

UK Shared Prosperity Fund

Regional engagement event

19 May 2022

Hosted by:



Welcome and housekeeping

Rob Hamilton

Chief Economist,
North of Tyne Combined Authority

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Network: NUFC
Password: weareunited

UK Shared Prosperity Fund

The UK Shared Prosperity Fund (SPF) is a central pillar of the UK Government's Levelling Up agenda and a significant component of its support for places across the UK.

To build pride in place and increase life chances across the UK, aligned with the missions set out in the Levelling Up White Paper.

Regional UKSPF allocations

	UKSPF core	Multiply	Total
North of Tyne	£47,085,061	£4,128,607	£51,213,668
County Durham	£30,830,618	£2,803,077	£33,633,695
Gateshead	£11,634,466	£1,169,621	£12,804,087
South Tyneside	£8,868,632	£810,389	£9,679,020
Sunderland	£14,936,161	£1,641,730	£16,577,891
North East total	£113,354,938	£10,553,424	£123,908,361

Purpose of the session

Support the lead authorities in development of their investment plans by:

Considering where it might make sense to work collectively at regional level on certain interventions.

Engaging with people who have regional expertise.

What's next

- Summary of event will be published and shared to support lead authorities
- Encourage ongoing feedback and engagement from partners
- Cross-regional work across the local and combined authorities identifying areas for ongoing collaboration
- Each lead authority is preparing investment plans and will consult with partners, stakeholders and MPs
- Each lead authority to develop investment plans by :
 - 30 June (Multiply)
 - 1 August (SPF)

UKSPF Evidence Base

Richard Baker

Strategy and Policy Director,
North East Local Enterprise Partnership

A strategic evidence base to inform SPF

Three key evidence products

Headline economic, social and environmental data reflecting Levelling Up objectives

For each investment theme

- Key data sources, including innovative data sets where they are more up to date or aid understanding
- A review of 'What Works' evidence from national centres and programme evaluations
- A review of relevant North East policy and strategy reports

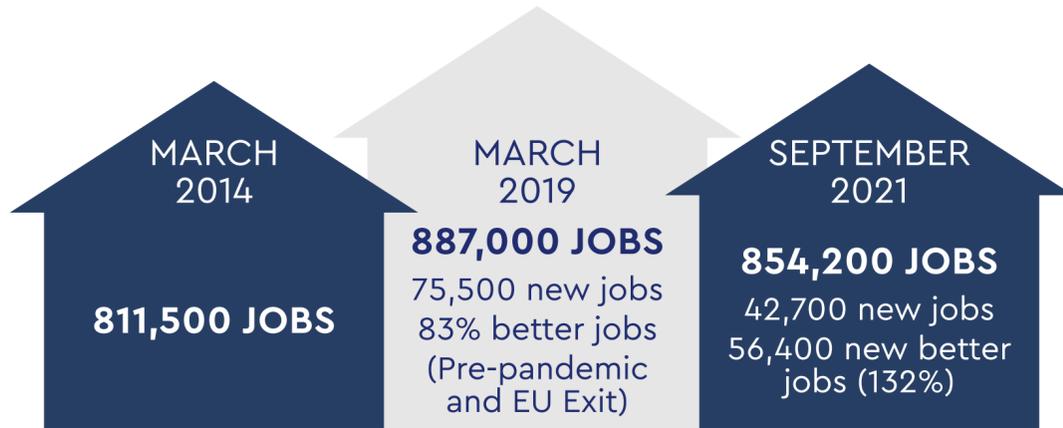
A review of the progression of European investment into the region including analysis of 2014-2020 programme

Geographies (subject to data availability)

- North East LEP area: compared to national comparators and similar city-regions
- Local Authority areas: compared to the region and other LA areas
- Key cross boundary flows within the region
- Smaller areas where possible – for example on deprivation

Good progress made on a number of economic outcomes, but impacted by economic challenges since 2019

Our ambition is to create 100,000 more jobs between 2014 and 2024, with 70% of those being better jobs

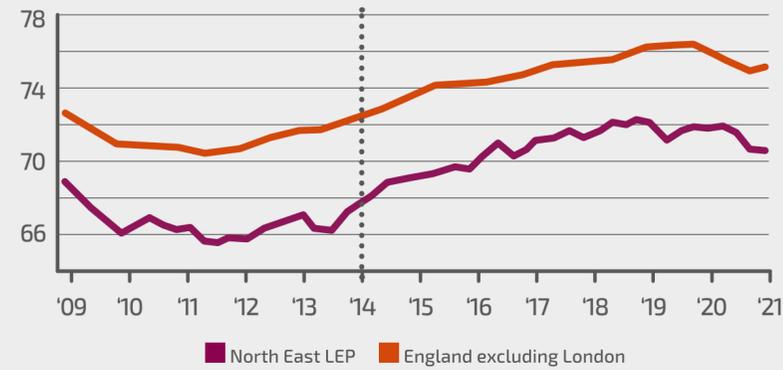


By March 2020, employment in all jobs had increased by 42,700, with better jobs having reached 56,400.



Employment rate

To close the gap between the North East LEP area and England excluding London by 100%.



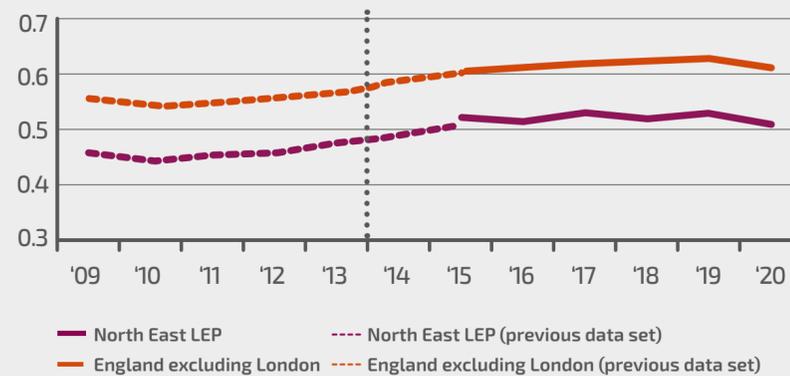
Economic activity rate

To close the gap between the North East LEP area and England excluding London by 50%.



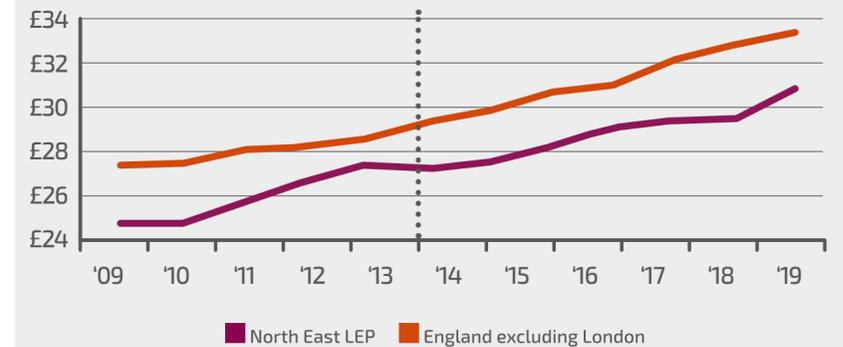
Private sector employee jobs per working age person

To close the gap between the North East LEP area and England excluding London by 50%.



Gross Value Added per hour worked (£)

To close the gap between the North East LEP areas and England excluding London by 50%.



Key themes and messages from the evidence base

Our population and communities



We have a changing population, which is growing slowly, and is ageing. We have economic disparities between places and communities, and our residents face challenges around employment and health in our most deprived areas.

Our regional economy



Whilst there are challenging headwinds for business, we have opportunity in our key areas of strategic importance, which are seeing new investment and are aligned with emerging international growth markets.

Our business base



A priority remains to support growth in the private sector to deliver new job opportunities. SMEs in particular need support to form, grow, scale and improve productivity.

Our labour force



The labour market is changing and complex. Growth in pay-rolled jobs is accompanied by higher unemployment and economic inactivity, impacting on women, older and younger people. Skills supply and demand is not aligned, creating recruitment challenges and constraining growth.

Our places



Our towns, cities and rural areas continue to change economically and socially. The pandemic accelerated trends in how we work, live and travel, implying the need to re-shape the infrastructure of our communities.

Our connectedness



Places, people and industries in the region are strongly connected through work and trade and social and cultural activities. This delivers benefits in terms of growth and incomes. Opportunities for growth, and solutions to the issues we face, are both inside and outside our region and its communities.

What's ahead?

The UK economy



UK economic growth rates slowing as inflation rises and business and consumer confidence decreases



Improving employment data, with growing levels of employment and fewer people in unemployment – but with incomes not rising as quickly as inflation.



Increased interest rates impacting on costs and incomes

North East residents



Significant concerns about living standards in general and energy bills in particular

7.6/10 Average level of concern about rise in cost of living

64% have seen energy bills rise



People making choices to reduce consumption, leisure and social activity



Some evidence that active travel choices made during Covid 19 are persisting

North East business



Business confidence impacted by increasing costs of energy, in supply chains and labour market



Continuing investment in long term opportunity areas – in particular energy, life sciences and digital



Significant concerns about skills and labour supply

Evidence base available at: evidencehub.northeastlep.co.uk

The screenshot shows the homepage of the North East Evidence Hub. At the top, there is a navigation bar with the logo, a search bar, and links for UKSPF, Data by Theme, Publications, and Contact. The main header features the slogan "Data is powerful" and a brief description of the hub's mission. Below this, a featured article titled "UK Shared Prosperity Fund" is displayed with a "Read more" button. The "Latest data" section contains a grid of 12 data cards, each with a category icon, title, and a "View" link. The categories include Employment and Skills, Education, and Transport. A search bar is located at the bottom of the page.

This screenshot displays the "People & Skills" page. The header includes the site logo and navigation. The main content area features a large heading "People & Skills" followed by a descriptive paragraph. Below the text is a horizontal bar with five key statistics, each accompanied by an icon: Skills gaps, Lower qualifications, Higher % of disabled residents, 40% Of graduates, and Poor health outcomes. The page also includes a section titled "About this investment theme" with a list of bullet points and a small image of a person working. At the bottom, there is a section for "Population and protected characteristics" which includes several charts: "Population change, five-year periods", "Projected 10 and 25 year population change by age group, North East LEP area", and "Projected 10 and 25 year population change by local authorities".

Communities and place

Sarah McMillan

Assistant Director Policy,
Northumberland County Council

Investment programme objectives

Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities, such as community infrastructure and local green space, and community-led projects.

Building resilient, safe and healthy neighbourhoods, through investment in quality places where people want to live, work, play and learn, through targeted improvements to the built environment and innovative approaches to crime prevention.

Communities and place – what the evidence tells us

Deprivation



Small area deprivation is more common in the North East than nationally. In the most deprived areas, health and employment related deprivation are leading issues



Life satisfaction is now the lowest level since 2013



The rate of increase in the proportion of children living in low income households has accelerated since 2019

Places



The North East LEP has generally strong access to employment centres via public transport due to its primarily urban geography



Broadband access is good, but varies across the region. Properties with full-fibre connectivity and low speed broadband are pocketed in the same areas



North East visits to workplaces remain 16% below pre-Covid levels, and to retail and recreation 9% lower



Housing is relatively affordable in the North East compared to England, despite a slight decrease in affordability since Covid-19



The North East experiences proportionately more crime than England excluding London, although less violent crime

Place relationships



The North East LEP is connected by commuting flows across the region, especially flows into Newcastle.



Travel to Work areas in the region cross local authority boundaries



Commuting flows redistribute income across the North East, with rural areas benefiting from higher incomes from jobs in urban centres.



Highly skilled workers commute further across the North East LEP than workers with lower qualification levels

Interventions

E1: Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs.

E2: Funding for new, or improvements to existing, community and neighbourhood infrastructure projects including those that increase communities' resilience to natural hazards, such as flooding. This could cover capital spend and running costs.

E3: Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces.

E4: Enhanced support for existing cultural, historic and heritage institutions that make up the local cultural heritage offer.

E5: Design and management of the built and landscaped environment to 'design out crime'.

E6: Support for local arts, cultural, heritage and creative activities.

E7: Support for active travel enhancements in the local area.

E8: Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area.

E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.

E10: Funding for local sports facilities, tournaments, teams and leagues; to bring people together.

E11: Investment in capacity building and infrastructure support for local civil society and community groups.

E12: Investment in community engagement schemes to support community involvement in decision making in local regeneration.

E13: Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.

E14: Funding to support relevant feasibility studies.

E15: Investment and support for digital infrastructure for local community facilities.

Supporting local business

Sue Parkinson

Vice Chair, County Durham Economic Partnership

Investment programme objectives

Lead authorities should consider segmenting their business population, focusing on specific interventions that will best meet local business need. This can be informed by early engagement with local business representatives.

Creating jobs and boosting community cohesion, through investments that build on existing industries and institutions, and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.

Promoting networking and collaboration, through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.

Increasing private sector investment in growth-enhancing activities, through targeted support for small and medium-sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.

Supporting local business – what the evidence tells us

Business base



The North East has a lower number of businesses per head, reflecting a smaller relative private sector in the region. We need a further 26,000 businesses to achieve our national comparator.



Progress addressing low business birth and death rates has slowed. Scale-up rates for new and existing enterprises perform better, with similar rates to other Core Cities. We have a higher proportion of high growth businesses than national averages.



The North East has a higher proportion of innovation active businesses, but low levels of R&D spend and patents granted.

Opportunities and challenges



All local authorities in the North East LEP have a specialisation in at least one of the five areas of strategic importance identified in the Strategic Economic Plan.



Goods exports increased by 5% in Q4 2021, but exports for 2021 overall were 12% below exports in 2019. Energy and pharmaceutical exports have grown since 2020.



Job adverts have increased more quickly than England, but North East businesses are facing challenges to fill vacancies. There are low application numbers and a lack of qualified applicants.



Mismatches are impacting on key enabling sectors – in particular like digital, construction and logistics.

Interventions

E16: Investment in open markets and improvements to town centre retail and service sector infrastructure, with wrap around support for small businesses.

E17: Funding for the development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails, tours and tourism products more generally.

E18: Supporting Made Smarter Adoption: Providing tailored expert advice, matched grants and leadership training to enable manufacturing SMEs to adopt industrial digital technology solutions including artificial intelligence; robotics and autonomous systems; additive manufacturing; industrial internet of things; virtual reality; data analytics. The support is proven to leverage high levels of private investment into technologies that drive growth, productivity, efficiency and resilience in manufacturing.

E19: Increasing investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities. Support the commercialisation of ideas, encouraging collaboration and accelerating the path to market so that more ideas translate into industrial and commercial practices.

E20: Research and development grants supporting the development of innovative products and services.

E21: Funding for the development and support of appropriate innovation infrastructure at the local level.

E22: Investing in enterprise infrastructure and employment/innovation site development projects. This can help to unlock site development projects which will support growth in places.

E23: Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.

E24: Funding for new and improvements to existing training hubs, business support offers, 'incubators' and 'accelerators' for local enterprise (including social enterprise) which can support entrepreneurs and start-ups through the early stages of development and growth by offering a combination of services including account management, advice, resources, training, coaching, mentorship and access to workspace.

E25: Grants to help places bid for and host international business events and conferences that support wider local growth sectors.

E26: Support for growing the local social economy, including community businesses, cooperatives and social enterprises.

E27: Funding to develop angel investor networks nationwide.

E28: Export grants to support businesses to grow their overseas trading, supporting local employment.

E29: Supporting decarbonisation and improving the natural environment whilst growing the local economy. Taking a whole systems approach to invest in infrastructure to deliver effective decarbonisation across energy, buildings and transport and beyond, in line with our legally binding climate target. Maximising existing or emerging local strengths in low carbon technologies, goods and services to take advantage of the growing global opportunity.

E30: Business support measures to drive employment growth, particularly in areas of higher unemployment.

E31: Funding to support relevant feasibility studies.

E32: Investment in resilience infrastructure and nature based solutions that protect local businesses and community areas from natural hazards including flooding and coastal erosion

People and skills

Catherine Auld

Assistant Director of Economic Regeneration,
Sunderland City Council

Investment programme objectives

Boosting core skills and support adults to progress in work, by targeting adults with no or low level qualifications and skills in maths, and upskill the working population, yielding personal and societal economic impact, and by encouraging innovative approaches to reducing adult learning barriers.

Supporting people furthest from the labour market to overcome barriers to work by providing cohesive, locally tailored support, including access to basic skills.

Reducing levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need. Investment should facilitate the join-up of mainstream provision and local services within an area for participants, through the use of one-to-one keyworker support, improving employment outcomes for specific cohorts who face labour market barriers.

Supporting local areas to fund gaps in local skills provision to support people to progress in work, and supplement local adult skills provision e.g. by providing additional volumes; delivering provision through wider range of routes or enabling more intensive/innovative provision, both qualification based and non-qualification based. This should be supplementary to provision available through national employment and skills programmes.

Expected cohorts include, but are not limited to people aged over 50, people with a disability and health condition, women, people from an ethnic minority, young people not in education, employment or training and people with multiple complex needs (homeless, care leavers, ex/ offenders, people with substance abuse problems and victims of domestic violence).

Multiply

All local areas in the United Kingdom will receive funding to deliver bespoke adult numeracy programmes in their area from April 2022

Adults who don't already have a GCSE grade C/4 or higher in Maths will be able to access free courses that fit around their lives – whether that be in person or online, at work or in the evening, part time or intensive – with additional support to meet their needs.

Employers who could benefit from boosting their workforce's skills will be able to work with their Local Authority and training providers to deliver Maths GCSEs or work-ready Functional Skills Qualifications and design and deliver bespoke programmes for their workforce – at no cost to them

People and skills – what the evidence tells us

Population



The population of the North East LEP has grown 4% over 10 years, a slower rate than in England excluding London



The North East has a higher percentage of older workers than England



The North East has a greater proportion of disabled residents than England excluding London



Minority ethnic communities account for 5.4% of the North East LEP's population

Skills



North East employers report gaps in technical, soft skills and knowledge, compared with nationally. Employers are focused on upskilling their existing workforce in light of these shortages



The North East has had a lower qualifications profile than nationally. Progress in closing gaps in skills levels has stalled in the last 3 years.



The number of further education and apprenticeships achievements has decreased in the last two years



Approximately 40% of graduates from North East universities were in the region after five years, a slightly higher proportion than originated here

Employment and employability



The North East has distinctive short term patterns compared nationally with falls in employment and unemployment, and rises in inactivity



Women have seen disproportionate decreases in employment and self-employment. Male self-employment has risen.

Interventions

Supporting economically inactive people to overcome barriers to work by providing cohesive, locally tailored support including access to basic skills

E33: Employment support for economically inactive people: Intensive and wrap-around one-to-one support to move people closer towards mainstream provision and employment, supplemented by additional and/or specialist life and basic skills (digital, English, maths and ESOL) support where there are local provision gaps.

Supporting people furthest from the labour market through access to basic skills

E34: Courses including basic skills (digital, English, maths (via Multiply) and ESOL), and life skills and career skills provision for people who are unable to access training through the adult education budget or wrap around support detailed above. Supplemented by financial support for learners to enroll onto courses and complete qualifications. Beyond that, this intervention will also contribute to building community cohesion and facilitate greater shared civil pride, leading to better integration for those benefiting from ESOL support.

E35: Activities such as enrichment and volunteering to improve opportunities and promote wellbeing.

E36: Intervention to increase levels of digital inclusion, with a focus on essential digital skills, communicating the benefits of getting (safely) online, and in-community support to provide users with the confidence and trust to stay online.

Skills to progress in work and to fund local skills needs

E37: Tailored support to help people in employment, who are not supported by mainstream provision to address barriers to accessing education and training courses. This includes supporting the retention of groups who are likely to leave the labour market early.

E38: Support for local areas to fund local skills needs. This includes technical and vocational qualifications and courses up to level 2 and training for vocational licences relevant to local area needs and high-value qualifications where there is a need for additional skills capacity that is not being met through other provision.

E39: Green skills courses targeted around ensuring we have the skilled workforce to achieve the government's net zero and wider environmental ambitions.

E40: Retraining support for those in high carbon sectors.

E41: Funding to support local digital skills.

Table discussions

Which areas highlighted in the regional evidence base, if addressed, would have the biggest impact?

What UKSPF interventions would have the biggest impact on addressing these opportunities and issues. Where is the case strongest for collaboration at a cross-lead authority or regional level?

What could we do differently, what has worked in the past and what hasn't worked? Based on your experience, are there any other issues or comments that you think should be considered?
