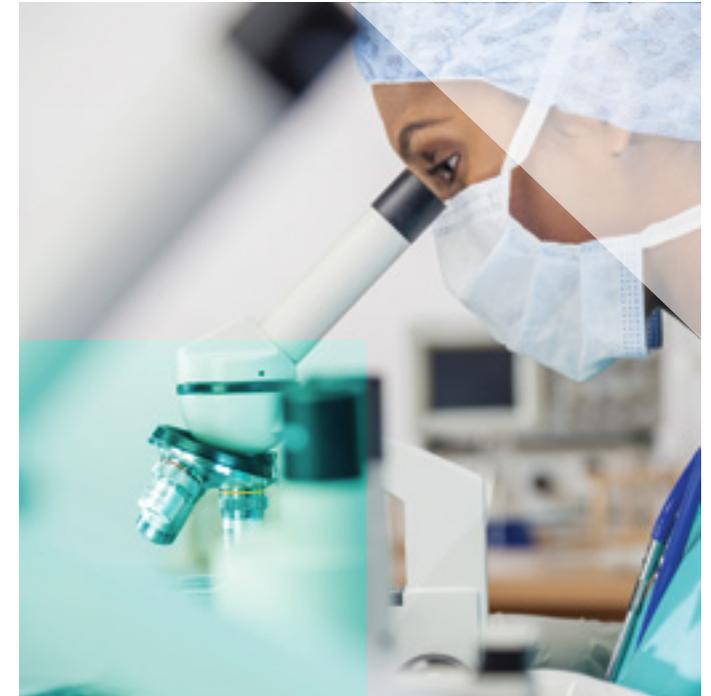
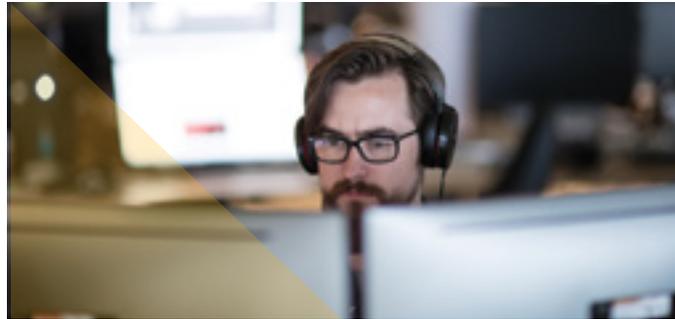


North East Local Enterprise Partnership
Business plan 2017/18



About the North East Local Enterprise Partnership

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

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

What is the North East Strategic Economic Plan (SEP)?

The SEP is our plan for economic growth in the North East for the period 2014-2024. It sets out what we are good at, our targets to create more and better jobs and details how we are going to deliver them.

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

Our role is to provide strategic leadership for the region, working with partners and facilitating each element. We also aim to secure maximum investment and resources for the region, raise the national profile of the North East and work with partners on initiatives that will have the greatest economic impact for the area.



You can read the North East Strategic Economic Plan on the our website at northeastlep.co.uk

Why is it important to have a SEP?

The SEP is recognised by government as the North East's principal economic 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. It is the plan which is shared and owned by the North East to grow the economy.



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.

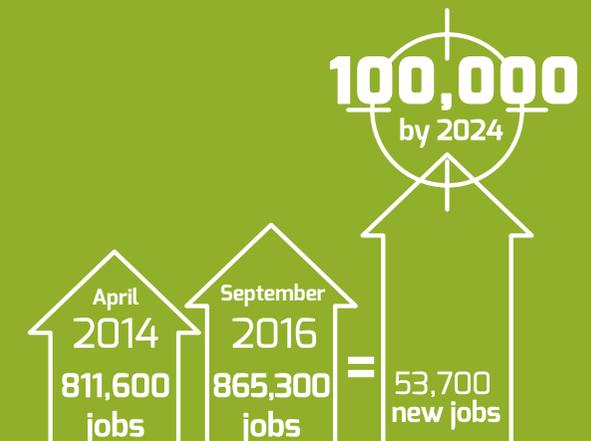
A *better* job is defined as being in the top three Standard Occupational Classification (SOC) categories, which are: managers and directors; professional occupations; and associate professional and technical occupations. Measuring this means we can demonstrate that we have higher skilled and more productive roles in our economy, which will bring greater wealth for North East residents and businesses.

We have also identified four comparative targets which aim to deliver a measurable 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.

SEP target: 70% of the job growth is better jobs



SEP target: Increase the number of jobs in the North East economy by 100,000 by 2024



The North East Strategic Economic Plan sets out our ambition and goals.

The SEP details that we will focus our attention around four growing employment sectors that provide us with significant opportunity for growth. These are:



Tech North East
Driving a digital surge



Health Quest North East
Innovation in health and life sciences



Energy North East
Excellence in subsea, offshore and energy technologies



Making the North East's Future
Automotive and medicines advanced manufacturing

Our digital specialisms include:

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

29,000

IT & digital Employees

A software & technology industry valued at £2 billion

Part of a northern ICT Economy worth £12 Billion

15,250

Creative Industries Employees



Our emerging specialisms include:

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



Our national centres of excellence are:

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



Highest ranked NHS trust

in clinical research studies in UK



The International Centre for Life

600 Employees from 35 countries
World leader in stem cell technology



World leading in offshore and subsea technology



Over 50 companies with a combined turnover of £1.5bn employ more than 15,000 people



50,000 STEM students
Coming through our universities every year

Key Sectors



Automotive



Medicines



In addition, we will work to grow the following three sectors, which support our growing businesses.



Education

We have a highly diverse education system including four universities providing a significant research base and educating 100,000 students each year.

Based on its share of employment, the education sector is estimated to account for nearly 7% of total North East LEP GVA and has seen growth over the last 10 years of around £700 million.

The further education (FE) system includes ten colleges and a range of other providers including sixth forms and private bodies. There are around 900 schools in the North East.



Financial, professional and business services

The North East hosts 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 financial, professional and business services companies in the region.



Transport and logistics

Around 4,000 additional jobs have been created in the transport and logistics sector since 2014.

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



Delivering the North North East Strategic Economic Plan

We will focus our delivery around six programmes of work, which are outlined in the SEP. These programmes will support businesses to achieve and sustain growth. We will provide the leadership and work with our Board, Advisory Boards, partners and businesses to deliver the programme objectives. Our delivery plan tracks our progress.



Innovation

Innovation is central to the long term ambition of the SEP to build a more productive North East with a competitive business base and creative and inclusive communities. We will do this by:

- Creating an innovation ecosystem that embeds open learning and delivers 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.



Business growth and access to finance

We aim to increase the density of our high growth businesses by 50% through the creation of a business ecosystem that enables more businesses to scale. 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
- Ensuring the North East can respond to economic change.



Skills

Improving skills is fundamental to our economic future so 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 career guidance
- Excelling in technical and professional education through our FE Colleges and private providers
- Working in partnership with education and business to have job ready graduates and high quality employment opportunities
- Reducing the gap between our best and lowest performing schools
- Reducing inactivity levels in our 50+ workforce by helping older workers to develop their skills.



Employability and inclusion

Strengthening our employment rate is key to 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.



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 will 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.



Connectivity

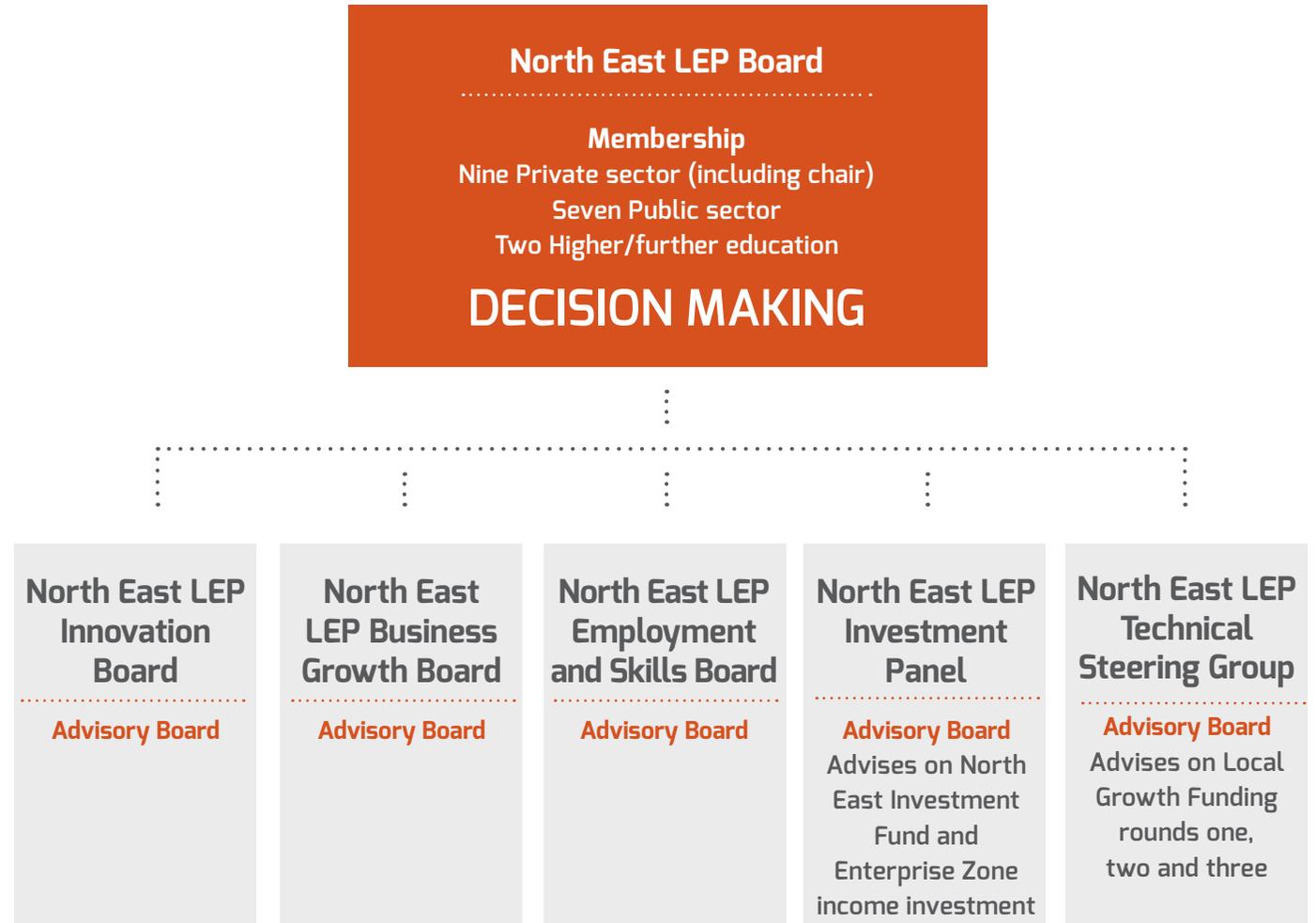
Connectivity plays a crucial role in enabling economic growth and sustaining jobs. Transport and digital infrastructure provide access to national and international markets, facilitates trade and inward investment, and ensures flows of goods, services, information and people. We will continue to build 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 digital connectivity through the availability of superfast broadband and development of 5G.



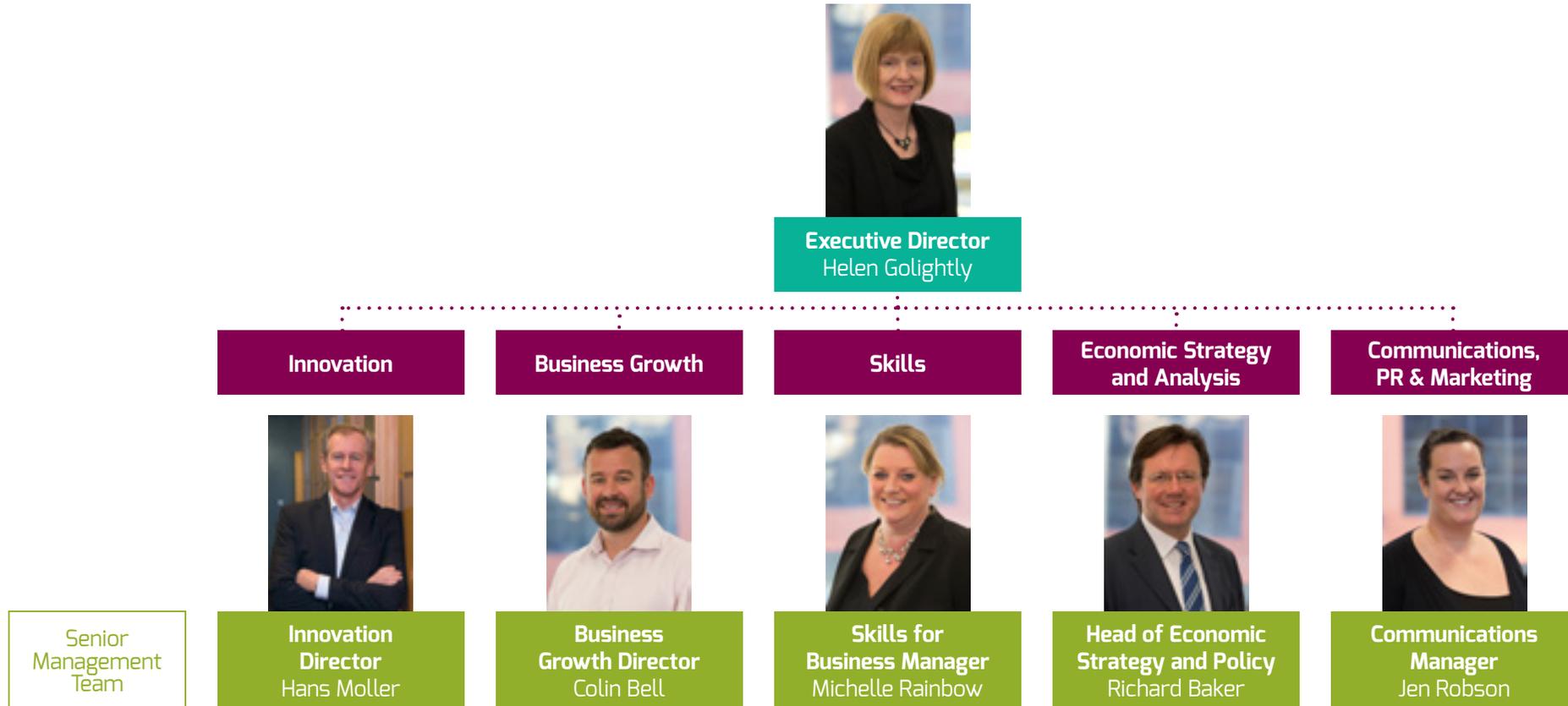
The North East LEP governance

Providing advice, oversight and decision making.



January 2017

North East LEP Executive Team



Office Manager, Dorothy Bell
 Office Manager, Rebecca Kinmond
 Communications Adviser, Katie Coward
 Communications Adviser, Nicola McIntosh
 Programme Support Officer, Dawn Bewick
 Programme Support Officer, Ben McLaughlin

Programme Support Officer, Matthew Haywood
 Programme Manager, Ray Browning
 Programme Manager, James Davies
 Programme Manager, Matthew Ebbatson
 Programme Manager, Heather Heward
 Programme Manager, Dinah Jackson

Career Benchmarks Facilitator, Ryan Gibson
 Enterprise Co-ordinator, Denis Heaney
 Enterprise Co-ordinator, Lindsey Peek
 Enterprise Co-ordinator, Andrew Mills
 Mentoring Co-ordinator, Helen Lee
 Senior Economist, Victoria Sutherland



Budget

Income	2017/18 Proposed budget £'000
LEP core grant	500
Local authority contribution (£37.5k from each of the seven local authorities)	250
Local Growth Fund (2.5% top-slice)	1,200
North East Investment Fund and Enterprise Zone income	100
Gatsby Foundation contribution	94
Growth Hub grant	410
Enterprise Adviser contribution	78
North East Combined Authority (NECA) contribution	60
Interest on funding balances	140
Carry forward from 2016/17	151
Gross income	2,983

Expenditure	2017/18 Proposed Budget £'000
Employees	1,429
Premises	95
Communications, PR and marketing	247
Operations - Corporate	300
Operations - Strategic Policy and Economic Analysis	80
Operations - Innovation	110
Operations - Business growth and access to finance	20
Operations - Skills	20
Operations - Funds	93
Operations - Transport LGF monitoring and evaluation	200
Operations - Good Career Guidance Benchmarks and Growth Hub	249
Operations - Inward Investment contribution to NECA	140
Gross expenditure	2,983

The funding streams for investment

Capital investment and funding sources currently secured and managed by the LEP are:

Local Growth Fund

We manage the North East LEP's Local Growth Fund (LGF) allocation of £270.1m. This is a six year fund, which supports major capital projects across the North East LEP area.

We have supported 48 capital projects since 2014.

LGF Budget (m)	Round one and two	Round three	Total
2015-16	£53.9	£0.0	£53.9
2016-17	£79.4	£0.0	£79.4
2017-18	£31.8	£10.7	£42.5
2018-19	£24.1	£27.6	£51.7
2019-20	£16.6	£11.4	£28.0
2020-21	£14.6	£0.0	£14.6
Total	£220.4	£49.7	£270.1

North East Investment Fund

The North East Investment Fund is a loan fund supporting capital projects that encourage local economic growth and create jobs in our area.

North East Investment Fund

£55m capital evergreen loan fund
 £61m invested to date
 £45.3m of the fund is allocated
 £8.7m available for new investments in 2017/18

Enterprise Zone Business Rate Income

All Enterprise Zone business rate growth income comes to the LEP to invest. The North East LEP Board has agreed to invest in the 20 Enterprise Zone sites' infrastructure and then into other regional strategic economic investment priorities.

Enterprise Zone Business Rate Income

Income projection from the 20 sites over the 25 year period (up to 2038) is over £400m.

Project funding sources currently managed and delivered by the North East LEP are:

1. Growth Hub

£410k in 2017/18

The Growth Hub is the one stop shop for businesses to find the business support and access to finance they need to grow their business.

2. Good Career Guidance Benchmarks

£94k in 2017/18

The Good Career Guidance project is a national pilot being carried out in the North East that aims to implement best practice in careers guidance in schools and colleges based around eight benchmarks of best practice.

3. Enterprise Advisers

£78k in 2017/18

The Enterprise Advisers project aims to embed business leaders into secondary schools and colleges on a voluntary basis to help teachers shape the delivery of careers education.

European Funding

The North East also has a notional allocation of £437m of European Structural Investment Funding. This is administered by central government through the Department for Communities and Local Government.



European Union
 European Structural and Investment Funds



info@nelep.co.uk



northeastlep.co.uk



uk.linkedin.com/company/north-east-lep



[@northeastlep](https://twitter.com/northeastlep)



0191 338 7420



1 St James Gate,
Newcastle upon Tyne,
NE1 4AD

