

## **Cabinet**

Tuesday, 17 December 2019 at 2.00 pm

Meeting to be held: Committee Room, Civic Centre, Newcastle upon Tyne, NE1 8QH

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## **SUPPLEMENTAL AGENDA**

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**Subject:** Investment Fund Update

**Report of:** Director of Economic Growth

**Portfolio:** Economic Growth

## Report Summary

The purpose of this report is to update Cabinet Members on Investment Fund progress and to make further decisions on the allocation of funding.

## Recommendations

The Cabinet is recommended to:

1. Agree that funding for the North of Tyne Inward Investment Fund is increased by £7m to a total value of £10m, for the period up to 30th September 2022; and that targets are increased proportionately, with the jobs target increasing from 600 to 2000;
2. Authorise the Interim Head of Paid Service to continue to approve individual funding awards in relation to the North of Tyne Inward Investment Fund, in consultation with the Mayor and the NTCA Investment Panel;
3. Agree £25,000 to support the Hexham Hydro feasibility study, subject to conditions outlined at paragraph 1.3.7;
4. Authorise the Interim Head of Paid Service to finalise the conditions to be attached to the above funding award and authorise the Interim Monitoring Officer to complete the necessary documentation
5. Note progress in relation to the Employability and Skills Programme and wider work to shape the pipeline for future investment, including supporting the growth of key sectors.

## **1. Background Information and Proposals for Funding**

### **1.1 Background**

- 1.1.1 In February 2019, Cabinet agreed to establish a North of Tyne Inward Investment Fund (NTIIF) with a funding allocation of £3,000,000 over three years. This report provides an update on progress and sets out proposals to increase the funding allocation for the NTIIF in response to high levels of demand and value for money of initial expressions of interest.
- 1.1.2 This report also details a proposal to allocate £25,000 of Business Case Development Funding to part fund a full design and technical feasibility study which will clearly set out whether Hexham Hydro, a proposed hydro power installation on the River Tyne, will deliver the expected generating capacity and make the project viable.
- 1.1.3 Updates are provided which summarise recent developments relating to the first phase of the NTCA Employability and Skills Programme and ongoing activity to support the growth of key sectors, including planning that is underway relating to allocations of Investment Fund resources associated with this.

### **1.2 Inward Investment Fund**

- 1.2.1 In February 2019, Cabinet approved £3m to deliver a North of Tyne Inward Investment Fund (NTIIF). The fund launched on the 7th October 2019.
- 1.2.2 The NTIIF will operate until 30th September 2022. The primary aim of the fund is to support business investment into the North of Tyne area that will create employment and stimulate growth. Grants through the NTIIF are available from £100,000 up to £1m.
- 1.2.3 Since its launch, demand for the NTIIF has been high. The first Expression of Interest (EOI) was received within days of the fund opening and one application is at an advanced stage of approval. There are other significant proposals across all three of the NTCA's constituent authorities; the current active pipeline of projects is valued at £54m and represents a potential request of £5m of NTIIF.
- 1.2.4 Applications received to date have included significant private sector match and the cost per job has demonstrated exceptional value for money.
- 1.2.5 To maximise the potential for significant economic benefits, and to capitalise on the opportunity presented, it is proposed that the total value of the NTIIF is increased by £7m to a total value of £10m, for the period up to 30th September 2022. It is also proposed that the jobs created

target is increased proportionally, from 600 to 2000 jobs created over the lifetime of the fund.

- 1.2.6 The Combined Authority is bringing forward a coordinated package of schemes to support businesses and promote inward investment. The North of Tyne Inward Investment Fund complements the North of Tyne Growth Fund and the North of Tyne Rural Business Growth Fund. Through these schemes, the NTCA is establishing an enhanced offer of business support for both inward investment and indigenous business which will dovetail with existing business support provision.
- 1.2.7 The North of Tyne Growth Fund will be open for applications from the 2<sup>nd</sup> of January 2020. NTCA's delivery partner UMi is currently taking early expressions of interest for the scheme. The North of Tyne Growth Fund has been developed in parallel with the North of Tyne Rural Business Growth Project for which Northumberland County Council is the lead applicant and NTCA funding has been approved alongside an application for European Regional Development Funding (ERDF). The application for ERDF is in the final stages of the decision-making process and, subject to a positive outcome expected soon, the scheme will be operational early in 2020.

*Recommendation:*

The Investment Panel recommends to Cabinet that funding available within the North of Tyne Inward Investment Fund is increased by £7m to a total value of £10m, for the period up to 30th September 2022; and that targets are increased proportionately, with the jobs target increasing from 600 to 2000.

**1.3 Hexham Hydro (Business Case Development Funding)**

Proposal Name	Hexham Hydro
Lead Organisation	Northumberland County Council
Partners	N/A
Delivery Areas	Northumberland
Timescales	May 2020 – December 2020
Total Expenditure	£100k
NTCA Investment Fund Ask	£25k

- 1.3.1 Hexham Hydro is a hydro power proposal on the River Tyne which will generate energy to power Wentworth Leisure Centre. Northumberland County Council is seeking funding to undertake a full design and technical feasibility study which will clearly set out if the expected generating capacity of up to 1,165 MWh (1,165,000 kWh) per annum of renewable electricity can be economically realised.

- 1.3.2 The Hexham Hydro proposal has also been submitted to the North East LEP, through their Energy for Growth fund call, and a decision on the award of that funding is expected soon.
- 1.3.3 Decarbonisation of energy and transport is at the core of clean growth; the UK has set a legal obligation to reduce emissions and most recently legislated for a net zero target for emissions by 2050. Northumberland Council is actively seeking to contribute to this by investing in ways to ensure the local authority's emissions are reduced.
- 1.3.4 This project, should it go ahead to construction, will save an estimated 1,165,000 kWh of grid electricity, switching to renewably generated electricity from a hydro turbine. This equates to around 272 homes use of electricity per annum. Based on expected grid intensity of 2022, when the grid will be more decarbonised, it would still reduce emissions by 172 tonnes (carbon dioxide equivalent) and increase the council's renewable generation from 700,000 kWh to 1,765,000 kWh per annum.
- 1.3.5 A first phase feasibility study has been completed which assessed the site to determine the most advantageous design – in terms of capacity, finance, environment and emission reductions. The project seeks to build on these findings by commissioning a full and detailed technical feasibility study, along with full scheme design to ensure the project is viable financially, technically and environmentally. Business Case Development Funding for Hexham Hydro is requested to commission a technical and design feasibility study.
- 1.3.6 A full appraisal has been undertaken on the project; it identified that the proposal has a strong fit with the Combined Authority's Vision and key priorities and has clear strategic fit with wider regional and national policy. Specifically, that the public sector has an important part to play in taking the lead in reducing its emissions and aims to do this by delivering viable low carbon projects that contribute to a low carbon economy. The proposed feasibility study is essential to demonstrate the viability of the capital scheme both financially and from a delivery perspective and to inform Northumberland Council's final decision as to whether the full project should be taken forward.
- 1.3.7 *Recommendation:*
- The Investment Panel considered the proposal and recommend to Cabinet that the funding request for £25,000 of Business Case Development Funding for a feasibility study into the viability of Hexham Hydro is approved. This funding award should not be seen as a gateway to future funding from NTCA for the wider project.

The funding approval is subject to the following conditions:

- Confirmation of all match funding
- Provision of a state aid position to the satisfaction of NTCA which specifically considers aid to the applicant organisation.
- Any additional costs that arise following completion of the procurement exercise must be met by Northumberland County Council.
- Funding was agreed on the condition that, in the event the full scheme proceeds and generates savings over its first five years of operations, 6 months after the project has generated sufficient income to cover the initial investment the NTCA grant will be repaid.

## **2. Project Updates**

### **2.1 Background**

2.1.1 An update is provided on the Employability and Skills Programme which was agreed by Cabinet in June 2019 and on the ongoing sector development work being undertaken in relation to the combined authority's investment fund.

### **2.2 Employability and Skills Programme Update**

2.2.1 On 4th June 2019, the North of Tyne Combined Authority (NTCA) Cabinet agreed an allocation of £3m from the Inclusive Economy Innovation Fund for phase one of the Employability and Skills programme (ESP). The aim of the ESP is to unlock some of the remaining European Social Fund (ESF) investment that is available to the region, and maximise its impact on residents of Northumberland, North Tyneside and Newcastle – more broadly, supporting a more inclusive economy in the NTCA area.

2.2.2 Historically, a lack of 'clean' match funding has prevented ESF, an important source of investment in the area, from being deployed fully, leading to significant underspending. The ESP provides match funding that will ensure more of this investment, targeted at supporting people to enter and progress in the labour market, is unlocked.

2.2.3 A delegated decision by the Interim Head of Paid Service on the 9<sup>th</sup> September 2019 gave the required approvals relating to call publication and assessment criteria. The ESP Phase 1 call was published on the NTCA Website on the 10<sup>th</sup> September; the call closed on the 10<sup>th</sup> October following a one-week extension to maximise the quality and number of applications received.

2.2.4 Twelve applications were received and appraised against the published assessment criteria with six applications given 'in-principle' offers of funding totalling £3,067,726; this represents a slight overcommitment of £67,726 on the proposed budget; though given the 'in-principle' nature

of these funding awards, the likelihood of attrition of funding value following the ESF application process conducted by the Department for Work and Pensions (DWP) and on confirmation of detailed finances and activity by applicants, this slight over commitment of funds is prudent at this stage.

2.2.5 Applicants receiving offers of in-principle funding submitted their application for ESF monies to the DWP on the 2<sup>nd</sup> December 2019. A second stage due diligence process will be undertaken by NTCA with all successful applicants in the first few months of 2020 ahead of entering formal funding agreements when appropriate, which will include monitoring of compliance with funding conditions associated with the in-principle funding offers. This due diligence work will pay particular attention to ensuring that the projects provide balanced geographic coverage, are accessible to clients who have specific access requirements and that there is effective engagement with other partners.

## **2.3 Investment Fund – Progress to Date and Growth of Key Sectors Development Work**

2.3.1 The NTCA Investment Fund is progressing at pace. Since the Investment Plan was agreed by Cabinet in April 2019 the Combined Authority has achieved:

- commitment of £13.9m of investment funds;
- the attraction of £59.6m of private sector leverage;
- a forecast of 1122 jobs to be created over the next 5 years.

Should the recommendations for funding in this paper being approved the total commitment figure for the Investment Fund will increase to £20.925m and the number of jobs forecast will be increased to 2522.

2.3.2 In April 2019, Cabinet set out high-level proposals for allocation of the first £100m of Investment Fund resources. In developing the Investment Plan, the NTCA has focussed on priorities which will make a strong contribution towards the Combined Authority's focus on inclusive growth and its devolution deal targets over 30 years of 10,000 new jobs, £1.1bn additional GVA and £2.1bn of private sector leverage. Further development work is being undertaken to shape the pipeline for future investments including in the growth of key sectors.

2.3.3 An evidence base is being collated for use by the NTCA, which will set out both the opportunities for growth within its key sectors and also the wider opportunities that may be enabled by them, including the potential for a collaborative approach to be a driver for change. This analysis is identifying key assets, projects and partners.



2.3.4 It is expected that the first of the key sector narratives, along with initial investment propositions and an underpinning vision for the sector, will be brought to Cabinet early in the New Year.

### 3. Potential Impact on Objectives

3.1 The projects identified in the report are consistent with the priorities set out in the NTCA vision.

### 4. Key Risks

4.1 Risks have been considered as part of the application and appraisal process in relation to the North of Tyne Inward Investment Fund and the Hexham Hydro Business Case Development Fund application.

### 5. Financial and Other Resources Implications

5.1 The overall impact on the use of the Investment Fund arising from the approvals recommended in this report are as outlined below:

	2019/20	2020/21	2021/22	2022/23	Total (£)
North of Tyne Inward Investment Fund	£0	£2,000,000	£3,500,000	£4,500,000	£10,000,000
Hexham Hydro	£25,000	£0	£0	£0	£25,000
<b>Total</b>	<b>£25,000</b>	<b>£2,000,000</b>	<b>£3,500,000</b>	<b>£4,500,000</b>	<b>£10,025,000</b>

### 6. Legal Implications

6.1 The Interim Monitoring Officer's comments have been included in this report.

### 7. Consultation/Engagement

7.1 Proposals set out in this report are consistent with the Economic Vision and Investment Plan previously set out by the combined authority following considerable consultation and engagement.

### 8. Appendices

8.1 N/A

### 9. Background Papers

9.1 None

### 10. Contact Officers

10.1 Rob Hamilton, Interim Head of Investment, [rob.hamilton@northoftyne-ca.gov.uk](mailto:rob.hamilton@northoftyne-ca.gov.uk), 01912778947

## 11. Glossary

NTIIF – North of Tyne Inward Investment Fund

EOI – Expression of Interest

LEP – Local Enterprise Partnership

NTCA – North of Tyne Combined Authority

ESP – Employability and Skills Programme

ESF – European Social Fund

**Subject:** Good Work Pledge

**Report of:** Head of Inclusive Growth

**Portfolio:** Employability and Inclusion

### Report Summary

The purpose of this report is to provide Cabinet with an update on the development of a Good Work Pledge for the North of Tyne Combined Authority. This report outlines the work to date on the Pledge and identifies key items for Cabinet approval.

### Recommendations

The Cabinet is recommended to:

1. Note the progress being made on the Good Work Pledge.
2. Approve the Pledge and authorise the Head of Paid Service, in consultation with the Inclusive Economy portfolio holder, to take the necessary steps to finalise and implement it.

## 1. Background Information, Proposals and Timetable for Implementation

- 1.1 Central to the North of Tyne Combined Authority's (NTCA) Vision is our commitment to an inclusive economy, one where the gap both between the area and the national average (outside London) is narrowed and inequality within the area is reduced. NTCA's Inclusive Economy Policy Statement therefore explicitly acknowledges the relationship between "good work" and "fair living wages". We define this as work that provides, amongst other things, security, skills, progression opportunities, a decent standard of living, promotes health and wellbeing and helps to ensure that the North of Tyne area is productive and thriving.
- 1.2 The national conversation about 'Good Work' has developed significantly in the last few years. The UK Industrial Strategy, published in November 2017, identified "good jobs and greater earning power for all" as one of the five foundations of productivity. The Strategy also responded to the independent report 'Good Work: The Taylor review of modern working practices' and identified five areas it described as foundational to good work: overall worker satisfaction; good pay; participation and progression; wellbeing, safety and security; and voice and autonomy.
- 1.3 In the North of Tyne area Newcastle, North Tyneside and Northumberland Councils' have a strong track-record in supporting good work initiatives. All three authorities are active partners in the following:
- Better Health at Work – all three North of Tyne local authorities are core partners to the North East Better Health at Work initiative, which recognises employer's positive practice in improving workplace health and wellbeing. They all hold the highest level of accreditation (Continuing Excellence) and support active networks of health advocates, promoting the physical and mental well-being of staff, and providing training for other employers in the area. Aiming to tackle some of the region's long-standing health issues and inequalities, there are now over 400 organisations signed up to Better Health at Work, covering over 200,000 workers in the north east region, making it one of the biggest workplace health programmes in England.
  - Union Learn – The TUC's core learning offer helps people acquire skills and qualifications to boost their job prospects and improve their employability. The three North of Tyne local authorities support local delivery which promotes improvements in people's core skills such as literacy, numeracy and ICT, as well as specialist qualifications. This is often fully integrated into the authorities' wider learning and development offer for their staff. Union Learn also supports in-work progression by helping learners plan higher level and specialist learning activities in line with their career aspirations.
  - NTCA local authorities are also broadly supportive of the TUC's Great Jobs agenda. The national campaign seeks to challenge poor employment practices and terms and conditions, and ensure great jobs for everyone, through commitments to, amongst other things, job security, regular pay and hours, fair treatment and respect and a healthy workplace.

It is in this context that, over the last year, NTCA has begun to develop a programme to understand what 'Good Work' should look like in the North of Tyne and how the NTCA can promote and reward employers that are offering the main elements of 'Good Work'. This has included the development of a Good Work Pledge (GWP), which would enable employers to understand the key elements of 'Good Work', what they can do to achieve this for their employees and what support is available to help them get there.

### **Consultation on the Good Work Pledge**

- 1.4 The GWP has been developed in two phases. In Summer 2018 employers and representative bodies from across the North of Tyne area were invited to an initial engagement event to shape the proposed Pledge. This identified a number of elements to include within the Pledge such as pay, health and wellbeing, security, workforce development, communications, fairness and trust, equality and diversity, and corporate social responsibility.
- 1.5 In Summer 2019 the second phase of the Pledge's development began. This involved an extensive consultation exercise using a mixture of stakeholder workshops, individual meetings and an online survey to consult with a broad range of stakeholders including employers in the private, public and voluntary and community sectors, trade unions, membership bodies, education providers and research organisations. NTCA was supported in these activities by the North East Chamber of Commerce and the Voluntary Organisations' Network North East.
- 1.6 In total, NTCA achieved 108 engagements in the consultation, with 52 people attending workshops and a further 56 organisations and individuals contributing through the survey, or by providing detailed written responses. This generated a good set of responses from across the employer base in the North of Tyne area.
- 1.7 Other Combined Authorities have also developed Good Work Standards or Charters, notably the Greater London Authority and the Greater Manchester Combined Authority. NTCA officers have spoken to relevant colleagues in both organisations to understand some of their key lessons and experiences in developing good work commitments for their area. These findings have also informed proposals for the North of Tyne.
- 1.8 A report on the GWP was provided to NTCA's Overview and Scrutiny Committee in early October 2019. Committee members requested a detailed report on the findings of the second stage consultation which was provided in November 2019.

### **Proposals**

- 1.9 Based on the findings of the second consultation the following changes were made to the draft Pledge:

1. Employers highlighted the importance of developing a model which was accessible and suitable to all scales of business, from micro-SME's (less than ten employed staff) to large businesses (over 1,000 staff). The consultation specifically highlighted the opportunity to allow employers to demonstrate achievements against some of the pillars of Good Work, but not necessarily all of them, to acknowledge positive progress on the journey towards Good Work.

2. Streamlining and simplifying the model from nine pledge areas to the following five:

- i. **Valuing and rewarding your workforce:** Covering fair pay, providing job security and job fulfilment and a clear commitment to practice that does not exploit workers' rights.
- ii. **Promoting health and well-being:** Valuing and ensuring the health and wellbeing of employees, promoting healthy lifestyles and supporting workers with health issues and disabilities to maintain and progress their employment.
- iii. **Effective communications and representation:** Employers ensure effective communications across the entire organisation including representation from employees at all levels. They demonstrate that they listen to and value the views of employees, providing autonomy and a voice in the running of the organisation. A culture exists that promotes fairness and trust and that allows better access to work and fairness in rights and conditions for employees.
- iv. **Developing a balanced workforce:** The organisation has a balanced workforce with a clear vision, values and policies that promote equality and diversity. Employers invest in the training and development of their staff: low skilled workers in particular are encouraged to develop their skills and qualifications.
- v. **A social responsibility:** Employers demonstrate their social responsibility through a range of ways: local access to procurement and contracting opportunities, buying locally, ensuring prompt payment to suppliers, connecting to local people and giving something back to communities through engagement and action. There is a clear commitment to sustainability and the environment.

3. Ensuring the Pledge is complementary to the existing accreditation and awards landscape.

4. Renaming the Pledge from the Good Work Business Pledge to simply, the Good Work Pledge.

The revised Pledge model can be found in **Appendix I**.

## **Implementation**

1.10

During the final quarter of 2019 NTCA officers have been working on plans to mobilise and launch the GWP in early January 2020. This work has covered five significant areas of activity:

- i. **Accreditation:** A key question raised by the Pledge consultation was whether the GWP should be a formal accreditation or not. Views were evenly divided: 44% of respondents to the on-line survey preferred an 'informal' model for the Pledge, compared to 42% preferring a formal accreditation or quality mark. This needs to be considered in the context of the NTCA resources available to deliver a fully-accredited model. Both Manchester and Greater London Combined Authorities advised that the level of officer resource and budget needed to meet their initial ambitions for a fully accredited Charter and Standard, exceeded the resources originally made available and required significant additional investment. NTCA has commissioned an options appraisal by ERS Ltd. to review a number of existing employer awards and accreditations to inform our way forward. A summary of ERS Ltd.'s recommendations is available at **Appendix II**.
- ii. **Visual identity:** Respondents to the consultation were keen that NTCA develop a visual identity for the model with an independent logo and brand. Proposed concepts have been developed to complement and reflect NCTA's core brand.
- iii. **Early adopters:** 'early adopters' would be employers of a variety of sizes, scales and sectors which would act as initial ambassadors for the Pledge, by demonstrating good practice against key Pledge pillars and agreeing to be used in initial marketing and communications work. Proposed 'early adopters' have been identified via two means; self-identification at GWP consultation events and development meetings; and via referral from third parties such as local business engagement groups.
- iv. **Communications plans:** NTCA's communications and engagement team is supporting the development of a GWP launch for early 2020. This will include web content (including digital registration forms) within the NTCA site and support on external communications activities, including social media content. The opportunity to run a launch event is being explored, in the context of wider NTCA events, at the beginning of 2020.
- v. **Legal advice:** NTCA officers are working with our Monitoring Officer and Information Governance Officer to ensure all legal and data requirements relating to mobilising the Pledge are considered and addressed.

1.11 Based on the above considerations, officers have assessed the scope of the proposed GWP obligations in relation to NTCA and consider that launching the GWP in an initial form in early 2020 is achievable.

1.12 Subject to approval by Cabinet, the following is an indicative timetable of steps to implement, promote and develop the GWP for NTCA:

<b>Proposed Actions</b>	<b>Lead</b>	<b>Deadline</b>
Confirm GWP 'early adopters' and develop appropriate case studies / media content	NTCA Inclusive Economy Team and NTCA Communications & Engagement Team	Early January 2020
Communications plan for launch of GWP developed	NTCA Head of Communications & Engagement	Early January 2020
Website and registration function live	NTCA Inclusive Economy Team and NTCA Communications and Engagement Team	January 2020
Launch event (subject to NCTA wider external events activities)	NTCA Communications and Engagement Team	January 2020
Interim review of GWP achievements, resources and commitments	NTCA Inclusive Economy Team	June 2020
Year 1 operational review of GWP	NTCA Inclusive Economy Team	January 2021

## 2. Potential Impact on NTCA Objectives

- 2.1 The NTCA Inclusive Economy Policy Statement states that the Combined Authority wants "to empower our people with the skills and resources they need to take ownership of their futures and secure good jobs with fair living wages". This reflects the same statements in NTCA Vision, *Home of Ambition*, in relation to our Hotbed of Talent and Pride of Place pillars.
- 2.2 Launching a GWP for the North of Tyne will act as a positive statement of intent and will be incorporated in the Procurement policy we are developing, clearly communicating the role of 'good work' in delivering our inclusive economic vision for the North of Tyne.

## 3. Key Risks

- 3.1 The following key risks have been identified in relation to the proposals:

<b>Area</b>	<b>Risk</b>	<b>Mitigation</b>
<b>Scope of work</b>	The proposed model of Pledge development goes beyond the designated limits of NTCA authority	NTCA officers have sought assurance from the Monitoring Officer and Information Governance Officer on relevant aspects of the Pledge programme.



<b>Resources and delivery capacity</b>	NTCA does not have sufficient officer capacity and/or financial budget available to deliver the GWP programme as outlined	NTCA officers have taken advice from other Combined Authorities on resourcing requirements and developed the planned programme of work accordingly. Options have been considered to change the scale of activity, if further resources become available.
<b>Engagement and uptake</b>	There is limited engagement and uptake by employers once the Pledge is launched	The consultation exercise demonstrated significant appetite for the Pledge from employers in the North of Tyne. Ongoing communications and engagement work has maintained the profile of the GWP. The proposed 'early adopters' will provide visible models of practice to motivate uptake from a range of sectors and employer types.

#### **4. Financial and Other Resources Implications**

- 4.1 NTCA officers have developed the above proposals based on existing available officer and financial resources. Officers have also developed a scalable programme of activities and interventions which can grow, if more financial or other resources become available over time.
- 4.2 We are putting in place plans to make resources available to ensure that we have sufficient capacity as the uptake of the Good Work Pledge grows, both to provide new sign-ups with support and to provide monitoring and review of all employers post sign up.

#### **5. Legal Implications**

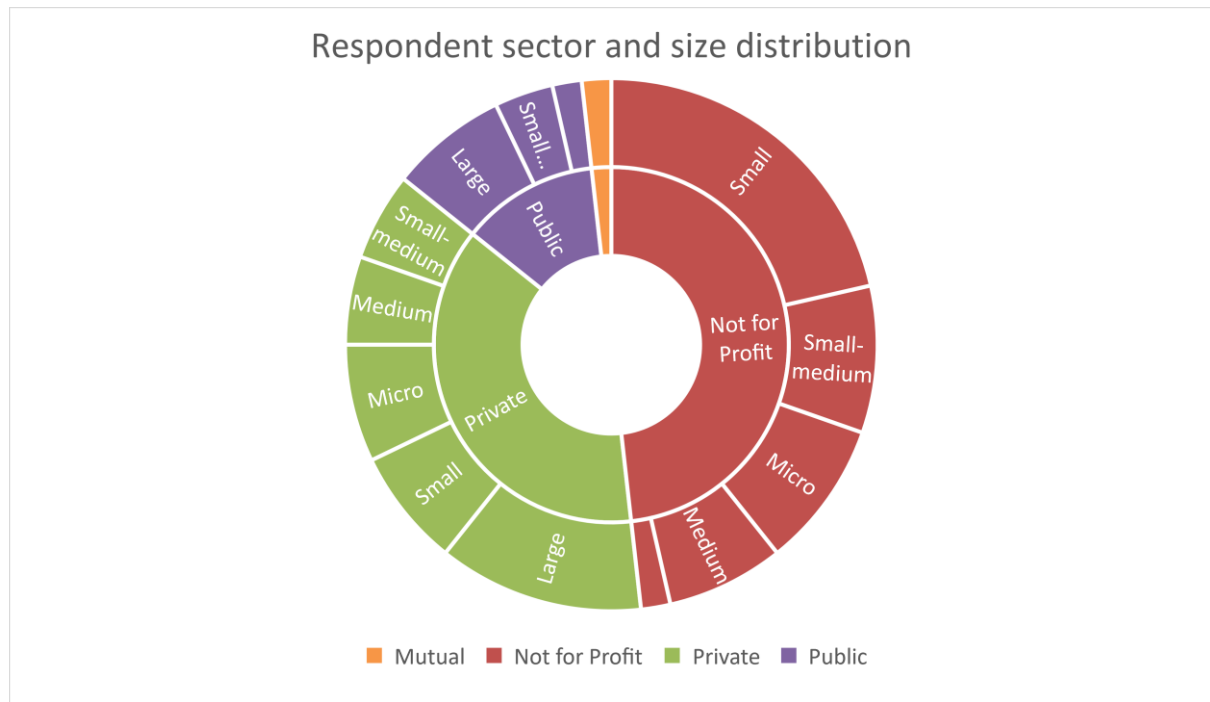
- 5.1 The comments of the Monitoring Officer have been included in this report.

#### **6. Consultation/Engagement**

- 6.1 External stakeholder engagement and consultation has been central to development of the Pledge. NTCA officers have conducted stakeholder workshops in partnership with representative bodies, individual meetings and an online survey. This resulted in 108 engagements in the consultation, with 52 people attending workshops and a further 56 organisations and individuals contributing through the survey or other

means (for example, written responses). This has ensured a broad range of stakeholders have been engaged in the development of the Pledge, as demonstrated by Diagram 1, below.

*Diagram 1 – Breakdown of size and sector of organisations (responses to on-line survey only)*



6.2 The GWP has also been to NTCA’s Overview and Scrutiny Committee (October 2019) for consideration.

6.3 Internally, consultation and engagement in relation to the GWP has included the Head of Paid Service, the portfolio holder for Employability and Inclusion, the lead Chief Executive for Employability and Inclusion and the Elected Mayor for North of Tyne.

**7. Appendices**

7.1 Appendix I: Good Work Pledge – Draft Model

Appendix II: ERS Research and Consultancy Ltd: Developing the Good Work Pledge Report: Recommendations [Extract]

**8. Background Papers**

[Inclusive Economy Policy Statement, North of Tyne Combined Authority \(December 2018\)](#)

[Home of Ambition: The Vision for the North of Tyne Combined Authority \(November 2018\)](#)

October 2019 NTCA Cabinet Report, Agenda Item 4, Employability and Inclusion Portfolio update (1.4 NTCA Good Work Pledge)

ERS Research and Consultancy Ltd, Developing the Good Work Pledge Report, November 2019

**9. Contact Officers**

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**10. Glossary**

GWP	Good Work Pledge
NTCA	North of Tyne Combined Authority

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Appendix I – Good Work Pledge Model

**THE PLEDGES**

**VALUING AND REWARDING YOUR WORKFORCE**

**PROMOTING HEALTH AND WELLBEING**

**EFFECTIVE COMMUNICATIONS AND REPRESENTATION**

**DEVELOPING A BALANCED WORKFORCE**

**A SOCIAL RESPONSIBILITY**

**ROUTES TO ACHIEVE**

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Employers commit to:

1. Pay a fair and decent wage, including achievement or commitment to pay the Real Living Wage to employees and those within their supply chains
2. Provide additional benefits to workers e.g. flexible working, discount schemes etc.
3. Value and promote job security and job fulfilment amongst workers
4. Zero tolerance of exploitative employment practices with employment policies and practices that protect worker's rights

Employers commit to:

1. Provide a safe and healthy working environment, including by addressing causes of work-place stress in line with the Health and Safety Executive's Management Standards approach
2. Provide health and safety training and representation for all staff
3. Providing opportunities for workers to develop healthy lifestyles (including positive mental health)
4. Demonstrate effective practices in supporting people with health conditions and disabilities to maintain and progress their employment within their organisation

Employers commit to:

1. Value and listen to employees
2. Ensure employees have autonomy and a voice in the running of the business
3. Inclusive practice that allows better access to work and progression and fairness in rights and conditions for all workers
4. Promote fairness and trust across all levels of their organisation

Employers commit to:

1. Invest in training and developing the skills of their workforce to provide progression
2. Invest in the future workforce by engaging with education providers and providing opportunities for work experience and high-quality apprenticeships
3. Ensuring low skilled workers have opportunities to progress
4. Have a clear vision, values, strategy and policies and processes that promote inclusiveness, health and wellbeing, equality and diversity and workforce development

Employers commit to:

1. Demonstrate social responsibility through effective procurement and contracting policies and practices, buying locally and paying suppliers on time
2. Connect with stakeholders in the local community
3. Promote personal social responsibility; supporting workers to undertake community projects and volunteering that enables them to contribute to society and the economy
4. Have a clear commitment to sustainability including a reduction in carbon footprint, policies that protect the environment and workers promoting and supporting these commitments

**INDICATOR MEASURE**  
*Denotes ONS measure exists*

Pay  
Satisfaction with Pay  
Job Security  
Minimum Guaranteed Hours

Physical Injury  
Mental Health  
Over-Employment  
Overtime (Paid and Unpaid)  
Sickness Absence

Trade Union Recognition Agreement  
Employee Information and Involvement  
Peer Support  
Line Manager Relationship

Use of Skills  
Work related training  
Control  
Opportunities for Progression  
Sense of Purpose  
Workforce Equality and Diversity

Prompt Payments  
Customer Satisfaction  
Community Engagement

**AWARDS AND ACCREDITATION**

Living Wage Employers (Living Wage Foundation)  
CIPD Chartered Membership  
North East Better Health at Work Award  
Dying to Work (TUC)

Disability Confident  
Investors in People (IIP)  
#Work Together Employability Charter  
Timewise Accreditation

Matrix Standard  
Customer Service Excellence Standard  
Trading for Good (BITC)  
Carer Positive

The Great Jobs Agenda (TUC)  
Good Work for All (BITC)  
Tech Talent Charter

**SUPPORT**

Living Wage Foundation  
Unison  
ESF Support  
Disability Confident Line Managers Guide  
Equality and Human Rights Commission  
NEPO  
Leadership and Management – various organisations

Timewise  
Fit for Work  
NE Growth Hub  
Health and Wellbeing Alliance  
UK Workplace Equality Index  
Good Work Procurement Guide  
Advisory, Conciliation and Arbitration Service

Health and Safety Executive (HSE)  
Apprenticeships  
Mental Health in the Workplace (TUC)  
BITC Employer Toolkits  
Fuller Working Lives  
National Careers Service

TUC  
Adult Education Budget (AEB)  
Access to Work  
Health Needs Assessment (PHE)  
VONNE

Appendix II

ERS Research and Consultancy Ltd

Developing the Good Work Pledge Report

November 2019

Recommendations [Report Extract]

There is a fundamental decision to be made as to the rationale for the GWP: is it to encourage aspirations to be seen as a good employer or is it to 'prove' that they are a good employer? If the answer is 'both' the suggestions below might form the basis of a solution.

There would seem to be merit in a phased approach:

**Phase 1** – Employers sign up to the GWP, stating a commitment that it meets the designated standards or will strive to do so within the next (12?) months. This would facilitate easy participation and thereby help the scheme to become well known and start to become established. It would also enable the scheme to be launched quickly and at relatively low cost, as well as buying some time for the refinement of an accredited scheme.

**Phase 2** – Within (3?) months of employers making the Pledge, they could apply for accreditation. This could be on a tiered basis, with two such options presented below:

**Standard and Advanced** – the standard level would be largely self-accredited, with some light touch oversight to verify that some of the key claims were true, Applicants might be charged a minimal administration fee. The advanced level would be aimed mainly at larger businesses who would be required to bear the cost of a site visit to verify their application.

**Gold, Silver and Bronze** - each tier would represent a different level of achievement of the standards that make up the GWP. For example, bronze might relate to an employer that meets at least 50 per cent of the indicators, silver to an employer that meets at least 75 per cent of the indicators and gold to an employer that meets 100 per cent of the indicators. The degree of scrutiny might increase at each level of award. This approach provides scope for progression as employers are able to satisfy additional criteria.

Some significant thought needs to be given to the indicators: what they are, how they will be measured and which are regarded as essential and which might simply be desirable. The criteria for the standard itself need not be immutable or futureproof, and there could be scope to change the standard. For example, Investors in People has made a series of iterative changes to now arrive at its sixth standard in response to a changing environment. The collection of indicators chosen, is therefore not set in stone.

In respect of the proposed website, the suggestion for case studies might be usefully complemented by a log of good practice relating to each pillar. It seems likely that applicants would derive more benefit from looking at information relating to specific areas of weakness/aspiration rather than reading through multiple employer case studies to try to get the information they require.

Many of the schemes have an awards ceremony to celebrate those who have achieved accreditation status, which is seen as a great way of celebrating success and raising the profile of the award.

Finally, there may well be scope (as in the Bristol Green Partnership model) to secure the support of key sponsors which overcomes the need to levy charges on individual employers.

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**Subject: Organisational Update**

**Report of: Interim Monitoring Officer**

### **Report Summary**

This report updates Cabinet on recent organisational changes and asks Cabinet to approve the arrangements for the statutory role of Head of Paid Service.

### **Recommendations**

Cabinet is recommended to:

1. note the update on recruitment; and
2. agree that the role of Head of Paid Service shall rotate between the Chief Executives of the three constituent local authorities on an annual basis as set out in paragraphs 3.3 and 3.4.

## **1. Background Information**

- 1.1 On 2 November 2018 the North of Tyne Combined Authority (“NTCA”) was created by a statutory order made by the Secretary of State, following parliamentary approval. As part of the early organisational design principles adopted by NTCA, a key aim was to establish a lean organisational structure supplemented by additional capacity from the constituent authorities via secondments and service level agreements. Whilst NTCA would need to recruit its own staff to certain posts, it was considered that using existing expertise across the constituent authorities would avoid duplication of roles and ensure efficient use of resources and capacity.

## **2. Recruitment**

- 2.1 The directors appointed to NTCA to lead on delivery and development and are now in post. Dr Henry Kippin, Director of Economic Growth, and Ruth Redfern, Director of Policy and Performance, commenced their roles on 2 December 2019.

## **3. Interim Head of Paid Service**

- 3.1 The Combined Authority is required to appoint a Head of Paid Service responsible for the corporate and overall strategic management of the Authority’s staff in accordance with section 4 of the Local Government and Housing Act 1989.
- 3.2 Pat Ritchie, Chief Executive of Newcastle City Council, led the cross-council team in negotiating the North of Tyne devolution deal. In order to provide continuity in the set-up phase of the Combined Authority, Pat was appointed as the first Interim Head of Paid Service when NTCA was formally established in November 2018.
- 3.3 As the authority enters its second year of operation, it is proposed that the role of Interim Head of Paid Service rotates between the Chief Executives of the three constituent authorities on an annual basis.
- 3.4 It is therefore proposed that Paul Hanson, Chief Executive of North Tyneside Council, is appointed as NTCA’s Interim Head of Paid Service from January 2020 until January 2021 (with an interim review after 6 months) and that Daljit Lally, Chief Executive of Northumberland County Council, will be appointed as NTCA’s Interim Head of Paid Service with effect from January 2021 until January 2022 (again with an interim review after 6 months).
- 3.5 In each case, the Chief Executive undertaking the role of Interim Head of Paid Service will be seconded by the relevant council to NTCA on a part-time basis.

## **4. Potential Impact on Objectives**

- 4.1 The proposals in this report accord with the ‘design principles’ originally agreed by NTCA and maintain continuity of approach to the Head of Paid Service role. The appointments will enable the Authority to properly discharge its functions and assist in delivering the Authority’s vision, policies and priorities.

**5. Risks**

5.1 None.

**6. Financial and Other Resources Implications**

6.1 The fixed term appointment of the Interim Head of Paid Service for NTCA will not attract any remuneration costs other than the agreed reimbursement costs to the seconding council and any expenses incurred by the officer whilst working on behalf of NTCA. The proposed arrangements are accounted for in the NTCA budget.

**7. Legal Implications**

7.1 The proposals in this report will meet the requirements of the relevant legislation.

**8. Consultation/Engagement**

8.1 Cabinet members have been consulted on the proposals in this report.

**9. Appendices**

9.1 None

**10. Background Papers**

10.1 None.

**11. Contact Officers**

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