

North East LEP: Skills for Economic Growth

26th May 2017



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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.

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.

North East LEP Strategic Economic Plan and Skills....

Key national and regional context

National Policy

- Brexit
- Change of Government (with possibility for further change)
- Industrial strategy
- Devolution, Mayors, LEPs, the North

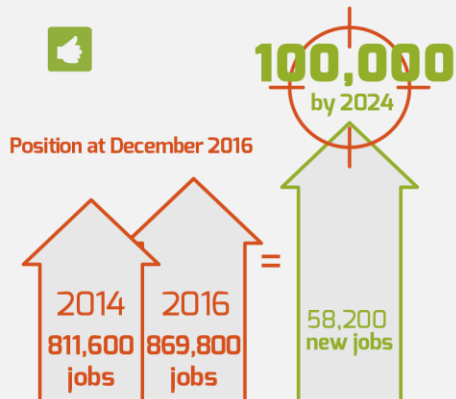
Refreshed Strategic Economic Plan

- Published in March
- Approach aimed to anticipate these changes

Overview of Refreshed SEP

Section 1: Context, aims, progress, place and targets

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

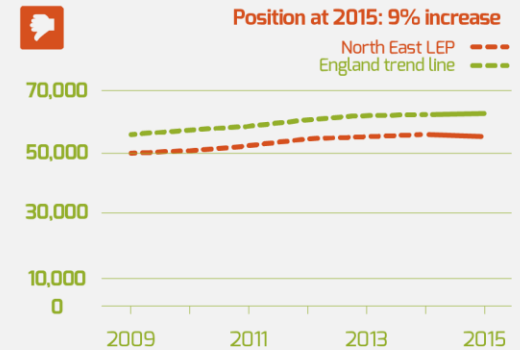


Target 60% of all jobs created from 2014 will be better jobs

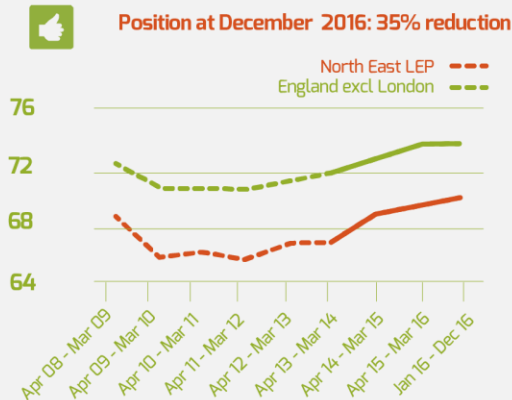


Reduce the gap in GVA per full time equivalent

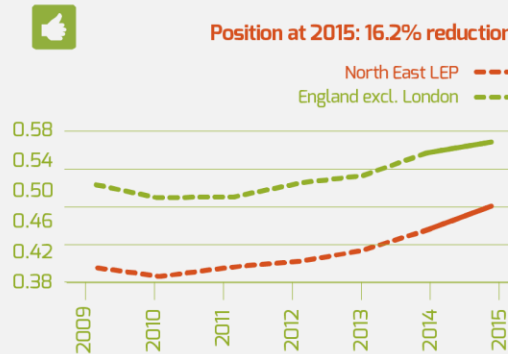
Target 50% reduction in gap by 2024



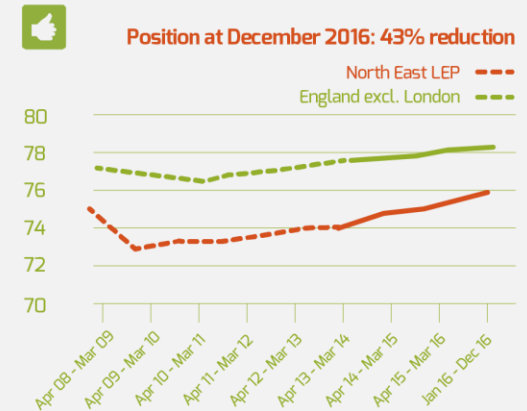
Close the gap in the employment rate for people aged 16-64 **Target** 100% reduction in gap by 2024



Reduce the gap in private sector employment density **Target** 50% reduction in gap by 2024



Reduce the gap in economic activity for people aged 16-64 **Target** 50% reduction in gap by 2024



Section 2: Areas of opportunity

4 areas of industrial focus with opportunities for economic growth and regional productivity



Tech North East
Driving a digital surge

- Our digital specialisms include:
- Software development
 - Cloud computing shared services
 - Systems design and communications
 - Building information modeling
 - 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.



Health Quest North East
Innovation in health and life sciences

- 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



Energy North East
Excellence in subsea, offshore and energy technologies



World leading in offshore and subsea technology



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



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



50,000 STEM students Coming through our universities every year

Key Sectors



Automotive



Medicines



Three key enabling service sectors, offering opportunities for high value employment



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.



The North East: shaping our region for growth, inclusion and innovation

- Strengthening spatial framework
 - Local plans
 - Spatial framework
- Delivery of key sites to support clustering – Enterprise Zones, development sites, innovation sites
- Enhanced internal and external connectivity for growth and inclusion
 - Transport
 - Digital
- Innovation in place – test-bed opportunities
- Promotion and distinctiveness through culture and tourism



Section 3: Delivering the 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.

Delivering the Strategic Economic Plan

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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.

Skills priorities

Our goals

Every young person in the North East should be able to identify routes to a successful working life

To reduce the gap between our best and lowest performing schools

To offer world-class technical and professional education

To work with universities to create job-ready graduates who want to stay in the region

Reduce inactivity in the older workforce

Why?

- Good career guidance is critical for social mobility.
- Our primary schools have the best levels of attainment in the UK. Significant drop off in performance of pupils when they reach secondary demonstrates a need for change.
- Businesses have told us they want to see more people qualified to certain technical and professional standards
- Universities have the potential to become 'anchor institutions' and be huge assets to the region; helping us to retain skills here
- We have high inactivity levels in our older generations. With an ageing population ahead, we need our workplaces, and people to be ready

How will we do this?

**North East
Ambition**

**Education
Challenge**

**Excelling in
technical and
professional
education**

**Higher
education**

**50+ workforce:
retain, regain
and retrain**

Meeting local economic needs in STEM:

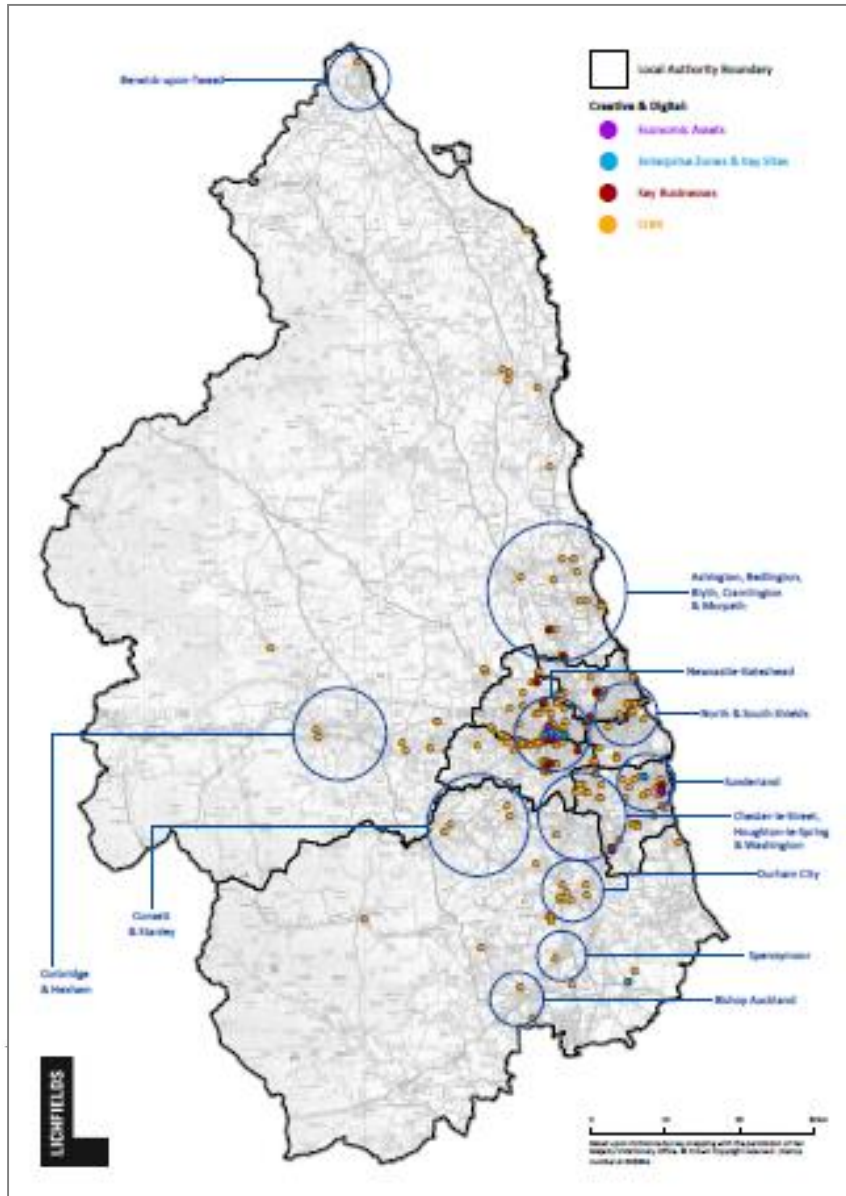
Key employment trends

- 45% of employment in 'STEM related' industries
- 38% of employment in 'STEM related' occupations
- Both similar to England as a whole
- Employment opportunities in STEM across region
 - ❖ Some are spread widely
 - ❖ Some highly concentrated in specific localities

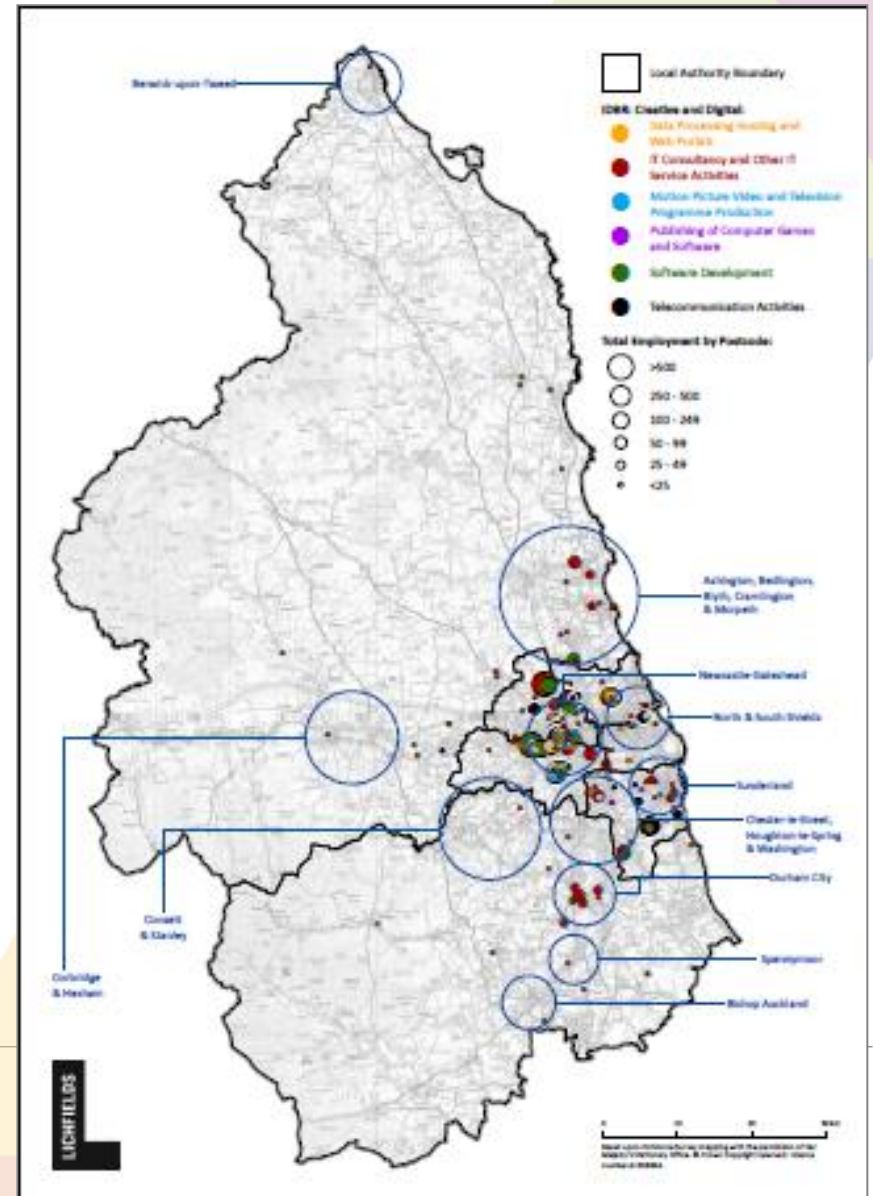
Note - Broad digital skills are increasingly required across all sectors as well specific skills for emerging digital specialisms

Creative and digital

Location of businesses and assets

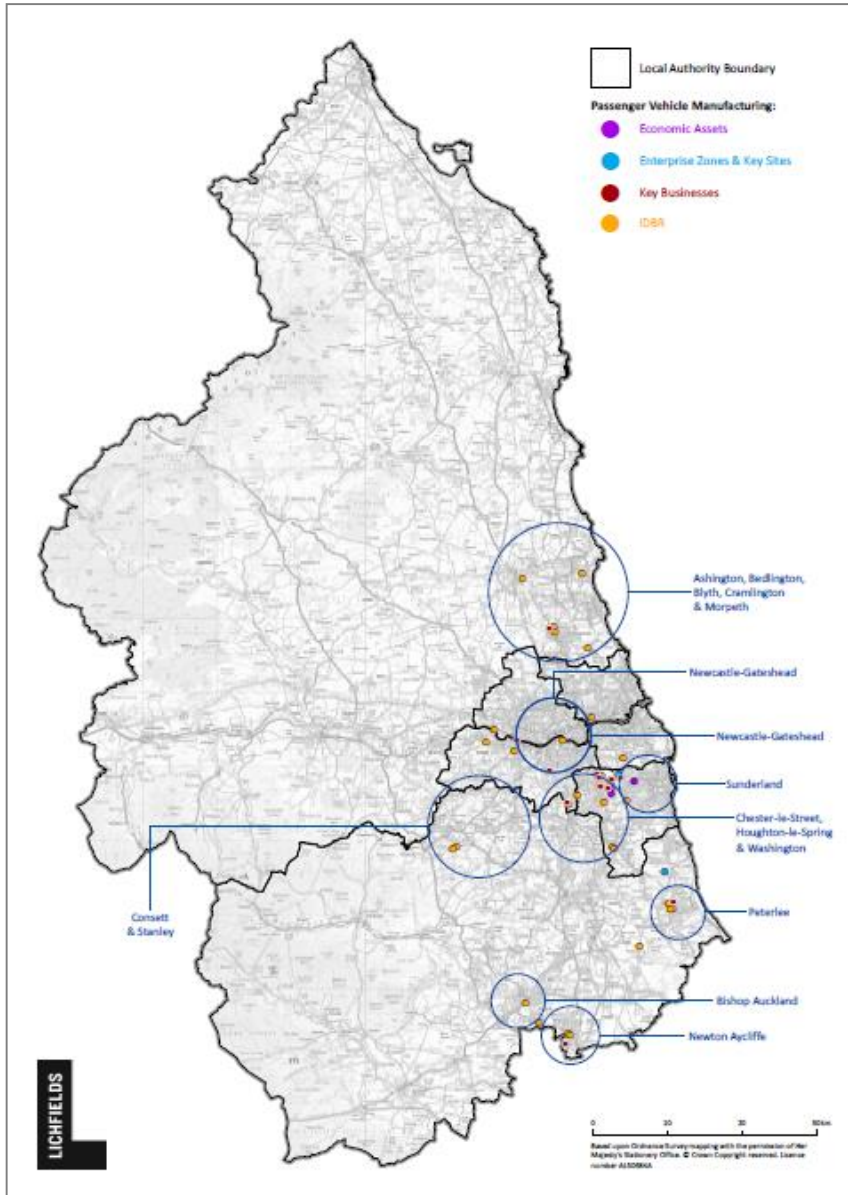


Sector employment by postcode

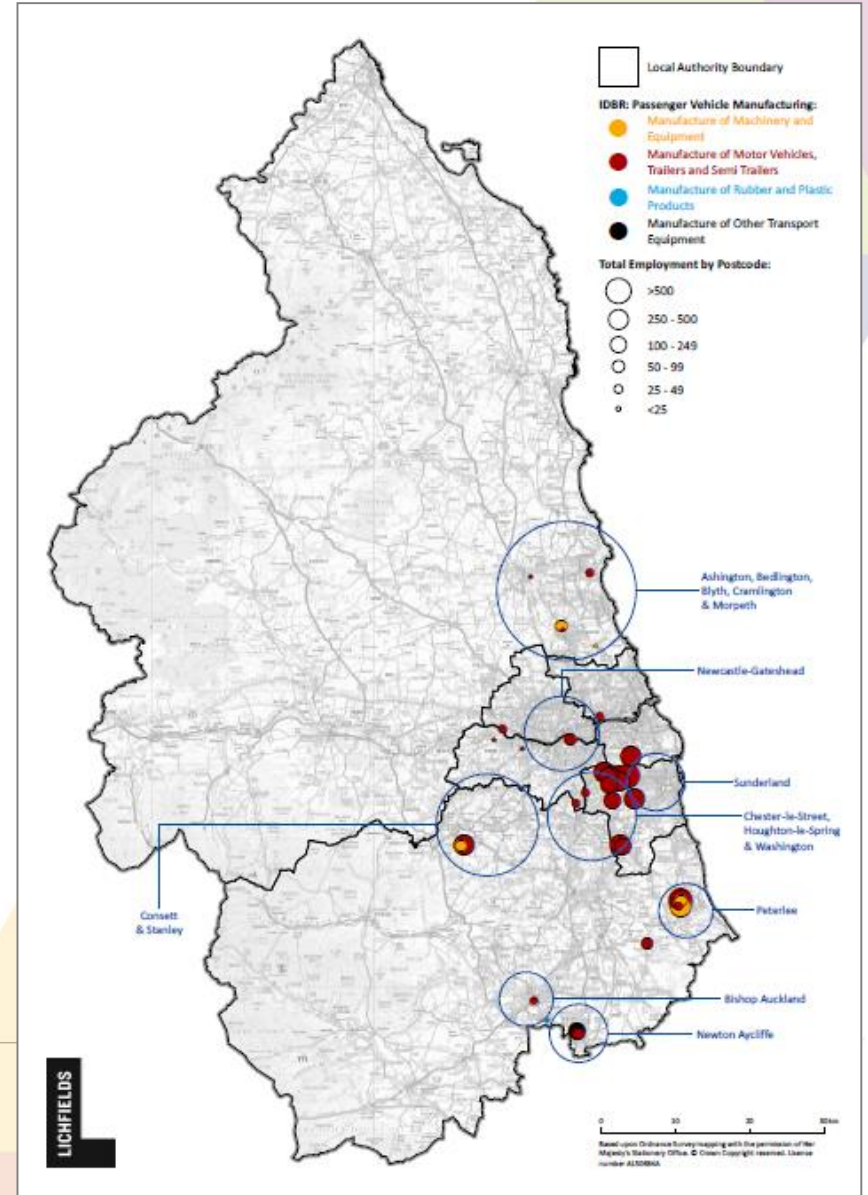


Passenger vehicle manufacture

Location of businesses and assets

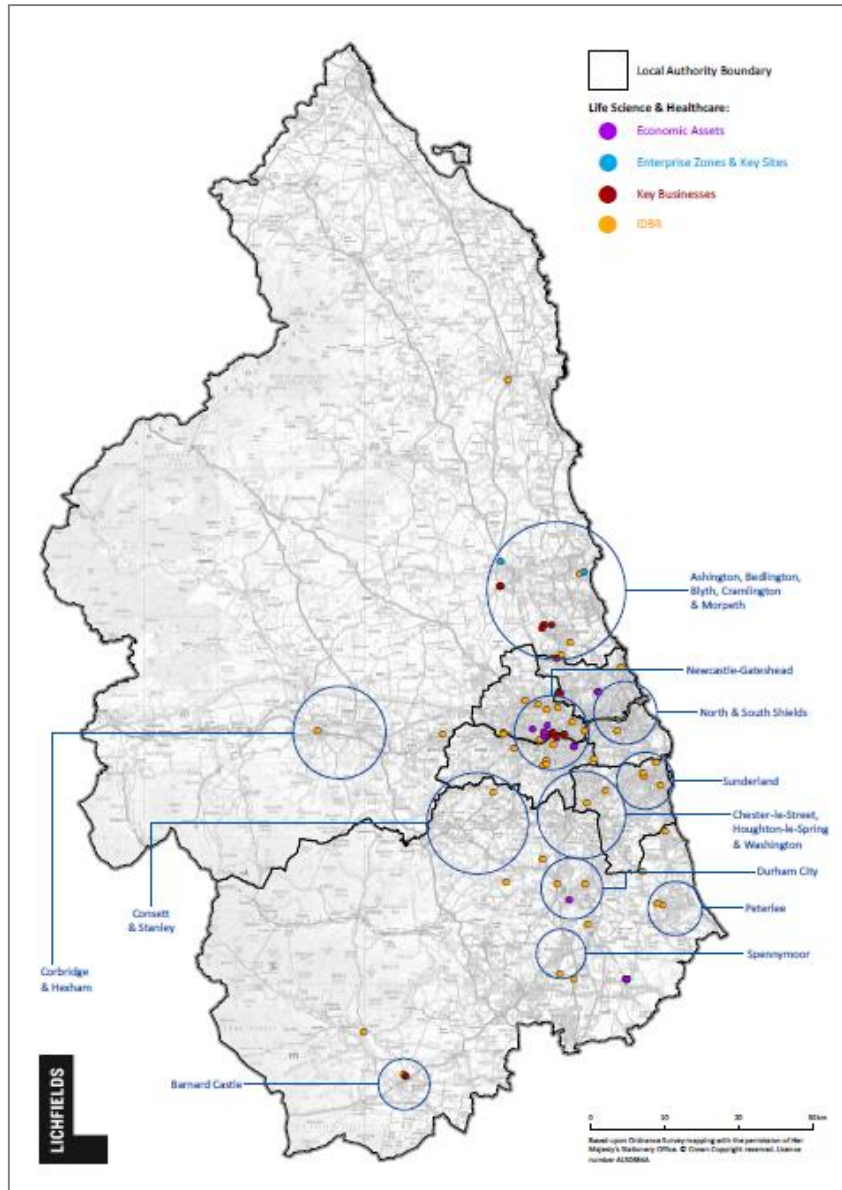


Sector employment by postcode

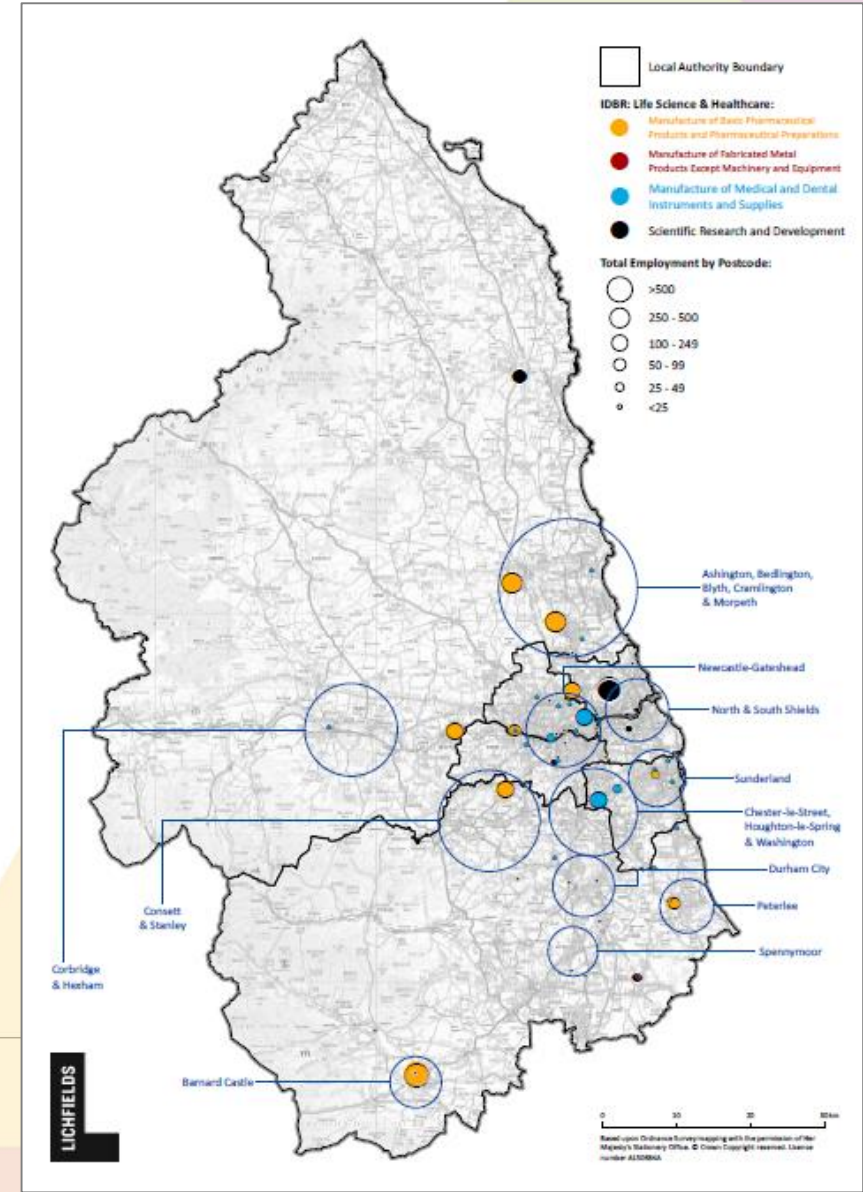


Life sciences and healthcare

Location of businesses and assets

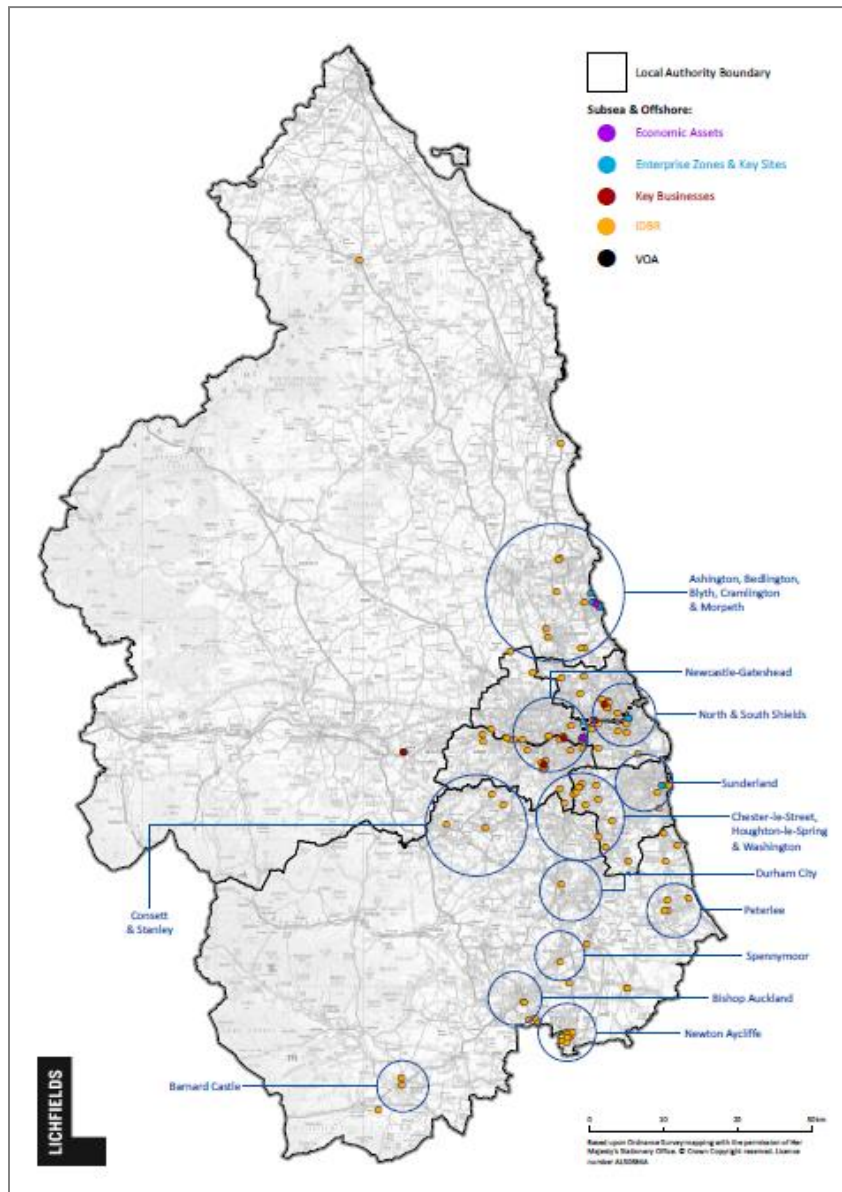


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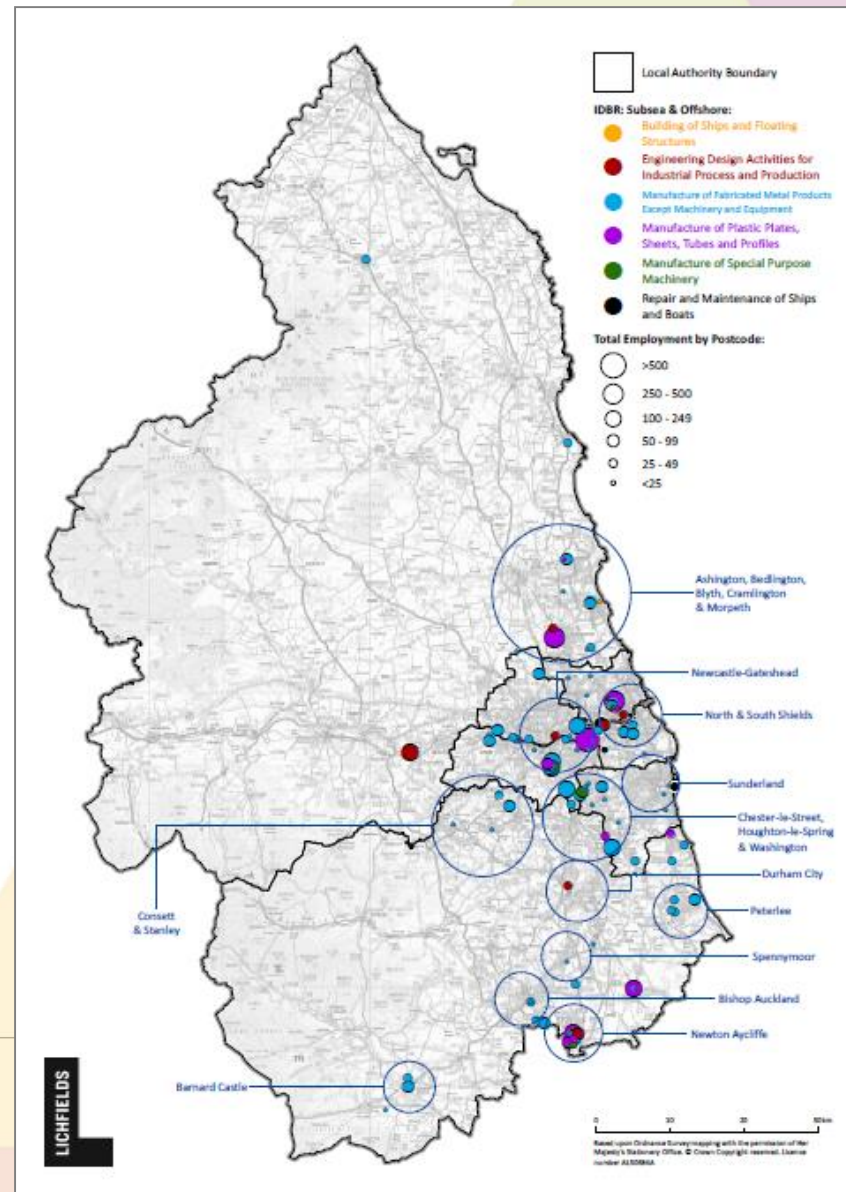


Offshore and subsea

Location of businesses and assets



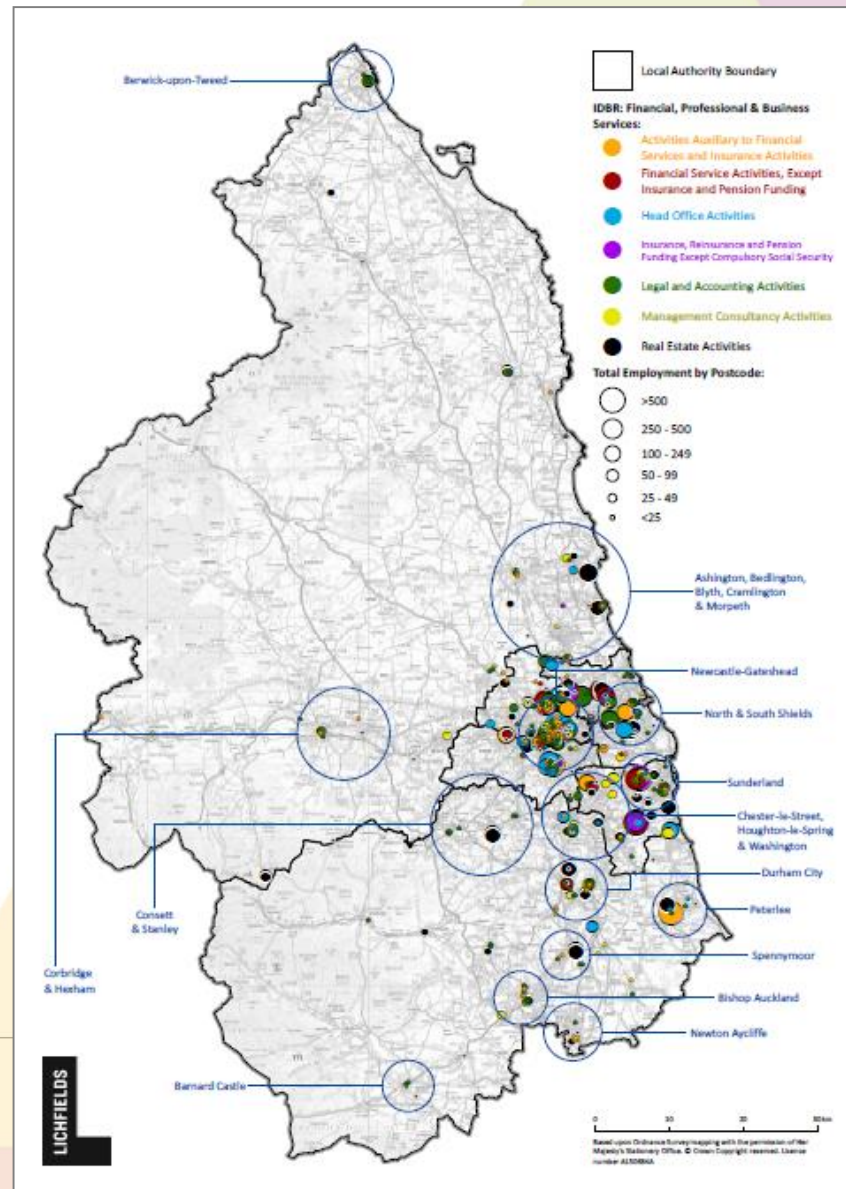
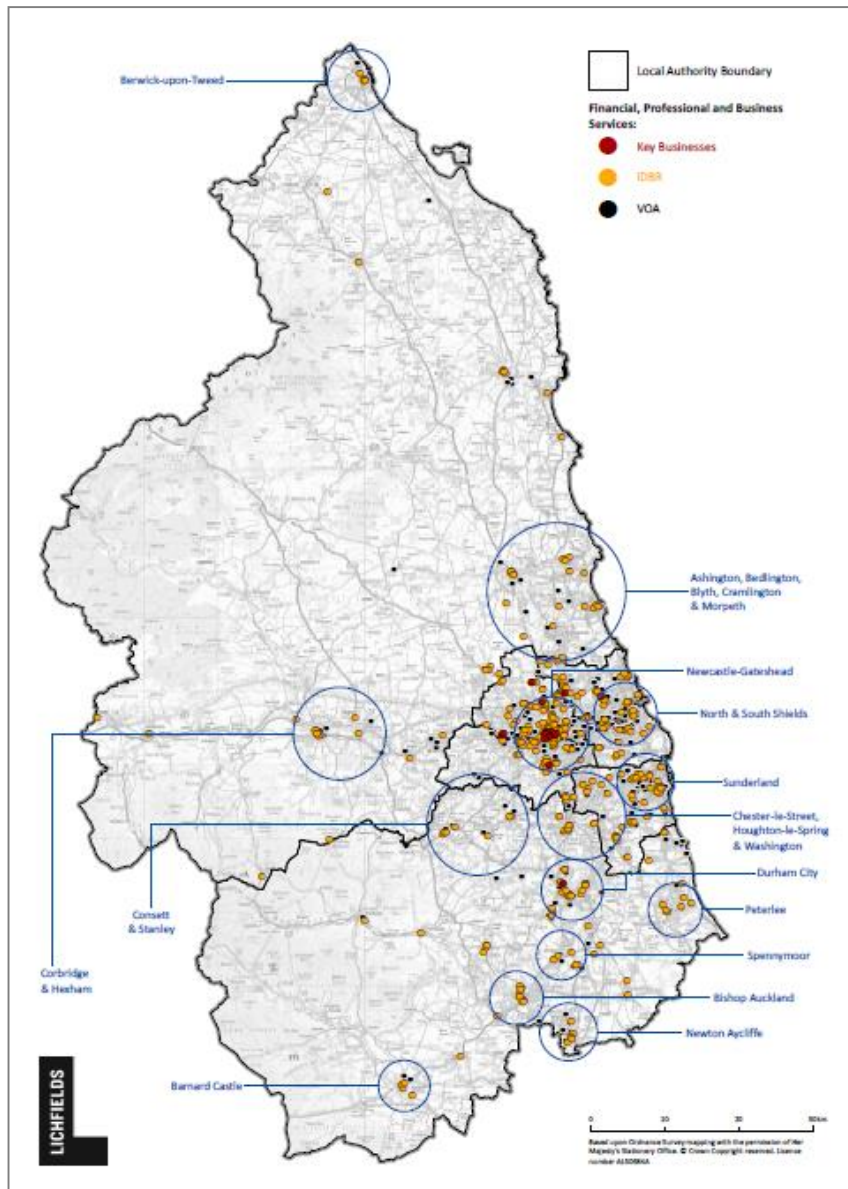
Sector employment by postcode



Financial, professional and business services

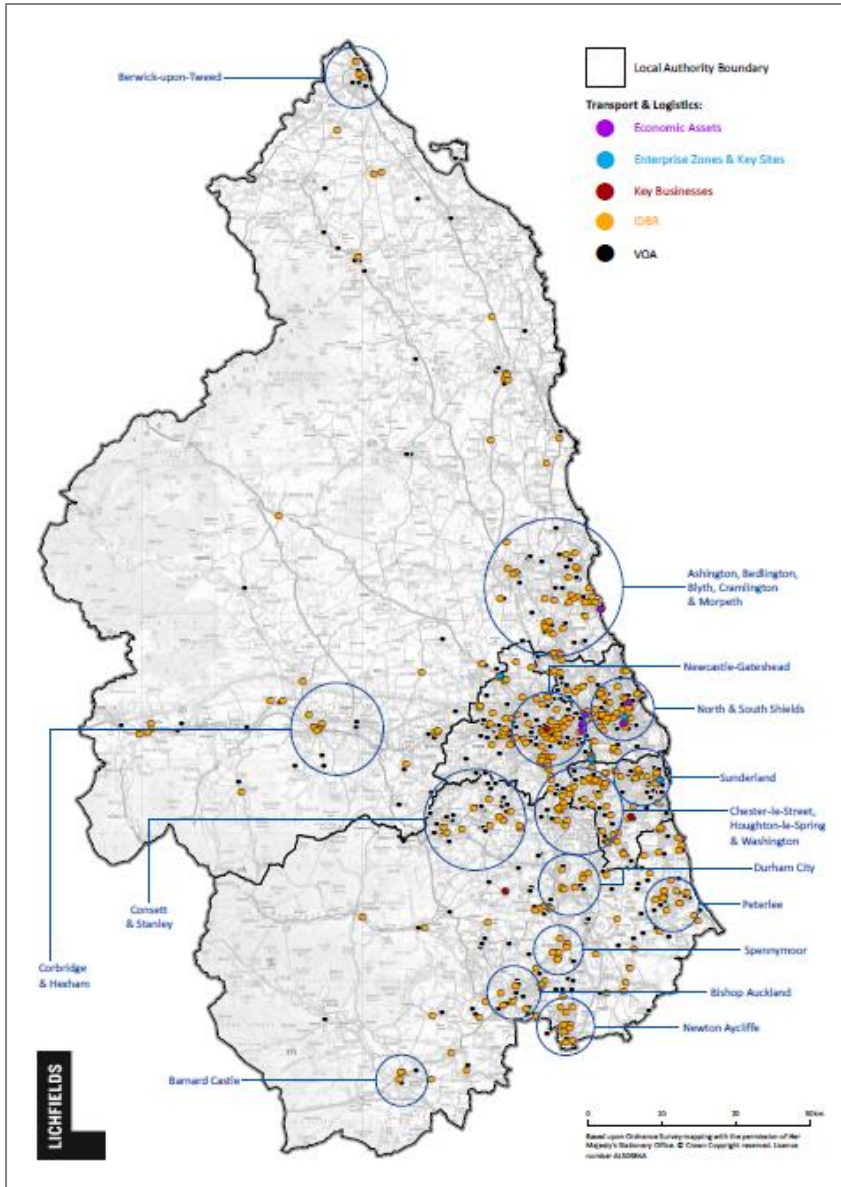
Location of businesses and assets

Sector employment by postcode

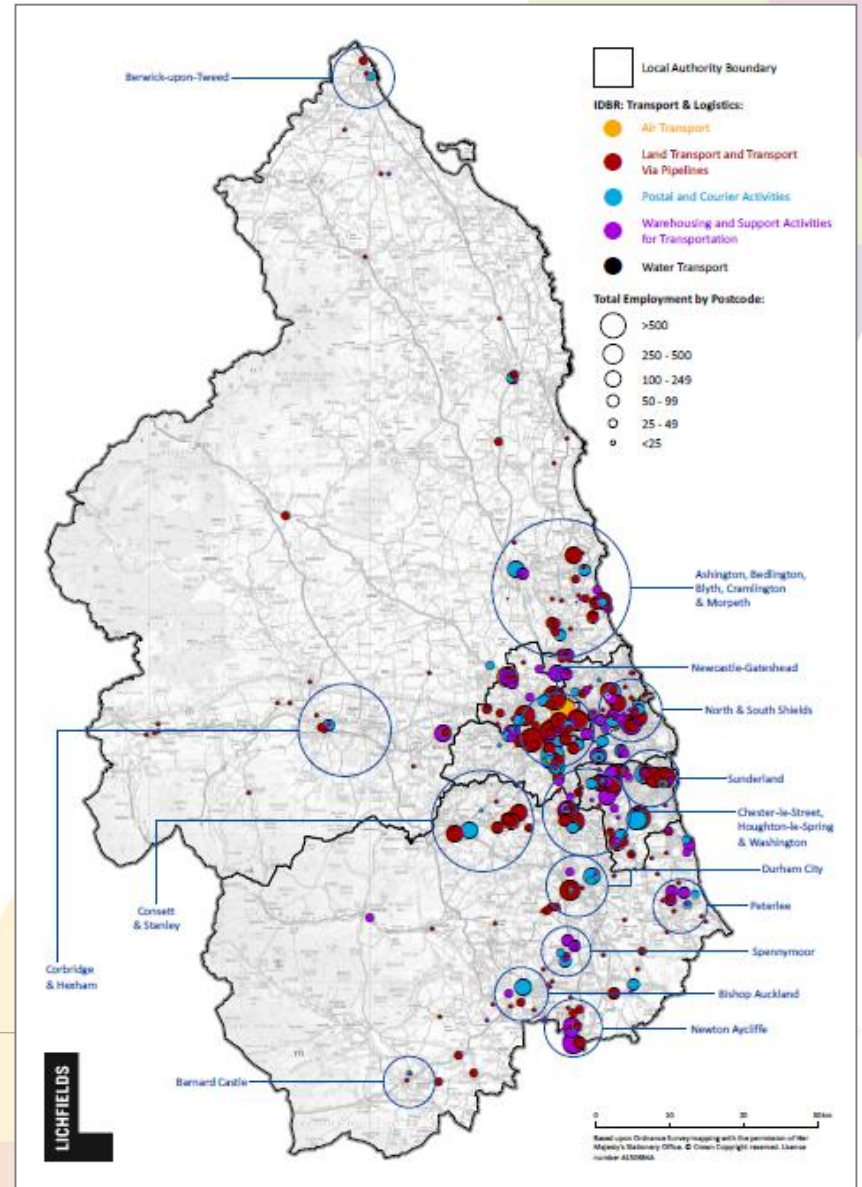


Transport and logistics

Location of businesses and assets

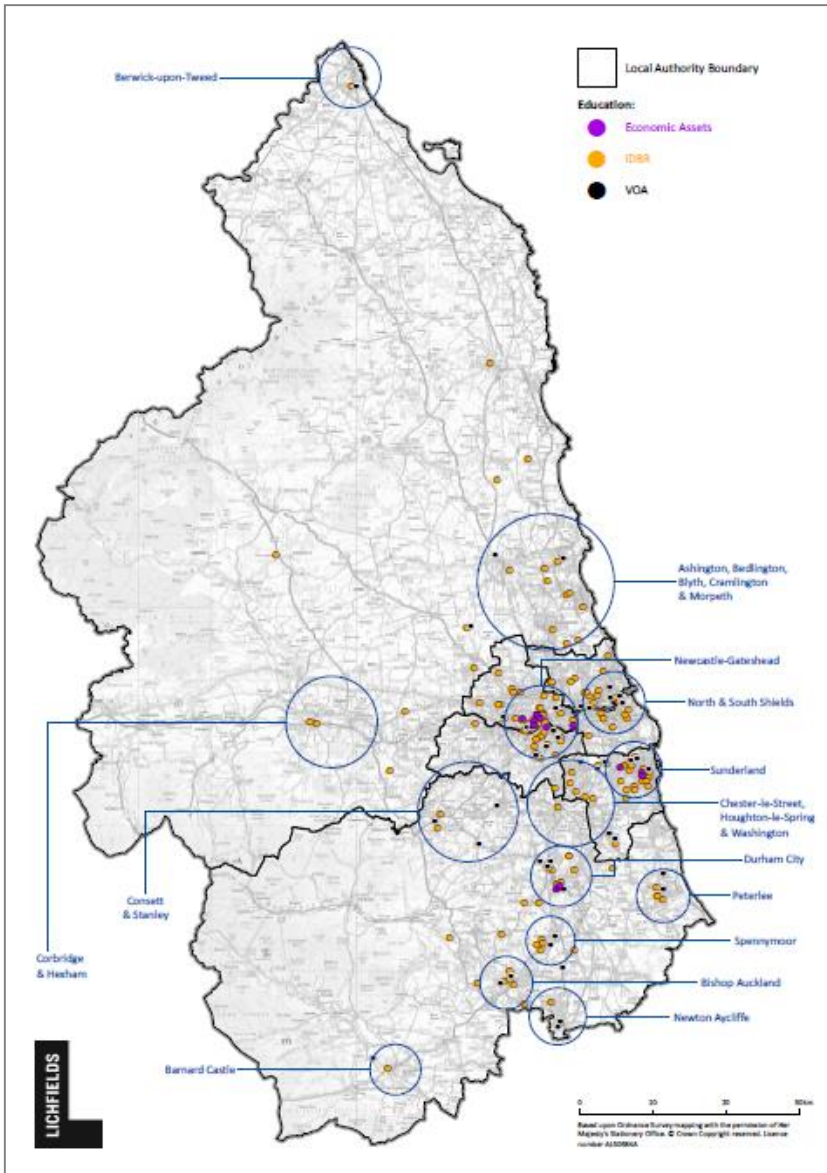


Sector employment by postcode

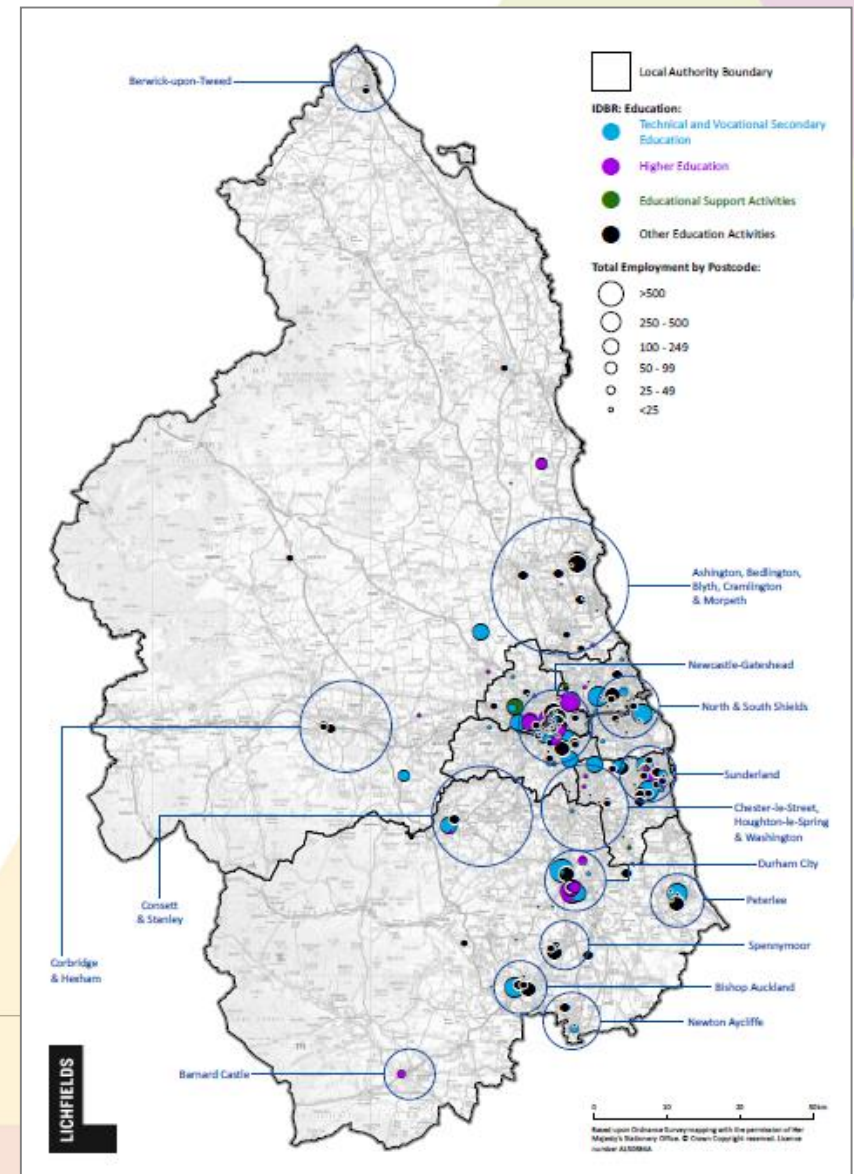


Education

Location of businesses and assets



Sector employment by postcode



Summary

- LEP and partners / stakeholders – help to deliver the SEP for the region
- Higher level skills are a big driver of economic growth where they match business need
- Therefore focus on STEM subjects....
- Digital skills are cross cutting regardless of sector, size, employer type
- Opportunities for graduates in the North East especially in key growth areas; a need to articulate opportunities to support graduate retention (labour market information)
- Graduate ‘employability skills’ vs academic skills
- Inward migration - the right skills at the right level - key part of inward investment strategy <https://investnortheastengland.co.uk/>

Thank you and questions

North East

Local Enterprise Partnership

