

North East
Local Enterprise
Partnership



European Structural and Investment Funds Strategy

Summary Document

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EUROPEAN UNION
Investing in Your Future
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Introduction

Our allocation of European Structural and Investment Funds for 2014-2020 brings us an enormous opportunity. The key strategic themes of our overarching Strategic Economic Plan- innovation, business support and access to finance, skills, employability and inclusion, and transport and digital connectivity- align neatly with European objectives on smart, sustainable and inclusive growth. After the Strategic Economic Plan secured one of the best funding deals in the country for the North East, our job now is to make sure this additional European funding also helps us on an upward trajectory leading to more and better jobs.

We have agreed locally with Tees Valley Unlimited that we should upgrade one of our big success stories in the 2007-13 programme, the JEREMIE access to finance scheme. Our proposal for a new £160m fund will ensure our enterprises can continue to realise growth opportunities and create jobs. We're also continuing to look at the best way to support infrastructure need and to unlock development opportunities in the area. This was a priority in our Strategic Economic Plan and fuller evaluation will help us target European funding in areas where we can drive productivity and spur growth.

To help identify strengths and smart interventions that can create technological and commercial advantages, we have already commissioned and published a study on Smart Specialisation. Together with studies we have commissioned on sustainable and inclusive growth, these have helped us find the best route to maximising the potential of the North East. If you look at the potential of the local economy - you see a burgeoning private sector with competitive advantage in manufacturing, offshore, life sciences and digital and creative sectors amongst others. The employment rate has recently reached a record high and more people are working in the North East than ever before. Productivity growth is outstripping the rest of the country. And we have world-class universities, several high quality further education colleges, and ambitious local people keen to make the best of the opportunities available to them. Skills and inclusion interventions will help connect people to those opportunities.

I would like to thank everyone who has been involved so far, including those who took part in the public consultation on our draft strategy. Moving forwards, we can't afford to put barriers on growth. So whether it's access to finance, skills gaps or driving innovation, this gives us the chance to act and make a real difference in the North East.

Paul Woolston

Chair, North East Local Enterprise Partnership

Strategic Context

Local Enterprise Partnerships are responsible for developing the strategic framework for delivering over 95 per cent of England's allocation of European Structural and Investment (ESI) Funds for 2014-2020. The North East LEP was awarded €537.4m, one of the largest allocations in the country, and has developed a single strategy for Northumberland, Tyne and Wear and County Durham.

The funds will be directed towards developing open innovation, market-led access to finance for small and medium sized companies, sustainable growth, developing the local skills base and improving access to our labour markets to achieve more inclusive growth. Through these interventions, we will be contributing to European priorities of smart, sustainable and inclusive growth.

In deciding how the funds are best targeted, wide ranging consultation about the North East LEP's ESI Funds draft strategy took place until December 2013.

The new ESI Funds programme combines the European Regional Development Fund (ERDF) and the European Social Fund (ESF). These can only fund up to 50% of project costs in Northumberland, Tyne and Wear, and 60% in County Durham, with applications requiring match funding. The ESI Funds programme will also include part of the European Agricultural Fund for Rural Development (EAFRD).

ERDF

For ESI Funds, ERDF can fund direct aid to investments in companies (in particular SMEs) to create sustainable jobs; infrastructure linked notably to research and innovation, telecommunications, environment, energy and transport; and financial instruments to support regional and local development.

ESF

ESF focusses on access to employment, social inclusion and skills.

EAFRD

EAFRD finances rural development programmes, which can include support for SMEs, renewable energy initiatives, broadband infrastructure, environmental protection and tourism.

Youth Employment Initiative

Youth Employment Initiative funding is applicable to County Durham only in the North East LEP area, as a targeted response to high levels of youth unemployment across the EU. It focuses on young people not in employment, education or training.

North East Strategic Economic Plan

The North East Strategic Economic Plan (SEP) sets out an ambitious framework for economic growth in the North East. This European Structural and Investment (ESI) Funds Strategy supports the delivery of SEP priorities in line with European principles of smart, sustainable, and inclusive growth. The vision of the SEP and the shared evidence base of the North East Independent Economic Review are integrated throughout this strategy.

The SEP sets out a vision for the North East LEP area economy to provide over one million jobs from 2024, requiring 100,000 new jobs. As a minimum, 60% of employment growth will be in better paid and higher skilled jobs, helping to close the productivity gap that remains between our local economy and the best performing areas of the UK.

Moreover, the gap between the North East and the national average (excluding London) will be halved on three quantifiable measures:

1. Gross value added (GVA) per full time equivalent (FTE), with wages and profits rewarding workers and investors and sustaining high levels of employment.
2. Private sector employment density, with more companies and jobs driving a high growth economy.

3. Activity rate, with no one left behind, and those distant from or disadvantaged in the labour market helped to take advantage of the opportunities created by a successful growing economy.

The gap will be fully closed on one measure:

4. Employment rate, with the scale and quality of employment matching an increasingly better qualified and higher skilled workforce.

There are six strategic themes in the SEP which will allow local partners to address the challenges and take up the many opportunities facing businesses, people and places in the North East today. These include both short and medium term priorities, with a view to enabling an inclusive, entrepreneurial and sustainable economy. These are:

Innovation: Central to realising our ambition of better jobs and a more competitive business base, delivering medium term benefits with investment in new products, processes, markets and technologies supported by an ambitious open innovation system. Smart Specialisation areas include: passenger vehicle manufacture; subsea and offshore technology; life sciences and health; and creative, digital, software and technology based services

Business support and access to finance: The key driver for more jobs and a strong private sector, addressing market failures to support stronger indigenous businesses, with better access to finance, and support to progress expansion plans in national and international markets.

Skills: Providing a demand-led system reflecting the needs of employers, including for high level skills in support of better jobs, with access to high quality training facilities for both general and specialist training.

Employability and Inclusion: Providing targeted and tailored support to neighbourhoods and groups facing major challenges in accessing training and employment opportunities, allowing everyone to fully share in the benefits of a growing economy.

Economic assets and infrastructure: Developing the places for business to invest and people to live, developing new opportunities with towns and cities, coastal, rural and heritage assets.

Transport and digital connectivity: Serving and connecting people and businesses, supporting mobility for both work and leisure, and connecting the North East to the national and international economy.

The ESI Funds Strategy has to allocate against thematic objectives set by the European Commission, but these link closely to the themes of the SEP.

North East Independent Economic Review

In March 2013, Lord Andrew Adonis published the North East Independent Economic Review. Lord Adonis worked with five other panel members to complete the findings: Heidi Mottram, Northumbrian Water, Chief Executive and CBI, Regional Chair; Bridget Rosewell, economist and Volterra Partners, Chair; Will Hutton, Big Innovation Centre, Chair and Hertford College, Oxford, Principal; Jonathan Ruffer, Ruffer LLP, Chair; and Lord Donald Curry, Better Regulation Executive, Chair and Royal Veterinary College, Chair.

The economic review reached a number of major conclusions:

- The North East has an absolute shortage of jobs, and this is a result of too few companies and jobs in the private service sectors which have driven jobs growth elsewhere in the UK.
- Productivity levels are a problem, even in sectors where the North East is well represented.
- Skill levels are not good enough to support the modern, diverse economy which will provide future jobs and opportunities. In particular, both improving schools results and increasing vocational opportunities through the apprenticeship system are important to increasing the choices open to young people.
- Connectivity locally, nationally and internationally needs to be improved to help open and strengthen the area's economy.



The North East Context

The North East Local Enterprise Partnership area has a population of almost two million and an economy generating more than £30bn each year. In the last growth cycle, the economy showed its potential to close the gap with other areas and make a strong contribution to the national and global economy. Over 67,000 jobs were created between 1998 and 2008, increasing employment by 10%. Employment grew strongly across the North East, helped by the development of a number of new business parks close to the strategic road network. This employment growth was reflected across key sectors and during the last cycle financial, professional and business services employment growth exceeded the seven other core city local enterprise partnerships, including Manchester and Leeds. It also recorded very strong employment growth compared to other areas in terms of creative and digital industries and tourism.

The area encompasses city locations and a network of towns and smaller settlements including post-industrial, coastal and remote rural communities. The city and urban areas, clustered in and around the Tyne and Wear, are key business and employment locations, and are complemented by a strong network of settlements along strategic transport corridors and in rural and coastal locations. The area's unique profile is derived from natural, cultural, sporting and heritage assets, each of which have a role to play in its economic future. The quality and diversity of the nationally protected coastal and countryside landscapes set the area apart. Rural areas are also home to a substantial proportion of the area's business base with the rural economy supporting a number of sectors and diverse businesses, essential to the wider economy.

A distinctive feature of the North East is the number of foreign owned companies. Over 42,000 jobs have been created in the North East through foreign direct investment between 2005 and 2012. While the number of jobs has fluctuated year on year, the area has averaged over 5,000 foreign direct investment (FDI) jobs each year. The North East has an exceptional record in attracting and retaining Japanese owned companies to the UK, of which Nissan is the highest profile example. In total, over forty Japanese companies have operations here.

The primary international gateways are through the Port of Tyne and Newcastle International Airport which offer passenger and freight connections to global markets. The ports of Berwick, Blyth, Sunderland and Seaham also provide freight maritime links. These international gateways are particularly important for local export-led sectors.

In recent years, there have been more new technology company start-ups here than any area of the UK outside London. The North East has emerged as one of the leading centres for digital games development and start-ups, with a dynamic cluster of firms and university courses acting as a magnet for entrepreneurs and students. The area hosts FTSE 100 software company Sage plc's global HQ; Leighton, one of the UK's foremost digital consultancies; Ubisoft, the largest independent game publisher in Europe; games developer Eutechnyx; and CCP Games, the Icelandic games studio, among thousands of flourishing software technology, electronic gaming and creative businesses.

The Department for Work and Pensions (DWP), Virgin Money, Tesco Bank, Insure the Box, British Airways and the AA all have 'back office' technical functions based here, which bring significant economic benefit to the area. Many call centres which have chosen to locate in the North East have also utilised advanced technology. The supply chain includes HP, Accenture and 45 independent software vendors employing in total 25,000 staff. Evidence suggests that despite the current economic climate, these smaller businesses are growing and developing niche markets. They have the potential to offer great employment opportunities, investment and wider economic development benefits to the area as other businesses look to new software solutions to generate savings and access wider markets.

Every year the area is promoted to a wider audience through the two Premier League football teams, a Premiership rugby union team, an international test status cricket ground, an international athletics stadium and world class cultural venues. This is combined with a proven capacity to attract and host large scale national and international events. In recent years we have hosted the Lindisfarne Gospels Exhibition, the British Science Festival, the Turner Prize and international sporting events such as Olympic Football and the Ashes, while continuing the success of the Great North Run.

Manufacturing renaissance

The assessment of evidence carried out to support the economic review identified a number of distinctive assets and strengths, with the potential to generate a real competitive advantage in the future and to realise the government's ambitions for sustainable economic growth and rebalancing the UK's economy, notably:

"Advanced manufacturing, pharmaceuticals, energy/low carbon and environmental industries are particularly

important sectors for the North East Local Enterprise Partnership area: they offer innovative, highly productive and world-class activities. Many of the area's successful businesses hold a prominent position in international market places, with exports for goods such as machinery and passenger vehicles holding up relatively well. These are strong foundations on which the economy can build".

Manufacturing is located largely in out of town business and industrial parks, creating key employment locations along economic growth corridors which support the growth of the manufacturing sector. There are particular clusters and corridors emerging, specifically around passenger vehicle manufacture, renewable energy, oil and gas and process industries.

Key locations on the A19, the banks of the Tyne and Wear and the coast are providing current and future opportunities, especially through the North East Enterprise Zone to provide the necessary physical economic infrastructure to support the growth of these related sectors.

The manufacturing sector employed more people locally in 2013 than it did in 2009, demonstrating its continued importance to the North East economy. While this is still 20% below employment levels in 2004, the sector has managed to increase its GVA significantly; productivity in manufacturing grew by 48% between 2004 and 2011, among the highest rates in the country. Local manufacturing has been transformed, ranging from large scale industrial manufacturing, to lower volume, high value-added niche markets which provide significant opportunities to capitalise on export opportunities and global demand for high-quality manufactured goods.

Rural economy

The rural areas of the North East are extensive and include the greater part of Durham and Northumberland, with a rural hinterland in parts of Tyne and Wear. The rural areas and their natural and physical assets are central to the area's economic prosperity and quality of life. The economic review analysed the North East's rural areas and identified the following key characteristics:

- The rural economy has a similar industrial sector spread to urban areas
- 75% of output in the rural areas is derived from four sectors: public sector; business services; distribution, hotels and retail; and manufacturing
- Rural areas provide significant assets in terms of quality of life resulting from a high standard of landscape, heritage and natural environmental factors
- There is a predominance of micro-businesses (88% of businesses) and significant home working (38%) with accompanying benefits and challenges

The rural economy has, by definition, relatively dispersed communities for whom strong and competitively priced transport and digital networks are essential, these settlements are however diverse with marked variations in the role that different places play in terms of housing markets and industry. Similar variety is present in rural businesses, there is no stereotypical rural business, and the rural economy supports a number of sectors and diverse businesses that are essential components of the wider economy. It is the location of choice for key larger companies, such as Egger (UK) and GlaxoSmithKline, and a number of high-growth manufacture, service and design businesses as well as graduate start-ups and other new firms.

The rural economy drives a diversity of skills provision, with colleges specialising in agriculture and, renewable energy technologies. The local rural area is also home to internationally renowned heritage and cultural sites, including Hadrian's Wall World Heritage Site, the Bowes Museum, the Northumberland Dark Sky Park, the country's biggest open air museum at Beamish and the religious and environmental focal point of Lindisfarne.

The rural economy has great potential to enhance the area's wider economic success. Building on its diversity, sector strengths, and its physical, natural and business assets, there is potential for a greater representation from across sectors to grow and for a step-change in productivity.

Economic headlines

Employment growth exceeds the UK average

- The North East region has recently achieved its highest employment rate since mid 2007. In the quarter to March 2014, employment rose by more than 40,000 on the previous year, leading to an increase in the local employment rate double that of the UK, reaching 69.2%.
- While these employment growth figures are enormously positive, the area suffers from a shortage of private sector jobs to provide a balanced and sustainable economy. The shift towards private sector jobs has already started. Although the area is still more reliant on public sector jobs than the national average, change is underway: employment in the North East of England moved from 72% private sector in 2009, to 79% at the end of 2013.
- Independent forecasts by Cambridge Econometrics undertaken for the North East Local Enterprise Partnership demonstrate that before intervention, employment in the area is set to increase by 40,000 between 2014 and 2024. The challenge is therefore not just to increase the number of jobs but also the quality of available jobs. The need for more and better (high skilled and high paid) jobs is therefore fundamental.

Output and productivity are growing faster than in any other area

- The area has seen sustained growth in GVA per capita over the period 2009-2012 which surpasses that achieved by any other English region, as shown in figure 2. The area is producing more output and wealth per resident, and more wages and profits are being generated at a faster rate of growth than in any other area.
- While this trend is extremely encouraging, there remains a significant gap between the area's GVA per capita and that of other areas. It is therefore critical that we build on the momentum of recent years and continue to close this gap.
- A key driver behind our exceptional economic growth is our strong productivity performance. In the period 2009-12, productivity grew by 14% - by far the highest rate in the country.
- This shows that the area is not only producing more, but is becoming more efficient in its production. While productivity growth is unparalleled, productivity levels remain low in comparison with the national average.
- Low productivity affects not just headline GVA numbers, but is also associated with lower wages and profits. Lower levels of economic activity and low productivity means that the area needs not just more jobs (to increase the employment rate) but also better jobs. In the case of better jobs, the key requirement is a skilled workforce, able to work in sectors and occupations characterised by high levels of productivity. The North East has many outstanding companies in key growth sectors, but many more indigenous companies are needed to raise productivity levels to match the UK average.
- While the productivity challenge is considerable, recent performance demonstrates that the area is well on its way to closing the gap with the national average, and suggests that further high quality investment in the area will reap greater returns than other areas of the country where the gap between output and capacity shows less sign of shifting.

The skills base needs to improve to drive economic growth

- Since 1999 the area has seen a fall in the proportion of its working age population with no qualifications and an increase in qualifications at Level 4. Overall educational achievement has been on a steady rise since 2000, although this masks divergent outcomes in localities.
- In spite of these improvements, the area needs to increase the volume of higher skills to address the changing demographic, in particular the requirement for technical and advanced skills to meet replacement demand and an anticipated increase in demand for jobs requiring level 4 and above rising by 120,000 by 2020.

- Performance against other skills indicators underlines the need for a focussed, local response. There are insufficient numbers of people achieving qualifications in science, technology, engineering and maths (STEM) subjects, exacerbated by particularly low numbers of female students taking STEM subjects. The area performs well relative to national figures in apprenticeship starts but further growth is needed in the number of apprenticeships available in key economic sectors.
- These area needs to retain the international competitiveness of its manufacturing jobs, which still account for a large proportion of better paid private sector jobs, and grow the higher value service sector jobs linked to business services and the new economy.

A great place to employ and be employed

- The North East is a good place to locate and do business. This is, in part, attributable to the exceptional productivity growth, but also the competitiveness of local labour costs. The area has the lowest median wages in the country, making this an attractive location for employers .
- However, the area also benefits from a low cost of living, meaning that wages go further. While higher salaries in London tend to attract skilled workers, and particularly graduates, their quality of life may be significantly impaired in relative terms by the high cost of living. People living outside of London benefit from a higher purchasing power – around 20% higher in the case of the North East. This is a strong message to communicate to employees, as well as employers to improve retention in and attraction to the area.
- Retaining more of our talented young people and attracting new talent to the area will help to redress the balance in our demography. With more and better jobs, we have the right conditions to support a balanced and productive economy: wages go further, quality of life is higher and in many areas, our educational offer is unrivalled, making this a great place to raise a family.

Spending Plans

As outlined above, ESI Funds will deliver against the six strategic themes of the SEP. ESI Funds must also be formally allocated against the 11 thematic objectives set by the European Commission. This is the breakdown shown below. Separate funding quanta must be shown for County Durham as compared to Northumberland and Tyne and Wear, as the former is part of a 'transition region'. Allocations and outputs are subject to final agreement with the European Commission and the UK Government.

We have set below a series of activities to achieve smart, sustainable and inclusive growth in the North East, including use of ERDF to drive growth and productivity. Drawing on ESF, we will invest in a range of activities covering employability, social inclusion and higher level skills, remaining mindful of the need to support progression towards, into and within work and self-employment. Our proposals will embed sustainability by driving growth in low carbon sectors and improving resilience across the area.

European Regional Development Fund

Thematic Objective 1: Strengthening Research, Technological Development & Innovation				
Activity	Actions to be supported	Northumb erland, Tyne and Wear ERDF allocation (£)	County Durham ERDF allocation (£)	Outputs
Building collaborative research between enterprises, research institutions and public institutions	<ul style="list-style-type: none"> Graduate start-up schemes and support for other Higher Education Institution spin-outs delivering innovation, including social enterprises. This includes a University Research Commercialisation Initiative – university-business consortium across North East universities to encourage and support commercialisation of research Supporting the ongoing identification and development of new opportunities to exploit innovation as markets continue to develop over the course of the programme period. This includes a regional innovation network and support for Smart Specialisation projects – working with Innovation Hubs/Research clusters to target commercial ideas and projects that are closest to the market. 	£7m	£4.1m	Number of enterprises receiving support (385) Number of enterprises co-operating with research entities (308) Number of enterprises supported to introduce new to firm products (8) Private sector match (£1.9m) New jobs in supported enterprises (262)
Bringing new products and business processes to the market, including those linked to 'key	Stimulating the demand for new (or improved) services, processes and products, business-led and public procurement programmes designed to drive innovation, and increasing business demand for, and absorption of research and development: <ul style="list-style-type: none"> Catalytic Innovation competition to promote commercial innovation in smart specialisation area (Theme 1) 	£21.3m	£12.8m	Number of enterprises receiving support (1143) Number of enterprises co-operating with research entities (914) Number of enterprises

enabling', the 'eight great' and health science, technologies	<ul style="list-style-type: none"> • Catalytic Innovation competition to promote commercial innovation in smart specialisation area (Theme 2) • Collaborative regional innovation challenge to address socioeconomic challenges • Innovation and R&D project support - demonstrator projects and capital (calls for proposals) 			supported to introduce new to firm products (243) Private sector match (£5.7m) New jobs in supported enterprises (778) Site development (1)
Improved incubation space and test facilities to enable the commercialisation of research and development and innovation and to improve access to these facilities through digital and physical links	Development of innovation space to support commercialisation of research and development	£4.9m	£3.1m	Private sector match (£1.4m) Site development (2) M ² of innovation space (5,986)

Thematic Objective 2: Enhancing Access to, and use and quality of, Information and Communication Technologies				
Activity	Actions to be supported	Northumberland, Tyne and Wear ERDF allocation (£)	County Durham ERDF allocation (£)	Outputs
Digital Durham-broadband Address broadband funding gap and ensure opportunities for growth through digital connectivity are exploited.	Investment to improve access to, use and quality of ICT including improving superfast broadband infrastructure, providing for a mixture of domestic, community and business premises.		£4m	Number of enterprises with broadband access of at least 30 Mbps (100) Additional households with broadband access of at least 30 Mbps (500)

Thematic Objective 3: Enhancing the competitiveness of small and medium enterprises				
Activity	Actions to be supported	Northumberland, Tyne and Wear ERDF allocation (£)	County Durham ERDF allocation (£)	Outputs
Provide access to finance for SMEs to support growth and innovation	Provide comprehensive access to finance to start-up, early stage, venture capital and proof of concept finance including funds with a particular focus on areas of lower or slower financial returns but strong strategic fit (innovation/proof of concept, social investment, low carbon and creative). Also support to SMEs to enable them to become ready to take up finance options	£46.8m	£11.7m	Number of enterprises supported: 900 Number of jobs created: 4500
Provide coordinated business support	<ul style="list-style-type: none"> • Increase entrepreneurial ambition and the skills needs to start a business particularly in communities which are currently under represented, including social and community enterprise, and in rural areas • Develop and implement a growth strategy • Enter new domestic and international markets and supply chains, including collaboration with other businesses and institutions. • Support inward investment activity that creates jobs locally • Facilitate placements supporting businesses to access student skills • Support for SMEs and strategic sites to take up and maximise use of superfast broadband and digital technologies 	£20.9m	£14.5m	Enterprises supported (4325) Number of new enterprises supported (1514)
Support the development of strategic sites	Need to support the development of strategic sites and infrastructure, including access to these, which underpins growth, business retention and sustainability	£7.5m	£10.7m	Private investment matching public support enterprises (£1.85m) M ² of grow on space (15,960)

Thematic Objective 4: Supporting the Shift towards a Low Carbon Economy in All Sectors				
Activity	Actions to be supported	Northumberland, Tyne and Wear ERDF allocation (£)	County Durham ERDF allocation (£)	Outputs
Built Environment and Business Energy Efficiency	<p>Improve the energy efficiency of properties across the North East using a mix of low carbon interventions. Support and enable exemplar area-based schemes and develop low carbon demonstration projects in community and public buildings.</p> <p>Intensive programme to enhance business energy and resource efficiency and resilience through expert advice, skill development, building retrofit and process improvements.</p> <p>A programme covering public buildings to demonstrate practical implementation of approaches to improve sustainability and reduce energy use.</p>	£12m	£4.1m	Number of enterprises supported (508) Private sector match (£7.8m) New jobs (595) Number of companies supported with business resource efficiency (917) Estimated GHG reductions (22365 tonnes)
Low Carbon Supply Chains	Develop supply chains to maximise realisation of the unique opportunities from the low carbon economy in the North East including renewables; building retrofit; biomass; new and innovative technologies; district heating	£9.3m	£1.4m	Number of enterprises supported (496) Private sector match (£6.8m) New jobs (438) Estimated GHG reductions (5000 tonnes)
Innovative Technologies and Renewable Energy Generation	Drive low carbon economic growth through development and uptake of new and innovative technologies, including renewable energy generation through district heat, biomass, waste to energy, community owned renewables, solar photo voltaic, micro-hydro and air/ground source heat pumps, offshore wind, wave and tidal technologies, geothermal energy, hydrogen capture and storage, battery storage and smart grids, carbon capture and storage, as well as electric vehicle initiatives.	£17.4m	£6.7m	Number of enterprises supported (671) Number of enterprises cooperating with research entities (536) Number of

				companies supported with business resource efficiency (81) Private sector match (£8.8m) New jobs (446) Estimated GHG reductions (20,680 tonnes)
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Thematic Objective 5: Promoting Climate Change Adaptation, Risk Prevention and Management				
Activity	Actions to be supported	Northumberland, Tyne and Wear ERDF allocation (£)	County Durham ERDF allocation (£)	Outputs
Green Infrastructure Improvements	Programme of Green Infrastructure improvements to create more resilient communities, businesses and infrastructure using Sustainable Urban Drainage (SUDs) and flood mitigation schemes, peatland protection, wetland and woodland creation.	£6.6m	£4m	Private investment matching public support to enterprises: £2,000,000 Infrastructure site development including green infrastructure 40 ha

Thematic Objective 7: Promoting Sustainable Transport and Removing Bottlenecks in Key Network Infrastructures				
Activity	Actions to be supported	Northumb erland, Tyne and Wear ERDF allocation (£)	County Durham ERDF allocatio n (£)	Outputs
Sustainable transport	<ul style="list-style-type: none"> • Urban Traffic Management Control System (UTMC) Integrate existing UTMC systems so that there is one system covering the North East region. The UTMC system will give public transport priority, resulting in quicker public transport journeys. This integration will enable improved strategic signing, and provide other opportunities for collaborative working. This activity will allow the region to address the aspirations of national government policy, such as congestion reduction including through improvement to junctions to increase flow. 	£6.6m	£7.5m	Number of jobs created: 154 tbc

	<ul style="list-style-type: none"> • Enhanced cycle parking at Park and Ride sites Increased provision of secure cycle parking at park and ride sites will encourage car users to cycle to park and ride sites rather than drive. • Invest in cycling and aim to ‘fill the gaps’ within the existing cycle network. This will include new routes linking to current and future employment development sites. • Sustainable gateways Carry out improvements at a number of key regional gateways to ensure that they are of consistent modern standard and meet the Hall Green criteria. • Low carbon vehicles Provide incentives to encourage the uptake of low carbon vehicles. Install additional charging points throughout the region. <ul style="list-style-type: none"> • Reflecting the specific needs of the transition area, sustainable transport proposals incorporate Horden Rail and Durham Transport Development 			
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European Social Fund

Thematic Objective 8: Promoting Employment and Supporting Labour Mobility				
Activity	Actions to be supported	Northumb erland, Tyne and Wear ESF allocation (£)	County Durham ESF allocation (£)	Outputs
Provide additional and more intensive support to help people develop the skills and aspirations needed to move towards work, enter work and to progress into work	<p>Entry-level programmes to develop skills to support the growth of key sectors; linked to business support activity, which include:</p> <ul style="list-style-type: none"> • Effective information, advice and guidance based on a clear knowledge and understanding of the North East LEP growth plans and local labour market needs, including urban and rural needs • Value-added measures to engage the unemployed tied to identified and appropriate employment opportunities including Smart Specialisation • Tackling personal and social barriers to employment for those with no/low qualifications, including maths, English and digital skills, to address dependency and increase competitiveness and enterprise • Utilising non-accredited courses as a means of progression to accredited skills 	£21.7m	£2.9m	8979 participants <i>of which</i> 2694 unemployed 6285 inactive <i>of which</i> 1796 aged 15-24

	<p>and training provision or employment</p> <ul style="list-style-type: none"> • Comprehensive and coordinated needs assessments • A common data sharing and client tracking system • Intensive case management • Aftercare support • Addressing the need for a more effective brokerage service for employers that captures and addresses their needs • Demonstrating an understanding of what works through evidence-based interventions. 			
<p>Help older workers, workless people and those facing redundancy to upgrade their skills, learn new skills or re-train to enter, re-enter or stay engaged with the labour market and adapt to new market conditions.</p>	<ul style="list-style-type: none"> • Package of value-added measures to up skill those in work with no/low skills tied to identified employment opportunities in key sectors. • Targeted initiatives to address specific barriers such as age discrimination, disabilities, lack of job skills and obsolete skills to reintegrate into the labour market or sustain employment through skills training and work experience. • Targeted recruitment programmes via, for example, the use of traineeships, apprenticeships, bespoke training programmes and self-employment support, to retrain workers to access local growth sectors, including low carbon, creative and digital, research and innovation and advanced manufacturing. 	£12m	£2.4m	<p>5275 participants <i>of which</i> 1846 unemployed 2374 inactive 1055 employed <i>of which</i> 1055 aged 15-24</p>
<p>Northumberland, Tyne and Wear: Support activities to reduce the number of young people not in employment, education or training and those at risk of disengaging, and embed opportunities while raising ambition.</p>	<ul style="list-style-type: none"> • Locally designed and delivered careers education and information, advice and guidance services that promote vocational career routes to young people in schools and increase participation in employment, vocational learning and progression. • An enhanced work experience offer for young people through schools, colleges and universities; building on direct employer input to address a lack of understanding of the labour market and expectations of employees. • Innovative engagement and preparation activities, which incorporate access to traineeships, apprenticeships, mentoring, personal coaching and aftercare support for young people. • Specialist and community-based provision targeted at more disadvantaged young people (for example special educational needs learners with learning difficulties and/or disabilities, looked after children). 	£6.6m		<p>2170 participants <i>of which</i> 1085 unemployed 1085 inactive</p> <p>2170 aged 15-24</p>

	<ul style="list-style-type: none"> • Additional and innovative approaches to support and motivate young people with no or few qualifications into training and the workplace such as additional support that harder to reach young people will require to successfully complete a traineeship or apprenticeship. • Brokering opportunities for young people and supporting local employers to take on young people (including those with complex barriers), through traineeships, apprenticeships, work experience, graduate placements and the effective use of social clauses 			
County Durham: Youth Employment Initiative	<ul style="list-style-type: none"> • Support for vulnerable young people: Raising achievement and realising aspirations through a programme of Independent Learning Plans • Peer mentoring and youth coaching programmes • Supporting transitions: Transition Advisers to support young people using a diagnostic assessment of young people and offering a menu of support to address distance from the labour market. • Enabling employment of young people: a series of measures including developing a recruitment service for employers and deployment of business advisors • World of work enterprise: Targeted work experience will be deployed for young people during Key Stage 4 who are identified as being at risk of becoming not in education, employment or training • Pre-engagement activities: A programme to target 1000 16-24 year olds who are identified as being furthest from the labour market or mainstream education. 		£7.7m	11300 participants (all aged 15-24)

Thematic Objective 9: Promoting Social Inclusion and Combating Poverty				
Activity	Actions to be supported	Northumb erland, Tyne and Wear ESF allocation (£)	County Durham ESF allocation (£)	Outputs
Support activities to tackle multiple barriers in a holistic and integrated way to avoid problems becoming	<ul style="list-style-type: none"> • Targeted initiatives to address more entrenched and multiple barriers for disadvantaged groups to reintegrate into mainstream support systems and the labour market through apprenticeships, skills training and work experience 	£14.2m	£4m	6477 participants <i>of which</i> 1920 unemployed 4557 inactive

entrenched through specific targeted interventions.	<ul style="list-style-type: none"> • Skills programmes to support digital inclusion, linked to employment demand • Programme of work-ready skills (confidence, time management and ambition-raising) and entrepreneurship for individuals from groups experiencing worse outcomes • Supporting early action before multiple problems and barriers become entrenched through outreach activities and access to locally provided services • Actions to help Universal Credit claimants progress into the labour market, support their career progression (better pay/work/hours), and move from the hidden economy to legitimate work. • A small grants programme for VCS activities to deliver services to those furthest from the labour market • Locally designed programmes to support enterprising VCS organisations, social enterprises and the social economy and develop the capacity and leadership of social entrepreneurs to address the specific needs of their local communities including, for example, the delivery of high quality care services. 			<i>of which</i> 1280 aged 15-24
Targeted support for those with protected characteristics and from specific communities who face multiple barriers and facing high levels of exclusion from opportunities and/or poverty.	<p>Programmes that require specialist intervention to address specific barriers including, for example:</p> <ul style="list-style-type: none"> • Financial exclusion; addressing student disadvantage by ensuring that all groups have the opportunity to access STEM-related training and education • Engaging the disengaged through cultural activities • Addressing gender gaps in growth sectors, e.g. women into science, Engineering • Addressing long-term imbalances in key sectors e.g. gender through a package of reinforcing measures across schools, colleges, universities and employers to provide a strong challenge to sectoral stereotypes • Programmes to encourage the take up of STEM skills in underrepresented areas and groups • Work focusing on improving employment and self-employment related to health inequalities, including mental health; utilising mentoring to provide in-work support. 	£6.6m	£1.7m	2688 participants <i>of which</i> 538 unemployed 1948 inactive 202 employed <i>of which</i> 506 aged 15-24
Targeted activities to support	To facilitate the participation of people in community based activity, especially in	£12m	£6m	TBC

bottom-up social inclusion through community focused actions in particular geographic locations with high levels of deprivation, poverty and isolation or exclusion.	deprived areas, so they move towards or into employment.	(+£3m ERDF)	(+£1m ERDF)	
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Thematic Objective 10: Investing in Education, Skills and Lifelong Learning				
Activity	Actions to be supported	Northumb erland, Tyne and Wear ESF allocation (£)	County Durham ESF allocation (£)	Outputs
<p>Support for intermediate, technical and high level skills and studentships especially linked to Areas of Economic Advantage (AEAs) and the low carbon economy.</p> <p>Areas of economic advantage identified include passenger vehicle manufacture; subsea and offshore; creative, digital and software; life sciences</p>	<p>i) Support for industry-specific intermediate and technical and high level skills through approaches in response to employer demand.</p> <p>ii) Provision of flexible responses to emerging and projected skills needs:</p> <p>a. Inward investment</p> <p>b. AEAs</p> <p>c. Conversion / top-up courses for new or unmet employer demand</p> <p>d. Economic shocks / large scale redundancy / restructuring</p> <p>e. Measures to address gender imbalances in key economic areas</p> <p>iii) Develop skills for innovation in companies, including activities complementary with ERDF schemes and in line with the area's AEAs increase participation and retention through targeted measures; development of new methods of delivering learning, delivery of provision in non-traditional venues, financial/bursary support targeted at under-represented groups, specifically for course-related costs demonstrated as being a barrier to accessing learning.</p>	£31.6m	£8.2m	<p>Participants (6,860)</p> <p>Unemployed participants (686)</p> <p>Inactive participants (4,116)</p> <p>Employed participants (2,058)</p> <p>Participants aged 15-24 (1,372)</p>
<p>Support collaborative projects, placements, internships or other activities that enable students and graduates to gain industry relevant experience and skills.</p>	<p>i) Development of modules, programmes and qualifications relating to entrepreneurship and innovation at level 4 and above</p> <p>ii) development and delivery of outreach activity including access and taster programmes to increase the participation to address known North East labour market failures or address barriers</p> <p>iii) enabling mechanisms and capacity development within SMEs to provide</p>	£13.5m	£3.5m	<p>Participants (3,373)</p> <p>Unemployed participants (337)</p> <p>Inactive participants (2,024)</p>

	work experience, placement and employment opportunities at higher skills levels, including graduate level and higher level apprenticeships			Employed participants (1,012) Participants aged 15-24 (1,687)
Support for activities to start and grow a business from promoting entrepreneurship (including social enterprises), self-employment to providing leadership and management training/advice within SMEs to develop internal capabilities and growth potential	<p>i) Programmes of activity for pre-start support to individuals and enterprise awareness for targeted groups</p> <p>ii) entrepreneurial skills development</p> <p>iii) leadership and capacity support to individuals and SMEs, particularly where it is linked to AEAs</p> <p>iv) training for innovators throughout their academic careers, supporting the Entrepreneurs First pilot, (linked to ERDF innovation spend)</p>	£22.5m	£5.9m	Participants (5,617) Unemployed participants (1,404) Inactive participants (842) Employed participants (3,370) Participants aged 15-24 (1,123)
Develop better links between business and educators, further education (FE) providers and other education partners to equip students with the skills to start and grow a business to meet identified need.	<p>i) support for projects that enable, engage and co-ordinate business engagement with institutions and those in education to increase participation</p> <p>ii) mechanisms to support would-be entrepreneurs to work in industry; placements, mentoring and short term projects linked to sectors and areas of economic advantage</p>	£22.5m	£5.9m	Participants (13,665) Unemployed participants (2,051) Inactive participants (8,199) Employed participants (3,416) Participants aged 15-24 (6,833)

EAFRD

Activities	EAFRD allocation	Outputs
TOURISM - Outline activities:	£5.5m	150 jobs created/safeguarded 100 businesses supported 160 new tourism activities supported
<p>Support for food tourism and supply chain development</p> <p>Improving connectivity between producers and tourism outlets (restaurants, attractions, visitor accommodation providers) and with visitors. Increasing the usage and productivity of local produce through increasing tourism industry adoption and visitor spend.</p>		
<p>Area tourism marketing campaigns</p> <p>Northumberland and Durham Destination Management Organisations (DMOs) have established an impressive record of delivery over the last three years in partnership with Visit England to promote local tourism businesses and attractions. Funding will support DMO campaigns as well as improved sign posting, interpretation and roll out of digital visitor information products across all local authorities within the rural area.</p>		
<p>Development of activity tourism</p> <p>Animating the rural tourism offer through improving existing and evolving activity tourism products. Investment would unlock huge potential and considerable assets in walking and cycling tourism, while also helping to capitalise on riding, fishing and shooting strengths.</p>		

<p>Northern Lands development</p> <p>Northern Lands is a year-long programme of new projects for North East England's protected landscapes and has been secured with investment from DEFRA. It includes an exciting range of activities designed to bring landscapes to life and to help visitors explore, enjoy and better understand their special qualities. It will take place in the North Pennines & Northumberland Coast Areas of Outstanding Natural Beauty, Northumberland National Park, Durham Heritage Coast, Hamsterley Forest and Kielder Water and Forest Park. Investment would be targeted at expanding the 2014 programme into 2015 and beyond.</p>		
<p>Access for all tourism</p> <p>The visitor market can be significantly enhanced by ensuring that access is provided for all. A high quality offer which caters for a range of specific requirements, including disability, can help to build a more valuable tourism sector.</p> <p>The funding will support an audit of existing facilities, benchmarking with national best practice and an incentivised/funded product development programme. This will add to the productivity and viability of tourism business by developing the facilities to ensure they are market ready to cater for an additional strand of new business.</p>		
<p>Developing our key attractions and assets</p> <p>The area has a wealth of existing and evolving attractions which draw in many visitors. Support is required to develop new strands to existing attractions to provide facilities which lengthen the season and expand the market and to also incentivise new external investment. Projects will be identified within Destination Management plans and could include: Dark Sky Park, Hadrian's Wall Sill, Seaham Marina, Gibside Estate and Auckland Castle.</p>		

<p>Strategic market town welcome programme</p> <p>Twelve North East market towns have produced destination development plans which are focused on improving the post arrival visitor experience. Support will be offered to enable these to be refreshed, and to take forward activities which result in maximum economic benefit. This strand of activity will be delivered in conjunction with a Rural Market Town Infrastructure Fund which will support the development of Market Towns as economic hubs of employment, business and services. (See business section below for further details)</p>	£2m	600 people trained 50 jobs created/safeguarded 50 businesses supported
<p>Rural Growth Network – Business Support</p>	£1m	65 businesses supported 65 jobs created
<p>Rural Business Support Programme</p> <p>This will build on the current RGN and ERDF funded pilot programme with lessons learnt being used to enhance the new delivery. It will use the growing network of rural enterprise hubs as “first stop shops” for business advice and guidance peer support.</p>		
<p>Small Business Growth Fund</p> <p>Grant scheme to support small business growth which will build upon the current RDPE scheme but this will be expanded to include small businesses as well as micro businesses. Capital support for new and existing enterprise hubs and initial time limited revenue support for establishment and operation of hubs.</p>		
<p>Market Towns Infrastructure Fund</p> <p>Investment in town centres and industrial estates tied to economic growth. This includes the redevelopment and preparation of brownfield sites, conversion of redundant buildings to accommodate new economic activity and solutions to unlock key development sites.</p>	£2m	60 businesses supported 60 jobs created

Delivery

Delivering the diverse strands of the ESI funds across our communities and businesses requires a flexible approach. We are therefore proposing to use a range of delivery mechanisms including open calls, opt-ins, financial engineering instruments and Community-led Local Development.

Opt-ins

Several organisations and government agencies have offered an 'opt-in' service, whereby match funding, procurement and management services are provided. The opt-in approach for some of the allocation enables us to align activities with existing central spend and activity where this supports our objectives and where control remains locally directed and responsive. Any potential opt-ins will be for a limited initial period to establish relationships, ensure effective delivery and to assess local impact.

We have developed a series of expectations for our opt-in proposals to ensure that they are responsive to local need and provide the information and control required to deliver locally. These have underpinned the discussions to date and include:

- We expect to have control over the strategic design of programmes. To ensure the local context is fully understood local suppliers should be enabled and encouraged to apply.
- We expect to be part of the design and procurement process and to be able to review procurement at frequent intervals, with the scope for us to drive re-procurement when our expectations are not met.
- We expect that performance management will be based on our proposed outputs and results, and that reporting on these will be provided at frequent intervals, at a minimum of bi-monthly.
- We would expect clarity over whether Durham opt-in amounts will be matched equally.
- We will expect opt-in organisations to work closely together and to align with any future local arrangements such as the North East Growth Hub.
- We expect transparency on the impact of opting in or out on service delivery.
- We expect data to be shared swiftly as requested both in developing the final agreements, during the move towards delivery, and in the delivery phase.
- Any opt-ins will be initially time limited to ensure that there is scope for a robust evaluation of performance with opportunities for improvements and changes.
- We expect to have influence over the match-funding spent within the area and links to wider activities and initiatives to ensure ongoing additionality is retained.

Access to Finance

A detailed study undertaken by EKOS on behalf of North East Access to Finance (NEA2F) reviewed the North East region's access to finance fund initiatives over the last 10 years and the JEREMIE programme to date. It concluded that "regional funds have played a key role in supporting the economic growth of the North East and its SME base" and that "in the absence of these funds, much of this economic activity would not have occurred and there is no evidence to suggest the private sector would have stepped in and filled any void."

JEREMIE 2

We can now confirm our joint intention with Tees Valley Unlimited to collaborate and set up a JEREMIE 2 fund, as was set out in the initial response to the Government guidance. This collaboration will deliver greater economies of scale and complements existing structures for the region.

Having balanced the region's need, with a bottom up analysis of demand and investment capacity to date from North East Finance, the JEREMIE Holding Fund manager, we propose to establish a £160m fund that will invest over a five year period. The North East LEP's contribution will account for 75% of the fund, as per the table below.

	Total funds committed	Investment into area SMEs
Durham	£11.7m	£24m (15%)
Other North East LEP	£46.8m	£96m (60%)

Total North East LEP	£58.5m	£120m (75%)
Tees Valley Unlimited	£19.5m	£40m (25%)
Legacy	£32m	-
EIB (loan)	£80m	-

The fund will draw on £58.5m of ERDF investment in the North East LEP (with £11.7m from County Durham) and call on a large proportion of the region's legacy funding – the returns for public investment funds from 1999 to 2010. This redeployment into the North East region's access to finance sector is in line with all historical grant conditions. This capital would then all be matched by a new European Investment Bank facility, as is the case for the current JEREMIE, and early discussions are positive.

Based on current experience, this fund is expected to assist around 900 SMEs, create 4500 new jobs and safeguard 2550, and leverage in over £100m of private finance in the area alone.

	Total fund	If 75% in North East LEP area
SMEs assisted	1200	900
Jobs created	6000	4500
Jobs safeguarded	3400	2550
Private leverage	£135m	£101m

North East Investment Fund (Financial Instrument)

Partners have demonstrated a keen interest in establishing mechanisms to meet sustainability, regeneration and infrastructure need and unlock development opportunities in the area. The North East LEP currently operates a North East Investment Fund using Growing Places and Regional Growth funding and has committed investment of £38.5m. Opportunities to integrate European funding with wider investment funds continue to be explored, with the 'JESSICA' an integral element of a new North East Investment Fund (NEIF), building on the existing European Commission's JESSICA mechanisms. This is subject to an 'ex-ante' process to quantify the scale of demand and appropriateness of the approach. If the appropriateness of the tool is identified and is then approved by the LEP Board, it is proposed this will invest in regeneration and infrastructure and elements of low carbon growth. It would therefore draw on funding from various thematic objectives across the strategy where demand is identified. It will be managed by a financial intermediary.

Such funding is designed to meet market need in areas of market failure in the development finance market. The fund would be open to investment proposals from both the private and the public sector, and projects would undergo an evaluation and prioritisation process that would assess the proposition's alignment to strategic objectives rather than the nature of the application.

Because there is a high level of overlap possible between regeneration and infrastructure and low carbon, and the scale proposed, the NEIF will operate as a single fund (as opposed to a 'fund of funds'). Having consulted others experienced in the JESSICA programme, it is believed that a single fund manager can be found with the skills required to cover this wide investment target.

Community-led Local Development

Recognising the unique opportunity for CLLD to support capacity-building in some of our most deprived communities and those where capacity to draw on funding is currently limited, significant interest has been

shown to develop a programme of CLLD in the North East LEP area. We are therefore proposing a competitive application process for up to ten Local Area Groups to deliver individual strategies, of which up to eight would be in Northumberland and Tyne and Wear and up to two would be in County Durham. In Northumberland and Tyne and Wear, this would represent a maximum of £12m of ESF investment and up to an additional £3m of ERDF investment over the period of the programme. While this would represent a notional average of £1.5m per Local Action Group in the more developed area, flexibility will be retained to reflect the proposals to be brought forward.

In County Durham, a maximum of £6m ESF and up to an additional £1m of ERDF investment would be allocated to CLLD the period of the programme. The approach for establishing the precise nature of these areas will be undertaken in concurrence with the timetable set out in the guidance and will be a bottom-up, competitive process.

CLLD is one element of our approach and focuses on where local communities lack capacity. The approach will be complemented by our proposals around social inclusion and successful Local Action Groups will, alongside other partners, be able to put forward projects for the 'open call' element of our Social Inclusion activities.

Sustainable Urban Development

A small number of LEPs with major urban areas have been invited to submit strategies ringfencing up to 10% of ERDF allocations for the purpose of an integrated Sustainable Urban Development proposal. While this process is at an early stage, the North East LEP has agreed to put forward a proposal. This will entail a focus on strengthening business innovation in key low carbon sectors; presenting our urban centres as 'living laboratories' for sustainable growth; and identifying forms of urban-rural interaction. Finalisation of the plans will be taken forward by the LEP with the Managing Authority.

Governance arrangements

As part of developing this strategy with a view to delivery and implementation, the North East Local Enterprise Partnership has worked closely with stakeholders to develop robust and practical proposals for governance of this strategy and European funding. Managing Authorities are in the process of developing the business process proposals for the 2014-2020 programme which will impact on the precise nature of governance arrangements.

The localist role as established in Government guidance has informed our proposals and is essential for successful delivery of the investment. In developing our approach to governance and delivery we were mindful to recognise both the role for local partners and the requirement for resources such as Technical Assistance to achieve local impact.

Shadow arrangements will include representation of the North East Local Enterprise Partnership Board, the Combined Authority, the higher education sector, the further education sector, the voluntary and community sector, the private sector, rural communities, trade unions, the County Durham Economic Partnership, the Social Inclusion Advisory Group and the Sustainable Growth Advisory Group.

Engagement and Participation

Engagement and consultation have been central in informing our approach. The development process has drawn significantly on partner and stakeholder input. This engagement has taken a number of different forms at different stages, including:

- Informal updates and initial discussions
- Members of Task and Finish Groups addressing (Objectives, Project pipeline development and Governance)
- Consultation workshops and online responses
- Advisory and development groups (such as Social Inclusion Advisory Group, Strategic Skills Group)

Through these methods a wide range of partners and sectors have taken an active role in the development of this strategy including:

- North East LEP Board
- Local authorities and Combined Authority
- Northern Business Forum
- Private businesses
- Current Programme Executive Group
- Social enterprise, including North East Social Enterprise Partnership
- Voluntary and Community Sector, including Voluntary Organisations Network North East
- Further education representatives
- Rural communities, including North East Farming and Rural Advisory Network and the existing LEADER networks
- Higher education and universities
- Key contributors to other European programmes, including Interreg
- North East Finance and North East Access to Finance

We have also engaged closely with Managing Authorities, BIS and government agencies throughout. This engagement in developing the strategy has been complemented through a formal consultation period. This process brought together a wide range of stakeholders to inform the development of the final strategy and the next level of details on activities. The consultation process took place over six weeks throughout October, November and early December 2013.

The consultation approach included three elements ensuring accessibility to stakeholders and enabling a detailed discussion it included widespread publicity in relevant local media.

- An online survey ran from 28th October 2013 to 2nd December 2013 and received 270 responses from a range of partners across the area. These responses were strongly supportive of the draft and the direction taken with 74% agreeing (strongly agree/agree) with our identification of the key challenges and proposed allocations of funding and 82% agreeing (strongly agree/agree) with the strategic objectives.
- A series of partner-led sessions provided an opportunity to further develop ideas for activities, identify sources of match funding and outputs and results for the strategy. Events were held with partners to ensure that proposals were relevant and appropriate. These included a joint business focused event on the 26th November led by EEF with invitations going to members of the Confederation of British Industry North East Chamber of Commerce, Federation of Small Businesses and North East Social Enterprise Partnership. Similar targeted events were arranged by NOF Energy (25th November), the Rural Growth Network (4th December) and North East Culture Partnership (6th December). As part of the consultation process we also attended the Voluntary Organisations Network North East (VONNE) AGM and conference (14th November).
- The partnership arranged five thematic events, attended by over 100 people, covering the objectives set out in the draft strategy. Low Carbon and Sustainable Growth (3rd December), Skills for Growth (4th December), Business Growth (5th December), Innovation (9th December) and Social Inclusion (9th December).

Next Steps

The government and European Commission are continuing negotiations over national Operational Programmes for the respective funds. It is expected that this process may conclude in late 2014 to early 2015. In the meantime, the LEP is continuing to feed into government, as well as providing refined detail on outputs, investment priorities, spend profiles and opt-in arrangements. Government is due to provide further updates to allow a Local Implementation Plan to be completed in late 2014, and the LEP will continue to engage with partners in its development.

A shadow local committee will commence in autumn 2014, involving a range of partners prior to final approval of LEP strategies in 2015. It is currently forecast that the first calls for projects will take place in early to mid-2015.