

EVALUATIVE LEARNINGS FROM THE NORTH EAST STRATEGIC ECONOMIC PLAN

A Report to the North East Local Enterprise Partnership

Final Report

March 2024

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EXECUTIVE SUMMARY

Introduction

In 2023, the North East Local Enterprise Partnership (North East LEP) commissioned RSM to examine how the North East's Strategic Economic Plan (SEP) was delivered between 2014 to 2024. As the North East LEP will be one of five regional organisations that will come together to form a new North East Combined Authority (NECA) in May 2024, it is important to reflect on, capture and consider the North East LEP's journey and how key lessons can be taken forward in the new operating context. The conclusions and recommendations of this study will be used to inform the transition to NECA and will be used alongside the wider evidence base drawn upon by this report to inform the value of regional policy making and delivery more broadly.

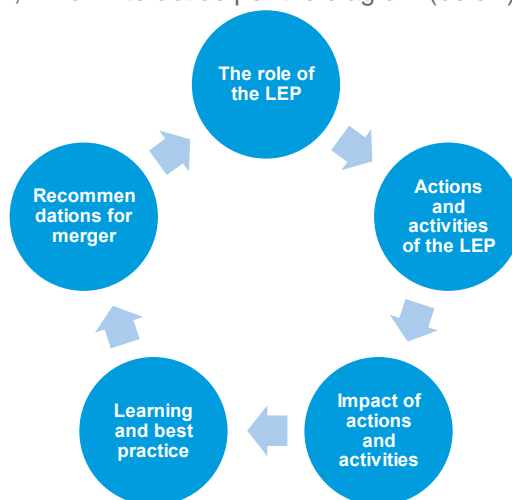
Overview of the study

The overarching ambition of this research is to identify good practice and lessons learnt from the process of policy and programme design and delivery in the North East over the last 10 years, and to assess the strategic added value that the North East LEP brought to regional economy. During the scoping of this work, the study team developed three high-level overarching research questions to guide the process, namely:

1. What is the value added of the North East LEP to the regional economy?
2. Which areas of North East LEP delivery have been most effective/impactful?
 - a. What makes these areas effective/impactful?
3. What lessons have been learnt through delivery?
 - a. Which areas of practice should be maintained through the transition?
 - b. How would these areas transfer and be retained within the new NECA structure?

The research collected evidence through primary consultation with regional stakeholders, and a meta-evaluation of independent evaluative evidence commissioned by the North East LEP.¹ To best shape the research, this process was undertaken in two parts, the first to develop a broad set of themes through scoping consultation and document review. These themes were subsequently short listed into four areas of exploration, which interact as per the diagram (below):

1. **The Role of the LEP:** a deep dive into the ways in which the North East LEP has promoted economic development, and specifically its role in designing and delivering the SEP. This focuses on assessing how the North East LEP has fulfilled its mission, what worked well or less well, and what lessons can be learned from observed modes of working.
2. **Capacity and capability:** a review of the North East LEP's ability to use its capacity to achieve SEP objectives (and undertake other appropriate activities), considering resources, infrastructures, stakeholder engagement, working practices.



¹ See repository here: <https://evidencehub.northeastlep.co.uk/evidence-by-theme/evaluation>

3. **Evidence and insights:** assessment of the North East LEP's use of evidence and insights, including data and evaluation, to drive design and delivery of the SEP.
4. **Partnership working:** review of the North East LEP's approach to developing and implementing partnerships, its role in coordinating activities and efforts across stakeholders, including strategic and delivery partners, to achieve the outcomes of the SEP.

In order to reach an overall view of what has worked well and how observable practice has supported success, the research focused on both process and impact aspects of the North East LEP's work. To best identify, calibrate, and judge the good practice identified through consultation and meta-evaluation, the study team developed a conceptual framework based on academic and grey literature. This provided a sound grounding to compare the empirical practice of what the North East LEP has done 'in the real world' to the 'ideal case' (i.e., the optimum version as described in literature). The conceptual framework sets out nine key concept variables deemed important to developing effective, differentiated regional policy. These are summarised with definitions and the ideal case for each, below.

Concept	Definitions from literature	Ideal case from literature
Leadership Capacity / Capability and Style / Approach	<i>Leadership</i> refers to the ability to guide, influence, and inspire others. Leadership style/approach can vary (e.g., visionary, collaborative, adaptive).	Strong, adaptable leaders who inspire trust, consensus, and action.
Capacity and Capability	<i>Capacity</i> relates to gathering, processing, and interpreting data and information to inform policy decisions. <i>Capability</i> refers to having the necessary skills and resources for analysis.	Robust processes that support evidence-based policymaking; appropriately skilled staff to undertake work.
Appropriate Legitimacy (Input and Output)	<i>Legitimacy in input</i> (participation) and <i>output</i> (effectiveness) refers to stakeholders' perception of the validity and acceptability of LEP actions and outcomes.	High levels of input legitimacy with broad stakeholder involvement and output legitimacy demonstrated through effective policies and measurable impacts.
Organisational Role(s) within	The role played by LEPs within the multi-level governance system (e.g., owner, co-owner,	Clearly defined roles that align with local/regional objectives and

Concept	Definitions from literature	Ideal case from literature
Multi-Level Governance	broker-facilitator) in connecting local priorities with national resources.	national expectations.
Codification / Clarity of Partnership Working	The clarity and transparency of LEP's partnership and network working practices, including the establishment of key relationships and structures.	Well-documented and transparent processes that facilitate effective collaboration and communication.
Good Governance Principles	Adherence to good governance principles, including responsiveness, efficiency, openness, transparency, innovativeness, sustainability, sound management, and accountability.	LEP operations are characterised by these principles, fostering trust and effectiveness.
Organisational Culture and Processes	The internal culture and processes within LEPs, reflecting values, attitudes forward change, flexibility, entrepreneurialism, outcomes orientation, efficiency, and productivity.	A culture values adaptability, efficiency, and innovation, promoting effective policymaking.
Modes of Contribution to the Complex Policy Mix	LEP's contributions to the diverse policy mix for local economic development in multi-level governance, including the design of complementary policies and beneficiary support.	LEPs actively contribute to a well-coordinated policy mix that addresses local needs and leverages available resources.
Effectiveness of Delivery	The extent to which governance actors, including LEPs, shape policy delivery and achieve appropriate results as per design rationales.	Successful policy implementation, achieving intended outcomes and benefits for the community.

The North East LEP

The North East LEP was the primary body for local economic development policy across seven local authority areas in the North East of England (County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside, and Sunderland).²

In line with other LEPs across England, the role and remit of the North East LEP grew substantially, taking on the broad policy portfolio of the preceding regional development agency, comprising: i) economic development and regeneration, ii) support for business competitiveness and investment, iii) supporting and promoting employment, iv) supporting skills development and employability, and v) supporting sustainable development.³

The work of the North East LEP has been underpinned by a set of core values and working practices (right)⁴ that informed approaches and modes of operation. These were intended to foster consistency across the North East LEP's broad remit and have been examined as a 'cross-cutting' theme throughout the consultation.

Think bigger

A commitment to scaling and continual improvement in working practices.

Do the right thing

A commitment to making decisions based on evidence and data, and backed by a commitment to accountability.

Better together

A commitment to developing trusted, collaborative partnerships across internal and external parties, and at the local and national levels.

Make a difference

A commitment to working with passion and commitment to delivering effective outcomes.

Headline findings

This research has distilled a number of headlines against each area of exploration, which are summarised below. It is important to note that all areas are supported by the cross-cutting values cited above. Consultation data and independent evaluations support the view that success has been underpinned by the ways in which the North East LEP has worked, which in turn is guided by the organisation's values.

The role of the North East LEP

The examination of the role of the North East LEP in this research covers i) leadership style/capacity and capability, ii) the value-added of the North East LEP, and iii) approaches to coordinating and undertaking network governance. Overall, the feedback on the North East LEP's leadership was positive, with consultees observing that there has been a consistent overall strategic vision for the region set by the complementary combination of the Chief Executive and main board Chair. The North East LEP was also praised as fostering a culture of transparency and accountability while providing steady leadership. In addition to providing a clear and

²See: <https://www.northeastlep.co.uk/about-us/>

³ For more information on the North East LEP and its role, see here: <https://www.northeastlep.co.uk/about-us/>. For more information about the SEP, see here: <https://evidencehub.northeastlep.co.uk/strategic-economic-plan>.

⁴ See: <https://www.northeastlep.co.uk/about/our-teams/programme-and-project-management/>

consistent economic vision, the added value of the North East LEP was classified as aiding the navigation of flux through the COVID-19 pandemic and EU transition and providing continuity and representation for the region (e.g., translating regional need into the national policy language to secure funding for strategic projects). The North East LEP also acts as an aggregator, co-owner, and broker-facilitator within the broader local policy ecosystem, and this is a key role in developing and delivering policy, supporting legitimacy and effectiveness.

Capacity and capability

Capacity and capability is an essential variable to the delivery of differentiated regional policy. The North East LEP was praised by consultees for its strong organisational team and board memberships that demonstrate extensive connections within the region and which foster strong ties with a broad range of organisations and businesses. Both consultation and other documentary evidence suggested that resourcing was largely appropriate, albeit with some fluctuation over the North East LEP's years of operation. Evaluations of policy and programme delivery often noted that greater resourcing could allow the North East LEP to deliver further benefit. The capacity developed by the North East LEP was thought to support the commitment to transparency and accountability, via reporting, outcome tracking mechanisms, and other tools (including the data and evidence infrastructure). The capacity and capability of the North East LEP also appears to support the North East LEP's reflexivity, i.e., undertaking frequent communication with stakeholders (internally and externally), part of which is developing and delivering policy and programmes, and part of which is securing additional expertise. Consultation undertaken for this research also highlighted the extent to which capacity and capability supported agility and the ability to pivot where needed in response to external developments. This includes a proactive approach to identifying and considering diverse funding streams in light of EU transition.

Evidence and insights

Evidence and insights refers to the role of data and research in how the North East LEP has shaped economic policies in the region, and how data was identified and integrated to inform decision-making. Consultation undertaken for this research highlighted the consistent use of evidence, supported by the creation and maintenance of the Evidence Hub. This was regarded unanimously as a success of North East LEP delivery, and as a reliable source of data, drawing together national and regional data (secondary and primary) that was supported by proactive and adaptable data collection. The Evidence Hub was described as facilitating comparability in analysis and transparency and accountability in decision making. Consultation also highlighted how the North East LEP had fostered a culture of evidence among stakeholders and partners, with evidence and data at the forefront of policy and decision-making and playing a critical role in justifying investments, attracting funding, and ensuring projects were strategically aligned. North East LEP communications were also praised, including the Our Economy conferences and commitment to publishing evaluative findings. The sum of these factors was felt by stakeholders to exemplify the North East LEP's commitment to continual improvement, as enshrined in its values.

Partnership working

Partnership working is explored in relation to the North East LEP's approach to coordinating activities and efforts across stakeholders to design and deliver activities outlined in the SEP.

Consultation undertaken for this research was positive about the North East LEP's view of and approach to partnership working, which was described as key to ensuring that policies and programmes are well-oriented, scoped, and targeted. Consultees felt that the North East LEP had managed to find and connect to the 'right' people from businesses and other organisations, harnessing their input views and leveraging external expertise alongside in-house knowledge. The search for and engagement of external expertise was embedded in the North East LEP's core approach to communicating with stakeholders, from conferences and events to more bespoke arrangements such as the periodic refreshes of the SEP. The North East LEP's approach to partnership working has bolstered legitimacy and trust, reputational development, and has contributed to good governance practices such as transparency and accountability.

Key learnings

Independent evaluations of policies and programmes undertaken by the North East LEP have consistently highlighted effectiveness across a range of delivery areas, suggesting that the North East LEP has been able to oversee appropriate and impactful interventions for the region. Success has often been attributed to the scoping and targeting of the policies and programmes, knowledge of target audiences and beneficiary groups, and the approaches, working methods, and skills of the responsible teams. Where potential improvements are articulated, these have often related to increasing resourcing levels to allow for more expansive engagement, or simply allowing teams to 'do more', particularly under intensive delivery areas or models.

The key learning of the research is presented against each core research question, below.

What is the value added of the North East LEP to the regional economy?

Based on consultation and review of documentary evidence during this research, the value of the North East LEP over the period 2014-2024 can be characterised in three primary ways, each of which relate directly to chosen leadership approaches and organisational culture:

- **Fostering a culture of data and evidence-led decision making.** This is itself a two-part action comprising: i) creating and maintaining the evidence base for policy and programme development for the region, including the initial independent economic review, described in consultation as being a central to the North East LEP's ability to shape and orient policy and programmes; and ii) increasing data accessibility and appetite to use data among partners in the region through creating and maintaining primary and secondary datasets and leading by example.
- Facilitating the development and delivery of appropriate policy and programmes by **performing the role of 'honest broker' among regional stakeholders.** The North East LEP has been able to generate and maintain legitimacy through being openly data-led, developing a reputation as a neutral facilitator of policy decisions. This requires a combination of data infrastructure, organisational culture and processes, and sufficient capacity – as well as demonstrable adherence to good governance principles such as transparency. Each of these were highlighted in consultation for this research.
- Helping local actors to **navigate flux** (whether related to externalities such as the COVID-19 pandemic or EU transition, or elsewhere in the policy system). The North East LEP has been praised for the ways it worked across the multi-level governance system to articulate regional needs and priorities to national government (e.g., in developing responses to competitive

funding calls and devolution processes, also highlighted in the interim evaluation of the SEP). The evaluation of the Growth Hub also praised the ways in which the team worked to ease access to business support by undertaking individually focused outreach and curating a network of providers. Developing and maintaining strong strategic and delivery partnerships that are truly bilateral is key to both providing consistency and stewardship and working across levels of governance.

As discussed in relevant academic and grey literature, the viability of these approaches rests on developing supporting capacity, which the North East LEP appears to have managed despite some flux in budgets and staffing. Literature notes that these behaviours and practices can also be seen to be interlinked and mutually reinforcing, insofar as values and organisational culture can only be actualised through sufficient infrastructure (e.g., the Evidence Hub) and appropriate advocacy (e.g., clear communication as part of an inclusive approach to developing partnerships and working methods). These in turn support and are supported by the 'honest broker' role, which embeds and becomes legitimised over time, dependant on results.

Which areas of North East LEP delivery have been most effective / impactful? What makes these areas effective / impactful?

Based on the evidence reviewed and consultation undertaken for this piece of research, the North East LEP has been effective and impactful in a number of areas. This covers both design and delivery of policy and programmes, with consultees emphasising the role of the North East LEP in **setting (and maintaining) the strategic direction for the region**, and independent evaluations offering a uniformly **positive view of policy and programme results**. This positive assessment covers areas ranging from business support to entrepreneurship, innovation, skills development, and investments in economic development infrastructures. While the interim evaluation of the SEP highlighted progress against a number of key performance indicators and policy domains, particular examples of effectiveness derived from consultation include: the approach to engaging and supporting businesses in an individualised way, the COVID-19 response, and the Gatsby⁵ pilot having become a national standard.

The above examples demonstrate the **North East LEP's differentiated approach**, and the importance of using evidence in developing targeted interventions. The results of reviewing prior evaluation findings and undertaking primary consultation for this research highlighted that the North East LEP's **effectiveness is underpinned by its ability to scope and deliver appropriate interventions through use of evidence and capacity to mobilise the analysis**. The evaluation of the COVID-19 response and the evaluation of the Growth Hub activities also highlighted the importance of the North East LEP's agility and ability to innovate and pivot delivery to react to changing circumstances. Consultation emphasised the importance of the North East LEP's values and commitment to continual improvement to this, and its adherence to the good governance principle of responsiveness (itself also noted in the academic and grey literatures as underpinned by capacity).

A final area of effectiveness that is worthy of discussion in this section is the perception of the North East LEP as providing **steady leadership**. This relates to two main areas: i) the North East LEP's reputation for transparency and accountability, and ii) the above-discussed navigation of

⁵ See: <https://www.northeastambition.co.uk/education/primary-schools/benchmarks-pilot>

flux. As set out in chapter 5, consultees repeatedly praised the Chair of the main North East LEP board and the current Chief Executive, noting the complementarity of the pair and the importance of the consistency in setting direction and culture (including the transparency and accountability), and influencing ways of working (including the emphasis on harnessing the business voice). The North East LEP Chief Executive was also praised for providing a ‘calming’ influence during periods of uncertainty.

What lessons have been learnt through North East LEP delivery? Which areas of practice should be maintained through the transition? How would these areas transfer and be retained within the new NECA structure?

The last ten years of North East LEP delivery provides a number of important lessons for future activity through NECA.

The view of the North East LEP as an ‘honest broker’ that works across both the region (with partners) and the multi-level governance system (with government departments and agencies, and other policy bodies) highlights the importance of the organisation being able to act in an informed and neutral way. Based on consultation and independent evaluations, the North East LEP has succeeded in large part because of its knowledge of the local area in terms of needs and how this translates into a national policy language and context.

This has been facilitated by the robust evidence base that is also kept up to date through continual investment, which allows the North East LEP to appropriately scope and orient its interventions. The honest broker role is a key element of developing trust in the North East LEP’s role, and is supported by the evidence base and values of the organisation, socialised among partners. In line with this, the leadership of the North East LEP has provided a consistent vision, updating the SEP iteratively and ensuring consistency with other areas of policy and delivery.

Despite some fluctuation, the North East LEP has been appropriately resourced to deliver its programmes and interventions, though consultation and evaluations note that greater resourcing would have allowed increased outreach/engagement/scaling. This includes some areas that are resource intensive (e.g. the Growth Hub), and efforts to respond quickly to external shocks such as the pandemic.

The values of the North East LEP have been central to ensuring consistency of approach (e.g., across numerous North East LEP board Chairs) while also facilitating individuality to be expressed. Advocacy of data and evidence-led decision making (and routinely bringing partners into the process of development as equals) has engendered shared value of the use of evidence. Adherence to good governance principles has been supported by resourcing and capacity, but also speaks to the values of the organisation and how they are embedded across all staff. This has resulted in a consistency of approach and a shared approach and baseline competencies.

Forward-looking considerations for the transition to NECA

This research aimed to investigate the ways in which the North East LEP has operated, in particular investigating a number of key areas of practice that are deemed important in international literature focused on place-based economic development policy. The conceptual framework used in this research sets out the core principles to the successful design and delivery

of local economic development policy and programmes and should be considered when planning and executing the merger into NECA.

The evidence collected via consultation and document review reflects well on the ways in which the North East LEP acted on a number of these core concepts. This research has shown that the leadership of the North East LEP is well-regarded across stakeholders and partners and operates with sufficient capacity to design and deliver effective policy. The role(s) played by the North East LEP's leadership, and the commitment to evidence-based policymaking, have also been important foundations for developing legitimacy and trust in the region, which has underpinned the North East LEP's ability to deliver. The North East LEP's leadership also set a culture of openness, transparency and 'expertise without ego', which has subsequently led to strong adherence to good governance principles. The North East LEP has developed strong and effective partnerships via a commitment to seeking out appropriate expertise and input where this does not exist in house, bolstered via clarity over roles and responsibilities and two-way accountability and communication. The below table summarises the key insights as set out in chapter 5 against each variable of the conceptual framework.

Concept	Ideal case from literature	Empirical insights from practice
Leadership Capacity / Capability and Style / Approach	Strong, adaptable leaders who inspire trust, consensus, and action.	Leadership was well-regarded in consultation and was specifically praised for setting and maintaining a consistent vision for the region, and for fostering a culture of transparency and accountability. The North East LEP performed several types of leadership role based on need (owner, co-owner, broker/facilitator).
Capacity and Capability	Robust processes that support evidence-based policymaking.	The North East LEP has followed a principle of evidence-based policy making, using collated data and evidence (including evaluations) to inform and support decisions. The impact of this is two-fold: informed orientation of interventions, and a growing culture of evidence-led decisions across partners. The Evidence Hub is a significant factor in this capacity and capability.
Appropriate Legitimacy (Input and Output)	High levels of input legitimacy with broad stakeholder involvement and output legitimacy demonstrated through effective policies and measurable impacts.	Consultees praised the ways in which the North East LEP sought and mobilised input from partners on design and delivery, suggesting a high degree of input legitimacy. The effectiveness of policies and programmes as established by independent evaluations suggests high degree of output legitimacy. The Evidence Hub, and the approach to bilateral communications are both significant factors in generating legitimacy.

Concept	Ideal case from literature	Empirical insights from practice
Organisational Role(s) within Multi-Level Governance	Clearly defined roles that align with local/regional objectives and national expectations.	The North East LEP was praised in consultation for its ability to interface with local partners (horizontally) and with national government departments (vertically). Translating local needs into national priority areas was deemed important to the success of the North East LEP in securing government backing (i.e., on devolution, competitive funding, and other settlements).
Codification / Clarity of Partnership Working	Well-documented and transparent processes that facilitate effective collaboration and communication.	Consultation highlighted the ways in which the North East LEP works with partners, including setting out key parameters for roles and responsibilities (such as input to SEP refresh, and/or delivery responsibility).
Good Governance Principles	LEP operations are characterised by these principles, fostering trust and effectiveness.	Consultees were very positive about the ways in which the North East LEP demonstrated good governance principles in their actions. In particular, the North East LEP leadership was praised for its transparency and accountability, and the organisation was praised for its agility and ability to pivot where and when required (e.g., COVID, EU transition).
Organisational Culture and Processes	A culture values adaptability, efficiency, and innovation, promoting effective policymaking.	The culture of the North East LEP has been an important tone setter for what has been observed by evaluations and the consultation undertaken for this research. Transparency, accountability, and agility are noted above, and in addition, consultees highlighted the ambition of the North East LEP, the commitment to continual improvement, and the nature of engagement with partners and experts.
Modes of Contribution to the Complex Policy Mix	LEPs actively contribute to a well-coordinated policy mix that addresses local needs and leverages available resources.	The North East LEP and its teams have been key drivers of effective policy and programmes for the region, part of which is working horizontally (with regional partners) and vertically (with nation government). Consultees praised the North East LEP leadership's ability to navigate policy flux in the broader system, and to 'translate' local requirements into the national context as part of its advocacy. The evaluation of the Growth Hub and its programmes also found that the team had helped to 'smooth' navigation of business support

Concept	Ideal case from literature	Empirical insights from practice
		for the region's firms, piecing together local, national, public, and private provision.
Effectiveness of Delivery	Successful policy implementation, achieving intended outcomes and benefits for the community.	The evaluations and evidence reviewed for this research each suggest that the North East LEP deliver effective policy and programmes, underpinned by clear scoping and appropriate skills. The culture and working practices of the North East LEP have been important in supporting effectiveness.


Recommendations for NECA

Set out below are several key recommendations for the NECA transition that have emerged from the research findings above. These are practical suggestions informed by the study, which are designed to facilitate discussion of the potential direction of future initiatives in the region:

1. Maintain the North East Evidence Hub and commitment to data-led decision making, which incorporates reflection on delivery and results (i.e., evaluation practice) within the new combined authority.
2. Ensure that there are meaningful opportunities for co-created strategy development and programme delivery in the new governance structure and operating model. It is important to continue operating in appropriate ways dependant on needs and requirements (e.g., maintaining the ability to act as an 'honest broker' where necessary).
3. Ensure that partnerships and networks continue to be nurtured, developed and leveraged, by communicating and engaging with them effectively. Impartial input and challenge has been recognised as a strength of the North East LEP's work, as was the importance of the voice of business. In addition, the North East LEP developed a strong sense of where expertise could be accessed, and used this effectively in the design and delivery of policies and programmes. It is important to acknowledge that the region and its people are important assets, and have demonstrated an appetite to be involved in governance.
4. The North East LEP is an established organisation, and is recognised and respected across multiple roles. The knowledge, expertise, and innovative thinking of the North East LEP and its staff should be used to help shape the new organisation.

Wider reflections for regional economic policy development

Key for local and regional economic development is ensuring that policy is appropriately differentiated, scoped, and targeted. This requires sound evidence and appropriate capacity to implement and manage policy design and delivery, as well as ensuring that partnerships are clearly defined. These are all explored within this research in the context of the North East LEP and should be preserved in the design of NECA as per the recommendations above.



Broader literature also stresses the importance of a 'good fit' between institutional design (e.g., roles, values, drivers) and policy objectives, and a mechanism to maintain relevance (e.g., reviewing and adapting alignment over time). This is often a challenge in the transition of governance arrangements, though the design of NECA provides a good opportunity to enact this practice.

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made.

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1. INTRODUCTION

1.1 Background and context

This research was commissioned by the North East Local Enterprise Partnership (North East LEP) as an exploratory piece of work to examine how the North East LEP has delivered the Strategic Economic Plan (SEP). The report is specifically aimed at identifying good practice and lessons learnt from the process of policy and programme design and delivery, and the added value that the North East LEP has brought to the regional economy.⁶ The research draws on primary consultation with regional stakeholders, and a meta-evaluation of independent evaluative evidence, including that hosted on the North East Evidence Hub as well as internal facing documents. These sources are brought together to distil findings on the effectiveness of the SEP delivery and strategic role of the North East LEP that can be used to inform the creation of the new North East Combined Authority (NECA) which the North East LEP will merge into along with four other regional organisations in May 2024.

1.2 Scope and objectives of the study

This report presents the results of research examining what has worked well and what has worked less well in the delivery of the North East SEP over the period since 2014. The report aims to establish how the ways in which the North East LEP works has delivered success, or otherwise facilitated observable results. The work is divided into four 'areas of exploration' (AoE) agreed following an initial scoping stage: i) the role of the North East LEP; ii) capacity and capability; iii) evidence and insights; and iv) partnership working. These areas of exploration are examined via a combination of desk research (a review or 'meta evaluation' of evidence on the North East LEP's programmes of delivery), consultation with over 30 individuals from the public and private sectors and academia, and a review of literature to identify good practice. The report aims to add to the North East evidence base as well as contributing to the national evidence base around the role and contribution of LEPs, in turn setting a pathway for transition to the new Mayoral Combined Authority (MCA). This will ideally support the smooth establishment of the new MCA that can build on the successes of the North East LEP and SEP while retaining effective working practices and institutions. As such, the work focuses on both process and impact, crucially taking a view on how this has been achieved. To support this examination, the study team developed a conceptual framework that sets out nine variables deemed important to developing effective, differentiated regional policy. The conceptual framework is used as a way to calibrate good practice examples identified through bottom-up consultation (i.e., in order to make normative assessments of empirical practice).

The table overleaf shows how the research was broken down across the two phases of research, the initial scoping phase, and the second more detailed round of consultation. More detail on the phases of work can be found in section 2.3.

⁶ Comprising: County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside, and Sunderland

Research item	Phase 1	Phase 2
Scoping interviews	✓	
Rapid evidence review	✓	
Production of the conceptual framework	✓	
Agreement of the areas of exploration	✓	
Methods review for phase 2	✓	
In-depth stakeholder consultation		✓
Analysis of findings against the conceptual framework		✓
Analysis of findings by area of exploration		✓
Completion of final report		✓

1.3 Structure of the report

The remainder of this report is structured as follows:

- **Chapter 2** provides a brief overview of the methodology of this work, and a summary of fieldwork undertaken.
- **Chapter 3** presents overarching contextual information to situate the study.
- **Chapter 4** presents a summary of the conceptual framework and how the nine variables are applied in the context of the North East LEP.
- **Chapter 5** presents the key findings from the fieldwork, presented by the four areas of exploration and thematically grouped in line with the conceptual framework.
- **Chapter 6** presents a synthesis and discussion, comparing and contrasting the 'ideal case' from the conceptual framework with what is empirically observed, structured around overarching research questions. This chapter concludes with a set of recommendations for the transition
- A series of **appendices** present supporting materials and references.

2. METHODOLOGY

2.1 Overview of the study

This study is a ‘meta evaluation’,⁷ reviewing the practice and actions of the North East LEP in delivering success for the North East. Whilst this work is not a full impact evaluation of the SEP, it builds upon existing independent evaluation work such as the interim SEP evaluation and programme/activity-level evaluations, which include internal facing documents as well as evaluations made available via the North East LEP’s Evidence Hub.

As part of this research, RSM undertook primary data collection e.g. consultation with appropriate regional stakeholders, maximising their participation across scoping and investigation phases (including representatives of beneficiaries as suitable). This required carefully selected data collection and analytical methods against common areas of implementation (i.e., desk review/rapid evidence assessment, consultation with stakeholders, and a theory-based method to assess observable change and the underpinning enablers/mitigators). The study team developed three high-level overarching research questions to guide the study:

1. What is the value added of the North East LEP to the regional economy?
2. Which areas of North East LEP delivery have been most effective / impactful?
 - What makes these areas effective / impactful?
3. What lessons have been learnt through delivery?
 - Which areas of practice should be maintained through the transition?
 - How would these areas transfer and be retained within the new NECA structure?

Research was undertaken over two phases and anchored in i) a conceptual framework constructed through literature of good practice key variables and, ii) a theory of change (ToC), provided in Appendix 4. This provided a sound grounding for identifying, calibrating, and judging good practice in the delivery of the SEP (and what has worked less well) and ample avenues for testing the effectiveness of the SEP and broader work of the North East LEP. Theory-based approaches are particularly useful in studies that aim to aggregate and critique of multiple sources of evidence (primary and secondary), with a view to finding out what work, for whom, and how/why. In addition, theory-based methods are ideal for examining change (outcomes and impacts) and the reasons for change in areas of complex attribution, such as in the multi-level and multi-actor space in which LEPs operate. Finally, bringing good practice from academic study, this work was approached with a critical realist lens. This is particularly important when examining both observable, objective events (what happened and when) in conjunction with stakeholder perceptions (what happened and why).

2.2 Areas of exploration and key concepts

As outlined above, following Phase 1 of the research, the North East LEP and RSM agreed on four areas of exploration to form the basis of Phase 2 research. These areas were agreed upon following the findings of the Phase 1 scoping interviews and reflect the key themes that emerged from the initial consultation. The four areas agreed upon are:

⁷ The study team undertook a review of published evaluations of North East LEP interventions rather than focusing specifically on programme-level activity for this piece of work via analysing programme data and/or consulting directly with beneficiaries of individual programmes.


- **The role of the North East LEP:** a deep dive into the ways in which the North East LEP has promoted economic development, and specifically its role in designing and delivering the SEP. This focuses on assessing how the North East LEP has fulfilled its mission, what worked well or less well, and what lessons can be learned from observed modes of working.
- **Capacity and capability:** a deep dive into North East LEP's ability to use its capacity to achieve SEP objectives (and undertake other appropriate activities), considering resources, infrastructures, stakeholder engagement, working practices.
- **Evidence and insights:** a deep dive into the North East LEP's use of evidence and insights, including data and evaluation, to drive design and delivery of the SEP.
- **Partnership working:** a deep dive into the North East LEP's approach to developing and implementing partnerships, its role in coordinating activities and efforts across stakeholders, including strategic and delivery partners, to achieve the outcomes of the SEP.

The four AoEs are linked and share overlapping themes, but each stands alone as a specific theme that emerged strongly from the first round of consultation. Within these individual AoEs, the research has attempted to capture the cross-cutting enablers of organisational values, culture, and vision, and the role of the North East LEP in capturing and mobilising the voice of business regionally. The nine underpinning concepts run throughout all four AoEs, and the table below demonstrates how the underpinning concepts (derived and developed through a literature review, see Appendix 1) link to each AoE.

Underpinning Concepts	Role of the North East LEP	Capacity and Capability	Evidence and Insights	Partnership Working
Leadership capacity/capability and style/approach	✓	✓		
Capacity and capability		✓	✓	✓
Appropriate legitimacy	✓		✓	✓
Organisational roles in multi-level / multi-actor governance	✓		✓	
Codification/clarity of partnership working	✓	✓		✓
Good governance principles	✓	✓		✓
Organisational culture and processes	✓	✓		✓
Modes of contribution to the complex policy mix			✓	✓
Effectiveness of delivery		✓	✓	

2.3 Data collection and analysis

This research has been conducted using a mix of published materials and stakeholder consultation with fieldwork broken down into two phases. The first phase consisted of scoping interviews with key stakeholders involved in the delivery of the SEP, as well as a rapid evidence review into published research, material and data, and presentations to the North East LEP board which culminated in the production the Conceptual Framework and the agreement on the AoE to



be researched in the second phase of research. A methods review was also undertaken to assess HM Treasury Magenta Book methodologies and determine which were most appropriate for the next phase of research.

The second phase consisted of a more detailed round of consultation, with 34 stakeholders engaged with from both inside and outside the North East LEP, including industry and institutional partners.

This analysis has not, nor has it sought to, conduct an independent competence assessment or other independent in-depth analysis. It purely reports the findings from semi-structured consultations (see topic guide in Appendix 3), and all reported findings are the consensus or majority opinion of consultees and are not opinions held by RSM UK or the North East LEP itself. Findings reported are at the consensus or majority agreement level, rather than reported by the number of consultees to agree or disagree, to avoid identifying individual consultees. The findings are then nuanced by specific insights gleaned from follow-on questions directed at consultees upon raising a particular point.

3. CONTEXTUALISING THE STUDY

3.1 Unit of analysis

3.1.1 Historical context of the LEP

In the broader landscape of economic development in the UK, the emergence of LEPs marked a significant shift from the previous years in which RDAs were the main sub-nation economic governance bodies. This transition, prompted by the government's localism agenda, aimed to further decentralise economic decision-making and empower regional entities. The North East LEP was established in 2011 and consciously evolved over its years of operation.

The North East LEP was the primary body for economic development policy across seven local authority areas in the North East of England (County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside, and Sunderland). In line with other LEPs across England, the role and remit of the North East LEP grew substantially, taking on the broad policy portfolio of the preceding Regional Development Agencies (RDAs), comprising: i) economic development and regeneration, ii) support for business competitiveness and investment, iii) supporting and promoting employment, iv) supporting skills development and employability, and v) supporting sustainable development.

3.1.2 Role of the North East LEP

The North East LEP has performed a role as a broker between regional needs and national priorities by working in the multi-level governance system in the development of policy and strategy, and the maintenance of a regional evidence base. It has worked both horizontally and vertically. Horizontal integration has been a key strategy, exemplified by the North East LEP's work to lead and coordinate local and regional consortia across themes, and more broadly working across the Northern Powerhouse and other peer groups. The North East LEP has engaged in vertical participation by collaborating with national government, developing joint priorities and advocating for strategic investments, including the devolution agenda. The North East LEP works to develop a coherent and targeted policy agenda, driven by a robust evidence base and culture of data-led decision making. This approach is based on a leadership approach of developing a long-term vision based on analysis and consensus-building among stakeholders and partners.

The North East LEP had responsibility for submitting proposals and overseeing funding allocations, awarded through Local Growth Deals, plus coordinated other competitive programme funding bids from the region to government including Regional Growth Fund, Growing Places, Getting Building Fund and Skills Bootcamps. The North East LEP has also acted as a delivery body for a number of initiatives, and provided a supportive strategic role for European Structural and Investment Funds 2014-2020 programme. All programmes directly managed by the North East LEP were delivered in accordance with its Assurance Framework that complied with the national assurance framework (Department for Communities and Local Government, 2016).

3.1.3 Overview of the North East SEP

The North East SEP, introduced in 2014 builds upon the North East Independent Economic Review (NIER) and insights and expertise from diverse stakeholders across the region. It serves as a comprehensive framework that guides the regional economic development initiatives. The SEP has evolved and been updated over a ten-year period as the economy and environment in

which it operates have changed and the regional economic base has developed. The SEP was structured to identify and capitalise on economic growth and productivity opportunities with strategic emphasis on business growth, innovation, transport, skills development, and significant regional infrastructure investment to drive economic growth. Another key focus of the SEP was the diversification of the regional economy. By prioritising sectors in which the region had existing strengths in such as technology, energy, health and life sciences, and advanced manufacturing, the plan aimed to build resilience and reduce dependence on older traditional, but declining, industries. Beyond economic considerations, the SEP focuses on a holistic transformation of the North East region through initiatives to enhance societal progress and inclusion, recognising the interconnectedness of the economic prosperity with the well-being of towns, cities, and rural areas.

3.1.4 Portfolio of the North East LEP

Across a broad range of strategic development, facilitation and brokerage, and direct and co-owned delivery, the portfolio of the North East LEP comprises the following:

Area of delivery	Themes, sectors, and services
Areas of strategic importance	<ul style="list-style-type: none"> • Advanced manufacturing • Health and life sciences • Energy • Digital Tech • Business services
Enabling services	<ul style="list-style-type: none"> • Education • Transport and logistics • Construction
Programmes of delivery	<ul style="list-style-type: none"> • Business growth • Innovation • Skills, employment, inclusion and progression • Transport connectivity • Investment and infrastructure
Cross cutting themes	<ul style="list-style-type: none"> • Decarbonisation and the drive to net zero • Digital transformation

Source: North East Strategic Economic Plan Executive Summary (2022)

As a meta evaluation, this research has not been able to examine all areas of delivery within this broad and complex portfolio of activities. However, examples have been drawn from consultation of where particular good practice or challenges exist. These are highlighted in the narrative of each area of examination, though an absence of reference to some areas does not suggest a negative assessment or lack of evidence.

The work of the North East LEP is underpinned by a set of core values and working practices that inform approaches and modes of operating. These are codified as follows:⁸

- 'Think Bigger': A commitment to scaling and continual improvement in working practices.
- 'Better Together': A commitment to developing trusted, collaborative partnerships across internal and external parties, and at the local and national levels.
- 'Do the Right Thing': A commitment to making decisions based on evidence and data, and backed by a commitment to accountability.
- 'Make a Difference': A commitment to working with passion and commitment to delivering effective outcomes.

These values are intended to foster consistency of approach across the broad remit of the North East LEP. As such, these are examined as a 'cross-cutting' theme, and examined as potential underpinning factors for a number of key concepts/behaviours, and for empirically observed phenomena. This was tested via consultation, and were found to have contributed to results within a particular area of exploration, this is highlighted in the narrative.

3.1.5 Transition to North East Mayoral Combined Authority

The intention to transfer the functions of LEPs to combined authorities and local authorities was announced in the 2023 Spring Budget.⁹ In practice, the transition meant that the government funding, excluding funding for delivery from DfE, BEIS and DLUCH, to LEPs would cease, and the broad remit of LEPs would be absorbed by these other organisations. This represents a similar change in the institutional fabric of local economic development policy as was observed between 2011-2014, as the RDAs were closed and replaced by LEPs. The prior transition presented challenges related to loss of institutional memory and remit confusion (Bentley, 2010), and this resulted in a degree of institutional lag and unevenness of capability (National Audit Office, 2016). As the North East LEP was already on the devolution pathway, the current transition is perhaps less fundamental, though similar challenges may be observed. For other LEPs not on the devolution pathway, these challenges remain. As such, this research takes the basis of underpinning concepts and variables from the literatures on governance transition and governance of public policy in order to identify what factors may be important to support a successful transition.

⁸ See: <https://www.northeastlep.co.uk/about/our-teams/senior-management-team/>

⁹ See: https://assets.publishing.service.gov.uk/media/64cbd391995827000dc1e8c1/Transfer_of_LEP_core_functions_-_LEP_chairs_mayors_and_LA_leaders.pdf

4. CONCEPTUAL FRAMEWORK SUMMARY

4.1 Overview of the conceptual framework

This conceptual framework has been developed via an academic literature review to identify the core principles that underpin North East LEP policy design and delivery. This builds on earlier research,¹⁰ expanding the scope of the research to include additional areas as agreed with the North East LEP.

The main aim of the conceptual framework is to identify and articulate an 'idealised' view of key areas of good practice in delivering effective, differentiated policy and programmes for local economic development. This provides a way for this study to make a normative assessment of what has worked and why in the North East LEP's delivery of the SEP (i.e., how the delivery of the SEP and broader work of the North East LEP has adhered to good practice). This goes beyond what has happened and provides greater explanatory power for why results are observed, while also providing a baseline that is more powerful than a small selection of comparator benchmarks.

The second aim of the conceptual framework is the development of a series of core research questions explored through consultation and desk research in the four agreed areas of examination. To develop the research questions, we take what is known about prior UK governance transitions (i.e., from Regional Development Agencies to Local Enterprise Partnerships) and design/delivery of differentiated policy and extract the key concepts and particular explanatory models that have been developed and presented by authors. This broader examination of literature is of significant importance to grounding the work, though not all areas of literature are relevant to the four areas of examination.

4.2 Explanation of conceptual framework variables

The 50+ academic and grey literature papers reviewed for this study suggests that the following concepts (or 'variables') are core to the successful design and delivery of effective and differentiated local economic development policy and programmes, and will be explored in more detail in this document:

- Leadership capacity/capability, and style/approach
- Capacity and capability
- Appropriate legitimacy in terms of input legitimacy
- Organisational role(s) within multi-level governance
- Codification/clarity of partnership working
- Good governance principles
- Organisational culture and processes
- Modes of contribution to the complex policy mix
- Effectiveness of delivery.

The ways in which these concepts are expected to apply to the North East LEP are set out in the summary table overleaf.

¹⁰ Wain, 2021

Concept	Definitions from literature	Ideal case from literature
Leadership Capacity / Capability and Style / Approach	<i>Leadership</i> refers to the ability to guide, influence, and inspire others. Leadership style/approach can vary (e.g., visionary, collaborative, adaptive).	Strong, adaptable leaders who inspire trust, consensus, and action.
Capacity and Capability	<i>Capacity</i> relates to gathering, processing, and interpreting data and information to inform policy decisions. <i>Capability</i> refers to having the necessary skills and resources for analysis.	Robust processes that support evidence-based policymaking; appropriately skilled staff to undertake work.
Appropriate Legitimacy (Input and Output)	<i>Legitimacy in input</i> (participation) and <i>output</i> (effectiveness) refers to stakeholders' perception of the validity and acceptability of LEP actions and outcomes.	High levels of input legitimacy with broad stakeholder involvement and output legitimacy demonstrated through effective policies and measurable impacts.
Organisational Role(s) within Multi-Level Governance	The role played by LEP within the multi-level governance system (e.g., owner, co-owner, broker-facilitator) in connecting local priorities with national resources.	Clearly defined roles that align with local/regional objectives and national expectations.
Codification / Clarity of Partnership Working	The clarity and transparency of LEP's partnership and network working practices, including the establishment of key relationships and structures.	Well-documented and transparent processes that facilitate effective collaboration and communication.
Good Governance Principles	Adherence to good governance principles, including responsiveness, efficiency, openness, transparency, innovativeness, sustainability, sound management, and accountability.	North East LEP operations are characterised by these principles, fostering trust and effectiveness.
Organisational Culture and Processes	The internal culture and processes within LEPs, reflecting values, attitudes forward change, flexibility, entrepreneurialism, outcomes orientation, efficiency, and productivity.	A culture values adaptability, efficiency, and innovation, promoting effective policymaking.
Modes of Contribution to the Complex Policy Mix	LEP's contributions to the diverse policy mix for local economic development in multi-level governance, including the design of complementary policies and beneficiary support.	LEPs actively contribute to a well-coordinated policy mix that addresses local needs and leverages available resources.
Effectiveness of Delivery	The extent to which governance actors, including LEPs, shape policy delivery and achieve appropriate results as per design rationales.	Successful policy implementation, achieving intended outcomes and benefits for the community.

Source: RSM, based on literature

5. FINDINGS AND ANALYSIS

5.1 Areas of exploration

As outlined in Chapter 2, the North East LEP and RSM agreed on four AoE to form the basis of Phase 2 research, reflecting the key themes that emerged from the initial consultation. The four AoE are:

- The role of the North East LEP.
- Capacity and capability.
- Evidence and insights.
- Partnership working.

The following sections take each AoE in turn and explore the key findings from the consultation, and how they map against the Conceptual Framework. Key to note is that all areas are supported by the cross-cutting values of the North East LEP, as set out in the earlier chapters of this report. Consultation data and independent evaluations support the view that success has been underpinned by the ways in which the North East LEP has worked, which in turn is guided by the organisation's values.

5.2 The role of the North East LEP

As the key bodies responsible for economic development in the UK, examining the role played by LEPs is crucial to understanding how the design and delivery of differentiated economic policy has been affected by the ways in which LEPs work. This area of exploration involves a deep dive into the effectiveness of the North East LEP in promoting economic development, job creation, and innovation within the region, and specifically its role in delivering the SEP. Examining these areas helps to assess whether and how the North East LEP has fulfilled its mission, how it operated, what worked well or less well, and what lessons can be learned, and recommendations made ahead of the merger into the new Mayoral Combined Authority.

5.2.1 Leadership of the North East LEP

Introduction

Leadership has been selected as a critical variable because of the complexity of the North East LEP environment. The literature reviewed places leadership as crucial to underpinning the ability of organisations to navigate policy environments,¹¹ particularly in periods of change such as the devolution and earlier transition to LEPs. Literature also articulates leadership as crucial to developing governance organisational legitimacy,¹² both as figureheads for policy design and delivery, and as decision-makers.

Leadership style and approach

Consultation for this study was positive about the style and approach of the North East LEP leadership, which was described as the 'cornerstone' that shaped the trajectory of regional development in the North East. Consultees reported near-unanimously that the North East LEP's leadership played a key role in steering the development and implementation of the SEP,

¹¹ See for example Wain (2021), Bakir and Jarvis (2017), Beer et al (2019), Sotarauta et al (2017)

¹² Ibid.

resulting in success as set out in the interim evaluation.¹³ Stakeholders characterise the North East LEP leadership as ‘proactive’ in its commitment to developing appropriate, differentiated policy and programmes for the region, highlighting the North East LEP’s approach to coordinating, facilitating, and providing strategic direction for the SEP and supporting activities.

The North East LEP was also noted to have played a crucial role in targeted interventions, focusing on addressing regional challenges through initiatives and programmes. As an example, the North East Ambition programme was conceptualised to foster collaboration between businesses and educators, aiming to bridge the gap between the education system and the demands of the North East economy. By establishing a correlation between skills, workplace productivity, and career advancement, the programme strives to achieve inclusive growth, ultimately elevating wages and living standards. Furthermore, the North East LEP collaborates with employers across the region to tailor Skills Bootcamps to meet specific skill gaps in various sectors following evidenced requirements. These customised bootcamps not only strengthen training capacity and introduce new providers into the market but also facilitate the entry of more individuals into high-demand sectors. They provide valuable opportunities for individuals to undergo retraining, acquire new skills, and gain industry-relevant experience in areas such as green skills, advanced manufacturing, business, and people management.

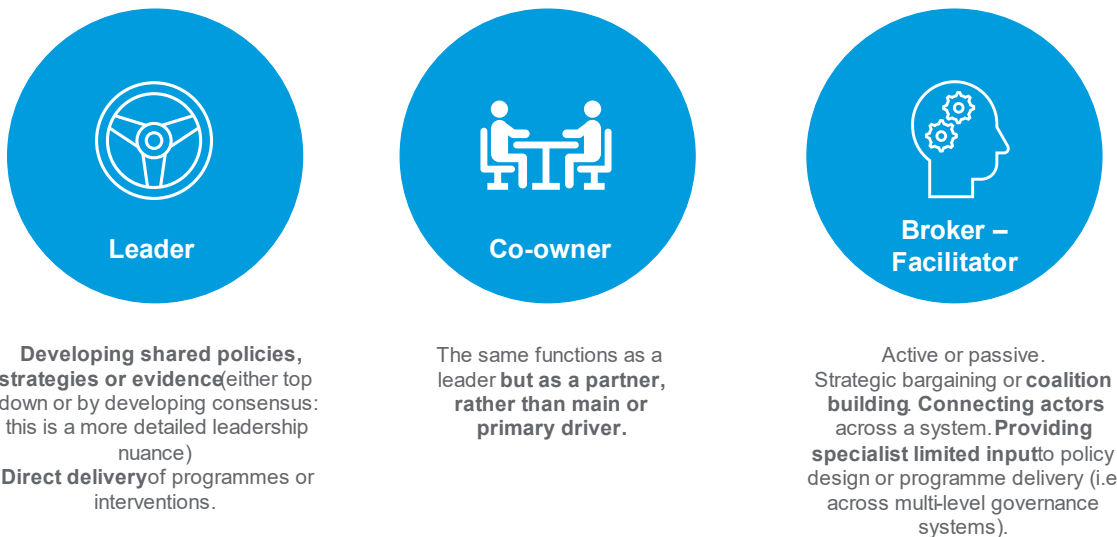
The North East LEP’s leadership style was characterised as ‘inclusive’ in its approach, ensuring that diverse voices were heard and considered in the decision-making process. Consultees described a deliberate effort to engage with a range of stakeholders, including local authorities, regional businesses, government bodies, community representatives, private, academic and voluntary, community and social enterprise (VCSE) sectors. This collaborative leadership style not only fostered a sense of shared ownership in the region’s economic development but also brought together varied expertise, contributing to well-informed strategies and initiatives. This was further evidenced by the evaluation of the Growth Hub, which praised the communication approach of the North East LEP in terms of outreach and in harnessing the voice of businesses in the ongoing development and delivery of the service offer.¹⁴

When asked to describe the type of role played by the North East LEP, consultees variously mentioned instances of leading, co-owning, and brokering/facilitating activity, dependant on the area and mix of partners/collaborators. These descriptions can be aligned with well-articulated typologies of policy intermediaries found in literature, as summarised by the diagram below.

¹³ Interim Evaluation of the North East Strategic Economic Plan (Steer-ED, 2021). See: <https://evidencehub.northeastlep.co.uk/report/interim-evaluation-of-the-north-east-strategic-economic-plan>. This is further substantiated by the other independent evaluations of North East LEP programmes and activities.

¹⁴ Overarching evaluation of the North East Growth Hub and associated programmes (Technopolis Group, 2022). See: <https://evidencehub.northeastlep.co.uk/overarching-evaluation-of-north-east-growth-hub-and-associated-programmes>

Figure 1: Policy intermediary functions



Source: RSM, based on Howells’s model of intermediary bodies (2006), and select typologies of governance intermediation functions (Inkinen and Suorsa, 2010; Nauwelaers, 2011; Smedlund, 2006).

Leadership capacity and capability

In addition to understanding the approach and style of leadership, it is essential to understand whether leadership exhibits sufficient capability and capacity. This relates to both adherence to ‘good governance’ principles and the framework conditions within organisations to undertake leadership. Consultees reflected positively on the Chairs of the main North East LEP board, noting in particular that each had been able to act with individuality while maintaining consistency or tone and purpose. Consultees also reflected positively on the current North East LEP Chief Executive, describing the current Chair and Chief Executive as a ‘robust 1a/1b’ approach. The Chief Executive was particularly praised for exhibiting sound management, fostering a culture of transparency and accountability, while offering a calming presence where challenges emerged.

The North East LEP board was described as an important structure, playing a significant role in the successful implementation of the SEP by providing strategic oversight and direction, actively shaping its vision and goals. Their strategic expertise and industry insights were described as instrumental in formulating a comprehensive plan aligned with the region’s economic strengths and challenges. In addition, consultees suggested that the board represented a successful model of collaboration, comprising representatives from diverse sectors, including business leaders, local authorities, and academia. This cross-sectoral representation ensured that regional initiatives were not only business-centric but also aligned with broader community interests. Members actively participated in tracking the progress of the SEP, ensuring that key milestones were met, and the economic impact was in line with expectations.

Looking toward evaluation evidence, a number of published reports (available via the Evidence Hub) reflect on the ways in which the North East LEP has provided leadership in various

contexts. This includes the development of the SEP itself,¹⁵ in which the North East LEP set a clear and consistent vision for the region, and subsequent navigation through policy uncertainty and complex external shocks (e.g., EU transition, the COVID-19 pandemic). The evaluation of the North East Growth Hub,¹⁶ in which the business growth team of the North East LEP (from management to thematic leads and business-facing staff) developed a cohesive and simplified business support offer, drawing together national and local support offers, curating a broad range of partners and providers, and leading a tailored approach to delivery. The success of the Growth Hub was deemed to rely on the distributed leadership of the business growth team staff, and the clarity of communication. Another success factor was the agility of the team to react to difficult situations, furthering the view that the North East LEP had helped businesses to navigate the pandemic.

5.2.2 The value added by the North East LEP

Introduction

The ways in which the North East LEP is understood to have added value to the region can be articulated by exploring a collection of interrelated concepts. In this case, the study team has examined one further aspect of leadership (thought leadership) plus output legitimacy (the extent to which policy and programme outcomes deliver 'the right things'), and network governance (i.e., how the North East LEP works with and leverages other organisations in the region to design and deliver policy).

As noted above, one area of key value delivered by the North East LEP leadership has been the navigation of policy flux and uncertainty.¹⁷ In order to understand how stakeholders view the value of the North East LEP more broadly, the study team also examined several areas related to how it led to policy development and design within this complex environment. These are set out in the following sub-sections.

Vision and strategic direction (thought leadership)

The North East LEP was described as having been successful in its thought leadership by demonstrating a visionary approach and a commitment to a clear strategic direction. Consultees suggested that the North East LEP demonstrated a forward-thinking approach by focusing on the region's long-term economic prosperity, rather than just immediate challenges. This was discussed particularly in relation to the SEP and the consistency maintained through its iteration (which was undertaken through ongoing engagement with relevant stakeholders). The SEP was deemed to have set the strategic direction for the initiatives developed under by the North East LEP. The North East LEP's vision statement was to be 'a more productive, inclusive and sustainable economy for the North East'.

¹⁵ Interim Evaluation of the North East Strategic Economic Plan (Steer-ED, 2021). See: <https://evidencehub.northeastlep.co.uk/report/interim-evaluation-of-the-north-east-strategic-economic-plan>

¹⁶ Overarching evaluation of the North East Growth Hub and associated programmes (Technopolis Group, 2022). See: <https://evidencehub.northeastlep.co.uk/overarching-evaluation-of-north-east-growth-hub-and-associated-programmes>

¹⁷ The North East LEP was felt to have had a strong mandate to provide economic leadership for the region.

The clear vision and long-term planning were supported by evidence-based decision-making, including directing investments in key areas and sectors. The North East LEP commissioned the North East Independent Economic Review (NIER),¹⁸ which was an expert-led analysis of the regional economy, which subsequently fed into the SEP, and provided a base for further decision-making and policy design. The review was led by Lord Andrew Adonis and supported by a network of expert advisors from academia and other sectors. The review produced a comprehensive and rigorous evidence base for the region's economic challenges and opportunities.

Stakeholders described how, following the NIER and development of the SEP, the North East LEP showed leadership by providing continuity and representation for the region, working collaboratively and consultatively with stakeholders, and being proactive and anticipatory of potential policy changes. This included bringing stakeholder views into the refresh of the SEP via a strong convening role that was used to challenge and reinforce the vision and direction based on evidence. Related to this, the success of the vision and strategic direction was thought to be evident in its ability to adapt to changing circumstances. The North East LEP showed an ability to recalibrate its path in response to evolving economic, social, and political landscapes. This approach ensured that the strategic direction remained relevant and responsive even in the face of unforeseen challenges such as the COVID-19 pandemic. This point is further strengthened from evaluations of previous schemes, with examples of the North East LEP's ability to quickly pivot delivery approaches highlighted in the evaluation of the Growth Hub activities,¹⁹ the case study of the response to COVID-19 and EU Transition,²⁰ and the evaluations of the Made Smarter Adoption North East²¹ and High Potential Start-Up (HPSU) programmes.²² The North East LEP's capacity to balance a visionary long-term perspective with flexibility in implementation highlights a leadership success that contributed significantly to the region's economic advancement.

Another area of thought leadership discussed in consultation was the way in which the North East LEP set the evidence base and spread the culture of data-led decision-making. This is discussed in more detail in section 5.4.2.

Delivering appropriate policy and programme outcomes (output legitimacy)

Indications from consultation suggest high levels of output legitimacy. The North East LEP's initiatives were recognised for being well-scoped and, at an overarching level, the policy and programmes were appropriately targeted. For the most part, consultees agreed that policy and programmes were targeted at the right audiences, noting that the North East LEP invested significant time and resource into working with and listening to businesses and others, involving them in the process of design and delivery. Examples of the North East LEP's ability to leverage its evidence base and develop consensus among stakeholders included the development of the

¹⁸ See: <http://nflg.co.uk/files/nelep-independent-economic-review-report.pdf>

¹⁹ Technopolis Group (2022). See: <https://evidencehub.northeastlep.co.uk/overarching-evaluation-of-north-east-growth-hub-and-associated-programmes>

²⁰ Steer-ED (2021). See: <https://evidencehub.northeastlep.co.uk/report/north-east-lep-growth-hub-responding-to-covid-19-and-eu-transition-case-study>

²¹ Technopolis Group (2022). See: <https://evidencehub.northeastlep.co.uk/evaluation-of-the-made-smarter-adoption-north-east-programme>

²² Technopolis Group (2022). See: <https://evidencehub.northeastlep.co.uk/evaluation-of-the-high-potential-start-up-programme>

local industrial strategy and iterative delivery of programmes including the HPSU programme, which the evaluation found was effective at pivoting and accommodating a range of ability levels and needs.²³

In terms of policy and programmes, one success emphasised during the consultations was the measurable impact on economic growth attributed to the North East LEP's activities. Consultees felt that it was difficult to assess the direct measurable impacts and outcomes of the North East LEP's activities in terms of economic growth and job creation, due to the complex attribution of the environment and mix of activities in which the North East LEP operates (e.g., local authorities and national government). However, while this is particularly difficult to do at a strategy level, several evaluations have articulated impact (i.e., the evaluation of the Growth Hub and its programmes).²⁴

The North East LEP's focus on more and better jobs was validated through measurable outcomes, reflecting a successful alignment of policy goals with tangible, positive economic impacts. Business growth initiatives²⁵ were thought to have provided targeted support that directly contributed to improved productivity and performance among local businesses, which aligns well with a broader acknowledgement of the suite of supports offered by the North East LEP, demonstrating a tailored and effective approach in addressing the specific needs of businesses. Consultees also agreed that, given overarching budgetary constraints, the North East LEP managed to focus financial instruments in the right areas.

In terms of thematic areas, consultees consistently highlighted the success of the North East LEP's involvement in energy projects²⁶ (an area of strategic importance highlighted in the SEP), emphasising the positive impact of government backing and allocated resources. These projects were recognised as significant contributors to the regional economic landscape, showing the North East LEP's capability to secure government support and effectively utilise resources in driving initiatives that promote sustainable economic growth in the North East. The North East LEP's successes extended into skills and education, particularly notable through the Gatsby Foundation funded North East pilot of the Gatsby Benchmarks for Good Career Guidance,²⁷ which began as a regional initiative and has now evolved into a national standard, emphasising the North East LEP's pioneering role in connecting businesses with schools. Another dimension of the North East LEP's success lay in adult learning initiatives, where the North East LEP actively collaborated with regional companies to address skills gaps. The consultations indicated that the North East LEP-facilitated sessions focused on upskilling and reskilling, highlighting a proactive approach to workforce development. This success was thought by consultees to

²³ Technopolis Group (2022). See: <https://evidencehub.northeastlep.co.uk/evaluation-of-the-high-potential-start-up-programme>

²⁴ Technopolis Group (2022). See: <https://evidencehub.northeastlep.co.uk/overarching-evaluation-of-north-east-growth-hub-and-associated-programmes>

²⁵ See: Technopolis Group (2022). See: <https://evidencehub.northeastlep.co.uk/overarching-evaluation-of-north-east-growth-hub-and-associated-programmes>; Technopolis Group (2022). See: <https://evidencehub.northeastlep.co.uk/evaluation-of-the-made-smarter-adoption-north-east-programme>; Technopolis Group (2022). See: <https://evidencehub.northeastlep.co.uk/evaluation-of-the-high-potential-start-up-programme>

²⁶ See: <https://www.northeastlep.co.uk/updates/showcasing-our-regional-innovation-and-demonstration-capabilities/>

²⁷ See: <https://www.northeastambition.co.uk/education/primary-schools/benchmarks-pilot>

emphasise the North East LEP's ability to act as a bridge between companies and educational resources, creating a synergistic relationship that directly addressed the evolving skill needs of the workforce.

In addition to these successes, consultees outlined several mitigators or implementation challenges, often related to external factors. While the North East LEP demonstrated good progress in the delivery of the SEP, consultees pointed out that not all SEP-level key performance indicators were fully met. This setback, though tempered by positive momentum, emphasised the importance of continuous evaluation and adaptation to meet predetermined benchmarks. The consultations indicated a commitment to improvement and learning from setbacks in achieving overarching goals. As an example of this, job creation figures were hit hard by the COVID-19 pandemic.²⁸ The dynamic nature of the economic landscape, particularly highlighted during the COVID-19 pandemic, presented challenges that impacted the effectiveness of some programmes. More broadly, consultations indicated that external shocks tested the resilience of the North East LEP's initiatives, requiring adaptive strategies to mitigate unforeseen challenges.

5.2.3 Network governance and engagement

Introduction

Network governance describes how the North East LEP involves stakeholders across the policy system in decision-making, and how this influences design and delivery. This is one mode of leadership whereby the North East LEP acts as an aggregator, co-owner, and broker-facilitator as set out in Figure 1 . Effective implementation of network governance relies on trust and participation, each of which are described in later sections of this report (5.5.1 and 5.5.2). The literature describes several types of network governance, summarised by Provan and Kenis (2008) as below:

- **Shared governance:** Dense, decentralised, and self-governed: every organisation interacts with every other organisation to govern the network. Participant governed.
- **Brokered governance:** Centralised networks, with few direct interactions among participants, except day-to-day business. Governance occurs through a central convening 'lead organisation'.
- **Mid-way governance:** A division of governance issues into sub-sets of the network and/or a central organisation takes on some duties. Examples of this would include thematic responsibilities assigned to particular individuals.

Often, these types may co-exist across different areas of activity or thematic activities, as partners are drawn together for specific reasons.

Proactive engagement

Consultees praised the way in which the North East LEP **purposively engaged stakeholders**. These discussions included descriptions of how the North East LEP's regular interactions with local businesses, industry bodies such as the Chamber of Commerce, and other stakeholders, had underpinned a collaborative approach to decision-making, enhancing the reliability of insights

²⁸ See: Interim evaluation of the SEP

and decisions (as well as essential primary data). Consultees also noted that the North East LEP had actively worked in collaboration with regional universities (Durham and Northumbria in particular). These partnerships were deemed to have enriched the North East LEP's evidence base by integrating academic research, contributing to a more holistic understanding of the regional economic landscape. These relationships were also important from a policy and strategy perspective (i.e., the North East LEP's work with Durham on trade and internationalisation projects, and EU transition impact modelling, advocacy and information provision to national government, and development of a trade working group and published report). As mentioned in section 5.2.1 (above) the North East LEP has maintained **consistent and active board attendance**, showing a robust commitment to inclusive decision-making. Board members were felt to have actively contributed to meetings, fostering transparent governance and diverse input from different sectors. This accomplishment was thought by consultees to have enhanced the North East LEP's capacity for evidence-based policy design and implementation. Consultees did not reveal significant setbacks in this area, indicating the North East LEP's effectiveness in sustaining engagement across the main North East LEP board and thematic boards, a crucial element in shaping regional economic policies. More broadly, consultees suggested that the North East LEP had **worked well across the multi-level governance arena**, demonstrating close interaction with national stakeholders (including government departments) in addition to the suite of local and regional stakeholders.

Despite the above successes, the North East LEP was thought to have faced some setbacks, primarily stemming from political fractures within the stakeholder landscape. Consultees highlighted instances of political fracture that had made collaboration and engagement difficult in some areas. Negative impacts on the North East LEP included a reduction in dynamism and delivery capacity, which affected the North East LEP's ability to execute significant projects effectively.

5.2.4 Concluding findings

Overall, the feedback on the North East LEP's leadership was positive, with consultees observing that there has been a consistent overall strategic vision for the region set by the complementary combination of the Chief Executive and main board Chair. The leadership was also praised as fostering a culture of transparency and accountability while providing steady leadership. In addition to providing a clear and consistent economic vision, the added value of the North East LEP was classified as aiding the navigation of flux through the COVID-19 pandemic and EU transition, and providing continuity and representation for the regional (e.g., translating regional need into the national policy language to secure funding for strategic projects). The North East LEP acts as an aggregator, co-owner, and broker-facilitator within the broader local policy ecosystem, and this is a key role in developing and delivering policy, supporting legitimacy and effectiveness.

5.3 Capacity and capability

Capacity and capability are essential to the delivery of differentiated regional policy. While section 5.2.1 discussed leadership capacity and capability, this section focuses on capacity and capability, incorporating this variable into the framework for this study supports an assessment of if and how the North East LEP has been able to make use of data and analysis in its decision-making processes, and how it has developed connections across the region in its governance

practices (including communications). The following sub-sections examine the factors that exist within the umbrella terms of analytical capacity and analytical capability and reflected on how it supports the North East LEP. Addressed below are the successes and setbacks of analytical capacity and capability in the context of the economic development in the region.

5.3.1 Resourcing and orientation

Introduction

Resourcing and orientation describes the extent to which the North East LEP has had the necessary skills and resources to facilitate evidence-based policy design and implementation. The literature suggests that varying levels of capacity and capability across LEPs are seen to underpin variable effectiveness, and so it is important to support further development of these capacities and capabilities across sub-regional governance. Alongside this, it is important to examine the extent to which members of the North East LEP have been able to demonstrate reflexivity in how they perform their duties (i.e., work with full an understanding of their duties, values, and existing knowledge).

Appropriateness of resourcing and orientation (capacity and reflexivity)

Consultees highlighted that the North East LEP has had a strong organisational team, noting the effectiveness of the main board, plus the investment board, business advisory board, and skill advisory panel. Members of these boards were recognised for their extensive connections within the North East region, fostering strong ties with various organisations and businesses. Consultees praised the team for their in-depth understanding of their respective areas of expertise, and noted that where knowledge gaps were identified, the North East LEP team demonstrated a proactive approach by leveraging their extensive network to access additional information and insights. This commitment to seeking external expertise was seen as a strength, reflecting a collaborative and proactive approach to knowledge acquisition and partnership engagement. This reflexivity is further explored in section 5.5.1.

Whilst the allocation of resource was felt by interviewees to be largely appropriate within the confines of the overall level of resource available, consultees felt that the North East LEP suffered from a lack of available resource and noted that this fluctuated over the North East LEP's years of operation. Consultees suggested that the main constraint was volume of staff and how resources felt stretched, with small teams working across large projects and tasks. There were no concerns raised about capability, with consultees in agreement that there was sufficient capability to deliver successful outcomes, but there was a constraint around staff capacity and volume of staff limiting the number of successful outcomes delivered. Many of the setbacks discussed around resource allocation could be traced back to government backing and limited funding for certain projects.

Outcome tracking and reporting

Consultees suggested that the resourcing of the North East LEP supported the provision of detailed reports and outcome tracking mechanisms, including board reports, project status updates (and RAG ratings) and other tools. This reflects the North East LEP's commitment to transparency and accountability, with this information regularly presented to boards and made available publicly. The utilisation of robust reporting systems ensures stakeholders are well-informed about the progress and impact of various initiatives, contributing to evidence-based

decision-making and showing how the capacity and capability of the North East LEP underpinned and help drive the success of other areas of activity, linking the AoE described in this report.

Communication capacity and frequency

Consultees reported that the North East LEP had undertaken frequent communication with stakeholders, both internally and externally. Consultees described project leads as having provided clarity towards colleagues and partners, including having a systematic procedure for providing feedback (e.g., in the development and refresh of strategies). Communications were enhanced by dedicated resource that built bilateral long-term relationships ‘from the ground up’, and an open culture that allowed internal colleagues to also express views and opinions.

The only criticism of the North East LEP’s communication related to the relative ‘brand strength’ of the organisation, which was felt to be less present among residents than other organisations and businesses in the region. However, it was acknowledged that this is largely due to the remit of the North East LEP, which works only indirectly with residents (i.e., one step removed, via partnership with other organisations). By contrast, the Growth Hub has a strong brand among the region’s businesses, supported by the North East LEP’s approach to communications. This is supported by the independent evaluation published in 2022, which found that the North East Growth Hub team was reaching a higher proportion of the region’s business population compared to the national average.

Looking towards further evaluation evidence, a number of published reports (available via the Evidence Hub) reflect on the capacity and capability of the North East LEP, plus the communications approaches and underlying reflexivity of the team. In particular multiple evaluations²⁹ have praised the North East LEP for its successful integration of business and participant views within each scheme, demonstrating a strategic approach in connecting participants with relevant services and opportunities. The strong connectivity and communications demonstrated not only made for an easier process overall, but also helped the local business ecosystem as a whole by encouraging networking and collaboration among developing businesses. Where criticism of communications approaches existed within evaluations, these reflected that more could have been done to raise awareness of initiatives, with an acknowledgement of the budget requirements for doing so.³⁰

5.3.2 Agility and responsiveness

Introduction

Literature suggests that good governance principles such as accountability, transparency, efficiency, and responsiveness underpin effectiveness.³¹ While other sections of this report focus on areas such as accountability and transparency, this subsection examines responsiveness of the North East LEP. Responsiveness relates to the North East LEP’s ability to respond to the needs and concerns of stakeholders and the community promptly. This includes its capacity to

²⁹ Evaluation of the Made Smarter Adoption North East Programme (2022). See: <https://evidencehub.northeastlep.co.uk/evaluation-of-the-made-smarter-adoption-north-east-programme>

³⁰ Ibid.

³¹ See Ruhanen 2010, OECD 2011, Hendriks 2014, World Bank 2015

adapt policies and strategies in light of changing circumstances.³² These are both cultural and resource-based factors.

Exploring options and alternatives

Consultees described the North East LEP as having demonstrated agility by actively exploring alternative funding options, such as post-EU transition replacements for long-standing European Structural and Investment Funds (ESIF) and other European funding sources. Consultees indicated a proactive approach to identifying and considering diverse funding streams, showing the North East LEP's adaptability to changing circumstances and commitment to securing resources for regional development. This strategic exploration reflects the North East LEP's capacity to navigate challenges and capitalise on opportunities in a dynamic economic landscape. It also demonstrates the North East LEP's ability to leverage different funds, identifying opportunities, further building capacity, and innovating or pivoting approaches where needed.

Changing governance circumstances

It was suggested that the operations of the North East LEP were impacted by changes in governance structures,³³ which may have been influenced by external factors or policy changes. These changes were noted as having potentially affected the decision-making processes, collaboration, or strategic alignment of the North East LEP with the national level.

The interim SEP evaluation noted the North East LEP's agility and ability to react to changing circumstances, suggesting strong evidence of impact through work supporting resilience and recovery from the impact of COVID-19, as well as partnership working between RTC North and ScaleUp North East, which arose from the North East LEP pivoting into action as a response to external circumstances and events such as EU transition and the COVID-19 pandemic.

5.3.3 Concluding findings

The North East LEP was praised in consultation for its strong organisational team and board memberships that demonstrate extensive connections within the region and which foster strong ties with a broad range of organisations and businesses. Both consultation and other documentary evidence suggested that resourcing was largely appropriate, albeit with some fluctuation over the North East LEP's years of operation. Evaluations of policy and programme delivery often noted that greater resourcing could allow the North East LEP to 'do more' (i.e., deliver further benefit). The capacity developed by the North East LEP was thought to support the commitment to transparency and accountability, via reporting, outcome tracking mechanisms, and other tools (including the data and evidence infrastructure). The capacity and capability of the North East LEP also appears to support the North East LEP's reflexivity, i.e., undertaking frequent communication with stakeholders (internally and externally), part of which is developing and delivering policy and programmes, and part of which is securing additional expertise. Consultation undertaken for this research also highlighted the extent to which capacity and capability supported agility and the ability to pivot where needed in response to external developments. This includes a proactive approach to identifying and considering diverse funding streams in light of EU transition.

³² See Hendriks 2014, Kooiman 2003

³³ For example, structural changes mandated by national government activity

5.4 Evidence and insights

The importance of evidence and insights was apparent from the Phase 1 scoping interviews. This area of exploration focuses on the North East LEP's evidence-led approach to strategy, policy and delivery and aims to explore the role of data and research in shaping economic policies in the region, how data was identified and integrated to inform decision-making, and how evidence can be used best moving forwards.

5.4.1 Establishing and maintaining an evidence base

Introduction

Research finds that strategic and analytical capacity is essential to effective policy design and delivery in the LEP context.³⁴ This section focuses on the North East LEP's ability to gather and maintain a robust evidence base, and build a culture of evidence, which can then be taken forward to making policy decisions, with policymaking grounded in evidence, improving the alignment with local priorities and enhancing to the effectiveness of the North East LEP's economic development efforts.

The North East Evidence Hub

Interviewees noted the consistent use of evidence, compounded by the creation and use of the Evidence Hub, as a clear success of North East LEP delivery. The Evidence Hub is an online data and evidence platform, created and updated by the North East LEP in partnership with Transport North East, which acts as a 'one-stop-shop' for evidence and data relating to the North East. The Evidence Hub is focused on delivering insights into the regional economy to a wide base of users including local businesses, partners and public sector colleagues. Stakeholders described it as a reliable source of data, using the best of national data and drilling into the specifics of the regional economy, providing commonality and comparability against other areas. The Evidence Hub also facilitated transparency around progress against SEP objectives, and improved knowledge and understanding of the local economy amongst stakeholders.

Culture of evidence

Interviewees highlighted that throughout the delivery of the SEP, the North East LEP developed a culture of evidence, with evidence and data at the forefront of policy and decision-making (as outlined in 5.4.2 below). During the SEP delivery period, the North East LEP developed an evidence team, with Senior Economist recruited and a team of economists and evidence coordinators working to develop and evolve the North East LEP's evidence and data offering to ensure that decisions and programmes are based on solid statistical data and trends. Consultees observed that the North East LEP utilised evidence regularly and that the Evidence Hub has become a regional asset that has become useful in case-making for funding. It was noted that the Evidence Hub evolved during the SEP delivery period, initially using standard data sources such as ONS data, but later widened its array of sources and publications to include CBI reports, Chamber reports, Make UK, and increased use of primary data. The analytical credibility of the North East LEP developed and increased over the ten years, with consultees noting that the Evidence Hub became a destination when searching for data and statistics on local economic performance.

³⁴ See: Wain, 2021

Consultees also spoke positively about the Our Economy conferences; an annual state of the region type event. These events brought together stakeholders including policy makers, business representatives and education providers to discuss the major issues and challenges faced by the North East Economy, and progress against SEP objectives. Consultees were positive about the conferences, noting that they stimulated discussion and facilitated a shared commitment to achieving SEP objectives. This helped generate both input and output legitimacy and enabled the North East LEP to proactively contribute to the complex policy mix. Throughout consultations, it became evident that the North East LEP fostered a robust culture of evidence, enabling data and research to rightfully play a pivotal role in shaping economic policies within the region.

The North East LEP also commissioned an interim evaluation of the SEP in 2018. The evaluation included a baselining assessment, and annual reports between the period of 2018 – 2021. This in itself demonstrates a commitment to evidence-based decision making, as the North East LEP actively sought and obtained insights into SEP delivery and where areas of improvement were, so the North East LEP could act and learn from those areas. The SEP itself also came with six quantitative targets which the North East LEP proactively tracked and reported on throughout the SEP delivery period, as well as each programme having its own set of objectives and logic model, further demonstrating the North East LEP's commitment to robust evaluative tools.

5.4.2 Evidence-based decision making

Introduction

As outlined above, strategic and analytical capacity is essential to effective policy design and delivery. The establishment of the evidence culture within the North East LEP was not a casual occurrence, rather, it resulted from the commitment of a dedicated team that consistently delivered successful outcomes. Consultations underscored the North East LEP's successful development of its analytical capacity and the evolution of its evidence base over the ten-year delivery period. The next step is to incorporate evidence into decision and policymaking processes. Research again finds that those LEPs that appear to have worked well have been found to have significant analytical capacity and capability utilised in decision-making processes, supporting leadership and the North East LEP's ability to fulfil a role of intermediary or trusted / honest broker (Wain, 2021). The below section outlines findings around how the North East LEP has made data-driven decisions and transformed its data management processes.

Data-driven decisions

Consultees suggested that the emphasis on data and evidence played a critical role in justifying investments, attracting funding, and ensuring projects were strategically aligned. The North East LEP focused on prioritising investments based on their potential impact and feasibility, whilst the use of evidence and data also helped in negotiations and in building consensus among stakeholders. Consultees stated that the use of evidence enabled the North East LEP to, where possible, focus financial resources and funding on areas that needed it most in order to deliver on SEP priorities. As an example, the interim evaluation of the LGF and EZ Evaluation³⁵ has provided strong evidence of programme investments supporting cluster formation and sector growth, this has included:

³⁵ See [Interim evaluation of Local Growth Fund and Enterprise Zone programmes - North East Evidence Hub \(northeastlep.co.uk\)](https://northeastlep.co.uk/evidence-hub)

- Driving employment and sector growth in the SEP's Areas of Strategic Importance (ASIs) including the progress in driving forwards the A19 Corridor including the flagship IAMP for the Advanced Manufacturing and Automotive sectors, the Blyth Estuary developments supporting growth in Energy and Low Carbon sectors, and the Helix becoming a nationally significant cluster for the Health and Life Sciences sector;
- The generation of a strategic employment and growth corridor that supports sectoral growth through investments in site preparation and build costs e.g., for Blyth, Sunderland City Centre and Riverside;
- The facilitation of significant collaboration between businesses and research (including national centres e.g., the National Innovation Centre for Data in Newcastle and the Offshore Renewable Catapult in Blyth and universities locally). This is also clearly evident in the strong collaborative work between business and research at the Helix Centre as identified in the case studies;
- The provision of targeted business support such as at NETPark, the immersive incubator in the Baltic Quarter and the Hope St Exchange, provides a ladder of accommodation to attract and retain businesses across their development life cycle, (from incubators, to start ups, to move on space through to serviced development plot for larger established enterprises); and
- Increasing skills attainment levels to underpin sector priorities, including for example, the BEACH project at the Port of Blyth.³⁶

The North East LEP also helped generate the regional evidence base to support UKSPF and ESIF investment decisions, demonstrating how the North East LEP generated intelligence that was not just used internally, but was also used by stakeholders.

Data collection and adaptability

Consultees suggested that the North East LEP showed a proactive approach to data collection and was increasingly adaptable, evolving its data offering to reflect economic trends and conditions to ensure decisions were based on the most current and relevant information.

The Evidence Hub developed over the course of the SEP delivery period, beginning with a relatively small number of traditional data sources, before evolving and encompassing an array of more innovative sources (see below), whilst being updated annually and in line with the 'Our Economy' conferences to maintain a robust evidence base used by stakeholders across the region to make policy and investment decisions. The COVID-19 pandemic was also a catalyst for further development of the Evidence Hub, including re-platforming and rebranding. The crisis prompted innovative and timely measures, utilising alternative data sources alongside national datasets. Re-platforming was driven by increased demand and alignment with the organisational value of 'thinking bigger', resulting in a broadening and deepening of online content to include publicly funded research and innovative and regional data. Furthermore, the North East LEP displayed a strategic use of its capacity, knowledge, and expertise to improve coordination among partners and stakeholders to establishing an information-sharing network, leveraging existing platform – Evidence Hub.³⁷ Additionally, the North East LEP also established a mechanism to survey key sectors every week to track their observations. These surveys, which had good uptake, provided a real-time pulse of key sectors, enabling the North East LEP to make informed decisions and provide latest financial and performance data to the Ministry of Housing,

³⁶ See [Interim Evaluation of the North East Strategic Economic Plan - North East Evidence Hub \(northeastlep.co.uk\)](https://northeastlep.co.uk)

³⁷ See *ibid.*

Communities and Local Government (MHCLG) and the Department for Business, Energy and Industrial Strategy (BEIS) amid the rapidly changing economic landscape.

As alluded to in section 5.4.1, previously the North East LEP had largely used traditional data sources such as the ONS, which come with a six-to-twelve-month time lag. During the pandemic, stakeholders needed real time data to reflect an ever-evolving situation, and consultees stated that the North East LEP took a proactive approach in expanding its data offering, collecting and leveraging data from new and innovative sources to help stakeholders navigate the economic implications of the pandemic. The North East LEP demonstrated a commitment to continuous scanning for new datasets, a practice not solely driven by the challenges posed by pandemic but accelerated by it. The team actively sought new sources including Chambers of Commerce surveys, Google mobility data, and Data City to fill data gaps. In line with team's innovative approach and desire to make data accessible, the North East LEP developed the Evidence Hub, providing downloadable content, and improving the backend of the site with the use of APIs and the creation of a data warehouse. Moreover, the shift towards online publications, as opposed to traditional word/PDF hard copy reports, reflects the North East LEP's intention to encourage engagement with evidence.

Transformation in data management

As outlined in the above sections, the North East LEP underwent a paradigm shift in its data management approaches, catalysed by the findings of the interim evaluation of the SEP,³⁸ which encouraged improvements related to internal programme level data. Analytical capacity was also bolstered by the appointment of a senior economist to bring quantitative and economic expertise to the North East LEP team. Consultees felt that this post drove the North East LEP's data offering forwards, particularly in terms of robustness of research design. The Evidence Hub was established and regularly updated over the SEP delivery period, and as described above moved beyond purely economic data to include social, business and live data sets reflecting current and pressing developments within the region, enabling the North East LEP to take decisions based on the most recent data to inform its work on of the moment issues such as Covid-19 recovery, net zero and UKSPF funding.

Commitment to evaluation and continual improvement

As described above, the North East LEP also maintained a commitment to continuous evaluation and learning from what works throughout the SEP delivery period. To facilitate this and ensure learning was embedded into programme design, the North East LEP commissioned evaluations of major programmes as well as of the SEP itself, most of which are published on the Evidence Hub. As part of this process, the North East LEP has made use of theory-based evaluation approaches in designing the SEP (i.e., use of a programme logic model aligned with implementation, data collection, and monitoring and evaluation) and has aligned its performance measures with the North Tyne Combined Authority (NTCA) monitoring and evaluation framework. Evaluations of specific programmes such as the Career Benchmarks³⁹ pilot and the Made

³⁸ Steer-ED (2021). See: <https://evidencehub.northeastlep.co.uk/report/interim-evaluation-of-the-north-east-strategic-economic-plan>.

³⁹ North East Ambition Career Benchmarks: Primary Pilot (2017). See: <https://evidencehub.northeastlep.co.uk/report/north-east-ambition-career-benchmarks-primary-pilot>

Smarter Adoption North East⁴⁰ programme enabled the North East LEP to understand what had worked within those specific programmes and to tailor their approach for future programmes as a result, demonstrating a commitment to continual improvement, learning from successes and setbacks, proactively seeking evidence and insights and acting on them.

5.4.3 Concluding findings

Evidence and insights refers to the role of data and research in how the North East LEP has shaped economic policies in the region, and how data was identified and integrated to inform decision-making. Consultation undertaken for this research highlighted the consistent use of evidence, supported by the creation and maintenance of the Evidence Hub. This was regarded unanimously as a success of North East LEP delivery, and as a reliable source of data, drawing together national and regional data (secondary and primary) that was supported by proactive and adaptable data collection. The Evidence Hub was described as facilitating comparability in analysis and transparency and accountability in decisions. Consultation also highlighted how the North East LEP had fostered a culture of evidence among stakeholders and partners, with evidence and data at the forefront of policy and decision-making and playing a critical role in justifying investments, attracting funding, and ensuring projects were strategically aligned. Communication was praised too, including the Our Economy conferences and commitment to publishing evaluative findings. The sum of these factors was felt by stakeholders to exemplify the North East LEP's commitment to continual improvement, as enshrined in its values.

5.5 Partnership working

The North East LEP has worked in collaboration with an extensive list of partners and stakeholders, across the public, private, academia and third sectors. This area of exploration focuses on partnership working, specifically the sharing of resources, expertise, and responsibilities to maximise efficiency and effectiveness in delivery of the SEP. It explores the North East LEP's approach to partnership working and its role in coordinating activities and efforts across stakeholders, including organisations and delivery partners, to deliver the activities outlined in the SEP. It also explores the engagement and commitment of key stakeholders to overall policy goals, the transparency and accountability of the North East LEP and its partners and the role of the North East LEP in enhancing the capabilities of local organisations and individual groups through collaboration.

Introduction

Partnership working describes how the North East LEP works with partners across the private, public, and third sectors, as well as with academia, and how effective these partnerships are in facilitating the delivery of successful policy outcomes. Research (Provan and Kenis, 2008) shows that governance is not only about government. Partnership working has become a particularly important concept in light of the emergence of different modes and forms of governance of public policy, particularly those that go beyond public bodies. The below sections seek to assess the level of clarity and transparency in the North East LEP's partnership and network working practices, and whether these practices facilitated or hindered collaborative efforts and delivery.

⁴⁰ Evaluation of the Made Smarter Adoption North East Programme (2022). See: <https://evidencehub.northeastlep.co.uk/evaluation-of-the-made-smarter-adoption-north-east-programme>

Fostering partnerships and collaboration

The interviews revealed that the partnership models which the North East LEP adopted and used are a strong foundation on which the new Mayoral Combined Authority can build. Consultees felt that the relationships built, and models of partnership used by the North East LEP (i.e., truly bilateral, reflexive, and focused on particular types of input), should be continued, mitigating the risk of external political changes impacting collaboration. The relationships built have involved multi-level governance, including convening conferences and well as working with the private sector. Interviewees did voice concerns about the potential for a rush to start from scratch rather than build on success and noted the need for adequate funding and risk of duplication of activities. In addition, consultees did feel that policy and programmes were targeted at the right audiences to address challenges in the region, including skills and employment. Interviewees also noted that the North East LEP managed to be connected to the ‘right’ people and in turn were able to engage with a high number of businesses and organisations, increasing engagement and fostering networking. In turn interviewees felt that the North East LEP was able to form a solid business network.

Consultees suggested that the North East LEP was transparent whenever involved in the co-ordination or delivery of funding. There was praise for the North East LEP’s planning during the Covid-19 pandemic, when they set up and led a regional recovery group focused on regrouping and rebuilding following the initial impact of the pandemic. The work carried out by the North East LEP during Covid-19 was described as “outstanding”, enabling stakeholders to collectively point to a consistent plan across the region.

The breadth of collaboration was generally praised by consultees, who felt that the North East LEP managed to engage a wide set of partners (including via consultation and participation in the North East LEP’s boards and sub-committees) and that the North East LEP had an open approach in policy and programme targeting, with widespread engagement then funnelling down into priority areas. This included discussion of offering impartial input and challenge in design and leveraging the voice of business across the region as key stakeholders and beneficiaries.

The ‘right’ partnerships

Consultees largely agreed that the North East LEP had managed to leverage expertise via bringing in the ‘right’ partners, suggesting that this had been a good basis that could be further bolstered by additional collaboration. Examples of this included the private sector outside of core businesses such as Nissan, and additional collaboration with a wider span of high productivity businesses and sectors.⁴¹ Furthermore, the new local skills improvement plans (LSIPs) may be an avenue to focus on sector skills and employment needs through further partnerships.⁴²

5.5.1 Levering external expertise

Introduction

As discussed in section 5.3.1, an organisation’s understanding of its own limitations – and how to fill those gaps – is essential to fulfilling a leadership role. This is broadly in line with discussions in the literature on reflexivity, defined as the ability of actors to learn as they work, and to also

⁴¹ For example financial and professional services and high GVA sectors outside of the work undertaken with Nissan

⁴² See: <https://www.gov.uk/government/publications/identifying-and-meeting-local-skills-needs-to-support-growth/local-skills-improvement-plans-lsips-and-strategic-development-funding-sdf>

acknowledge their own values and limitations as they perform their roles and undertake processes.⁴³ Reflexivity is particularly important in this context due to the nature of LEPs, and the complexity of the landscape within which they operate.⁴⁴ The governance and policy literatures both discuss the importance of actors' ability to both learn as they perform their roles.⁴⁵ In this sub-section, we examine the ways in which the North East LEP has scoped, sourced, and co-ordinated external expertise.

Sourcing and co-ordination of expertise

Consultees noted that the North East LEP had a good working relationship with local stakeholders and that communication was effective. Turnout at the annual 'Our Economy' events was described as "fantastic", with attendees from across sectors and organisations, reflecting the reputation of the North East LEP and the effectiveness of relationships built. In addition, as described previously, the North East LEP was said to have leveraged external expertise well, and knew where to source and leverage expertise.

Consultees described how the North East LEP had used its experience and management skills to leverage the expertise brought in. Interviewees praised the North East LEP for successfully managing to collaborate across different projects and partners, with the Swans Energy Park project⁴⁶ cited as a good example of this in practice, demonstrating effective engagement and support at a local level. Interviewees suggested that the North East LEP was successful at leveraging external capacity as well as building in-house capabilities, and got the balance right between internal and external resource and expertise. A crucial point raised during consultation was that the North East LEP did not have an ego and did not seek to claim credit or attribution for every partnership or initiative it led, and as described above were comfortable with bringing in external organisations where needed to bolster its own capability. This was framed as being in the context of the SEP being owned 'by the region', rather than 'by the North East LEP'.

Interviewees observed that the North East LEP also co-ordinated expertise within academia and the public sector, working proactively with universities to obtain access to researchers and support members of the North East LEP's innovation board (e.g., a Vice Chancellor who could also feed information to the others), and also on sourcing public sector knowledge from other regions. This also helped develop the SEP itself as it enabled the North East LEP to work collaboratively with local and national experts and obtain academic insights on the local economy and areas of focus to help tailor the SEP. Again the North East LEP did not always have this expertise in-house so is another example of the North East LEP overcoming a lack of internal resource by forging partnerships and sourcing the right kind of expertise, working collaboratively to deliver.

Some consultees did note that whilst the North East LEP used expertise across sectors effectively, it could still have leveraged private sector knowledge more, with professional services cited as a sector that went under-utilised by the North East LEP. Communications and engagement with the private sector were described as sometimes being last minute, although this was caveated as often being influenced and exacerbated by imposed external timings such as tight lead times and deadlines for national level funding bids. Overall, the partnerships and

⁴³ Kooiman et al., 2008; Flanagan et al., 2011

⁴⁴ Voß and Kemp, 2006

⁴⁵ Edler, Kuhlmann and Smits, 2003; Kooiman et al., 2008; Flanagan et al., 2011

⁴⁶ See: <https://www.northeastlep.co.uk/projects-and-funding/projects/swans-site-infrastructure/>

relationships forged by the North East LEP have been positive and should be taken forwards into NECA and built on, with consultees noting the risk of partnerships falling away if they are not proactively maintained through the merger.

5.5.2 Legitimacy and trust

Introduction

Literature argues that the effectiveness of policymakers' actions may be undermined if legitimacy is not carefully considered,⁴⁷ and that strategies need to build legitimacy centred on participation, trust and relationships between actors to build consensus.⁴⁸ Some authors discuss approaches to securing legitimacy, including "integrative" and "aggregative" functions, the former described as reasoned debate to find common good, and the latter as strategic coalition building.⁴⁹ This section examines if and how the North East LEP developed legitimacy and trust through leadership and decision-making actions.⁵⁰ This sub-section examines the perceptions of stakeholders in relation to the North East LEP's reputation and the extent to which this supports legitimacy and trust.

Good reputation

It was suggested by consultees that the North East LEP developed a good reputation of managing things 'properly', demonstrating transparency, and developing targeted initiatives that benefited appropriate groups. Consultees suggested that the North East LEP was successful in maintaining an appropriate governance structure, bringing together local authorities, industry, universities, and the voluntary sector, and this was seen as a strength. They also stated that the North East LEP had developed a good reputation of having clear knowledge of good governance and applying it, with careful design and application.

Maintaining accountability

Stakeholders felt that the North East LEP had held themselves and partners to account and displayed transparency through publishing red/amber/green (RAG) status updates and reports to the board and annual general meeting (AGM). Board papers were published in advance of meetings, and an interim evaluation of the SEP was commissioned to assess progress up until that stage. This provided intelligence into how well delivery of the SEP was progressing and insights into levels of engagement amongst partners, enabling the North East LEP to evolve the SEP to reflect feedback. Consultees reported that the North East LEP always consulted people when updating their strategy, maintaining transparency and accountability, upholding good governance and securing legitimacy by publishing their decisions and their activities, as well as indicating to the public who sits on the North East LEP board. The North East LEP also ran six websites to present progress on various initiatives, maintaining visibility and accountability outside of the organisation. Complementing the strong social media presence was a robust digital infrastructure, where board papers, frameworks and the evidence base were publicly available, again promoting a culture of robust evidence, transparency and accountability.

⁴⁷ Skogstad, 2003

⁴⁸ McCann, 2016

⁴⁹ Skogstad, 2003

⁵⁰ Sotarauta et al., 2017; Kezar, 2004

Good transparency

Consultees noted that the North East LEP were transparent in publishing reports and funding allocations at board level, in line with statutory requirements. The SEP was updated four times over the ten-year period, with three-year activity plans published and then reviewed them at the end of the three-year period. The North East LEP was also able to pivot and change tactics in a changing policy environment. Between EU transition, changing governments and the Covid-19 pandemic, there was a significant amount of political instability during the ten-year period, and consultees felt the North East LEP adapted to this as well as they possibly could have done. The initial Covid-19 reaction and recovery work was cited as a key example of this, with the North East LEP putting a significant amount of work in place which then went on to form the foundations of the region's devolution deal. Consultees noted that the North East LEP was again transparent throughout this process and engaged with relevant stakeholders proactively.

5.5.3 Concluding findings

Partnership working is explored in relation to the North East LEP's approach to partnership working and its coordinating activities and efforts across stakeholders, including organisations and delivery partners, to design and deliver the activities outlined in the SEP. Consultation undertaken for this research was positive about the North East LEP's view of and approach to partnership working, which was described as key to ensuring that policies and programmes are well-oriented, scoped, and targeted because of the role of co-design. Consultees felt that the North East LEP had managed to find and connected to the 'right' people from businesses and other organisations, harnessing their input views and leveraging external expertise alongside in-house knowledge. The search for and engagement of external expertise was embedded in the North East LEP's core approaches to communicating with stakeholders, from conferences and events to more bespoke arrangements such as the periodic refreshes of the SEP. The North East LEP's approach to partnership working has bolstered legitimacy and trust, reputational development, and has contributed to good governance practices such as transparency and accountability.

6. SYNTHESIS AND DISCUSSION

6.1 Key learnings

This section provides an overall synthesis of the main findings discussed in previous chapters, both against the conceptual framework and also against the overarching research questions. As outlined above, the four AoE are mapped against the conceptual framework, with the research questions cutting across all conceptual framework variables. The below sections provide the key insights by conceptual framework variable and research question, then based on the insights, sets out five key, practical recommendations to be taken forwards into the NECA merger.

6.1.1 Key insights by conceptual framework variable

The table below summarises the key insights as set out in chapter 5 against each variable of the conceptual framework. As described in Chapter 2, the nine conceptual framework variables are intended to highlight and test examples of good practice derived from literature and to examine how these manifest in practice within and across the four AoE. The table below maps the key concepts (and 'ideal cases') to the empirical insights found through the evaluations and consultation, a key mechanism for assessing the performance of the North East LEP and how its working methods/principles have supported successes.

Concept	Ideal case from literature	Empirical insights from practice
Leadership Capacity / Capability and Style / Approach	Strong, adaptable leaders who inspire trust, consensus, and action.	Leadership was well-regarded in consultation and was specifically praised for setting and maintaining a consistent vision for the region, and for fostering a culture of transparency and accountability. The North East LEP performed several types of leadership role based on need (owner, co-owner, broker/facilitator).
Capacity and Capability	Robust processes that support evidence-based policymaking.	The North East LEP has followed a principle of evidence-based policy making, using collated data and evidence (including evaluations) to inform and support decisions. The impact of this is two-fold: informed orientation of interventions, and a growing culture of evidence-led decisions across partners. The Evidence Hub is a significant factor in this capacity and capability.
Appropriate Legitimacy (Input and Output)	High levels of input legitimacy with broad stakeholder involvement and output legitimacy demonstrated through effective policies and measurable impacts.	Consultees praised the ways in which the North East LEP sought and mobilised input from partners on design and delivery, suggesting a high degree of input legitimacy. The effectiveness of policies and programmes as established by independent evaluations suggests high degree of output legitimacy. The Evidence Hub, and the approach to bilateral communications are both significant factors in generating legitimacy.

Concept	Ideal case from literature	Empirical insights from practice
Organisational Role(s) within Multi-Level Governance	Clearly defined roles that align with local/regional objectives and national expectations.	The North East LEP was praised in consultation for its ability to interface with local partners (horizontally) and with national government departments (vertically). Translating local needs into national priority areas was deemed important to the success of the North East LEP in securing government backing (i.e., on devolution, competitive funding, and other settlements).
Codification / Clarity of Partnership Working	Well-documented and transparent processes that facilitate effective collaboration and communication.	Consultation highlighted the ways in which the North East LEP works with partners, including setting out key parameters for roles and responsibilities (such as input to SEP refresh, and/or delivery responsibility).
Good Governance Principles	LEP operations are characterised by these principles, fostering trust and effectiveness.	Consultees were very positive about the ways in which the North East LEP demonstrated good governance principles in their actions. In particular, the North East LEP leadership was praised for its transparency and accountability, and the organisation was praised for its agility and ability to pivot where and when required (e.g., COVID, EU transition).
Organisational Culture and Processes	A culture values adaptability, efficiency, and innovation, promoting effective policymaking.	The culture of the North East LEP has been an important tone setter for what has been observed by evaluations and the consultation undertaken for this research. Transparency, accountability, and agility are noted above, and in addition, consultees highlighted the ambition of the North East LEP, the commitment to continual improvement, and the nature of engagement with partners and experts.
Modes of Contribution to the Complex Policy Mix	LEPs actively contribute to a well-coordinated policy mix that addresses local needs and leverages available resources.	The North East LEP and its teams have been key drivers of effective policy and programmes for the region, part of which is working horizontally (with regional partners) and vertically (with nation government). Consultees praised the North East LEP leadership's ability to navigate policy flux in the broader system, and to 'translate' local requirements into the national context as part of its advocacy. The evaluation of the Growth Hub and its programmes also found that the team had helped to 'smooth' navigation of business support

Concept	Ideal case from literature	Empirical insights from practice
		for the region's firms, piecing together local, national, public, and private provision.
Effectiveness of Delivery	Successful policy implementation, achieving intended outcomes and benefits for the community.	The evaluations and evidence reviewed for this research each suggest that the North East LEP deliver effective policy and programmes, underpinned by clear scoping and appropriate skills. The culture and working practices of the North East LEP have been important in supporting effectiveness.

6.1.2 Key insights by research question

The following sub-sections seek to reflect the insights as set out in the chapter 5 against the three overarching research questions for this study. In addition to examining the empirical evidence against each of the core concepts (above), examining findings against the research questions themselves helps to develop a view of the lessons that can be taken forward from how the North East LEP has delivered value and been effective in delivery. These are key building blocks:

What is the value added of the North East LEP to the regional economy?

Based on consultation and review of documentary evidence during this research, the value of the North East LEP over the period 2014-2024 can be characterised in three primary ways, each of which relate directly to chosen leadership approaches, and organisational culture:

- **Fostering a culture of data and evidence-led decision making.** This is itself a two-part action comprising: i) creating and maintaining the evidence base for policy and programme development for the region, including the initial independent economic review, described in consultation as being a central to the North East LEP's ability to shape and orient policy and programmes; and ii) increasing data accessibility and appetite to use data among partners in the region through creating and maintaining primary and secondary datasets and leading by example.
- Facilitating the development and delivery of appropriate policy and programmes by **performing the role of 'honest broker' among regional stakeholders.** The North East LEP has been able to generate and maintain legitimacy through being openly data-led, developing a reputation as a neutral facilitator of policy decisions. This requires a combination of data infrastructure, organisational culture and processes, and sufficient capacity – as well as demonstrable adherence to good governance principles such as transparency. Each of these were highlighted in consultation for this research.
- Helping local actors to **navigate flux** (whether related to externalities such as the COVID-19 pandemic or EU transition, or elsewhere in the policy system). The North East LEP has been praised for the ways it worked across the multi-level governance system to articulate regional needs and priorities to national government (e.g., in developing responses to competitive funding calls and devolution processes, also highlighted in the interim evaluation of the SEP).

The evaluation of the Growth Hub also praised the ways in which the team worked to ease access to business support by undertaking individually focused outreach and curating a network of providers. Developing and maintaining strong strategic and delivery partnerships that are truly bilateral is key to both providing consistency and stewardship and working across levels of governance.

As discussed in relevant academic and grey literature, the viability of these approaches rests on developing supporting capacity, which the North East LEP appears to have managed despite some flux in budgets and staffing. The literature reviewed as part of this research notes that these behaviours and practices can also be seen to be interlinked and mutually reinforcing, insofar as values and organisational culture can only be actualised through sufficient infrastructure (e.g., the Evidence Hub) and appropriate advocacy (e.g., clear communication as part of an inclusive approach to developing partnerships and working methods). These are in turn supported and are supported by the 'honest broker' role, which embeds and becomes legitimised over time, dependant on results.

Which areas of North East LEP delivery have been most effective / impactful? What makes these areas effective / impactful?

Based on the evidence reviewed and consultation undertaken for this piece of research, the North East LEP has been effective and impactful in a number of areas. This covers both design and delivery of policy and programmes, with consultees emphasising the role of the North East LEP in **setting (and maintaining) the strategic direction for the region**, and independent evaluations offering a uniformly **positive view of policy and programme results**. This positive assessment covers areas ranging from business support to entrepreneurship, innovation, skills development, and investments in economic development infrastructures. While the interim evaluation of the SEP highlighted progress against a number of key performance indicators and policy domains, particular examples of effectiveness derived from consultation include: the approach to engaging and supporting businesses in an individualised way, the COVID-19 response, and the Gatsby⁵¹ pilot having become a national standard.

The above examples demonstrate the **North East LEP's differentiated approach**, and the importance of using evidence in developing targeted interventions. The results of reviewing prior evaluation findings and undertaking primary consultation for this research highlighted that the North East LEP's **effectiveness is underpinned by its ability to scope and deliver appropriate interventions through use of evidence and capacity to mobilise the analysis**. The evaluation of the COVID-19 response (and the evaluation of the Growth Hub activities) also highlighted the importance of the North East LEP's agility and ability to innovate and pivot delivery to react to changing circumstances. Consultation emphasised the importance of the North East LEP's values and commitment to continual improvement to this, and its adherence to the good governance principle of responsiveness (itself also noted in the academic and grey literatures as underpinned by capacity).

A final area of effectiveness that is worthy of discussion in this section is the perception of the North East LEP as providing steady leadership. This relates to two main areas: i) the North East LEP's reputation for transparency and accountability, and ii) the above-discussed navigation of

⁵¹ See: <https://www.northeastambition.co.uk/education/primary-schools/benchmarks-pilot>

flux. As set out in chapter 5, consultees repeatedly praised the Chair of the main North East LEP board and the current Chief Executive, noting the complementarity of the pair and the importance of the consistency in setting direction and culture (including the transparency and accountability), and influencing ways of working (including the emphasis on harnessing the business voice). The Chief Executive was also praised for providing a ‘calming’ influence during periods of uncertainty.

What lessons have been learnt through North East LEP delivery? Which areas of practice should be maintained through the transition? How would these areas transfer and be retained within the new NECA structure?

The last ten years of North East LEP delivery provides a number of important lessons for future activity through NECA. To frame this, this discussion chapter aims to (re-)highlight the core areas of importance. In doing so, it builds on the prior two sub-sections (the North East LEP’s added value, and specific areas of effectiveness/impact) and isolates the important underlying factors. This is intended to bridge the development of a small number of actionable recommendations for the transition, which are set out in the next sub-section (6.2, below).

The view of the North East LEP as an ‘honest broker’ that works across both the region (with partners) and the multi-level governance system (with government departments and agencies, and other policy bodies) highlights the importance of the organisation being able to act in an informed and neutral way. Based on consultation and independent evaluations, the North East LEP has succeeded in large part because of its knowledge of the local area in terms of needs and how this translates into a national policy language and context.

This has been facilitated by the robust evidence base that is also kept up to date through continual investment, which allows the North East LEP to appropriately scope and orient its interventions. The honest broker role is a key element of developing trust in the North East LEP’s role, and is supported by the evidence base and values of the organisation, socialised among partners. In line with this, the leadership of the North East LEP has provided a consistent vision, updating the SEP iteratively and ensuring consistency with other areas of policy and delivery.

Despite some fluctuation, the North East LEP has been appropriately resourced to deliver its programmes and interventions, though consultation and evaluations note that greater resourcing would have allowed increased outreach/engagement/scaling. This includes some areas that are resource intensive (e.g. the Growth Hub), and efforts to respond quickly to external shocks such as the pandemic.

The values of the North East LEP have been central to ensuring consistency of approach (e.g., across numerous North East LEP board Chairs) while also facilitating individuality to be expressed. Advocacy of data and evidence-led decision making (and routinely bringing partners into the process of development as equals) has engendered shared value of the use of evidence. Adherence to good governance principles has been supported by resourcing and capacity, but also speaks to the values of the organisation and how they are embedded across all staff. This has resulted in a consistency of approach and a shared approach and baseline competencies

6.2 Recommendations

6.2.1 Reflections on the design of NECA

Set out below are four key recommendations for the NECA transition that have emerged from the research findings above. These are practical and concrete suggestions based on the study, and are designed to facilitate discussion of potential directions for future initiatives in the region:

1. Maintain the Evidence Hub and commitment to data-led decision making, which incorporates reflection on delivery and results (i.e., evaluation practice) within the new combined authority.
2. Ensure that there are meaningful opportunities for co-created development and delivery of policy, strategies, and programmes in the new governance structure and operating model. It is important to continue operating in appropriate ways dependant on needs and requirements (e.g., maintaining the ability to act as an 'honest broker' where necessary, even though NECA will be less agnostic by nature). This has been central to the North East LEP's success.
3. Ensure that partnerships and networks continue to be nurtured, developed and leveraged, by communicating and engaging with them effectively. Impartial input and challenge has been recognised as a strength of the North East LEP's work, as was the importance of the voice of business, specifically. In addition, the North East LEP developed a strong sense of where expertise could be accessed, and used this effectively in the design and delivery of policies and programmes. It is important to acknowledge that the region and its people are important assets and have demonstrated an appetite to be involved in governance.
4. The North East LEP is an established organisation, and is recognised and respected across multiple roles. The institutional memory and knowledge, expertise, and innovative thinking of the North East LEP and its staff should be used to help shape the new organisation via purposeful knowledge transfer.

6.2.2 Wider reflections for regional economic policy development

Key for local and regional economic development is ensuring that policy is appropriately differentiated, scoped, and targeted. This requires sound evidence and appropriate capacity to implement and manage policy design and delivery, as well as ensuring that partnerships are clearly defined. These are all explored within this research in the context of the North East LEP and should be preserved in the design of NECA as per the recommendations above.

Broader literature also stressed the importance of a 'good fit' between institutional design (e.g., roles, values, drivers) and policy objectives, and a mechanism to maintain relevance (e.g., reviewing and adapting alignment over time). This is often a challenge in the transition of governance arrangements, though the design of NECA provides a good opportunity to enact this practice.

APPENDIX 1: CONCEPTUAL FRAMEWORK

Introduction

This conceptual framework has been developed via an academic literature review in order to identify the core principles that underpin LEP policy design and delivery. This builds on earlier research (Wain, 2021), expanding the scope of the research to include additional areas (as agreed with the North East LEP).

The main aim of the conceptual framework is to identify and articulate an ‘idealised’ view of key areas of good practice in delivering effective, differentiated policy and programmes for local economic development. This provides a way for this study to make a normative assessment of what has worked and why in the North East LEP’s delivery of the SEP (i.e., how the delivery of the SEP and broader work of the North East LEP has adhered to good practice). This goes beyond ‘what has happened’, and provides greater explanatory power for why results are observed, while also providing a baseline that is more powerful than a small selection of comparator benchmarks.

The second aim of the conceptual framework is to develop a series of core research questions that will be explored through consultation and desk research in the four agreed areas of examination. To develop the research questions, we take what is known about prior UK governance transitions (i.e., from Regional Development Agencies to Local Enterprise Partnerships) and design/delivery of differentiated policy, and extract the key concepts and particular explanatory models that have been developed and presented by authors. This broader examination of literature is of significant importance to grounding the work, though not all areas of literature are relevant to the four areas of examination.

Our experience of the literature and empirical practice suggests that the following concepts (or ‘variables’) are core to the successful design and delivery of local policy and programmes for economic development, and will be explored in more detail in this document:

- Leadership capacity/capability, and style/approach;
- Analytical capacity and capability;
- Appropriate legitimacy in terms of input legitimacy (i.e., who participates in policy design and delivery, and how) and output legitimacy (i.e., policy interventions/programmes are deemed to be appropriately differentiated and oriented for the target audience);
- Organisational role(s) within multi-level governance (i.e., how the North East LEP works across the region and with other levels of governance from national government to local organisations) within a defined typology (owner, co-owner, broker-facilitator);
- Codification/clarity of partnership and network working practices underpinning key relationships and structures;
- Good governance principles (i.e., responsiveness, efficiency, openness and transparency, innovativeness, sustainability, sound management and accountability);
- Organisational culture and processes (i.e., values of internal/external orientation and control/flexibility, emphasis and attitudes to change, flexibility, entrepreneurialism, outcomes, efficiency, and productivity, managerialism)
- Modes of contribution to the complex policy mix for local economic development inherent in a multi-level governance system (i.e., designing appropriate policy that is complementary, and aiding beneficiary navigation);

- Effectiveness of delivery (i.e., the ways that governance actors shape what is delivered, and the extent to which policies and programmes deliver appropriate results as per design rationales)

This chapter is structured by individual concepts, setting out why they have been selected and a brief overview of what the literature tells us. We then attempt to apply the concepts to the North East LEP context via a summary table. In the next version of this document (following client comments) we will setting out the core research questions, including a rationale, any sub-questions, and propositions drawn from prior knowledge and literature for each.

Key concepts to mobilise

A review of the literature allows the research subject to be suitably grounded in relevant concepts. This is essential to describing and explaining the empirically observable phenomenon of how sub-regional governance structures such as the North East LEP design and deliver differentiated policy for the local area. Each concept is set out in turn, though it should be noted that there are also interplays between the concepts, meaning that some references to other concepts are nested within the discussions.

Leadership capacity/capability and style/approach

Introduction to the concept

Leadership has been selected as a critical variable because of the complexity of the LEP environment (and looking towards the flux of the MCA transition), which in line with prior flux (the transition to LEPs) would suggest that leadership could play a centrally important role in navigating the complexity, contributing to the development of legitimacy of the new organisations, and thus influencing the effectiveness of developing outcomes.

By including the ‘leadership capacity/capability and style/approach’ variable in the framework, we will assess the impact of leadership within the North East LEP on regional development, decision-making, and the effectiveness of governance within a complex system. This evaluation will provide insights into how leadership style and capabilities influence outcomes in the context of economic development.

Description of the concept

The literature around effective governance suggests that effectiveness depends to a significant degree on leadership, trust and relationships between actors (Kezar, 2004; Osborne, 2006), how leaders help to navigate complex settings (Liddle, 2010), as well as effective co-ordination to reduce overlaps in responsibility or duplication of actions (OECD, 2011). Kezar (2004) states that leadership supersedes structure and process in governance, arguing that a lack of leadership can result in a lack of motivation, a lack of common direction, and waning trust.

There is a rich literature that argues that leadership is a key driver of place performance (Collinge and Gibney, 2009; Sotarauta, Horlings and Liddle, 2012; Stimson, Stough and Salazar, 2005). Some authors suggest that leadership is the most important factor for effectiveness, in some cases superseding all else (Kezar, 2004). In this framework, the view that effectiveness depends on leadership, which can work to foster trust between actors in a system (ibid.; Osborne, 2006) is

allied with a view that leaders are important to the navigation of complex settings (Liddle, 2010). LEPs have been required to navigate complex arrangements in the implementation of their functions, both within their own metropolitan areas and nationally to enact their policy agendas. To address this, strong and persuasive leadership is required to lead local actors and present effectual cases to higher levels of governance (i.e. national government). Bakir and Jarvis (2017) note that such leaders would overcome contradictory incentives and developments in the policy making process. Literature suggests that these behaviours might be personality-based, but other perspectives may part-explain success in these behaviours. As such, this work will examine the role and style of leadership as a key explanatory variable, in particular asking if the presence of strong leadership has driven the effectiveness of the North East LEP, and whether one or the other is a dominating factor.

Key considerations in developing research questions

A number of factors exist within the umbrella of leadership, which will feed into the development of the core research questions for this work:

- **Leadership style and approach:** Assessing the style and approach of leadership within the North East LEP. This will include an examination of type of leadership and the pillars of how this manifests, including whether visionary, collaborative, adaptive, or other (Bakir and Jarvis, 2017; Beer et al., 2019; Collinge and Gibney, 2010; Kezar, 2004).
- **Leadership's role in regional development:** Assessing how leadership within the North East LEP influences development strategies and actions, including an examination of how leadership influences decision-making and policy implementation (Beer et al., 2019; Sotarauta et al., 2017; Stimson et al., 2005).
- **Complex governance systems:** Analysing how leadership functions within complex governance systems, considering the challenges and opportunities this presents (Liddle, 2010; Rhodes, 1997).
- **Trust and relationships:** Exploring how trust is built among governance actors through leadership actions and its impact on decision-making (Sotarauta et al., 2017; Kezar, 2004).
- **Legitimacy and communication:** The role of leadership in establishing legitimacy and effective communication within the North East LEP and its partnerships (Liddle, 2010; De Landsheer and Bursens, 2017).

Capacity and capability

Introduction to the concept

Incorporating capacity and capability into the framework supports an assessment of how well the North East LEP utilises data and analysis in its decision-making processes related to the Strategic Economic Plan. This will help the work to understand the extent to which the North East LEP has the necessary skills and resources for evidence-based policy design and implementation.

Description of the concept

Research finds that strategic and analytical capacity is essential to effective policy design and delivery in the LEP context (Wain, 2021). The same research identified a need to ensure that

LEPs are supported to develop relevant capabilities and capacities including strategic intelligence, and supporting structures and processes (ibid). Those LEPs that appear to have worked well have been found to have significant capacity and capability that has supported leadership positions and the ability to fulfil a role of intermediary or trusted / honest broker (ibid).

Varying levels of capacity and capability across LEPs are seen to underpin variable effectiveness, and so it is important to support further development of these capacities and capabilities across the sub-regional governance. One possible avenue for this is to learn from practice via peer sharing or a more formal evaluative approach that audits the capabilities of the LEPs and sets out a development route for MCAs with attached support.

Key considerations in developing research questions

A number of factors exist within the umbrella terms of capacity and capability, which will feed into the development of the core research questions for this work:

- **Capacity** relates to the ability to gather, process, and interpret data and information to inform policy decisions.
 - **Data gathering:** The North East LEP's ability to systematically collect relevant data and information related to the region's economic challenges, opportunities, and innovation potential (Wain, 2021).
 - **Data processing:** The capacity to process and analyse collected data effectively, including the utilisation of advanced analytical tools and techniques for evidence-based policy formulation (Nelles, 2013).
 - **Interpretation:** The capability to interpret the analytical results in a way that informs policy design and implementation, ensuring that data-driven insights guide decision-making.
- **Capability** refers to having the necessary skills and resources for analysis.
 - **Skills:** Assessing whether the North East LEP has access to a team of skilled analysts or experts capable of conducting sophisticated data analysis and economic assessments.
 - **Resources:** Examining the availability of resources, both financial and technological, to support data collection, analysis, and interpretation activities.

Appropriate legitimacy

Introduction to the concept

Within this conceptual framework, 'legitimacy' includes both input and output legitimacy. In the context of the North East LEP and the SEP, these concepts will help develop an understanding of how the North East LEP has ensured appropriate participation in policy and programme development (input legitimacy) and how these are effective for their target audience (output legitimacy).

This work will assess how the North East LEP has ensured appropriate legitimacy in terms of both input and output legitimacy within its Strategic Economic Plan. This framework will guide our assessment of stakeholder participation, policy tailoring, and governance structures in the context of North East LEP's effectiveness and legitimacy.

Description of the concept

Important work by Scharpf (1999) distinguishes between two types of legitimacy: input and output legitimacy. Scharpf defines the input legitimacy as related to participation in governance and policymaking, and output legitimacy as related to the effectiveness of policy outcomes for stakeholders within the system.

In the literature, many authors suggest that the effectiveness of policymakers' actions may be undermined if legitimacy is not properly considered (Skogstad, 2003). The literature suggests that strategies to build legitimacy centre on participation, trust and relationships between actors to build consensus (McCann, 2016). Skogstad (2003) discusses approaches to securing legitimacy, including "integrative" and "aggregative" functions, the former described as reasoned debate to find common good, and the latter as strategic coalition building. However, others have suggested that effectiveness depends more on leadership, to the extent of superseding the structure and process described by discussions of input legitimacy (Metcalf, 2000; Kezar, 2004; Osborne, 2006).

Legitimacy is assumed to be of critical importance to the effectiveness of the new governance structures. Legitimacy therefore can – in line with the literature above – be viewed an underpinning factor of effectiveness, and the examination of effectiveness can also be made along the intermediation functions, and their ability to conduct these functions as established. Legitimacy can be developed on the basis of leadership, actors' actions, or as a result of pre-existing factors, such as organisations or processes.

Key considerations in developing research questions

A number of factors exist within the umbrella of input and output legitimacy, which will feed into the development of the core research questions for this work:

- **Input legitimacy** refers to who participates in policy design and delivery and how their involvement contributes to legitimacy:
 - **Participation and engagement:** Assessing the extent to which a diverse range of stakeholders, including local businesses, communities, and government agencies, actively participate in the policy design and decision-making processes of the North East LEP (Connelly, 2011).
 - **Varieties of participation:** Assessing the different forms of participation within the workings of the North East LEP, such as consultations, public forums, and stakeholder engagement strategies, which contribute to a sense of inclusivity and transparency (Fung, 2006).
 - **Efficiency and governance structures:** Assessing how the organisational efficiency of the North East LEP impacts its ability to facilitate effective participation and input legitimacy among stakeholders (Metcalf, 2000).
 - **Effectiveness and democracy:** Examining whether the governance structure of the North East LEP aligns with the principles of effectiveness and democracy, contributing to input legitimacy. (Scharpf, 1999).
- **Network governance:** How the LEP adopts network governance principles, as seen in Skogstad's study, to involve stakeholders in decision-making, and how this influences input legitimacy (Skogstad, 2003).

- **Output legitimacy** pertains to the extent to which policy interventions and programmes are appropriately differentiated, oriented, and effective for their target audience:
 - **Tailored policy interventions:** Assessing how the North East LEP tailors its policy interventions and economic development programs to meet the specific needs and challenges of the local communities and businesses (Borras and Edler, 2014).
 - **Regional economic problem:** Assessing ways in which the North East LEP addresses the regional-national economic problem as discussed by McCann, and evaluating how governance structures impact the ability to achieve output legitimacy (McCann, 2016).
 - **Effective governance:** Examining the relationship between governance effectiveness, as discussed in Scharpf's work, and the ability of the North East LEP to deliver policies and programmes that are deemed appropriate by the target audience (Scharpf, 1999).

Organisational roles within multi-level and multi-actor governance

Introduction to the concept

Incorporating an assessment of organisational role(s) within multi-level governance into the conceptual framework for this study, we will assess the specific role that the North East LEP plays within broader governance. This evaluation will help us to understand ways in which the North East LEP has primarily owned policies, collaborated with others, or served as a facilitator, and how this role affects its effectiveness in connecting local priorities with national resources.

Description of the concept

The literatures on multi-level governance and multi-actor governance provide useful framing for any examination of how LEPs work in the policy ecosystem. As sub-regional governance structures in England, the Local Enterprise Partnerships are multi-actor and multi-level by nature. Both multi-level and multi-actor governance are descriptively powerful concepts and wholly relevant, providing useful precedents in the UK and further afield. However, there are limitations to these concepts. While descriptively powerful for capturing and describing the developments under examination, they lack further explanatory powers (Bache and Flinders, 2004; Jessop, 2004).

Limitations notwithstanding, this evaluation should aim to first understand in what ways multi-level and multi-actor governance is manifested, as this is key to how the North East LEP operates. The advent of the LEP (and now the MCAs) are an addition to implementation of multi-level governance in the UK and as such, it is possible to adapt the Marks and Hooge (2004) model that suggests two types of multi-level governance, related to general or specific purposes of multi-level governance arrangements. Here, it is possible to imagine that the ways in which the LEPs operate would take one form or other from this typology. It is also important to understand the basis of the LEPs in light of Stephenson's (2013) five uses of multi-level governance and Provan and Kenis's (2008) types of network governance in the multi-actor setting.

Examining modes of working within these settings, literature suggests that LEPs may be characterised as intermediary bodies within their local/regional systems, as they i) provide an interface between local/regional policy priorities and national funding/resources, and ii) have a role to organise shared priorities and strategies in the local setting. This evaluation will determine

to what extent the North East LEP has worked as an intermediary, particularly in its prescribed role of negotiating between local/regional policy priorities and national funding. This will include an examination of the North East LEP along established intermediation functions, drawing on Howells's model of intermediary bodies (2006), as well as select typologies of governance intermediation functions (Inkinen and Suorsa, 2010; Nauwelaers, 2011; Smedlund, 2006). Use of these models and typologies will allow the work to build a picture of which functions the North East LEP has performed, enabling the outputs of the evaluative work to reach analytical conclusions as to what has underpinned success.

Key considerations in developing research questions

A number of types of role exist within the umbrella of intermediation functions, which will feed into the development of the core research questions for this work:

- **Owner role:** The extent to which the North East LEP acts as an owner in the multi-level governance system. This role involves taking primary responsibility for policy design and implementation, with a strong focus on local priorities and decision-making (Bache and Flinders, 2004; Coombes, 2013; Shaw and Greenhalgh, 2010).
- **Co-owner role:** Evaluating the collaborative role of the North East LEP in conjunction with other actors, such as local authorities or regional stakeholders, in shaping policies and strategies. This role emphasises shared responsibility and decision-making (Jessop, 2004; Marks and Hooghe, 2004; Koschatzky and Lo, 2004; Nauwelaers, 2011).
- **Broker-facilitator role:** Analysing the North East LEP's function as a broker or facilitator within the multi-level governance system. This role involves connecting local priorities with national resources, mediating between various actors, and facilitating collaboration. (Howlett, Vince, and del Río, 2017; Inkinen and Suorsa, 2010; Smedlund, 2006; Liddle, 2015).

Codification/clarity of partnership working

Introduction to the concept

Incorporating the 'codification / clarity of partnership and network working practices' variable into the framework, this evaluation can assess the level of clarity and transparency in the North East LEP's partnership and network working practices. This evaluation will help the study team to develop an understanding of whether these practices facilitate or hinder collaborative efforts and whether they allow for flexibility and innovation in governance.

Description of the concept

The literature shows that governance is not only about government. Partnership working has become a particularly important concept in light of the emergence of different modes and forms of governance of public policy, particularly those that go beyond public bodies.

Provan and Kenis (2008) suggest that there are two primary types of governance structure: i) organisational governance, which would include boards within specific organisations such as private sector companies or non-profits, and ii) network governance, which describes the coming together of public, private and other actors into a specific structure. The emergence of network governance is observable since the mid-1990s. Networks of governance may include actors from the public sector, private sector and third sector, each performing roles in multi-layered

environments. It is in this complex multi-actor, multi-level environment that this study is to be embedded. Provan and Kenis (ibid.) outline three kinds of network governance:

- **“Shared governance”**: Dense, decentralised, and self-governed: every organisation interacts with every other organisation to govern the network. Participant governed.
- **“Brokered”**: Centralised networks, with few direct interactions among participants, except day-to-day business. Governance occurs through a central convening ‘lead organisation’.
- **“Mid-way”**: A division of governance issues into sub-sets of the network and/or a central organisation takes on some duties. Examples of this would include thematic responsibilities assigned to particular individuals.

The North East LEP may be compared and contrasted with these three types of network governance within multi-actor settings.

Key considerations in developing research questions

A number of factors exist within the umbrella of codification / clarity of partnership working, that will feed into the development of the core research questions for this work:

- **Explicitly permissive practices**: Assessing the degree to which the North East LEP’s partnership and network working practices are clear and explicitly permissive, allowing for flexibility and innovation in governance. This includes the presence of clear guidelines and rules that enable collaborative efforts (Deas, Hincks, and Headlam, 2013; Gertler, 2010).
- **Transparent relationships and structures**: Evaluating the transparency of the relationships and structures established by the North East LEP. This aspect focuses on how well-defined these relationships are and how clearly they are communicated to stakeholders and the public (Deas, Hincks, and Headlam, 2013; Gertler, 2010).

Good governance principles

Introduction to the concept

By incorporating the ‘good governance principles’ variable into the framework, this evaluative work will be able to assess how the North East LEP aligns with good governance standards and whether these principles contribute to the North East LEP’s effectiveness in promoting economic development in the region.

Description of the concept

Literature suggests that effectiveness is one aspect of good governance, along with others such as accountability, transparency, efficiency, and responsiveness (OECD, 2011; Hendriks, 2014; World Bank, 2015). In a similar vein, the study by Ruhanen et al. (2010) found that many dimensions of good governance were discussed among the papers they reviewed. In particular, the authors found that the most used terms among case studies they reviewed were: accountability, transparency, involvement, structure, effectiveness and power. Though Ruhanen’s review is centred around tourism, these are interesting and transferable. There are other useful and transferable qualitative measures, too. These include what Leftwich (cf. Rhodes, 1997) states as systemic distribution of economic power, a state with both legitimacy and authority, and administrative efficiency.

Key considerations in developing research questions

A number of factors exist within the umbrella of good governance, which will feed into the development of the core research questions for this work:

- **Responsiveness:** Assessing the North East LEP's ability to respond to the needs and concerns of stakeholders and the community promptly. This includes its capacity to adapt policies and strategies in light of changing circumstances (Hendriks, 2014; Kooiman, 2003).
- **Efficiency:** Evaluating the efficiency of the North East LEP's governance processes and resource utilisation in achieving its goals. This involves examining whether resources are used effectively to produce desired outcomes (Hendriks, 2014).
- **Openness and transparency:** Measuring the level of openness and transparency in the North East LEP's decision-making processes. This includes the extent to which information is accessible to the public and stakeholders (Kooiman et al., 2008; Ney, 2017).
- **Innovativeness:** Assessing the North East LEP's capacity for innovative approaches to governance and economic development. This involves considering its ability to adopt new ideas and practices (Hendriks, 2014; Kooiman, 2003).
- **Sustainability:** Evaluating the North East LEP's commitment to sustainability in its policies and programmes. This includes considering environmental, social, and economic sustainability (Kooiman et al., 2008; Voß et al., 2006).
- **Sound management:** Examining the North East LEP's practices in terms of sound financial and organisational management. This includes responsible use of resources and adherence to ethical standards (Hendriks, 2014; Kooiman, 2003).
- **Accountability:** Measuring the extent to which the North East LEP is held accountable for its actions and decisions, both internally and externally. This includes mechanisms for oversight and reporting (Hendriks, 2014; Kooiman, 2003).

Organisational culture and processes

Introduction to the concept

Incorporating the 'organisational culture and processes' variable into the framework allows this evaluative work to assess how the North East LEP's internal culture and processes have influenced its effectiveness in achieving economic development goals. This includes a view of how values, attitudes, and operational efficiency contribute to overall performance.

Description of the concept

As a backdrop to our view of how LEPs work, De Lantsheer and Bursens (2017) suggest that once-centralised and single-level political systems have become multi-layered, complex governance arrangements that connect both vertically and horizontally. The authors characterise decision-making in multi-level, multi-actor governance arrangements in a metropolitan context as comprising internal (city-level) processes, cross-municipal collaborative processes and vertical co-operation between levels of administration.

De Lantsheer and Bursens (ibid) also add a different perspective – the role of individuals in political processes. The authors use the political psychology approach, thus emphasising the influence of elites on decision making from the perspective of personality and motives, rhetoric and presented definitions and conceptualisation of national interests. This approach moves away from assuming uniform rational approaches, and is relevant in considering implementation of policy entrepreneurship. Defined by Kingdon (1984), a policy entrepreneur is an individual that would seek opportunities to use their knowledge of processes to engender certain policy ends. Mintrom and Norman (2009) examine policy entrepreneurship in the context of explaining policy

change, and note that the motives and ways of acting of policy entrepreneurs could appear diverse and idiosyncratic. Bakir and Jarvis (2017) build on the concept of policy entrepreneurship, by linking the concept to institutional entrepreneurship. The authors note that throughout literature, policy entrepreneurs are “recognised as key individual actors in the policy-making process” (p.465). Bakir and Jarvis (op. cit, p.466) suggest that policy entrepreneurs “... prevail over contradictory incentives whilst operating in all stages of public policy-making process”.

Gore (2018) adds that governance arrangements must be supported by robust institutional arrangements and political processes (in terms of agreed, codified, established ways of working that reduce uncertainty). Wain (2021) found implications for LEPs where pre-existing organisations, processes, or routines also affected the capabilities within the city region. The empirical evidence presented in the case studies of Wain’s research shows that the organisational capabilities of LEPs can be varied. This did not appear to relate to the availability of staff (i.e., human resources), but rather on available capacity to be mobilised during the transition to the LEPs.

In addition, reflexivity takes an important role within this variable, acknowledging the importance of actors in governance and policy making, and the roles that they may choose to perform (Gertler, 2010; Flanagan, Uyarra, and Laranja, 2011; Kooiman, 2003; Kooiman et al., 2008). Reflexivity is defined in the literature as the ability of actors to learn, and to also acknowledge their own values as they perform their roles and undertake processes (Kooiman et al., 2008; Flanagan et al., 2011). Reflexivity is particularly important due to the nature of LEPs, and the complexity of the landscape within which they operate (Voß and Kemp, 2006). As such, an important aspect of reflexivity in this work is the perception of actors as regards their own roles. The governance and policy literatures both discuss the importance of actors’ ability to both learn as they perform their roles, and to also acknowledge their own values within their roles (Edler, Kuhlmann and Smits, 2003; Kooiman et al., 2008; Flanagan et al., 2011), which is particularly important in this setting, where actors worked with little top-down guidance while navigating new organisations and arrangements.

Key considerations in developing research questions

Unpacking values and processes further, the following considerations are found to be important to the development of the core research questions for this work:

- **Values:** Examining the core values that guide the North East LEP's decision-making and operations. This includes an assessment of whether these values align with the organisation's mission and goals (Drumm, 2012; Parker and Bradley, 2000).
- **Attitudes toward change:** Analysing the North East LEP's attitude and approach toward change, innovation, and adaptation. This includes assessing its readiness to embrace new ideas and practices (Drumm, 2012; Osborne, 2006).
- **Flexibility:** Evaluating the North East LEP's capacity to adapt to changing circumstances and requirements. This involves considering its ability to respond promptly to emerging challenges (Osborne, 2006; Macleod and Goodwin, 1999).
- **Entrepreneurialism:** Assessing the North East LEP's entrepreneurial spirit and its willingness to take calculated risks in pursuit of economic development goals. This involves examining its initiatives to foster innovation and entrepreneurship (Osborne, 2006; Macleod and Goodwin, 1999).

- **Outcomes orientation:** Measuring the extent to which the North East LEP focuses on achieving measurable outcomes and results in its programs and initiatives. This includes a commitment to delivering measurable benefits (Osborne, 2006; Macleod, 2011).
- **Efficiency:** Evaluating the efficiency of the North East LEP's internal processes and resource allocation. This involves considering whether it operates in a cost-effective manner (Parker and Bradley, 2000; Osborne, 2006).
- **Productivity:** Examining the North East LEP's productivity levels in terms of its ability to generate economic growth and development within the region. This includes the efficient use of available resources (Macleod, 2011; Osborne, 2006).

Modes of contribution to the complex policy mix

Introduction to the concept

Incorporating the 'modes of contribution to the complex policy mix' variable into the framework, this study will be able to assess how the North East LEP's strategic approach to policy design, beneficiary support, and alignment with local priorities has contributed to the effectiveness of its economic development efforts. This will help to develop an understanding of how the North East LEP's actions fit within the broader context of multi-level governance and policy coordination.

Description of the concept

Kooiman (2003) states a clear separation between governance, management, and policy. Policy can be understood as the way that governance actors seek to deal with certain issues, for example increasing employment or increasing R&D investment (Flanagan et al., 2011; OECD, 2011). This is undertaken via policy instruments – particular programmes or interventions intended to deliver a policy goal, such as those above (OECD, 2011). The kinds of policy instruments employed can highlight the way that governance structures are interacting with the system(s) that they govern (Borrás and Edquist, 2013).

In addition to the increasing adoption of multiple tools and instruments – the 'policy mix', as defined by Flanagan et al. (2011),⁵² the literature discusses the influence of multi-level settings on the design of policy mixes. Flanagan et al. (ibid.) raise the issue of policy mix interactions in multi-level and multi-actor settings, and note the importance of negotiation in setting appropriate policy mixes, while noting that further empirical attention was required to understand the roles of actors in this process. A later paper by Matti, Consoli and Uyarra (2017) concludes that regional and local actors play a systemic role in setting policy mixes for their localities within multi-level settings. Howlett, Vince, and del Rio (2017) discuss design principles to promote the integration of different levels of multi-level governance, using the elements of verticality and horizontality to develop the understanding of interactions between various actors and institutions active in the multi-level governance system, and thus in the policy mix. The authors note that a clear institutional framework is an important enabling factor in delivering a policy mix in multi-level settings.

⁵² Flanagan et al.'s (2011) conceptualisation of the policy mix is drawn through focusing not on specific policy mixes, but rather on the actors, institutions, instruments, and interactions that shape public policy. Within this discussion is consideration of diffused and dispersed leadership, from traditional state actors to other state and non-state actors and through different spatial levels.

Authors such as Morlacchi and Martin (2009), the OECD (2011), Flanagan et al. (2011), and Saxenian (1996) discuss the risks of 'copy and paste' methods of setting policy mixes, whereby successful policy mixes from other places are imported to new localities or settings without critical reflection. There is a need to consider the institutional context and characteristics of the particular regional or local ecosystem, and the specific choices that were made in setting policy (OECD, 2011). It is acknowledged that these factors increase the management complexity of policy, and this could be exacerbated with smaller, more numerous geographies (ibid.).

Key considerations in developing research questions

A number of important pillars should be considered in understanding how policy mixes are set, and the role of the North East LEP in doing so, that will feed into the development of the core research questions for this work:

- **Policy design and complementarity:** Evaluating the North East LEP's role in designing policies that complement each other within the broader policy mix for local economic development. This includes assessing the coherence and synergy among different policies (Flanagan, Uyarra, and Laranja, 2010; Flanagan, Uyarra, and Laranja, 2011).
- **Beneficiary support:** Analysing the North East LEP's efforts to support beneficiaries, such as local businesses and communities, in navigating and accessing various policies and programmes. This includes assessing the effectiveness of support mechanisms (Flanagan, Uyarra, and Laranja, 2010; Flanagan, Uyarra, and Laranja, 2011).
- **Alignment with local priorities:** Examining the extent to which the North East LEP aligns its contributions to local economic development priorities (and how these are set). This involves assessing whether policies are tailored to address the specific needs of the region (Flanagan, Uyarra, and Laranja, 2010; Flanagan, Uyarra, and Laranja, 2011).
- **Interactions with other actors:** Assessing how the North East LEP collaborates and interacts with other actors within the multi-actor and multi-level governance system to ensure that its contributions are integrated into a coherent policy mix (Flanagan, Uyarra, and Laranja, 2010; Flanagan, Uyarra, and Laranja, 2011).
- **Monitoring and adaptation:** Evaluating the North East LEP's capacity to monitor the effectiveness of its policy contributions and adapt them as needed based on changing circumstances and feedback (Flanagan, Uyarra, and Laranja, 2010; Flanagan, Uyarra, and Laranja, 2011).

Effectiveness of delivery

Introduction to the concept

By including 'effectiveness of delivery' in the conceptual framework, this study can better assess how well the North East LEP and other governance actors shape policies, act as change agents, utilise network governance modes, leverage knowledge, and influence policy for the locality. This assessment will provide insights into the North East LEP's effectiveness in achieving desired outcomes in regional development.

Description of the concept

In addition to the discussion of output legitimacy (above), other concepts are important to consider in the effectiveness discussion. Voß and Freeman (2016) describes the way(s) in which governance actors shape practices (i.e., how they govern what they govern, and how they deliver effectively). In this respect, this framework positions the ways in which governance actors

influence deliver delivery as a driver of the effectiveness of LEPs. An example of this would be where LEP actors decide on a vision for the organisation that influences the approach taken to the roles and functions in the local system, and what this then means for the subsequent development of outcomes via the advancement of policies and strategies in the local area.

Key considerations in developing research questions

A number of areas sit within this concept:

- **Policy shaping:** Assessing how the North East LEP and other governance actors shape policy delivery to align with the intended design rationales. This includes evaluating the ability to adapt policies for effective implementation (Grillitsch and Sotarauta, 2020; Mintrom and Norman, 2009).
- **Change agency:** Examining the role of the North East LEP as a change agent in regional development. This involves assessing the influence on policy outcomes and its contribution to regional development paths (Grillitsch and Sotarauta, 2020; Mintrom and Norman, 2009).
- **Network governance modes:** Analysing the modes of network governance employed by the North East LEP, including its structure and management, and how these affect the effectiveness of policy delivery (Provan and Kenis, 2008).
- **Epistemic construction:** Understanding how knowledge and epistemic processes contribute to the political order and effectiveness of policy delivery by the North East LEP (Voß and Freeman, 2016).
- **Innovation policy design and implementation:** Investigating the effects of the North East LEP's actions on innovation policy design and implementation, considering the specific context and outcomes (Wain, 2021).

APPENDIX 2: REFERENCES AND BIBLIOGRAPHY

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APPENDIX 3: CONSULTATION TOPIC GUIDES

Background to the study

The North East LEP has commissioned RSM to carry out a piece of evaluative research to explore key learnings in relation to the delivery of the North East Strategic Economic Plan (SEP) and the role of the North East LEP in setting the strategic ambition for the region and delivering elements of the SEP. This project will generate knowledge and insight that will inform the establishment of the North East Mayoral Combined Authority in 2024. This second phase of consultation is to gain a deeper understanding of the actions and activities of the North East LEP and their impact when delivering the SEP, and to generate learnings and recommendations ahead of the NECA merger.

Aim of the workshop

The workshops represent a significant milestone in our evaluative research study. These sessions are carefully crafted to foster open, insightful discussions among stakeholders and partners of the North East LEP. Through collaborative dialogue, our aim is to:

- **Explore SEP Implementation:** Dive into the nuances of SEP implementation, understanding the strategies that worked, challenges encountered, and the transformative impact on region's economic landscape. We are specifically interested in four areas of exploration: The Role of the LEP, Capacity and Capability, Evidence and Insights and Partnership Working.
- **Evaluate the LEP's Role:** Assess the role of the North East LEP in setting the strategic vision, fostering collaborations, leveraging data and insights, and navigating complex governance structures.
- **Identify Best Practices:** Uncover successful collaborations, data-driven decision-making processes, and effective governance models, identifying best practices that can guide future initiatives.
- **Gather Insights:** Collect valuable insights from diverse perspectives, enabling a comprehensive understanding of regional economic initiatives' difficulties and opportunities.
- **Facilitate Recommendations:** Encourage participants to share their learnings and offer recommendations. These insights will be pivotal in shaping the North East's future economic strategies and policies.

Data and confidentiality

Your contributions to this study are strictly confidential and will not be associated with either your name or the name of your organisation without your explicit consent. All reporting will be done at the highest level of aggregation, and your answers will only be used for the purpose of this evaluation. You have the right to withdraw your participation at any time.

Consent to record

We usually seek to transcribe these conversations using the Microsoft Teams transcription feature to ensure we have a good record of the discussion. Transcriptions are purely for internal use and are deleted as soon as the work is concluded. Do you give consent for this conversation to be transcribed on this basis? **Yes / No [Interviewer to delete as appropriate]**

Consultee information (to be recorded by interviewer)

Name of interviewee	
Role	

Organisation	
Date and time of interview	
Interviewer	

Questions for discussion

Introduction

1.	Please tell me about your role, the nature of your involvement with the SEP and nature of your role in / engagement with the North East LEP. <ul style="list-style-type: none"> Prompt for: Organisation, length of involvement, duties, background
2.	In your opinion, what are the key economic challenges the region is facing? <ul style="list-style-type: none"> Prompt for: Employment, attracting businesses, sectors, skills
3.	What successes & setbacks have you witnessed or been part of within the region's economic development initiatives? <ul style="list-style-type: none"> Specific schemes or initiatives that have worked or not worked, reasons why and lessons learned.
4.	What do you view as the key contribution of the North East LEP in the delivery of the SEP? <ul style="list-style-type: none"> Prompt for: Leadership, co-ordination, role as an honest broker

Leadership capacity/capability and style/approach

5.	How would you describe the leadership shown by the North East LEP? Has it facilitated effective communication and successful outcomes? (Role of LEP) <ul style="list-style-type: none"> Prompt for: Expertise, setting agenda, communication, culture and values
6.	Did North East LEP leadership have sufficient capacity and capability to deliver successful outcomes? (Capacity and Capability) <ul style="list-style-type: none"> Prompt for: Generating buy-in, role of leadership, staffing, expertise, mobilising internal and external voices

Capacity and capability

7.	Did the North East LEP have sufficient resources required for successful policy implementation? (Capacity and Capability) <ul style="list-style-type: none"> Prompt for: Systems, processes, data (Evidence Hub), technology
8.	Were there opportunities to both leverage external capacity, but also build in-house capabilities? (Capacity and Capability) <ul style="list-style-type: none"> Prompt for: Balance of internal and external, working with partners, identifying relevant experts and working with them effectively

9.	<p>How did the North East LEP ensure validity and quality of data and evidence, and how were data/evidence integrated into decision-making processes? (Evidence and Insights)</p> <ul style="list-style-type: none"> • Prompt for: Quality assurance processes, evidence-led policy, visibility of data and data sharing
10.	<p>How has the North East LEP managed the responsibility across different projects and partners, and has this facilitated successful collaboration? (Partnership working)</p> <ul style="list-style-type: none"> • Prompt for: Division of labour, capacity, communication, opportunities for knowledge exchange

Appropriate legitimacy

11.	<p>What measurable impacts and outcomes have resulted from the North East LEP's activities in terms of economic growth and job creation? (Role of the LEP)</p> <ul style="list-style-type: none"> • Prompt for: Delivery of the SEP, examples of outputs/outcomes driven or enhanced by the North East LEP
12.	<p>How did the North East LEP seek to ensure the right input to policy design and delivery? (Evidence and Insights)</p> <ul style="list-style-type: none"> • Prompt for: Levering relevant expertise, evidence informing policy, examples of success
13.	<p>Were policy and programmes effectively targeted at the right audiences to address challenges across the region? (Evidence and Insights)</p> <ul style="list-style-type: none"> • Prompt for: Role of evidence base, tracking, feedback from stakeholders
14.	<p>How did the North East LEP effectively collaborate with partners, spanning funding, direct delivery, and facilitation of external organisations? How has this delivered successful policy making? (Partnership Working)</p> <ul style="list-style-type: none"> • Prompt for: Working with a range of partners, communication, facilitation, examples of success
15.	<p>Can NEMCA leverage the partnership models used by the North East LEP to facilitate good collaboration? (Partnership Working)</p> <ul style="list-style-type: none"> • Prompt for: Partners for NEMCA to work with, examples of successful partnerships to be taken forwards

Organisational roles within multi-level and multi-actor governance

16.	<p>Are there examples of the North East LEP specifically working to deliver success in the region? How did the North East LEP underpin this success? (Role of the LEP)</p> <ul style="list-style-type: none"> • Prompt for: Examples of the North East LEP enhancing outputs/outcomes, role as owner/co-owner/broker/facilitator
17.	<p>How effective was the coordination with external organisations and groups concerning evidence and data? (Evidence and Insights)</p>

	<ul style="list-style-type: none"> • Prompt for: Leadership, role as a broker, North East LEP values and culture
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Codification/clarity of partnership working

18.	<p>How has engagement from the North East LEP with local stakeholders helped to deliver the SEP? Have responsibilities been allocated appropriately across partnerships? (Role of the LEP)</p> <ul style="list-style-type: none"> • Prompt for: Partnership working, communication, bringing expertise together, role as a broker, examples of success/failure
19.	<p>Did the North East LEP effectively ensure clarity of partnership roles and was this co-ordination effective? (Capacity and Capability)</p> <ul style="list-style-type: none"> • Prompt for: Leadership, co-ordination, acting as a broker and bringing organisations together, examples of success/failure
20.	<p>Were the key stakeholders actively engaged and committed to overall policy goals? (Partnership Working)</p> <ul style="list-style-type: none"> • Prompt for: Levels of engagement and consistency, whether decision-making has been enhanced by partnership working

Good Governance Principles

21.	<p>How does the role of the North East LEP ensure accountability, sustainability and good management? (Role of the LEP)</p> <ul style="list-style-type: none"> • Prompt for: Role of leadership, building capacity, accountability processes, reporting and procedures
22.	<p>Were the North East LEP able to adjust strategies to changing circumstances and did this help enable delivery? (Capacity and Capability)</p> <ul style="list-style-type: none"> • Prompt for: Flexibility and adaptability. Covid-19 and Brexit impact, adapting to national government policy, success stories
23.	<p>Has the North East LEP maintained transparency and accountability of itself and partners? (Partnership Working)</p> <ul style="list-style-type: none"> • Prompt for: Communication and clarity, reporting and processes

Organisational Culture and Processes

24.	<p>How has the North East LEP has embedded its culture and processes into its work and has this has helped underpin success? (Role of the LEP)</p> <ul style="list-style-type: none"> • Prompt for: North East LEP values, attitude to change, entrepreneurship, flexibility
25.	<p>How would you characterise the influence of LEP organisational culture and processes, and did they influence project outcomes? (Capacity and Capability)</p> <ul style="list-style-type: none"> • Prompt for: North East LEP values, culture, governance

26.	<p>What role did the North East LEP play in enhancing the capabilities of local organisations and individuals through collaboration? (Partnership Working)</p> <ul style="list-style-type: none"> • Prompt for: Different local organisations worked with, processes, collaborative working, culture and values
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Modes of Contribution to the Complex Policy Mix

27.	<p>How does the North East LEP assess the value it adds within the broader policy landscape? (Evidence and Insights)</p> <ul style="list-style-type: none"> • Prompt for: Key metrics, evaluation processes, reflections
28.	<p>What strategies enhanced the collaborative process, and what challenges were encountered in partnership working? (Partnership Working)</p> <ul style="list-style-type: none"> • Prompt for: Driving engagement, building on areas of strength, culture and values, generating buy-in, obstacles, balancing stakeholder needs

Effectiveness of delivery

29.	<p>How was evidence integrated into policy design to ensure the right decisions were made? (Evidence and Insights)</p> <ul style="list-style-type: none"> • Prompt for: Monitoring and evaluation, role of Evidence Hub, any additional data sources, consistency of uptake
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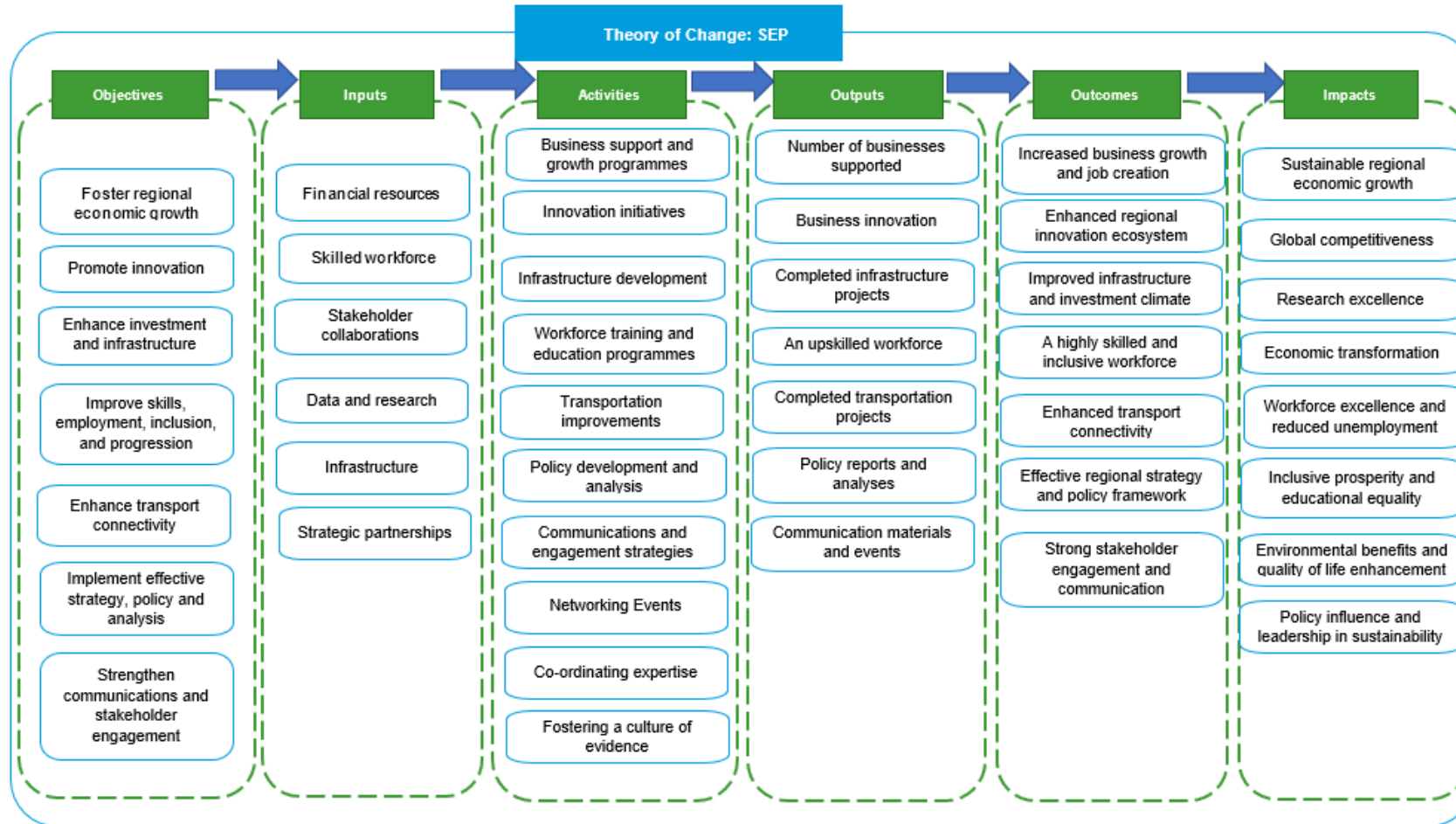
Concluding remarks

30.	<p>Do you have any final reflections on the role of the North East LEP and any learnings or recommendations ahead of the merge into NEMCA?</p>
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Conclusion

Many thanks for your participation in this workshop. Your insights are important to us, and we look forward to incorporating your feedback into the overall findings from this second stage of consultation.

APPENDIX 4: SEP THEORY OF CHANGE



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