

North of Tyne Combined Authority, Overview and Scrutiny Committee

Tuesday 5 December 2023 at 1.00 pm

Meeting to be held: Chamber 0.02, North Tyneside Council, Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY

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AGENDA

Page No

1. **Welcome and Introductions**
2. **Apologies**
3. **Declarations of Interest**

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

4. **Agree the minutes of the meeting held on 10 October 2023** 1 - 6
5. **Adult Education Budget** 7 - 24

In attendance: Leigh Mills, Head of Inclusive Growth

Attached: Report and appendices

6. **Child Poverty Prevention Programme** 25 - 32

In attendance: Joanne Unthank, Senior Programme Manager

Attached: Report and appendix

7. **Poverty Truth Commission** **33 - 36**

In attendance: Joanne Unthank, Senior Programme Manager

Attached: Report

8. **North East Combined Authority Initial Budget Proposals and Corporate Plan**

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.

9. **Q2 Budget Monitoring Report** **37 - 62**

In attendance: Janice Gillespie, Director of Finance

Attached: Report and appendices

10. **Scrutiny Protocol for English Institutions with Devolved Powers** **63 - 82**

In attendance: Michael Robson, Senior Governance Officer

Attached: Report and appendix

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

1pm on Tuesday 19 March in Conference rooms 1 and 2, Northumberland County Council, County Hall, Morpeth, Northumberland, NE61 2EF

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North of Tyne Combined Authority, Overview and Scrutiny Committee

10 October 2023

(1.04pm – 2.52pm)

Meeting held: Collingwood Room, Civic Centre, Newcastle upon Tyne, NE1 8Q

Draft Minutes

Present:

Chair: B Flux

Councillors L Bowman, S Fairlie, B Flux, J Harrison, L Marshall and G Stone and M Wilson

11 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting and asked for introductions.

12 APOLOGIES

Apologies for absence were received from Cllr Montague (Cllr Wilson in attendance as substitute) Cllr Ball (Cllr Bowman in attendance as substitute) Cllr Seymour (Cllr Hardy in attendance as substitute and Cllr Wright

13 DECLARATIONS OF INTEREST

None

14 AGREE THE MINUTES OF THE MEETING HELD ON 11 JULY 2023

RESOLVED – that the minutes of the meeting held on 11 July 2023 be agreed as a correct record and signed by the Chair.

15 2023/24 QUARTER 1 BUDGET MONITOR REPORT

Submitted: Report of the Director of Finance (previously circulated and copy attached to Official Minutes)

J Gillespie (Director of Finance) presented the report to inform Overview and Scrutiny Committee of the first quarter budget monitoring report on the 2023/24 NTCA financial position. The report brought together the forecasted financial position for both the Corporate, Investment Fund, Brownfield Housing Fund and Adult Education budget and provided an indication of the potential position of the combined authority on 31 March 2024. It also set out the potential position on the reserves at the year end.

In presenting the report J Gillespie highlighted the following key points:

- The report had been approved by the NTCA Cabinet on 25 July 2023.
- The reporting line would need to be altered as the NTCA year-end would move to 6 May 2024, when the new North East Combined Authority will be created, but at the moment the overall position was forecast to March 2024.

Questions were then invited and in discussions with Members, it was noted that:

- i. There would be a balance sheet on 6 May 2024 which would transition across to the new combined authority and delivery would continue.
- ii. In terms of the investment fund, there were a range of projects and programmes which had commitments and grant agreements in place that went beyond the end of the current financial year and the programmes would continue to be delivered in the early stages of the new combined authority.
- iii. Regarding any additional contributions that may be needed to the transport levy, discussions would be needed at the Tyne and Wear Transport Committee in November and those discussions were for the LA7 authorities.
- iv. There were a range of projects and programmes that would naturally come to an end, these would be monitored, and information would be collated on outputs and outcomes associated with them.
- v. There would be a period of uncertainty for some programmes but discussions around that would be a part of developing the portfolio plans in areas of delivery that would be in scope in the new combined authority.
- vi. There was an appraisal process to be followed for brownfield housing which would determine if a project presented best value and that included the unit cost in terms of investment per anticipated housing delivered. The appraisal process was in line with what central government expected them to deliver against.
- vii. In 2021 there had been a low level of delivery as funding had come late in the financial year but 2021/22 had saw a significant amount of spend which had then fell back again in 2022/23. This showed an illustration of the early shovel ready schemes.
- viii. What could be seen across the current financial year and in to 2024/25 was less shovel ready and potentially more difficult sites which would still have to present best value.
- ix. Distribution of sites would be across the North of Tyne region and would vary in size and amount to be delivered. A report could be produced to share with committee where the sites were.
- x. There was a reasonable level of private sector investment against a relatively small level of public sector investment, and it represented good value.

RESOLVED – that the Overview and Scrutiny Committee note the 2023/24 Quarter 1 Budget Monitor report.

16 **2024/25 BUDGET AND CORPORATE PLAN PROCESS**

Submitted: Report of the Director of Finance (previously circulated and copy attached to Official Minutes)

J Gillespie (Director of Finance) presented the report to advise Overview and Scrutiny Committee of the proposed approach and timetable for the preparation of the 2024-25 Budget and Corporate Plan for the proposed North East Mayoral Combined Authority (NEMCA).

In presenting the report J Gillespie highlighted the following key points: -

- An approach needed to be set out to develop what would be a shadow budget for the new combined authority. This was under the assumption that everything would continue in terms of the order being laid and that there was an initial budget in place for 7 May 2024 that would allow the new combined authority to operate.
- Both NTCA and NECA would receive consolidated reports of what the draft budget of NEMCA would look like.
- The intention would be that the first reports would go to both NTCA and NECA Cabinet in late November 2023 and scrutiny and the budget engagement process would begin, with a view to the final report being shared, following consultation, towards the end of January 2024.
- The Leadership Board and the NTCA Cabinet were currently scheduled for different dates, but it was hoped that these could be aligned.
- Officers were looking to bring the scrutiny groups together to look at the overall combined budget.

Committee were invited to review the proposed approach and timetable, ask any questions for clarification and to make comments as to its requirement to effectively scrutinise the proposals at its meeting on 5 December 2023 and the budget workshop to be held on 16 January 2023. In discussions with Members, it was noted that:

- i. It was difficult to anticipate what the budget would be but that was inevitable in the transition between authorities.
- ii. Portfolio plan areas were being developed which would build on the devolution deal.
- iii. It was expected that a corporate plan would go to Overview and Scrutiny committee which would set out key highlights and key deliverables in the first twelve months of the new combined authority and committee would be taken through the corporate plan and how the budget would flow from that. A workshop would take place to run through the corporate plan, to understand where the budget would come from that and to set out the early priority areas.
- iv. 29 November was the start of the consultation process, and it would take place with various sectors as the devolution deal progressed to the order of

being developed. That would build on consultation that had already taken place.

- v. The consultation period would be open for as long as possible up to the date that the Leadership Board and NTCA Cabinet meet.
- vi. It was a challenge to engage with the public, but a mechanism would be found to do it. This was not expected to be face to face.
- vii. The issue of the transport levy coming up was noted and it would be an issue for Local Authorities in terms of regional transport budgets and the budgets of NEXUS.

RESOLVED – that the Overview and Scrutiny Committee note the 2024/25 Budget and Corporate Plan Process report.

17 **NORTH OF TYNE COMBINED AUTHORITY REVIEW**

Submitted: Report of the Senior Governance Officer (previously circulated and copy attached to Official Minutes)

B Walkden (Interim Communications Officer) gave a presentation to the Overview and Scrutiny Committee which covered an overview of the programme, the methodology to be used and an indication of areas which would be included in the review. A copy of the presentation was attached to the Official Minutes for information.

Committee were invited to consider the approach to the review, provide feedback on the proposed review and suggest areas of work for inclusion in the review. In discussions with Members, it was noted that:

- i. The report would be balanced but it would focus on the success of the NTCA and how people's lives had changed through policy making and improvements. Lessons learned would also be highlighted.
- ii. An evaluation of what the authority had delivered and how performance had compared to targets that had been set would be useful to see.
- iii. A glossy publicity campaign would not be desired.
- iv. B Walkden's role was to look impartially at the report, and she would work with others to ensure it was a collaborative piece of work.
- v. Contact details of committee members had been requested and there was a questionnaire for them to complete.
- vi. B Walkden's role had been commissioned by the authority.
- vii. The report would be simple, and the case studies would demonstrate why the NTCA had been set up and what it had achieved.
- viii. It was important to humanise the report and it would be useful to capture stories on video and for these to be shared.
- ix. Devolution was a good thing, but the idea had to be sold to the public and the report was an opportunity to push the case for greater devolution without needing to brand it around a particular corporate entity.
- x. Details of the budget allocated for the commissioning of the review,

NTCAs specification for the review and the remit and role of the interim communications officer appointed would be confirmed in writing.

RESOLVED – that the Overview and Scrutiny Committee note the North of Tyne Combined Authority Review report and presentation.

18 **NORTH EAST DEVOLUTION UPDATE**

Submitted: Report of the Strategic Economic Regional Adviser (previously circulated and copy attached to Official Minutes)

G Mansbridge (Strategic Economic Regional Adviser) presented the report to update Overview and Scrutiny Committee on the creation of the North East Mayoral Combined Authority (NEMCA)

In presenting the report G Mansbridge highlighted the following key points: -

- The deal fell in to seven main portfolio areas and portfolio plans were being developed.
- When creating the new transport strategy and plan, thought had to be given about improving the quality of life for people in the North East.
- The Authority would develop an economic strategy for the North East and the qualities of all five organisations had to be built on.
- It was important that investment was made in areas where the private sector had demonstrated they were not able to invest.
- Regarding the skills agenda, it was important to build on the additional resources that would be available.
- In terms of moving forward, there were three areas of activity: operational transition, policy development and early priorities.
- A joint bid had been submitted which, if successful, would provide a significant amount of funding to invest in the next wave of skills bootcamps.
- The devolution deal was being used as a central reference point in terms of how to move forward.
- There had been a commitment in the devolution deal to provide £17.4m in advance of the establishment of the new combined authority to fund additional investment in brownfield land. The government had given a deadline for having the funds deployed and spent by March 2025 which was a challenging timeline.
- Another commitment in the devolution deal had been a strategic place partnership to ensure the type of homes built were what were needed in the region.

Questions were then invited and in discussions with Members, it was noted that:

- i. In terms of the new authority and where it would be located, that decision had not been made but hybrid working arrangements gave more options.
- ii. The issue of digital roll out appeared prominently in the devolution deal and creating a connected rural economy was important.
- iii. With regard to housing, for the vast majority of homes that would be in the North East in 20 years' time, it was important to think about

- thermal comfort and the green deal.
- iv. Regarding brownfield land, as well as £17.4m capital, £170k revenue funding had also been awarded to support delivery. Some of the additional funding would be used for site investigations.
 - v. The housing crisis could not be resolved in a year. There was a link between economic growth and housing but there would always be a need for affordable homes.
 - vi. A quality control scheme to bring the busses into public control would be a matter for the Mayor and Cabinet to decide on. It would not be a quick process but if it was the route the Mayor and Cabinet wanted to take, it would be an important priority.
 - vii. The new combined authority would have a full suite of scrutiny provision and committees. A robust set of scrutiny arrangements had to be in place and plans had been made on that basis.
 - viii. There could be an opportunity through the budget setting process to bring Members together with colleagues south of the river which would provide an opportunity to begin to plan work programmes and approaches to scrutiny beyond May 2024.

RESOLVED – that the Overview and Scrutiny Committee note the North East Devolution update report.

19 **DATE AND TIME OF NEXT MEETING**

Tuesday 5 December 2023 at 1pm at North Tyneside Council, Cobalt Business Park, The Quadrant, The Silverlink North, NE27 0BY



Title: **Adult Education Budget**
 Report of: **Leigh Mills, Head of Inclusive Growth**

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. The report also provides an update on the current planning to devolve the AEB to the North East Mayoral Combined Authority (NEMCA) in preparation for the new Combined Authority being created in May 2024, and subsequent delivery of the devolved AEB from AY 2024-25 onwards.

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, English for Speakers of Other Languages (ESOL) and digital skills and full Level 2 and Level 3 vocational programmes required to access the labour market or progress in work.

NTCAs 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. 53% of enrolments were undertaken by residents with no or low qualifications. 72% of enrolments were undertaken by unemployed residents.

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.

Building on the best practice and lessons learned from NTCA's commissioning approach to the AEB, officers are putting in place plans and processes for NEMCA which will become the commissioner of adult learning from 1st August 2024.

Recommendations

The Overview and Scrutiny Committee is recommended to

- i. Note the performance of NTCAs devolved AEB in AY 2022-23
- ii. Endorse the approach to managing NTCAs devolved AEB in AY 2023-24.
- iii. Comment on and help shape the policy planning for NEMCAs devolved AEB in preparation for delivery from AY 2024-25 onwards.

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. A detailed list of NTCA's AEB providers and funding allocations for AY 2022-23 is included in Appendix 1 of this report.
- 1.2 The NTCA has successfully managed the devolved AEB for NTCA residents and employers since 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.
- 1.3 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.
- 1.4 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.
- 1.5 The flexibilities that have been introduced by NTCA include
- i. Providing access to additional learning aims with associated funding to support engagement activity, improve learner confidence to participate and to support mental health and wellbeing.
 - ii. Learning support funding has been extended across all NTCA AEB providers, including Independent Training Providers (ITPs) to remove barriers and provide resources to support learning.
 - iii. We have removed the requirement for employed residents to contribute 50% towards the cost of their learning and enabled fully funded accredited learning at Level 2 and Level 3 in key growth sectors to support employers and economic growth.
 - iv. The Low Wage threshold has been increased to include those who earn less than the 'real' living wage, as promoted by the Living Wage Foundation, rather than the National Living Wage, to reflect the needs of our region and residents.

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

- 2.1 35,230 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, ESOL 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.

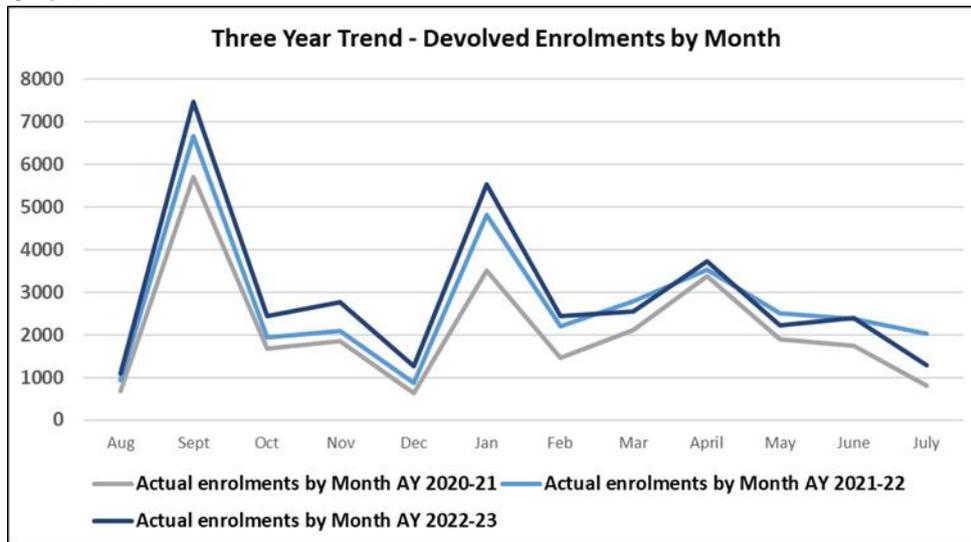
Table 1

	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 residents. 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 through 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 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, digital, English and English for Speakers of other Languages (ESOL). Participation in basic maths and English is steadily increasing year on year, with the biggest increase in demand being ESOL.
- 2.11 In AY 2022-23 NTCA supported the delivery of over 7200 ESOL learning aims (enrolment opportunities). 5405 of these aims were delivered in Newcastle, with, on average, each resident accessing 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.
- 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 Contact 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 (FCfJ) 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 FCfJ offer during AY 2022-23 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 NTCA commissioned 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

- 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:

- 15% of AEB opportunities were undertaken by young people (19-24).

- 56% of AEB enrolment opportunities were undertaken by women.
- 47% of enrolment opportunities were undertaken by residents from our black and minoritised ethnic communities.
- 22% participating in provision self-declared a learning difficulty/disability, a 2-percentage point increase on the previous academic year.
- 56% of enrolments were undertaken by residents with low or no qualifications.

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.

5. Devolving the AEB to the North East Mayoral Combined Authority (NEMCA)

5.1 The region is currently preparing for the creation of the new North East Mayoral Combined Authority (NEMCA) which will encompass County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland Local Authority Districts. It is anticipated that NEMCA will be formed, and a Mayor elected in May 2024.

5.2 Within the Devolution Deal for the North East there is a commitment to devolving the AEB to NEMCA.

5.3 AEB funding will be transferred from the DfE to NEMCA from AY 2024-25 onwards and in taking receipt of this funding NEMCA will become the commissioner of adult learning across the region.

5.4 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, a core set of principles for commissioning have been put in place for NEMCA

- Establish and maintain effective, high trust relationships with providers to deliver positive long-term impact for residents and the economy.
- Embed the statutory functions and conditions contained within the devolution deal.
- Take into account the various needs of residents in different local communities.
- Ensure that outcomes for learners are at the heart of the approach to commissioning.
- Invest in the capacity of the provider base, particularly those working with hard-to-reach groups.
- Ensure contracting processes are transparent and fair, and include sub-contracting and consortia building, where appropriate.
- Work towards longer-term contracts and grant allocations as ways of achieving efficiency, effectiveness, and stability.
- Seek feedback from residents, communities, employers and providers to ensure the funding continues to meet local need.

5.5 NEMCA's indicative devolved AEB will be just over £64 million. NEMCA will also be responsible for a ringfenced allocation of circa £4 million for the delivery of the Level 3 offer 'Free Courses for Jobs' (FCFJ).

- 5.6 The planned approach to commission these funds is via two routes of both Grant Funding Agreements and procured Contract for Services. Combining these two approaches will allow NEMCA to make an immediate and positive impact on the provision offered to NEMCA residents while minimising the risk to continuity of provision in the region. It will also offer all providers the opportunity to apply for funding where their provision and delivery model is targeted at and will benefit NEMCA.
- 5.7 In preparing for the delivery of NEMCA's devolved AEB there has been significant stakeholder engagement (including 2 large scale events) and robust data analysis of the most recent full year data to inform the approach to commissioning the funds for delivery from 1st August 2024. In deciding the approach to commission, we have been mindful of the stability and capacity of the skills delivery infrastructure in NEMCA, as well as the capacity to manage, monitor and assure activity on this scale.
- 5.8 NEMCAs Combined Authority Steering Group (CASG) have endorsed the approach to establish grant funding agreements with 'in scope' grant providers. In-scope grant providers include those who are wholly or mainly funded by the public purse; are currently grant funded by the Department for Education (DfE) and/or NTCA; have an established place-based approach which supports NEMCA priorities; and deliver significant volumes of activity within the NEMCA region and support existing travel to learn patterns e.g regional FE Colleges and the Local Authorities.
- 5.9 Establishing funding agreements with 'in-scope' grant providers will provide stability to the provider base, ensure that appropriate levels of statutory entitlement provision and community learning are available, thereby minimising the risk to continuity of provision for residents.
- 5.10 Remaining AEB & FCFJ funds will be commissioned via an open and competitive procurement process open to all skills providers. This will provide a sustainable and responsive skills offer aligned to localised needs and will also enable NEMCA to test and pilot new innovative methods of delivery. NEMCA's Flexible Skills Procurement Framework was launched in November 2023, inviting all interested skills providers to apply.
- 5.11 All funding agreements and contracts will be in place ready for delivery to commence 1st August 2024 in line with the commitments in the Devolution deal.

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 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>

D 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. All providers are invited to commit to the NTCA Good Work Pledge to advance their contributions as employers to the NTCA's inclusive economy aspirations.

E 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.

F 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 the DfE, the Education and Skills Funding Agency (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.

G 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

H Background papers

AEB Strategic Skills Plan 'Opportunity for All'

AEB Cabinet papers April 2019, June 2019, July 2019, October 2019, February 2020, July 2020, September 2020, March 2021, November 2021, March 2022, November 2022, March 2023.

I Contact officer(s)

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J 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
NEMCA	North East Mayoral Combined Authority
NTCA	North of Tyne Combined Authority
VCSE	Voluntary, Community and Social Enterprise

Appendix 1 – NTCA 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 Free Courses for Jobs AY 2022-23	
Provider Name	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

Appendix 2: Detailed Analysis of AY 2022-23 Delivery Data

1. AY 2022-23 AEB enrolment opportunities.

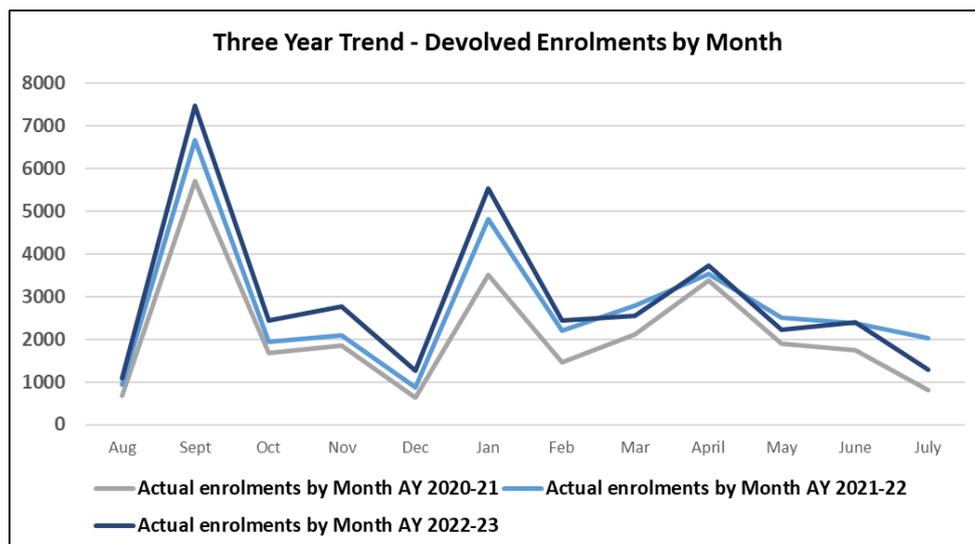
- 1.1 Over 35,200 enrolment opportunities have been undertaken during AY 2022-23. An increase of 2,491 opportunities on the previous academic year AY 2021-22. NTCA providers continue to deliver a range of provision targeting employed and unemployed residents including statutory entitlements in maths, English, ESOL 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 area 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 in each 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



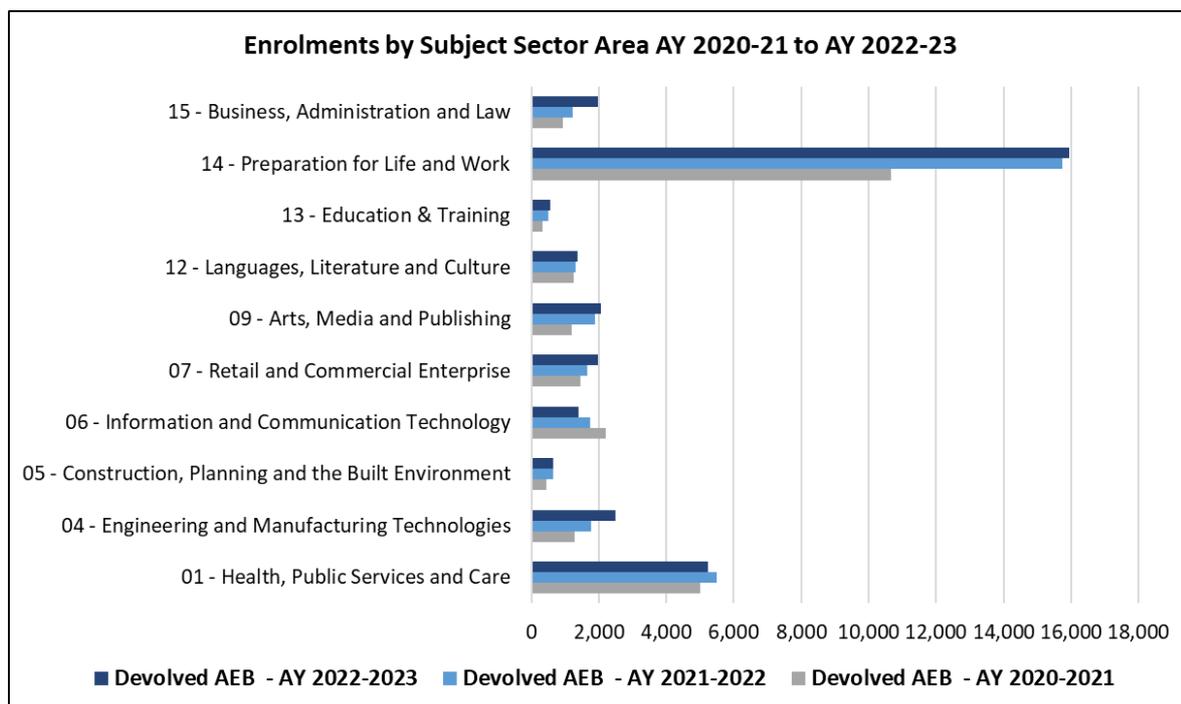
- 1.7 Delivery data is also analysed at Ward level to ensure that enrolment opportunities are being undertaken by residents in our most deprived areas. The review of AY 2022-23 data has revealed that 8529 (24%) of enrolment opportunities were undertaken by residents living in NTCA's top 20% deprived 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 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. SSA 14 also includes provision to support social enterprise and self-employment as well as employability skills to get residents work ready.

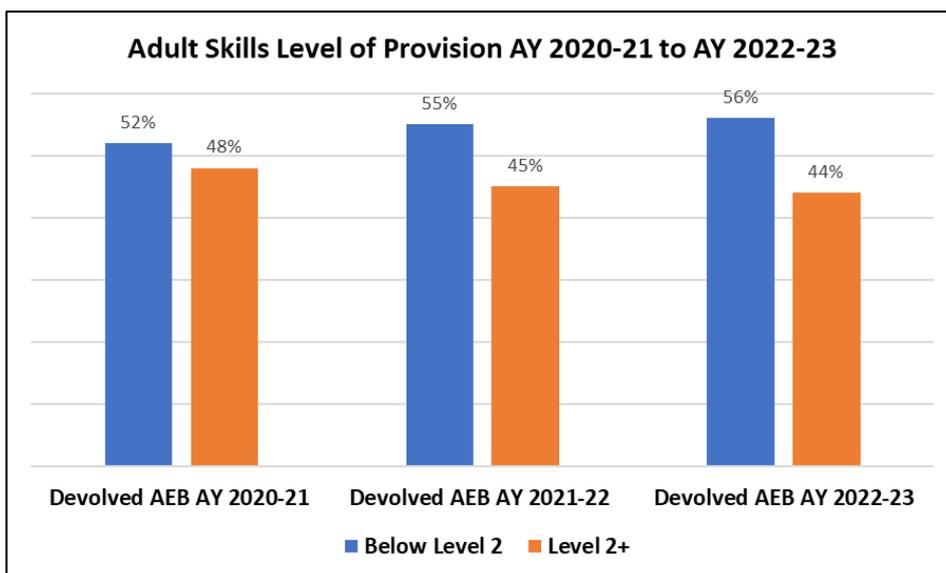
2.7 Providers delivering in this SSA have responded to residents’ needs in the current economic climate such as the cost-of-living crisis with provision that supports household budgeting, and essential digital skills which address areas such as comparing and calculating energy tariffs and setting up 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 Large Goods Vehicle (LGV) driving courses. 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 Contact 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 and that 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 the 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 also 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 below 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, digital, English and English for Speakers of other Languages (ESOL). Participation in basic maths and English is steadily increasing year on year, with the biggest increase in demand for 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 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 NTCA's 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 and on average each resident accessed 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.
- 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.

4. Free Courses for Jobs

- 4.1 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.
- 4.2 We have successfully increased engagement with the Level 3 Free courses for jobs offer during AY 2022-23 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.

5. Profile of residents engaged in AEB

- 5.1 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.
- 5.2 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.
- 5.3 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.
- 5.4 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.

6. Outcomes for residents undertaking AEB provision

- 6.1 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.
- 6.2 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.
- 6.3 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	

- 6.4 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.
- 6.5 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.
- 6.6 Over 6700 enrolment opportunities through the devolved AEB 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.
- 6.7 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. This '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.
- 6.8 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.
- 6.9 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.
- 6.10 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.
- 6.11 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.
- 6.12 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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Title: NTCA Child Poverty Prevention Programme
 Report of: Senior Programme Manager, Child Poverty Prevention

Report Summary

The purpose of this report is to update the Committee on the impact and development of a Child Poverty Prevention Programme (CPPP) for the North of Tyne over the last 12 months.

Recommendations

The Overview and Scrutiny Committee is invited to examine the progress made in delivering the programme as set out in the report and provide any specific reflections to the designated contact officers (section I).

A. Context

1. Background

- 1.1 An increasingly important barrier to an inclusive economy, is the high rate of child poverty in our area. Child poverty is one of the strongest indicators of an area's economic inequality. The most recent detailed estimates for after housing costs child poverty levels in the North East were published in June 2023 covering the period 2014/15 to 2022/22. This research estimates that in 2021/22, almost 190,000 (35%) of babies, children and young people across the North East were living below the poverty line – this is an increase of around 51,000 since 2014/15. This is the steepest rise of anywhere in the country over that period.
- 1.2 At the end of 2020, the Institute of Public Policy Research (IPPR) North published research into child poverty in the North East with a specific focus on devolution and made a series of recommendations for Combined Authorities. The Right Reverend Christine Hardman, Bishop of Newcastle and Chair of NTCA's Inclusive Economy Board at that time, provided a foreword to the report. Recommendations included considering ways to support parents into good quality work, working with schools to mitigate child poverty and making child poverty a specific priority, for example through inclusive economy work.
- 1.3 The Child Poverty Prevention Programme (CPPP) for the North of Tyne is delivered as part of NTCA's Education, Skills and Inclusion portfolio priority and exemplifies a commitment to thinking creatively and progressively about the widest implications of an inclusive economy.

2. NTCA's Child Poverty Prevention Programme Pilot phase

- 2.1 In June 2021, NTCA Cabinet approved a Child Poverty Prevention Programme (CPPP) for the North of Tyne. The purpose of the Child Poverty Prevention Programme is to build on the work currently being undertaken by Newcastle, Northumberland and North Tyneside local authorities to systematically address the causes and symptoms of child poverty across the North of Tyne. The programme intends to extend good practice & enable additional activity which would otherwise not occur, providing evidence of how social and economic resilience work together to improve productivity within areas.

2.2 In consultation with stakeholders and partners, the programme was developed, comprising three pillars of work.



2.3 Implementation began in Spring 2022 and in November 2022, Officers reported to the Committee on the early progress of this pilot phase.

2.4 In August 2023 the pilot phase of the programme was completed, having achieved the following outputs:

2.4.1 **Pillar 1, 'poverty interventions in schools'**: Through this pillar of the programme, a suite of pilot interventions were taken up by 96 schools, to help them support pupils facing poverty in their community. Schools were able to choose from one of the following interventions: poverty proofing© audit, school uniform support, afterschool clubs, family learning, or bespoke grant funded projects.

2.4.2 Over the 2022-23 academic year, 15 schools undertook a poverty proofing© audit, school uniform support was delivered in 2 schools (impacting over 800 pupils and families), 1340 pupils benefitted from afterschool clubs, 650 participants engaged in family learning courses and grant funded projects were delivered in 23 schools.

2.4.3 **Pillar 2, 'welfare support through the school gate'** has supported families to better support themselves, by giving access to welfare guidance in 33 schools, making it easy for parents to access support and advice and acknowledging and building on the positive relationships which schools have developed with parents. By the end of 2022/23 academic year, over 600 families had been supported with over 800 different issues resulting in over £500,000 benefit gains as well as help with debt, reimbursements and other issues.

2.4.4 **Pillar 3 'working with employers to tackle child poverty'**: 25 organisations in the NTCA area engaged with support to develop and implement strategies that would help to alleviate in-work poverty. This work covered an employee community of 14,203 employees (9,770 cited as living in the NTCA area).

3. NTCA Child Poverty Prevention Programme Phase 2

3.1 On 21st March 2023, NTCA Cabinet approved funding of £1,360,000 for the continuation and expansion of the NTCA Child Poverty Prevention Programme (CPPP).

3.2 The next phase of the programme intends to build on the convening power demonstrated in the pilot phase, to further support schools, communities, and employers to share best practice and play a part to tackle child poverty rates.

3.3 In continuing and expanding the programme, the CPPP will build on the three pillars within the pilot, utilising insights from delivery, and understanding gained from ongoing consultation and collaboration with local authorities, schools, stakeholders and VCS partners.

3.4 From September 2023, delivery of phase 2 of the programme began, extending and expanding the programme, now comprising 4 pillars:



3.5 **Pillars 1 and 2** have been further developed in line with the lessons learned during the pilot phase of delivery; and aim to support 120 schools in total over this academic year, including welfare and benefits advice provision in 45 schools.

3.6 **Pillar 3** will continue support for the existing partner employers, helping them to implement bespoke poverty reduction strategies which were developed during the pilot phase. In addition, a further 15 North of Tyne employers will be supported to develop workplace poverty reduction strategies. This will include sector-specific work with the public sector organisations and schools.

3.7 **Pillar 4** The critical 1,001 days, builds on the pilot phase, introducing support for our youngest residents who are most impacted by poverty. This pillar seeks to reduce the impact of socio-economic disadvantage on babies and children from conception to school age. Evidence supports a need for sustained financial, cultural and emotional investment in the early years. If you invest in families and the socialisation of children through fun, play and emotionally regulating environments, there is a direct benefit for them and their community. Through this pillar, the regional Baby Box pilot from the Children's Foundation will be expanded and extended to support 750 first-time parents to ensure a safe, fun and emotionally regulated environment for their babies, informing and supporting positive parenting behaviours.

4. Next steps

4.1 Officers are continuing to engage schools and assist them to sign up for the programme to find the most appropriate support for their communities during the current academic year, and providers are working to deliver interventions in line with the phase 2 programme plan.

4.2 Researchers at Northumbria University have been commissioned to evaluate the programme pilot phase. Officers are exploring the possibility of extending this evaluation period into phase 2 of the programme to allow for more robust recommendations and conclusions.

4.3 Early discussions have been initiated by officers leading on poverty interventions within our neighbouring authorities, which will form part of the new North East Mayoral Combined Authority (NEMCA). This pioneering work in the North of Tyne is providing a strong basis to bring together stakeholders from across the region to consider priorities and ambitions for a Child Poverty Prevention Programme for the North East Mayoral Combined Authority, as outlined in the North East devolution deal.

B. Impact on NTCA Objectives

1. NTCA's Vision is of a "dynamic and more inclusive economy...[which narrows] inequalities". We are committed to giving everyone the opportunity to thrive – to achieve a fair wage, and access good jobs, and by working in partnership with business, civil society and our residents to achieve this. Our Inclusive Economy Policy Statement reinforces this by committing NTCA to taking a people-focused approach to support every individual to succeed.
2. This programme has been developed and delivered to contribute to this vision by narrowing inequalities for children and young people in our communities. NTCA's 2023/24 corporate plan indicates that 150 schools and 2500 children living in poverty will be supported by the end of 22/23, and 230 schools and 5000 children living in poverty by the end of 24/25. This programme makes a significant contribution to the achievement of these plans, having supported 90 schools and well over 2500 children and families living in poverty during its' pilot phase.

C. Equalities implications

1. The Overview and Scrutiny Committee is mindful of its duty under the Public Sector Equality Duty and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision eliminates discrimination, harassment and victimisation; advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it; and also considers the implications for people from different socio-economic backgrounds/low pay as a protected characteristic.
2. As required by Section 149 of the Equality Act 2010, the Combined Authority 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. Furthermore, we anticipate that those young people from a socio-economic disadvantaged background will gain significantly from this work, as outlined in the associated equalities impact assessment.

D. Inclusive Economy and Wellbeing implications

1. The Overview and Scrutiny Committee is mindful of NTCA's inclusive economy ambitions and the five characteristics of an inclusive economy: participation; equity; growth; stability and sustainability and when undertaking scrutiny of a particular topic, looks to see that any policy/event/decision has taken these fully into account. NTCA's Wellbeing Framework sets out ten social, economic, environmental, and democratic outcomes to improve the wellbeing of everyone living in the North of Tyne now and in the future.
2. The CPPP will positively contribute to creating a more inclusive economy in the North of Tyne with a specific positive impact on addressing inequalities for families, children and young people, seeking to reduce the achievement gap (the difference in attainment between pupils from disadvantaged and non-disadvantaged backgrounds). The Combined Authority will monitor the impact of the pilot on the inclusive economy aspirations as part of our performance management processes.

E. Climate Change implications

There are limited climate change implications to this strategy, however NTCA will ensure that interventions identified as a result of activity on this strategy will signpost to local services and NTCA's climate education programme.

F. Consultation and engagement

Officers at NTCA have worked with stakeholders and education professionals to co-develop the pillars on which the pilot is built. Through the steering group and engagements with Headteachers and stakeholders, we continue this engagement throughout delivery of the programme. We value the expertise of local authority partners, school leaders, teachers, governors, teacher educators, sector trade unions, local and national system leaders. To this end we have engaged over time with this diverse group of stakeholders. Views gathered from school leaders, teachers, health and social care leaders, businesses, government representatives, teaching unions and sector experts have been fed into this pilot programme.

G. Appendices

Appendix 1: Pillar 1 interventions

H. Background papers

[Child poverty and devolution in North East England | IPPR](#)

[Child Poverty Statistics - End Child Poverty](#)

North of Tyne Combined Authority Child Poverty Prevention Programme: Schools-Based Poverty Interventions Scoping Exercise

NTCA Child Poverty Prevention Equalities impact assessment

I. Contact officer(s)

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J. Glossary

NTCA	North of Tyne Combined Authority
NECPC	North East Child Poverty Commission
WRA	Welfare Rights Advisor
IPPR	Institute of Public Policy Research
CPPP	Child Poverty Prevention Programme
CPP	Centre for Progressive Policy
IGN	Inclusive Growth Network

Appendix 1: Pilot Phase Pillar 1 interventions

Pillar 1 Poverty interventions	Delivery partner	
Poverty Proofing the school day audits	Children North East	Audits include engagement with pupils, staff, parents and governors to identify what the school is already doing well to support children and families living in poverty and, more importantly, what the school could do differently or better to ensure that there is a level playing field. Findings and recommendations are presented to the school's senior leaders, schools can then look to address challenges through structural changes to the school day.
Uniform policy into practice	Children North East	Supported deep-dive review of uniform policy, stakeholder engagement, change and implementation.
Afterschool clubs/enrichment (North Tyneside)	YMCA North Tyneside	10 fun, engaging youth-led sessions per school of 1.5 hours in length over a ten-week period. Up to 20 young people per school can access these sessions and healthy snacks are provided. There is also a CPD opportunity for a member of school staff to develop their skills in youth work.
Afterschool clubs/enrichment (Newcastle and Northumberland)	Newcastle United Foundation	<p>NUF will provide each school with a 12-week programme made up of two hours of support for at least 20 pupils during curriculum time, focused on supporting children who are most impacted by poverty and then a one-hour afterschool club for 15-30 participants.</p> <p>In addition to the in-school delivery each school will have access to a range of additional opportunities to further support the pupils taking part. This will include a Toon Team Day at NUCASTLE, stadium tours and access to multi skills/football camps in the school holidays.</p> <p>There will also be an option of CPD for school staff. The CPD element for teachers will support them to continue to deliver impact when the project leaves their school. This will provide ongoing support to a wider number of children who do not have access to this project.</p>

Family learning	Northern Learning Trust	<p>Each programme provides 8 hours of guided family learning time supporting a total of 21 pupil/adult pairs per school.</p> <p>All sessions will consist of a practical element, underpinned by theoretical learning. The emphasis will be on fun and the importance of play in learning and the programme is enjoyable for both parents and children. As well as developing skills in numeracy and money management, sessions will support development of a range of softer skills such as communication, problem solving, time keeping and team working. By sharing positive activities together, familial relationships will be strengthened, and communication improved. The sessions will also help enhance positive relationships with school, working in partnership to ensure the best possible outcomes for the child.</p>
Bespoke grant funding	North of Tyne schools	Grant funding of up to £5000 to undertake bespoke work to support children and families experiencing financial hardship. This requires a business case application and monitoring throughout the programme period.

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Title: Poverty Truth Commission
 Report of: Joanna Unthank, Senior Programme Manager, NTCA

Report Summary

The purpose of this report is to provide Overview and Scrutiny Committee with an update on progress towards NTCA's Poverty Truth Commission.

Recommendations

The Overview and Scrutiny Committee is recommended to note the contents of the report and provide any specific reflections to designated contact officers (section I).

A. Context

1. Background

- 1.1 Members will be aware that Poverty Truth Commissions (PTCs) are models of direct engagement where civic and business representatives are brought together with people with lived experience of poverty (community commissioners). Commissions work to understand the specific features of poverty in their areas and work collaboratively to come up with practical solutions – delivering policy change in partnership. Central to the PTC model are the principles of fairness and equity.
- 1.2 PTCs are usually supported by local authorities but not led by them. They are usually hosted independently to ensure their work is genuinely equitable and collaborative. PTCs aim to help to facilitate a wider range of voices to join decision-making, intending to make better decisions as a result.
- 1.3 Poverty Truth Commissions tend to:
 - Run on average for two years.
 - Recruitment from a wide range of communities of place and interest, prioritising the voices of groups which are rarely heard in traditional methods of engagement.
 - Secure funding from a mix of public, civic and/or business sources to support collaboration.

2. Purpose, Timing and Funding of a PTC for the North of Tyne

- 2.1 At the end of 2020 NTCA became the first Combined Authority to support a post-Covid Poverty Truth Commission with the aim of exploring and responding to the unique effects of economic exclusion in the North of Tyne as a result of the pandemic. This report provides the Committee with key achievements since the last update to the committee in November 2022 and invites members to provide reflections from the communities they represent.
- 2.2 The North of Tyne PTC is unique: it is the first Commission to occur on a Combined Authority footprint and post-Covid.
- 2.3 The model has been funded through NTCA's Investment Fund with match funding from the Community Foundation for Tyne, Wear and Northumberland and supporting funding from the Joseph Rowntree Foundation (JRF).

3. Progress of the Commission

- 3.1 In July 2021, following an open procurement exercise, local charity Children North East (CNE) was appointed to deliver the PTC over two years.
- 3.2 In November 2022, Officers reported the progress of the Commission to Members, highlighting progress against CNE’s four-stage approach. At that point, recruitment of commissioners was extended to account for the impact of Covid restrictions and the Commission was just moving into the second ‘Explore’ stage.
- 3.3 Since Autumn 2022, the commission has continued progress through the four stages (referenced below), with the support of an additional £18,748 from NTCA’s Inclusive Economy Innovation Fund, to extend the commission by 6 months, from July 2023 to January 2024 (accounting for the Covid-related delays to recruitment at the beginning of the commission).

Stage	Main Activities	Key Milestones
Engage	Research, building networks and recruiting the community and civic/business commissioners	Launch event
Explore	Thematic grouping works established to explore specific areas of experience and recommend experimental responses	Mid-term report
Experiment	Each working group delivers an action plan with associated impact measures	Commission progress meeting
Embed	Key findings and recommendations reported to NTCA and other key stakeholders. Next steps agreed.	Final report & influencing activities

3.4 During this time, key achievements include:

- Established and committed community and civic/business commissioners.
- Working groups established in line with the 3 key themes specific to the commission. The key themes are:
 - Food/fuel poverty
 - Caring responsibilities (elderly and children with additional needs)
 - Health (physical health, mental health, and disability)
- Monthly meetings have taken place to build relationships and develop ideas. Projects are now underway in each of the thematic working groups.

3.5 CNE is now completing the third ‘Experiment’ stage of the commission and projects are nearing completion.

3.6 Commissioners are being supported to develop their ‘call to action’ event on 24th January 2024 which will be the culmination of the work of the commission along with the final report from CNE.

4. Next steps

4.1 During December, CNE will be supporting working groups to complete their project work.

4.2 In January, CNE and commissioners will be preparing for the final ‘call to action’ event, which will showcase the work of the commission and the projects developed by each of the working groups. The event will be led by PTC Commissioners, who would be pleased to extend an invitation to any members of the Committee who may wish to attend.

- 4.3 This will be followed by a formal final report from CNE.
- 4.4 Between November and January, NTCA Officers are working to evaluate the methodology and implementation of the PTC through a series of interviews and focus groups with commissioners and stakeholders, led by NTCA's Senior Evaluation Specialist. This work seeks to provide evidence of best practice and areas for improvement within any similar future programmes of work.
- 4.5 This is also an opportunity to develop a direct relationship between PTC commissioners and NTCA.
- 4.6 NTCA Officers are also working with the Poverty Truth Network to understand best practice at this stage of the PTC and establish any relevant follow-up actions.

B. Impact on NTCA Objectives

A PTC for the North of Tyne supports NTCA's ambition to engage and co-produce with our communities, creating real opportunities for citizens to influence policy as outlined in the corporate plan.

C. Equalities implications

1. The Overview and Scrutiny Committee is mindful of its duty under the Public Sector Equality Duty and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision eliminates discrimination, harassment and victimisation; advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it; and also considers the implications for people from different socio-economic backgrounds/low pay as a protected characteristic.
2. An equalities impact assessment has been undertaken and has found the impact of a PTC for the North of Tyne to be broadly positive. This will be particularly the case as poverty is often the direct result of disadvantage experienced by people with protected characteristics and experiencing socio-economic disadvantage.

D. Inclusive Economy and Wellbeing implications

The Overview and Scrutiny Committee is mindful of the NTCA's inclusive economy ambitions and the five characteristics of an inclusive economy: participation; equity; growth; stability and sustainability and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision has taken these fully into account. The PTC will specifically support the development of an inclusive economy in line with the following characteristics:

- Participation – Delivering a people-centred approach to local economic development by co-designing responses to COVID-19 which are based on the lived experience of our residents, especially those whose voices are least heard.
- Equity – Tackling inequality in the North of Tyne by creating a mechanism whereby the voices and view of residents experiencing poverty and socio-economic disadvantage are given parity with the experience of public sector and business and civil society commissioners.
- Growth – Informing the quality of NTCA policies, programmes, and projects to target and effectively address poverty, directly targeting poorer communities, families and individuals.

E. Climate Change implications

The Overview and Scrutiny Committee is mindful that the NTCA’s and the three constituent Local Authorities have declared a Climate Emergency and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision has taken climate change fully into account. There are limited direct climate change implications for the PTC project, however the PTC will offer NTCA the opportunity to learn about residents’ experiences and views of climate change from the perspective of lived experience of poverty.

F. Consultation and engagement

Under the direction of Cabinet members, NTCA officers presented these proposals to the Inclusive Economy Board in September 2020 for early advice and support. Officers have worked closely with both the independent Poverty Truth Commission Network and JRF as an experienced PTC partner and funder, to build on best practice. The three constituent local authorities have been actively involved throughout and Officers have sought support and advice from other regional Poverty Truth Commissions.

G. Appendices

None

H. Background papers

[Poverty Truth Commission](#), NTCA Cabinet Report, 24 November 2020
[Poverty Truth Commission](#), Overview and Scrutiny Report, February 2022
[Poverty Truth Commission](#), Overview and Scrutiny Report, November 2022
[Poverty Truth Commission](#), programme update June 2023

I. Contact officer(s)

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J. Glossary

CNE	Children North East
JRF	The Joseph Rowntree Foundation
PTC	Poverty Truth Commission
NTCA	North of Tyne Combined Authority

Title: 2023/24 Quarter 2 NTCA Budget Monitor Report OBJ
Report of: Director of Finance

Report Summary

The purpose of this report is to present the second quarter budget monitoring report on the 2023/24 NTCA financial position to the Overview and Scrutiny Committee. The report brings together the forecast financial position for both the Corporate, Investment Fund, Brownfield Housing Fund and Adult Education Budget and provides an indication of the potential position of the Combined Authority on 31 March 2023. It also sets out the potential position on the reserves at the year end.

The report also presents to Committee the Mid-Year Treasury Management Report up to and including 30 September 2023.

Recommendation

The Overview and Scrutiny Committee is invited to review the report on the 2023/24 Q2 NTCA Budget Monitor Report and appended Mid-Year Treasury Management Report which was presented to Cabinet on 28 November 2023.

A. Context

1. Background Information, Proposals and Timetable for Implementation

- 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.
- 1.4 The 2023/24 Q2 NTCA Budget Monitor Report, including the Mid-year Treasury Management position will be taken to Cabinet on 28 November 2023, and will follow on to Overview and Scrutiny Committee on 5 December 2023.

B. Impact on NTCA Objectives

1. The North of Tyne Combined Authority Vision document sets out the strategic objectives of the Authority. The 2023/24 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. Equalities implications

1. The Overview and Scrutiny Committee is mindful of its duty under the Public Sector Equality Duty and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision eliminates discrimination, harassment and victimisation; advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it; and also considers the implications for people from different socio-economic backgrounds/low pay as a protected characteristic. An equalities impact assessment has not been undertaken because as there are no direct equalities impact to consider in light of this report.

D. Inclusive Economy and Wellbeing implications

1. The Overview and Scrutiny Committee is mindful of NTCA's inclusive economy ambitions and the five characteristics of an inclusive economy: participation; equity; growth; stability and sustainability and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision has taken these fully into account. NTCA's Wellbeing Framework sets out ten social, economic, environmental, and democratic outcomes to improve the wellbeing of everyone living in the North of Tyne now and in the future. The NTCA, LEP and INEE outturn and budget reports provide transparency and assurance that public funds allocated to the region have been used appropriately in line with the vision and of the NTCA and Strategic Economic Plan of the LEP.

E. Climate Change implications

1. The Overview and Scrutiny Committee is mindful that NTCA's and the three constituent Local Authorities have declared a Climate Emergency and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision has taken climate change fully into account. There are no direct considerations in relation to climate change arising from these specific finance reports other than reporting on the budget and expenditure in relation to climate change projects.

F. Consultation and engagement

1. 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 outturn statement.

G. Appendices

Appendix 1: 2023/24 Q2 NTCA Budget Monitor Report

H. Background papers

31 January 2023 2023-2027 Final Budget Proposals

I. Contact officer(s)

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J. Glossary

NTCA North of Tyne Combined Authority



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)

Janice Gillespie, Director of Finance Janice.gillespie@northoftyne-ca.gov.uk

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

N. Sign-off

1) Cabinet Member Yes	2) Director/SMT Yes	3) Chief Finance Officer: Yes	4) Monitoring Officer: Yes	5) Chief Executive: Yes
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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

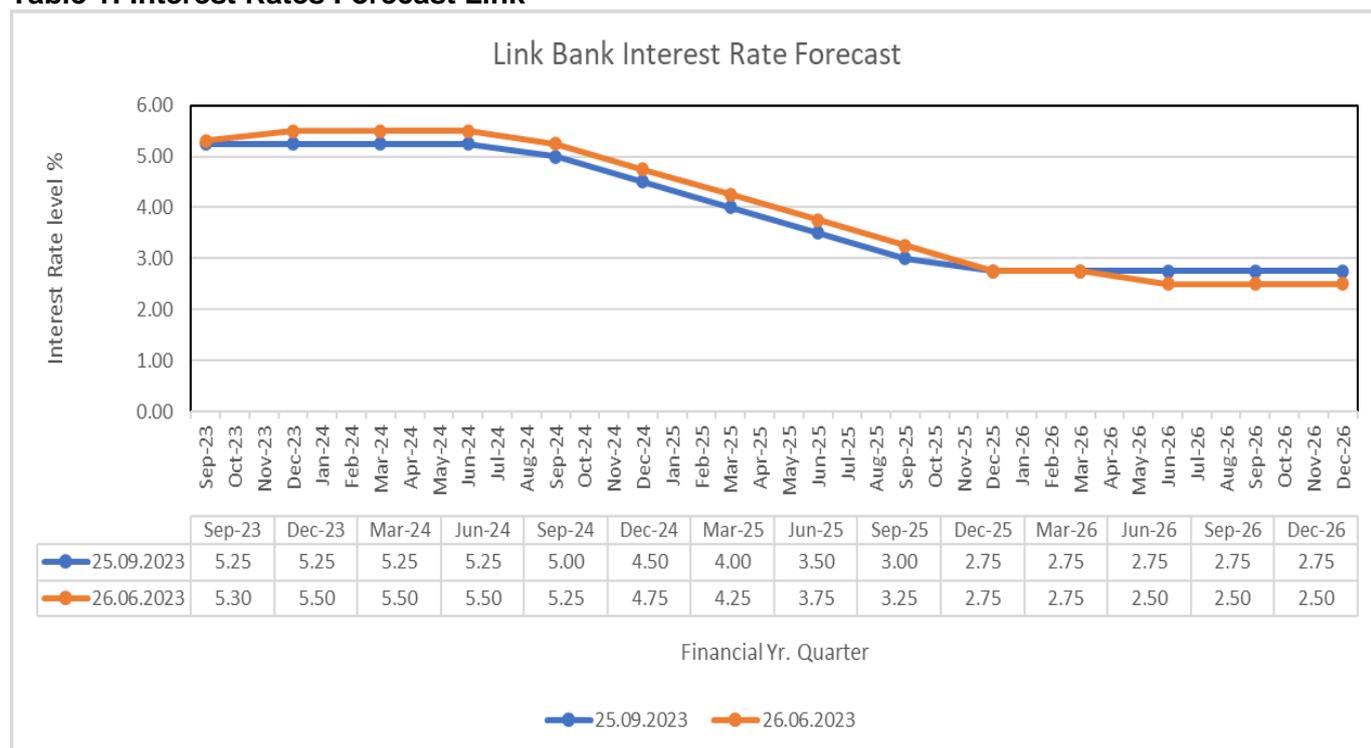
late 2021 and above market expectations of 4%. Despite these data points suggesting some softening in labour market conditions, average weekly earnings, including bonuses in the UK, rose by 8.2% y/y to in the three months to June, the highest increase since the three months to July 2021.

- 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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Report Summary

The purpose of this report is to present details of the Scrutiny Protocol for English Institutions with Devolved Powers (“the Scrutiny Protocol”) and to provide members with an opportunity to reflect on how the guidance might be adopted locally through the appointment and development of an Overview and Scrutiny Committee within the proposed North East Mayoral Combined Authority (NEMCA).

Recommendation

The Overview and Scrutiny Committee is invited to consider the guidance set out in the Scrutiny Protocol and reflect on how these principles might be adopted locally by the NEMCA Overview and Scrutiny Committee. The views and comments of the Committee will then be taken into account in formulating the NEMCA Constitution.

A. Context

1. English Devolution Accountability Framework

- 1.1 In March 2023, the Department for Levelling Up, Housing and Communities published the English Devolution Accountability Framework. The Framework is part of the Government’s drive to deliver stronger, more empowered and more accountable local leadership. It provides guidance on how mayoral combined authorities will be scrutinised by the Government, business leaders, residents and voters and local politicians.
- 1.2 The Government believes local scrutiny in combined authorities is critical for increasing the accountability of decision makers. It should drive understanding, enhance the performance of services and the outcomes for those people affected by those decisions. It is crucial that local Overview and Scrutiny Committees in areas with devolution deals set new standards for holding their institutions to account for delivery as well as playing a critical role in policy and strategy development.

2. Scrutiny Protocol

- 2.1 In recognition of this important role, the Government has worked with stakeholders to develop a protocol for all institutions with devolved functions on the relationship between the directly elected mayor, the combined authority and its overview and scrutiny and audit committees. The Scrutiny Protocol was published on 22 November 2023 and is attached as Appendix A.
- 2.2 The Protocol is non-statutory guidance but should be seen as supplementary to statutory guidance and relevant legislation. The Protocol seeks to ensure that authorities have a focus on a sustained culture of scrutiny. Membership on committees should be prized and competed for. Retention of members for several years should be common. Members must be able to devote the time to the role. Committees should have the profile and cachet to ensure that their findings are brought to the attention of the public wherever necessary. Successfully implementing this Scrutiny Protocol will be a key factor when determining eligibility for single funding settlements and deeper (Level 4) devolution deals.

3. North East Mayoral Combined Authority

- 3.1 As members will be aware, the North of Tyne Combined Authority (NTCA), the North East Combined Authority (NECA) and the seven constituent local authorities have now given their consent to the making of a statutory order to establish the North East Mayoral Combined Authority (NEMCA). It is anticipated that the Secretary of State will lay the Order before Parliament early in 2024 so that NEMCA can come into existence on 7 May 2024. The draft Order provides for the appointment of an Overview and Scrutiny Committee, to comprise of an equal number of members from each constituent council and to be chaired by an “appropriate person”, which means an elected member who is from a different political party to that of the Mayor. The Committee may form sub-committees.
- 3.2 Over the coming months consideration will need to be given to planning and preparation for the appointment of NEMCA’s Overview and Scrutiny Committee. Members of the NTCA and NECA Overview and Scrutiny Committees are due to meet together on 16 January 2024 to consider the NEMCA budget proposals. It is proposed that during this meeting time will be devoted to allow members to begin to consider the form and operation of the new Committee. These discussions will have to have regard to the Scrutiny Protocol and will inform the drafting of the new Authority’s Constitution.
- 3.3 Members are therefore recommended to consider the guidance set out in the Scrutiny Protocol and reflect on how these principles might be adopted locally by the NEMCA Overview and Scrutiny Committee. The views and comments of the Committee will then be taken into account in formulating the NEMCA Constitution.

B. Impact on NTCA Objectives

1. The Overview and Scrutiny Committee plays an important role in not only holding the Mayor and Cabinet to account for the delivery of NTCA’s vision, policies and priorities set out in its Corporate Plan but it also has the opportunity to make evidence based recommendations to the Mayor and Cabinet to help shape the Authority’s future plans and strategies. The Scrutiny Protocol seeks to enhance and strengthen these roles.

C. Equalities implications

1. In considering the Scrutiny Protocol and considering its future form and operation, the Overview and Scrutiny Committee must be mindful of its Public Sector Equality Duty. An equalities impact assessment will need to be undertaken to consider the implications of any proposed methods of working on equalities, diversity and inclusion implications and ensure that any activities comply with the Authority’s policies and objectives.

D. Inclusive Economy and Wellbeing implications

1. In considering the future priorities and work programme of the Overview and Scrutiny Committee, members ought to be mindful of NTCA’s inclusive economy ambitions and the five characteristics of an inclusive economy: participation; equity; growth; stability and sustainability.

E. Climate Change implications

1. In considering the future operation and priorities of the Overview and Scrutiny Committee, members ought to be mindful that NTCA and the three constituent Local Authorities have declared a Climate Emergency and give due consideration to any climate change implications.

F. Consultation and engagement

1. The Department for Levelling Up, Housing and Communities did consult with the Combined Authority Scrutiny Chairs and Deputy Chairs Network and the Combined Authorities Governance Network in developing the Protocol.

G. Appendices

Appendix A – Scrutiny Protocol

H. Background papers

The following background papers were used in the compilation of this report:

[English Devolution Accountability Framework - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/115442/English-Devolution-Accountability-Framework-2023.pdf)

[Report to Cabinet on North East Devolution - 7 November 2023](#)

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J. Glossary

NEMCA - North East Mayoral Combined Authority

NTCA - North of Tyne Combined Authority

NECA - North East Combined Authority

EDAF - English Devolution Accountability Framework

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[Department for
Levelling Up,
Housing &
Communities](#)

Guidance

Scrutiny Protocol

Published 22 November 2023

Applies to England

Contents

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[Chapter 2: Key principles for good scrutiny](#)

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Chapter 1: Introduction

1.1. The Levelling Up White Paper set out a mission that by 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

1.2. In providing areas with more powers and funding flexibility, these powers need to be used appropriately to support local and national priorities. This means having local leaders and institutions that are transparent and accountable, seek the best value for taxpayer's money and maintain strong ethical standards.

1.3. Strong and accountable local leaders are a fundamental part of thriving local democracies. The English Devolution Accountability Framework (EDAF) sets out how these institutions with devolved powers are accountable to local people and the UK government, and how their decisions will be scrutinised and made transparent for local politicians, business leaders, and local communities of their area. This Scrutiny Protocol is a key part of making sure that institutions' overview and scrutiny arrangements are of the highest possible standards for holding them to account for delivery as well as for playing a critical role in policy and strategy development. This is particularly important when scrutinising devolved powers.

1.4. Effective scrutiny is critical for ensuring there is appropriate accountability for the decisions made by local decision makers. When done well, local scrutiny should drive understanding, enhance the performance of services and improve the outcomes for those people affected by those decisions.

1.5. This Scrutiny Protocol sets out the relationship between mayors and directly elected leaders, and the combined authority, combined county authority, county council or unitary authority they lead. It also sets out how the overview and scrutiny and audit committees hold these institutions with devolved powers and their mayor or directly elected leader to account.

1.6. In adopting the key principles and provisions of this Scrutiny Protocol, each institution will ensure it has a focus on a sustained culture of scrutiny. Membership on committees should be prized and competed for. Retention of members for several years should be common. Members must be able to devote the time to the role. Committees should have the profile and cachet to ensure that their findings are brought to the attention of the public wherever necessary through strong communications.

1.7. The government considers the Scrutiny Protocol a key factor in implementing Level 4 and single department-style funding settlements. Institutions with devolved powers should utilise the principles of the Scrutiny Protocol and requirements of the EDAF (including Local Assurance

Frameworks) to ensure transparent and accountable decision-making and delivery of value for money on devolved funds.

1.8. In the future, the government will expect areas to adopt MP sessions to further enhance scrutiny, similar to those arrangements being established in Greater Manchester Combined Authority (GMCA) and West Midlands Combined Authority (WMCA) and any lessons learned from the application there. This will be considered when institutions receive single department-style funding settlements.

Who the Scrutiny Protocol is for

1.9. This Scrutiny Protocol (“the Protocol” applies to the arrangements of overview and scrutiny committees in all English institutions with devolved powers, including combined authorities (mayoral and non-mayoral), combined county authorities (mayoral or non-mayoral) and, with regard to their devolved powers, county councils and unitary authorities that have agreed devolution deals.

1.10. The Protocol provides guidance for Chairs and members of Overview and Scrutiny Committees as well as scrutiny officers to help them carry out their roles effectively. The Protocol also provides guidance for those responsible for making appointments to Overview and Scrutiny Committees.

1.11. Overview and scrutiny committees have statutory powers to scrutinise the decisions of the executive, the combined authority or the combined county authority. Members and officers should recognise that recommendations following scrutiny enable improvements to be made to policies and how they are implemented.

1.12. London has different arrangements. The Greater London Authority Act 1999 (as amended) sets out the arrangements for the Greater London Authority and Assembly. Where applicable, the GLA and Assembly should look to implement the guidance identified in this Protocol.

How to use this Protocol

1.13. This Protocol is non-statutory guidance but should be seen as supplementary to statutory guidance and relevant legislation.

1.14. This Protocol primarily refers to “shoulds” – good practice, and key principles and additional scrutiny that government considers a key factor in implementing Level 4 and single department-style funding settlements.

1.15. This Protocol also refers to requirements arising from legislation and statutory guidance that must be adhered to [Footnote 1](#).

Chapter 2: Key principles for good scrutiny

2.1. Scrutiny is most effective when it is highly focussed and seeks to achieve a clear outcome. There should be a commitment to focussing scrutiny activity through developing a clear, outcome-driven, and member-led work programme which is delivered through a committee structure that can enhance the delivery of that work programme to best effect. This could be a single committee or multi-committee model.

2.2. In combined authorities and combined county authorities, a single committee model should be considered to provide a shared platform from which all committee members can develop a strategic overview across all portfolio areas and an understanding of the interconnection of key policies to effectively scrutinise cross cutting issues. If another model is used it should be clear how this model is able to meet the key principles identified in this Protocol. These are:

- pool of members
- politically balanced membership
- geographically balanced membership
- appointment of chair
- sustained appointments made on interest and skills
- well-resourced training
- inviting technical expertise
- remuneration and status
- holding the mayor or directly elected leader and the institution to account
- participation in pre-policy and pre-decision scrutiny
- provision to call in
- regular performance monitoring including agreed outcomes
- robust work programming
- focused task and finish exercises
- strong relationships with stakeholders
- regular self-evaluation and reflection
- access to data, research, and analysis
- strong relationship with audit committees

GMCA have been successful in implementing a single committee model with 20 members and 20 additional members in a substitute pool. This single committee model has been implemented to provide the flexibility and resilience for scrutiny to work effectively whilst being well-attuned to the cross-cutting nature of Combined Authority business.

2.3. County councils and unitary authorities with devolution deals should look to incorporate the scrutiny of any new activity arising from the devolution deal into their existing scrutiny arrangements. As there could be multiple committees looking at specific service areas, members are encouraged to maintain and develop a strategic overview of the service areas within their remit and work collaboratively with other committees where appropriate if issues involve more than one service area. It may also be worthwhile to undertake a review of current scrutiny arrangements as part of implementing their devolution deal to ensure that they will be suitable for the new activity.

Key principle 1 – pool of members

2.4. Enabling the interconnection of policies across a number of portfolio areas requires members to have an advanced level of knowledge across a range of subjects. To achieve this, all committee members whether appointed to a committee or acting as substitutes should be treated as a single body and have access to the same induction and training opportunities as well as regular subject briefings. In doing so, members will feel suitably well-informed to engage effectively at meetings and take part in task and finish exercises (where required).

2.5. Well informed and active substitute members also provide a greater pool of membership to ensure that meetings are quorate and enable wider engagement of members across the authority area.

Key principle 2 – politically balanced membership

2.6. Membership must be politically balanced in line with the proportionality across the institution as far as reasonably possible.

Key principle 3 – geographically balanced membership

2.7. Due to the increased geographical size of a combined authority or combined county authority committee membership should also be geographically balanced as far as possible to ensure that the committee draws on a whole area perspective at meetings. Nonetheless, institutions with devolved powers are strategic organisations delivering across a functional economic geography and as part of their role members should be able to pivot between their local understanding and the need to take a wider strategic/functional view when considering issues applying to the whole institution and the geography it represents. This will aid effective scrutiny of priorities, performance, and delivery.

Key principle 4 – appointment of chair

2.8. In combined authorities and combined county authorities, the chair of the committee must be seen as an independent voice. They must either be an independent person or an appropriate person (as defined by legislation). This ensures a healthy degree of separation to allow a greater level of objectivity in the committee's scrutiny activity. Such practice should be considered for county councils and unitary authorities for the scrutiny of any new activity arising from the devolution deal that is being brought into their existing scrutiny arrangements.

2.9. It is the responsibility of the chair to be 'apolitical' to ensure the committee remains in line with its terms of reference and is the voice of the committee at combined authority, combined county authority or cabinet meetings.

Key principle 5 – sustained appointments made on interest and skills

2.10. Scrutiny requires a certain set of skills and it is therefore imperative that those who are appointed to the committee are done so based on their experience, interests, and skill set while also considering geographical and political balance. When seeking appointments, a clear role description should be used to inform interested parties of the key skills required as well as the demands of the role (an example of a role description is attached at Annex A).

2.11. Where possible members should also be appointed for more than one year to enable them to provide continuity to the work of the committee and ensure that the shared level of knowledge remains high. Working from the foundation of an informed committee allows members to be more confident in their challenge and ultimately more effective in their scrutiny.

Key principle 6 – well-resourced training

2.12. All institutions should provide and adequately fund training for all members including knowledge briefings, peer to peer groups, and training on key functions including finance, commercial and data interrogation. This training should include an induction for the chair and members on the institution, its powers, roles, and responsibilities should be required at the beginning of every municipal year.

2.13. All members should be offered additional knowledge briefings outside of the formal meeting structure and ahead of reports being presented, where they can have access to further information to assist them in their scrutiny activity. These briefings should be informal and provide a safe space where members feel able to ask those questions that they may not feel able to in a committee meeting. Further briefings should also be organised at members request on any other subject matter that they feel will strengthen their knowledge base and offered to all members and substitutes.

Key principle 7 – inviting technical expertise

2.14. Committees should invite technical expertise to meetings to enhance scrutiny of decisions. Technical experts can provide a different perspective on the issues being discussed at meetings and help members with their line of questioning leading to enhanced scrutiny.

2.15. Technical expertise should also be commissioned to provide training and briefings to the chair and members of the committee to support them in their roles and ensure they have access to technical and independent knowledge and information to enhance their scrutiny of the institutions' priorities, performance, and delivery.

Case study: West Yorkshire Combined Authority (WYCA)

WYCA's scrutiny has invited external experts to scrutiny committee meetings (and working groups) and made good use of the professional expertise of existing scrutiny members. A local academic who had independently tested the accuracy of the Real Time Bus Information system managed by WYCA was invited to answer technical questions alongside officers, which resulted in the committee recommending that officers partner with the academic and the university to iron out the technical issues.

Councillors with an expertise and background in psychology have also led presentations and discussions, based on their own research and experience, on the topic of how behaviour change techniques and principles could be employed to encourage people to change how they travel to support decarbonisation goals.

Key principle 8 – remuneration and status

2.16. Combined authorities and combined county authorities should remunerate committee members directly, reflecting the responsibility and status of the role. This must be done transparently through the use of an Independent Remuneration Panel (IRP) who recommend an allowance level for approval by the combined authority or combined county authority (to be provided for in forthcoming secondary legislation, subject to the will of Parliament). Combined authorities and combined county authorities should pay the maximum recommended by the IRP to ensure that members commit the time required to the role. Substitute members should also be remunerated, but their payment should also reflect the number of meetings that they have attended. The chair should receive an additional level of remuneration in recognition of their specific role.

2.17. County councils and unitary authorities can make provision for the payment of special responsibility allowances for those councillors who have either assumed significant responsibilities following agreement of their devolution deal or want to reconsider other policies in light of it.

2.18. Scrutiny should be seen as central to the good governance of the authority. Committees and chairs should receive some dedicated resource with support provided across a range of areas such as research, policy, and administration. Clear processes should be in place for their recommendations to be received and responded to as appropriate and they should have the visible support of senior officers and members of the institution. Committees and chairs should have access to information including matters of commercial sensitivity, matters awaiting government approval and other confidential matters (in line with Access to Information Procedure Rules).

Key principle 9 – holding the mayor or directly elected leader and the institution to account

2.19. One of the key roles of the committee is to hold the mayor or directly elected leader (and where necessary other members and officers of the institution and its partners) to account for their performance.

2.20. The mayor or directly elected leader and institution should commit to engage regularly with the committee both informally and formally and must attend the committee when requested.

2.21. Members who are portfolio-leads (or equivalent) should also commit to engaging regularly with the committee and attend when requested. Even if members of the institution have assigned or delegated areas of responsibility to

others, it should be standard practice for them to attend to present any reports within their portfolio alongside the appropriate officers.

2.22. There should be a standing invitation for the chairs of the committees to attend the combined authority, combined county authority or relevant cabinet meetings to create an opportunity for the committee's comments on particular proposed decisions or issues to be shared directly.

Key principle 10 – participation in pre-policy and pre-decision scrutiny

2.23. The practice of bringing decisions for scrutiny shortly before they are taken should be avoided (whilst recognising the need for urgent exceptions). Instead, members should be engaged early in the development stage of a policy so that they can help shape its design and add real value.

2.24. A Forward Plan of key decisions is essential. Having regular opportunities to consider this also enables the committee to have a breadth of sight across all the work of the institution and determine those areas for further scrutiny. Moreover, institutions should ensure that there is a culture of the Forward Plan being used appropriately with decisions being placed on the plan well in advance of them being taken.

2.25. The committee should also contribute to all policy and strategy development in respect of high-profile complex issues affecting the whole geographical area. As a result, when a report is taken for a decision, the committee's comments and amendments can be highlighted. This may include matters of commercial sensitivity, matters awaiting government approval and other confidential matters (in line with Access to Information Procedure Rules), that need careful handling and might involve the exclusion of the public.

Case study: West Midlands Combined Authority (WMCA)

Ahead of the WMCA submitting its deeper devolution deal offer to DLUHC, its overview and scrutiny committee held a series of workshops that undertook a deep dive into each of the offer's key proposals, testing the scope and ambition of each 'ask', and challenging whether the ambition of these proposals were sufficient to address the region's needs. This work resulted in the strengthening of the deal document ahead of its formal adoption by the Combined Authority and its constituent authorities.

2.26. To inform their scrutiny of policies and decisions, and using all available evidence or assessments, members should consider the viability of funding sources, financial propriety, and the extent to which the policy or decision being scrutinised is likely to provide value for money.

Key principle 11 – provision to call in

2.27. The committee should use their power to ‘call in’ decisions to ensure that any decisions receive further scrutiny where the committee thinks it is necessary. However, good scrutiny should focus on uncovering potential issues with decisions before they need to be called in.

Key principle 12 – regular performance monitoring

2.28. An initial focus on the institutions’ key strategies will enable the committee to understand its priorities, and begin to monitor performance against delivery and ultimately recommend where action is needed, including improvement activity more quickly. This should be supported by regular reports highlighting the evidential challenges and where further scrutiny could support delivery against a target, including any outcomes that may have been agreed as part of devolution deals.

2.29. However, it is important that performance monitoring does not monopolise the work programme of the committee, but that it is used as a tool to highlight those areas where further scrutiny would be most effective.

Key principle 13 – robust work planning

2.30. Areas highlighted through the performance monitoring of the institutions’ key strategies should formulate the skeleton of the committee’s work programme, from which members can then select other areas of interest through a formal report or task and finish exercise where they feel scrutiny could add further value.

2.31. It is important that the work programme remains robust and flexible enough to cope with a dynamic devolution environment where the priorities of the institution change so that scrutiny can be undertaken on policy development as it evolves. A combination of long term pre policy scrutiny interspersed with more immediate performance scrutiny will ensure the work programme remains appropriate and can dovetail with the work of the institution.

2.32. Committees should have a clear process by which it develops its work programme, who it will engage as part of its work programme and prioritises what it should undertake further inquiry on. It is expected that committees will take in a wide range of views from the institution itself (officers, the executive or the combined authority or combined county authority), constituent members, partner organisations and residents.

Key principle 14 – focused task and finish exercises

2.33. The chair and members should consider when it is relevant to focus on an area of the work programme through task and finish activities which can provide the opportunity for the ‘deep dive’ scrutiny that a committee meeting setting often does not allow. This approach is often most valuable when it brings together stakeholders to discuss and debate complex topics but should be member-led and have tangible outcomes that will benefit the work of the institution.

2.34. Determining the scope of the task and finish exercise, alongside an agreed timeframe, is imperative as the realm of the topics can often be immense, but the decision process to influence is fast paced.

2.35. The number of task and finish reviews should be determined by the strategic priorities highlighted by members and the capacity of the scrutiny function. Task and finish review meetings can be held virtually but their work should be transparent and their final reports and recommendations (at least) must be made publicly available.

2.36. The institution should formally receive task and finish reports following endorsement from the committee and must respond to their clear set of recommendations within two months. The committee should be responsible for monitoring the progress against these recommendations at agreed periods.

Key principle 15 – strong relationships with stakeholders

2.37. Committees should use their power to invite stakeholders to meetings. These could include members and officers of constituent local authorities, and, in county council areas, their district councils and other local stakeholders should be invited to the committee meeting where the organisation delivering services and utilities is being scrutinised.

2.38. To allow scrutiny to be effective it is crucial that the public can easily understand the work and performance of committees. With this in mind, local journalism plays an invaluable role in the fabric of our society, in supporting communities and in ensuring the provision of reliable, high-quality information. Local news publishers remain uniquely placed to undertake the investigative journalism and scrutiny of public institutions are a local level that is vital to helping ensure a healthy local democracy. Local press and media must therefore continue to be able to play a key role in facilitating public accountability, with opportunities created for them to engage with the committees, its members, and their work, and findings.

2.39. As well as building relationships with local press and media, institutions should consider how they use their communications function to publicise the committee, and its members, work, and findings while remaining mindful of the recommended code of practice for local authority publicity.

2.40. For combined authorities and combined county authorities, the work of their committees should complement that of the constituent local authority scrutiny committees rather than create duplication. It is likely that one set of scrutiny activities will raise points that equally apply or are relevant to the other. Strong relationships, including with other key local stakeholders, should therefore be formed to enable work programmes to be shared and reports presented to the most appropriate committee. There is also a role for members of the committee in ensuring effective links with constituent local authority scrutiny committees through appropriate information sharing and ensuring the interconnection of work programmes.

Key principle 16 – regular self-evaluation and reflection

2.41. Members should come together regularly to reflect and direct their own work programme. This could take place in public during a meeting or informally following a meeting, however space should be created for members to be open and honest about the direction of the work of the committee and provide an opportunity for regular self-evaluation.

2.42. Reflecting on the work of the committee and the resulting outcomes of scrutiny activity should also be undertaken through other methods, including regular round-up bulletins, annual reports, or other publications.

2.43. An annual report should be published to broadcast the work of the committee demonstrating how the committee's work influences and benefits the outcomes of the institution and its strategic goals and priorities. For combined authorities and combined county authorities, this should be formally considered by its constituent members. For county councils or unitary authorities, this should be considered at cabinet and full council.

2.44. The institution should welcome the continual self-evaluation of the committee but also commit to undertaking its own evaluation exercises, as often as required, to ensure the function remains effective, including seeking feedback from key partners.

Key principle 17 – access to data, research and analysis

2.45. Committees should use data to improve their knowledge and understanding of their institution's performance, as well as how other institutions are performing to learn lessons and share best practice.

2.46. The Office for Local Government (Oflog) will support the improvement of local government performance by fostering accountability through increased transparency. It will provide authoritative and accessible data and analysis about the performance of local government and will publish key data for institutions with devolved powers. This should be considered as part of committee business.

Key principle 18 – strong relationship with audit committees

2.47. Combined authorities and combined county authorities must have an audit committee. Local authorities with a devolution deal should have an audit committee to ensure they maintain robust financial management and controls for accountability to local stakeholders.

2.48. Overview and scrutiny committees should work in tandem with the Audit Committee and should be agreeing how to manage shared areas of interest and responsibility. The Audit Committee having responsibility to support and monitor governance, risk management, external and internal audit, financial reporting, control and assurance arrangements. The overview and scrutiny committee having responsibility for scrutinising decisions the executive, the combined authority or the combined county authority is planning and how they will be implemented.

2.49. Although the focus of the overview and scrutiny committee, is different from the audit committee, there are opportunities for the committees to work collaboratively. Work programmes of each committee should be informed by each other's work and recommendations shared where appropriate. Regular meetings should be organised between the chair of Audit and the chair of Scrutiny to support a better understanding of the committees' outputs, helping to avoid duplication and ensure important areas are not missed.

2.50. Audit committees should receive dedicated resource and there should be clear processes in place for their recommendations to be received and responded to as appropriate.

2.51. Audit committees should also publish an annual report to broadcast the work of the committee and how its work influences and benefits the outcomes of the institution and its strategic goals and priorities. For combined authorities and combined county authorities, this should be formally considered by its

constituent members. For county councils or unitary authorities, this should be considered at cabinet and full council.

2.52. The institution should welcome the continual self-evaluation of the Audit Committee but also commit to undertaking its own evaluation exercises, as often as required, to ensure the function remains effective.

Chapter 3: Additional scrutiny – mayor or directly elected leader’s Question Time

3.1. Mayors and directly elected leaders provide greater democratic accountability by having a single visible leader directly accountable to the public at the ballot box for their performance and the decisions they make.

3.2. Mayor’s or directly elected leaders’ question time should also be organised where the Mayor or directly elected leader takes questions from the public, chaired by an independent person – a local journalist or businessperson for example. These should be held at least every 3 months.

Footnote 1

- Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009
- The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017
- Schedule 1 to the The Levelling Up and Regeneration Act 2023 (the 2023 Act) and regulations made under the 2023 Act.
- The Overview and Scrutiny: statutory guidance for councils and combined authorities (which will be updated to include CCAs once the necessary secondary legislation is made, subject to the will of Parliament).
- Sections 9F-9FI of the Local Government Act 2000.
- Combined Authorities must also have regard to any such provision in its statutory constitutional provisions.

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