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North East Local Enterprise Partnership Board

North East Local Enterprise Partnership

Thursday 25 January 2023 17.00 – 19.00

AGENDA

- 1. Welcome from the Chair and apologies (5.00pm)
- 2. Declarations of interest (5.00pm)
- 3. Minutes of the Board meeting on Thursday 30 November 2023 (5.05pm) Board will be asked to agree the Minutes.
- 4. Annual Delivery Plan progress update paper attached (5.10pm) Helen Golightly to present to the Board.
- Budget indicative outturn 2023/24 and indicative budget for NEMCA 2024/25 – confidential paper attached (5.20pm)
 Janice Gillespie to present to the Board
- 6. Economic Update paper attached (5.40pm)
 Thomas Athey to present to the Board.
- LEP legacy activities (5.50pm)
 Jen Robson to present to the Board.
- 8. Skills looking back and forward paper attached (6.10pm)

 Michelle Rainbow to present to the Board.
- 9. Challenge North Tyne review paper attached (6.25pm)
 Colin Bell to present to the Board.

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- 10. Devolution update Business Board (6:35pm)Henry Kippin and Helen Golightly to update the Board.
- 11. Chair and Chief Executive update paper attached (6.55pm)

 Lucy Winskell and Helen Golightly to update the Board
- 12. Any other business
- 13. Date and time of next meeting Thursday 21 March 2024 from 4:30pm

<u>Please note</u>: The March meeting will be the last North East LEP Board before integrating into the new North East Mayoral Combined Authority. It is an in-person meeting to be held in Newcastle/Gateshead (venue tbc) starting at 4:30pm followed by a celebration event to thank partners.

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Annual Delivery Plan 2023/24

2023/24 is a year of transition. Our delivery plan for this year reflects this as we work towards the formation of a new Mayoral Combined Authority for the North East, in which the LEP's functions will be integrated.

The roles of the LEP set out by government are to:

• Embed a strong, independent and diverse local business voice into the North East Mayoral Combined Authority

• Carry out strategic economic planning in partnership with local leaders that clearly articulates the North East's economic priorities and sectoral strengths

 Continue to deliver a number of functions on behalf of government departments, shaped by the local business voice

 Monitor and assure existing local growth programmes and funds for which the LEP is responsible for.

This document is structured around these.



Embed a strong, independent and diverse local business voice into the North East Mayoral Combined Authority

Action	Update	Decision/ discussion point	RAG
Lead the transition of the North East LEP board into the governance structure of the new Mayoral Combined Authority, where it will become the Business Board. Ensure that sub boards and business-led groups are also reflected in the wider evolving governance where appropriate.	Two phase process. Once the new mayor is in place, discussions will take place around further evolution. LEP Board to receive a paper at January 2024 Board meeting.		Green
Map and champion business priorities in line with the structure of the Devolution Deal, ensuring that critical projects identified in the Strategic Economic Plan are not lost.	The LEP executive team is working with the LEP Board and sub boards to feed into the developing NEMCA portfolios, as well as evaluating the SEP to feed into the NEMCA planning and priorities. A business engagement event was held on 18 January to input into the NEMCA Investment Plan.		Green
Convene a business-led group as the route for the new governance structures to be informed, challenged and engaged with the business community at scale with representation from business cluster and membership organisations and the education and VCSE sectors to share knowledge as the devolution detail is developed and provide a two-way forum to feed into the emerging MCA's priorities.	The business advisory board is now operational and has rationalised our sub boards to enable more effective feed into portfolio plans. The advisory board fed into an investment plan session led by Sunderland City Council, with RSA and Andy Haldane on 5 Dec as part of the investment portfolio development as well as the NEMCA Vision and Branding project through a meeting 9 January. The Board will meet next 5th Feb to support NEMCA portfolio development including 2025/26 Business Support Ecosystem design.		Green
Conclude, report on, evaluate and share learning on processes and practices against the delivery of the North East Strategic Plan to inform and transfer knowledge to future economic planning.	35 stakeholders have been interviewed by RSM as part of primary research for phase two. Outputs and synthesis report, including recommendations, due to be finalised in late January following presentation to the board.		Green
Update and adhere to the Assurance Framework which includes holding an Annual General Meeting.	The AGM will be held in Q4. The Assurance Framework is being amalgamated into the new NEMCA Assurance Framework for next year.		Green

Carry out strategic economic planning in partnership with local leaders that clearly articulates the North East's economic priorities and sectoral strengths.

Action	Update	Decision/ discussion point	RAG
Prepare and disseminate a comprehensive evidence base that reflects the North East's economic performance and informs economic planning, investment, and prioritisation. Position the North East Evidence Hub as the go to platform to access and use this information.	Since the publication of Our Economy in November, we have continued to update our regional evidence base on the North East evidence hub. In particular, we have added new pages covering the changes to the business population (business counts, high growth firms, survival rates, business births and deaths), the resident population (population estimates and population changes) and standards of living (child poverty, low income households, fuel poverty). In the case of the business base, this includes updates on the number of businesses in and employment in our areas of strategic importance (advanced manufacturing, digital tech, energy, health and life sciences, knowledge intensive business services). As part of our commitment to sharing our evidence across the region, we have also published two commentary pieces on the evidence hub relating to the business population and population spread across the North East: • The North East outpaces England in launching new businesses – but will it last? – North East Evidence Hub (northeastlep.co.uk) • How well do you know the North East population? Ten facts about where people live in the North East – North East Evidence Hub (northeastlep.co.uk)		Green
Work with partners, including our universities, local authorities and national data bodies to analyse, develop research and share intelligence about the economy. This should complement current work programmes and ensure alignment into future priorities.	In December we published a regional evidence base on the <u>defence and security sector</u> in the North East region in support of the launch of a regional defence and security cluster, providing the cluster with context on the size of the sector in the North East and its strengths and weaknesses. Our joint work with analysts from across the region has resulted in the production of an <u>indicators dashboard</u> for Net Zero North East England, supported by a broader <u>evidence base</u> on the North East Evidence Hub. We continue to engage with networks across the North East and pan-regionally, including co-hosting the regional economic prospects group with the Bank of England and feeding into the Northern Evidence Network.		Green

Continue to deliver a number of functions on behalf of government departments, shaped by the local business voice. The functions are summarised below:

Action	Update	Decision/ discussion point	RAG
Deliver and develop contracted/funded business support	programmes and services including but not exclusively:		
 North East Growth Hub Fulfil our funding commitment to government to: Connecting businesses to the best support available from the private and public sectors. To target support on those businesses with the opportunity, ambition and greatest potential to grow. To gather on the ground business and economic intelligence to feed into ongoing policy development. 	The Growth Hub remains on target to meet contractual KPIs. We launched a survey in November to provide insight into the health, business priorities and receptiveness to business support of North East businesses. We've had over 80 responses and are now analysing the results. Future funding – the Chancellor confirmed, in the Autumn Statement, that Growth Hubs will continue to be funded in 2024/25. Levels of funding are unknown at this stage.		Green
Made Smarter Deliver the £800k programme engaging with 75 manufacturers during 2023/24, in partnership with government and Tees Valley Combined Authority. The ambition of the programme is to increase digital adoption with advanced manufacturers.	Five cohorts totaling 50 companies are complete. The target is to engage 70 businesses during 2023/24, with a further two cohorts to deliver in Q4. Manufacturing businesses are engaged in developing their digital roadmaps and £223,000 of the £350,000 grant fund has been committed and £134,000 defrayed. The Department of Business and Trade have confirmed the budget for 2024-25 as £800,000 along with a commitment to expand the programme across the UK including an extension to 2030 with a budget of £130M.		Green
Innovation Launchpad £7.5million Innovate UK grant fund allocated to develop the North East Tech Cluster. Includes 100% funded grants up to £100k for SME's and 70% funded grants for larger collaborative projects up to £1million.	Innovate UK are currently reviewing applications to the first Launchpad competition. Shortlisted applications to be reviewed with the North East LEP 26 January.		

Challenge North Tyne Deliver the £880,000 Challenge North Tyne programme in partnership with the Innovation SuperNetwork to enable 50 innovation projects to tackle the economic, environmental and social challenges through open and collaborative innovation.	Ortus Economic Research has completed the draft evaluation and the findings are summarised as part of the January 2024 board papers.	Green
Internationalisation Work with the Department for International Trade to mobilise international trade and investment activity, provision of local business intelligence, grant funding and levelling-up focused projects.	As devolution portfolios develop, consideration needs to be given to how best to incorporate internationalisation strategy as no current resource is available to progress.	Red
Provide local skills analysis through the Skills Advisory Panel The Skills Advisory Panel (SAP) aims to bring together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand, address and inform the LEP board, partners, and government about local challenges. The SAP will provide oversight of the delivery of regional skills, inclusion and progression programmes and projects and commission research into key skills challenges. We will work closely with the region's employer representative bodies (ERBs) to produce Local Skills Improvement Plans (LSIPs) in the production of LSIP and continue to commission research on specific localised challenges and opportunities.	 SAP members received an update on: Devolution timeline, emphasising the role of political leadership and the shadow executive in ensuring a seamless transition for five organisations into the new North East Mayoral Combined Authority (NEMCA). The development of the devolved Adult Education Budget. Data analysis for the DfE October data release including school and post 16 regional trends. Presentations from the NHS Integrated Care Board on the workforce planning and the NHS skills hub. 	Amber

North East Ambition (including Careers Hubs)

We will continue to champion and improve provision in good career guidance for each and every young person in the North East, by working with education and business.

Through the North East Careers Hub, we will:

- Increase the number of schools and colleges engaged with us
- Reduce the number of schools and colleges achieving fewer than three of the Good Career Guidance Benchmarks
- Increase the average Benchmark score across the schools and colleges from within the North East Careers Huh

We will continue to deliver the Primary schools' programme, including a new DfE initiative 'Start Small, Dream Big' which focuses on careers related learning in primary schools.

Enterprise Adviser Network

We will champion the Enterprise Advisor Network and Education Support Partnerships by increasing the number of EAs working strategically with schools and colleges in the North Fast Careers Hub.

Good Career Guidance Benchmarks

Our Careers Hub membership hasreached 177 schools and colleges. The region has seen improvement across the eight Good Careers Benchmarks. During Term one, 49 schools have made progress against all benchmarks. Overall, the region has increased the number of benchmarks achieved to 5.2. This is progress towards the KPI that hub schools and colleges should achieve 5.5 benchmarks.

The region has seen a dip in progress against benchmark 4. The team has developed a targeted plan to improve performance in benchmark four this term

Careers Hubs

We held our autumn term conference, which was attended by over 80 representatives from our network. The evaluation demonstrated that 95% of attendees rated the event as very good and excellent. 100% said that the content would inform future policy or practice.

Primary

122 primary schools are now in the core network, representing a growth of 12 schools in this academic term. The team held its regional conference with a focus on higher education.

The CEC awarded the LEP wave 3 funding to expand the primary project to 200 new schools in the North East.

Enterprise Advisor Network

The North East EAN has 221 business as members, 178 members of the network are in a partnership with 142 educational institutions. 125 of these institutions are within the North East Careers Hub.

The ESF-funded North East Ambition SME support concluded in December. The programme achieved more than 100% of outputs. The LEP's North East Ambition programme (both NEA1 and NEA2) has supported 1155 SMEs to engage with education. This represents of 116% of contracted targets.

1729 individuals participated in the programme, which represents 119% of contracted targets.

Green

Green

Removing Barriers to Digital Inclusion Working with the Digital Alliance we will begin to find ways to deliver a regional strategy to remove barriers to digital inclusion and support progression towards a set of minimum standards.	The template business case, for use by external stakeholders, is being refreshed for circulation.	Amber
Positive outcomes We will continue to support education institutions with bespoke programmes to support careers leaders, teachers, school leaders, governors, employers and other stakeholders to work collaboratively to ensure positive destinations for all young people.	Following on from the positive evaluation of the 2023 Teacher Encounters Programme, we have agreed to deliver in 2024 with Newcastle University. 14 schools are now being supported to develop partnerships with industry through the expansion of the Linking Curriculum Learning to the World of Work Project, involving subject teachers from biology, chemistry, physics, maths and English. The work is due to feature in the Institute of Physics' "Solving Skills: 1 Year On report" as an example of best practice.	Green
Technical Education Collaborate with employers and sector groups to enhance the talent pipeline, bridging the gap between education and employment. Implement the #apprenticesReady vision to increase demand for apprenticeships and T-level industry placements, while ensuring high-quality technical pathways to priority sectors. Support T-level expansion and alignment with higher technical qualifications	Out of the three regions delivering DfE Early Connect UCAS Apprenticeship Pilot, we remain the highest performer with 92% school engagement. A delivery partner has been procured. Launched the Apprenticeship Ambassador Training project, which trains 20 young apprentices to share their personal apprenticeship journeys with learners. Extended our T level support to a further eight schools. The region has 19 providers of T levels, this is the highest nationally. The T-level portal has been completed and will be launched in February 2024. Redesign and launch of North East Ambition skills support to businesses website. This includes our Education Landscape videos where local SMEs showcase their support for education. This has been taken up by DfE and Gatsby as the blueprint for national messaging. SME apprenticeship research has been aligned with the DfE funded phase 2 Local Skills Improvement Plan, providing support to the North East Employer representative bodies.	Green

Skills Bootcamps

Deliver the £10m Skills Bootcamps project, funded by the Department for Education, to support 2,150 learners to train in jobs of the future.

Delivery will include completion of wave 3, which is focused on green skills and wave 4, which extends to include green skills; technical skills; pathways to accelerated apprenticeships; supporting the education, training and learning workforce,; and people and management skills.

Wave 3 Skills Bootcamps (2022/2023) – grant award value £2.7m

Wave 3 Skills Bootcamps is approaching completion and the position in January 2024 is that 94% grant allocation has been expended by 9 training organisations across 26 Skills Bootcamp programmes

- 138 businesses engaged
- 805 individuals participated (127% against contract target)
- 741 individuals completed (92% against 80% KPI))
- 655 progressed new job/role/increased contracts (82% against 75% KPI))

Wave 4 Skills Bootcamps (23/24) – Grant award value £7.4m

Wave 4 Skills Bootcamps delivery is on target with 47% grant allocation expended by 31 training organisations across 97 Skills Bootcamp programmes

- 1062 individuals enrolled and/or started (59%)
- 625 individuals completed (63%)
- 518 progressed new job/role/increased contracts (52%)

Wave 5 Skills Bootcamps (24/25) – grant award £17.5 million

DfE have confirmed a Wave 5 grant award of £17.5m to encompass the North East LEP and NTCA programmes. This will be procured through the NEMCA Adult Skills Framework. The procurement process commenced in January 2024 (led by NTCA), with Skills Bootcamp contracts planned to commence from 4 April 2024.

Green

Action	Update	Decision/ discussion point	RAG
Monitoring and assurance of existing local growth programmes and funds for which the LEP is responsible for. Funds include:			
The Local Growth Fund To ensure full expenditure of the residual £5.5m 'swapped' funding in 2023/24 and continue to monitor and report on the performance of over 30 live projects to their conclusion	Quarter three project monitoring and claim forms have been issued. Collated performance data will be available in late January and reported to the March Board meeting. A further four projects have achieved full completion in this quarter, with 12 more forecast by the end of March. Currently 13 projects are expected to continue to be monitored in 204/25- the final year.	A couple of projects in Newcastle are slipping spend into Quarter four, increasing the risk of underspend in 23/24. A likely underspend on an inward investment project should be firmed up in early February. A report to the Board in March will advise on mitigation to ensure all LGF is spent in 23/24.	Green
The Getting Building Fund To ensure full expenditure of the residual £1.4m 'swapped' funding in 2023/24 and continue to monitor and report on the performance of 19 live projects to their conclusion.	Quarter three project monitoring and claim forms have been issued. Collated performance data will be available in late January and reported to the March Board meeting. Battleship Wharf, Blyth, has claimed its full grant award. All grants now claimed. On the Hilthorn EZ site, Sunderland, the new advance units have been completed, with a supplier to Nissan confirmed – new jobs expected to be reported from uarter four onwards. 13 of 20 projects are forecast to be subject to ongoing monitoring into 24/25.	As previously reported, lifetime job numbers by 31/3/25 are expected to remain well below original targets due to both project delays and withdrawals. Possible clawback on one project of c£42,000 due to underspend. To be confirmed after project audit statement is received. Any recovered grant will be used to support Programme Management costs and displace LEP funds, ensuring the full GBF budget is spent in 23/24.	Amber
Enterprise Zone Programme To oversee continued investment of £20m across 21 EZ sites, to increase generation of Business Rate Income to the region.	Quarter three project monitoring and claim forms have been issued. Collated performance data will be available in late January and reported to the March Board meeting. A new funding application for a second phase of infrastructure works on Ashwood Business Park, Northumberland, has been appraised with a report planned to go to the Investment Board in March.		Green

The North East Investment Fund Includes the Commercial Property Investment Fund and the North East Property Fund performance monitoring of external contracts and also ongoing monitoring of the repayment of existing loans from the NEIF made in previous years.	The Investment Board is planned to discuss actions and revised terms on an existing project that is facing serious financial challenges on March 7. The latest bimonthly update on the performance of the CPIF scheme was received on December 20 showing significant demand but increasing need for incentives in addition to loan finance.	Green
Regional Access to Finance Lead the Regional Access to Finance development work	Work continues with regional partners on the development of the follow-on fund to the North East Fund Ltd with a market study to be commissioned this quarter.	Green

Economic round up January 2024



For further data analysis and research visit the North East Evidence Hub



Economic outlook

Gross domestic product (GDP) grew by 0.3% in November, according to the Office for National Statistics (ONS), following a decrease of 0.3% in October. Strong retail sales drove relatively strong quarterly growth in November.

The annual inflation rate in the UK increased to 4.0% in December 2023, an increases from 3.9% in November and above expectations of further decreases. Alcohol and tobacco prices had the largest upward contribution and food the largest downward contribution.

The Bank of England Base Rate remained unchanged at 5.25 % in December. The next interest rate decision is on 1 February.

Mortgage lenders have started the year by cutting rates, reducing some of the costs of signing a new deal for homeowners. The UK's biggest lender, Halifax, has cut some interest rates by close to one percentage point, with brokers now expecting others to follow suit.



Labour market

The latest regional labour market release showed that working age employment rate in the North East region was 74.8%, 3.2pp higher than the same time last year and only 1.4pp behind England. The latest data users a new methodology which shows less variability over time.

The ONS reported that the total number of UK online job adverts fell by 3% on 8 December 2023 when compared with the previous week and fell by 15% when compared with the equivalent period in 2022.

According to ECA International, UK real salaries fell by -2.7% in 2023 less than the -4% predicted. This is a result of lower-than-expected inflation and they are predicted to grow by 1.3% in real term in 2024.

New research by energy provider E.ON shows that almost two thirds of school leavers are considering apprenticeships or going straight into work to get a head start in their career, instead of traditional higher education.

Disabled people, over 50s and single parents looking to go back to work can attend a Department for Work and Pensions event in South Shields that will offer advice on how to return to work



Internationalisation

Exports from the North East region in Q3 of 2023 were valued at £3.3 billion. This was an increase of 0.2% on the previous quarter but a 2.3% decrease on the same quarter a year earlier. The North East was the only English region that experienced an increase in the value of goods exports in the latest quarter.

Road vehicles exports increased by 11% in the latest quarter and were up 76% compared to the same point last year. Pharmaceutical exports increased by 34% to a new quarterly record.

<u>The UK and Switzerland have agreed closer links</u> in a post-Brexit accord that aims to deepen ties between the City and the Swiss banking system.

On the 21st December, the PM announced <u>The UK and EU have agreed</u> to extend trade rules on electric vehicles until the end of 2026 to keep costs down for manufacturers and consumers.

Disruption to shipping from Houthi attacks in the Red Sea is starting to have an impact on the cost of containers and the time required to access goods, although direct disruption so far has been limited.



Business activity

The business population in the North East has continued to grow since 2020 unlike nationally, meaning that the region made some progress in closing the gap in the number of businesses per head with England.

The data from the North East LEP's business barometer survey suggests acquiring new customers is the highest priority for business in the region over the next six months, followed by digital adoption and talent acquisition.

<u>Survey results suggest businesses across the North East</u> have maintained their confidence despite overall business optimism in the UK falling to its lowest in 2023. This is echoed in other survey results and business contacts, which suggest that business pessimism has declined even if businesses still report many challenges.

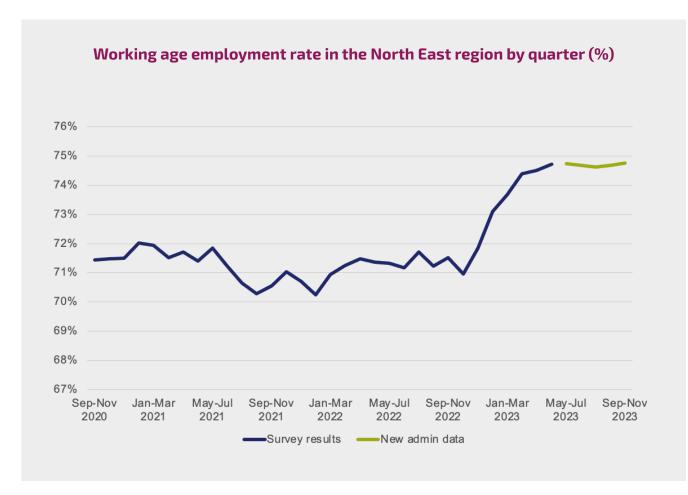
Nearly one-quarter (24%) of trading businesses reported an increase in the prices of goods or services bought in November 2023 when compared with October 2023, while 9% of businesses reported an increase in the prices of goods or services sold over the same period.





Data Insights: Regional labour market data

New labour market data shows the regional employment rate has remained high with large increases in employment compared to last year. The most recent release uses administrative data rather than survey data due to low response rates.



In the Sep-Nov 2023 three-month period, the North East region was estimated to have had:

The fourth lowest working age employment rate (74.8%, Eng. 76.2%)

the median unemployment rate, lower than the England rate (4.1% of economically active adults, Eng. 4.3%)

the third highest working age economic inactivity rate (21.9%, Eng. 20.3%).

Compared to a year earlier:

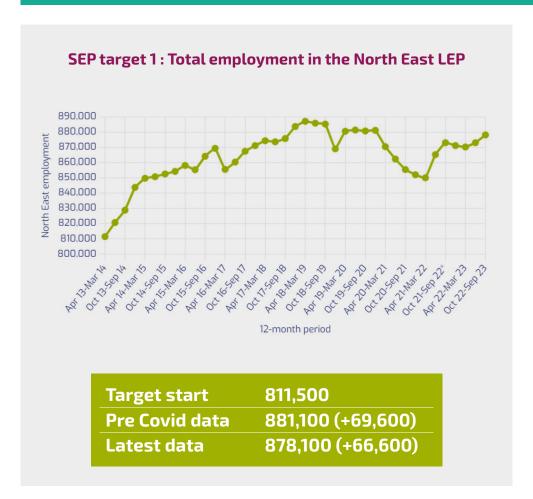
Employment in the North East region was estimated to have risen by 60,500

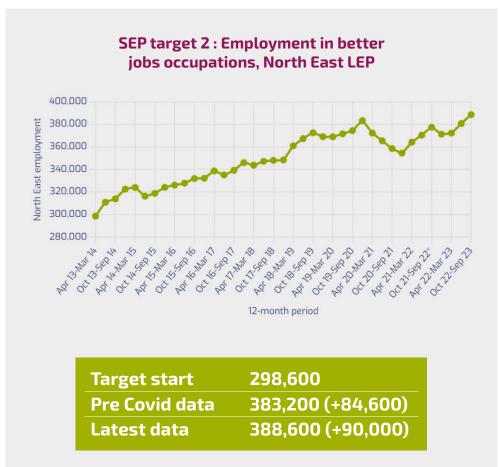
the working age (16 to 64) employment rate was estimated to have risen by 3.2 percentage points (pp) England's estimated rate increased by only 0.4 pp.

A new methodology means there has been little change in the data over the last 6 months extrapolating froward from the previous survey data. It is unclear how accurate the new methodology is.

Data Insights: Update on SEP targets

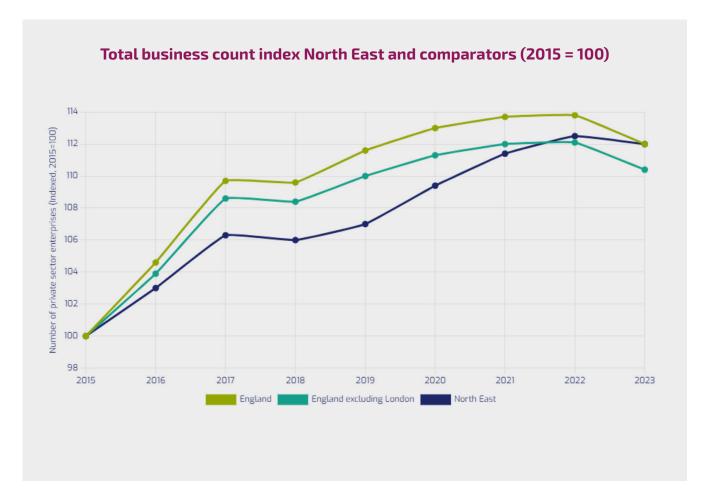
New data on five of the six SEP targets has been released in recent months. The region has made progress on more and better jobs, with total jobs approaching the pre-Covid total and the total number of better jobs the highest since 2014...





Data Insights: Business population

The North East business population has grown more quickly than nationally since Covid-19. This means the North East has closed some of the gap in the number of businesses per head with England, although the gap remains large.



The number of North East private sector enterprises in 2023 was 2.4% higher than 2020, the third highest percentage increase among the eight core city LEP areas. This compared to an England excluding London decrease of 0.8%.

There have been large decreases in the number of digital and management consultancies nationally which has driven the decrease in businesses (linked to changes to off payroll working rules).

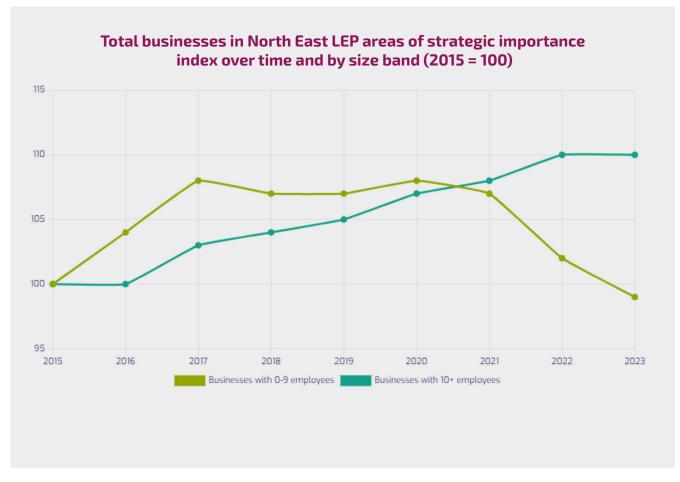
The latest North East total was equivalent to 443 private sector enterprises per 10,000 working age adults, compared to 615 for England excluding London.

The business population gap per head is the smallest it has been since 2015.

The North East also has comparable high growth firm and business survival rates to England in the latest data.

Data Insights: Business counts in the areas of strategic importance

The number of larger businesses in the areas of strategic importance has increased since 2015 while the number of micro businesses has decreased. Health and life sciences have seen the biggest percentage increase, followed by digital tech.

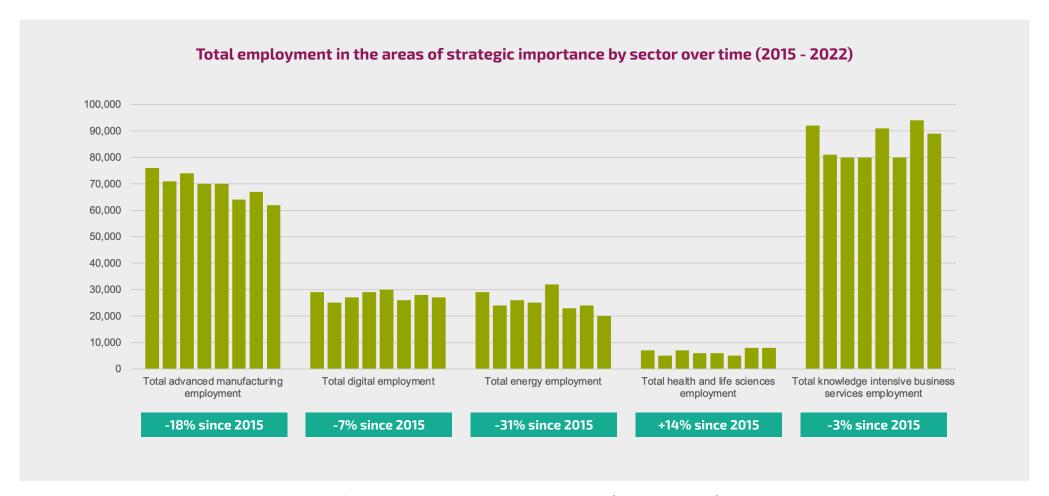


- The number of micro businesses has declined by 1% in advanced manufacturing and energy since 2015, and 2% in knowledge intensive business services (KIBS).
- Advanced manufacturing saw a 1% decline in the 10+ category too while the other areas of strategic importance saw growth in larger businesses.
- Heath and life sciences business counts have increased by 28% since 2015 (from a small base). The number of digital tech businesses increased by 3%.
- The number of KIBS businesses decreased by 1% and advanced manufacturing and energy by 14%.
- Increases in postal and courier services has driven the overall increase in the number of businesses since 2020, increasing by 160%.

Falls in micro businesses may be linked to changes to off payroll working conditions introduced by HMRC.

Data Insights: Employment in areas of strategic importance

Employment in the areas of strategic importance has fallen since 2015 except for health and life sciences. Enabling sectors such as education, warehousing, public sector and office administration have driven employment growth in North East.



Key trends: Workforce and public services

Employers across care, manufacturing and grounds maintenance have announced recruitment drives in recent months. Health services have been impacted by strikes while there are concerns around funding in dentistry and local authorities.



Workforce

Grounds maintenance provider Tivoli is set to create 20 new jobs after opening a new regional hub for the North East. Tivoli has invested in a new 9,062 sq. ft hub at Boldon Business Park as its regional division sees significant growth.

A homecare company is launching a major recruitment drive after winning a contract to provide care to people living in supported living schemes. Caremark Redcar and Cleveland is seeking to create up to 50 new jobs over the next three months. This is after being awarded a contract to provide the care at four supported living schemes.

JDR, subsea cable manufacturers, have reaffirmed its commitment to Hartlepool by signing long-term extensions with PD Ports. The business has signed 15-year contract extensions with the port company, in a move which secures 280 jobs.



Public services

Councils in England are warning they will struggle to balance their budgets this year & cover rising costs, despite a rise in funding. The government has announced they will have £64bn to spend next year, assuming increase council tax by the maximum amount

<u>Go North East workers accepted a pay deal</u> in December ending a five week strike action which saw service numbers reduced significantly and had an impact of regional retail sales over the Christmas period.

<u>Junior doctors in England begin a 6-day walkout in January</u> as part of their long running pay dispute, adding to pressure on the National Health Service and meaning several routine appointments have had to be cancelled.

Experts are warning the NHS density model is under pressure. The Nuffield Trust think tank said service cuts mean the model is at the most perilous position in its 75-year history. The government said it would be publishing a recovery plan soon.

Key trends: Opportunities and challenges

Changes to raw material and energy policy may create opportunities for North East businesses, challenges remain in relation to the cost-of-living crisis, NHS staffing and developments in artificial intelligence.

Opportunities



Imported raw materials such as steel and cement will incur a new carbon tax from 2027 under UK plans designed to support domestic producers and reduce emissions.



Nexus is looking to fill several jobs in 2024. It includes seven roles available in Nexus' Quality, Health, Safety, Security and Environment (QHSSE) team, as well as seven new Nexus apprenticeships and degree apprenticeships.



The government outlined plans on 11th January for the biggest expansion of nuclear power for 70 years to reduce electricity bills, support thousands of jobs and improve UK energy security – including exploring building a major new power station and investing in advanced nuclear fuel production.

Challenges



In January 2024, 53 percent of British people thought that the economy was one of the top three issues facing the country, compared with 45 percent who thought that health was one of the top three issues. The ongoing Cost of Living Crisis is still one of the main concerns of Britons going into 2024. Health was the second most important issue throughout 2023, possibly due to NHS staffing problems, and increasing demand for health services. Since late 2022, immigration has emerged as the third main concern for British people, just ahead of the environment for much of 2023.



New data from the DFE shows that a considerable number of jobs in the North East are likely to see their roles changed by AI, even if the region is less exposed than the rest of England. Workers and Education providers will need to adapt to how AI changes the working environment in the North East along with other labour market changes such as hybrid working.

North East Local Enterprise Partnership Board



Date: 25 January 2024

Item 8: Skills activities – looking back and forward

1.0 INTRODUCTION

- 1.1 The purpose of this paper is to provide the Board with an overview of the LEPs Skills activities since 2014. Whilst not exhaustive it encapsulates the work to date, it's impact, together with recommendations for further consideration as we integrate into the new North East Mayoral Combined Authority (NEMCA).
- 1.2 The North East LEP is recognised nationally as being impactful, innovative, strategic, and effective, as well as for our reputation for evidenced-led, high quality programmes. This has translated into being invited to contribute to national and international skills focussed debate and policy development, where we have offering challenge and innovative solutions.
- 1.3 We are looking forward and are excited about the opportunities the changes to regional governance could offer our residents and their families. With a continued remit and funding to deliver pre and post 16 careers and skills activities we have highlighted areas which we believe would add greater value and impact as we integrate into the new devolved authority.

2.0 Delivery of the aims of the Strategic Economic Plan (SEP)

- 2.1 We have an ambitious Skills Programme, aimed at addressing current and future skills needs and enabling young people to access the 'more and better jobs' our economic growth plans will create. Key to achieving this is effective careers guidance.
- 2.2 Excellent careers guidance makes sure there is equality of opportunity. It unlocks potential and transforms outcomes for people of all ages.

3.0 HISTORICAL CONTEXT OF CAREERS GUIDANCE

- 3.1 The quality of careers guidance in schools and colleges has been an area of concern for Ofsted, politicians, employers and education leaders for many years. Countless reports, action plans and working groups have come up with reforms, frameworks and recommendations as to how it can be improved but there has been little support for the practical implementation of these ideas in schools and colleges.
- 3.2 The Education Act 2011 introduced the biggest change in careers support for young people for four decades. For almost 40 years young people in England had had access to careers guidance from a national service, delivered locally and which was free of charge to schools. The legislation removed from local authorities the

requirement to provide a universal careers service and removed from schools the requirement to provide careers education in the curriculum. Instead, schools were given a new statutory duty to secure access to independent careers guidance for their pupils, at their own expense.

3.3 The context for these policy changes was characterised by the twin principles of school autonomy and free-market, and the pursuit of austerity measures. Decisions about how to meet the statutory duty to secure access to careers guidance, and whether or not to provide careers education, had been left to individual schools. While schools had been free to use any provider of careers guidance of their own choosing, they had to find the costs from existing budgets. The Government provided no funding and very little support. When this was combined with limited regulation, it was hardly surprising that Ofsted (2013) reported that the new arrangements were not working well enough, and that only one in five schools were providing young people with the information, advice and guidance they needed.

4.0 THE NORTH EAST LEP'S ROLE IN DEVELOPING NATIONAL SKILLS POLICY

- 4.1 In 2013, the Gatsby Foundation commissioned Sir John Holman Emeritus Professor of Chemistry at the University of York, senior education and former Head Teacher with setting out "what career guidance in England would be like were it good". Through six international visits, analysis of good practice in English schools and a comprehensive review of current literature, Sir John developed eight benchmarks that identify different dimensions of good career guidance. Then, by surveying a sample of English schools to see how they measure up against the benchmarks and commissioning PwC to identify the costs of implementing the benchmarks in schools across England, Sir John made ten recommendations on how to improve the career guidance system.
- 4.2 The Gatsby Foundation identified the North East Local Enterprise Partnership area to test the benchmarks in action, providing an opportunity to lead the development of practice which has had huge local impact, national profile and improve the quality of provision and opportunity for young people.
- 4.3 Over two academic years, Gatsby supported 16 schools and FE colleges to develop careers education and guidance in their setting by meeting the Good Careers Guidance benchmarks.
- 4.4 The Pilot was recognised nationally as being 'transformational' and the activity in the North East and the benchmarks influenced national policy. The Careers Strategy launched in December 2017, placed the benchmarks at the centre of the Statutory requirements for both secondary schools and FE colleges.
- 4.5 The Social Mobility Commission's report in 2017 stated "The North East Local Enterprise Partnership has transformed careers support at local schools/colleges from the worst provision in the country to some of the best....until recently, the North East had some of the worst careers advice in the country. Today, it is leading the way on good-quality careers advice a consequence of collaborative efforts to improve performance".
- 4.6 The good practice, lessons learnt and insight from the LEP's pilot activity was further highlighted with the report recommending that all "Local Enterprise Partnerships

should follow the approach of the North East Local Enterprise Partnership, which works to improve careers support for young people by facilitating collaboration between employers, schools and colleges via joint groups and websites" as a direct result of the positive outcomes achieved:

4.7 "Concerted local efforts, of which careers support is one element, have also led to major successes in terms of youth unemployment in the North East. Local youth unemployment has almost halved since 2015 – falling from 23.4% to 13.5%".

5.0 Expansion of the network and application of national policy across the North East LEP/LA7 area

- 5.1 Under the stewardship of the then Employment and Skills Board (now the Skills Advisory Panel (SAP)) and the LEP Chair, and following the success and national recognition of the pilot, we were challenged to find a way to meet the requirements of both the statutory guidance and the aims and ambitions of the refreshed Strategic Economic Plan:
 - Education establishments must provide a mix of world class academic, technical and professional education, apprenticeships and higher-level apprenticeships in all of the growing areas of the North East's economy, ensuring that those entering the labour market have the right skills to thrive.
 - Develop a skills supply that underpins business growth and talent and retain this supply in the region.
 - Enable each and every young person to identify routes into work, supported through experience and exposure to the world of work, so that they understand that life and work experiences, alongside career and formal qualifications, are incredibly valuable.
- 5.2 This required supporting every secondary school (190 in the LA7 area) and each of the nine FE colleges to find a way to introduce careers guidance provision earlier than Key Stage 3 (i.e. the Primary Pilot) and to ensure emerging technical education reforms were integrated. From 2017 onwards, and through an evolving mixture of European funding (ESF), local growth funding, DfE (CEC) funding and contributions from the Edge Foundation, EY Foundation, NECOP (now UniConnect) and the Gatsby Foundation we have been able to secure funding to deliver these ambitions under the brand North East Ambition.

6.0 NORTH EAST AMBITION

6.1 In 2017 we developed North East Ambition which sets out our vision;

Our ambition is that every young person in the North East can identify routes to a successful working life, has the opportunity from an early age to have experiences and exposure to the world of work and meet people along the way who can inspire and motivate them.

We want our young people to understand, alongside formal academic skills, the value of life and work experiences and build abilities such as self-management, team working, business and customer awareness, problem solving, communication and literacy, presentation and interview skills and self-

discipline in starting and completing tasks to agreed deadlines. Being prepared for the world of work, having clear options and routes and support from parents, schools and businesses will deliver successful outcomes and destinations for our young people.

6.2 The North East Ambition funded programme operates across the North East and supports education establishments and primarily SMEs to work together to develop careers and education learning that meets the needs of both young people and businesses, and creates sustained relationships between education and industry.

7.0 EVOLUTION – 2017 TO DATE

- 7.1 Over the last six years, we have reported progress to the North East LEP Board, the SAP and the Advisory Group, chaired by the CBI, evidencing and highlighting challenges and successes, demonstrating the impact North East Ambition is having upon young people and our education and business partners. We work with a huge range of partners and stakeholders – schools, colleges, independent training providers, regional universities, businesses, employers, specialist providers, intermediary and sector groups, government departments, and voluntary sector organisations and not least our colleagues and partners in local authorities and the North of Tyne Combined Authority. This has resulted in establishing positive working relationships with head teacher groups, career leader groups (most led by LA colleagues) and collaborations on several projects (Youth Justice, RONI data, intended destinations, Opportunity North East Vision and Early Connect). We also attend network meetings in each local authority area and have been pleased to present career hub updates, labour market information, SEP updates through the duration of the NEA programme across the whole of the LEP geography. Several local authority colleagues attend the regional careers conferences on a regular basis, and we have had a lot of support, particularly for our primary network where engagement has been exceptional.
- 7.2 There are currently 122 North East primary schools involved in the core network and an additional 275 primary schools involved in LEP / Department for Education pilot, 'Start Small, Dream Big'. The primary pilot which commenced in 2019 has been mentioned as exemplary in reports by UCAS, Teach First and the House of Lords Unemployment Committee and Education Select Committee.
- 7.3 We have middle schools, secondary schools, SEND schools, Alternative Provision (AP) and Colleges as part of the 177 schools and colleges in the North East Hub. Additional middle schools, secondary schools, SEND schools, AP and independent schools are supported through North East Ambition (outside of the formal hub).
- 7.4 There are currently 14 schools receiving intensive support careers linked to curriculum, 3 secondary schools (and feeder schools) receiving intensive support transition, all 5 Universities Including Teesside) via Technical Education route plus the Institute of Technology and 45 Initial Trainee Teachers via Newcastle University.
- 7.5 In addition to our education institutions, support from businesses and employers has been outstanding in the last 24 months, we have over 400 different employers being involved with education in all capacities some light touch and some longer term and sustained. We continue to grow this network and are continually delighted at the support offered from our business community. Feedback is outstanding,

demonstrating benefits to both employers, and the schools, colleges (and young people) they have supported, highlighting the value of the role the team play in supporting businesses to engage with education to ensure that it is impactful for the employers and young people / educators.

8.0 Mainstream careers activity (Gatsby Benchmark achievement)

Secondary / FE Hub

- 8.1 At the end of 2023 our hub of 177 schools and colleges have achieved over five (5.08) of the eight benchmarks, 94% of these schools had onboarded to Compass + (a floor target from DfE) and 85% of them had an Enterprise Advisor matched and working with the school or college's careers leader and governance structure. This is huge progress, and above the national average but we recognise we have a way to go to our goal of every school and college achieving the benchmarks. As part of the hub each school and college is supported by members of the LEP team including:
 - 1-1, bespoke support via a Hub Lead or Enterprise Coordinator (EC)
 - Access to regional conferences
 - Access to a range of training opportunities
 - Access to staff CPD (offered in schools/colleges)
 - Access to network of other schools/colleges from across the region
 - Access to regular opportunities bulletin which contains resources, opportunities and updates for career leaders (CLs)
 - Access to North East Ambition website with associated resources, linked to supporting schools/colleges meet their requirements for careers education and guidance
 - Access to a headteacher's bulletin which contains strategic updates, video case studies and offers of support for schools
 - Access to national, CEC materials
 - Access to national CL training

8.2 Primary Hub

- 8.3 Our primary careers hub continues to expand with a 75% increase since the pilot phase and there are now 122 primary schools within the hub, plus an additional 275 participating in a DfE pilot (Wave 1 and Wave 3) **Start Small, Dream Big** (SSDB) across the full LEP geography.
- 8.4 We anticipate that all of 275 SSDB Wave 1 & 3 schools will join the core network after pilot delivery taking total engagement across LEP region to approx. 300 (approx. 50% of North East primary schools).

8.5 **Benchmark Progress:**

 Primaries involved in the Pilot achieved an average of 3.5 Benchmarks at the end of 2022 from a starting point of 0 Benchmarks in 2019

8.6 **Examples of practice:**

• Five schools who took part in the Primary Benchmarks Pilot were assessed by Complete Careers who provide external accreditation to primary schools through

- their Career Mark award. It was found that all five schools achieved the award and that working towards a framework (the Benchmarks) had accelerated their progress.
- 61% of examples of practice featured in Wave 1 SSDB Teach First materials featured North East schools and their work as a result of the Primary Benchmark pilot.
- Through the SSDB pilot, a cluster approach to employer engagement has seen rural schools in County Durham collaborate on planning and delivering employer encounters, developing sustainable relationships with regional businesses.
- 30 employer organisations have been matched with primary schools through SSDB pilot
- 8.7 Some examples of local authority collaboration and engagement are shown below:-

County Durham:

- Primary Headteachers briefings
- CPD workshops
- Governors' briefings
- Partnered with Lead Adviser & Strategic Manager Education to onboard Durham schools onto Core Network and Wave 3 of SSDB pilot

South Tyneside:

- Collaborative approach to Local Network Meeting
- Partnered with Economic Inclusion and Career Development Coordinator to onboard South Tyneside schools onto Core Network and Wave 1 & 3 of SSDB pilot

North Tyneside:

- Upcoming Primary Headteachers briefings
- Collaborative approach with School Improvement Adviser to onboard North Tyneside schools onto Core Network and Wave 3 of SSDB pilot

Northumberland:

- Partnership with Head of School Improvement & Senior Manager Education Development & Collaborative Projects to onboard Northumberland schools onto Core Network and Wave 3 of SSDB pilot
- Live discussion to support widening of Children Challenging Industry Initiative
- Bespoke clusters of support for rural schools building on transition pilot

Newcastle:

 West End Children's Community Group – participation in roundtable discussions for Aspirations working group

9.0 Special educational needs and disability (SEND)

9.1 The SEND specialist hub now sits at 32 SEND schools with a further nine in Alternative Education provision. We also work with 15 independent schools, seven of which are classified as SEND. We work with each of the schools and their leadership team to support them to achieve the benchmarks (where possible within

the context of the school). In addition, we have two projects working specifically with young people offering further targeted and bespoke support:

9.2 Effective Transition Fund

A two-year project, supporting 100 young people who are in receipt of free school meals and have an Education Health Care Plan (EHCP) from across 8 schools (four SEND and four mainstream). Each young person received additional support in the form of personal guidance and bespoke activities, co-ordinated with their schools, to ensure that they had aspirational intended destinations and were able to make a successful transition into education, employment or training (EET). The project completes in February 2024.

9.3 Targeted Transition Fund

A six month project, supporting 150 young people who are in receipt of free school meals and either have an EHCP or face some other form of additional barrier. These young people come from across SEND schools and mainstream schools. Each young person will receive personal guidance and some additional support linked to their intended destination. The project completes in March 2024.

10.0 Enterprise Advisor Network (EAN)

10.1 Employer / education partnership 222 Enterprise Advisers (EA's) across the network, we do however have a wider network of around 400 businesses who engage on a less formal basis offering support in a wide variety of areas. Currently we have a 50-50 split of larger businesses and SMEs with a smaller percentage of some self-employed making up the network. The network is made up of a high percentage of Construction and Manufacturing organisations although we do have a diverse range of other sectors. We have many examples of the benefits and impact of being part of the network, including direct recruitment of apprentices, hosting of T-level placements, network members becoming part of school governance structures and lots of instances of work placement and experiences of the workplace opportunities for young people.

11.0 Benchmark Labour Market Information (LMI) via evidence hub and NEA portal

11.1 Labour Market evidence is at the heart of Benchmark 2 and we support all of our network with the provision of LMI through the website and the Evidence Hub. Our Hub Leads provide expertise in 'translating' LMI into useful and age appropriate information via teacher CPD, headteacher and senior leader groups, Princes Trust, PPG Careers Advisor Group, to university students and staff, Connexions teams and CareerWave advisers. At a Primary level LMI is shared annually to core network through Regional Network Meeting, shared termly at Local Network Meetings, shared/incorporated into individual school/ MAT meetings based on need through Audit/ Action Planning process. We do also have a range of resources introducing LMI to students for use by primary schools, secondary schools and colleges, as well as a specialist section for SEND schools.

Benchmark 2 - North East Ambition

12.0 Specialist support projects / programmes (improving progression / engagement for 'each and every')

- 12.1 As North East Ambition progressed, data collection and analysis was key to maintain progress and to understand where challenges were arising.
- 12.2 Specific, timely support or interventions needed to be put in place at certain times or for individual schools or cohorts. Feedback from our Head Teacher group, LA groups, business and employers and analysis of data around benchmark achievement demonstrated that, for example:
 - Benchmark 4 was particularly difficult to achieve (Careers in the Curriculum), and that businesses and employers were well placed to support the delivery of this;
 - Some young people were identified by their schools as potentially being at risk of becoming NEET despite the support being offered as standard by schools and therefore, they required further and more intensive support;
 - Curriculum teachers would benefit from industry placement opportunities so they
 could bring workplace examples of 'curriculum in action' back into classrooms
 resulting in improvements in attainment, attendance and progression for young
 people (and job satisfaction for teachers).
- 12.3 Trainee teachers would benefit from local labour market information and opportunities for industry placements as well as established teaching staff:
 - Work placements and experiences of the world of work need to be 'meaningful' and of value to both the young person and the employer and support before, during and after placement enhanced the experience for all;
 - Digital technology (particularly following COVID-19) increased opportunities for young people to experience 'virtual' work experience where it was not possible to accommodate this due to health and safety or for commercial confidentiality and security reasons;
 - Changes to the skills policy landscape, changes to qualifications, the introduction of reforms in the apprenticeship scheme, the introduction of T-levels all added to the complexities for employers, parents and carers in either understanding progression opportunities, offering support, recruiting young people or training and upskilling. Evidence demonstrated that having one point of contact or reference for example through the NEA website was invaluable. One of the most popular of our resources is an options video one for mainstream student and the other specifically developed in partnership with the schools for SEND students.
- 12.4 Our commitment to supporting each and every young person, the schools and colleges, as well as the businesses who are part of our network, resulted in further development of funded programmes and projects to address the challenges as they arose.

13.0 Teacher encounters

13.1 The aims of the project are twofold, to increase teacher's understanding of the relevance of their subject to future careers, pathways and opportunities and to increase confidence in engaging with employers and incorporating careers related learning in the classroom. The participant responses were measured with a satisfaction survey and in every metric surpassed the national average by some margin.

13.2 **Impact:**

North East participants

- Feel confident or very confident to engage employers in their practice 97%
- Feel confident or very confident to deliver careers in the classroom 100%
- Feel confident or very confident to communicate about future careers with students 97%
- Feel confident or very confident to communicate about future careers with parents 90%
- Agree or strongly agree that engaging with employers has improved my skills to deliver my subject 95%
- Agree or strongly agree that they know how to develop new curriculum materials with relevance to world of work 92%

https://www.northeastambition.co.uk/resources/view/north-east-lep-teacher-encounters-video

14.0 ONE vision model

14.1 The aims of the North East LEPs delivery element of ONE Vision were to improve KS4 destination outcomes for targeted young people (i.e., those young people identified by their schools at highest risk of disengagement) and to increase the effectiveness of "career interventions" through a personalised data driven approach.

14.2 Impact

- Based on DfE funded Opportunity North East 2020-2022, 16 schools (Ofsted RI) with a historic average destination rate significantly lower than national, 450 Year 10-11 students (46% pupil premium, 19% SEND)
- 113% improvement of knowledge across 12 key areas relating to career related decision making
- 97% had formed ideas about the sector they were interested in working in
- 98% had formed a firm Post-16 plan
- 97% had a positive destination (Nov 2022)*
- 57% had progressed to a Level 3 qualification (Nov 2022)*
- 99% were happy with their progression choice (2022)*

^{*}School level DfE published data for the cohort will be publish Oct 2024 and revised Jan 2024

14.3 Further Information

14.4 The Opportunity North East (ONE) programme significantly improved pupils' career planning and engagement – more than any other factor such as gender, parental graduate status, or ethnicity (Oxford University Careers Service report)

https://www.careers.ox.ac.uk/files/oxford-litmus-opportunity-ne-report-2021pdf
https://evidencehub.northeastlep.co.uk/report/opportunity-north-east-final-report
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/861897/ONE_DeliveryPlan.pdf

15 Youth Justice Project

- 15.1 Young people who are 'open' to the Youth Justice Service (YJS) often fall through the cracks in terms of accessing careers provision. They are widely disbursed in alternative education, mainstream and SEND schools, they can be non-attenders, home educated or in 14-16 College provision. In short, they are not a distinct cohort that can be worked with as a group, but rather, they require bespoke, individual support. In addition, they are unlikely to be a cohort accessing any careers education and guidance.
- 15.2 The Youth Justice System (YJS) works with 10 18 years olds who are vulnerable and participating in behaviour that is deemed as high risk. It is common for YJS clients to come from chaotic family backgrounds, with low socioeconomic status where social and cultural capital is either non-existent or severely restricted.
- Our project, in partnership with South Tyneside Council, introduced positive role models, in the form of employers, who are trained to participate in a mentoring capacity in the hope that be transformative for YJS young people.
- 15.4 The programme offered an 'enhanced' Enterprise Adviser to offer:
 - Mentoring for young people
 - Opportunities for workplace visits
 - Work experience
 - Exposure to positive role models
- The project involves sourcing the employers, delivering training regarding mentoring and coaching, producing a mentoring resource guide, offering 1:1 support for the employers and providing the mechanism to link YJS with employers going forward. This project has just ended and impacts and outcomes will be reported in due course.

16.0 Gateshead BEEP (Building Education and Enterprise Partnership)

16.1 The BEEP project brought together career leads from all Gateshead secondary schools, the local colleges and locally based independent training providers alongside local employers and those from the Enterprise Advisor Network supporting Gateshead based education institutions. The aim was to test a local, place-based approach to education and enterprise through cultivating meaningful relationships

and promote progression pathways. The evaluation highlighted it improved outcomes and relationships. For example:

- At the start of the pilot 44% of the Gateshead Schools (7) had been engaged in regional activities and were matched with an Enterprise Advisor. At the end all 16 schools were matched with an EA and had engaged with NEA, with 88% also regularly attending BEEP events.
- Higher benchmark achievement in Gateshead than regional average, which is impressive given it started from a lower baseline, particularly in BM5 (employer engagement) and BM7 (understanding of alternative pathways).

17.0 Progression pathways – technical education, apprenticeships and sector skills

- 17.1 In 2021 the Skills for Jobs: Lifelong Learning for opportunity and growth White Paper was launched announcing reforms to post-16 technical education and training to support people to develop the skills needed to get good jobs and improve national productivity.
- 17.2 The following were at the centre of that White Paper:
 - Putting employers at the heart of the system so that education and training leads to jobs that can improve productivity and fill skills gaps.
 - Investing in higher-level technical qualifications that provide a valuable alternative to a university degree.
 - Making sure people can access training and learning flexibly throughout their lives and are well-informed about what is on offer through great careers support.
 - Reforming funding and accountability for providers to simplify how funds are allocated, give providers more autonomy, and ensure an effective accountability regime which delivers value for money.
 - Supporting excellent teaching in further education.

These were in addition to the reforms to the apprenticeship system rolled out in 2017.

- 17.3 Apprenticeships and technical education have always played an important part of the make-up of the North East labour market, however evidence demonstrated a slowdown in the take up of technical education, particularly apprenticeships over the last decade.
- 17.4 In order, to better understand the challenges facing the region the Skills team has established two regional technical education stakeholder groups: North East Apprenticeship Hub and the T Level Delivery Group, both of which comprise of local delivery providers, a local authority representative, regional partners and national policy stakeholders all working together to support the achievement of good careers:
 - North East Apprenticeship Hub We have commissioned research to understand the 16-18 apprenticeship landscape, established multi-agency buy-in across all spatial levels resulting in the development and implementation of a regional framework and multi-agency to progress research recommendations.
 - The T level Delivery Group

The first group nationally to work with employers, providers, policy makers and accrediting organisations to smooth the transition and understand better firsthand the challenges and opportunities these reforms present. We also work closely with our provider base and employer network to try to ensure that T-level students are able to access a suitable industry placement. We've also ensured that our career leaders are aware of these alternative routes and qualifications and promoted their Provider Access Legislation (PAL) obligations.

<u>Understanding the education system from Apprenticeships, Work Experience, to Traineeships | Education Landscape</u>

- 17.5 As a direct result of our strategic approach and commitment to delivering results we are now regarded as both a leader and strategic partner nationally with government and other policy stakeholders. For example, we were recently invited by DfE to be one of three areas nationally to participate in a new, Early Connect pilot working with the Department for Education and UCAS aimed at promoting apprenticeship opportunities to Year 12 and 13 and increasing the number of apprenticeship vacancies. It is too early to predict outcomes of this pilot but the response from schools so far has been promising with the region currently having the highest number of institutions engaged (92%) and we are working closely with all 7 Local Authorities (Assistant Directors of Education, Economic Development and Apprenticeship Co-ordinators within HR and Workforce Development Teams) to ensure that the project adds value to locally delivered apprenticeship activities.
- 17.6 In addition to this work, we have responded to employer demand across a number of sectors, including offshore energy, construction, cyber security and healthcare (with the NHS) to support employer groups or sector groups to respond to a tightened labour market and develop information regarding pathways / routes into sectors for young people where there are growth opportunities or workforce vacancies. We are working alongside the two regional ERB's responsible for developing the LSIPs and are providing LMI for young people on that data.

North East Energy Sector Toolkit - North East Ambition

18.1 **Key Asset – North East Ambition Website**

- 18.1 The North East Ambition Portal has been developed to support education and business communities in the delivery of good quality careers. It is segmented for two audiences:
 - Resource for careers leaders, curriculum teachers, school / college governance, primary schools which contains benchmark guidance, sector toolkits, curriculum planning tools, lesson plans, case studies of best practice, primary benchmark audit tool, progression information (technical, FE, HE), Buzz resource.

Education - North East Ambition

ii. Resource for businesses / employers which contains a provider portal, routes and pathways, 'system made simple', best practice for hosting work placements and guidance for employers to navigate the skills system.

Business - North East Ambition

19.0 THE FUTURE

- 19.1 The North East is recognised nationally and internationally for its work in 'careers' and technical education and we have been involved since the inception of the Department for Education's 2017 Careers Strategy. The Skills Director has contributed to several cross parliamentary advisory groups and committees (House of Commons and House of Lords) regarding youth employment, career guidance, technical education, specialist support, SEND and others. In addition, members of the team are represented on national stakeholder and policy groups by invitation to represent the national LEP network on employer support for technical education policy, UCAS apprenticeship stakeholder forum to name but a few.
- 19.2 National policy is evolving in the careers alongside skills reform and government's current vision, which is being developed has three priorities, listed below:
- 19.3 National policy careers in the skills reform agenda

Vision

There are three priorities:

- Single unified careers system (all age)
- Skills, training and work experience
- Social justice
- 19.4 The Skills Director and LEP Skills Leads have provided written and verbal evidence in 2023 to the Education Select Committee (ESC) and Sir John Holman recommendations 'Future of careers guidance and Ofsted thematic review', which states the following:
- **19.5 Skills reform** provides ladder of opportunity to enable young people and adults to attain good jobs and progress in their careers.
- **19.6** Careers education, information and guidance is crucial first step on the ladder of opportunity leading to: -
 - Job security & prosperity
 - Lifelong learning
 - Championing apprenticeship and skills employers need
 - Quality qualifications

The recommended future careers offer is:

- Infrastructure via existing hubs continued delivery of benchmarks
- Direct delivery IAG to citizens (current NCS)
- Should improve careers provision for those young people not currently receiving advice
- Greater alignment with and between government programmes that support people into work (DWP)
- Focus on upskill and reskill higher skilled and sustainable careers
- Nationally funded services co-ordinated locally.

20.0 North East – the future for skills

20.1 Our commitment through the hubs and ongoing work is:

- A continued commitment to support the schools and college, employers and individuals within our hubs
- Continued, and accelerated progress against targets Benchmarks, Compass+ & Future Skills Questionnaire
- Capturing impact and supporting quality assurance including through the new Careers Impact System (CIS)
- Supporting schools meet their Provider Access Legislation (PAL) responsibilities
- Further strategic engagement including HTs/LAs/MATs
- Enhanced training offer including for new & experienced career leaders
- Innovative new projects to create evidence: and resolve challenges
 - Early Connect (DfE / UCAS)
 - Green Skills Sector Work Placement programme
 - Continued expansion and strengthening of Primary Programme including DfE trailblazer project
- Continued focus on supporting employers to be at the heart of education
- Labour market information development and dissemination through North East Ambition Hub
- Facilitation and co-ordination of apprenticeship group and workplan, sector skills and T-levels implementation
- Development of Fusion Skills those skills most valued by employers, outside of academic qualifications.
- Completion of W3 and W4 of skills bootcamps and to ensure smooth transition into W5 alongside NTCA into NEMCA.
- 20.2 Investment through the Devolution deal, with political agreement, offers the potential opportunity to focus on areas not currently being addressed such as fusion skills. It could deepen and wider our programme where we have developed a proven and effective model but haven't had the resources to offer the opportunity to a wider cohort, for example the ONE Vision model and teacher encounters.
- 20.3 Additionally, there are opportunities to address the other recommendations, if there is demonstrable evidence of need or barriers to citizens accessing careers guidance, for example:
 - direct delivery of IAG to citizens (over the age of 18 and not in education or training)
 - co-ordination of alignment activity between government programmes regionally, opportunities to offer IAG before, after or during adult skills learning (Adult Education Budget or Skills Bootcamps)
 - addressing challenges identified through the Local Skills Improvement Plans (LSIPs), ie. critical skills shortages across sectors and a lack of labour market information or awareness of vacancies

21.0 RECOMMENDATIONS

 To note the progress made over the last 10 years on skills activities in the seven local authority areas;

- To note the recommended forward plan in terms of continued future activity within the current remit,
- To explore opportunities to invest in innovative, inclusive future programmes within careers education and guidance, particularly for adults in work or a co-ordinated approach for those out of work or at risk of redundancy.

North East Local Enterprise Partnership Board



Date: 25 January 2024

Item 9: Challenge North of Tyne Evaluation

1.0 Background

In 2022, the North East Local Enterprise Partnership (LEP), in partnership with the Innovation SuperNetwork, launched the Challenge North of Tyne programme which aims to solve problems that are shared by multiple stakeholders, to build on investments made by North of Tyne Combined Authority and to support the development of market leading solutions that address key challenges.

The programme focused on addressing two challenges:

- 1. Supporting older people at Home, Work and Play; and
- 2. Delivering Energy Efficient, Net Zero Homes

The programme brought together, Challenge Supporters (who faced challenged that required a solution) with Solution Providers (tasked with developing solutions to address the Challenge Supporters challenges). The programme consisted of four key elements:

- The identification of challenges and challenge supporters.
- A Stage 1 innovation grant (unmatched, £5,000)
- Delivery of an Accelerator support programme
- A Stage 2 grant (50% match, up to £20,000)

2.0 Achievement of Outputs

- 2.1 The programme comfortably achieved its output targets. 130 businesses engaged with the programme,
 - 74 firms, (57%) working on the Ageing mission,
 - 42 firms (32%) working on the Decarbonisation mission,
 - and 14 firms (11%) working on both.

The programme had a target of delivering intensive business support (>12 hours) to at least 40 firms, and it delivered this level of support to 44 firms (i.e., 110% of target). In addition, the programme targeted a further 60 firms to receive between 3 and 12 hours of support, which has also been achieved (65 firms have received this level of support to date, i.e., 108% of target).

A total of 50 Stage 1 grants were issued and seven Stage 2 grants have been awarded. This is considerably fewer than the original target of 40 as it was decided that a smaller number of larger grants would have most impact.

2.2 Achievement of Outcomes

An independent evaluation identified that the programme has delivered a number of outcomes:

• It has successfully encouraged a large number of organisations to engage in open innovation - 130 SMEs and also around 25 Challenge Supporter organisations.

- The Accelerator element, and one to one support has advanced their innovation knowledge and skill in both Solution Providers and Challenge Supporters.
- New products and services were tested and launched as a result of the programme. Evidence suggests that ideas have been developed and advanced by virtue of the grant and support received.
- The programme has facilitated the identification and assessment of a wide range of market opportunities.
- Partnerships and collaborations have been established; between Solution Provider and Challenge Supporters.
- Private sector investment has been leveraged, both through the matched funding required for Stage 2 grant funding (estimated at around £177,000) or through the planned investment rounds that participant in the programme are planning (which will amount to millions of pounds if stated plans come to fruition).
- An increased understanding of open innovation fostering collaborative mindsets and behaviours.
- Although most innovations are still at pre-launch stage future growth forecasts are strong.

2.3. Economic Impact and Value for money

The independent evaluation identified the following economic impact and value for money:

- An estimated of 50.5 FTE jobs (gross) will be created in the next 2-3 years.
- The evaluation estimates that the programme will deliver net GVA of £5.63 million.

Two expressions of value for money have been calculated, as follows:

- Cost per net job created is a maximum of £22,184
- Return on investment is at least 7.9:1 (i.e., every £1 of public investment delivers £7.90 of net additional GVA to the economy)

2.4 Lessons learned

Key lessons arising from the evaluation can be summarised as follows:

- **Scope of Challenges**. Further consideration may need to be given to provide more clarity and focus on challenge definition in future programmes, in order to enable more focused innovation.
- **Strategic alignment**. The two Challenges are appropriately aligned with regional strategies and needs supporting the achievement of strategic goals.
- **Challenge Supporters.** Solution Providers valued the engagement of Challenge Supporters. Future programmes should seek to maximise this engagement.
- **Solution providers and segmentation**. More flexibility to tailor the programme to specific participant segments could help maximise value and benefit.
- Links to broader innovation support. more directed 1-2-1 support would have been valuable alongside knitting in the wider innovation ecosystem.
- Solution provider support and investment. Grants (especially the Stage 1 grants) and the wide scope to develop and test ideas without needing to demonstrate a specified return on investment was widely applauded.
- Challenge exploration. Additional time for group-based development of ideas would be beneficial.

3.0 Recommendation

3.1 The Board is asked to note the findings of the successful Challenge North of Tyne programme evaluation and the lessons learnt.

North East Local Enterprise Partnership Board



25 January 2024

Item 10: An overview of the Board's transition to the North East Mayoral Combined Authority (NEMCA)

1.0 Background

- 1.1 Subject to agreement in Parliament, the North East Mayoral Combined Authority (NEMCA) will be created on 7 May 2024 following the agreement by the seven local authorities and two combined authorities in the North East to a devolution deal with government in December 2022. The new NEMCA and the devolution deal will be coterminous with the existing boundary of the North East Local Enterprise Partnership (LEP).
- 1.2 NEMCA is a new local authority a partnership of seven North East councils working closely with private, public and social sector stakeholders, chaired by a directly elected Mayor. Implicit in the transition to NEMCA is the de facto abolition and merger of five existing bodies serving the region's economy North East Combined Authority, North East LEP, North of Tyne Mayoral Combined Authority, Invest North East England and Transport North East.
- 1.3 The policy context for the transition of the North East LEP into NEMCA is provided by the 2022 LEP Review and the North East Devolution Deal. The former stipulated that, where possible, LEPs should transition into Mayoral Combined Authorities (MCAs) to provide strong business input within a democratically-led structure. The latter committed the North East to effecting this transition as part of the formation of NEMCA.

Since the signing of the Devolution Deal, leaders in the region have been working together to ensure that the new MCA is well prepared from a governance, policy and operational perspective. This has included substantial work to ensure continuity for important regional programmes and investments where relevant; and a commitment to staff to engage in transition openly, transparently and collaboratively. It has been supported by a region-wide programme of engagement and consultation with a particular focus on the views of North East business.

Early stages of this work are set out in an indicative corporate plan and year one budget for NEMCA. This work has been overseen by a Constituent Authority Steering Group (CASG) and has benefitted from the active involvement of the LEP team and board. CASG's membership is the seven leaders from the local authorities. Guiding this work has been an over-arching desire to build the right level of regional capability to deliver on the significant ambitions of the new MCA, with the need to do this in a way that represents public value and maximum impact for our businesses and communities.

The governance of NEMCA is set out in the Devolution Deal, the associated Scheme (which underwent public consultation in early 2023), and the forthcoming legal Order which will be laid in Parliament in January 2024. This stipulates that NEMCA will be led by a Cabinet comprising of an elected

mayor, the seven leaders of the local authorities, plus a representative of the voluntary sector and a business leader.

A Business Board will report into the Cabinet, providing a strong, independent business voice which represents the wider business community. The chair of the Business Board will be the business leader attending Cabinet. Following the formal establishment of NEMCA, the Mayor and Cabinet will have the right to appoint members to the Business Board through a fair and transparent process.

Further detail of the governance arrangements will be contained in a Draft Constitution which will be agreed by the Cabinet at its first meeting, scheduled for May 2024.

LEP Board members will note that the political leadership of the region – as represented by CASG – has committed to a phased transition, working closely together with the LEP Chair and current LEP Board to ensure that the future Business Board is as strong and representative as possible.

2.0 Taking a phased approach to transition

2.1 A phased approach is being proposed in which the current North East LEP Board will transition to become the NEMCA Business Board on 7 May 2024. It is not envisaged that there will be any private sector membership changes on the Board at that time.

The current private, education and voluntary sector members current are:

- Lucy Winskell OBE (Chair)
- Heidi Mottram CBE (Vice Chair)
- Mark Thompson
- Ammar Mirza CBE
- Emily Cox MBE
- Phil Redman

- Colin Hewitt
- Alan Johnson
- Dr Sam Whitehouse
- Ellen Thinnesen OBE
- Chris Day CBE
- VCSE rep vacancy

The current public sector members of the LEP Board are:

- Mayor Redfearn (Vice Chair)
- Mayor Driscoll
- Councillor Kemp
- Councillor Wearmouth (observer)
- Councillor Gannon (Vice Chair)
- Councillor Hopgood
- Councillor Miller
- Councillor Dixon (observer)

During the initial phase, the political membership of the Business Board will change and will be determined by the Mayor and Cabinet in due course as part of formalising portfolio responsibilities from May 2024 onwards. The NEMCA executive will provide secretariat functionality to the Board and ensure that its outputs and decisions are integrated into the NEMCA policy and delivery programmes through the appropriate decision-making routes.

2.2 The remaining membership will be reviewed later in 2024/25, following the election of the Mayor and formalising of Cabinet portfolio responsibilities. At that time, it will be important to ensure a balance is achieved between retaining continuity and corporate knowledge with the recruitment of new members who bring new perspectives, skills and challenge.

3.0 National and Local Principles

- 3.1 Government guidance is clear as to the role and purpose of Business Boards, namely:
 - a) "To provide the view of local businesses as part of regional decision making;
 - b) To work with local leaders to create a broad economic strategy for the area "

Government guidance sets out the following 'guiding principles' for ensuring this as follows:

- a) "Involve business representative organisations, such as a local Chamber of Commerce, the Federation of Small Businesses; or the designated Employer Representative Body developing the Local Skills Improvement Plan (LSIP).
- b) Include a diverse range of businesses related to local economic strengths and priorities. This should include businesses of all sizes and businesses which are geographically diverse, e.g. urban, rural, coastal businesses as appropriate to the local area
- c) Ensure a diversity of voices; and
- d) Have a clear conflict of interest policy."

In line with the policy priorities of the Devolution Deal and existing regional strategic plans, LEP Board members and the region's political leadership have also been clear that any future Business Board will need to show:

- Ambition and Influence ensuring the region has bold private sector leadership at the forefront of its decision making, reflecting the opportunities and ambition of the region and the challenges the Devolution Deal seeks to address.
- Inclusion and Collaboration ensuring that the whole region is appropriately represented, and that businesses of all types and sizes feel represented, well served and able to champion the work of NEMCA over time.
- Clarity of Purpose ensuring that the Board has a clear mandate so it can
 work proactively, confidently and with integrity alongside the NEMCA
 Mayor and Cabinet to champion the needs and potential of regional
 businesses and the economy.

4.0 Activities of the Business Board

- 4.1 In line with the principles set out above, the Business Board will work with the NEMCA Mayor and Cabinet following the May 2024 election to set out a clear agenda and ToR, which could include the following:
 - Input into portfolio and policy development reflecting the cross-cutting nature of the Board and the NEMCA policy agenda

- Engagement with the business community strengthening business voice, reach and routes into policy development
- Championing investment in the region playing an ambassadorial role and supporting key investment priorities in the UK and internationally
- Supporting the skills agenda reflecting the important role the LEP has played in the region's skills and innovation partnerships
- 4.2 At this stage we are proposing that Business Board meetings will not be held in public, given that the private, education and voluntary sectors members are not democratically appointed and there is no requirement to do so. This will be subject to review after the formal establishment of NEMCA. We are suggesting that one meeting per year an Annual General Meeting or similar will be held in public, and regular public communication be shared through the appropriate routes (for example in sharing Minutes via NEMCA Cabinet meetings)

The governance team will endeavour to schedule Business Board meetings in good time before relevant Cabinet meetings to allow for information to flow into the Cabinet papers before circulation and discussions in meetings.

5.0 Formalising the underpinning principles and role of the NEMCA Business Board

- 5.1 NEMCA Cabinet will consider and determine the underpinning principles, role and remit of the NEMCA Business Board post May 2024. A proposal will be developed following discussions at CASG and the LEP Board.
- 5.2 Appendix one suggests some points as a starter for that conversation which is informed by considered best practice from published documents from other mayoral combined authorities.

6.0 Recommendation

- 6.1 The North East LEP Board is recommended to:
 - 1. Review and discuss the paper.
 - Delegate authority to the Chief Executive and Head of Paid Service to amend the paper in line with the discussion and feed the paper through for political consideration.

Appendix one -

Points for discussion and consideration to inform a proposal for the NEMCA Business Board's underpinning principles and role

1.0	Proposed principles underpinning the Business Board for discussion
1.1	It is proposed that the following key principles could underpin the NEMCA Business Board and the transition.
	 As an ambitious region, the North East needs an ambitious public private and education partnership to act as a platform for collaboration. This partnership will be central to driving a successful economy across the North East, addressing both the challenges and the opportunities presented by the economic and social context. The partnership would work on behalf of all the people and businesses in the North East and recognises that different people bring different ideas, knowledge and perspectives. Over time, it will reflect the breadth of economic sectors and business size on the Board as well as represent the diversity of our people. The partnership would need to be proactive, demonstrating ambition, clear leadership and stability, maintaining its autonomy and building confidence and credibility in its activity. The partnership would be a respected voice and influence at local, regional, and national level developing productive relationships with political and strategic decision-makers. It will use the insight, experience and expertise of the private, education and voluntary sectors to add value, setting a clear direction of travel and will continue to build productive relationships with partners. In order to deliver on this ambition, the Business Board would agree annually with the Cabinet a set of priority activities/actions which it will lead on incorporating both short term issues and longer-term responsibilities; including but not limited to new economic opportunities in priority sectors, public-private investment in skills and business growth, and attracting private investment capital into the region. The Board would have a mandate to oversee implementation of an agreed set of priorities / actions. The Board would have a remit to support the promotion of the North East's vision agreed by the Cabinet.
2.0	Proposed role of the NEMCA Business Board for discussion
2.1	The Business Board would be a private sector led economic partnership with a strong, independent and diverse business voice, which could:
	 Work with the Cabinet to provide a best-in-class public private and education partnership. Provide the business voice, expertise and influence into the Cabinet, as well as all of the NEMCA portfolios and cross-cutting themes. The Business Board would be the conduit to and from the regional business representative organisations and cluster / sector groups. Each Business Board member could be aligned to a NEMCA portfolio or cross-cutting theme or an important growth sector to match their expertise, network and skillset, with alignment to the portfolio lead or appropriate senior executive. Build on the work of the North East LEP and the Strategic Economic Plan.

- Provide thought leadership on a range of regional issues particularly focusing on business, investment and the economy.
- Work with the Cabinet to develop a clear value proposition with an "elevator pitch" for the region for business leaders, ambassadors and other allies to promote the North East of England.
- Provide a key route for commissioning research to support activities.
- Provide the route and framework to engagement with the business and education communities and key stakeholders.
- Support international activity including trade visits and foreign direct investment activity as appropriate.
- Influence NEMCA policy and programmes' development.
- Ensure NEMCA understands big business challenges in the region and can utilise appropriate levers to support businesses and employers.
- Develop a partnership of ambassadors and champions to lobby for and promote the North east of England.
- Continue to build relationships with the voluntary sector, academic institutions and government departments.
- Receive performance monitoring reports to understand NEMCA's journey and impact.
- Have a meaningful role in guiding NEMCA policy and investment decisions.

North East Local Enterprise Partnership Board



25 January 2024

Item 11: Chair and Chief Executive Update

1.0 Background

1.1 The Chair and Chief Executive would like to provide an update to Board Members on some of the discussions and meetings that they have been involved in since the last Board meeting in November.

2.0 Chair's key meetings and discussions

- 2.1 Since the last Board meeting on the 30 November 2023, the LEP Chair has been involved in a variety of meetings and discussions as outlined below:
 - NP11 meeting
 - RSA led Devolution Investment workshop
 - RSA consultation
 - Transport for the North briefing
 - RSA 2nd Devolution Investment workshop

3.0 Chief Executive's key meetings and discussions

- 3.1 Since the last Board meeting, outside of the internal and external 'business as usual' and project meetings, the Chief Executive has been involved in a number of meetings that continue to move the regional economic growth agenda forward. These include:
 - Meetings with the LEP Network;
 - Meetings with government officials;
 - North East Devolution Operational Transition Board;
 - Mobilising NEMCA Operations meetings;
 - NEMCA shadow exec weekly meetings;
 - Devolution Team Briefing sessions;

4.0 Recommendation

4.1 The Board is recommended to note the report.