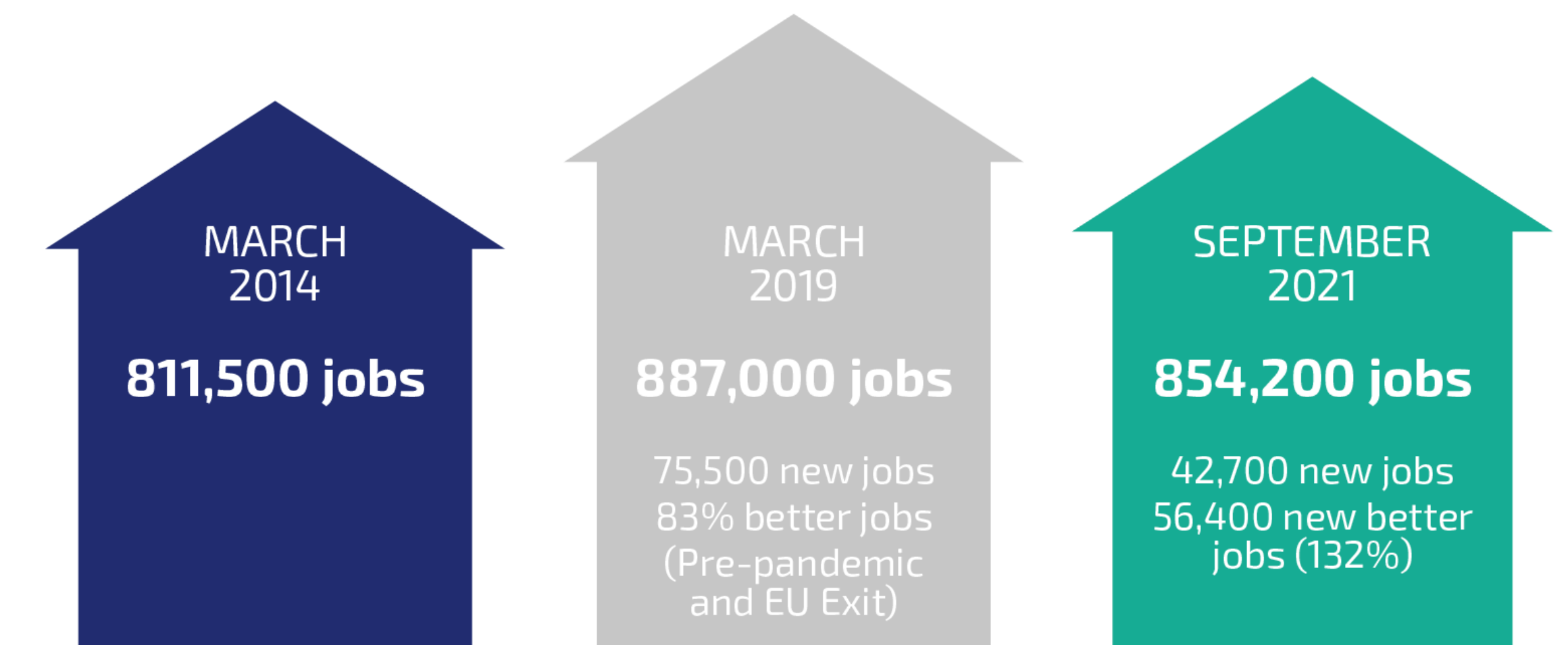
- Develop and lead the delivery of evidence-based regional economic strategies
- Economic leadership, co-ordination and influence – within and for the North East
- Secure, prioritise and manage investment funds
- Deliver the Strategic Economic Plan programmes
- Work with partners to make a difference in the North East



The Strategic Economic Plan: 2014-2024

More and better jobs

Our ambition is to create 100,000 more jobs between 2014 and 2024, with 70% of those being better jobs.



By March 2020, employment in all jobs had increased by 42,700, with better jobs having reached 56,400.

The last two years has seen a subsequent reduction in overall jobs, with net growth falling to 42,700 by September 2021.

The Strategic Economic Plan

Areas of strategic importance



Digital



Advanced manufacturing



Health and life sciences



Energy

Enabling services



Education



Financial, professional and business services



Transport and logistics



Construction



Digital transformation

Programmes of delivery



Business growth



Innovation



Skills, employment, inclusion and progression



Transport connectivity



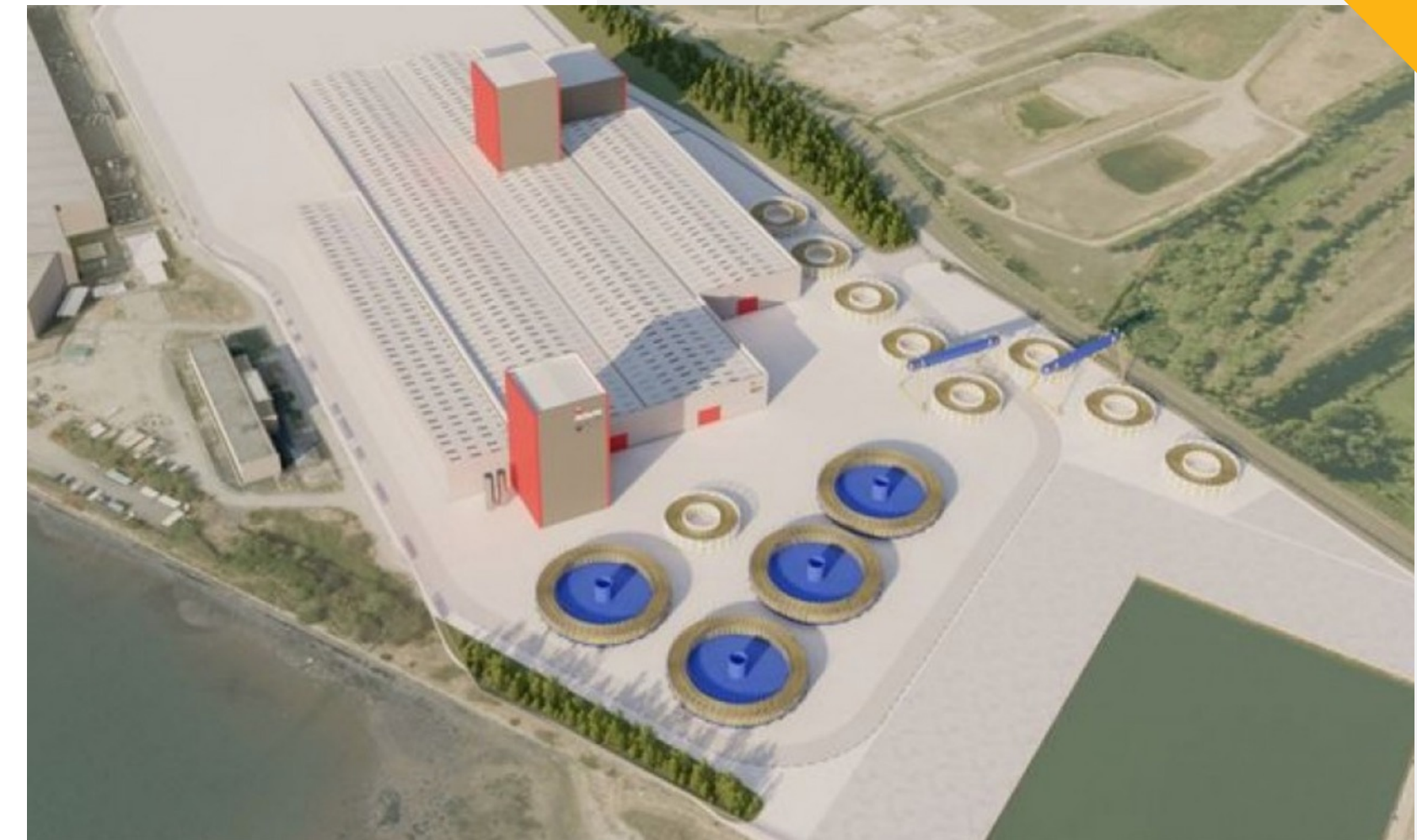
Investment and infrastructure

Looking back over 2021 – delivering our programmes

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Investment and infrastructure

- Continued to manage four regional investment funds: Local Growth Fund, Getting Building Fund, North East Investment Fund, Enterprise Zone – circa £850m
- Agreed to invest £26m in regional projects leveraging £48m direct investment
- Sites invested in have attracted key investments:
 - JDR Cables at Blyth
 - Britishvolt
 - Envision onto the IAMP
 - Just Eat in Sunderland
 - The Amazon development at Follingsby
- Investing £4m to accelerate the development of regional projects
- Developing the Commercial Property Investment Fund for launch in Spring 2022



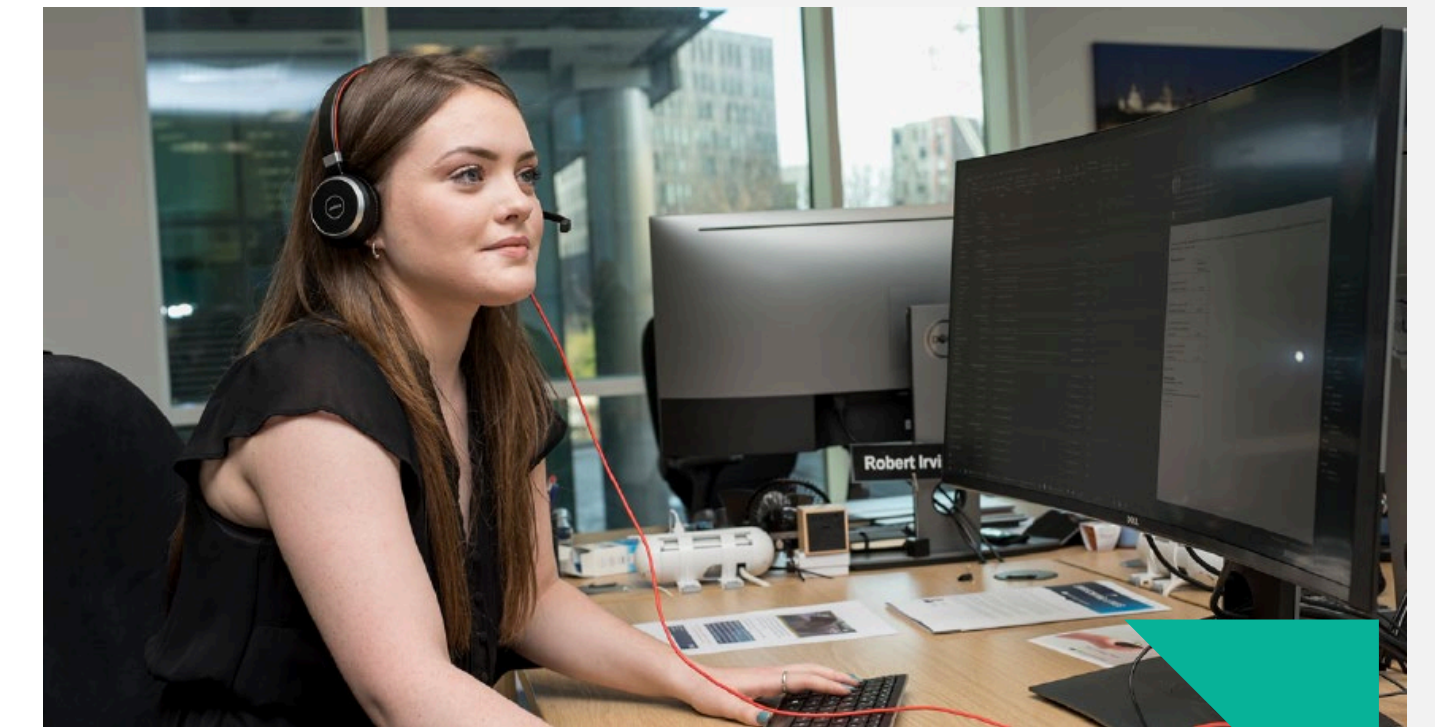
Business and sectors growth

- Doubled the size of the North East Growth Hub team
- Provided one to one advice and guidance to 24,463 businesses
- Delivered intensive support to 720 businesses generating GVA £46,670,569, GVA Per Employee £7,629.77, New jobs 597
- Attracted £2.7m into the region to support business recovery
- Provided intelligence and insight to government to inform how best to support business recovery
- Driving forward sector growth with dedicated staff developing strategy and
- Launched the Cluster Development Fund to fund sector and business network organisations to support members recovery



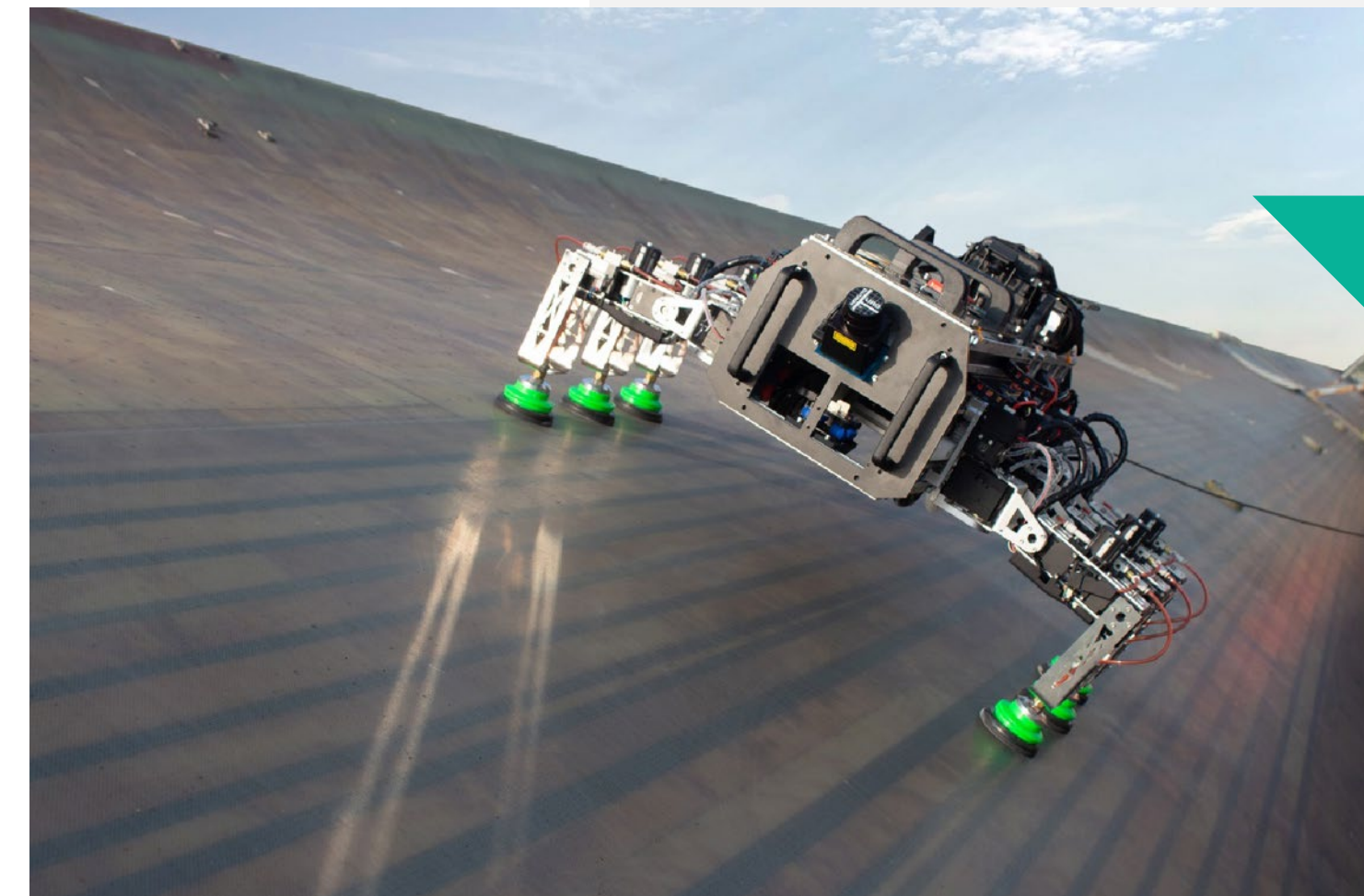
Skills, employment, inclusion and progression

- Continued to successfully deliver skills programmes with key partners, including:
 - Opportunity North East
 - North East Ambition
 - Education Challenge
- Extended our careers work to complete the primary school careers education pilot
- Supported the design of national T-levels with DfE
- Provided evidence to the House of Lords Youth Unemployment Select Committee
- Secured funding to support 100+ SEND learners to secure a destination post-16
- Provided digital support to over 50s to access the Mid Life MOT Pilot
- Secured the opportunity to host the National Careers Week in the North East



Innovation

- Launched the Innovation Delivery Partnership pilot
- Established a regional priority pipeline of innovation projects
- Secured £320,618 of UK Community Renewal Funding for a future markets acceleration programme
- Progressing a bid for £712,856 of funding for an innovation challenge programme
- Worked with NP11 to develop a Northern Powerhouse innovation programme



Transport Connectivity

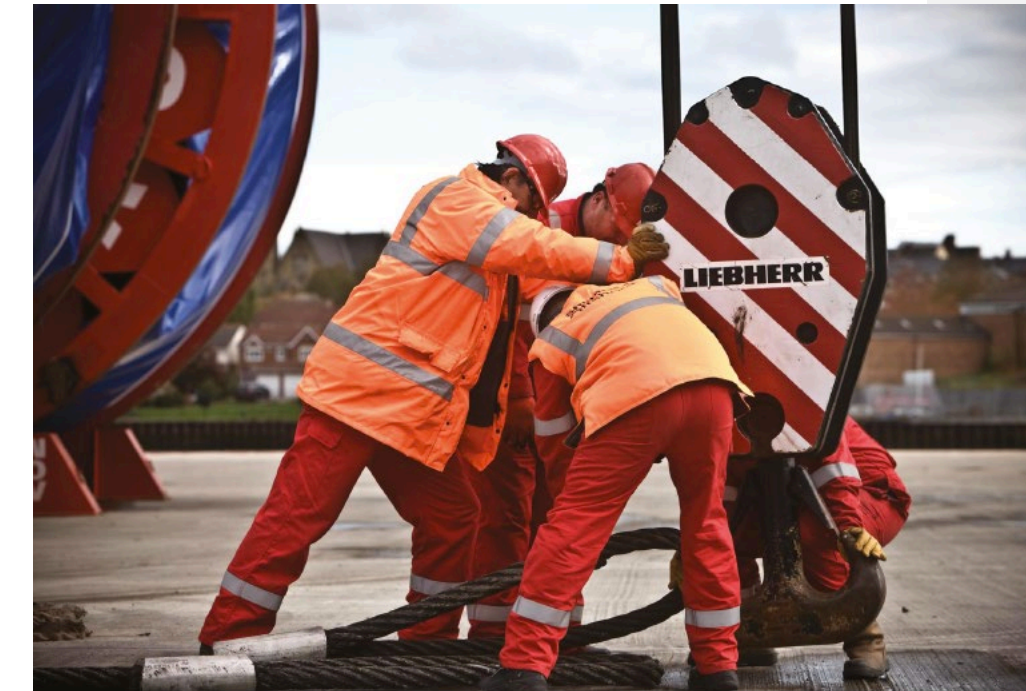
(Delivered by Transport North East)

- Published the North East Transport Plan – 235 project pipeline totaling £6.8bn investment
- Delivering Transforming Cities Funding (TCF)
 - £19.2m investment Sunderland Station (with £16.3m TCF contribution)
 - £10.5 investment Durham Bus Station (with £3.6m TCF contribution).
- Delivering the Metro Asset Renewal programme - funding has been secured for 2022/23 but no certainty of funding beyond that yet
- Submitted the Bus Service Improvement Plan to government
- Encouraged more cycling and walking with the Go Smarter, Go Active campaign
- Continue to lobby government to invest in plans to maximise capacity on the East Coast Mainline



Other strategic work and regional projects

- A Strategic Economic Plan that is current and visible for the whole region
- Continued to develop a regional economic evidence base to inform decisions
- Submitted the North East Freeport bid to government
- Collaborated with partners to showcase Net Zero activities
- Published 'Global North East: Driving Growth in North East trade and Exports' – with DIT and the North East England Chamber of Commerce
- Continued collaborative approach to policy analysis and response – e.g. EU Exit, Levelling Up, Internationalisation, Northern Powerhouse
- Undertaken a comprehensive evaluation of our work - impact of the Strategic Economic Plan and our accountability



Looking forward through 2022

- Continue to lead and deliver the North East Strategic Economic Plan in partnership
- Optimise government policy and funding opportunities for the North East:
 - Levelling Up and Skills for Jobs White Papers
 - UK Innovation Strategy
 - UK Shared Prosperity Funding
 - Enterprise Strategy
 - Transition operations to reflect the outcome of the national LEP Review





Paul Woods

Finance Lead, North East LEP

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Investment programme and loans

- Local Growth Fund £270m
- Enterprise Zone Infrastructure Investment £157m
- North East Investment Fund £57m+
- Getting Building Fund £47m plus £3m+ = £50m+

Revenue budget

- LEP annual budget £7.9m
- Other revenue funds



Local Growth Fund (LGF) grant

- Lifetime programme of £270m from 2015/16 to 2020/21
- Spend to date is on target, with LGF grant fully claimed.
- We have been able to create flexibility to fund 'revenue' expenditure from this 'capital' grant.
- This year LGF programme expenditure is estimated to be c £13m.
- There is a carry over of residual LGF funding swap monies to spend in the next few years and we are now estimating a lifetime underspend of £0.8m, as a result of project savings and returned grant monies.
- Options for allocation the underspend are being prepared for consideration by the LEP Board, potentially in May.
- Total Growth Deal Investment including match funding is c.£672m.



Enterprise Zone Capital Investment

- £157m capital investment to be spent on preparing Enterprise Zone sites, to get them ready for development, with c £74m spent by March 2022.
- Works are funded from the Business Rate Income that can be retained from the Enterprise Zones over their life of 25 years
- Borrowing is used to finance most of the up front infrastructure costs, with borrowing costs met by future business rate income
- Estimated business rate income over period of c £312m to £378m
- Estimated surplus that may be generated could be c £139m to £200m, for use by the LEP once debt repayment is secured. The level of surplus is dependent upon good progress with development of buildings on the sites.
- Initial uses include the £3m supplement to GBF programme, supporting the LEP budget by £0.5m a year if needed, £3.3m for Accelerated Development Projects, £5m for CPIF incentives and £5m for Inward Investment grants



Accelerated Development Fund

- £4m fund agreed in principle in May 2021, funded by a combination of North East Investment Fund (NEIF) interest (£0.73m) and (£3.27m EZ surplus, subject to surplus availability)
- Providing grants to support the acceleration and development of projects, enabling them to be more shovel ready or to bid for funding.
- First two calls resulted in 19 projects being approved, ranging in value from £24.5k to £150k with £1.842m being approved so far.
- The results of the approvals will be evaluated and the availability of the remaining funds from the EZ surplus will be confirmed before further calls for projects are made.

North East Investment Fund (NEIF)

- Investment/Loans Funds £57m, mainly loans for capital works
- Not to be confused with the North East Fund Ltd (NEF) £120m
- The NEIF has been allocated in full once and repayments are coming in to be reinvested.
- The North East Property Fund is to receive a £10m increase in funds for Housing and Commercial Property loans of up to £1m (recently extended to £2m). Supporting smaller scale developments.
- A new Commercial Property Investment Fund is expected to be launched in April using £35m of NEIF over the next four years, which will be reinvested several times over the next 15 years. Individual loans could range up to £7m.



LEP annual revenue budget (£m)

- Budget for year set at £7.906m
- Employee cost of £3.741m
- Core funding amounts to only £0.75m
- Majority of income comes from other external grants, contributions
- Latest forecast is for spending to be within budget, with a small contribution to reserves.

LEP budget	2021/22
Employees	3.741
Premises	0.225
Communications	0.250
Operational Activity Budgets	3.690
Total cost	7.906
Council contributions	-0.250
Government core funding	-0.500
Other external grants/interest	-7.014
Total income	-7.764
Use of reserves	-0.141
Total income/use of reserves	-7.906

Panel

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Strategy and Policy
Director



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Business and Sector Growth
Director



Michelle Rainbow
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Alan Welby
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Philip Meikle
Transport Strategy Director,
Transport North East



Helen Golightly
Chief Executive Officer



Lucy Winskell
Chair



Paul Woods
Finance Lead

Thank you

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