

“North East England is one of the fastest growing regional economies in the UK. This is a huge achievement for our region, something we should be proud of and that we need to keep building on. The Strategic Economic Plan (SEP) provides us with the economic evidence and focus we need to do that.”

**Andrew Hodgson,  
Chair, North East LEP**



### How are we going to deliver the SEP?

We have identified six programmes detailing how we will deliver the SEP, together with our partners.

#### Innovation

Central to the long term ambition of the SEP is to build a more productive North East with world class science and business base. We will do this by:

- Creating an innovation ecosystem that embeds open innovation and commercialises knowledge
- Promoting business growth and social improvement through delivery of new products, processes, and technologies
- Improving our region's innovation infrastructure
- Developing strategies around our areas of opportunity.



#### Skills

Improving skills is fundamental to our future economic prosperity and will help ensure that our region has better jobs. We will continue to improve the skills pipeline in our region by:

- Developing 'North East Ambition' – a programme that will deliver outstanding careers guidance
- Excelling in technical and professional education through our Further Education Colleges and private providers
- Working in partnership with higher education and business, to deliver job-ready graduates and high quality employment opportunities
- Reducing the gap between our best and lowest performing schools
- Maintaining employment in our 50+ workforce by helping older workers to develop their skills.



#### Economic assets and infrastructure

We must supply the right land and develop our critical infrastructure and sites to support the growth of our industrial strengths and clusters, accommodate the changing structure of the economy, foster innovation and deliver the housing required for our changing population. We'll make this happen by:

- Delivering growth focused local plans in our local authority areas
- Agreeing a pipeline of key projects for investment
- Developing the regional spatial planning framework
- Delivering business growth through our Enterprise Zones.



#### Business growth and access to finance

We will increase the density of our high growth businesses by 50% through the creation of a business ecosystem that enables more businesses to scale and secure investment. We will do this by:

- Improving access to support and finance
- Supporting businesses to achieve and sustain high growth
- Strengthening inward investment and trade flows
- Making the North East Growth Hub the most comprehensive place for business support in the region.



#### Employability and inclusion

Strengthening our employment rate is key to our economic resilience. Ensuring local people are prepared and fit for work and have access to good quality employment opportunities will improve their lives and ensure that businesses can recruit and retain the people they need in a changing labour market. We will:

- Support people with health conditions to find and maintain employment
- Develop pathways for the most vulnerable and disadvantaged young people to help them to move into education, training and employment
- Reduce inactivity levels in our 50+ workforce, by reconnecting older people to work.



#### Connectivity

Connectivity plays a crucial role in enabling economic growth and sustaining jobs. Transport and digital infrastructure provides access to national and international markets, facilitates trade and inward investment, and ensures the effective flows of goods, services and people. We will continue to build on this by:

- Helping people, services and goods move quickly, safely and reliably
- Improving national and international connectivity
- Developing and implementing the regional transport plan
- Developing our digital connectivity through the availability of superfast broadband and development of 5G.



# More and better jobs

## The North East Strategic Economic Plan

Executive summary  
January 2017



### What is the North East Local Enterprise Partnership (LEP)?

The North East LEP is a public, private and education partnership that covers Durham, Gateshead, Newcastle, Northumberland, North Tyneside, South Tyneside and Sunderland local authority areas.

### What is the SEP?

The SEP is our plan for growth in the North East. It sets out what we are good at, our targets to create more and better jobs and details of how we are going to deliver them.

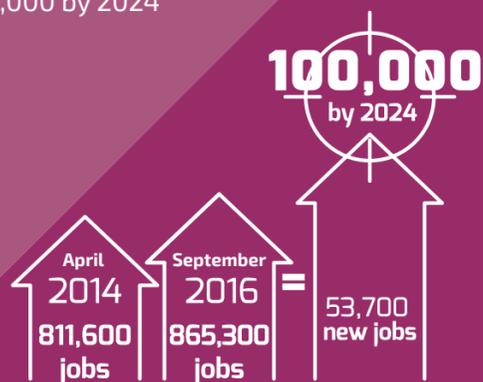
### What is the LEP's role in delivering the SEP?

We provide strategic economic leadership for the region, working with partners and facilitating the delivery of the SEP.

### Why is it important to have a SEP?

The SEP is recognised by Government as the policy document that sets a strategic direction for our regional economy. It outlines our medium term economic plan and helps identify interventions and investments to support economic growth and to create more and better jobs for our economy.

**Target:**  
Increase the number of jobs in the North East economy by 100,000 by 2024



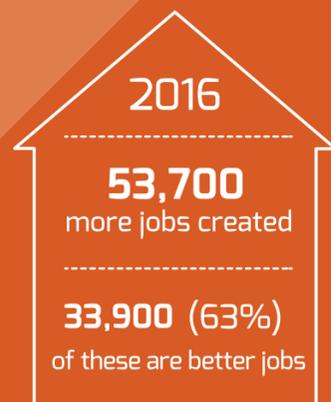
### What are the targets in the SEP?

The SEP has two absolute targets. The first is to add 100,000 more jobs to the North East economy by 2024. The second is to ensure that 70% of the jobs growth is in better jobs.

A better job is defined as being in the top three Standard Occupational Classification (SOC) categories, which are: managers and directors; professional occupations; and associate professional and technical occupations. Measuring this means we can demonstrate higher skilled and more productive roles in our economy.

We have also identified four comparative targets which aim to deliver a measureable reduction in the gap in performance between the North East and the UK average in key parts of the economy; productivity, business density, the employment rate, and economic activity amongst our population.

**Target:**  
70% of the job growth is better jobs



### We have identified four areas of opportunity that can improve the performance of our economy.

**Tech North East**  
Driving a digital surge

**Making the North East's Future**  
Automotive and Medicines  
Advanced Manufacturing

**Health Quest North East**  
Innovation in health and life sciences

**Energy North East**  
Excellence in sub-sea, offshore and energy technologies

**29,000**  
IT & digital employees

**15,250**  
Creative industries employees



We have a technology industry valued at **£2 billion** part of a northern ICT Economy worth **£12 billion**.

GVA contribution is currently double the national average.

#### Our digital specialisms include:

- Software development
- Cloud computing shared services
- Systems design & communications
- Building information modelling
- Games design and delivery.

#### Emerging specialisms include:

- Data analytics
- Virtual reality
- Smart data
- Cybersecurity.



We have strengths in globally focused advanced manufacturing with strong clusters in automotive and medicines.

There is growth potential in these sectors from inward investment, local supply chain development and exports.

#### Automotive:

- Employees **30,000** people
- Produced **510,000** vehicles (2015)
- Produced **325,000** engines (2015)
- **26%** of all European electric vehicles are made here.

#### Medicines:

- **95%** North East pharmaceuticals produced here totalling a value of **£1.3billion** (2014)
- Strong reputation for quality, safety and regulatory compliance
- Successful innovative SME base.



#### We have four national centres of excellence:

- Ageing and age related diseases
- Personalised medicine
- Formulation
- Emerging national centres in healthcare photonics and dementia.



#### The North East has the highest ranked NHS trust in clinical research studies in UK.



#### The International Centre for Life

Employs 600 people from 35 countries and are world leaders in stem cell technology.



**50,000 STEM students**  
Coming through our universities every year.



#### We are world leading in offshore and subsea technology.

We have over **50 companies** with a combined turnover of **£1.5 billion** who employ more than **15,000 people**.

North East businesses are working in different sectors including oil and gas and renewables.

The North East is one of six nationally designated Centres for Offshore Renewables Engineering.

Pioneers in district heating and a leading science base in a range of energy and low carbon technologies.

### We have identified strengths in service industries that will enable growth and provide opportunities for high productivity employment.

**Financial, professional and business services**

**Education**

**Transport and logistics**

**A place that works**

We are home to key segments of the UK's £180 billion financial technology, banking, insurance, securities dealing, fund management, management consultancy, legal services, and accounting services sectors. There are 17,645 FPBS companies in the region.

We have four universities providing a significant research base and educating 100,000 students each year.

The education sector is estimated to account for nearly 7% of total North East LEP area Gross Value Added and has seen growth over the last 10 years of around £700 million.

The further education system includes ten colleges and a range of other providers including sixth forms and private bodies. There are 1,300 schools in the wider region.

Around **4,000 additional jobs** have been created in transport and logistics sector since 2014, across air, rail, road and sea.

This comprises about **4%** of the business base plus a range of public providers.

We have over two million people with a skilled and resilient workforce. An economy worth **£37 billion** in 2016.

We have three great cities, a wider urban economy and rural and coastal locations which together offer a diverse range of investment opportunities, an excellent innovation environment and an outstanding quality of life. Our local road, rail, air and digital infrastructure provides access to local jobs, supports business growth, and offers connectivity to national and international trade and investment markets.

