

North East
Local Enterprise Partnership



More and better jobs

Annual review
April 2015 - March 2016





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Andrew Hodgson, Chair, and Helen Golightly, Chief Operating Officer

A year of growth for the North East

The past year has been a year of change for the North East Local Enterprise Partnership (North East LEP) – an expanding team has increased the breadth and depth of our expertise and we have seen ourselves shift from a strategy setting organisation to starting to make our ambitions happen with our partners and businesses.

We welcomed Andrew Hodgson as our new Chair, a move which was well received by the business community. Andrew is building on the successes achieved by Paul Woolston who, during his tenure, made an outstanding contribution to the North East economy. He helped define our strategy, and more recently helped us prepare for devolution and a mayoral Combined Authority.

Our aim is to have the most dynamic, experienced and innovative business leads at the forefront of our organisation. For the start of the new business year, we have welcomed Farooq Hakim, Andrew Moffat, Heidi Mottram and Mark Thompson onto the LEP Board and are excited to see the contribution they will bring in the coming months. We would like to thank our outgoing Board members Arnab Basu, Michael Bellamy and Gill Southern for their dedication and the excellent contributions they have made over the past five years. We would also like to extend a huge thank you to Paul Woolston for his commitment, leadership and achievements during this time.

We continue to make significant progress with our ambitious, but, we believe, achievable target of creating 100,000 more and better jobs by 2024, as outlined in our Strategic Economic Plan (SEP). Recent employment figures are starting to demonstrate change for the better in the North East. A total of 1.2m people are now in work in our area – the highest ever recorded figure. The percentage of people aged between 16 and 64 in employment in the North East (November 2015 to January 2016) stands at a record 70.6%, up 2.1 percentage points on the previous quarter.

Figures show that there are 9,000 more jobs in manufacturing and 23,000 more in the service sector, the two main sectors driving new employment growth in the region. While these figures are a snapshot in time, we can be heartened that we are starting to see improvement.

This annual review highlights all of our work and achievements over the past 12 months. Some of our proudest moments include the successful announcement of a second Enterprise Zone site, and playing a pivotal role in keeping £120m Finance for Business (JEREMIE) funding in the North East. We truly

believe this is in the region's best interests and we have supported this further by allocating some of the North East Investment Fund to ensure continuity of funding for business during the transition period between JEREMIE 1 and its successor fund.

We continue to focus on delivery with our partners in the SEP's key areas; Business Growth, Innovation, and Skills, and play an influential role in the European programme that supports this.

One of our flagship initiatives is the Growth Hub, which is at the centre of our activity. Work has taken place to continuously improve the platform in recent months and we have secured additional funding to sustain it over the next two years. We look forward to seeing how this continues to support North East businesses.

The appointment of Hans Moller has focused the delivery of the Innovation programme and brought to life fundamental projects such as the incubator programme and the SuperNetwork.

We have refocused the priorities of our Skills programme, looking specifically at the next generation and helping them make informed life choices and be prepared for their future careers.

It's been a busy year but an extremely positive one. Thanks to all who have helped drive the SEP forward and supported work of the North East LEP.

We hope you enjoy reading this annual review, which highlights our achievements and gives a flavour of our ambition.

Helen Golightly
Chief Operating Officer



What we do

Creating a thriving home for North East business

We drive economic growth in North East England by supporting businesses to create more and better jobs for everyone. Our goal is to help create an extra 100,000 jobs between 2014 and 2024. An ambitious target, but one we believe is achievable by working with our partners in the public and private sectors.

Our Strategic Economic Plan (SEP) defines all of our activity. We developed it for Government on behalf of the North East in 2014. It is our roadmap to success. It creates a common ambition that is clearly defined, evidence-based, grounded and achievable. We win investment to support it and with partners champion the North East locally, nationally and internationally. The SEP sets out what we need to do to provide better support for Business Growth, Innovation, Skills and delivering better infrastructure across the North East.

The SEP is based on in-depth economic analysis provided by external experts in their field. It will be revisited and updated during 2016 in order to assess progress so far and ensure focus for coming years.



Bringing investment to the North East

We work hard to bring continued investment to the North East LEP area, and are extremely successful in doing so. This helps us and partners to achieve the goals set out in our SEP.



European Union European Structural and Investment Funds

European Structural and Investment Funds

We were influential in directing €559.5m of investment to support of investment to support smart, sustainable and inclusive growth in the North East. In February we refreshed and submitted our European Strategy to government. This informs decision making on how this funding should be spent.



North East Growth Deal

We secured the North East Growth Deal Local Growth Fund allocation of £329.9m in 2014 to cover a six year period. In the past financial year we have committed over £132m of this funding to support 36 projects.

We work with partners to develop and deliver major capital projects across our LEP area.

The current portfolio has 51 capital projects ranging from major transport schemes to investment in skills and innovation infrastructure development.



North East Investment Fund

A capital, evergreen loan fund is available to support projects in the North East that will encourage local economic growth and create new jobs.

The Fund is worth £55m and has been allocated once to support 21 projects. Loan repayments are enabling us to provide funding for more key, job creating projects. We have invested over £20m of North East Investment Funds in the last 12 months. This included an award of £4.5m to extend the current Finance for Business Fund (JEREMIE) to the end of 2016.

North East Strategic Economic Plan

Innovation

We want to create competitive advantage by innovating and encouraging our business community to think ahead and plan for the future in an innovative way, to ensure growth happens here in the North East. Key projects developed this year are:

- **The SuperNetwork** project builds on the great work of Venturefest, creating a year-round programme of events and networking opportunities for businesses wishing to embrace innovation
- **The Innovation Observatory** is a dynamic new initiative designed to identify good innovation practices and map patterns and trends in the area of innovation
- **Health Quest North East** will be a competition that addresses the health issues that impact the North East economy
- **Investment** in five innovation capital projects using Local Growth Funding
- **Data for Growth** is a new project that seeks to make the most of our opportunities in the digital, data and software sectors by linking potential solutions from the sector with the needs of local businesses starting with our key areas of smart specialisation.

Business Growth

We are providing the framework for businesses to access the support, guidance and finance they need to grow. This year we have focused our Business Growth programme around four areas:

- **The North East Growth Hub** went live this year and goes from strength to strength, providing one home for business and finance support, community and guidance in our region
- **The Finance for Business Fund (JEREMIE)** has been allocated an additional £20m, helping North East businesses reach their full potential. We contributed £4.5m of this to ensure the funding continues in 2016

We also negotiated to keep £120m of future funding for North East businesses here, and working with partners to implement the delivery model for the future of this funding
- **The North East Rural Growth Network** supports our rural communities with funding through the Local Growth Fund. We contributed £ 1.5m towards this project
- **National Digital Skills Hub** – we are supporting a national home for businesses to gain better digital skills.

Skills

Improving skills in the North East is central to our overall strategy. In order to improve the region's economy, and create a long-lasting boost for businesses, we need to ensure there is a sustainable pipeline of people with the right skills for the jobs that are being created. We are working closely with a range of partners in order to close the skills gap. Our activity is focused in a number of different areas, working from base level - delivering improved careers guidance in schools - to helping the business community in growing skills among their current employment base. The coming year will see increased activity in this area, projects currently being developed and delivered are:

- **Career Benchmarks Pilot** - is improving information, advice and guidance in schools and colleges to give young people their best chance. This is a national pilot secured for the North East by the North East LEP
- **Enterprise Advisers Programme** - is creating meaningful partnerships between schools and business
- **Apprenticeships** - we are improving visibility of apprenticeships to businesses.

Building a successful North East economy

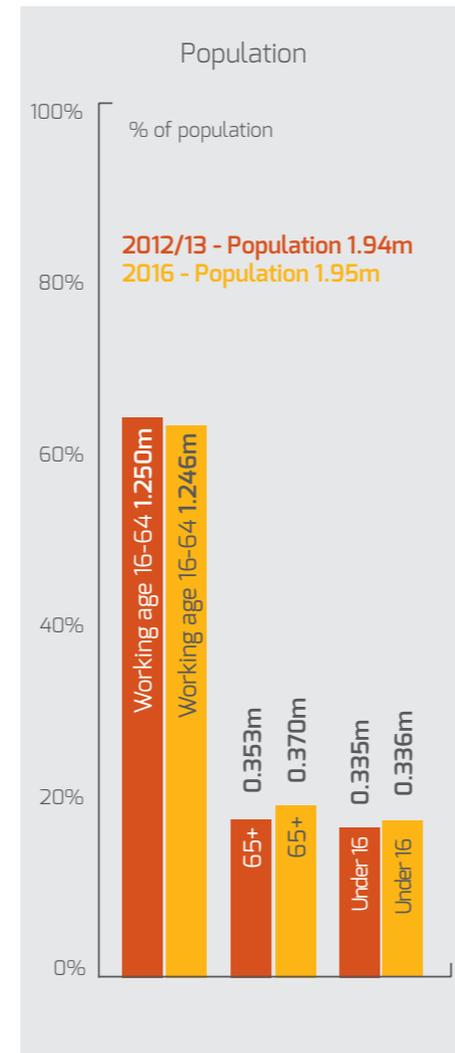
The North East LEP area is one of the largest LEPs in England by geographical size, covering approximately 3,000 square miles.



With a diverse economy covering cities, rural and coastal areas, our potential for economic growth and our strengths in the region are far reaching and varied.

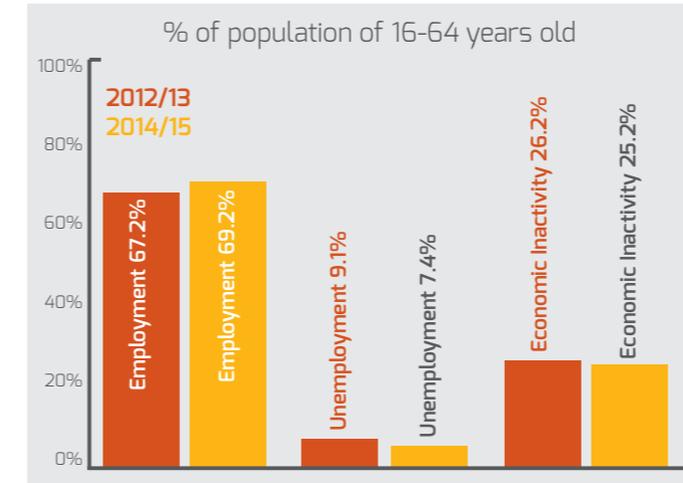
Since we published our SEP in 2014, we have seen an improvement across a number of economic indicators.

The resident population of the North East LEP area has been growing steadily over the past decade and now totals just less than 2 million people, 3% of the UK's population.

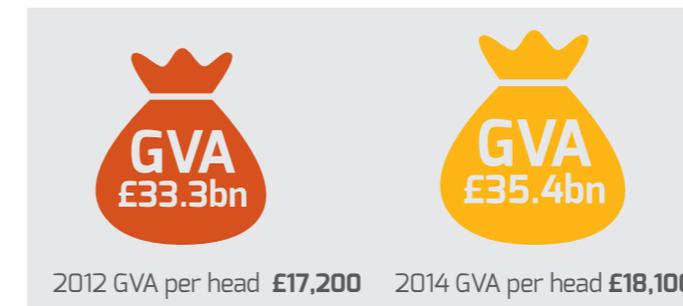


Employment rates in the area (16 - 64 year olds) have been recovering since the 2008 recession, and are at their highest levels on record at 69.4%, with 883,900 people in employment.

The employment rate gap between the North East LEP area and the Great Britain average fell to 4 percentage points during 2015, following a high of 5 percentage points in 2013. The employment rate for the North East LEP area has consistently improved over the period.

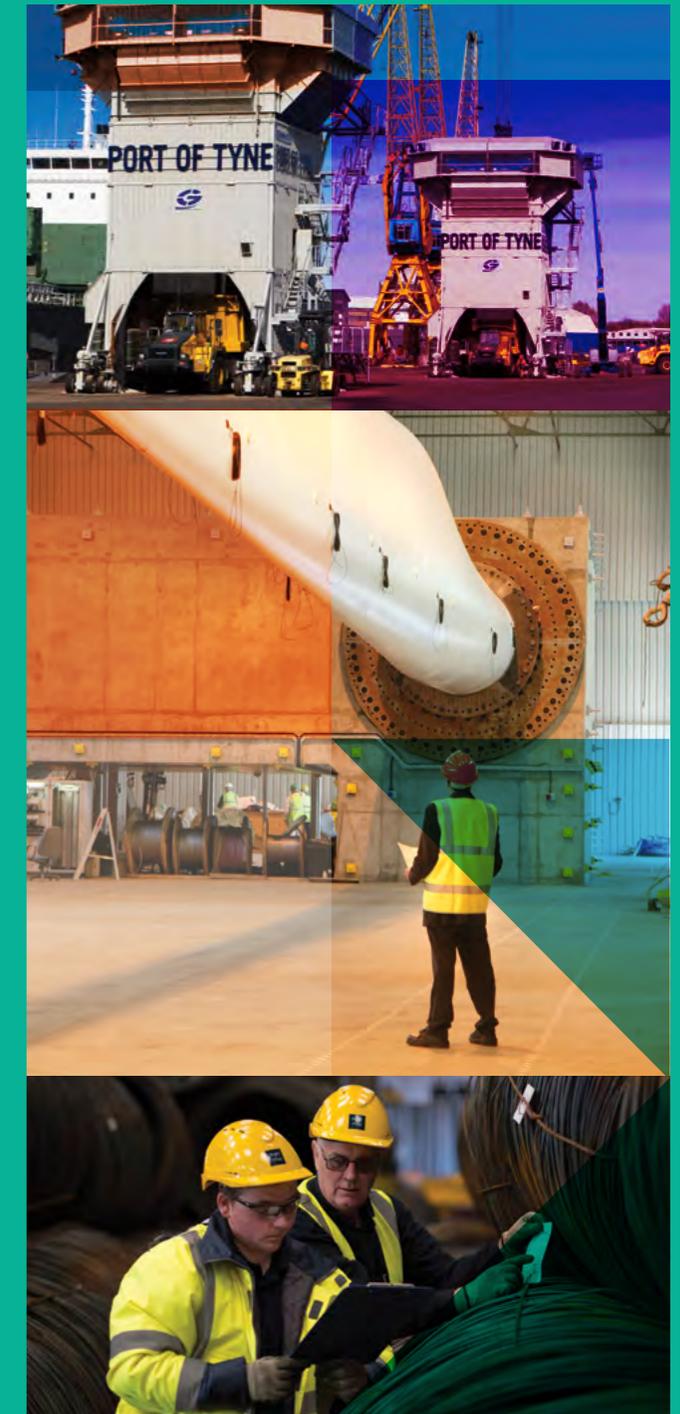


GVA measures the contribution to the economy of each individual producer, industry or sector. The latest data shows a rise in the North East LEP area GVA of £2.1bn between 2012 and 2014.



What's next?

2016 will see us revisit and refresh our SEP. We'll continue to promote the North East economy and seek to win investment that will create more and better jobs. We will strengthen our focus on building our competitive advantages, driving growth through Innovation, Skills, Business Growth, access to finance and investment in infrastructure. We will retain our focus on the challenges that still exist for the North East, in particular working with partners to grow the skills base for the future to make sure local people can find jobs here and have a prosperous future in the region.





'Funding support from the North East LEP helped create the private sector confidence required to unlock critical investment and drive forward the transformation of this important site.'

Alan Schofield, Financial Director at Clouston Group

Finance and investment

The North East LEP competes nationally and internationally to bring funding into our region.

Our specific funding roles include:

1. Managing a number of funds directly
2. Influencing how certain funds are allocated so they are aligned with the needs of the SEP to grow the economy
3. Promoting other finance opportunities and making businesses aware of these opportunities through the North East Growth Hub.

Funds we manage

North East Investment Fund

The North East Investment Fund is a capital evergreen loan fund available to support projects in the North East that will encourage local economic growth and create more and better jobs in the region. The Fund is worth £55m in total and has been invested once into 21 projects. Loan repayments mean more funding is now available. This year we have spent over £20m on successful proposals, including investment in the JEREMIE Fund. We have also completed investment in the University of Durham Centre for Innovation and Growth, a Jesmond Office Development, and the Centre for Excellence for Hyperbaric Testing. In the last 12 months alone, we have secured 177 new jobs, safeguarded 134 and are predicting the creation of a further 679 jobs.

One of the first developments to be allocated funding was the Stephenson Quarter in Newcastle which will result in the creation of 2,000 jobs and a £100m yearly contribution to the region's economy, once the project is completed. Alan Schofield, Financial Director at Clouston Group, explained: "Funding support from the North East LEP helped create the private sector confidence required to unlock critical investment and drive forward the transformation of this important site.

"This project had stalled during the recession but the combination of funding via the City Deal along with the LEP's support ensured we were able to get on site in 2013 and deliver phase one as promised late last year."

During 2015/16 we have provided further funding to the Boilershop on the Stephenson Quarter to renovate the Grade II listed building. This was originally home to George and Robert Stephenson's workshop where The Rocket and many other engines were built. The renovated building will provide over 2,000sq ft of unique office space and an 8,000sq ft conference facility. The Boilershop will be run alongside and complement the Crowne Plaza Hotel, also owned by Clouston Group.

North East Growth Deal

Growth Deals include a capital investment element, or 'Local Growth Fund' for each LEP in the country. This allows us to provide capital funding for projects aligned with the objectives set out in our SEP. We have made major progress in our first full year of delivering our £329m Growth Deal with Government. Plans are now well underway to invest £220.5m of these resources.

During the last financial year, we have committed over £120m and this figure is set to increase to over £200m in the first six months of 2016/17. The programme is supporting 29 major skills, innovation, transport and economic infrastructure capital projects. It is also supporting a similar number of smaller scale community sustainable transport schemes and rural development initiatives. The whole programme of investment is forecast to support 4,500 more and better jobs over 10 years to 2024.



Support from the Local Growth Fund has helped towards infilling the wet berths at Swan Hunters, in North Tyneside, which will allow better riverside space for business to grow.



£2.5m Local Growth Fund support has contributed to the development of Central Metro Station. This will provide a better experience for thousands of commuters every day.



Tyne Metropolitan College's IGNITE Centre received £1m from the Local Growth Fund - this will be a home for engineers of the future.

The University of Sunderland's new Centre for Enterprise and Innovation has been supported by £4.9m from the Local Growth Fund. It will provide learning opportunities in key North East skills sectors.

Funds we influence

European Funding

The North East has a notional allocation of European Structural and Investment Funds (ESIF).

Whilst we don't manage this Fund directly, we are fully involved in the process to ensure that the European programme is delivered in line with the delivery of the SEP.

The 2014-2020 programme brings €559.5m of investment to support smart, sustainable and inclusive growth in the North East.

Its objective is to enable businesses to access new markets and develop new products and services, as well as connect people with employment and learning opportunities.

Since March 2015, we have supported nine application rounds for funding, worth 44% of our allocation, always contributing to more and better jobs for the region.

2016 also saw the submission of our revised ESIF strategy, providing the local context for informed decision making.



European Union
European Structural
and Investment Funds

North East England: where innovation drives growth

Through targeted investment, development and support, the North East LEP's goal is to position the region as a leading innovation hotspot in Europe, within the next ten years.

To help us achieve this ambition, we have influenced the European strategy and Growth Deal through the SEP to help us develop a globally competitive innovation eco-system, focused on four areas of strength, known as our 'smart specialisation' areas. The North East has a proven track record of developing and commercialising innovation in these areas as they all offer a huge amount of strength which can underpin our future competitive advantage in the global marketplace.

Passenger Vehicle Manufacturing

26,000 working in the automotive sector, with a further 141,000 people employed due to this impact.

Subsea and Offshore Technology

15,000 people employed in the subsea sector.

Life Sciences and Healthcare

160 North East life sciences firms operating across research, development, manufacturing and delivery.

Creative, Digital, Software and Technology Based Services

1,500 North East software and tech companies contributing £600m annually to the regional economy.

Strategic leadership

The man behind one of Scandinavia's most successful science parks was appointed as our Innovation Director in March 2015.

Hans Möller has brought more than 25 years of experience in leading innovation and is a real coup for the region. He is spearheading our innovation programme and investment plan.

Hans said, "The North East has well-established universities combining world-class research with great teaching, wonderful growth businesses in key sectors and outstanding support structures within innovation hubs across the region. We have what it takes to become a European hotspot for innovation and we're well on the way to getting there."

"One of our key achievements over the past 12 months is our ability to attract key investments such as the Catapults for digital and satellite technologies to the region, and to implement pilot schemes such as the first full Innovate UK Audit, ensuring the North East is in the minds of key influencers across the country."

"We were delighted with the Chancellor's budget announcement of £15m for a national institute for smart data innovation to be based in Newcastle. This is a huge step forward for our innovation programme and we will continue to work with partners across the region and nationally to make it a success".

Building an innovation ecosystem

In October we supported the annual Venturefest North East conference in Gateshead. Bringing together almost 600 attendees, predominantly from the private sector, the event successfully linked businesses, investors, academics and support organisations to work on innovation projects.

We have been developing a new regional Innovation SuperNetwork, which will expand the impact of Venturefest into a year round programme, helping North East businesses launch new products, raise funding and connect with market opportunities.

The SuperNetwork is a broad partnership of around 50 national and local partner

organisations, committed to supporting innovation in the region and working with support from the North East LEP.

Innovation projects

Over the next 12 months, we will continue to work with our partners to deliver strategic innovation projects which include commercialising research and the development of the Innovation Observatory, which is hosted by Durham University. The Observatory project will help us understand what innovation success looks like, how we measure it and how we are performing in comparison to other areas.

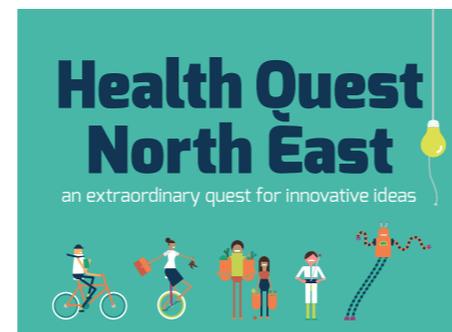
Invest for growth

We will make sure that investment in innovation continues. The development of new innovation facilities through the Local Growth Deal has seen projects such as the CPI Formulation Centre come to life over the past 12 months, along with the development of the life science incubator in Newcastle, which will fill the facilities gap for businesses in this sector.

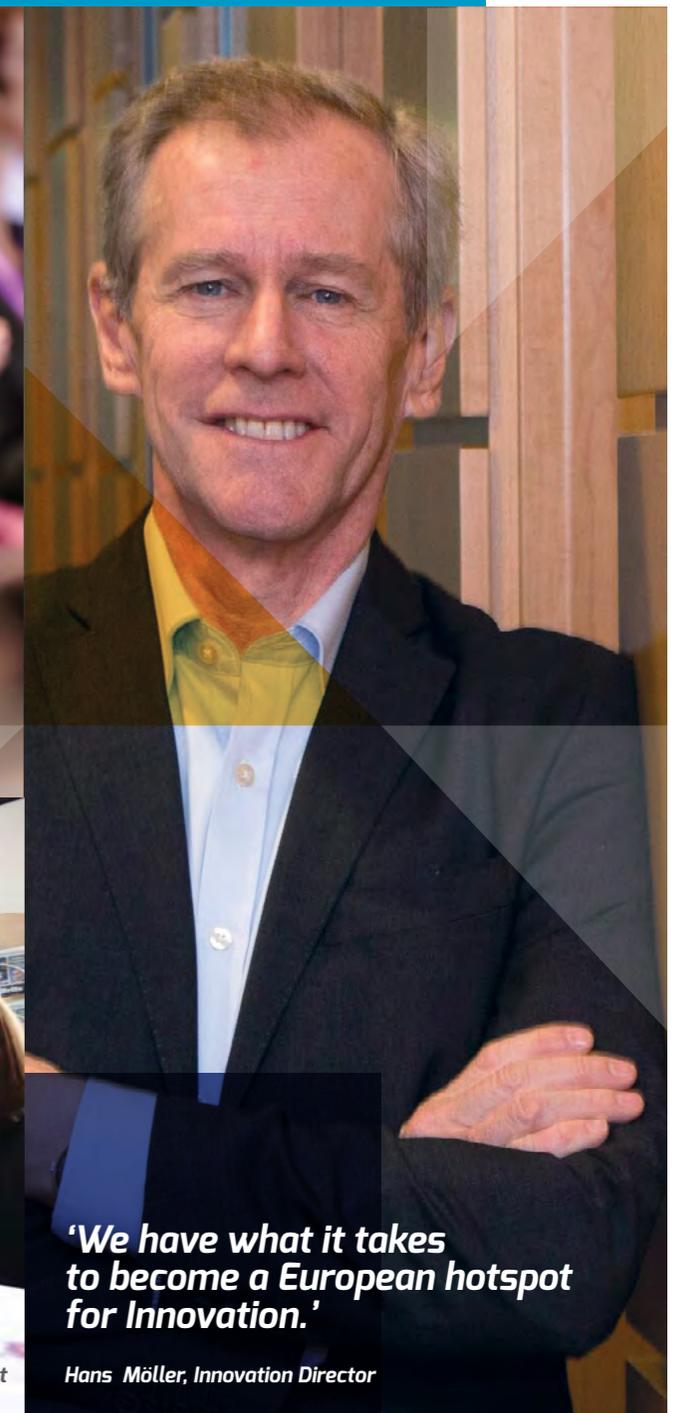
Health Quest North East

The impact that the population's poor health has on the North East's economy cannot be underestimated. Health Quest North East is the name of the North East's health grand challenge.

We have progressed well with the development of Health Quest North East in the early part of 2016 and we aim to launch a challenge that invites businesses and consortia from any sector to submit their ideas to tackle these health issues later this year.



Venturefest



'We have what it takes to become a European hotspot for Innovation.'

Hans Möller, Innovation Director

Business Growth

Supporting local businesses in growth

North East Growth Hub

During 2015/16 the Business Growth Programme has developed a sound base on which to build. With the Growth Hub at its heart, the North East now has a framework on which to mobilise the area's collective energy and resource to create a world class entrepreneurial and innovative landscape. This will raise aspirations, inspire belief and connect people with the growth and finance support that will enable businesses to start, scale up and improve.

The North East LEP's role is to create more and better jobs through supporting business growth and a key achievement this year has been the launch of our Growth Hub, northeastgrowthhub.co.uk, designed to help SMEs grow and secure competitive advantage.

The Growth Hub is a single point of access to the support and finance businesses need to grow and improve. For the first time ever the North East's business community have a comprehensive and real time resource that generates peer-to-peer engagement and interaction.

Over the past ten months and under the leadership of our new Business Growth Director Colin Bell, the Growth Hub has created a database of over 250 business support programmes and identified in excess of 2,000 business improvement events that are taking place across the North East.

The development of the Hub's peer to peer community, content and user engagement strategies is ongoing. Colin said, "I've worked with LEPs and Growth Hubs up and down the country and the North East very clearly emerged as a place where the team was prepared to be bold and innovative in their approach to business support."

"The North East LEP's goal is to create a world-class business support and finance ecosystem that makes a real and measurable difference to business growth, productivity and trade. We are already well on our way to making this ambitious goal a reality and having secured funding to sustain the Growth Hub for the next two years, we are excited to see it reach its full potential."

JEREMIE to remain in North East

In a positive move for the North East, a further £20m will be available to SMEs after the Finance for Business North East Fund (JEREMIE 1) was extended until the end of 2016. The hugely successful, JEREMIE 1 fund has seen £140m in equity and loans invested into more than 800 local SMEs over the last five years.

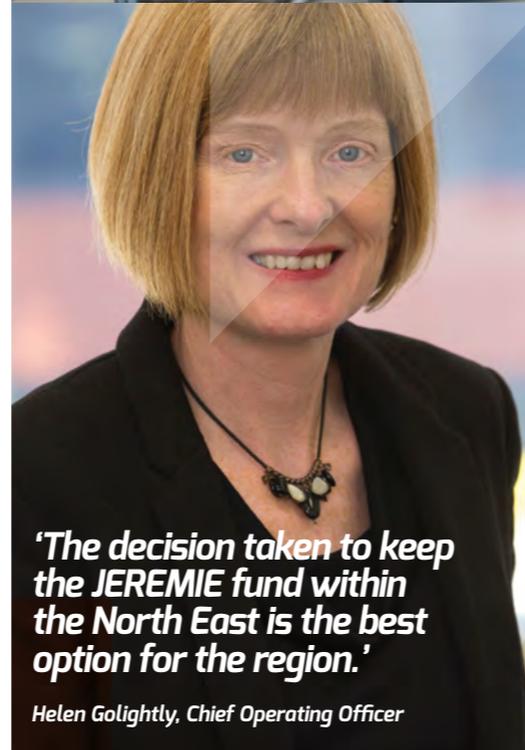
The Fund has helped create more than 2,600 new jobs, safeguarded a further 3,000 and secured £180m in private sector investment. The North East LEP is currently working on the development of a successor fund, to the value of £120m, in line with the commitment made to HM Treasury in November 2015. This is the result of in-depth negotiations between the North East LEP, North East Combined Authority and Government, during which it was agreed to keep our fund out of the new Northern Powerhouse Investment Fund unveiled in the Chancellor's Comprehensive Spending Review.

Helen Golightly, our Chief Operating Officer, said, "The decision taken to keep the JEREMIE fund within the North East is the best option for the region."

"We have a tried, tested and highly successful funding eco-system in place which has delivered outstanding results for many North East companies, and we want to preserve and build on those foundations."

'We are already well on our way to making this ambitious goal a reality.'

Colin Bell, Business Growth Director



'The decision taken to keep the JEREMIE fund within the North East is the best option for the region.'

Helen Golightly, Chief Operating Officer



Creating a thriving rural economy

Funding the North East Rural Growth Network (RGN) through the Local Growth Fund demonstrates our commitment to ensuring our rural areas in Northumberland, Durham and the Tyne and Wear hinterland, continue to enjoy economic growth. We have contributed over £1.5m towards this project.

Aimed at stimulating business growth through funding for businesses located outside our larger towns and cities, the programme has already been highly successful.

Around 200 new businesses have been established, more than 1,000 businesses have been assisted with either financial support or business advice and there are now over 100 new enterprise spaces at 13 business hub sites across the rural North East.

A further £6m has been allocated over the next four years from the Local Growth Fund to enable the RGN to continue and to provide funding through the Rural Business Growth Fund and the Strategic Economic Infrastructure Fund.

The Small Business National Digital Skills Hub

Digital skills are critical to business growth and sustainability; businesses that don't have these at least at a basic level, will struggle to operate, let alone grow.

The North East has a vibrant and fast-growing digital sector, yet 23% of businesses lack basic digital skills. To tackle this problem and to develop greater levels of business resilience we have partnered with Go ON UK to lead the way in piloting a digital skills portal, to be known as the 'Small Business Digital Skills Hub'.

There is a wealth of content, case studies and training information currently available online for businesses. However, it is fragmented and can be difficult to find. The Hub will be the solution to this, providing one national portal where businesses can find the information they need. We have done a lot of ground work on this project over the past few months and look forward to its development.



Left to right: Denis Heaney, school teacher Mark Fox, Gary Burton, school pupils Declan Stoker, Daniel Hume and Kai Thompson, and school principal Steve Gibson, pictured at Arefco's factory.



Working hard to close the skills gap

'Education is the most powerful weapon you can use to change the world'. An inspiring quote from Nelson Mandela demonstrating that when you connect ambitious business with well informed young people, it's amazing what can be achieved.

That's why we are focusing heavily on skills and creating tangible links between schools, colleges and businesses.

These meaningful relationships between education and business will help create the right skillset for today and tomorrow.

We know that our young people need better information and advice to help guide them into the world of work, so a key area for us is careers guidance. We want students to engage with and be inspired by the region's successful entrepreneurs.

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

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

Being prepared for the world of work, having clear options and routes and support from parents, schools and businesses will deliver successful outcomes and destinations for our young people. Equally, it ensures that businesses can have confidence in finding

capable, driven employees to invest in and develop. All this helps increase productivity and grow the local economy.

The Employment and Skills Board

Our Skills programme is guided by our Employment and Skills Board, which is chaired by Andrew Hodgson and comprises of members from the public, education and private sector.

Bringing apprenticeships to the fore

In our SEP, we set the ambitious target of doubling the number of youth apprenticeships by 2018, this fits with the Government's target to deliver 3 million apprenticeships as set out in their 'English Apprenticeships: Our 2020 Vision'.

The North East Apprenticeship Growth Partnership (AGP) is establishing a clear set of actions to maintain the North East's already strong performance in apprenticeships, and further grow the numbers.

The AGP is in the process of agreeing with the Skills Funding Agency how the North East will directly contribute to the achievement of this target.

Key actions will include a programme of support for employers, large and small, to move to the new apprenticeship levy system, which will put the purchasing power directly in the hands of employers.

The current system of apprenticeship frameworks is also being reformed and apprenticeships will be structured around employer-led 'standards'.

The LEP is required to identify key gaps in these new standards, working with local employers to develop standards specific to their industries. In the North East the initial focus of this work will be on the smart specialisation areas.

Piloting exemplary careers guidance

The North East LEP was selected nationally to run the four-year Career Benchmarks Pilot programme by Lord Sainsbury's Gatsby Foundation. After extensive research, Sir John Holman identified eight benchmarks that would create the perfect eco-system for careers guidance in schools. The pilot will test these benchmarks, which are:

1. A stable careers programme
2. Learning from career and labour market information
3. Addressing the needs of each pupil
4. Linking curriculum learning to careers
5. Encounters with employers and employees
6. Experiences of work places
7. Encounters with further and higher education
8. Personal guidance.

The pilot will involve two years of intensive careers activity with schools, colleges and local businesses as well as four years of data collection, gathered and analysed by an independent evaluator, who will report on the impact of the national pilot in terms of student outcomes and progression into higher education, apprenticeships or employment. A total of 16 schools and colleges, spread across the North East LEP area, are taking part in the pilot.



Sir John Holman, the Gatsby Foundation

Putting schools at the heart of business

Two of the Good Career Guidance benchmarks are 'meaningful encounters with employers and employees' and 'experiences of work places'.

Statistics tell us that the more encounters that students have with the world of work, the less likely they are to become out of work later in life.

The North East LEP is leading the Enterprise Adviser initiative in the region, part of a key national programme being jointly funded by the Careers and Enterprise Company.

A number of recently recruited volunteer Enterprise Advisers, across a wide range of businesses and sectors, have started to work with the senior leaders in schools and colleges to form mutually beneficial partnerships.

An initial 24 schools from Berwick to Durham have signed up to the Enterprise Advisor initiative, each being allocated one Enterprise Adviser from our network of high calibre volunteers with experience of employment or self-employment.

They will work with the North East LEP's Enterprise Co-ordinator to support schools and colleges to navigate the range of possible employer interactions and to help them create a whole school strategy for careers, enterprise and employer engagement.

Equipped with a toolkit localised by the North East LEP, Enterprise Advisors will work closely with the leadership team of a specific school or college.

We have ambitious plans to roll this out to more schools throughout the North East LEP area and are keen to ensure that the initiative is embedded, sustainable and beneficial to all involved on a long-term basis.

We are actively recruiting further schools, colleges and business leaders and we anticipate over 70 Enterprise Advisors to have committed by Summer 2016.

We are providing initial briefing sessions for prospective Enterprise Advisors to better understand the demands, needs and priorities of a school and through the initiative, the schools and colleges will understand the same of businesses.

Enterprise Zones

Helping businesses invest & grow



Enterprise Zones

The North East is already home to hundreds of thriving businesses, who have chosen to locate here because of the unrivalled benefits that the region offers.

Businesses can take advantage of affordable premises, excellent connectivity, a skilled workforce and strong supply chain.

Our Enterprise Zone sites provide specific additional benefits to businesses and room to grow.

Enterprise Zone sites are central to our plans to create 'more and better jobs'. The targeted investment and benefits to businesses provided through the scheme have already supported over 27 businesses and brought in over £116m private investment which has resulted in over 1,700 jobs by enabling employers to grow.

Following extensive work last summer, we were delighted to announce in November 2015 that we secured an additional round of Enterprise Zone sites, which will be available from April 2017.

A great place to do business

Enterprise Zones are locations that are made highly attractive to businesses due to additional financial incentives available to them. They are also strategic sites which can attract investment for infrastructure, to prepare the site for businesses to locate and grow.

The individual business can also access specific benefits when locating on an Enterprise Zone site. Financial benefits include either a discount to the business rates, worth up to £275,000 over five years per business, or an increased level of capital allowance, up to €125m, to support investment in plant and machinery, providing businesses locate there within a specific time frame.

Round 1 – Delivering growth

The original ten Enterprise Zone sites secured in 2012 have received significant investment and continue to attract new businesses.

These sites, across three locations, brought 115 hectares of new space focused on key growth sectors linked to low carbon and sustainable growth, including a particular focus on low carbon vehicles and advanced manufacturing, offshore and marine engineering and industries and next-generation renewables.

Over the last year these have continued to grow attracting new investments. This has included: the completion of the Blyth Workspace and opening up of linked investments around Blyth; highway works to improve site access to the A19 sites; Newcastle University's Neptune Centre and nearby investment towards a wet test tank and highway works on the north bank of the Tyne; and continued infrastructure and site preparation works on the Swan Hunters site.

Round 2 – New opportunities

The delivery of the first round of Enterprise Zone sites contributed to our successful application to Government for an additional 175.4ha of Enterprise Zone sites in November 2015.

Our submission for our second Enterprise Zone was built on the existing sites' offer with a complementary goal to drive growth through our strapline of 'making, trading and innovating'. It also had a particular focus on

supporting the areas of 'smart specialisation', which underpin the strongest potential for growth in the North East. Find out more about our smart specialisation strategy on page 10.

The ten new sites could deliver a further 13,812 jobs and 589,000sq m of employment over 25 years, and will officially launch in April 2017.

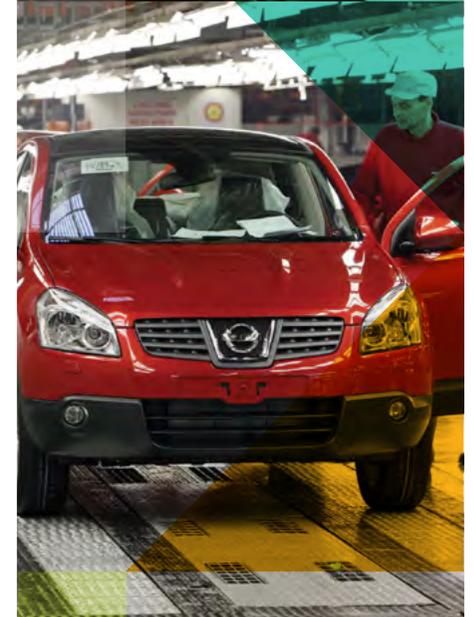
The development of the sites is currently being programmed with partners to ensure the most effective route to development is taken and the financial model for investment is robust.

The sites will continue to focus around two key aims:

- To continue to attract investments that can grow our manufacturing and export intensity; increasing supply of sites ready for commercial business development and generate growth and employment; and
- To build the presence of complementary research, development and innovation assets to support long term productivity by driving growth in our local SME base and attracting inward innovation engagement.

Our Round 2 sites are located across the whole North East LEP area, reflecting the location of businesses and communities across our urban, rural and coastal areas:

- Hawthorn Business Park, County Durham
- Follingsby South, Gateshead
- North Bank of the Tyne, Newcastle
- Newcastle International Airport Business Park, Newcastle
- Land adjacent to the A1 in Morpeth, Northumberland
- Ashwood Business Park, Northumberland
- Ramparts Business Park, Northumberland
- Holborn Riverside, South Tyneside
- International Advanced Manufacturing Park, Sunderland and South Tyneside
- Port of Sunderland, Sunderland.





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