



Delegated Decision Report

29 October 2020

Subject: Investment Fund Project Approval – North Bank of Tyne
Report of: Robert Hamilton, Chief Economist
Decision maker: Paul Hanson, Interim Head of Paid Service
Portfolio: Economic Growth

Report Summary

The purpose of this report is to seek approval to allocate £150,000 of funding from the NTCA's Business Case Development Fund to North Tyneside Council, to support development work related to the North Bank of the Tyne.

The Investment Plan agreed by NTCA's Cabinet in April 2019 allocated £4.5m to support business case development work. Responsibility for the approval of funding requests of £150,000 or under are delegated to the Interim Head of Paid Service, in consultation with the NTCA Investment Panel.

Following a full business case submission and appraisal in line with the NTCA Assurance Framework, the North Bank of Tyne project was considered and recommended for approval by Investment Panel on 14th July 2020, subject to the conditions set out in the report.

This report sets out details of the decision being taken and the proposed award of £150,000 of funding to North Tyneside Council to support this activity.

Recommendations

Subject to the conditions set out in paragraph 1.7 of this report, the Interim Head of Paid Service is recommended to approve the following funding request from the North of Tyne Investment Fund:

- £150,000 of funding from the North of Tyne Investment Fund to be awarded to North Tyneside Council for the purpose of business case development work related to the North Bank of the Tyne;
- Funding awarded is 70% of the total cost of delivering the project

Funding is to be allocated from the Business Case Development Fund allocation of £4.5m, within the Investment Plan agreed by Cabinet in April 2019.

1. Background Information, Proposals and Timetable for Implementation

Programme:	Business Case Development Fund
Proposal name:	North Bank of the Tyne Study
Applicant Organisation:	North Tyneside Council
Legal Status of the applicant:	Local Authority
Location:	Quadrant East, Cobalt Business Park
Total expenditure	£214,300
NTCA Investment Fund contribution	£150,000 (70%)
Timescale	1 st August 2020– 31 January 2021

- 1.1 This Business Case Development Fund application is to produce a detailed set of evidence and a common narrative for the North Bank of the River Tyne, to support the development of future investment propositions and funding bids. This evidence and narrative will be specific to the sites along the river themselves, and this study would therefore complement a recent NELEP/NTCA study into future opportunities for the offshore wind sector.
- 1.2 A number of businesses along the Tyne currently service the oil & gas sector, which is under pressure following the fall in oil prices and uncertain future demand. Looking forward, particularly with widespread support for a greener economic recovery post-Covid, businesses are starting to prepare for a lower carbon future. This change is likely to be accompanied by different infrastructure and site requirements – and these requirements will be considered by this piece of work.
- 1.3 The study will be commissioned by a partnership between North Tyneside Council, Newcastle City Council and NTCA.

1.4 The following outputs/outcomes will be achieved through the BCDF investment:

Output	Outcome
Materials which will support partners preparing business cases and project funding bids to Government	Opportunities for investment from Government are maximised, securing new jobs, housing and low-carbon travel opportunities
Materials to support future inward investment enquiries	Secure inward investors, creating new job opportunities
Detailed list of future priority infrastructure requirements, together with an assessment of their cost.	Essential to direct the use of public sector resources towards the highest VFM interventions.
Guidance on addressing challenges faced by the use of the river for transporting goods.	Support the local authorities and other partners to make the case for removing any physical or regulatory barriers (e.g. speed limits, depth constraints, height clearance) to the success of the river.
Identify future skills and training needs	Maximise economic opportunities for both individuals and businesses, including considering how to connect jobs to residents in adjacent neighbourhoods.
Provide insight into the spatial implications of different uses of riverside frontage	Ensure an appropriate balance between commercial, residential and leisure/open space, drawing on experiences elsewhere (e.g. Clyde).

1.5 A full appraisal was undertaken on this proposal and it identified that the project has a strong fit with the Combined Authority's Vision and key priorities and also has a strategic fit with wider regional and national policy. The project scored well for outputs and outcomes achieved. The overall risk rating of the business case is green.

1.6 The NTCA Investment Panel considered this project on the 14th July 2020 and recommended to the Interim Head of Paid Service that Funding of £150,000 (70% of overall project costs) is approved.

1.7 The funding approval is subject to the following conditions:

1. Further clarity on internal costs is to be provided to ensure these are calculated in line with NTCA practices
2. Clarity is required on how internal staff costs from outside of North Tyneside Council will be managed and monitored by the lead applicant.
3. Confirmation is required from North Tyneside Council that the stated match funding is secured.
4. The application should provide further details on monitoring, finance and administration resources for collection and reporting of claims.

2. Potential Impact on Objectives

2.1 This project relates to supporting economic activities which are highlighted in the Devolution Deal, Economic Vision and the 'Energy, Green Growth and Climate Change' strategy agreed by Cabinet in March 2020. The proposal to provide business case development funding fulfils a key strategic objective set out in the NTCA Investment Programme to develop a strong project pipeline related to key economic opportunities.

3. Key Risks

3.1 Individual programme risks have been included in the application form and mitigated through funding conditions where appropriate.

3.2 Risks highlighted in the project specific risk log will be managed by the NTCA programme team in line with the claims and monitoring work instruction. Risk is reported to the Investment Panel as part of the monthly performance report.

4. Financial and Other Resources Implications

4.1 All funding provided will be revenue.

4.2 In line with our agreed claim process, grants will be paid at the agreed intervention rate quarterly in arrears and upon verification of costs.

4.3 All funding is expected to be claimed in 2020/21.

5. Legal Implications

5.1 The comments of the Interim Monitoring Officer are included in the report.

6. Equalities Implications

6.1 The Inclusive Economy impact of this project was considered as part of the Appraisal process. Any project proposals which are developed following the business case development fund work will be considered for any negative impact on any groups with protected characteristics, consistent with the NTCA equalities policy.

7. Inclusive Economy Implications

7.1 The applicant has considered ways in which the proposed project aligns with the NTCA Inclusive Economy Objectives. First, existing businesses along the Tyne provide jobs at a range of levels; securing future growth is essential to tackle the employment gap, increase earnings, qualification levels and progression routes for local residents, as well as providing more opportunities for local people to own their own economic future and benefit from training and apprenticeships. Second, there will also be opportunities for more technical jobs as well as supporting commercial roles as well as in the construction sector. Third, the education and skills element of this work will directly contribute towards supporting the NTCA to meet its objectives around its target groups.

8. Climate Change Implications

8.1 This study will help secure the economic future of the River Tyne, as businesses transition towards a low-carbon future.

9. Consultation and Engagement

9.1 The project has been discussed at Technical Officers Group meeting, Investment Panel, at Officer level in NTCA, Newcastle City Council, North Tyneside Council and North East LEP.

10. Appendices

None.

11. Background Papers

None

12. Contact Officers

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13. Glossary

NTCA	North of Tyne Combined Authority
LEP	Local Enterprise Partnership
SME	Small and Medium Size Enterprise