



Annual Review 2017 - 2018

Creating 100,000 more and better jobs for the North East economy between 2014 and 2024.



2017 - 2018



North East LEP Annual Review

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Executive Director

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Senior leadership team

“

The North East LEP remains committed to growing jobs and increasing the quality of those jobs available, as well as to expanding the business base and helping businesses scale. Ensuring our workforce has the right skills and competencies to allow both individuals and organisations to flourish will always be a top priority.

”

Helen Golightly, Executive Director



Helen Golightly, Executive Director

More and better jobs



Helen Golightly and Andrew Hodgson

North East
Local Enterprise Partnership



Welcome from Helen Golightly, Executive Director

The annual report is always the perfect opportunity to reflect on where the region has come from and to look forward to what the future holds.

This year we are in a good place to celebrate a number of successes, but equally it is important to acknowledge the challenges faced.

While the economy is clearly moving in the right direction, there is a need to build better international links if the North East is to play a stronger role globally.

We are focused on investing to grow our skills, businesses and infrastructure which, with innovation, will drive the North East's productivity and wealth.

The good news is that we continue to perform well against the targets in the Strategic Economic Plan. A key aim is to create 100,000 more and better jobs between 2014 and 2024, so it is particularly pleasing that we are well on track thanks to a 59,400 increase in the number of jobs since 2014.

The North East LEP remains committed to growing jobs and increasing the quality of those jobs available, as well as to expanding the business base and helping businesses scale. Ensuring our workforce has the right skills and competencies to allow both individuals and organisations to flourish will always be a top priority.

Our work is led by a small but excellent team and I'd like to thank everyone for their ongoing hard work and dedication.

Our board, led by Andrew Hodgson, is incredibly supportive, allowing us the freedom and flexibility to deliver what the regional business community needs.

In September 2017 we were sorry to say goodbye to our Innovation Director Hans Moller, who helped to embed innovation within daily North East business practice. We have now welcomed Alan Welby to take up this leadership role within the innovation space.

The last twelve months have seen real progress and I hope this annual report will leave you feeling positive about the direction of travel for the North East economy.

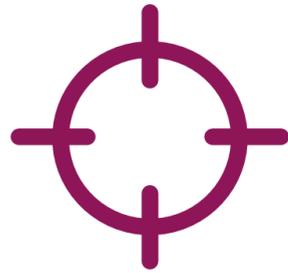
Some of our highlights include:

- The national Careers Guidance issued in December 2017 which is based on the great work of our North East team and their work with local schools and colleges
- A hugely successful event to mark publication of the Our Economy report and the launch of the North East Data Hub. northeastdatahub.co.uk
- An incredible response from businesses keen to engage with our Scaleup North East programme

- The announcement of the £120m North East Fund
- A surge in the number of businesses engaging with the new look North East Growth Hub northeastgrowthhub.co.uk
- Over £60m invested by the LEP in North East infrastructure over the last 12 months.

We have solid foundations from which to further grow the regional economy but success takes a team effort based around one Plan. On behalf of the North East LEP I'd like to thank our partners and the business community for their ongoing support. We look forward to working with you in the future with the aim of achieving growth and prosperity for all.



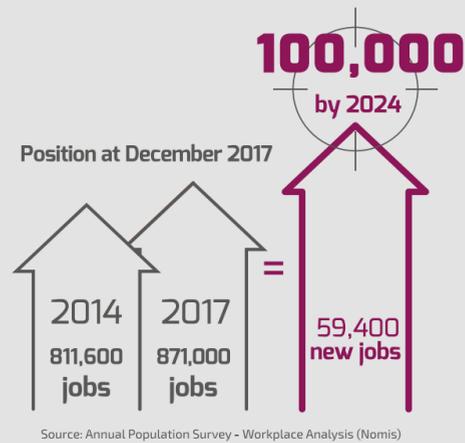


Update on SEP targets

The SEP sets out six targets for the region to achieve between 2014 and 2024. Here is an update on how we are doing. The SEP highlights two targets that are focused on creating more and better jobs for the North East LEP area.

More jobs

In 2014, there were 811,600 jobs in the North East LEP area. The aim is to increase this by 100,000 to 911,600 by 2024.

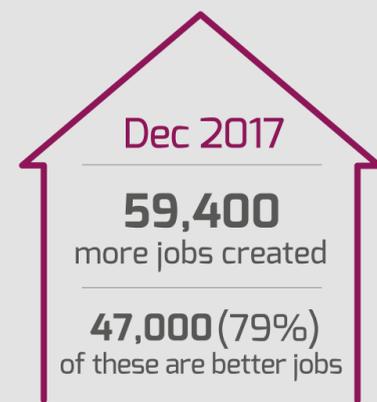


PROGRESS

By December 2017, the total number of jobs in the North East LEP area had increased by 59,400.

Better jobs

We want 70% of the additional 100,000 jobs to be 'better jobs'. Better jobs are defined as managers, directors and senior officials; professional occupations (such as civil engineers and doctors); and associate professional and technical occupations (such as laboratory technicians and graphic designers).



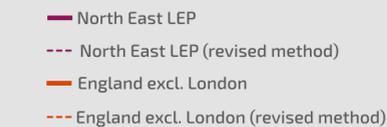
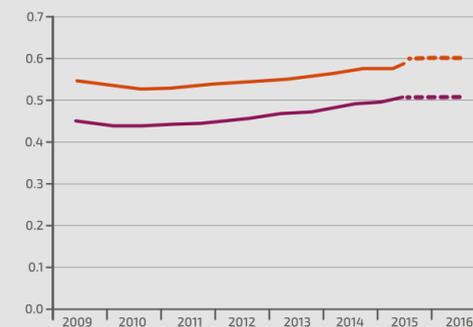
PROGRESS

Of the 59,400 additional jobs since 2014, 79% – 47,000 – are 'better jobs'.

We also report on four targets that compare the North East LEP area performance with English averages, excluding London.

Private sector employment

We want the number of private sector jobs per head in the region to increase and close the gap with England excluding London by 50% by 2024. This target is based on data from the Business Register and Employment Survey (BRES). Between 2014 and 2015, the gap between the North East LEP area and England excluding London had reduced by 16%. In 2016, the businesses counted within BRES was broadened to include businesses with employment counts of less than 20 that paid PAYE but not VAT. Data was published for both 2015 and 2016 using the new coverage. Unfortunately, this means there has been a discontinuity in the availability of data to measure against this SEP target indicator. We propose to continue to measure against this target using the revised dataset, with 2015 as a revised baseline year.



Source: Business Register and Employment Survey - (Nomis)



PROGRESS

Between 2015 and 2016, the gap had widened on this measure. This reflects a small increase in private sector employment per head across England excluding London, whilst the rate remained stable in the North East LEP area.

Employment rate

It is important that residents in the North East LEP area are benefiting from the additional jobs created.

To measure this, we set a target to close the gap between the North East's employment rate for 16-64 year olds with England excluding London by 100% by 2024.



Source: Annual Population Survey (Nomis)



PROGRESS

By December 2017, the gap between the North East LEP area and England excluding London had reduced by 23%.

Economic activity rate

The economic activity rate measures the proportion of people aged 16-64 who are participating in the labour market, including those employed and those out-of-work but actively seeking a job. We want to reduce the gap between the North East's economic activity rate and England excluding London by 50% by 2024.



Source: Annual Population Survey (Nomis)



PROGRESS

By December 2017, the gap between the North East LEP area and England excluding London had reduced by 21%.

Gross Value Added per full-time equivalent (FTE) job

Gross Value Added (GVA) measures the contribution to the economy of each individual producer, industry or region in the United Kingdom. GVA per full-time equivalent (FTE) job is a way of measuring productivity. The SEP aims to reduce the gap between the North East and England excluding London on GVA per FTE by 50% by 2024. Between 2014 and 2015, the gap between the North East LEP area and England excluding London had increased by 9%. However, there has been a discontinuity in the data that underpins this measure. Changes have also been made to regional GVA data (with a new balanced GVA figure published for the first time in December 2017). Whilst it would be possible to use 2015 as a revised baseline, the North East LEP is taking this change as an opportunity to review the target with its partners and will report on next steps in due course.



We are proud that all our internal and external audits of our fund management activity have been positive and complimentary of our working practices.

Finance and investment

Overview

We continue to compete nationally to bring funding into the region and have demonstrated continued success in doing so during 2017/18. We directly manage our £55m North East Investment Fund, £270m Local Growth Fund and circa £400m of anticipated Enterprise Zone income. We influence the allocation of €560m European Funding and we were central in securing European funding to enable the £120m North East Fund to go ahead. Over the next five years, the North East Fund will supply loan, equity and mezzanine funding into new and existing fast-growing businesses across a wide range of sectors, spearheading new regional economic growth. We continue to invest in our Enterprise Zone (EZ) sites, which have been identified as key strategic employment sites.

Upfront infrastructure investment is crucial for attracting businesses and investors to locate and develop on the EZ sites. The £10m North East Property sub-fund, co-funded by the NEIF and Santander Bank is in the early stages of its operations. It is encouraging that its first investment is now well underway, with 70 enquiries being made to the fund, and four in the process of going through financial diligence for funding awards. We are also proud that all our internal and external audits of our fund management activity have been positive and complimentary of our working practices.

We have been instrumental in securing the **£120m** North East Fund



The North East Investment Fund

As many projects within the current NEIF programme move through from construction phases to the delivery of economic impact, repayments are returning and £10m is now available for new loan investments.



£65.8m

invested to date

£10m

currently available for investment

An example of an early investment involving NEIF monies in infrastructure which is now starting to bear fruit for the region is the Cobalt ICT Infrastructure Project.

An innovative project in the first instance, providing a super high speed broadband infrastructure comparable to that available at Media City, Manchester and the Olympic Park, London.

It established a loop from a national broadband spine west of Newcastle, along the banks of the Tyne to the Cobalt Data Centres, then back west through North Tyneside and Newcastle to the national broadband spine.

Since originally completing the works in 2016, a partnership has now been established with leading Data Centre Operator, Stellium.

This has resulted in announcements in early 2018 that the Cobalt Data Centres and the loop, are to be directly linked to a new hyper-speed broad band connection to Ireland and out to the East Coast of America.

Ultimately this resilient link will provide the biggest data users in the world with an alternative route to mainland Europe rather than the intensively used route through South East England, changing the future landscape of communications.

The creation of these hyper-speed broadband links are not only extremely good news for future development of existing Fin-Tech companies in the North East, but also acts as key drivers for those users of the transatlantic network to land investment in the region.

Local Growth Fund

We manage the North East LEP's Local Growth Fund (LGF) allocation of £270m. This is a six year programme, which supports major capital projects across our area that are strategically aligned to the SEP. Over the past year the board approved funding totalling over £75m to 12 projects. In recent months, we have seen a further four new projects entering the programme. Some highlights are detailed below.



A1056 Weetslade Corridor, North Tyneside

North Tyneside Council has delivered four junction improvements, new cycle ways, new site access to the Indigo Park strategic employment site, and two sections of carriageway widening thanks to a grant of £4.33m from LGF.



Ashington STEM Centre, Northumberland College

The brand new STEM centre at Northumberland College's Ashington Campus provides high quality space for students. The centre received a grant award of £2.25m from LGF.



NETPark Explorer

Business Durham opened the doors in January 2018 to 'Explorer', providing seven units with laboratory and office space to incubate innovative new businesses, and growing SMEs on NETPark in County Durham after receiving £3.2m LGF investment.



PROTO: the Emerging Technology Centre Gateshead

Gateshead Council are due to open a 3,000 sqm building with unique R&D testing facilities in spring 2018. Located on Gateshead Quays, Proto is providing world class innovation facilities for digital technology companies in augmented and virtual reality. The project received a grant of £0.97m.



European Funding

Decisions for projects using European Funding sit with Government and not the North East LEP, however we work hard to influence these decisions and ensure investments are made in accordance with the SEP.

European Structural Investment Funds – current North East LEP area position (March 2018)

	TOTAL	ERDF	ESF	EAFRD
Allocation	£437m	£226m	£200m	£10.5m
Potential commitments	£241m	£183m	£85m	£5m
Funding remaining	£196m	£43m	£115m	£5.5m

Figures subject to change in line with the exchange rate

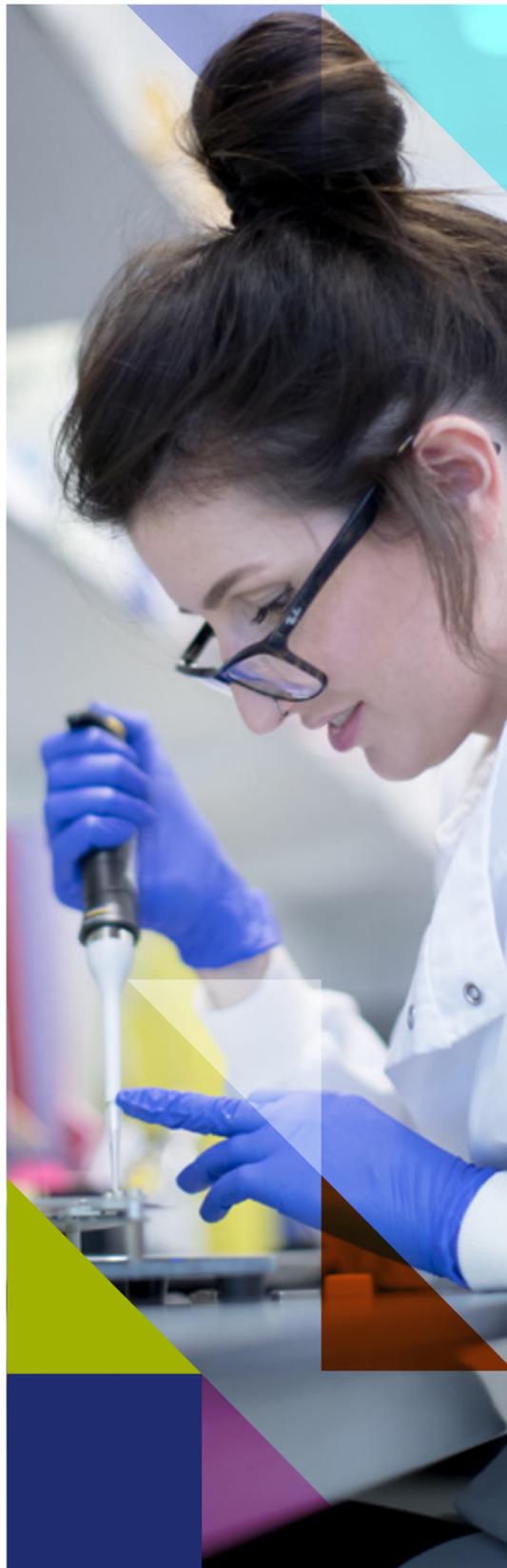


European Union
European Structural
and Investment Funds





Alan Welby, Innovation Director



Our Innovation Programme continues to build momentum.



Innovation

Our Innovation Programme continues to build momentum, with The Innovation SuperNetwork going from strength to strength, participation in a new round of Science and Innovation Audits and two new Innovation focused funds launched. We said goodbye to Hans Moller and welcomed our new innovation director Alan Welby to the team.

To reflect the change in focus of the innovation programme from strategy to delivery, we have created two new groups in place of the original Innovation Board:

- Innovation Programme Delivery Board and
- Innovation Strategic Steering Group.

This will help ensure that we can continue to engage with partners on the thinking around innovation policy and strategy, whilst also providing a focused vehicle that will drive the delivery of our key projects and work streams.

Supporting our areas of opportunity

As highlighted in our SEP, the region has four key areas of opportunity. These are:

- Energy North East: Excellence in subsea, offshore and energy technologies
- Health Quest North East: Innovation in health and life sciences
- Making the North East's Future: Automotive and medicines advanced manufacturing
- Tech North East: Driving a digital surge

We are building specialist capacity in the team, working with industry specialists to grow these areas.

The Innovation SuperNetwork

The SuperNetwork is becoming a true network of networks. 2017 saw VentureFest North East welcome 720 delegates and host 175 one-to-one meetings between businesses and funders. The result was £1.1m in deals, funding and efficiency savings to the businesses who attended the event. FinanceCamp welcomed more than 200 delegates, with almost 50 investors, and over 300 one-to-one meetings.

Innovation Observatory

The Observatory, led by Durham University, continues to be developed and create more resource to help identify and understand the innovation trends that are relevant to the North East.

Ecosystem development

We were part of a successful bid for €271, 250 Horizon 2020 funding with partners from across Europe. This project will see the North East act as one of two pilot regions in Europe for a new EU-wide innovation eco-system network. We launched our £950k innovation Project Development Fund, which provides development funding for large, strategic projects in the region. This fund had a call for projects from November 2017-March 2018 with four applications being submitted. We anticipate opening a second call for this fund during 2018/19.

Incubators

To enable the LEP to provide direct support for Incubators in the region, we launched the first call for projects seeking funding from our Incubator Support Fund in January 2018. This capital fund will initially support smaller scale incubators set-up and for current incubators to expand or refurbish.

The first call closed in April 2018, and we expect the first grant awards to be made in summer 2018. Later in the coming year we anticipate that we will open a second call for projects.

National input

We are also leading the applied digital technologies in advanced manufacturing SIA. We have participated in the Science and Innovation Audits around the bio-economy and subsea and offshore. We have been part of two additional successful audit bids around chemical processes and health innovation. We continue to chair the Northern Powerhouse Innovation Network and build our strengths into this pan-Northern programme of activity.





Business growth



Growth Hub Mentoring

It's been a busy year for the business growth programme. We have seen many of our delivery programmes come to life – all of which will move us closer towards our programme goal of 'increasing the density of scaleup businesses in the North East LEP area by 50% by 2024'. We've outlined some of our highlights below.

Online

The North East Growth Hub's online platform has two primary goals:

- To provide simplified access to the support and finance that business need to start, grow and improve
- To encourage more people to start and grow their business and to increase demand for business support.

To achieve these goals we've been working hard to refine the platform's user experience and to develop a new approach to content development and delivery.

In the past 12 months, Growth Hub Online has received 44,739 visits which resulted in 9,841 referrals to scheme providers. These figures indicate that 22% of Growth Hub users contact scheme providers, therefore demonstrating the value that the platform brings to our businesses who are finding the support they need and to our business support providers who are generating leads from the Growth Hub.

Furthermore, the average session duration of the site over the year was 2 mins 40 seconds which informs us that visitors are not just getting to where they need to go; they are highly engaged with the site along their journey.



The Growth Hub generated over **9,841 referrals** from **44,739 visits**, a conversion rate of **22%**.

Live

Designed to spread a scaleup mind set across more businesses, we delivered a series of Growth Hub Live events around key business growth themes. Attracting over 440 delegates the events showcased inspirational speakers such as Chas Howes of Superdry and Andrew McMillan of John Lewis.

Each event involved a panel including business leaders from across the North East as well as an interactive workshop designed to provide delegates with the practical tools and techniques required to put ideas into practice.

Mentoring

Growth Hub Mentoring brings business leaders from high growth potential companies together with experienced mentors all of whom have successfully scaled a business themselves.

Our mentors volunteer their time and energy to support aspirational business leaders to fulfil their potential. 2017-18, saw the launch of the programme which has so far matched 37 aspiring business leaders with our expert mentors.

High Performance

During 2017-18 the North East Growth Hub secured funding from the Productivity Leadership Council (Be the Business) to develop a pilot programme designed to deliver productivity improvement in businesses.

Fifteen businesses have been engaged in a blended programme of support that included benchmarking, peer driven workshops, visits to exemplar businesses (Tharsus, Virgin Money, Ryder Architecture and Orange Bus) and specialist coaching.

Scaleup NorthEast

On 26 January 2018 and to an audience of over 400 delegates, the multimillion pound Scaleup North East programme was launched. The launch event featured Levi Roots and it's fair to say created a bit of a buzz. The programme is targeted at those businesses who demonstrate the hunger and potential to achieve high levels of growth. In the two months since its launch Scaleup North East has received over 150 applications from businesses. Scaleup North East is already actively supporting over 50 businesses to turn Scaleup potential into Scaleup levels of performance.



Levi Roots, Scaleup North East launch event

North East Rural Growth Network

The Rural Growth Network capital grant programme is resourced through LGF. It aims to support rural businesses and stimulate business growth within the rural areas of Northumberland, Durham and Gateshead.



Currently in year three, **29 projects** are approved or committed with a total grant value of **£4.3m**.

Progress is on target overall in terms of job creation impact, business growth and spend, with 523 FTE jobs to be delivered by March 2020 through existing contracted projects, well ahead of the target of 326.

Inward Investment

In 2017/18 there have been 85 inward investment projects land in our area resulting in 1,669 new jobs and over 1,400 safeguarded jobs. 68 of these projects were from foreign-owned companies (1,378 new jobs) and 17 from UK companies (291 new jobs).

Manufacturing growth programme pilot

We completed delivery of this pilot programme to support the growth of companies in the manufacturing sector. The programme supported 36 companies to develop and implement growth plans which are forecast to create 150 additional jobs of which 40 (42%) are expected to be 'better jobs'. 35 companies reported an expected increase in turnover and 31 companies are reporting a forecast increase in employment. Forecast increase in GVA is expected to be just under £10m.

invest | north east
england

85 inward investments projects land in the NELEP area resulting in:



1,669 new jobs and over **1,400 safeguarded jobs**.

North East Fund

One of the biggest highlights of the past 12 months was officially being part of launching the £120m North East Fund, managed by the North East Fund Limited (TNEFL).

The North East Fund, comprising of funds from the European Regional Development Fund (ERDF) and the European Investment Bank (EIB), will offer a range of equity, debt and mezzanine funding in the North East LEP area covering County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland.

We have fought hard to keep this fund in the region - it will provide financial support for over 600 businesses, creating around 3,500 jobs over the life of the fund and delivering a legacy of up to £80m for further investment over the next decade.

What we are doing is working - through the business growth programme activities -



£ 3,494

Average GVA per employee improvement per business supported.



4.28

Average number of additional jobs per business supported



Skills

We are delighted to report another outstanding year for our skills programme. We are continuing to work with a wide range of partners to address challenges and achieve real and measurable impacts within the priorities set out in our SEP.

North East ambition

North East Ambition is all about embedding good career guidance – this is critical for social mobility. Our unrelenting focus is on good career guidance being available for each and every young person in the North East and we do this through the adoption of the Gatsby Good Career Guidance Benchmarks. We led a pilot that looked at the implementation of these benchmarks, in partnership with the Gatsby Foundation which was a resounding success.

In December 2017, Government launched the Careers Strategy, in which the benchmarks and the North East LEP area pilot were front and central – something we are immensely proud of.

This work continues to develop, with nine colleges working with us to implement a college version of the benchmarks, with small changes to suit college provision. These benchmarks were also launched nationally in January 2018.

The Social Mobility Commission 'State of the Nation' Report 2017 states that "to North East Local Enterprise Partnership has transformed careers support at local schools/colleges from the worst provision in the country to some of the best... Today, it is leading the way on good-quality careers advice – a consequence of collaborative efforts to improve performance". The report recommends that "Local Enterprise Partnerships should follow the approach of the North East Local Enterprise Partnership".



Michelle Rainbow, Skills Director

Continuing to put skills at the heart of our strategy.

Education challenge

Our 'Education Challenge' seeks to reduce the gap between our best and lowest performing secondary schools and improve social mobility in our young people.

Building on the success of the Gatsby Career Benchmarks in the North East, the Education Challenge will support teachers, schools, governors and leaders to integrate an understanding of the world of work and career opportunities into the curriculum. This work will ensure those entering the workforce have the skills to support our diverse economy and are fully aware of the progression routes available to make this happen.

This year has seen this programme come to life. We are working closely with the Edge Foundation on Ford Next Generation Learning to embed industry knowledge into the school curriculum. This model has been applied in Nashville and other US cities, equipping students with the skills that modern industry demands. We led two delegations to Nashville with a delivery team that will see the model piloted in the North East.

“ Ford Next Generation Learning informed our innovative approach in the North East. We are working with regional, national and international partners, building effective relationships between employers and teachers, particularly developing teacher continuous professional development – with teachers spending time in industry co-designing provision ”

Neil Willis, Project Manager, Education Challenge at the North East LEP

“ The North East pilot has shown what can be achieved – the careers strategy will replicate this best practice across the country ”

Anne Milton MP, Minister for Skills

“ The North East LEP has led the way in national policymaking by showing that, given the right leadership, the Gatsby Careers benchmarks have a transformative effect in schools and colleges. ”

Professor Sir John Holman
The Gatsby Charitable Foundation

Higher education: live work and stay

Our Live, Work and Stay campaign aimed to help universities recognise and position the North East as a place with career opportunities beyond graduation, and to demonstrate the many types of opportunity available here for graduates and therefore encourage them to continue their career here, rather than thinking they have to move away.

We used real case studies of people who had studied from outside our region, but decided to stay here because of the amazing job opportunities and quality of life.

The campaign generated almost 90,000 social media impressions, our case study videos had over 12,000 views and generated engagements with people who were not engaged with us.



Technical education

We really want to see more businesses taking on apprentices in our area, including higher and degree level apprenticeships. Our role in this process is to ensure that businesses have the right information and support they need to do this.

Using the North East Growth Hub, we launched a toolkit of information and promoted this through a digital campaign, with resounding success, engaging with over 350 business and generating a 27% referral rate from those who visited the site contacting apprenticeship providers. We hope this will compel businesses to act upon what they have found.

The North East has a growing demand for technician skills especially within science, technology, engineering and maths (STEM) focussed sectors, which closely align with 'Opportunity Areas' identified within the SEP.

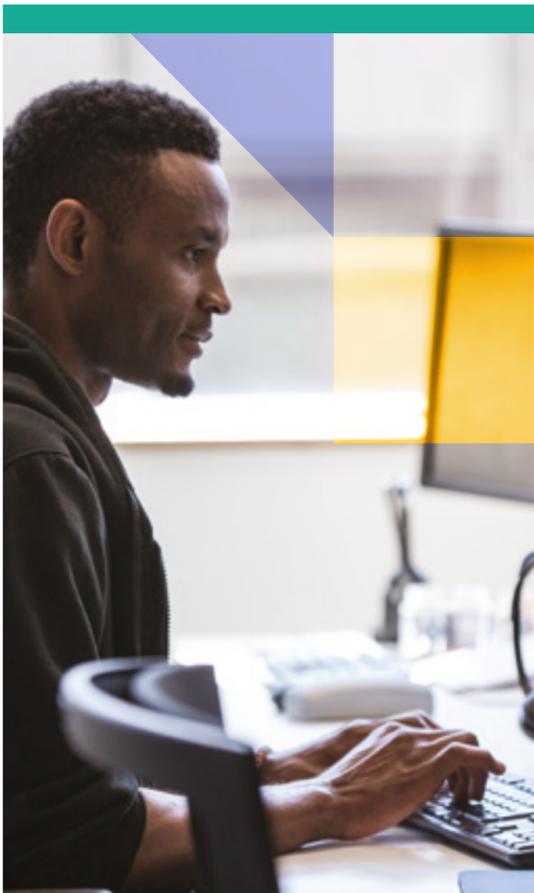
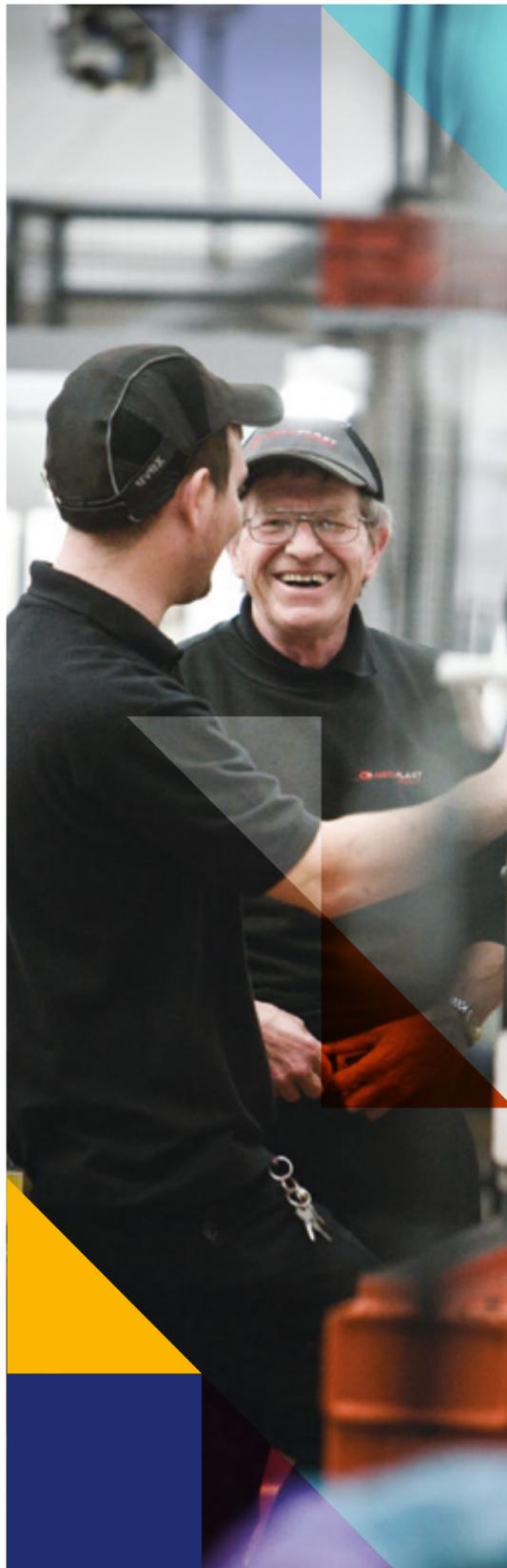
The North East LEP aims to ensure that there are appropriate technical education pathways available to reflect the evolving labour markets and that information is available to the Further Education sector to allow them to make investment decisions regarding infrastructure (facilities and teaching staff) to deliver this provision.

Fuller working lives - retain, retrain, recruit

All employers want to attract and develop the best and most productive workforces they can. Our region has an ageing workforce, which means in the next 10 years there will be significantly more people over the age of 50 in employment or looking for work in our region.

Employers are in the driving seat when it comes to removing barriers for older workers, most importantly ensuring recruitment processes are fair and there is access to training and flexible working practices.

The past 12 months have seen this part of our strategy come to life the efforts our fuller working lives group. We hosted an event targeted at business to consider these factors, which was well attended and has led to DWP acknowledging the North East as being at the leading edge of this work and we will continue to work alongside partners to develop our fuller working lives strategy throughout the next 12 months.



Increasing the proportion of residents in employment is a key objective in the North East SEP

Employability and inclusion

Increasing the proportion of residents in employment is a key objective in our SEP, both to enhance opportunities for individuals and to underpin economic growth of the region.

Since 2014, unemployment and economic activity rates have decreased with the gap between us and England (exc. London) narrowing.

Generation North East

Established in 2014 this is the North East LEP area employment support programme for young people aged 18-29. Testing localised approaches to connecting young people with opportunity, it is ensuring that more young people have the benefit of economic success. Generation North East has been hugely impressive having supported over 2000 young people from across our area into employment and apprenticeships and a major factor has been collaboration between local authorities, FE colleges, independent training providers and other support organisations.

Generation NE has highlighted the challenges that young people continue to face in the labour market and is providing some of the solutions to tackling these challenges including improving the visibility of 'better jobs' for young people and engaging young people outside of the 'system', bringing them into the view of mainstream support. The programme has responded to the challenge of supporting young people in new ways through entirely digital services; supporting young people to sustain employment and progress in work. This has to be flexible as young people gain confidence and experience.

or recovering from their condition. The programme works to help people into jobs and support their recovery by delivering intensive support and to move them into the kind of jobs that they want and can sustain. In its first twelve months, almost 400 people were supported, and a higher than expected job entry rate of over 20%.

Links to work

Together with our partners, including local authorities and the Department for Work and Pensions, we identified a need for support for people who are long term unemployed and who have a health condition which may be a barrier to work. Working Links is delivering Links to Work, taking a multidisciplinary team approach with personal consultants, health professionals, employer services consultants and business advisers all working with participants to deliver blended and tailored support which crucially continues once employment starts. Physical and mental wellbeing specialists work alongside employment experts providing support assessed on individual need.

Looking specifically at unemployment since, 2014



Decline in the 16-24 age group
19.9% to 15.1%

Decline in the 50-64 age group
5.7% to 4.4%

but there is still a significant challenge within this group as the England rate is 3.0% and we have an older age profile than England.

There are a number of excellent projects and programmes across the region delivering significant outcomes to address the above challenges at local and sub-regional levels. The three listed below are great examples of collaboration, working across the whole of our area but there are many more being delivered by our vibrant VCS community at smaller scale.

North East Mental Health Trailblazer

This project is trialling an innovative delivery model across the North East LEP area, integrating employment support and psychological therapy to help unemployed people experiencing anxiety or depression to move into work whilst managing



From January 2017 to date the programme has supported over 1000 people, helping over 250 into work so far.



Economic assets and infrastructure

The Implementation of Local Plans

All seven local authorities in our area have agreed to develop Local Plans that make an appropriate contribution to the delivery of more, high quality homes and provide the modern, high quality office and industrial space to support economic and population growth and are progressing through the stages of preparing these plans.

So far, Newcastle and Gateshead Core Strategy and Urban Core Plan 2010–2030 and the North Tyneside local plan 2017–2032 have been adopted.

The local plans for County Durham, Sunderland, South Tyneside and Northumberland are all in development and will be adopted by 2019/2020. Local authorities also have a duty to cooperate and all seven are working together through an MOU of cooperation.

We have worked with the local authorities on an ongoing basis to produce a development site pipeline and this is being embedded into a North East strategic investment project pipeline to utilise for future funding and investment opportunities.

This pipeline is used as appropriate for funding opportunities. The most recent example is the Forward Funding element of the Housing Infrastructure Fund announced in 2017.

A regional bid was submitted with three proposals and two of these (South Sunderland Growth Areas and Murton Gap – Road infrastructure) have been selected by the Ministry of Housing, Communities and Local Government to move forward onto the next process of co-development of a business case.



Three local authorities have adopted Local Plans



Newcastle

Gateshead

North Tyneside

National Infrastructure and Construction Pipeline estimates that between 2017/18 and 2020/21



Per capita investment, North East region

£3,194

Per capita investment, England

£3,393

North East is third lowest rate of English regions



Enterprise Zones

The Enterprise Zone (EZ) sites are now deeply embedded in the North East economy, attracting inward investment and offering expansion space for businesses already in operation in the region. During the year four new businesses have started to operate on EZ sites. This brings the total number of businesses located on EZ sites to 41, alongside more than £108m of investment.





Transport and digital connectivity



Ground break for South Shields Transport Interchange



South Shields Transport Interchange



Transport

Local Growth Fund

We continue to make excellent progress with the delivery of transport schemes funded through the Local Growth Fund (LGF).

Key highlights include:

- South Shields Transport Interchange has been granted approval to commence construction. The scheme is set to receive £9.4m in funding from LGF.
- Construction has commenced on the South Shields Metro Training and Maintenance Skills Centre thanks to a £7m investment from LGF.
- A19 Employment Corridor Access Improvements scheme, which has received £4.7m LGF, is nearing completion.

Flexible ticketing

Since April 2017 over 6.45m Metro trips were made with Pop Pay As You Go cards. They are now accepted by all bus companies across the North East LEP area and the total number of bus tickets purchased with them has risen to nearly 80,000.

Work on joint management of our transport system

Rail services in the North East are used by more than 14 million passengers a year.

Through the development of the North East Rail Management Unit (NERMU), the working partnership of local authorities is strengthening its key relationships with Network Rail, Rail North Ltd, Transport for the North and the train operators for the joint management of the local rail network.

A 'shared narrative' describing our future aspirations for rail in the North East of England is being created jointly with Network Rail and the Tees Valley Combined Authority (TVCA).



Through working with Rail North there are now more trains between Newcastle and Middlesbrough via Sunderland, between Bishop Auckland and Darlington and between Manchester Airport and Newcastle.

Development and expansion of our Urban Traffic Management and Control Centre and Delivery of the Tyne and Wear and Northumberland UTMC project as part of the LGF LSTF capital programme has expanded our ANPR network and installed additional CCTV cameras.

Electric vehicle infrastructure

The Go Ultra Low North East programme is a £4.33m programme of works to increase levels of electric vehicles (EV) within our area.

Two EV filling stations, one to be located within Newcastle University campus and one to be located in Sunderland City Centre has been procured and will be installed by Autumn 2018. They will be one of the first in the country.

To complement the filling stations, smaller rapid EV hubs will be installed across our area at strategic sites where forecast demand is evidenced.

This capital investment will be met by a range of research projects which will look at how we deliver EV infrastructure in the long term in order for it to be sustainable.

Regional Transport Plan

Work is continuing on the Regional Transport Plan with the seven local authorities in the LEP area.

Identification of opportunities for improved freight infrastructure in the region

The North East Freight Partnership continues to work with operators to promote safe, sustainable and efficient freight transport. The Fleet Operator Recognition Scheme (FORS), an accreditation scheme aimed at raising standards, has 180 members and over 6,000 vehicles in the region are now associated with FORS.

Freight transport is a significant contributor to NOx emissions with resultant air quality concerns and we are exploring a range of options to address this, one of which is a freight consolidation centre being developed by Newcastle University, to reduce goods traffic entering the city. It is hoped to secure European funding to assist in this project.

Digital Connectivity

Superfast Broadband

Coverage of superfast broadband is now approximately 97% across the the North East LEP area. However local differences in coverage exist with urban areas enjoying 98-99% coverage whilst rural areas lag behind the national average of 95%. Work is continuing to increase coverage to 99%+ across our whole area to ensure that social and economic benefits of improved digital connectivity are fully realised. In addition, work has already begun to ensure that, as communications technology progresses to Ultrafast (300Mbps+) and Hyperfast (1Gbps+) standards. The region is able to maintain competitiveness by attracting continued investment from government and communication providers.

5G North East (5GNE)

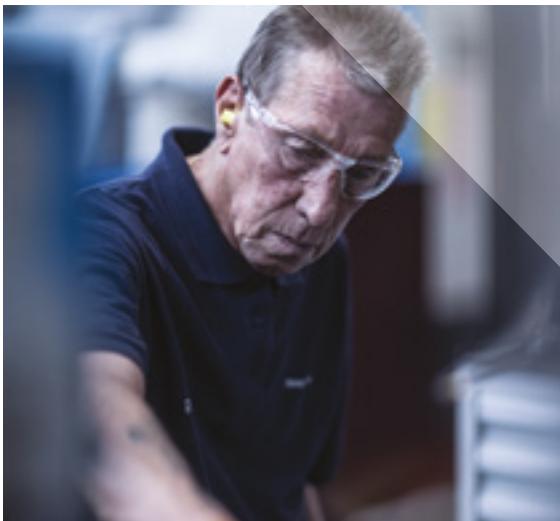
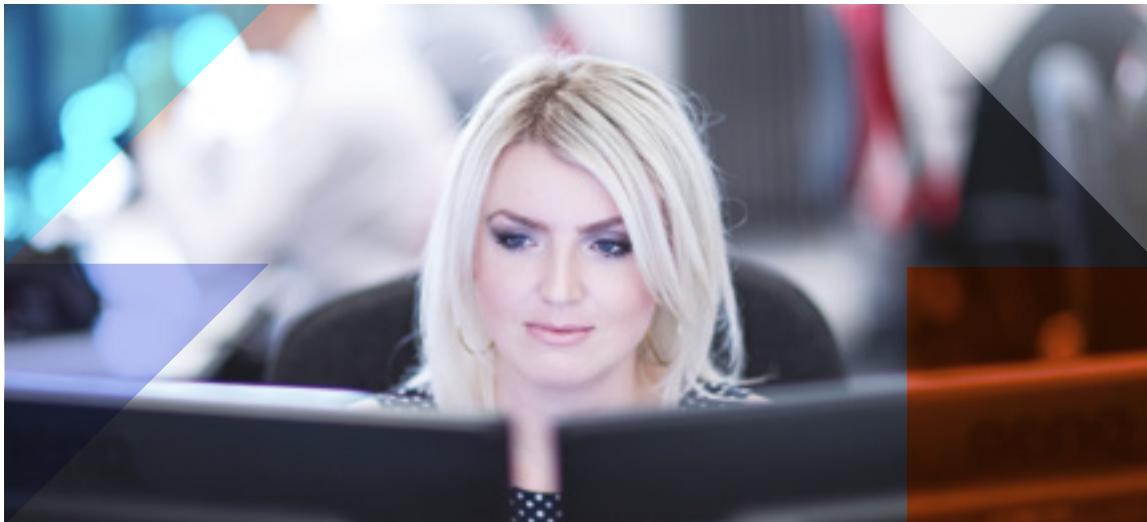
Collaboration between the North East LEP, North East Combined Authority, NEXUS, the Digital Catapult and the 5G Innovation Centre at the University of Surrey has secured an investment from the North East Growth and Infrastructure Fund to create a team to drive the development of a 5GNE business case. A bid is being prepared into the the Department for Culture, Media and Sport, sponsored by the 5G Urban Connected Communities in summer 2018 to create a regional-scale test bed working with Government, universities, telecoms and digital businesses and a range of regional partners.

Strengthening fibre-optic connectivity to Northern Europe

Following from the installation of the Newcastle Metropolitan Area Network providing high capacity access to multiple long-haul and international carriers and strengthened UK connectivity, significant work is being undertaken to strengthen the fibre connectivity of the North East to Northern Europe, to provide world class bandwidth, latency and data management and build the competitiveness of the North East as a data hub. In January 2018, Aqua Comms announced its intention to conclude a new 700 km cable route between Newcastle and Esbjerg in Denmark linked to the Stellium data centre on Cobalt in North Tyneside. This will provide direct connectivity into Northern Europe and beyond, without routing via London, and provide resilience for an alternative route to North America via the Havfrue/AEC-2 and Norway. Discussions about connectivity to other locations including in Norway continue.



Coverage of superfast broadband is now approximately 97% across our area.



More and
better jobs



nelep.co.uk

northeastgrowthhub.co.uk

northeastdatahub.co.uk