

Cabinet

Tuesday, 28 November 2023 at 2.00 pm

Meeting to be held: Committee Room, North Tyneside Council, The Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY. This meeting will also be streamed live on YouTube.

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AGENDA

Page No

1. **Apologies for Absence**

2. **Declarations of Interest**

Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be submitted to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.

Note: Members of Cabinet have been granted dispensations so that they may participate in decisions which relate to the constituent authority which appointed them.

3. **Any announcements from the Mayor and/or the Chief Executive**

4. **Minutes of the Previous Meeting held on 26 September 2023**

1 - 4

5. **Minutes of the Extraordinary Meeting held on 7 November 2023**

Members are requested to note the intention to circulate the above document on a supplemental agenda in accordance with the provisions of

the Local Government (Access to Information) Act 1985

6. **Devolved Adult Education Budget annual update** 5 - 22
7. **Skills Bootcamps** 23 - 36
8. **Investment Fund and Funding Approvals Update** 37 - 42
9. **NTCA Q2 2023-24 Budget Monitor Report** 43 - 66
10. **North East Mayoral Combined Authority 2025-2029 Initial Draft Budget and Medium Term Financial Plan Proposals**

Members are requested to note the intention to circulate the above report on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985

11. **Date and Time of the Next Meeting**

Tuesday, 30 January 2024 at 2pm at North Tyneside Council.

Contact Officer: Victoria Miller
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Cabinet

26 September 2023

(2.00 - 2.15 pm)

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

Minutes

Present:

Mayor J Driscoll (Chair)

Councillors N Kemp, K Kilgour, C Johnson, G Sanderson and R Wearmouth, Dame Mayor N Redfearn and Ms L Winskell

29 APOLOGIES FOR ABSENCE

There were no apologies for absence received.

30 DECLARATIONS OF INTEREST

There were no declarations of interest.

31 ANY ANNOUNCEMENTS FROM THE MAYOR AND/OR THE CHIEF EXECUTIVE

There were no announcements.

32 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on 25 July 2023 were approved as a correct record.

33 NORTH EAST LOCAL ENTERPRISE PARTNERSHIP - PROJECT FUNDING DECISIONS UPDATE

Submitted: A report of Chief Executive of the North East Local Enterprise Partnership (previously circulated and copy attached to Official Minutes).

The report was introduced by J Gillespie, NTCA Director of Finance, as NTCA is the accountable body for the North East Local Enterprise Partnership (North East LEP). The report provided an update to the Cabinet on the work of the North East LEP on project funding decisions made since the last meeting of Cabinet.

RESOLVED – That the Cabinet noted the report which provides information on the work and funding decisions of the North East Local Enterprise Partnership since the previous update on 6 June 2023.

34 **INVESTMENT FUND UPDATE AND FUNDING APPROVALS**

Submitted: A report of Head of Strategy and Innovation (previously circulated and copy attached to Official Minutes).

The report was introduced by Councillor C Johnson, the Cabinet Member for Investment and Resources, who provided a summary of the project funding decisions made since the last meeting of Cabinet.

Councillor Johnson advised Cabinet that good progress was continuing to be made with the Brownfield Housing Programme, with 11 schemes approved and a further two schemes in the pipeline. Councillor Johnson also introduced two new 5G innovation facilities, the first two projects from the 5G and Future Connectivity Programme, in Blyth and in the centre of Newcastle.

Further investment has been made in the Rural Catalyst, the aims of which are to improve the lives and prospects of rural businesses and communities.

It was proposed that the Inward Investment Programme be extended until the creation of the new Combined Authority, in order to continue to support projects.

It was also noted that £275,000 of funding into digital skills had been made through a project developed by Sunderland Software City, which supports residents to work in the sector.

Cabinet was advised that funding is in place to support the detailed design and development of the Energy Central Institute at Blyth, which is set to become a new higher-level skills and innovation facility. In addition, £81,000 funding has been agreed to help people using secondary care mental health services into employment, through a project to be delivered by CNTW.

It was noted that further Shared Prosperity Fund investments, of just under £4m, had also been made.

Councillor Johnson thanked colleagues for their work on development of the projects.

The Cabinet welcomed the report and commended the Combined Authority for the results achieved. The Cabinet acknowledged the projects were great news for businesses and residents across the North of Tyne.

RESOLVED – That the Cabinet:

- i. Noted the progress to date on the Investment Fund and UKSPF, achievement of key milestones and ongoing project development work, particularly in respect of the creation of new jobs;

- ii. Authorised the Chief Executive to make final approvals and associated decisions relating to implementation, in accordance with existing delegations, for the £9.6m of projects described in the report, using Investment Fund, UKSPF and REPF resources;
- iii. Agreed that the Benwell Dene and North Tyneside Council Social Housing Sites projects be accepted onto the North of Tyne Brownfield Housing Fund Pipeline and be invited to prepare full business cases;
- iv. Delegated responsibility to mobilise and take funding decisions, including the management of contractual and delivery risks, in relation to the NEMCA Devolved Brownfield Housing Funding and Capital Regeneration Funding (NE Devolution) programmes to the Chief Executive in consultation with Investment Panel. And authorised the Monitoring Officer and Chief Finance Officer to take all steps necessary to progress these programmes to meet the funding timetables agreed with Government.
- v. Extended the financial end date of NTCA's Inward Investment Fund to May 2024, allowing new commitments to potential investors to be made from the existing budget envelope agreed by Cabinet.

35 **DATE AND TIME OF THE NEXT MEETING**

Tuesday, 28 November 2023 at 2pm.

36 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That, by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, press and public be excluded from the remainder of the meeting for the duration of the consideration of agenda items 9 and 10 (Confidential Minutes and North East LEP – Project Funding Decisions Update – Appendix A and B) because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.

37 **CONFIDENTIAL MINUTES**

The confidential minutes of the previous meeting held on 25 July 2023 were approved as a correct record.

38 **NORTH EAST LOCAL ENTERPRISE PARTNERSHIP - PROJECT FUNDING DECISIONS UPDATE - APPENDIX A AND APPENDIX B**

Submitted: The confidential appendices A and B for the North East Local Enterprise Partnership – Project Funding Decisions Update report (previously circulated and a copy attached to Official Minutes).

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Report Summary

The purpose of this report is to provide an update on the performance of the Adult Education Budget (AEB) in academic year (AY) 2022-23. It sets out the adult education opportunities that have been created for North of Tyne Combined Authority (NTCA) residents during the academic year (AY) and key priorities for AY 2023-24.

NTCA took control of the devolved Adult Education Budget on 1st August 2020. Since then, the government has devolved approximately £69m to the Combined Authority, enabling adult learning priorities to be determined at a local level and **providing over 88,500 enrolment opportunities to date**. Devolved AEB funding supports a diverse range of flexible education and skills provision and is delivering a more responsive, accessible adult skills offer for North of Tyne residents and employers.

Over **35,200 enrolment opportunities have been undertaken during AY 2022-23**. An increase of 2,461 opportunities on the previous academic year. NTCA providers continue to deliver a range of provision targeting employed and unemployed residents including statutory entitlements in maths, English and digital skills and full Level 2 and Level 3 vocational programmes required to access the labour market or progress in work.

19% of enrolment opportunities were delivered as Community Learning providing a range of courses designed to engage residents, build confidence, improve health and wellbeing, including mental health and break down barriers to learning and work. NTCA value the positive impact that informal community learning can have and how it enables providers to deliver targeted niche provision, the majority of which is aimed at residents who are most at risk of being left behind in terms of education and employment opportunities.

NTCA's devolved AEB investment continues to reach residents most disadvantaged in terms of poverty and skills. Most recent data reveals that **44% of enrolments are in the top 10% deprived wards across NTCA**. 17,796 (53%) of enrolments are undertaken by residents with no or low qualifications.

In AY 2022-23 **72% of enrolments were undertaken by unemployed residents**, with 53% of these residents unemployed and actively seeking work. This is a 4-percentage point increase on the previous academic year.

Analysis of delivery data for AY 2022-23 demonstrates that the devolved AEB continues to support delivery of [NTCA's Strategic Skills Plan](#) and the NTCA Corporate Plan. We continue to work closely with providers to ensure that a high-quality adult skills offer is available which focuses on achieving outcomes directly linked to local labour market needs, helping residents to improve their quality of life and ensuring that North of Tyne employers can access residents with the skills their businesses need to grow and thrive.

Recommendations

The Cabinet is recommended to:

- i. Note the performance of the devolved Adult Education Budget in Academic Year 2022-23
- ii. Endorse the approach to managing the devolved Adult Education Budget in Academic Year 2023-24.

A. Context

1 Background

- 1.1 NTCA's devolved AEB for the period 1 August 2022 to 31 July 2023 was £23,586,795 plus an additional £1,969,315 for the delegated Level 3 Free Courses for Jobs offer. Bringing the total AEB for AY 2022-23 to £25,546,110.
- 1.2 A detailed list of NTCA's AEB providers and funding allocations for AY 2022-23 is included in Appendix 1 of this report.
- 1.3 The NTCA has successfully managed the devolved Adult Education Budget (AEB) for NTCA residents and employers since the beginning of August 2020. Since then, the government has devolved approximately £69m to the Combined Authority, enabling adult learning priorities to be determined at a local level and providing over 88,500 enrolment opportunities to date.
- 1.4 Devolution of the AEB has enabled NTCA to strengthen the strategic focus of skills provision across the Combined Authority area. We have built on our approach of creating close collaborations, bringing together employers, colleges, training providers, local commissioners and the VSCE sector to construct a skills offer which focuses on achieving outcomes directly linked to local labour market needs.
- 1.5 The COVID-19 pandemic, the current economic climate and cost of living crisis has meant that we have had to adapt to shifting priorities and needs across the region. NTCA have worked with AEB providers to align provision to these shifting priorities. We have made effective use of the flexibilities afforded by devolution in relation to funding rules, rates, and eligibility criteria to ensure the AEB funding can be targeted where it is needed most.

2 Review of AEB delivery data from 1 August 2022 to 31 July 2023

- 2.1 Over 35,700 enrolment opportunities have been undertaken during AY 2022-23. An increase of 2,461 opportunities on the previous academic year. NTCA providers continue to deliver a range of provision targeting employed and unemployed residents including statutory entitlements in maths, English and digital skills and full Level 2 and Level 3 vocational programmes required to access the labour market or progress in work.
- 2.2 Table 1 illustrates the overall number of enrolments by Local Authority area and funding model.

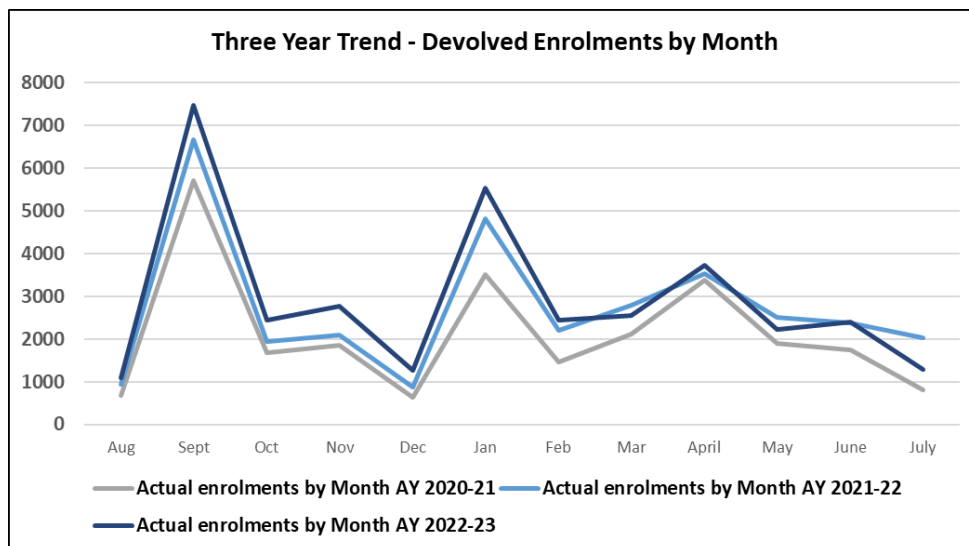
Table 1

	AEB Adult Skills	Community Learning	Total
Newcastle	15,345	4,259	19,604
North Tyneside	6,291	1,505	7,796
Northumberland	6,797	1,033	7,830
Total	28,433	6,797	35,230

- 2.3 6797 (19%) of these opportunities were delivered as Community Learning. 50% of Community Learning provision is delivered as Preparation for Life & Work with a range of courses designed to engage residents, build confidence, improve health and wellbeing, including mental health and break down barriers to learning and work.

- 2.4 Community Learning is coming under increasing scrutiny nationally, with more robust monitoring of this provision through providers data returns. NTCA value the positive impact that informal community learning can have on our resident's. The success of programmes being delivered as Community Learning cannot be understated. Providers utilise this funding with integrity, and it enables them to deliver targeted niche provision, the majority of which is aimed at residents who are most at risk of being left behind in terms of education and employment opportunities.
- 2.5 We continue to work closely with providers in receipt of funding agreements for Community Learning to better understand this provision and have implemented an additional data collection to assess the purpose, outcomes, and costs for this provision. We aim to use this data to assess value for money and track outcomes for this academic year and to inform delivery plans going forward into AY 2023-24.
- 2.6 28,433 (81%) of enrolments are being delivered as Adult Skills provision. Enrolment patterns during AY 2022-23 are very similar to the previous academic year with peaks in September and January as expected. Chart 1 below compares the number of enrolment opportunities that residents started by month from AY 2020-21 to AY 2022-23.
- 2.7 This pattern suggests that the impact of the COVID-19 pandemic on participation that occurred in AY 2020-21 and during 2021-22 has subsided. Enrolment counts in Adult Skills provision at the end of AY 2022-23 are on par with AY 2021-22.

Chart 1



- 2.8 The AEB investment continues to reach residents most disadvantaged in terms of poverty and skills. **15,585 (44%) of enrolments are in the top 10% deprived wards across NTCA.** 17,796 (53%) of enrolments are undertaken by residents with no or low qualifications.
- 2.9 We have established a wider range of provision to support unemployed residents with skills directly linked to local labour market demand. 72% of enrolments were undertaken by unemployed residents, with 53% of these residents are unemployed and actively seeking work. This is a 4-percentage point increase on the previous academic year.
- 2.10 The AEB continues to provide fully funded statutory entitlements which include basic, maths, English and English for Speakers of other Languages (ESOL). Participation in basic maths, English is steadily increasing year on year, the biggest increase in demand is ESOL.

- 2.11 In AY 2022-23 NTCA supported the delivery of over 7200 learning aims (enrolment opportunities), 5405 of these aims were delivered in Newcastle, on average each resident accesses 3 learning aims per AY. This provision currently utilises circa £3.8m of the devolved AEB, most learners have no formal qualifications and start provision at an extremely low starting point with some illiterate in their own language.
- 2.12 NTCA recognise the vital importance of ESOL in terms of integrating residents in communities, access to services and progression to work. We are working with the provider base and DWP to maximise provision available, progressing some ESOL learners more efficiently, and sourcing alternative funding for those that are furthest away from the labour market and may be accessing provision for social inclusion. We will continue to monitor this demand and keep Cabinet updated.
- 2.13 NTCA are working closely with providers to align the devolved AEB offer to wider skills investments such as Skills Bootcamps and to promote collaboration with employers in designing skills opportunities.
- 2.14 Providers have responded well and developed routes into sectors such as Engineering and Manufacturing Technology which now accounts for 7% of enrolments providing 2500 opportunities in AY 2022-23. Enrolments in this area have been designed to meet skills shortages and employment vacancies in the region related to welding and welding techniques for the manufacturing sector.
- 2.15 Business Administration is a growing area of enrolments, with 1985 opportunities undertaken in AY 2022-23 an increase of 758 opportunities on the previous academic year and accounting for 6% of enrolments. Courses include Certificates in Customer Service and Contract Centre Operations, Accredited Accounting, Team Leading skills and Project Management certification.
- 2.16 NTCA has also undertaken further commissioning to increase the range of qualifications in the Level 3 Free Courses for Jobs offer. This includes technical certificates in green construction methods, developing skills to work with heat pump technology. We have successfully increased engagement with the Level 3 Free courses for jobs offer during AY2022-23 with further commissioning to offer a wider range of qualifications. 444 residents engaged with the offer in AY 2022-23 compared to just 147 in AY 2020-21.
- 2.17 Providers have responded to our requests this academic year and we have received data confirming that over 2000 individual residents progressed to employment following engagement with AEB activity.
- 2.18 Further detailed analysis of the 12 -month delivery data is included in Appendix 2 of this report. The analysis demonstrates that the AEB continues to support delivery of [NTCA's Strategic Skills Plan](#) and the NTCA Corporate Plan.

3 Profile of residents engaged in AEB to 4 Feb 2023

- 3.1 A key priority for the devolved AEB is to extend the reach of learning opportunities to a broader range of underrepresented groups. Analysis of the profile of residents engaged in AEB provision during AY 2022-23 demonstrates that the investment continues to respond to this priority:
- 5244 (15%) of AEB opportunities were undertaken by young people (19-24).
 - 56% of AEB enrolment opportunities were undertaken by women.
 - 16,407 (47%) of enrolment opportunities were undertaken by residents from our black and minoritised ethnic communities.
 - 7757 residents (22%) participating in provision self-declared a learning difficulty/disability, a 2-percentage point increase on the previous academic year.
 - 56% of enrolments undertaken by residents with low or no qualifications.

3.2 NTCA continues to develop and implement a range of locally focused initiatives, aligned with ongoing policy developments and supporting evidence to target over and above the main statutory entitlements of the AEB.

4 Key priorities for AY 2023-24

4.1 Key priorities for AY 2023-24 include:

- Continue to work closely with the NTCA provider base to develop improved analysis of Community Learning, with a focus on positive outcomes and value for money.
- Work collaboratively to better respond to employer skills/talent needs, specifically in the NTCA growth and foundation economy sectors.
- Continue to work closely with the NTCA provider base to develop improved analysis of learner destinations, with a focus on positive outcomes and progression.
- Continue to monitor demand for ESOL provision, working with providers to maximise the opportunities for residents in this area.

B. Impact on NTCA Objectives

1. AEB links directly to NTCA's strategic priorities and supports the Education, Inclusion & Skills delivery theme of NTCA's Corporate Plan. We want everyone to have the opportunity to thrive, with access to good employment and progression. Supporting the availability of good quality, well paid work, whilst providing the right support for people to access these jobs and further training is crucial to our economic and social success.

C. Key risks

1. AEB Devolution features as a strategic risk on the NTCA Strategic Risk Register. In addition, at a project level, appropriate risk management processes are in place to identify and mitigate risks, with escalation requirements embedded.

D. Financial and other resources implications

1. Table 2 illustrates the total devolved AEB income for AY 2022-23 and funds committed in this academic year.

Table 2

Devolved AEB Income and Committed Expenditure AY 2022-23	
Income	
AEB Core Allocation AY 2022-23	£23,620,330
Balance remaining from AY 2021-22	£2,353,918
Total Income	£25,974,248
Committed Expenditure AY 2022-23	
3% Administration Costs	£708,610
Grant Agreements AY 2022-23	£15,550,125
Contract for Services AY 2022-23	£7,510,344
Ringfenced 5% earnings boost AY 2022-23 & AY 2023-24	£1,559,010
Total Committed Expenditure AY 2022-23	£25,328,089
Total funding remaining	£646,159

2. NTCA are carrying out a full reconciliation of 'actual' provider earnings against the committed allocations and will explore several options for the management of the total funding remaining in AY 2023-24, in line with the scheme of delegation in place for AEB. The full reconciliation of AEB funding from AY 2022-23 will be complete by 30th November 2023 following final funding returns from providers at the end of October.
3. Table 3 illustrates the delegated Free Course for Jobs funding for AY 2022-23 and committed expenditure in this academic year. The table also illustrates forecasted earnings against the allocation during AY 2022-23

Table 3

Free Courses for Jobs income from DfE AY 2022-23	
Period	Allocation
1 April 2022 to 31 July 2022	£144,994
1 August 2022 to 31 March 2023	£1,469,486
1 April 2023 to 31 July 2023	£489,829
Total for period 1 April 2022 to 31 July 2023	£1,959,315
Free Courses for Jobs Expenditure AY 2022-23	
Grant Funding Agreements in place AY 2022-23	£1,271,566
Balance of allocation (£1,959,315 - £1,271,566)	£687,749
Forecasted Actual Earnings against Funding Agreements	£1,282,375
Forecasted balance of allocation	£676,940

4. NTCA pays providers on 'Actual Earnings' for Free Courses for Jobs provision because this funding is subject to reconciliation by the DfE at the end of the academic year. We are forecasting that actual earnings against providers funding agreements will equate to £1,282,375 and a forecasted balance on the allocation of £676,940. A full reconciliation is underway to ascertain 'Actual Earnings' in AY 2022-23 following final funding returns from providers at the end of October 2023. DfE will then deduct any unspent balance of funding from NTCA's allocation for AY 2023-24.

E. Legal implications

1. There are no direct legal implications arising out of this report. For information the grant funding process in relation to allocating the devolved AEB has been undertaken in accordance with all relevant legal requirements. A robust set of funding terms and conditions have been developed to protect NTCA's position.
2. Procurement processes for Contracts for Service have been undertaken pursuant to the NTCA Order and Constitution and the Public Contracts Regulations 2015.

F. Equalities implications

1. As required by Section 149 of the Equality Act 2010, the NTCA has considered its obligations regarding the Public Sector Equality Duty and there will be no anticipated negative impact on groups with protected characteristics from these proposals.

2. Each organisation the NTCA will contract with will be required by law to meet all relevant requirements in the workplace in respect of equalities. Through the Due Diligence process, we have sought assurance from each provider that they have appropriate policies in place which protect and champion equality within their service.
3. In addition, we will encourage all companies we work with to be mindful of our commitment to equalities and direct them to guidance provided by the Equalities and Human Rights Commission. <https://www.equalityhumanrights.com/en/advice-and-guidance/guidance-businesses>

G. Inclusive Economy and Wellbeing implications

1. The NTCA believe the approach taken will positively contribute to creating a more inclusive economy in the North of Tyne with specific positive impact on addressing inequalities in skills and qualifications across the area.
2. The AEB is being used to better equip residents with low or no qualifications in the North of Tyne with the skills required to participate in our key recovery and growth sectors. The alignment of provision towards the North of Tyne growth sectors will better meet the needs of our businesses and in turn provide residents with clearer opportunities to contribute to and benefit from economic growth now and in the future.
3. The NTCA will continue to monitor the impact of the AEB on the inclusive economy aspirations as part of all performance management processes.
4. In due course, all providers will be invited to commit to the NTCA Good Work Pledge to advance their contributions as employers to the NTCA's inclusive economy aspirations.

H. Climate Change implications

1. The NTCA has considered the implications relating to climate change in decisions regarding allocation of the AEB and believe there will be no negative impact as a result. All providers are required to provide assurance that they have an environmental and sustainability policy.
2. In all procurement exercises, applicants were appraised on their commitments to climate change as part of Social Value. With the impact of COVID-19, early indication shows the provider base in the NTCA area have significantly increased the use of online learning as a means of delivery. Although no measurements are in place, the NTCA understand this will likely reduce carbon emissions associated with staff and learner travel.

I. Consultation and engagement

1. NTCA have established effective working relationships with NTCA Grant and Contracted providers to gain Insight and intelligence to inform funding flexibilities and additional provision made available through the AEB.
2. NTCA officers maintain regular contact with relevant stakeholders including the North East Local Enterprise Partnership, Skills Providers, the Department for Work and Pensions (DWP), the Department for Education (DfE) and Employers. This supports co-ordination of vacancy opportunities and skills development.
3. NTCA AEB officers attend regular meetings with DfE, the ESFA and other Mayoral Combined Authorities (MCAs) to share information and best practice.

4. NTCA will continue to work collaboratively with national strategic partners and local stakeholders to align the devolved AEB with other funding streams and activity to ensure it complements, rather than duplicates the wider learning experiences and opportunities aimed at supporting our residents to progress in learning and to move towards or into productive and sustained employment.

J. Appendices

Appendix 1: Devolved AEB Providers and Funding Allocations AY 2022-23

Appendix 2: Detailed Analysis of Delivery Data from 1 August 2022 to 31 July 2023

K. Background papers

AEB Strategic Skills Plan 'Opportunity for All'

AEB Cabinet papers 24 April 2019, 4 June 2019, 30 July 2019, 22 October 2019, 25 February 2020, 28 July 2020 and 29 September 2020, 23 March 2021, 30 November 2021, March 2022, 22 Nov 2022

L. Contact officer(s)

Michelle Stone, Principal Skills Manager michelle.stone@northoftyne-ca.gov.uk

M. Glossary

AEB	Adult Education Budget
AY	Academic Year
LLDD	Learners with learning difficulties or disabilities
DfE	Department for Education
DWP	Department for Work and Pensions
ESFA	Education and Skills Funding Agency
ESOL	English for Speakers of other Languages
FE	Further Education
ITP	Independent Training Provider
JCP	Job Centre Plus
MCA	Mayoral Combined Authorities
NTCA	North of Tyne Combined Authority
VCSE	Voluntary, Community and Social Enterprise

Appendix 1 – Devolved AEB Providers and Funding Allocations AY 2022-23

UKPRN	Grant funded provider name	Allocation
10001475	Education Partnership (Northumberland College)	£1,318,313
10002638	Gateshead College	£642,595
10002639	Gateshead Council	£154,342
10004601	Newcastle City Council	£3,035,981
10053962	Newcastle College	£5,254,682
10004714	North Tyneside Metropolitan Council	£1,938,476
10004762	Northumberland County Council	£1,134,672
10006000	South Tyneside Council	£454,376
10005999	Tyne Coast College	£1,265,836
10007364	Workers Educational Association	£350,852
Total		£15,550,125

UKPRN	Procured Contract for Service provider name	AEB allocation AY 2022-23			
		Lot 1 Unemployed	Lot 2 Employed	Lot 3 Innovation	Total
10037140	Action Foundation			£35,000	£35,000
10033156	Back 2 Work	£149,820			£149,820
10000488	B-Skill Limited		£253,270		£253,270
10037364	CECOS Computing International Ltd.	£343,173	£497,394		£840,567
10002111	East Durham College		£101,275		£101,275
10061648	FIRST Face to Face Ltd.			£90,000	£90,000
10002638	Gateshead College		£497,333		£497,333
10021665	Health & Safety Training Ltd.	£648,340			£648,340
10003593	Key Training Ltd.		£756,079		£756,079
10008935	Learning Curve Group Ltd.	£499,286			£499,286
10004576	New College Durham	£647,055	£104,700		£751,755
10004714	North Tyneside Metropolitan Council			£149,764	£149,764
10001039	Northumberland Business Service Ltd.			£155,000	£155,000
10036431	PeoplePlus Group Ltd.	£497,520			£497,520
10025330	Release Potential Limited	£578,520		£299,970	£878,490
10024686	Resource North East	£574,425			£574,425
10028094	Skills North East	£97,224	£213,040		£310,264
10006576	The Alnwick Garden Trust			£31,000	£31,000
10085200	The Cedarwood Trust			£382,000	£382,000
10025197	University Centre Quayside Ltd.		£299,828		£299,828
10000532	Barnardos			£60,220	£60,220
Totals		£4,035,363	£2,722,919	£1,202,954	£7,961,236

Level 3 Adult Offer (Free Courses for Jobs) AY 2022-23	
Provider Name	Indicative allocations
B-Skill Limited	£12,578
CECOS Computing International Ltd	£16,691
East Durham College	£4,800
Education Partnership North East	£73,856
Gateshead College	£48,687
Key Training Ltd	£21,203
Learning Curve Group Ltd.	£51,684
New College Durham	£357,453
Newcastle City Council	£45,000
Newcastle College	£155,663
North Tyneside Metropolitan Council	£21,151
Northumberland County Council	£25,000
Resource (NE) Limited	£186,621
Skills North East	£22,833
South Tyneside Council	£44,055
Tyne Coast College	£34,291
Totals	£1,121,566

1 AY 2022-23 AEB enrolment opportunities

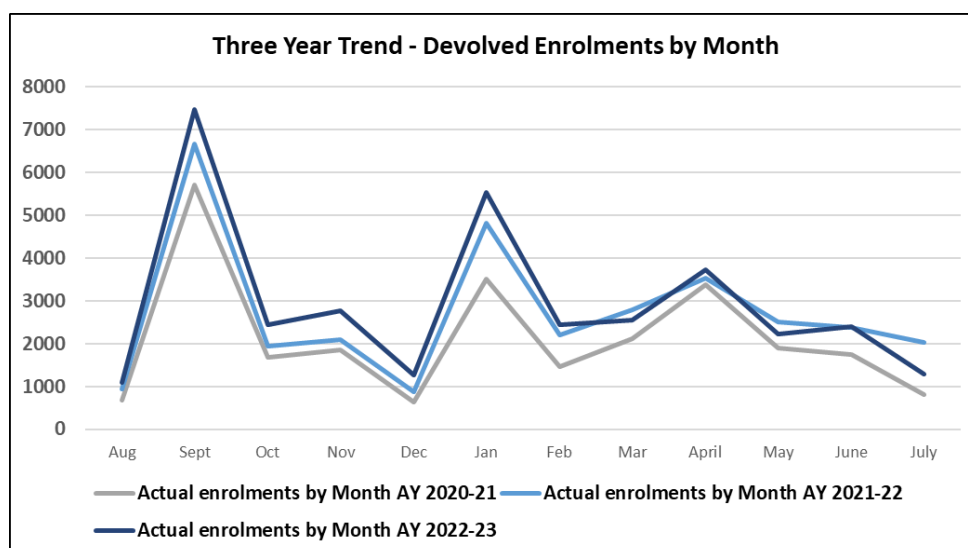
- 1.1 Over 35,200 enrolment opportunities have been undertaken during AY 2022-23. An increase of 2,491 opportunities on the previous academic year AY 2021-22. NTCA providers continue to deliver a range of provision targeting employed and unemployed residents including statutory entitlements in maths, English and digital skills and full Level 2 and Level 3 vocational programmes required to access the labour market or progress in work.
- 1.2 6797 (19%) of these opportunities were delivered as Community Learning. 50% of Community Learning provision is delivered as Preparation for Life & Work with a range of courses designed to engage residents, build confidence, improve health and wellbeing, including mental health and break down barriers to learning and work.
- 1.3 Community Learning is coming under increasing scrutiny nationally, with more robust monitoring of this provision through providers data returns. NTCA value the positive impact that informal community learning can have on our resident's. The success of programmes being delivered as Community Learning cannot be understated. Providers utilise this funding with integrity, and it enables them to deliver targeted niche provision, the majority of which is aimed at residents who are most at risk of being left behind in terms of education and employment opportunities.
- 1.4 Enrolment opportunities are monitored by Local Authority to ensure the geographical reach of provision is across the NTCA and that there are no significant declines in individual Local Authority areas.
- 1.5 Table 1 below illustrates a three-year trend of enrolment opportunities that have been undertaken by Local Authority Area.

Table 1

	Devolved AEB AY 2020-21	Devolved AEB 2021-22	Devolved AEB 2022-23
Newcastle	14,280	18,625	19,604
North Tyneside	5,476	6,723	7,796
Northumberland	5,743	7,421	7,830
Total	25,499	32,769	35,230

- 1.6 Chart 1 below compares the number of enrolment opportunities that residents started by month from AY 2020-21 to AY 2022-23. The number of starts in September and January continue to be significantly higher than at other periods during the year in line with providers delivery plans.

Chart 1

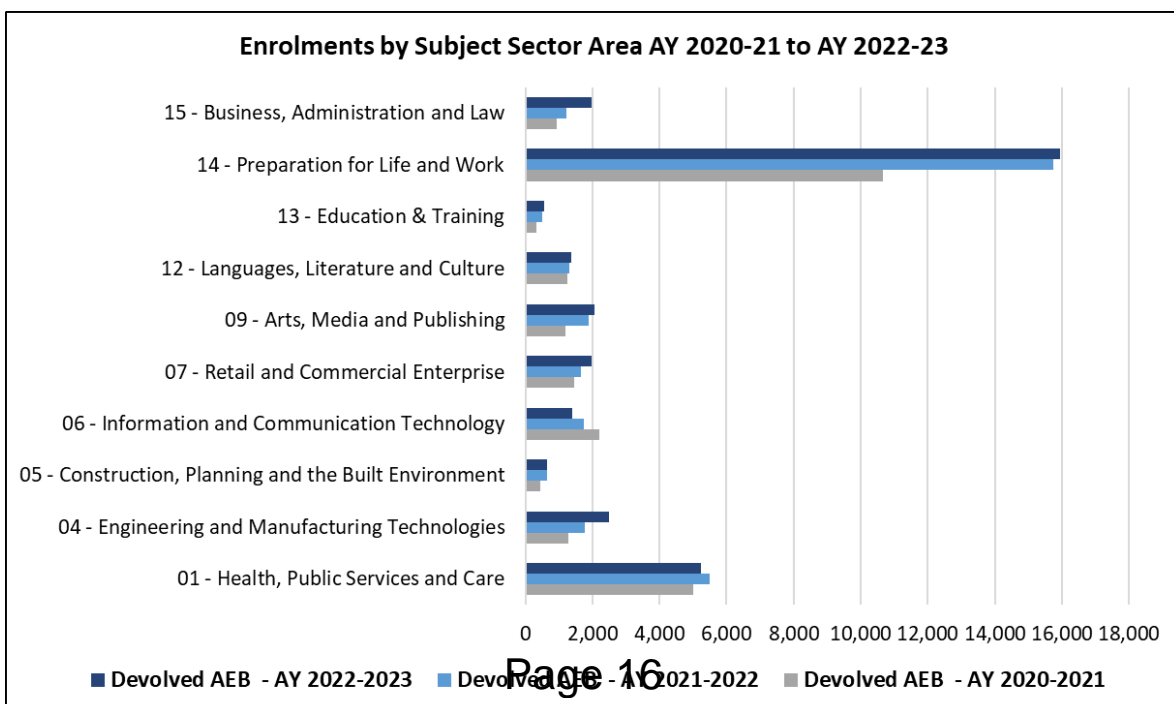


- 1.7 Delivery data is also analysed at Ward level to ensure that enrolment opportunities are being undertaken by residents in our most deprived areas. The review of AY 2022-23 data has revealed that 8529, (24%) of enrolment opportunities were undertaken by residents living in NTCA's top 20% deprived areas. **15,585 (44%) of enrolments are in the top 10% deprived wards across NTCA.**
- 1.8 Targeting areas where deprivation is high is a key priority in the NTCA Strategic Skills Plan to ensure that the AEB investment is reaching residents most disadvantaged in terms of poverty and skills.
- 1.9 Delivery data is also analysed to monitor engagement in AEB by residents in communities that are outside urban centres. This data suggests a significant proportion of residents living outside of urban centres are engaging with provision.
- 1.10 All NTCA AEB providers are required to submit delivery plans which outline how they will make their provision accessible for residents in communities outside of urban centres. This includes on-line and distance learning, support with transport and good use of Community venues across Northumberland and North Tyneside in places such as Alnwick, Amble, Berwick, Rothbury, Pegswood, Morpeth, Wooler, Hexham, Haltwhistle and Whitley Bay.

2 Range of provision

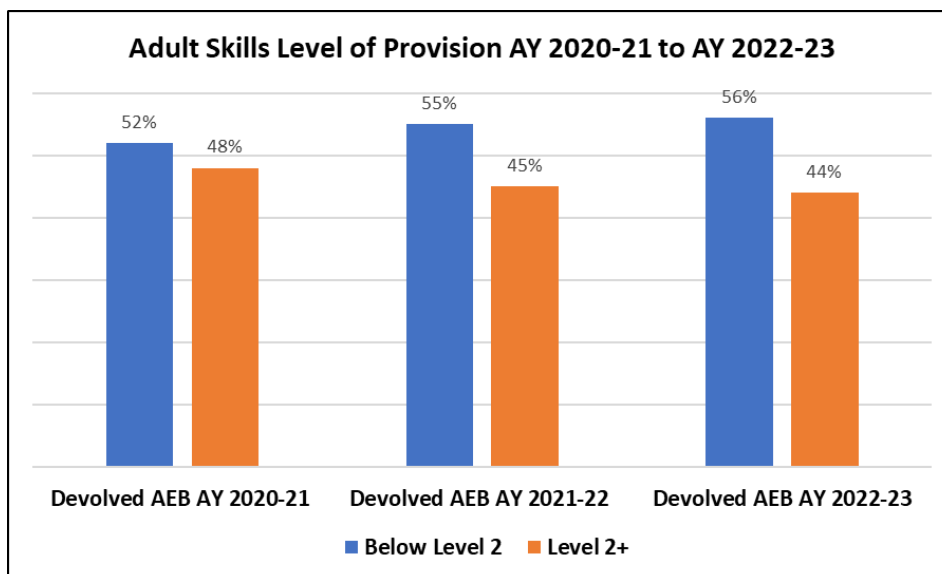
- 2.1 Providers deliver a range of provision targeting employed and unemployed residents including basic maths, English and digital skills and full Level 2 and Level 3 vocational programmes required for work. There are effective links to Job Centre Plus (JCP) work coaches across the region who help promote the AEB offer and refer unemployed residents.
- 2.2 We continue to establish provision to support unemployed residents with skills directly linked to local labour market demand. In AY 2022-23, 72% of enrolments were undertaken by unemployed residents, with 53% of these residents unemployed and actively seeking work. This is a 4-percentage point increase on the previous academic year.
- 2.3 New provision has been commissioned to support skills demand in sectors such as engineering and manufacturing, creative industries, hospitality, and catering. Provision continues to support the health & social care sector with 15% of enrolment opportunities offered in this area.
- 2.4 Chart 2 below compares enrolment opportunities undertaken by subject sector area from AY 2020-21 to AY 2022-23.

Chart 2



- 2.5 Subject sector area (SSA) 14 – Preparation for Life and Work continues to account for the largest number of enrolment opportunities with 15,940 learning aims being undertaken accounting for 45% of all enrolment opportunities in AY 2022-23.
- 2.6 This provision includes all English for Speakers of other Languages (ESOL), Functional Skills Qualifications in English, maths and Digital skills as well as sector routeways back to employment in vocational areas such as health and social care, hospitality, warehousing and construction. Subject sector 14 also includes provision to support social enterprise and self-employment as well as employability skills to get residents work ready.
- 2.7 Providers delivering in this subject sector area have responded to residents needs in the current economic climate such as the cost-of-living crisis with provision that supports household budgeting, and essential digital skills which address areas such as comparing and calculating energy tariffs and setting up on-line accounts to pay for bills by direct debit.
- 2.8 There has been a significant increase of enrolment opportunities undertaken in SSA 4 – Engineering and manufacturing which now accounts for 7% of enrolments providing 2500 opportunities in AY 2022-23. Most of these opportunities are related to Transport Operations and Maintenance which includes rail engineering track maintenance and a Large Goods Vehicle (LGV) driving course. Provision has also been developed to address skills shortages in the region related to welding and welding techniques for the manufacturing sector.
- 2.9 SSA 15 – Business Administration & Law is a growing area of enrolments, with 1985 opportunities undertaken in AY 2022-23 an increase of 758 opportunities on the previous academic year and accounting for 6% of enrolments. Courses include Certificates in Customer Service and Contract Centre Operations, Accredited Accounting, Team Leading skills and Project Management certification.
- 2.10 Enrolment opportunities in SSA 6 - Information and Communication Technology (ICT) have continued to decline year on year. Analysis of the data, and consultation with providers reveals that Entry level provision in this area is encompassed within other subject sector areas, residents tend to engage with digital skills that are relevant to life and work.
- 2.11 With Cabinet approval NTCA introduced a fully funded informal 'Essential Digital Skills' learning aim in AY 2022-23 to enable providers to deliver flexible courses that address basic digital skills deficits rather than more prescriptive accredited delivery available through the digital entitlement. This has proved effective in supporting residents with skills in 'getting on line', using social media safely, as well as practical skills required for work including using Microsoft Teams and Zoom.
- 2.12 Withdrawal of a number of Level 2 ICT qualifications at a national level has contributed to the decline in enrolments in SSA 6 ICT. NTCA does have a broad digital offer through Level 3 Skills Bootcamps and will work with providers during AY 2023-24 to ensure that there is progression to this activity from Level 2.
- 2.13 We continue to work with providers to address the balance of provision at Level 1 and below to ensure that there are opportunities at Level 2 and above across all subject sector areas.
- 2.14 Chart 3 overleaf compares Adult Skills enrolments by level over a three-year period from AY 2020-21 to AY 2022-23.

Chart 3



3 Statutory Entitlements

- 3.1 The AEB continues to provide fully funded statutory entitlements which include basic, maths, English and English for Speakers of other Languages (ESOL). Participation in basic maths, English is steadily increasing year on year, the biggest increase in demand is ESOL.
- 3.2 Table 3 below compares statutory entitlement enrolments from AY 2020-21 to AY 2022-23.

Table 3

Statutory Entitlements	Devolved AEB AY 2020-21	Devolved AEB AY 2021-22	Devolved AEB AY 2022-23
English	805	884	940
Maths	1027	1110	1166
ESOL	4931	6064	7230
Digital Entitlement	712	820	392
Full Level 2 Entitlement	353	325	318
Full Level 3 Entitlement	194	228	196
Free Courses for Jobs	147	324	444
Total	8155	9755	10686

- 3.3 Analysis of the delivery data reveals that 2106 enrolment opportunities were undertaken in maths and English provision during AY 2022-23 with 625 (30%) undertaken as GCSEs in these subjects which is often an essential entry qualification to further education, apprenticeships and employment.
- 3.4 NTCA has utilised the flexibilities afforded by devolution to fund Fully fund English and maths qualifications for unemployed residents who are assessed as functioning at Level 1 or below, regardless of prior attainment in these subjects. This flexibility will be monitored during AY 2023-24 to see whether it results in increased participation in maths and English. We are also monitoring the impact of the Multiply numeracy programme to measure progression from this informal maths activity to formal accredited activity funded through the AEB.
- 3.5 Demand for ESOL provision is increasing year on year which corresponds with increasing demand nationally. In AY 2022-23 NTCA supported the delivery of over 7200 learning aims (enrolment opportunities), 5405 of these aims were delivered in Newcastle, on average each resident accesses 3 learning aims per AY. This provision currently utilises circa £3.8m of the devolved AEB, most learners have no formal qualifications and start provision at an extremely low starting point with some illiterate in their own language.

- 3.6 NTCA recognise the vital importance of ESOL in terms of integrating residents in communities, access to services and progression to work. We are working with the provider base and DWP to maximise provision available, progressing some ESOL learners more efficiently, and sourcing alternative funding for those that are furthest away from the labour market and may be accessing provision for social inclusion. We will continue to monitor this demand and keep Cabinet updated.
- 3.7 First Full Level 2 and Level 3 qualifications for young people aged between 19 and 24 are also part of the statutory entitlement. The qualifications in this entitlement are highly valued by employers and provide specialist skills in the NTCA growth and recovery sectors as detailed in the NTCA Strategic Skills Plan and NTCA Corporate Plan. Colleges have engaged over 500 young people in this provision during AY 2022-23.

Free Courses for Jobs

- 3.8 The AEB includes additional funding for Free Courses for Jobs (this funding is currently delegated to Mayoral Combined Authorities). This targeted Level 3 provision has been developed to support adults without an existing full Level 3 qualification and has recently been extended to include a second Level 3 qualification. It introduces free fully funded Level 3 qualifications for learners aged 24 years and over.
- 3.9 We have successfully increased engagement with the Level 3 Free courses for jobs offer during AY2022-23 with further commissioning to offer a wider range of qualifications. 444 residents engaged with the offer in AY 2022-23 compared to just 147 in AY 2020-21.

4 Profile of residents engaged in AEB

- 4.1 A key priority for the devolved AEB is to extend the reach of learning opportunities to a broader range of underrepresented groups. Analysis of the profile of residents engaged in AEB provision during AY 2022-23 demonstrates that the investment continues to respond to this priority:
- 5244 (15%) of AEB opportunities were undertaken by young people (19-24).
 - 56% of AEB enrolment opportunities were undertaken by women.
 - 16,407 (47%) of enrolment opportunities were undertaken by residents from our black and minoritised ethnic communities.
 - 7757 residents (22%) participating in provision self-declared a learning difficulty/disability, a 2-percentage point increase on the previous academic year.
 - 56% of enrolments undertaken by residents with low or no qualifications.
- 4.2 AEB provision continues to support women who are out of work and/or returning to work with a range of provision both informal to build confidence and maximise transferable skills and formal learning opportunities leading to qualifications and skills most valued by NTCA employers. In the AY 2022-23 **62% of female enrolments were unemployed.**
- 4.3 The devolved AEB has enabled NTCA to offer a low wage flexibility for residents who earn less than the 'real' living wage. This provides full funding for employed residents who are on a low wage and may not have engaged in learning due to course fees being unaffordable. **Over 4600 an increase of 2467 (over 50%) from the previous academic year.** 59% of these enrolments were undertaken by women.
- 4.4 **Over 7767 (22%) of AEB enrolment opportunities are accessed by residents who have self-declared a learning difficulties/disability.** Enrolments undertaken by residents with a self-declared learning difficulty/disability are increasing year on year. NTCA continues to work with our provider base to ensure AEB provision for these residents is truly accessible and inclusive for all.

5 Outcomes for residents undertaking AEB provision

- 5.1 Of the 35,230 learning aims undertaken in AY 2022-23, 31,963 (91%) were completed. Of those that were completed 96% were achieved. Providers are able to engage and retain residents once they are on programme with only 2794 withdrawals (8%) during AY 2022-23.
- 5.2 21,255 formal qualifications were undertaken during AY 2022-23. These ranged from Entry Level to Level 3 in a wide range of subject areas, including those related to NTCA's priority sectors such as Digital, Health & Care, Engineering & Manufacturing and Business and Finance.
- 5.3 Of the formal qualifications delivered, **49% were at Level 2 with 96% of completed qualifications achieved** at this level. Table 4 below illustrates the number of formal qualifications taken by level, the number completed, and the proportion achieved in AY 2022-23.

Table 4

	Total	Entry Level		Level 1		Level 2		Level 3	
		Number	%	Number	%	Number	%	Number	%
Qualifications Delivered	21255	4519		5514		10332		890	
Qualifications Completed	18901	4287	95%	5058	92%	8910	86%	646	73%
Qualifications Achieved	18039	4047	94%	4828	95%	8550	96%	614	95%
Continuing	448	2		62		265		119	
Withdrawn	1896	229		391		1153		123	
Completed not achieved		478		228		356		28	
Awaiting Result				1				4	

- 5.4 The devolved AEB also provided over 5300 non-regulated enrolment opportunities through Adult Skills funding. These opportunities do not carry a formal qualification but provide formal training and skills to support confidence, wellbeing and employability. A significant proportion (61%) of Adult Skills non-regulated provision is related to Pre-Entry and entry level ESOL specifically for NTCA residents who have no or very little English-speaking skills.
- 5.5 The non-regulated Adult Skills provision also supports Essential Digital Skills, helping residents to get on-line, send emails, and pay utility bills – all skills that are essential but do not carry a qualification. The non-regulated provision also delivers employability skills targeting specific sectors such as Retail, Construction and Hospitality.
- 5.6 Over 6700 enrolment opportunities through the devolved AEB in year one were delivered as informal Community Learning as referred to in paragraph 1.2 of this appendix. NTCA value this provision and recognise the positive impact that informal community learning can have on our resident's health and wellbeing.
- 5.7 The success of programmes being delivered as Community Learning through the procured AEB Innovation Funding Lot cannot be understated. Procured Providers in this Lot have met delivery targets and utilised the funding available to them. The innovation funding enables them to deliver targeted niche provision aimed at residents who are most at risk of being left behind in terms of education and work opportunities.
- 5.8 Programmes range from 'catering academies', basic and digital skills using the medium of film and production and courses specifically designed to maximise residents' entrepreneurial skills for self-employment and social enterprise.
- 5.9 We want to ensure that a greater focus on the economic and social outcomes is secured through the devolved AEB rather than just the outputs in terms of qualifications delivered. This underpins our commissioning approach to secure provision which is increasingly focused on outcomes, such as securing employment, progressing to higher levels of learning and progressing in employment.

- 5.10 We have worked with providers to gather destination and job outcome data from the devolved AEB during AY 2022-23 which cannot be collected via the national dataset. In requesting additional data we are mindful of the burden this places particularly if providers are funded both nationally and by devolved funding.
- 5.11 Providers have responded to our requests this academic year and we have received data confirming that over 2000 individual residents progressed to employment following engagement with AEB activity.
- 5.12 We will continue to refine this data during AY 2023-24 to gather a robust evidence base of progression to employment from the AEB.

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Report Summary

The purpose of this report is to provide an update on the performance of Skills Bootcamps from the financial year (FY) 2022-23 and provides an update on a proposal to the Department for Education (DfE) for the delivery of Skills Bootcamps in FY 2024-25.

Skills Bootcamps are one part of the Government's National Skills Fund, to help adults train and gain skills quickly to improve their job prospects. They offer free, flexible courses of up to 16 weeks for adults aged 19 or over who are either in work, self-employed, recently unemployed or returning to work after a break.

In March 2022 NTCA received a grant funding agreement directly from the DfE for a total of £5,531,537 to support the delivery of Wave 3 Skills Bootcamps in FY 2022-23. In February 2023, DfE awarded NTCA a second grant funding agreement of £9,237,272 to support the delivery of Wave 4 Skills Bootcamps in FY 2023-24.

Skills Bootcamp provision commenced in July 2022 and is delivered in a range of sector areas which includes digital, logistics, technical and engineering, construction, green skills, and the culture and creative sector. This delivery is and will continue throughout Wave 4 (FY 2023-24), subject to robust monthly performance monitoring in line with key performance indicators and the terms of NTCA's Grant Agreement with the DfE.

During FY 2022-23 over 200 Skills Bootcamps were delivered engaging 1467 learner starts across a range of sectors. **68% of these starts were unemployed residents.** There have been **1,051 successful learner completions to date, with 660 positive outcomes.** These include entry into employment because of the Skills Bootcamp or gained promotion or new job role within a learner's current employment.

Skills Bootcamps have already engaged 552 learners since the beginning of the FY 2023-24 bringing the total number of starts over the first 2 financial years of delivery of Skills Bootcamps to 2019 to date.

Employer engagement is a fundamental element of Skills Bootcamp delivery, to date **over 340 employers are engaged in Skills Bootcamps across the region** either designing or co-delivering courses, offering job vacancies or co-funding existing employees.

NTCA view the allocation of funding to administer Skills Bootcamps in our region as an excellent opportunity to build on our approach of creating close collaborations to test, trial and co-develop coherent skills provision that adds value and secures positive outcomes for our residents. In line with NTCA's Corporate Plan, we also view this as another step forward in bringing together all direct funding for adult skills, including the flexibility to implement and lead a truly place-based response to the skills needs in the North of Tyne. Packaging together the Adult Education Budget, Free courses for Jobs, and Skills Bootcamps.

Recommendations

The Cabinet is recommended to:

- i. Note the performance of NTCA funded Skills Bootcamps to date.
- ii. Endorse the approach to managing Skills Bootcamps for the remainder of FY 2023-24

A. Context

1 Background

- 1.1 Skills Bootcamps are one part of the Government's National Skills Fund, to help adults train and gain skills quickly to improve their job prospects. They offer free, flexible courses of up to 16 weeks for adults aged 19 or over who are either in work, self-employed, recently unemployed or returning to work after a break.
- 1.2 Skills Bootcamps aim to secure benefits for unemployed adults by giving them access to in-demand skills training and a guaranteed interview, and for in work adults a more sustainable, higher skilled job and higher wages over time. The benefits for employers include helping them to fill specific skills shortage vacancies, enabling them to become more productive, more quickly.
- 1.3 NTCA view the allocation of funding to administer Skills Bootcamps in our region as an excellent opportunity to build on our approach of creating close collaborations to test, trial and co-develop coherent skills provision that adds value and secures positive outcomes for our residents.
- 1.4 In line with NTCA's Corporate Plan, we also view this as another step forward in bringing together all direct funding for adult skills, including the flexibility to implement and lead a truly place-based response to the skills needs in the North of Tyne. Packaging together the Adult Education Budget, Free courses for Jobs, and Skills Bootcamps.

2 Skills Bootcamp Delivery FY 2022-23

- 2.1 In March 2022 NTCA received a grant funding agreement directly from the DfE for a total of £5,531,537 to support the delivery of Skills Bootcamps in the NTCA region during FY 2022-23.
- 2.2 A procurement exercise was held in April 2022 which allocated £5m of the Skills Bootcamp funding through 18 Contracts for Services with 14 providers who were successful in the tender process.
- 2.3 Delivery of Skills Bootcamp provision in a range of sector areas which includes digital, logistics, technical and engineering, construction, green skills and culture and events commenced in July 2022. This delivery is subject to robust monthly performance monitoring in line with key performance indicators and the terms of NTCA's Grant Agreement with the DfE.
- 2.4 Over 1400 residents started a Skills Bootcamp in FY 2022-23, 74% have completed and achieved against a DfE key performance indicator of 80%. 54% of completers have secured a positive outcome, which includes entry into employment because of the Skills Bootcamp or gained promotion or new job role within a learner's current employment.
- 2.5 NTCA performs well against other areas in receipt of a Grant agreement for the delivery of Skills Bootcamps. We are currently positioned 8 in a published performance table of 23 Grant Recipients.
- 2.6 Table 1 illustrates the subject sector areas and indicative funding for Skills Bootcamps in FY 2022-23.

Table 1

Subject Area	Indicative Funding
NTCA Digital Core	£1,500,000
NTCA Digital Bespoke	£250,000
Logistics - HGV Driving	£200,000
Manufacturing and Engineering	£450,000
Engineering Bespoke	£600,000
Construction	£1,000,000
Pathway to Accelerated Apprenticeships	£250,000
Green Skills	£500,000
Other - Culture & Creative	£250,000
Green Skills	£2,400,000
Totals	£5,000,000

3 Skills Bootcamp Delivery FY 2023-24

- 3.1 In February 2023, DfE awarded NTCA a second grant funding agreement of £9,237,272 to support the delivery of Wave 4 Skills Bootcamps in FY 2023-24.
- 3.2 Skills Bootcamps have already engaged 552 learners since the beginning of the FY 2023-24 bring the total number of starts over the first 2 financial years of delivery of Skills Bootcamps to 2019 to date.
- 3.3 Table 2 illustrates the subject sector areas and indicative funding for Skills Bootcamps in FY 2023-24.

Table 2

Subject Area	Indicative Funding
NTCA Digital Core	£2,434,829
NTCA Digital Bespoke	£249,240
Digital Network Communications	£180,000
Manufacturing and Engineering and	£661,784
Engineering Bespoke (added to Telecoms)	£100,000
Construction	£2,126,816
Green Skills	£739,560
Logistics - HGV Driving	£1,131,819
Other - Culture & Events	£480,662
Other - Creative and Screen Industries	£180,000
Other - Hospitality	£42,790
Other - Hospitality and Catering	£70,020

- 3.4 Employer engagement is a fundamental element of Skills Bootcamp delivery, to date over 340 employers are engaged in Skills Bootcamps across the region either designing or co-delivering courses, offering job vacancies or co-funding existing employees. Appendix 1 of the report illustrates the range of employers engaged.

4 Skills Bootcamp Funding Proposal FY 2024-25

- 4.1 DfE have extended the Skills Bootcamp programme for delivery from 1st April 2024 to 31st March 2025. They have requested proposals from Combined Authorities for Grant Funding to administer the FY 2024-25 Skills Bootcamps in their local areas by 30th September 2023.
- 4.2 In FY 2023-24 the North of Tyne Combined Authority (NTCA) and North East Local Enterprise Partnership (NELEP) secured grant funding agreements directly from the Department for Education (DfE) to support the delivery of Skills Bootcamps across the NTCA and NELEP geography. The combined total of NTCA's and NELEP's delivery allocation for Skills Bootcamps in FY 2023-24 is circa £15m. (NTCA £8.3m/NELEP £6.7m).
- 4.3 In preparation for the transition to a North East Mayoral Combined Authority (NEMCA), NTCA have prepared one proposal to DfE combining the Grant Funding received by NTCA and NELEP in FY 2023-24 for delivery of Skills Bootcamps during FY 2024-25. This proposal covers the whole of the NEMCA geography and addresses an imbalance of sectorial coverage in the South of Tyne compared to sectors covered in the North of Tyne geography. as highlighted in Table 3 below.
- 4.4 Table 3 below illustrates the contracted starts and sectorial coverage of the 2023-24 Skills Bootcamp offer by NTCA and the NELEP. This highlights an imbalance of sectorial coverage in the South of Tyne compared to sectors covered in the North of Tyne geography.

Table 3

Sector	NTCA		North East LEP	
	Contracted Starts	Total	Contracted Starts	Total
Digital	715	£2,154,621.00		
Digital Bespoke	165	£346,500		
Logistics - HGV Driving	83	£364,419		
Technical Core	176	£511,345	237	£877,000
Construction	748	£1,805,861		
Green Skills	356	£1,541,506	1213	£4,494,496
Other: Culture, Creative, Events	102	£324,416		
Other: Creative and Screen Industry	181	£417,762		
Other: Hospitality & Catering	116	£285,345		
Other: Health & Social Care	268	£537,593		
Other: Business & people management			216	£800,000
Other: Education, Training & Guidance			130	£480,751
Accelerated Apprenticeships			14	£51,877
Totals	2910	£8,289,368	1810	£6,704,124

- 4.5 The proposal requests circa £16.7m of Grant funding from DfE for delivery of Skills Bootcamps in AY 2024-25, this is an increase of over £1.7m received by NTCA and NELEP in the previous FY. A headline summary of the proposal is included in Appendix 2 of this report.

- 4.6 In preparing the proposal to DfE extensive analysis of current Skills Bootcamp delivery has been undertaken to ascertain supply and demand for the provision. This includes analysis of job vacancy data. The proposal considers the robust KPI's that are included in the DfE Skills Bootcamp Grant Agreements which include a 75% target for job outcomes from the provision. If the targets set out in the DfE Grant Agreement are not delivered funding is withheld. It is therefore important that a realistic proposal is submitted both in terms of capacity to deliver the Skills Bootcamp programme and the Combined Authorities reputation in successfully administrating the funds.
- 4.7 DfE have confirmed that approval processes following submission of Skills Bootcamp proposals will be undertaken through October/ early November and for successful applicants the issue of grant offers will be the end of November 2023 to aid early delivery in FY 2024-25.
- 4.8 If we are successful in securing a Grant Agreement from DfE in FY 2024-25 we are proposing to include Skills Bootcamp provision on a Flexible Procurement Framework that will be launched in November 2023. We will invite a wide range of organisations and providers of skills including FE Colleges, independent training organisations, VCSE organisations and other stakeholders including employer providers to tender for a place on a Flexible Procurement Framework. The Framework will be utilised to procure providers for the delivery of a proportion of NEMCA's devolved AEB and Skills Bootcamp provision ensuring that these contracts are in place for delivery from 1 April 2024.

B. Impact on NTCA Objectives

1. The Skills Bootcamps support NTCA's strategic priorities and supports the Education, Inclusion and Skills delivery theme of NTCA's Corporate Plan. We want everyone to have the opportunity to thrive, with access to good employment and progression. Supporting the availability of good quality, well paid work, whilst providing the right support for people to access these jobs and further training is crucial to our economic and social success.
2. NTCA's aspiration to work with DfE on the Skills Bootcamp propositions and future skills programmes strengthens NTCA's reputation for delivering skills solutions for its residents and employers and builds on our ability to mobilise skills interventions locally, further supporting the benefits of a devolved skills system.

C. Key risks

3. Skills Bootcamps will be included as a strategic risk on the NTCA Strategic Risk Register. In addition, at a project level, appropriate risk management processes are in place to identify and mitigate risks, with escalation requirements embedded.

D. Financial and other resources implications

1. Table 4 below sets out the DfE Grant Funding for Skills Bootcamps in FY 2022-23 and FY 2023-24 and projected expenditure through funding allocations to providers.

Table 4

Wave 3 Skills Bootcamps FY 2022-23	
NTCA Grant Funding received from DfE	£5,531,537
NTCA Management Costs	£502,867
Grant Funding Allocated	£176,130
Contract for Services Allocated	£4,061,613
Proposed Contract for Service Increases	£395,825
Proposed Grant Agreement Increase	£176,130
Proposed Direct Award	£200,000
Total Allocated (Including Management Costs)	£5,512,565

Total Remaining	£18,972
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Wave 4 Skills Bootcamps FY 2023-24	
NTCA Grant Funding received from DfE	£9,237,272
NTCA Management Costs	£839,752
Proposed Extension to Grant Funding Agreements	£264,030
Proposed Extension to Contract for Services	£4,836,359
Procured Contract for Services	£3,297,131
Total Funding Allocated (Including Management Costs)	£9237,272

E. Legal implications

1. The Monitoring Officer's comments have been incorporated within this report.

F. Equalities implications

1. As required by Section 149 of the Equality Act 2010, the NTCA has considered its obligations regarding the Public Sector Equality Duty and there will be no anticipated negative impact on groups with protected characteristics from these proposals.
2. Each organisation the NTCA will contract with will be required by law to meet all relevant requirements in the workplace in respect of equalities. Through the Due Diligence process, we have sought assurance from each provider that they have appropriate policies in place which protect and champion equality within their service.
3. In addition, we will encourage all companies we work with to be mindful of our commitment to equalities and direct them to guidance provided by the Equalities and Human Rights Commission. <https://www.equalityhumanrights.com/en/advice-and-guidance/guidance-businesses>

G. Inclusive Economy and Wellbeing implications

1. The Combined Authority believe the approach taken will positively contribute to creating a more inclusive economy in the North of Tyne with specific positive impact on addressing inequalities in skills and qualifications across the area.
2. The alignment of Skills Bootcamp provision towards the North of Tyne growth sectors will better meet the needs of our businesses and in turn provide residents with clearer opportunities to contribute to and benefit from economic growth now and in the future.
3. The Combined Authority will continue to monitor the impact of Skills Bootcamps on the inclusive economy aspirations as part of all performance management processes.
4. In due course, all funding recipients will be invited to commit to the North of Tyne Good Work Pledge to advance their contributions as employers to the Combined Authority's inclusive economy aspirations.

H. Climate Change implications

1. The NTCA has considered the implications relating to climate change in decisions regarding allocation of the Skills Bootcamp funding and believe there will be no negative impact as a result. All providers are required to provide assurance that they have an environmental and sustainability policy.

2. In all procurement exercises, applicants were appraised on their commitments to climate change as part of Social Value. With the impact of COVID-19, early indication shows the provider base in the NTCA area have significantly increased the use of online learning as a means of delivery. Although no measurements are in place, the NTCA understand this will likely reduce carbon emissions associated with staff and learner travel.

I. Consultation and engagement

1. NTCA have established effective working relationships with employers and providers to inform the proposal related to Skills Bootcamps and this will continue to inform additional future skills programmes. Insight and intelligence gathered informs provision proposals.
2. NTCA officers maintain regular contact with relevant stakeholders including the North East Local Enterprise Partnership, Skills Providers, the Department for Work and Pensions , the Department for Education (DfE) and Employers. This supports co-ordination of vacancy opportunities and skills development.
3. NTCA officers attend regular meetings with DfE, the ESFA and other MCA's/GLA to share information and best practice.
4. NTCA will continue to work collaboratively with national strategic partners and local stakeholders to align the Skills Bootcamp programmes with devolved AEB, the Level 3 Adult offer and with other funding streams and activity to ensure it complements, rather than duplicates the wider learning experiences and opportunities aimed at supporting our residents to progress in learning and to move towards or into productive and sustained employment.

J. Appendices

Appendix 1: Skills Bootcamp Employer Engagement

Appendix 2: Headline Summary of Skills Bootcamp Proposal FY 2024-25

K. Background papers

NTCA Strategic Skills Plan 'Opportunity for All'

NTCA Corporate Plan

Delegated Decision Report Skills Bootcamps published 14 January 2022

Cabinet Paper March 2022

L. Contact officer(s)

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M. Glossary

AY	Academic Year
DfE	Department for Education
MCA	Mayoral Combined Authorities
NTCA	North of Tyne Combined Authority

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Appendix 1 – Skills Bootcamp Employer Engagement

Digital	Logistics (HGV Driving)
Newcastle Strategic Solutions Ltd.	Stericycle
NHS England	National Careers Service
Layers Studio	Ramage Transport
HMRC Digital	Newcastle Airport
AutismAble CIC	Flogas
DWP Digital	Henry Colbeck
Innovate North East	Sterling Pharma
Opencast Software	Infrastructure Site Services
Education Development Trust	Nigel Calvert Transport
Newcastle City Council (Skills Hub)	Murray Hogg
Sumderland Software City	NLS Security
Northumbria University	Northumberland County Council
Innovation Scout Ltd.	Lynx Precast
Newcastle Council	PXA Express
Accenture	Ace Recycling
Mediaworks	North East Ambulance
Sage	Lubbers
Opencast	Lookers
Cosmo Digital Solutions	Elddis
Get Some Forseight	Yearsley Logistics

Land Digital Solution Ltd	Veolia
Infinity 27	V Allen Ltd
Cogito	Universal Forwarding
CodeVerse	SJS Haulage Ltd
QA	Tegula Group
Niya Network Ltd	Fergusons Transport
SEP 2 Limited	Katinam Logistics
ATTEND 2 IT LIMITED	FFG Logistics/Kinaxia Group
DB Charles Recruitment	Hargreaves
Jobhop	Education Development trust
One to One Personnel	Booker
FMC Smart Industry	Acumen Logistics
Vianet	Maudesville Corporation
Radical Recruitment	JR Butterfield
Nissan	Oak Tyres UK Limited
	Keyline
	Lothian Light Haulage
	McQueens Dairies
	Asda
	D Moody (Haulage) Limited
	Vantec Limited
	Remondis

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Technical Core (Rail Engineering)	Construction	Construction	Culture & Creative
The Junction 42 foundation	D&D Construction	M. Bryan Groundworks LTD	Eventcover productions Lts
Ganymede Solutions	Point Brickwork	B&H Groundworks	Academy of Music (Gateshead)
Logical	PM Building	Rainton Constuction	AJ Theatrical Productions Ltd
Bycroft	SB Brickwork NE Ltd	Mj Hickey Plant Hire & Contracts	Distiller Records
Vital	NERC	KB Construction	AAA Touring Consultancy
Nexus	Alexander Sinclair NE Limited	Groundwork Services Durham	Executive Event Solutions
	Rubberoofs LTD	BCE NORTHERN	The Exchange North Tyneside
	The Ruddy Brothers Limited	I&D CONSTRUCTION	Event People
Page 33	Adavo	G AND S GROUNDWORKS	Princess Cruises Ltd
	Travella	P.A Groundworks LTD	Susan French Events Ltd
	Wensley Roofing	Young Builders New Build Ltd	Coastella Festival
	Complete Joinery Solutions	Arrowbuild LTD	Generator, North East
	Groundwork Services (Durham) Ltd	North East Paving Ltd	Northern Stage
	Monument Design & Build	Thompsons Of Prudhoe	Sage Gateshead
	I & D Construction	Northumbrian Roads	The Cluny
	North East Civils	NXN Groundworks LTD	Live Events Stewarding and Crew
	C&W Groundworks	SM Building Groundworks	Live Performance
	True North Construction LTD	The Ruddy Brothers	Theatre Producer
	Carrick Civils Limited	W Davison LTD	Record Label
	The Ruddy Brothers	JR Harding Construction	Tour Management

	Northumbrian Roads	Rainton Construction	Live Events Crew and Security
	BCE Northern Limited	B & H Groundworks	Live Performance
	Young Builders New Build	C & W Groundworks	Event Management
	J & W Groundworks LTD	Fred Mence Construction	Live Entertainment Travel
	Avonline Network Services LTD	Jones Groundworks LTD	Live Events Training
	MGL LTD	RB Blackburn LTD	
	DEBMAT	KMT Building Solutions Ltd	
	New Road Surfacing LTD	D A Johnstone Plant Hire	
		MGL Group / MGL Demolition	
		North East Civils LTD	
		Wearmouth Construction & Plant	
		J Renton Groundworks	

Green Skills	
Kelco's MOT & Service Centre Ashington	ECO Future
Acc Vehicle Installation Solutions	K Dixon Building Services
BC Engineering	Koziwarm
Lookers (Addison Motors Ltd)	Lomax Training
Richard Hardie	Rothwell Group
BC Motor Engineering Ltd	NISSAN
Steer Newcastle	Newcastle City Council
Revamp Training Company Ltd	RE-GEN

Appendix 2 – Headline Summary of Skills Bootcamp Proposal FY 2024-25

Category	Subject Area	Numbers to be trained	Estimate Funding Required	Unit Cost
Category 1	Construction	643	£1,913,214	£2,975
	Green Construction & Buildings	772	£2,476,530	£3,208
Category 2	Engineering & Manufacturing (including Rail)	334	£1,090,495	£3,265
	Green Power	370	£1,493,861	£4,037
	Green Protection of Natural Resources	20	£89,600	£4,480
Category 3	Digital	987	£2,539,302	£2,573
Category 4	Logistics - HGV Driving	140	£622,500	£4,446
	Green Transport	692	£2,200,631	£3,180
Category 5	Creative & Screen Industry	202	£660,844	£3,271
Category 6	Project Management	20	£79,259	£3,963
Category 7	Culture & Events	140	£388,000	£2,771
Category 8	Hospitality	148	£404,334	£2,732
Category 9	Health & Social Care	294	£784,637	£2,669
Category 10	Early Years/Childcare	110	£271,110	£2,465
Category 11	Business & People Management	238	£911,511	£3,830
Category 12	Education, Learning & Training	90	£288,000	£3,200
Category 13	Accelerated Apprenticeships	56	£192,304	£3,434
Category 14	Other: Sales, Marketing & Procurement	40	£140,000	£3,500
	Other: Professional Community Passenger Driver	60	£247,200	£4,120
Totals		5356	£16,793,332	£3,135

The table illustrates an average unit cost per learner with no employer contribution of £3,135, this is in line with the previous FY proposal which was approved as value for money by DfE in FY 2023-24.

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Report Summary

The purpose of this report is to update Cabinet on progress with the North of Tyne Investment and UKSPF programmes. This includes two new funding approvals, delivering on previously agreed strategic priorities:

- **£2.5m** of Investment Fund resources to support works in and around the Central Station, improving accessibility and the public realm, including a new station entrance from Neville Street and full pedestrianisation of the Orchard Street Tunnel. This is part of a wider £10m programme of investment along the ‘Northumberland Line Economic Corridor’, to ensure that the inclusive economic opportunities from the reopening of the railway line are maximised.
- **£1.0m** of UKSPF to deliver a programme of enterprise startup support, providing businesses with the skills, specialist advice and networks needed to survive and grow.

These projects build on previous Investment Fund commitments of £124.2m, which are expected to create 5,235 jobs – with the first 2,149 people now in post. Good progress is also being made with the NTCA’s UK Shared Prosperity Fund [UKSPF] programme, with total commitments increasing to almost £37m, more than two-thirds of the available funding.

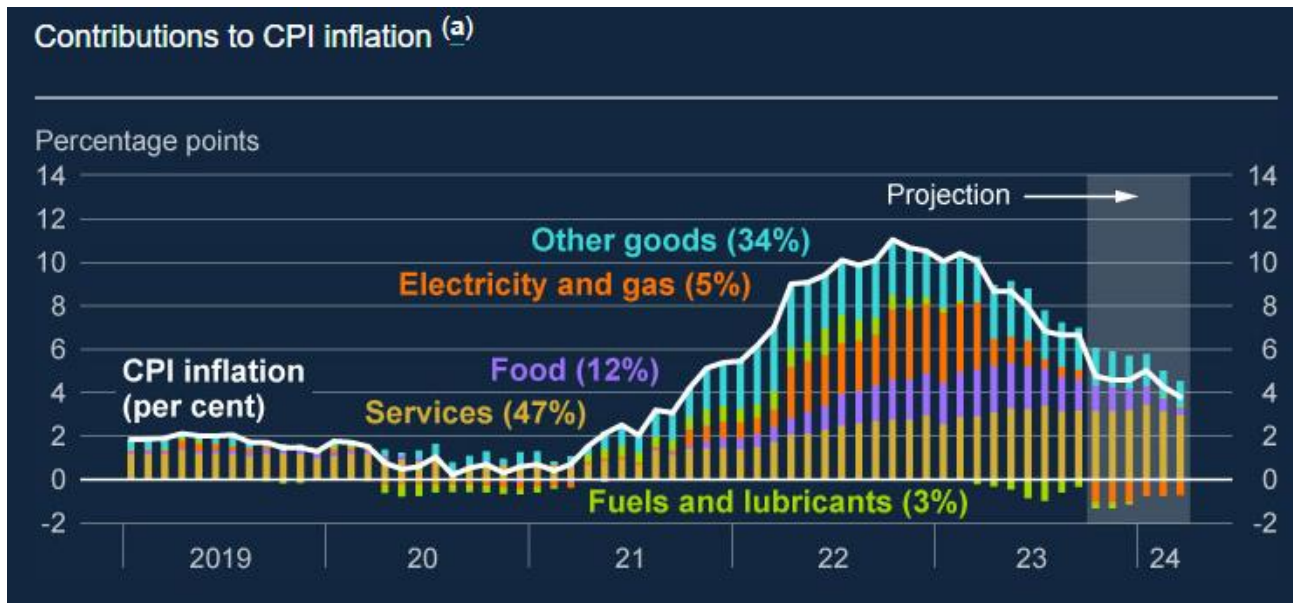
Recommendations

Cabinet is recommended to:

1. Note progress to date on the Investment Fund and UKSPF programmes, achievement of key milestones and ongoing project development work, particularly in respect of the creation of new jobs for residents as a direct result of our investments.
2. Note that the Chief Executive will make final approvals and associated decisions relating to implementation, in accordance with existing delegations, for the £3.5m of project funding described in this report, using Investment Fund and UKSPF resources.

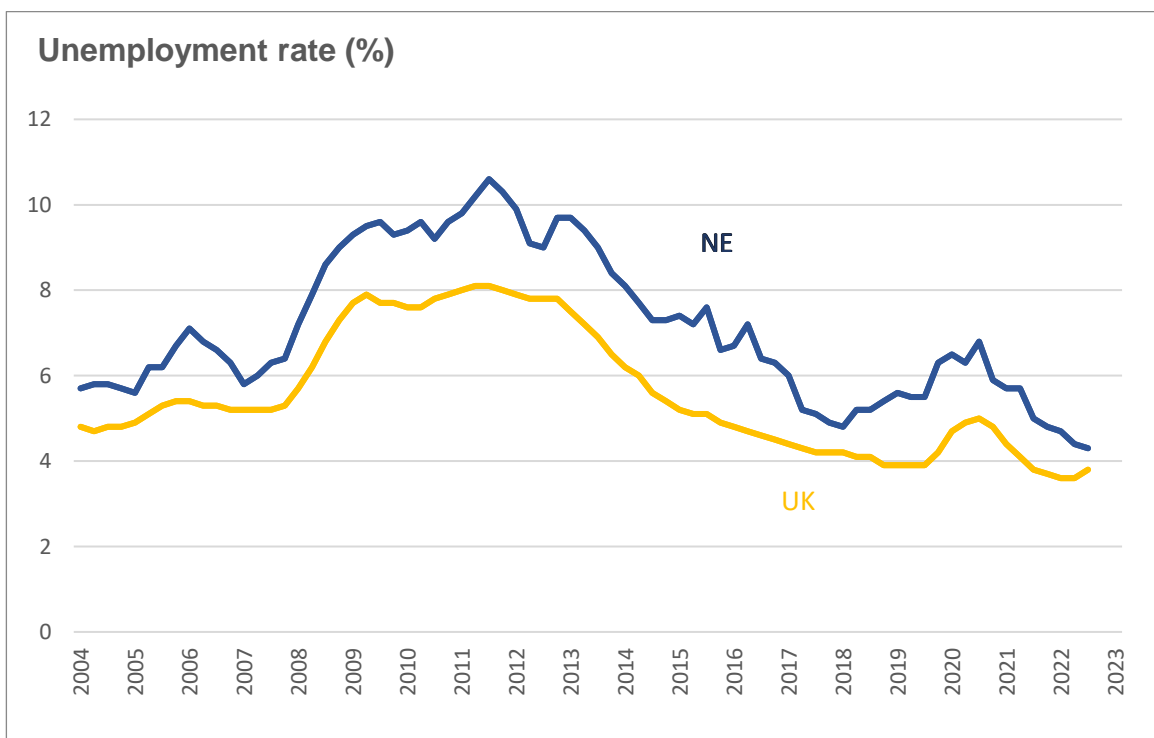
1. Background and Economic Context

- 1.1. The UK’s economy remains subdued, with no growth between July and September. Independent forecasts predict that this pattern will continue for at least the next three months. The latest survey from the North East Chamber of Commerce paints a similar picture in the region, with businesses cutting back on their investment plans in the face of falling sales – although there are signs of increasing confidence when businesses are looking further into the future.
- 1.2. Despite remaining high, the headline rate of inflation slowed from 6.7% to 4.6% in October. For the first time in more than a year and a half, a majority of businesses surveyed by the Office for National Statistics [ONS] are not considering raising their prices this month. Looking ahead, the latest forecast by the Bank of England is for inflation to fall further, driven by lower food and energy price inflation (see below).



(a) Source: Bank of England, figures in brackets are the item's share of the overall basket of goods and services used by the ONS to calculate inflation.

1.3. The latest data from the ONS report that the unemployment rate in the North of Tyne has fallen to 4%, only slightly above the UK average of 3.8%. Although the data can be volatile from month-to-month, this is the smallest gap with the national average since records began almost 20 years ago.



Source: Office for National Statistics

1.4. Against this backdrop, the Combined Authority continues to invest to support inclusive economic growth, and this report provides updates on:

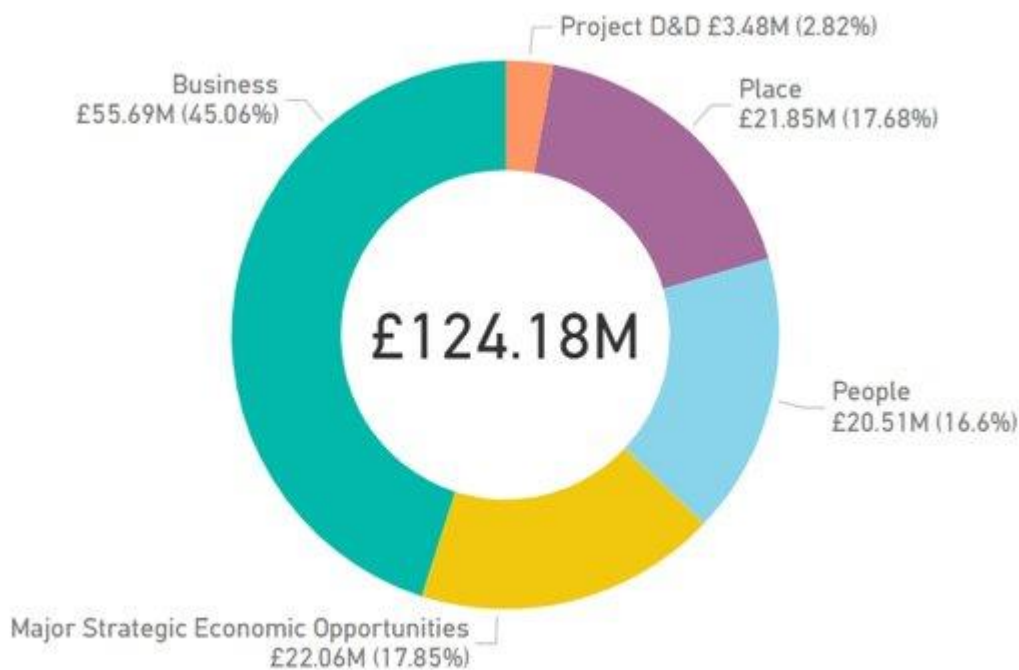
- delivery of the Investment Fund, including substantial progress towards our 10,000 new jobs target;

- good progress with our UK Shared Prosperity Fund programme, with more than two-thirds of NTCA's 3-year allocation now committed.

2. Investment Fund Progress

- 2.1. Delivery of the Investment Fund Programme continues, with 156 projects approved since the launch of the Combined Authority, providing direct support to residents, promoting business growth and investing in our communities. These projects are expected to create 5,235 jobs, more than half of our thirty-year target. The first 2,149 new jobs have been created and verified, with North East residents employed as a direct result of NTCA investment. In addition, 1,916 roles have been confirmed as safeguarded.
- 2.2. Excluding the projects discussed in this report, the Combined Authority has in place contracted Investment Fund spend of almost £125m, including commitments and expenditure to 2029-30. Over £50m of this funding has now been claimed by delivery organisations, with this figure set to increase significantly over the remainder of this financial year.

NTCA Investment Fund, project approvals to date



- 2.3. The Combined Authority's other programmes are also securing a number of other outcomes including:
- 35,200 Adult Education Budget learning opportunities being delivered this year;
 - 80 schools are being supported through the NTCA's Child Poverty Programme
 - Eleven brownfield housing schemes have been funded so far, with a total NTCA contribution of £24m. These are expected to create 1948 new homes. A further 3 projects are currently being appraised.

3. Improving access to Newcastle Central Station

- 3.1. Last year, NTCA Cabinet agreed the Northumberland Line Economic Corridor ten-point plan and an allocation of £10m of additional NTCA investment to catalyse investment and maximise the impact of the line for businesses and communities. The railway line runs from Ashington to the city centre and the current project – supporting works in and around the central station – follows investment of £5m agreed in May 2023 to replace the level crossing at Newsham with a road bridge. A proposal for investment in Wansbeck Square at Ashington is currently being developed.
- 3.2. In addition to being the terminus for the new Northumberland Line, the Central Station is already a key transport gateway and received more than 7 million journeys in 21/22 (the latest official data), while it is also has one of the most used metro stops. This project will delivery further improvements in and around the station, making it more attractive to passengers, including by enhancing connectivity to:
- the front of the station – a brand-new station entrance from Neville Street;
 - east – full pedestrianisation of the Orchard Street tunnel to Stephenson Quarter; and
 - west – an upgrade to Forth Street tunnel and enabling works for a new pedestrian and cycle 'Highline', connecting Central Station and Forth Yards to the west of the city.
- 3.3. These changes will improve access to this key public transport link, reducing journey times and improving public realm and the attractiveness of pedestrian routes – and complementing other investments in the station, including from the North East LEP. The project is expected to be complete by March 2025 when beneficiaries will include:
- Station users, visitors to the region arriving by train or Metro and users of the forthcoming Northumberland Line passenger rail service benefiting from improved station taxi services and accessibility to the south and west of the station;
 - pedestrians and cyclists using Orchard Street tunnel, travelling to and from the Stephenson Quarter development;
 - pedestrians using Forth Street tunnel;
 - station users and pedestrians using the new station entrance from Neville Street; and
 - anyone working in the businesses or attending the pubs, hotel and entertainment venues on Stephenson Quarter, benefitting from the pedestrian route connections being made shorter, more attractive, safer, quieter and with improved air quality.
- 3.4. This project is being brought forward by Newcastle City Council, with the Combined Authority providing £2.5m towards total project costs of £3m. Investment Panel considered this project at its November meeting, recommending it for approval.

4. Supporting new business formation

- 4.1. Compared to the national average, the North East has relatively low business density – numbers of businesses relative to population size – which is one of the factors contributing to lower employment levels. Making it easier for new businesses to start up and grow was identified as one of the priorities of the NTCA's Shared Prosperity Fund (SPF) programme.
- 4.2. This project will respond to this demand through the delivery of specialised business start-up support. In its latest meeting, Investment Panel approved £1m of NTCA's funding, with the project set to provide 110 businesses with the skills, specialist advice and networks needed to survive and grow. While 315 potential entrepreneurs will receive support assisting them to become enterprise ready, with 100 businesses receiving small grants.

- 4.3. The successful bidder for this project, North East Enterprise Agencies Ltd (NEEAL), was awarded the contract following an open process, with the NTCA and Gateshead Metropolitan Borough Council collaborating through a single selection process. Delivery will be undertaken by a consortium of partners including Project North East, Transmit, TEDCO, Enterprise Made Simple, Rural Design Centre, Princes Trust, NBSL and the North East Business and Innovation Centre.
- 4.4. This project is part of the wider UKSPF programme where, as previously discussed by Cabinet, the NTCA was allocated funding of £47.1m for 'core-UKSPF', £4.1m for the 'Multiply' adult numeracy programme and £3.0m of Rural England Prosperity Funding. UKSPF will enable investment in communities and places, support for businesses, investment in employment support, numeracy and broader skills and investment in the rural economy. Good progress is being made with the UKSPF programme. Including the project highlighted above, a total of almost £37m of project funding for the core-UKSPF, Rural England Prosperity Fund (REPF) and Multiply Programmes has now been approved – two thirds of the total allocation received from Government.

Table 2: UKSPF approvals

UKSPF Investment Priority	Total approvals (£m)
Communities & Place	11.3
Supporting Local Business	15.9
People & Skills	3.7
Rural England Prosperity Fund (REPF)	3.0
Multiply Programme	2.7
TOTAL (UKSPF + REPF + Multiply)	36.6
Note: total allocation = £54.2m	

B. Impact on NTCA Objectives

Programme delivery as described in the report is consistent with the priorities set out in NTCA's corporate plan and UKSPF delivery plan.

C. Key risks

Programme risks are managed in line with agreed processes and individual project risks have been considered as part of the application and appraisal process and these, including review of delivery and subsidy control compliance, shall continue throughout.

D. Financial and other resources implications

All the proposed project approvals set out in this report have been identified to be funded from the Investment fund, or UK Shared Prosperity Funds.

E. Legal implications

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

F. Equalities implications

The NTCA seeks to actively narrow inequality under the terms of the Equality Act 2010 and we will undertake an equality impact assessment for funding requests, in accordance with the agreed process.

G. Inclusive Economy and Wellbeing implications

The inclusive economy case is assessed on an individual project basis as part of the assessment process and is embedded within the Investment Fund criteria. The activity described within this

report is considered to positively support the Inclusive economy priorities of the Combined Authority, particularly by supporting the development of new businesses and by improving access to the central station.

H. Climate Change implications

Climate change implications are assessed on an individual project basis as part of the assessment process. The activity described within this report is considered to positively support the climate change priorities of the Combined Authority, including by promoting public transport use through the central station

I. Consultation and engagement

Stakeholders are engaged in the development of project proposals and, as far as possible, wider engagement has been sought in the development of the programme – particularly the UK Shared Prosperity Fund, where consultation included VCSE organisations, businesses, other stakeholders and MPs

J. Appendices

None

K. Background papers

None

L. Contact officer(s)

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M. Glossary

NTCA	North of Tyne Combined Authority
SME	Small to Medium Enterprise
UKSPF	UK Shared Prosperity Fund
BHF	Brownfield Housing Fund
DLUHC	Department for Levelling Up, Housing and Communities
REPF	Rural England Prosperity Fund



Title: NTCA Q2 2023-24 Budget Monitor Report
Report of: Director of Finance
Portfolio: Investment and Resources

Report Summary

This report is the second quarter monitoring report to Cabinet on the 2023-24 financial position. The report brings together the forecast financial position for the Corporate Budget and all funding streams.

The report reflects a six-month budget review undertaken for the Combined Authority and the potential position on reserves at the year end.

This report also presents the Treasury Management Mid-Year Review up to and including 30 September 2023.

Recommendations

The Cabinet is recommended to note the 2023/24 forecast budget monitor position for the Combined Authority as set out in Section 2 through to Section 11, and to note the Treasury Management Mid-year Review at Appendix A

Context

1. Introduction

- 1.1 Cabinet approved the 2023/24 budget on 31 January 2024. Included in that budget was the estimated expenditure across the year for the Corporate Budget, Investment Fund, Brownfield Housing Fund, UKSF, Adult Education Budget and Bootcamps.
- 1.2 The 2023/24 Q2 budget monitor reflects the continued progress of the Combined Authority in terms of the establishment of the authority's staffing structure, and the systems required to support the delivery and monitoring of projects and programmes aligned with its vision based on current information and trajectory of delivery of programmes and projects.
- 1.3 The North of Tyne Combined Authority is now in year 6 of delivery after successfully passing the first five-year gateway review securing ongoing funding for continued and increased delivery, £154.245m has been allocated to date. Since the budget for 2023/24 budget was approved, the Combined Authority has been awarded regional capital monies (£15.350m) from the Department of Levelling up Housing and Communities for three specific schemes. The Create Growth Programme is a new programme being delivered by the Combined Authority, who act as accountable body on behalf of seven North East local authorities. UK SPF continues to gain momentum alongside Multiply and Rural England Prosperity Fund. Adult Education Devolved Budget alongside Bootcamp funding continues to deliver against the NTCA's Strategic Skills Plan targeting a number of priority sectors i.e., tech and digital, green growth and energy, health and ageing and longevity to help meet skills shortages in the area.

2. Corporate Budget

- 2.1 The Corporate Budget is set at a net zero position covering the costs associated with the capacity required to deliver across all portfolios. Table 1 reflects the 2023/24 forecast position across the key income and expenditure heads within the Corporate Budget head.

- 2.2 Gross expenditure is anticipated to exceed budget by £0.947m at this point in the new financial year, £0.932m of this is in relation to an increase in employee expenditure which is funded through additional income. There are now 90 staff directly employed by the Combined Authority, reflecting the increase in delivery on new areas of externally funded activity such as Net Zero North East, Energy Hub and Accelerator and supporting North East Devolution Transition. Other costs include the accommodation budget (£0.350m), costs are anticipated to exceed budget by £0.015m as the reduced lease costs received in the first two years comes to an end.

Table 1: Q2 2023/24 Corporate Budget Monitor

	2023/24 £m	20223/24 Q2 Spend £m	Forecast £m	Variance £m
Expenditure				
Staffing	4.786	1.921	5.715	0.929
Mayor's Office	0.288	0.128	0.291	0.003
Other Costs	2.078	0.631	2.093	0.015
Contribution to Reserves	0.500	0.500	0.500	0.000
Transport Levy	30.561	15.286	30.561	0.000
SLAs	0.271	0.068	0.271	0.000
Total Expenditure	38.484	18.533	39.431	0.947
Income				
Grant Income	(7.212)	(2.647)	(8.159)	(0.947)
Constituent Authority Contributions	(0.111)	0.000	(0.111)	0.000
Contribution from Reserves	(0.600)	(0.600)	(0.600)	0.000
Transport Levy	(30.561)	(15.286)	(30.561)	0.000
Total Income	(38.484)	(18.533)	(39.431)	(0.947)
Net Position (Inc)/Exp	0	0	0	0

- 2.3 The NTCA Corporate Budget is funded from a contribution from its three constituent authorities (£0.037 each, £0.111m in total) and agreed 'top slice' percentage contributions from the Investment Fund (10% of the annual Investment Fund monies); Adult Education Budget (AEB) (3% of annual budget); Bootcamp funding (10%); UKSPF (4%) and Multiply (10%). In addition, staff salaries working on delivery of specific Investment Fund projects are recovered from their respective projects. Incidental income from interest on investment of balances also provides an income source (budgeted £0.275m in 2023-24).
- 2.4 Gross income at Quarter 2, reflects an increase in other contributions (£0.947m) relating to Net Zero North East, Energy Hub and Energy Accelerator activity and increase in Investment Fund Workstream activity (£0.050m). The Bootcamp Wave 4 grant income (£9.230m) has been confirmed awarded since the 2023/24 was approved, providing an increased top slice of £0.839m compared to the £0.675m estimate assumed in the budget.

3. NTCA Funding

- 3.1 From a standing start in 2018, as a new organisation working across a new geographical remit, and with no legacy projects or pre-existing investment pipeline in place, the North of Tyne Combined Authority has worked collaboratively with the constituent local authorities and other Stakeholders to design and deliver the North of Tyne Investment Fund (NTIF). This has included leveraging investment in major capital and infrastructure projects such as the Brownfield Housing Fund (BFH). Revenue funding has been utilised to invest in services to unlock inclusive economic growth for example in workforce skills training.
- 3.2 Table 2 below sets out an overview of NTCA current funding streams illustrating the increased level of delivery of the Mayor and Cabinet's policy priorities. Section 4 – 10 details delivery against each of the individual funds.

Table 2: Overview of NTCA Funding Streams

Name of Fund	Grant Funding Organisation	Funding Detail	Total Funding Award	Prior years Funding	Funding 2023-24
			£m	£m	£m
North of Tyne Investment Fund (NTIF)	DLUHC	30years £20m	600.000	100.000	20.000
Capital Funding	DLUHC	One-off funding received March 2023	15.350	15.350	-
Creative Growth Programme	DCMS	£0.425m pa for 3yrs	1.275	0.425	0.425
UK Shared Prosperity Fund (UKSPF)	DLUHC	£47.084m Revenue/Capital 2022-2025	47.084	5.740	11.428
UKSPF Multiply	DLUHC	£4.128m Revenue 2022-2025	4.128	1.248	1.410
UKSPF Rural England Prosperity Fund	DLUHC	£3.044m Capital 2023-2025	3.044	-	0.761
Brownfield Housing Fund	DLUHC	£31.085m	31.085	12.853	-
Adult Education Budget (AEB) (Devolved)	DfE	£23m pa approx.	705.000	61.846	23.782
AEB Free Courses for Jobs	DfE	£1.5m pa approx.	-	3.255	0.753
Skills Bootcamps Wave 3	DfE	Annual Funding Waves	5.532	3.017	2.515
Skills Bootcamps Wave 4	DfE	Annual Funding Waves	9.230	-	9.230

4. North of Tyne Investment Fund

- 4.1 The North of Tyne Combined Authority enters year 6 of delivery after successfully passing the first five-year gateway review securing ongoing funding for continued and increased delivery against the North of Tyne Investment Fund, with £154.245m allocated spend and over 153 projects and programmes approved since the launch of the Combined Authority, providing direct support to residents, promoting business growth and investing in our communities. These projects are on track to create 5,235 jobs based on current commitments against a target of 10,000, with the first 2,032 new jobs created and 1,833 jobs safeguarded.
- 4.2 Table 3 below reflects the Investment Fund by Portfolio in line with the Corporate Plan and then shows spend to date and forecast spend by the end of the financial year 2023/24 against the original Investment Fund allocation.

Table 3: Investment Fund by Portfolio

	Allocation £m	Q2 Cumulative all years spend to Date £m	Forecast Spend at 31/03/2024 £m
Investment Fund Portfolios			
Investment and Resources	12.000	10.000	12.000
Jobs, Innovation and Growth	53.178	20.268	29.073
Education, Inclusion and Skills	19.100	7.158	13.442
Clean Energy, and Connectivity	10.736	4.102	7.232
Culture, Creative and Rural	19.004	7.738	12.484
Housing, Land and Development	28.192	3.620	15.470
Social Economy and Communities	2.117	1.859	1.892
Green New Deal and Connectivity	9.000	0.384	8.514
Recent awards being contracted	0.919	0.095	0.114
Totals	154.245	55.223	100.221

- 4.3 Table 3 illustrates the significant progress made in decisions and actions to deliver the overall Investment Fund programme since the establishment of the Combined Authority with programmes and project allocations totalling £154.245m. This is an increase of £17.663m reported in Q1 relating due to previously approved programmes including Access to Finance, 5G and the Northumberland Line now being reflected in the allocation total. Although financial performance in terms of spend to the end of 30 September 2023 is £55.223m the forecast spend position by the end of the financial year reflects a substantial increase. This reflects many projects coming into their final year of delivery against the original set of allocations. The balance of committed spend into future years is £54.024m. Delivery of this will continue to be spent beyond 2023/24 into 2028/29 into the first five-year period of the North East Mayoral Combined Authority where there are approvals in place.
- 4.4 Included in the budget is a provision for Technical Support (Technical Capacity Fund), this is a requirement of the Assurance Framework that Investment Fund proposals are subject to external independent testing.
- 4.5 The North of Tyne Investment Fund gainshare of £20.000m received annually is all revenue. However, there are projects funded from the Investment Fund which are being used for capital purposes in addition to revenue. Table 4 overleaf shows the Investment Fund projects by Theme and Workstream split over revenue and capital funding.

Table 4: Investment Fund by Theme and Workstream - Capital Revenue Split

Theme & Workstream	Prior Years			2023/24			2024/25			2025/26			2026/27			Total		Future Years
	Capital	Revenue	Total	Capital	Revenue	Total	Capital	Revenue	Total	Capital	Revenue	Total	Capital	Revenue	Total	Capital	Revenue	Total
Business	4.807	12.879	17.686	1.288	11.082	12.370	0.029	6.764	6.792	-	1.770	1.770	-	0.883	0.883	6.124	33.377	17.600
Business and Enterprise Support	-	0.556	0.556	-	0.146	0.146	-	-	-	-	-	-	-	-	-	-	0.702	-
Digital/transport Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.500
Growth of key sectors	4.807	7.236	12.043	1.288	7.457	8.746	0.029	4.937	4.965	-	1.112	1.112	-	0.599	0.599	6.124	21.341	14.100
Inward investment	-	2.623	2.623	-	2.383	2.383	-	1.827	1.827	-	0.658	0.658	-	0.284	0.284	-	7.775	-
Major Strategic Economic Opportunities	-	2.464	2.464	-	1.095	1.095	-	-	-	-	-	-	-	-	-	-	3.559	-
Major Strategic Economic Opportunities	1.513	6.637	8.150	8.004	3.065	11.069	0.100	0.730	0.830	-	0.630	0.630	-	0.630	0.630	9.617	11.692	5.000
Major Strategic Economic Opportunities	1.513	6.637	8.150	8.004	3.065	11.069	0.100	0.730	0.830	-	0.630	0.630	-	0.630	0.630	9.617	11.692	5.000
People	2.293	7.677	9.970	0.001	5.297	5.298	2.000	2.418	4.418	-	0.381	0.381	-	0.168	0.168	4.294	15.941	10.796
Business Case Development Fund	-	-	-	-	0.020	0.020	-	0.027	0.027	-	-	-	-	-	-	-	0.047	-
Growth of key sectors	-	0.212	0.212	-	0.101	0.101	-	0.065	0.065	-	-	-	-	-	-	-	0.378	8.336
Inclusive Economy Innovation Fund	2.262	5.352	7.614	0.001	3.232	3.233	-	0.879	0.879	-	0.171	0.171	-	0.152	0.152	2.263	9.786	-
Major Strategic Economic Opportunities	-	0.610	0.610	-	-	-	-	-	-	-	-	-	-	-	-	-	0.610	2.460
Skills for growth	-	0.627	0.627	-	1.872	1.872	2.000	1.447	3.447	-	0.210	0.210	-	0.016	0.016	2.000	4.172	-
STEM and Digital Skills	0.031	0.877	0.908	-	0.072	0.072	-	-	-	-	-	-	-	-	-	0.031	0.948	-
Place	0.268	6.974	7.242	4.350	5.834	10.184	1.262	1.439	2.701	-	1.036	1.036	-	0.792	0.792	5.879	16.075	2.500
Business Case Development Fund	-	-	-	-	0.049	0.049	-	0.088	0.088	-	-	-	-	-	-	-	0.137	-
Culture, creative and tourism	0.231	3.889	4.120	0.663	4.092	4.755	0.156	1.350	1.506	-	1.036	1.036	-	0.792	0.792	1.050	11.158	1.000
Digital/transport Infrastructure	-	0.155	0.155	-	0.343	0.343	-	-	-	-	-	-	-	-	-	-	0.498	-
Growth of key sectors	0.037	2.169	2.206	3.687	1.223	4.910	1.106	-	1.106	-	-	-	-	-	-	4.829	3.392	-
Major Strategic Economic Opportunities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural fund	-	0.762	0.762	-	0.129	0.129	-	-	-	-	-	-	-	-	-	-	0.890	1.500
Project D&D	-	2.393	2.393	0.142	0.816	0.957	-	-	-	-	-	-	-	-	-	0.142	3.209	-
Business Case Development Fund	-	2.393	2.393	0.142	0.816	0.957	-	-	-	-	-	-	-	-	-	0.142	3.209	-
Topslice	-	10.000	10.000	-	2.000	-	-	-	-	-	-	-	-	-	-	-	12.000	-
Total	8.880	46.561	55.441	13.785	28.094	39.878	3.391	11.351	14.742	-	3.816	3.816	-	2.473	2.473	26.055	92.294	35.896

The North of Tyne Investment Fund monies has also funded/contributed to three key 'evergreen' funds as detailed below:

4.6 Green New Deal Fund (GNDF)

4.6.1 The Green New Deal Fund leverages private sector resources to deliver an £18m investment fund, enabling the North of Tyne to take a lead in an area that is fundamental to future growth, recovery, and the achievement of net zero. In April 2020, NTCA approved an Energy, Green Growth and Climate Change Blueprint and agreed a £24.2m investment fund allocation which included a £10m for a Green New Deal Fund, £9m to be utilised to establish the actual Green New Deal Fund, and up to a maximum of £1m to be utilised to establish technical capacity for the development of a robust low carbon and energy project pipeline.

The Green New Deal Fund incorporates the following elements:

- Leveraging £9m additional private sector investment to NTCA investment of £9m resulting in an £18m programme with a 50% intervention rate. Total fund management costs will not exceed 10% of NTCA investment.
- A mixed grant/loan/equity model - financial instrument with an evergreen component based on a Limited Partnership model.
- A focus on infrastructure projects as well as business growth and innovation with financial models that could be employed to bring forward projects.
- Investment directly into SMEs based in North of Tyne. This funding will be for growth capital which will allow the SME to invest in its R&D, training and workforce, enabling them to access larger contracts.
- Technical and investment support will be provided to project sponsors to ensure viable projects are brought forward for investment. This support will be aligned with the North East Energy for Growth Accelerator programme.
- The Fund would create high skilled jobs delivering innovative projects across growing sectors, supporting upskilling, creation of apprenticeships/work placements e.g., the applicant would create a short-term work experience programme for young people interested in green finance
- The Fund would work closely with existing initiatives including the Energy Catalyst and local universities to review high Technology Readiness Level projects for consideration and has confirmed there will be an initial period of engagement with the local business development support ecosystem.
- The fund is expected to deliver significant returns over the medium term, options for reinvestment for such returns will be considered when the cash is realised.

Table 5: Forecast Defrayal based on September 2023 pipeline

Capital Cost Category	2023/24	2024/25	2025/26	Post Investment Period	Capital Total
	Total	Total	Total		
Funding Committed	£m	£m	£m	£m	£m
Grant	0.450	0.350	-	-	0.800
Loan	3.300	4.000	-	-	7.300
Equity	-	-	-	-	-
Total	3.750	4.350	-	-	8.100

Capital Cost Category	2023/24	2024/25	2025/26	Post Investment Period	Capital Total
	Total	Total	Total		
Funding Returned	£m	£m	£m	£m	£m
Returns	0.006	0.285	0.536	11.070	11.898
Funding Returned Balance					
Returns Total Balance	0.006	0.292	0.828	11.898	

4.7 Culture and Creative Investment Programme (CCIP)

- 4.7.1 The North of Tyne Culture and Creative Investment programme (CCIP) established in June 2021 was an innovative partnership between Creative UK and North of Tyne Combined Authority (NTCA) supporting culture and creative businesses and freelancers across the region offering a combined package of financial and business support, including £0.500m of grants, £1.500m of loans and £0.625m of equity investment – alongside £1.540m of leveraged private investment into the region – with a focus on catalysing innovation across the sector. This was a first of its kind partnership fund pinpointing the creative industries as a key economic growth enabler for a region’s regeneration. The CCIP was designed to assist businesses with activities such as:
- Developing new revenue-generating products and services.
 - Diversification into new forms of practice.
 - Developing new business models.
 - General business growth.
- 4.7.2 With the current programme ending in June 2023, a second programme funded from the North of Tyne Investment Fund and UKSPF will ensure the momentum and the impact of the investment and support models created through the CCIP are able to continue in supporting the North East’s thriving cultural and creative talent into the future – delivering on NTCA’s ambition of creating an evergreen fund which provides a sustainable and future-proof resource, cementing the creative industries as a key growth sector for the region’s continued growth and prosperity.
- 4.7.3 Resources required to continue this programme from 1st September 2023 to 31st March 2025 is £2.985m; £2.090m UKSPF and £0.894m North of Tyne Investment Fund. The North of Tyne Investment Funding will be carried forward from the CCIP project currently in delivery, the £0.894m will be used solely for the loan element of the project so no investment to business is lost. The project will attract £1.360m of private sector investment. 200 enterprises will receive business support resulting in 65 grants (£0.600m) and 23 loan and equity deals (£1.290m) being distributed resulting in 20 new jobs being created. Table 6 overleaf shows the CCIP Expenditure against Funding Profile.

Table 6: Culture and Creative Investment Programme (CCIP) Funding Profile

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£m	£m	£m	£m	£m	£m
Salary, Marketing, Consultancy Expenditure	0.346	0.749				1.095
Revenue Grant Allocation	0.080	0.520				0.600
Revenue Loan Allocation	0.590	0.700				1.290
Total Expenditure	1.016	1.969				2.985
NTCA Investment Fund Revenue	0.894					0.894
UKSPF	0.122	1.969				2.091
Total NTCA Funding	1.016	1.969	0	0	0	2.985
Private Sector Match from Loans, Grants and Equity		1.360				1.360
Total Funding (Revenue)	1.016	3.329	0	0	0	4.345

- 4.7.4 The mix of funding package offered through the CCIP second Programme will be grants of £0.600m and loans £1.290m. Repayments including interest received on loan repayments recovered from applicants during the course of the Project are ringfenced within the Recipient’s accounts and redeployed against the original agreed programme objectives. A review point will take place at the end of Q3 FY 2024/25 and the steering group will work with the Recipient to develop a plan for the future use of those funds in collaboration with NTCA. Table 7 below shows the current loan repayment profile on loans given out across the CCIP programme, in addition to the below is an £0.100m equity investment however, the repayments for this are not fixed.

Table 7 Current Loan Principal Repayment Profile with Interest across financial years

Financial Year	Principal	Interest
	£	£
March 2022-23	108,264	28,466
March 2023-24	201,679	44,915
March 2024-25	233,636	35,612
March 2025-26	229,676	19,907
March 2026-27	134,202	6,145
March 2027-28	26,988	536
Total	934,445	135,581

- 4.8 Additional capital funding of £15.350m was awarded by DLUHC in March 2023 for spend within 2022/2023. However, slippage into 2023/2024 was allowed due to the late receipt of the notification of funding, all schemes will be complete by 2023/24 Qrt.3. Table 8 shows the three schemes identified for this additional capital spend.

Table 8: £15.350m Capital Funding

Capital Project	Allocation	Spend to Date	Forecast Spend to Qrt.3 2023/24
	£m	£m	£m
Port of Tyne -Tyne Clean Energy Park	8.000	8.000	8.000
Sunderland City Council – Sunderland Studio Development	5.500	2.119	5.500
North Tyneside Council – North Shields Town Square	1.850	0.308	1.850
	15.350	8.841	15.350

5 Create Growth Programme

- 5.1 Department for Digital Culture Media and Sport (DCMS) launched its Create Growth Programme in June 2022, reflecting the fact that ‘creative industries’ is one of the fastest growing sectors of the UK economy. Six successful local area partnerships were awarded approximately £1.275m in grant funding to deliver targeted business support to high growth potential creative businesses. The Northeast Create Growth Programme, convened by the NTCA, is one of the six successful partnerships.
- 5.2 North East Create Growth Programme is designed to support 100 creative businesses with high-growth potential, between the seed and scaling stages, from across County Durham, Gateshead, South Tyneside, Sunderland, Newcastle, North Tyneside and Northumberland with the support and the investment they need to grow their business and turn their innovative creative ideas into the leading creative businesses of the future. Four key target sectors of growth have been identified: IT/Software and computer services (with a focus on CreaTech; Gaming, AR/VR and E-sports), Design/Designer Fashion, Publishing, and Film and TV.
- 5.3 Funding was confirmed to North of Tyne Combined Authority acting as Accountable Body for the seven north east local authorities for financial year 2022/23 of £425,000, this was carried forward on the balance sheet to match spend in 2023/24. Further funding for £425,000 based on performance will be allocated for the financial year 2023/24 and 2024/25. Table 9 shows the profile of expenditure on the Create Growth Programme in line with funding.

Table 9: DCMS Create Growth Programme

	2023/24 Financial Yr.			2024/25	Total £m
	2023/24 Budget £m	2023/24 Q2 Spend £m	2023/24 Forecast £m	2024/25 Budget £m	
DCMS Create Growth Programme					
Marketing and Events	0.029	-	0.029	0.019	0.048
Delivery Programme	0.465	0.390	0.465	0.419	0.883
Project Delivery and Staff Overheads	0.193	0.035	0.193	0.151	0.344
Total Budgeted Expenditure	0.687	0.425	0.687	0.588	1.275
Reserves B/F	(0.425)	(0.425)	(0.425)	(0.163)	
Funding Allocation	(0.425)		(0.425)	(0.425)	(1.275)
Total Funding	(0.850)		(0.850)	(0.588)	(1.275)
Net Reserve C/F	(0.163)		(0.163)	0	0

6. UK Social Prosperity Fund (UK SPF)

- 6.1 The UK Shared Prosperity Fund (UKSPF or the Fund) is a central pillar of the UK government's Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion nationally of new funding for local investment by March 2025. The intention of the fund is to invest in domestic priorities and targeting funding where it is needed most: building pride in place, supporting high quality skills training, supporting pay, employment and productivity growth and increasing life chances. The table includes the Rural England Prosperity Fund (REPF) a £110m top-up to the UKSPF allocated to eligible rural authorities (Section 6.4).
- 6.2 Table 10 below reflects the spend to date in 2022/23 and the committed spend to date for 2023/24, in advance of further projects included in the Investment Fund update to Cabinet in the agenda today.

Table 10: UK Social Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF) Profile

UKSPF Investment Priorities	Total Allocation		Prior Yr. Spend 2022/23		2023/24 Q2 Spend to Date		2023/24 Forecast Spend		2024/25	
	Rev. £m	Cap. £m	Rev. £m	Cap. £m	Rev. £m	Cap. £m	Rev. £m	Cap. £m	Rev. £m	Cap. £m
Community and Place	11.137	4.115	1.407	0.155	0.062	-	3.131	0.818	6.599	3.142
Supporting Businesses	13.814	4.528	-	-	0.020	-	4.125	0.507	9.689	4.021
People and Skills	11.609	-	-	-	0.081	-	1.939	-	9.670	-
Rural England Prosperity Fund	-	3.044	-	-	-	-	0	0.761	-	2.283
Administration Top-Slice (4%)	1.522	0.359	0.241	-	0.301	-	0.681	-	0.600	0.359

Total UKSPF and Rural England Prosperity Fund	38.082	12.046	1.648	0.155	0.464	0	9.876	2.086	26.558	9.805
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6.3 Multiply (UKSPF)

6.3.1 Multiply Funding is a separate funding stream that forms part of UKSPF overall programme and is aimed at boosting funding for adult numeracy enabling local areas to deliver more innovative approaches to reach more people. The funding profile and committed 2023/24 spend to date is shown overleaf in Table 11.

Table 11: Multiply UKSPF Spend Profile

UKSPF Multiply	Total Allocation £m	2022/23 Spend £m	2023/24 Q2 Spend £m	2023/24 Forecast Spend £m	2024/25 Budget £m
Multiply Programme	3.715	1.089	0.384	1.296	1.334
Administration top slice (10%)	0.413	0.125	0.070	0.144	0.140
Total UKSPF Multiply	4.128	1.214	0.454	1.440	1.474
UKSPF Multiply Funding	(4.128)	(1.214)	(0.454)	(1.440)	(1.474)
Net UK SPF Multiply Position	0.000	0.000	0.000	0.000	0.000

6.4 Rural England Prosperity Fund (REPF) (UKSPF)

6.4.1 The Rural England Prosperity Fund (REPF) is a £110m top-up to the UKSPF allocated to eligible rural authorities to support activities that specifically address the challenges rural communities face. North of Tyne was allocated £3.044m capital funding specifically targeted at Northumberland, but recognising the important connection between our rural, coastal and urban economies. The REPF is available from April 2023 to March 2025. The fund is aligned with interventions in the Supporting Local Business and Communities and Place investment priorities, and will provide capital funding to:

- support new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy, including farm businesses looking to diversify income streams
- support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy

6.4.2 Table 12 sets out the REPF spend profile for the Rural Business and Rural Communities Priorities, 65% of the funding has been allocated to the Rural Business Priority, and 35% to the Rural Communities Priority.

Table 12: Rural England Prosperity Fund Capital Spend profile

	2023/24	2024/25	Total
	£m	£m	£m
Rural Business	0.495	1.484	1.979
Rural Communities	0.266	0.799	1.065
Total	0.761	2.283	3.044

7. Brownfield Housing Fund (BFH)

- 7.1 The Brownfield Housing Fund (BHF) was the first housing allocation for the North of Tyne Combined Authority. The funding is intended to support the development of at least 2000 new homes, by remediating and revitalising brownfield sites across the North of Tyne area. The Brownfield fund is part of a broader housing programme and pipeline of sites, shaping a strategic delivery approach to supporting housing and economic recovery.
- 7.2 An extension to BHF was announced in the Levelling Up White Paper. Mayoral Combined Authorities (MCAs) were awarded £120 million nationally, to be allocated to each MCA based on population. NTCA was awarded £7.96 million, bringing the total amount of BHF funding to £31.820 million.
- 7.3 In terms of approvals to date, NTCA have approved 11 schemes with a total commitment of £23.227m, with a further 4 projects currently going through appraisal valued at £9.264m. These schemes are forecasting the creation of 2133 housing units with the extended pipeline accounting for 2422, this is set against the DLUHC target of 1500. Forecast private sector leverage for the contracted projects stands at £115.95m.
- 7.4 Table 13 overleaf the projected programme with current allocation of funds.

Table 13: Projected programme with current allocation of Brownfield Housing Fund

	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	Total
	£m	£m	£m	£m	£m	£m
Initial Funding Profile	4.854	8.100	6.700	3.100	1.100	23.854
Extended Funding Profile	0.000	0.000	4.753	2.674	0.524	7.951
Combined Funding Profile	4.854	8.100	11.453	5.774	1.624	31.805
Forecast annual spend as at end of FY at Q2 position	0.636	3.228	1.046	10.218	16.149	31.277
Actual spend as at Q2 position	0.636	3.228	1.046	0.506		5.416

- 7.5 Overall good progress is being made with the NTCA's Brownfield Housing Programme. The programme is expected to over deliver in terms of outputs and deliver good value for money, with expenditure profiles expected to be completed by March 2025 in line with government's expectations.
- 7.6 Actual project expenditure was broadly in line with projected expenditure in 2020/2021 and 2021/2022, however, fell below projection in 2022/2023. Schemes delivering early in the programme were selected due to their high level of shovel readiness. Extensive work has been undertaken to support local authorities to progress less well-developed schemes. This is time consuming and consequently a lag between schemes being added to the pipeline and developing to the point they begin to draw down Brownfield Housing Grant funding. Actual expenditure is expected to increase significantly during 2023/2024 and into the final year 2024-25 as a number of pipeline schemes begin on site works.
- 8. Adult Education Budget (AEB)**
- 8.1 As part of the devolution deal the Adult Education Budget was devolved to the authority with an effective start date of August 2020. This provided the Authority with significant new powers and responsibilities in delivering both Mayoral and Cabinet priorities alongside the national skills agenda and priorities.

- 8.2 NTCA's devolved AEB Budget for the period 1 April 2023 to 31 March 2024 is £23.782m. The AEB budget includes a 3% top slice allocation to fund corporate related activity allocation. A further £0.753m funding for the delegated Free Courses for Jobs (FCFJ) offer has been awarded for this financial year bringing the total AEB Budget for 2023/24 to £24.535m.
- 8.3 Providers AEB delivery plans are monitored at quarterly performance management meetings throughout the year. AEB Devolution features as a strategic risk on the NTCA Strategic Risk Register. In addition, at a project level, appropriate risk management processes are in place to identify and mitigate risks, with escalation requirements embedded.
- 8.4 Under delivery in previous years mainly due to the impact of the Covid Pandemic has meant that a proportion of unallocated funds were held in reserve at the end of 2022/23. Providers have been working hard to increase participation and are reporting an increased confidence from learners and employers. A full reconciliation of providers actual earnings against their allocations for the academic year (Aug 22 to Jul 23) will take place at the end of October 2023, any remaining balance from this reconciliation will be re-distributed for the academic year Aug 2023 to July 2024. Table 14 below shows the spend on AEB and FCFJ against the 2023/24 Allocation.

Table 14: AEB and FCFJ 2023/24 Spend Profile

Table 7 below reflects the AEB and the Free Courses for Jobs funding for 2023/24 financial	2023/24 AEB Financial Year		
	2023/24 Allocation	2023/24 Spend to Date	2023/24 FY Forecast
	£	£	£
AEB	23.069	10.221	23.069
FCFJ	0.753	0.308	0.753
Corporate top slice	0.713	0.359	0.713
Total	24.535	10.888	24.535
2023/24 AEB and FCFJ Funding	(24.535)	(10.888)	(24.535)
Net Funding Position	0.000	0.000	0.000

9. Skills Bootcamps Wave 3

- 9.1 In 2022/23 NTCA were notified of Bootcamp Wave 3 grant funding from the Department for Education (DfE) for a total of £5.531m including £0.503m in relation to management costs, to support the delivery of Skills Bootcamps in the NTCA region. The DfE provided 50% of this grant funding upfront plus the full 10% management costs, £3.017m of this £1.884m was spent in 2022/23 with £1.133m remaining balance of funding put in reserves. The remaining 50% of the £5.531m balance to be received from DfE in relation to Wave 3 Bootcamps is to be paid in arrears based on delivery. The spend to Quarter 2 in 2023/24 on Bootcamp Wave 3 is £1.128m. Table 15 shows the delivery on Bootcamp Wave 3 in line with the funding allocation.

Table 15: Bootcamp Wave 3 Funding and Delivery Profile

	Total Funding Allocation	2022/23 Prior Yr. Spend	2023/24 Q2 Spend	2023/24 Forecast
	£m	£m	£m	£m
Bootcamp Wave 3 Delivery (50% up front)	2.514	1.681	0.833	0.833
Bootcamp Wave 3 10% top slice (up front)	0.503	0.203	0.150	0.300
Bootcamp funding to be claimed in arrears in relation to spend incurred.	2.514		0.145	2.514
Total Expenditure	5.531	1.884	1.128	3.647
Bootcamp Wave 3 Funding available	(5.531)	(1.884)	(1.128)	(3.647)

10. Bootcamp Wave 4 Funding

- 10.1 NTCA secured £9.237m DfE funding in relation to Bootcamp Wave 4. This represents a significant investment in our region and has the potential to deliver new opportunities to generations of adult who may have been previously left behind. The funding for Bootcamps is allocated on an annual basis and not guaranteed on an ongoing basis, Table 16a below shows the position on Bootcamp Wave 4 funding which will be provided 50% upfront plus the top slice funding of 10% with the remaining amounts to be claimed in arrears as claims are paid out. It is anticipated that all Bootcamp Funding will be spent in full by the end of financial year 2023/24.

Table 16a: Skills Bootcamps 2023/24 Budget Monitor

	2023/24 Budget	2023/24 Q2 Spend	2023/24 Forecast
	£m	£m	£m
Bootcamp Wave 4	8.397	0.883	8.397
Bootcamp Wave 4 top slice	0.840	0.420	0.840
Total Expenditure	9.237	1.303	9.237
Bootcamp Wave 4 Funding	(9.237)	(1.303)	(9.237)
Net position	0	0	0

- 10.3 Table 16b shows the breakdown of expenditure against Bootcamp Wave 4 funding. It is anticipated that all Bootcamp Funding will be spent in full by the end of financial year 2023/24.

Table 16b Bootcamp Wave 4 breakdown of expenditure

NTCA Grant Funding from DfE	£9,237,272
NTCA Management Costs	£839,752
Extension to Grant Funding Agreements	£264,095
Extension to Contract for Services procured in FY 2021-22	£4,725,274
Procured Contract for Services in FY 2023-24	£3,299,999
Total Funding Allocated (Including Management Costs)	£9,129,120
Total remaining to allocate	£108,152

11. Reserves Position

- 11.1 The forecast position on reserves held on 31 March 2023/24 are detailed in Table 17 below.

Table 17: NTCA Reserves forecast position at 31 March 2023/24

	Opening Balance 2023/24	Movement to Reserves	Movement from Reserves	Balance on Reserves at 31/03/2024
	£m	£m	£m	£m
Strategic Reserve	(0.200)	-	-	(0.200)
Investment Fund Reserve	(50.046)	(20.000)	50.267	(19.779)
Election Fund Reserve	-	(1.100)	-	(1.100)
Adult Education Budget Grant	(8.760)	-	-	(8.760)
DLUHC Capital Grant	(12.302)	-	12.302	-
Create Growth Programme	(0.425)	(0.163)	0.425	(0.163)
United Kingdom Social Prosperity Fund	(3.950)	(12.189)	11.962	(4.177)
Strategic Capacity Reserve	(1.252)	-	-	(1.252)
Bootcamp Wave 3	(1.134)	-	1.134	-
Bootcamp Wave 4	0.000	(4.205)	4.205	-

Net Zero North East England	(0.151)	-	0.151	-
Brownfield Housing Fund	(12.763)	-	10.218	(2.545)
Capacity Funding	-	(0.125)	0.125	-
Reserves less than £0.100m	(0.333)	-	0.247	(0.087)
Total Reserves	(91.316)	(37.782)	91.036	(38.063)

11.2 Based on the forecast position at Q2 the position on the Investment Fund Reserves will decrease to £19.779m based on the current trajectory on the Investment Fund. This will be available to fund some of the ongoing commitments into the first five years of the North East Mayoral Combined authority.

11.3 In relation to £8.760m reserve relating to AEB and Free Courses for Jobs delivery, a full reconciliation of providers actual earnings against their allocations for the academic year (Aug 2022 to Jul 2023) will take place at the end of October 2023 with any remaining balance from this reconciliation to be re-distributed for the academic year August 2023 – July 2024.

11.4 The Strategic Reserve continues to be maintained at £0.200m in line with the Reserves and Balances.

B. Impact on NTCA Objectives

1. The North of Tyne Combined Authority Vision document sets out the strategic objectives of the Authority. The 2022/23 budget position against which the budget is monitored against demonstrates the Authority has properly discharged its functions and assisted in delivering the Authority's vision, policies, and priorities.

C. Key risks

1. There are no specific risks relating to this report.

D. Financial and other resources implications

1. This report sets out the financial and resource implications which have arisen during quarter 2 of 2023/24. The Mayor and Cabinet need to have due regard to the Director of Finance's advice in relation to the levels of reserves and balances in accordance with the Authority's Reserves and Balances Policy.

E. Legal implications

1. The Combined Authority has a legal obligation under the Local Government Act 2003 to have regard to the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice; the Chartered Institute of Public Finance and Accountancy's Prudential Code: Capital Finance in Local Authorities and the Department of Levelling up Communities and Housing Statutory Guidance on Local Government Investments.

2. The Combined Authority is required to agree a balanced budget annually and to monitor performance against that budget throughout the year. The Combined Authority must also make provision for an adequate level of un-earmarked reserves. It is also required to ensure that good financial governance arrangements are in place.

F. Equalities implications

There are no direct equalities implications arising out of the recommendations in this report.

G. Inclusive Economy and Wellbeing implications

There are no direct inclusive economy implications arising from the recommendations in this report.

H. Climate Change implications

There are no direct climate change implications arising out of the recommendations in this report

I. Consultation and engagement

The creation of the North of Tyne Combined Authority has been subject to significant and regional consultation. The 2023/24 budget was subject to wide consultation across the North of Tyne Region. The constituent authorities have been consulted directly on the production of the 2023/24 Budget and 2022/23 Outturn statement.

J. Appendices

Appendix A Treasury Management Mid-Year Review

K. Background papers

31 January 2023 NTCA Budget Report

L. Contact officer(s)

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M. Glossary

AEB	Adult Education Budget
NTCA	North of Tyne Combined Authority
Core-UKSPF	UK Shared Prosperity Fund
DCMS	Department of Culture Media and Sport

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Treasury Management Strategy Statement and Annual Investment Strategy

Mid-Year Review Report 2023/24

A. Context

1. Introduction

1.1 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017). The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Combined Authorities treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Combined Authority will seek to achieve those policies and objectives.
3. Receipt by Cabinet of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead (where applicable), a Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year.
4. Delegation by the Cabinet of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

1.2 This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first half of the 2023/24 financial year.
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
- The Combined Authority's capital expenditure, as set out in the Capital Strategy, and prudential indicators (where applicable).
- A review of the Combined Authority's investment portfolio for 2023/24.
- A review of the Combined Authority's borrowing strategy for 2023/24 (where applicable).
- A review of any debt rescheduling undertaken during 2023/24 (where applicable).
- A review of compliance with Treasury and Prudential Limits for 2023/24.

2. Treasury Management

2.1 The Combined Authority operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low-risk counterparties, providing adequate liquidity initially before considering optimising investment return.

2.2 The second main function of the treasury management service is the funding of the Combined Authorities capital plans. These capital plans provide a guide to the borrowing need of the Combined Authority essentially the longer-term cash flow planning to ensure the Combined Authority can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Combined Authority risk or cost objectives.

Accordingly, treasury management is defined as:

“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2.3 The Combined Authority only received borrowing powers for non-transport activity at the end of 2021/22 and whilst there are no current plans to borrow in 2023/2024. A provisional borrowing limit of £20m was included within the 2023-24 Treasury Management Strategy in relation to Enterprise

Zone round 1, and the authority has an agreed debt cap of £23 million for 2023-24 with the Treasury.

- 2.4 The Combined Authority delegates responsibility for the implementation and regular review of its treasury management policies and practices and for the execution and administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the Combined Authority's policy statement and TMPs and if that officer is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management. Cabinet has responsibility to ensure the implementation and regular monitoring of its treasury management policies delegates the responsibility for the execution and administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the organisation's policy statement and TMPs.
- 2.5 Responsibility for ensuring effective scrutiny of the Treasury Management Strategy and Treasury Management Policies is delegated to Overview and Scrutiny Committee.
- 2.6 The Combined Authority's Treasury Management function is managed under a service level agreement with North Tyneside Council.
- 2.7 The Treasury Management functions of the Joint Transport Committee are approved as part of the North East Combined Authority (NECA) budget setting process in their role as Accountable Body. A review of the NECA Treasury Management Strategy has been undertaken and is in line with that of the Combined Authority.

3. Capital Strategy

- 3.1 In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. These require all public authorities to prepare a Capital Strategy which is to provide the following: -
 - a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services.
 - an overview of how the associated risk is managed.
 - the implications for future financial sustainability.
- 3.2 The Combined Authority only received borrowing powers at the end of 2021/22 and are currently in communication with the HM Treasury on the debt cap for 2023/24. Following this a Capital Strategy for the Combined Authority will be developed and reported to Cabinet in January 2024 as part of the Treasury Management Strategy Statement for 2024/25.

4. Economic Update

- 4.1 Link Group provide Treasury Management advice to the Combined Authority, below is their Economic update for the first half 2023/24:

The second quarter of 2023/24 saw:

- The UK economy expanded by 0.5% m/m in June, against market forecasts of a 0.2% rise. It is the biggest monthly growth rate since October 2022 with production rising 1.8% the most since August 2020 and rebounding from a 0.6% contraction in May. Part of the explanation for the sharp rebound was the fact that May's activity was hindered by additional public holidays related to the Coronation. Smoothing this out, the preliminary growth figure for Q2 (April June) was just 0.2% but still signified a rise from the 0.1% pace seen in Q1. The UK trade deficit shrank to £4.79 billion in June from an upwardly revised £7.66 billion in May, as exports were flat month-over-month at £66.4 billion whilst imports declined 3.9% to a 16-month low of £71.1 billion. Within exports, goods sales to the EU fell by 0.3%.
- 4.2 UK employment fell by 66,000 in the three months to June, against market expectations of a 75,000 rise and following a 102,000 increase in the previous period It was the first drop in job creation since August 2022 as the number of workers decreased for both full time and part time self-employed. The unemployment rate in the UK increased to 4.2% in the three months to June, the highest since

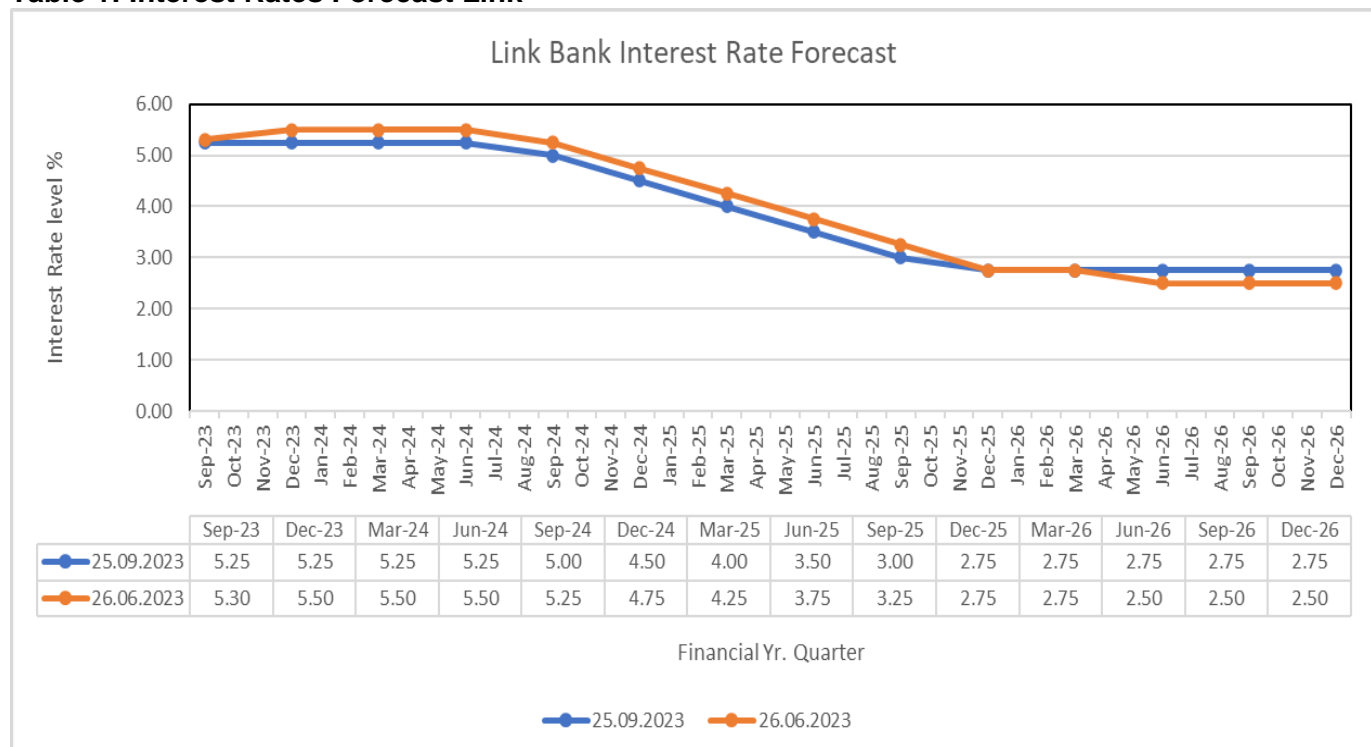
late 2021 and above market expectations of 4%. Despite these data points suggesting some softening in labour market conditions, average weekly earnings, including bonuses in the UK, rose by 8.2% y/y to in the three months to June, the highest increase since the three months to July 2021.

- 4.3 The annual consumer price index measure of inflation in the United Kingdom dropped to 6.8% in July from 7.9% in June, pointing to the lowest level since February 2022 and matching market consensus, mainly due to a slump in fuel prices. Additionally, the core rate, which excludes volatile items such as energy and food, registered at 6.9% unchanged from June's reading. Despite further signs of easing price pressures, headline levels remained somewhat ahead of the Bank of England's 2.0% target, providing the central bank with room to continue its ongoing policy tightening path.
- 4.4 Retail sales in the United Kingdom dropped by 1.2% from the previous month in July, worse than market forecasts of a 0.5% fall, and after a downwardly revised 0.6% growth in June. It was the first contraction in retail trade since March as sales declined for both food and non-food, reflecting the impact of wet weather and cost pressures. However, the GfK Consumer Confidence indicator in the United Kingdom edged up to 25 in August from 30 in July, beating forecasts for a slight improvement to 29 as easing inflation reduced pressure on household spending.
- 4.5 Public sector net borrowing excluding public sector banks (PSNB ex) in July was £4.3 billion, £3.4 billion more than in July 2022 and the fifth highest July borrowing since monthly records began in 1993. Borrowing in the financial year to July 2023 was £56.6 billion, £13.7 billion more than in the same four-month period last year but £11.3 billion less than the £68.0 billion forecast by the Office for Budget Responsibility (OBR).
- 4.6 The Halifax house price index fell by 2.4% y/y in July, after a 2.6% drop in June, which had been the steepest decline since June 2011. The latest result pointed to the third straight month of annual price falls, amid continued affordability squeezes resultant of sticky inflation and elevated interest rates. Underscoring the weak state of the housing market, the Nationwide House Price Index dropped by 3.8% in July, following a 3.5% decline in June.

5. Interest Rate Forecasts

- 5.1 The Combined Authority has appointed Link Group as its treasury advisors and part of their service is to assist the Combined Authority to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Table 1: Interest Rates Forecast Link



- 5.2 The latest information received from Link as of 25.09.2023 was that the Bank of England's Monetary Policy Committee (MPC) kept rates on hold for the first time in 15 meetings. It was a close decision, with a 5-4 split vote. In the days leading up to the vote, the MPC would have noted that average earnings (excluding bonuses) are rising by 7.8%, whilst the private sector gauge stood at 8.5%. Neither of these numbers are commensurate with a low level of inflation, so it is surprising to see not only the annual CPI measure of inflation drop from 6.8% to 6.7% (for August), but also for core inflation to fall substantially from 6.9% to 6.2%, whilst services inflation came in at sub-7%.
- 5.3 In the immediate aftermath of the decision, markets have concluded that rates will either have peaked at 5.25% or that there may be one more increase to come before the tightening cycle is concluded. Interestingly, the markets are also pricing in a rate cut before the end of 2024. That is to be expected in so far as typically the "terminal rate" remains in situ for some ten months or so before an easing in rates is undertaken.
- 5.4 As noted in the chart above, Link have fine-tuned their own expectations, and while they do not now foresee Bank Rate hitting 5.5% as our central view (it could still happen if inflation data disappoints), we do see Bank Rate staying on hold for the best part of a year at 5.25%. However, the pace of any future decreases will very much be determined by the wage and inflation data.

6. Treasury Management Strategy Statement and Annual Investment Strategy Update

- 6.1 The Treasury Management Strategy Statement (TMSS) for 2023/24 was approved by Cabinet on 31 January 2023. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.
- 6.2 In accordance with the CIPFA Treasury Management Code of Practice, the Combined Authority's Annual Investment Strategy sets out the Combined Authority's investment priorities as being:
- Security of capital
 - Liquidity
 - Yield
- 6.3 The Combined Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Combined Authority's risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit rated financial institutions, using the Link suggested creditworthiness approach.
- 6.4 Investment Balances - The average level of funds available for investment purposes during the first half of the financial year was £125m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of receipt of grants and progress on delivery of grant funded projects and programmes. The Combined Authority is the accountable body for the North East LEP (LEP) and as such NTCA is responsible for managing the cashflow of the LEP in addition to its own.
- 6.5 Table 2 lists investments made in line with our Treasury Management Strategy. Investing with other local Authorities is standard practice across the sector, but we have seen during this current financial year and increasing number of local authorities issuing Section 114 notices as they continue to address significant financial challenges. To date the Authority has investments with Woking Borough Council and with Birmingham City Council who have issued S114 notices. Each Authority will continue to operate and meet their obligation in respect of the Treasury Management Investments made with them from any local authority. There is no investment risk to the Combined Authority in relation to the investments made with Woking Borough and Birmingham City Council as Central Government will step in as they have done with a number of other Councils that have issued Section 114 notices in the past all of which have repaid their Loans on time.

Table 2: North of Tyne Combined Authority Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default
Central Bedfordshire Council	10,000,000	4.87%	26/08/2023	26/09/2023	AA-	0.002%
City of Bradford Metropolitan District Council	10,000,000	3.90%	12/12/2022	11/12/2023	AA-	0.008%
Stockport Metropolitan Borough Council	10,000,000	3.85%	21/12/2022	20/12/2023	AA-	0.007%
Highland Council	5,000,000	4.00%	30/01/2023	29/01/2024	AA-	0.009%
Worcestershire County Council	10,000,000	4.93%	21/06/2023	08/02/2024	AA-	0.010%
Birmingham City Council	10,000,000	4.05%	28/02/2023	27/02/2024	AA-	0.011%
Wirral Metropolitan Borough Council	10,000,000	5.70%	31/08/2023	29/02/2024	AA-	0.011%
Woking Borough Council	10,000,000	5.00%	08/08/2023	08/03/2024	AA-	0.012%
Comwall Council	10,000,000	4.85%	05/08/2023	05/04/2024	AA-	0.013%
South Ayrshire Council	5,000,000	4.85%	10/07/2023	10/04/2024	AA-	0.014%
Liverpool City Council	10,000,000	4.90%	14/08/2023	15/04/2024	AA-	0.014%
Rushmoor Borough Council	5,000,000	4.80%	21/08/2023	22/04/2024	AA-	0.014%
East Dunbartonshire Council	5,000,000	5.35%	26/07/2023	26/04/2024	AA-	0.015%
East Dunbartonshire Council	5,000,000	5.35%	26/07/2023	26/04/2024	AA-	0.015%
Lancashire County Council	10,000,000	4.75%	28/08/2023	29/04/2024	AA-	0.015%
Total Investments	£125,000,000	4.70%				0.011%

Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.

- 6.6 To date the Combined Authority has invested solely in investments defined as Specified Investments these are investments which are denominated in sterling; repayable within 12 months (either because of an expiry date or through a non-conditional option); not defined as capital expenditure by legislation; and invested with a body or in an investment scheme described as high quality or invested with one of: the UK Government; a Local Authority; or a Parish Council or Community Council. The Combined Authority's financial limits against this type of investment are shown Table 3.

Table 3: NTCA Investment Limits

Type of institution	Financial Limit	Time Limit
UK central government (Debt Management Office)	£50m	Unlimited
Money Market Funds AAA	£5m each	Liquid
Term deposits with Bank and Building Societies	£5m each	12 months 6 months 100 days Not for use
UK Local authorities	£10m each	1 year
Certificate of Deposits with banks and building societies	£5m each	12 months 6 months 100 days Not for use
UK Government Treasury Bills	£10m each	1 year
Local Authority controlled companies in the NTCA area	£5m	5 years

7. Borrowing Strategy

- 7.1 Previously, the Combined Authority did not have powers to borrow other than for Transport responsibilities with a proportion of the outstanding balance of the loans and investments in relation to Transport (based on the share of Tyne and Wear population in each Combined Authority area) shown in the balance sheets of the two Combined Authorities as part of their Year-end accounts. A summary therefore of the actual loans outstanding and authorised borrowing limit in relation to Transport is reflected in the Treasury Management Strategy of the NTCA.
- 7.2 Prudential Indicators and Minimum Revenue Provision (MRP) Policy. The new arrangements set out in the NECA (North East Combined Authority) and NTCA Orders require decisions about the Transport Revenue budget and Levies and the Transport Capital Programme to be determined by the Joint Transport Committee (JTC). The transport functions and assets still rest with each Combined Authority but can only be exercised or deployed through the decisions of the Joint Transport Committee.
- 7.3 Compliance with Treasury and Prudential Limits - It is a statutory duty for the Combined Authority to determine and keep under review the affordable borrowing limits. The Chief Secretary to the Treasury (CST) agreed to set a debt cap for the North of Tyne Combined Authority of £23m for 2023/24 and £21.5m for 2024/25 there is an opportunity to revise the 2024/25 debt cap in light of the new Combined Authority. The debt cap will apply to the capital financial requirement for North of Tyne debt rather than, as historically had been the case, the total stock of debt.

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