

Cabinet

Tuesday, 20 September 2022 at 2.00 pm

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

Notice to the public: This meeting will be streamed live on YouTube at <https://youtu.be/SyEDqMKLeaY> and we encourage you to watch online.

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AGENDA

Page No

1. **Apologies for Absence**

2. **Declarations of Interest**

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

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

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

4. **Minutes of the Previous Meeting**

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| 5. | Appointment of Mayoral Ambassador | 5 - 8 |
| 6. | Audit and Standards Committee Annual Report 2021/22 | 9 - 26 |
| 7. | Northumberland Line Economic Growth Corridor | 27 - 34 |
| 8. | North of Tyne Digital: update and next steps | 35 - 66 |
| 9. | 2023-2027 Financial Planning and Budget Process | 67 - 72 |
| 10. | Investment Fund Update and Funding Approvals | |
| | Members are requested to note the intention to circulate the above report on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985. | |
| 11. | North East Local Enterprise Partnership - Funding Decisions Update | 73 - 76 |
| 12. | Date and Time of the Next Meeting | |
| | Tuesday, 22 November 2022 at 2pm at Northumberland County Council. | |
| 13. | Exclusion of Press and Public | |
| | Under section 100A and Schedule 12A Local Government Act 1972 because exempt information is likely to be disclosed and the public interest test against disclosure is satisfied. | |
| 14. | North East Local Enterprise Partnership - Funding Decisions Update - Appendices | 77 - 168 |

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Minutes

Cabinet

19 July 2022

(2.00 - 2.27 pm)

Meeting held: Committee Room, North Tyneside Council, Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY

Present:

Chair: Councillor N Kemp

Councillors C Burdis, C Johnson, K Kilgour and R Wearmouth and Ms L Winskell

Also: Mr R Fry, Mayoral Ambassador for the Voluntary, Community and Social Enterprise Sector (Observer)

15 APOLOGIES FOR ABSENCE

Apologies for absence were received from the Mayor J Driscoll, Mayor N Redfearn and Councillor G Sanderson.

16 DECLARATIONS OF INTEREST

Councillor N Kemp declared a personal interest in agenda item 6 (Investment Fund Update) due to being the Byker Ward Member.

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

There were no announcements made at the meeting.

18 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on 7 June 2022 were approved as a correct record.

19 NORTH OF TYNE EMPLOYABILITY PLAN

Submitted: A report of the Head of Inclusive Growth (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report, which sought endorsement of the North of Tyne Employability Plan.

Councillor K Kilgour, the Cabinet Member for Education, Employment and Skills, introduced the report and answered questions. During her presentation, Councillor Kilgour highlighted key matters arising and urged all GP Practices across the region to provide Social Prescribing.

The Cabinet members expressed support for the Plan. Amongst the matters discussed were the following:

- further work was required in partnership with organisations in the area to understand and tackle the challenge of a high level unemployment in the region despite the high number of vacancies. Skills, pathways into employment, appropriate training and future proofing were amongst the matters that would need to be considered when analysing this challenge;
- the support for the proposed direction of travel and clear objectives; and the need for bold and ambitious next steps;
- the high volume of work being undertaken by the North East Local Enterprise Partnership and individual constituent local authorities on employability; and the importance of consolidating efforts and using and building upon that work;
- the different levels of unemployment across the North of Tyne area;
- the importance of good jobs;
- the importance of continuing to target the hard-to-reach communities;
- the welcome inclusion of the Voluntary, Community and Social Enterprise Sector (VCSE);
- the VCSE sector's work on employability and the financial challenges involved in supporting this work;
- the VCSE Sector should be seen and supported as an employer as well as service provider; and
- employment being the key route out of poverty.

Councillor Kilgour offered thanks to officers for their work.

RESOLVED – That the contents of the North of Tyne Employability Plan be endorsed.

20 INVESTMENT FUND UPDATE

Submitted: A report of the Chief Economist (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report, which provided an update on progress with the North of Tyne Investment Fund, including new projects and programmes, and sought approval of allocation of funding.

The report included an update on the NTCA Brownfield Housing Fund, the NTCA Towns and High Streets programme, the Shared Prosperity Fund programme and Employment partnerships.

The report was introduced by Councillor C Johnson, the Cabinet Member for Economic Growth.

The Cabinet welcomed the report and commended the substantial breadth of activities being undertaken by the Combined Authority to support economic growth and jobs. The Cabinet also welcomed the progress achieved and the level of impact made.

RESOLVED – That:

- i. The progress to date on the Investment Fund, achievement of key milestones and ongoing project development work, particularly in respect of the creation of new jobs for residents as a direct result of the NTCA investments, be noted.
- ii. The Chief Executive be authorised to make final approvals, under delegated decision, for the following projects: Scotswood's the Rise housing development; a green construction skills for growth project delivered by Re:Geon training; three new Employment Partnerships; and a Technology Development Centre at the Offshore Renewable Energy Catapult.
- iii. The progress on the NTCA Towns and High Streets programme be noted; and further project updates be brought to Cabinet.

21 NTCA 2021/22 DRAFT STATEMENT OF ACCOUNTS

Submitted: A report the Chief Finance Officer (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report, which presented the Draft Statement of Accounts for the financial year ending 31 March 2022, including the Draft Narrative Report, Single Entity Accounts, Draft Annual Governance Statement and Group Accounts which consolidated the accounts of Nexus Group within the NTCA Single Entity Accounts.

The report was introduced by J Gillespie, the Chief Finance Officer. It was confirmed that the report had been seen by the Audit and Standards Committee; and the committee had not flagged up any issues.

RESOLVED –

- i. The Draft Annual Governance Statement 2021/2022 be noted; and

The Draft Statement of Accounts 2021/22, including the Draft Narrative Report, in line with Audit and Accounting Regulations 2015 as presented, be noted.

22 2022/23 Q1 NTCA BUDGET MONITOR REPORT

Submitted: A report of the Chief Finance Officer (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report, which provided the first quarter monitoring report on the 2022/2023 financial position.

The report brought together the forecast financial position for the Corporate, Investment Fund, Brownfield Housing Fund and Adult Education Budget and provided an indication of the potential position of the North of Tyne Combined Authority at the end of the current financial year. The report included the potential position on the reserves. The report was introduced by J Gillespie, the Chief Finance Officer.

RESOLVED – That the forecast budget monitoring position for the Combined Authority as set out in paragraphs 1.2, 1.3, 1.4 and 1.5 of the report and the reserves position as set out in paragraph 1.6 of the report be noted.

23 CONSTITUTION: OFFICER EMPLOYMENT PROCEDURE RULES

Submitted: A joint report of the Monitoring Officer and Director of Policy and Performance (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report, which proposed changes to the process for appointing officers below the position of Director to provide greater organisational efficiency. The report was introduced by J Softly, the Monitoring Officer.

RESOLVED – That:

- i. The Chief Executive be authorised, as the Head of Paid Service, to make all decisions in respect of posts below the position of Director (i.e. decision on creation, appointment, disciplinary action and dismissal), excluding the statutory positions of Chief Finance Officer and Monitoring Officer; and
- ii. The Monitoring Officer be authorised to make the necessary amendments to the Officer Employment Rules of Procedure in Part 3.4 of NTCA's Constitution and any other consequential amendments to the Constitution.

24 DATE AND TIME OF THE NEXT MEETING

Tuesday, 20 September 2022 at 2pm.



Title: Appointment of Mayoral Ambassador
Report of: Director of Policy and Performance and
 Monitoring Officer
Portfolio: All

Report Summary

The report requests Cabinet to confirm the appointment of the Mayor's nominee for the position of Mayoral Ambassador for the Voluntary, Community and Social Enterprise sector following the resignation of the current ambassador, Robin Fry. After a process undertaken in consultation with the sector, the Mayor has selected Lisa Goodwin, Chief Executive of Connected Voice, as his nominee for the position of Mayoral Ambassador for the Voluntary, Community and Social Enterprise (VCSE).

Recommendations

Cabinet is requested to approve the appointment of Lisa Goodwin, Chief Executive of Connected Voice, as the Mayoral Ambassador for the Voluntary, Community and Social Enterprise (VCSE) sector until the NTCA's annual meeting in June 2023.

A. Context

1. Background

- 1.1 In June 2019 Cabinet agreed to create a Mayoral Ambassador for the VCSE sector and began the process of establishing the role and duties of the Mayoral Ambassador and a suitable appointment process.
- 1.2 At its meeting on 17 December 2019 Cabinet agreed the arrangements for the VCSE Mayoral Ambassador and the appointment of Robin Fry, Chief Executive of North Tyneside charity VODA, to that position. Robin has served as the Mayoral Ambassador since then but is leaving his role at VODA and has also resigned as the Mayoral Ambassador.
- 1.3 Cabinet is responsible for the appointment of Mayoral Ambassadors. The Mayor proposes a nominee and Cabinet appoint to the position.

2. Selection of new nominee

- 2.1 The VCSE Stakeholder Engagement Group, a group of organisations representing the sector and co-chaired by the VCSE Ambassador and the Mayor, was informed of Robin Fry's decision to resign and were requested to propose a candidate for the role.
- 2.2 The VCSE Stakeholder Engagement Group proposed Lisa Goodwin, Chief Executive of Connected Voice, to the Mayor for his consideration.
- 2.3 Lisa Goodwin has worked in the North East charity sector for her whole career, starting out in a community arts role, before finding the world of general voluntary sector support. She grew up in a rural part of Northern Ireland and came to Newcastle in 1998 for study. She was Chief Executive of North Tyneside VODA for seven years, and Deputy Chief Executive at VONNE before joining Connected Voice in 2019. Connected Voice has been supporting community organisations in Newcastle for over 90 years and expanded to work in Gateshead six years ago. Lisa's job roles have mostly been about supporting grassroots community action and amplifying the voices within VCSE organisations. Lisa's experience includes partnership development, income generation for charities, consultation and representation.

- 2.4 The Chief Executive, Director of Policy and Performance and the Monitoring Officer have considered the nomination and support the appointment.
- 2.5 The Mayor, having met with Lisa Goodwin to discuss the role, considers that she is a suitable candidate and has named her as his nominee for the position of Mayoral Ambassador for the Voluntary, Community and Social Enterprise (VCSE).
- 2.6 Once appointed, Lisa Goodwin will fulfil the role of Ambassador which is to:
- co-chair the stakeholder group with the Mayor;
 - act as a sounding board for the Mayor to get opinions and feedback from the sector on ideas, projects and policies that are in the early stages of consideration;
 - serve as a conduit to feedback ideas, concerns and questions from the sector, in a collaborative and helpful manner;
 - convey information on the work of the Mayor and NTCA to the sector and act as an advocate and contact for the Mayor and NTCA; and
 - attend Cabinet meetings as a non-voting observer.

B. Impact on NTCA Objectives

1. The VCSE Mayoral Ambassador will continue to assist the Mayor and NTCA in its work with the sector to assist to deliver the Combined Authority's vision, policies and priorities. Working collaboratively and in partnership is a golden thread through NTCA's Corporate Plan and this role is a vital part of ensuring NTCA do that effectively.

C. Key risks

1. The Mayoral Ambassador role is an important part of NTCA engagement arrangements. Not appointing a replacement for Robin Fry could reduce the confidence the VCSE sector has in the organisation to deliver on its commitments to working collaboratively and across the board for all the residents of the NTCA area and then impact on the ability to deliver its objectives.

D. Financial and other resources implications

1. There are no financial implications arising directly from this report.

E. Legal implications

1. The Monitoring Officer is a co-author of this report. There are no direct legal implications arising directly from this report.

F. Equalities implications

1. NTCA follows the Public Sector Equality duty and this report has due regard to the need to achieve the objectives set out under section 149 of the Equality Act 2010. Through its work with the VCSE sector it will continue to promote policies and decision making which eliminate 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. The position of the Mayoral Ambassador for the Voluntary, Community and Social Enterprise (VCSE) is an important part of meeting NTCA's fifth equality priority issue of co-design and co-production. The position is a sounding board, a conduit and an advocate and will facilitate the effective co-production on NTCA projects and policies.

G. Inclusive Economy and Wellbeing implications

1. There are no direct inclusive economy implications and wellbeing arising from the proposals in the report itself, however the collaborations and relationships built through the VCSE Mayoral Ambassador will ensure that the NTCA Inclusive Economy ambitions and well-being are understood within those sectors. Representatives from the VCSE sector are also members of the NTCA Inclusive Economy Board.

H. Climate Change implications

1. There are limited climate change implications to this report, however the regular meetings with representatives from the VCSE will offer NTCA the opportunity to continue its collaboration and inform the Clean Growth economic programme. This is one of the key climate change priorities of NTCA.

I. Consultation and engagement

1. As set out above, the proposals for how the roles will operate have been developed in consultation between the Mayor and organisations from the relevant sectors and the nomination has come from them.

J. Appendices

None

K. Background papers

Mayoral Ambassadors Review Cabinet Report, 23 March 2021
NTCA Constitution

L. Contact officer(s)

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M. Glossary

VCSE Voluntary, Community and Social Enterprise

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Report Summary

The purpose of this report is to present an Annual Report to Cabinet from Audit and Standards Committee, covering the work performed by the Committee during 2021/22.

Recommendations

Cabinet is recommended to note and make any comments on the Annual Audit and Standards Committee Report

A. Context

1. Introduction

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) views audit committees in local government as a key component of each local authority’s governance framework¹. The Combined Authority has a dedicated Audit and Standards Committee, which is independently chaired. Mr Douglas Ross is the independent Chair but, having recently indicated his intention to resign, a recruitment exercise for a replacement is currently underway at the time of drafting this report.
- 1.2 CIPFA also recommends that Audit Committees should regularly assess its own effectiveness and has prepared guidance which Audit Committees can use for this purpose. The Authority’s Audit and Standards Committee arrangements have therefore been reviewed in line with this guidance, led by the Audit and Standards Committee Chair, with actions identified to improve the arrangements.
- 1.3 An annual report from the Audit and Standards Committee to Cabinet, in line with the recommendations from the review of Audit and Standards Committee Effectiveness, is attached. This report demonstrates how the Audit and Standards Committee has met its Terms of Reference during the year and summarises some of the key highlights of work undertaken in 2021/22.
- 1.4 The Audit and Standards Committee Annual Report for 2021/22 is attached at Appendix 1.

B. Impact on NTCA Objectives

- 1.1 The work of the Audit and Standards Committee supports the entire framework of governance, risk management and control within the Combined Authority, and all service responsibilities as identified within the Corporate Plan.

C. Key risks

- 1.1 There are no risk management implications arising directly from this report.

• ¹ CIPFA Position Statement on Local Authority Audit Committees, *Audit Committees – Practical Guidance for Local Authorities and Police, CIPFA 2018*

D. Financial and other resources implications

1. The Cities and Local Government Devolution Act 2016, and subsequent Combined Authorities (Overview and Scrutiny Committee, Access to Information and Audit Committee) Order 2017, establishes that Combined Authorities must arrange for the appointment of an Audit Committee and sets out the functions of the Audit Committee. The review of Audit and Standards Committee arrangements will support the Combined Authority in ensuring compliance with statutory requirements and good practice as set out by CIPFA.

E. Legal implications

- 1.1 The Cities and Local Government Devolution Act 2016, and subsequent Combined Authorities (Overview and Scrutiny Committee, Access to Information and Audit Committee) Order 2017, establishes that Combined Authorities must arrange for the appointment of an Audit Committee and sets out the functions of the Audit Committee. The review of Audit and Standards Committee arrangements will support the Combined Authority in ensuring compliance with statutory requirements and good practice as set out by CIPFA.

F. Equalities implications

- 1.1 There are no direct equalities implications arising out of the recommendations in this report. The Audit and Standards Committee is mindful of its duty under the Public Sector Equality Duty and will always consider whether what is before them 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. The Committee also considers the implications for people from different socio-economic backgrounds/low pay as a protected characteristic.

G. Inclusive Economy and Wellbeing implications

- 1.1 There are no direct inclusive economy implications arising out of the recommendations in this report. The Audit and Standards Committee is mindful of the Combined Authority's inclusive economy ambitions and the five characteristics of an inclusive economy: participation; equity; growth; stability and sustainability when discharging its role.

H. Climate Change implications

- 1.1 There are no direct climate change implications arising out of the recommendations in this report. The Audit and Standards Committee is aware of the Combined Authority's net zero transition ambitions and that the three constituent Local Authorities have declared a Climate Emergency.

I. Consultation and engagement

- 1.1 Consultation on the analysis against CIPFA's good practice guidance, taken from the 2018 publication "Audit Committees – Practical Guidance for Local Authorities and Police", was undertaken with Audit and Standards Committee. An updated self-assessment of the effectiveness of Audit and Standards Committee arrangements, completed by the Chair, was presented to and discussed with the Audit and Standards Committee at its meeting on 18 January 2022.
- 1.2 The Chair led a full review of Audit and Standards Committee effectiveness which included engagement with serving elected members of the Audit and Standards Committee and senior officers of the Combined Authority. Key themes from this review, including proposals for an annual report to Cabinet from the Audit and Standards Committee, was discussed and agreed with the Audit and Standards Committee at its meeting on 26 April 2022.

1.3 Individual reports from Internal Audit, External Audit or other key stakeholders such as the Chief Finance Officer have all been discussed with the relevant client identified for that work, at the time that this was completed.

J. Appendices

Appendix 1 - The Audit and Standards Committee Annual Report for 2021/22.

K. Background papers

- a) Report to Audit & Standards Committee, "Review of Audit and Standards Committee Arrangements" - [January 2022](#) & [April 2022](#)
- b) [Various Reports to Audit & Standards Committee throughout 2021/22](#)
- c) [Cities and Local Government Devolution Act 2016](#)
- d) [The Combined Authorities \(Overview and Scrutiny Committees, Access to Information and Audit Committees\) Order 2017](#)
- e) [Accounts and Audit Regulations 2015](#)
- f) Audit Committees, Practical Guidance for Local Authorities and Police, CIPFA, 2018 (P)
- g) [North of Tyne Combined Authority Constitution, November 2018](#)

L. Contact officer(s)

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M. Glossary

CIPFA - The Chartered Institute of Public Finance and Accountancy

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Audit and Standards Committee – Annual Report 2021/2022

September 2022



Introduction from the Chair of the Audit and Standards Committee

Since I was appointed into the independent role on North of Tyne Combined Authority's Audit and Standards Committee, I have enjoyed being part of the evolving role of the Committee with a new organisation and helping the development of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. The provision of independence assurance to the Authority on its changing and evolving risk profile has, arguably, never been more important, especially in the light of the international conflict and the impact of both higher energy prices and the cost of living.

The challenge going forward for the Committee will now be to focus on the future practicalities of the delivery of the Authority's objectives and looking at the risks associated with this delivery. In this respect the role of risk management, internal and external audit and the control environment will be essential, with the structured risk review work being an integral part of the audit focus supporting the achievement of these objectives.

At their core, audit and standards committees can play a vital role in supporting and maintaining a culture and environment to support the integrity of governance arrangements and the provision of information for decision making for the organisation. I found over my many years on this committee that the members have shown great interest and understanding of the role and have asked many challenging questions. At times of uncertainty, transparency can be of heightened importance, so I hope this annual report from Audit Committee on its work and how it has met its agreed Terms of Reference during 2021/22 is a useful source of assurance to Cabinet.

In addition to summarising highlights from the substantive business considered by Audit Committee in 2021/22, this report details the outcomes from reviewing our Audit and Standards Committee arrangements and its effectiveness. The report details progress we have made as a committee, with regard to reflecting good practice recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and further developments identified to improve Audit Committee's effectiveness further.

An annual report to Cabinet on the work of the Committee is one action identified and I am pleased to introduce this annual report to Cabinet on behalf of the Audit Committee. I hope that this report is of interest and helpful to Cabinet and any views from Cabinet can be used to help guide the work of Audit Committee to ensure we can continue to develop a vital assurance link for the organisation and in turn, residents, businesses, and all those who live or work within the Authority's boundaries.

Doug Ross
Independent Chair of Audit and Standards Committee

Role of Audit Committee

Audit committees in local government have grown and developed in recent years. The main professional body, the Chartered Institute of Public Finance and Accountancy (CIPFA), issues guidance regarding local government audit and financial governance matters. CIPFA have recently issued a revised Position Statement on Audit Committees in Local Government. The requirements of the revised Position Statement will be assessed during 2022/23 to ensure that our Audit Committee continues to adhere to best practice. The changes are shown for information at Annex B.

As the report covers 2021/22 period the relevant statement applicable was the 2018 CIPFA Statement on Audit Committees in Local Authorities which sets out seven main principles which should be evident in a good local authority audit committee. The seven principles are:

- 1 Audit committees are a key component of an authority's governance framework.** Their function is to provide an independent and high-level resource to support good governance and strong public financial management.
- 2 The purpose of an audit committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.** By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.
- 3 Authorities should adopt a model that establishes the committee as independent and effective.** The committee should:
 - Act as the principal non-executive, advisory function supporting those charged with governance.
 - Be independent of both the executive and the scrutiny functions and include an independent member where not already required to do so by legislation.
 - Have clear rights of access to other committees / functions, for example, scrutiny and service committees, corporate risk management boards and other strategic groups.
 - Be directly accountable to the authority's governing body.
- 4 The core functions of an audit committee are to:**
 - Be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievements of the authority's objectives.
 - In relation to the authority's internal audit functions:
 - oversee its independence, objectivity, performance and professionalism

- support the effectiveness of the internal audit process
- promote the effective use of internal audit within the assurance framework.
- Consider the effectiveness of the authority’s risk management arrangements and the control environment, reviewing the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships and collaborations with other organisations.
- Monitor the effectiveness of the control environment, including arrangements for ensuring value for money, supporting standards and ethics and for managing the authority’s exposure to the risks of fraud and corruption.
- Consider the reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control.
- Support effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourage the active promotion of the value of the audit process.
- Review the financial statements, external auditor’s opinion and reports to members, and monitor management action in response to the issues raised by external audit.

5 An audit committee can also support its authority by undertaking a wider role in other areas including:

- Considering governance, risk or control matters at the request of other committees or statutory officers.
- Working with local standards and ethics committees to support ethical values.
- Reviewing and monitoring treasury management arrangements in accordance with ‘Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes’ (CIPFA, 2017).
- Providing oversight of other public reports, such as the annual report.

6 Good audit committees are characterised by:

- A membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil their role. The political balance of a formal committee of a Authority will reflect the political balance of the Authority, however, it is important to achieve the right mix of apolitical expertise.
- A membership that is supportive of good governance principles and their practical application towards the achievement of organisational objectives.
- A strong independently minded chair – displaying a depth of knowledge, skills and interest. There are many personal qualities needed to be an effective chair, but key to these are:
 - Promoting apolitical open discussion
 - Managing meetings to cover all business and encouraging a candid approach from all participants

- An interest in and knowledge of financial and risk management, audit, accounting concepts and standards, and the regulatory regime.
- Unbiased attitudes – treating auditors, the executive and management fairly.
- The ability to challenge the executive and senior managers when required.

7 To discharge its responsibilities effectively the committee should:

- Meet regularly – at least four times a year and have a clear policy on those items to be considered in private and those to be considered in public.
- Be able to meet privately and separately with the external auditor and with the head of internal audit.
- Include, as regular attendees, the Chief Finance Officer(s), the Chief Executive, the head of internal audit and the appointed external auditor. Other attendees may include the Monitoring Officer (for standards issues) and the head of resources (where such a post exists). These officers should also be able to access the committee, or the chair, as required.
- Have the right to call any other officers or agencies of the authority as required.
- Report regularly on its work to those charged with governance, and at least annually report an assessment of their performance. An annual public report should demonstrate how the committee has discharged its responsibilities.

Review of North of Tyne Combined Authority’s Audit and Standards Committee

It is good practice to undertake an annual review of the effectiveness of our Audit and Standards Committee arrangements. Using CIPFA’s 2018 Position Statement as a foundation for a review of the Audit Committee, an updated self-assessment was considered by Audit and Standards Committee at its meeting in January 2022.

A full review led by the Chair, was then undertaken in March and April 2022. This involved engagement with Audit and Standards Committee members on an individual basis, in addition to senior officers, to examine the arrangements in place for our Audit and Standards Committee.

The review demonstrated that the Audit Committee arrangements mainly reflected the good practice recommended by CIPFA. To ensure full compliance a number of areas for development were identified and included this Annual report to Cabinet. The compilation and presentation of this Annual Report to Cabinet enables a number of the development areas identified to be fulfilled and achieve a greater level of compliance. The Annual report allows the Audit and Standards Committee to demonstrate it is meeting its terms of reference, evaluate and account for its performance and also obtain feedback on its performance.

Other areas for development consideration include:

- **Timing of Committee Meetings** – Is the current schedule of 10:00 on a Tuesday optimum for the meeting? There have been recent instances of the meeting being inquorate which could limit its effectiveness, how can this be addressed?
- **Stability of Membership** – Committee membership can change on an annual basis which is relatively frequent. This can impact upon CIPFA’s good practice suggestion to ensure “an appropriate mix of knowledge and skills among the membership”, as there can be limited time to train and develop members. Is there a way that membership of the Audit and Standards Committee can be more stable to ensure the Combined Authority gets the optimum input from the experience and knowledge of the members?

Audit Committee Substantive Business – Key Highlights

In addition to considering how we might improve Audit and Standards Committee’s delivery of its role and remit during 2021/22, the Committee’s business proceeded largely as planned, and a number of interesting and important reports were received and discussed. A summary of reports received by the Committee is set out at Annex A. Key highlights from the Committee’s work during the year included:

Internal Audit

The Chief Internal Auditor’s Annual Opinion on the Framework of Governance, Risk Management and Control for 2020/21 opinion was reported in July 2021 (the 2021/22 opinion was reported on 5 July 2022) and provided a ‘satisfactory overall’ opinion for both years. This was a positive assessment of the control environment for the Combined Authority. The 2020/21 opinion reflected that no ‘no assurance’ audit opinions, and no ‘critical’ audit recommendations, had been issued by Internal Audit during the year.

The 2020/21 opinion detailed the work undertaken by Internal Audit during the year, highlighting the main findings from their work. The Chief Internal Auditor noted that good progress continued to be made the Combined Authority. This was evidenced in the reviews of Risk Management and IT Arrangements which were given Significant Assurance audit opinions and also within the Policy Framework audit, which, whilst receiving a Limited Assurance audit opinion, found a comprehensive suite of policies was in place with further development required in relation to the framework for reviewing and approving policies and establishing training requirements

A number of matters contained within the Chief Internal Auditor’s annual report were discussed in detail by the Audit and Standards Committee, with a number of intelligent and probing questions asked by Committee members.

Audit and Standards Committee also received quarterly update reports from Internal Audit. These reports included summaries of internal audit assignments completed since the previous update, and progress against the Annual Internal Audit plan. The summaries of assignments included the objectives of the audits, key findings from the work including the audit opinion level and agreed management action for any

recommendations made. On a number of occasions findings from audit assignments were discussed by the Committee with challenging questions asked.

External Audit

The external auditor, Mazars, provided an Audit progress Report in July 2021 updating their progress, and informing the Committee that the 30 September 2021 deadline for audit of the Statement of Accounts would not be met due to backlog of work and resource difficulties at Mazars. The report also includes a re-drafted Audit Strategy Memorandum report. The Audit Strategy Memorandum summarised the audit approach, highlighted significant audit risks and areas of key judgements. The purpose of the re-drafted Audit Strategy Memorandum was to update members on the revised timetable for the audit of the Statement of Accounts and the position in relation to the approach for the audit of the North of Tyne Group accounts.

In November Mazars drew committee attention to a national issue that had arisen since the last committee meeting, which would result in delay to the issue of the audit opinion on the 2020/21 financial statements. The issue related to custom and practice that had developed across the country in relation to the technical accounting of material infrastructure assets, where original costs and associated depreciation were removed from the Balance Sheet when the infrastructure was updated. Practices were not fully compliant with the CIPFA Code of Practice, and a national solution was required.

In the January 2022 meeting Mazars presented the North of Tyne Combined Authority Audit Completion Report 2020/21. The audit of the Financial Statements was substantially complete, and it was anticipated that an unqualified audit opinion would be issued.

Finance & Risk

A review of the risk register was carried out in June 2021 and a revised register provided to the Committee in July 2021. Audit Committee consideration was given to the report, the purpose of which was to provide assurance that the most significant risks and opportunities had been identified, were being monitored and measures were being taken to mitigate them. A further review of the Authority's strategic risks and opportunities register had identified a new external risk which recognised the impact of the lockdowns imposed as a result of Covid-19, and the implementation of the new EU/UK trade deal procedures and the effect these may have upon delivery of the Authority's economic growth and employment opportunity schemes.

In January 2022 the Risk Advisor to the Combined Authority introduced the Annual Governance Statement which presented the outcome of the annual review of the Authority's governance and internal control arrangements. Audit and Standards Committee had approved the draft 2020/21 Statement at its July 2021 meeting and

the Risk Manager noted that there had been no significant weaknesses identified since its approval

The Strategic Finance Manager presented the report in July to update Audit and Standards Committee on North of Tyne Combined Authority (NTCA) accounting policies to be applied in the preparation of the 2020/21 Statement of Accounts, and to seek confirmation from the committee that appropriate policies were being applied. It was noted that the accounting policies were the same as those used for the 2019/20 accounts.

In November, the Chief Finance officer presented an update in relation to the delay to the External Audit on the NTCA 2020/21 Statement of Accounts, including the Annual Governance Statement, with an explanation to the delay and action that had been taken to address staff recruitment and retention difficulties, which were also national issues. Assurance was provided that the audit would still be carried out to the same high standards.

In January 2022 the Chief Finance Officer asked the Audit and Standards Committee to consider and recommend to Cabinet to approve the North of Tyne Combined Authority (NTCA) 2020-21 Audited Statement of Accounts, with an unqualified audit opinion.

The Chief Finance Officer also introduced a report which informed members of the proposal for the North of Tyne Combined Authority (NTCA) to 'opt-in' to the national scheme of appointing local auditors for the five consecutive financial years commencing 1 April 2023. This scheme is operated by Public Sector Audit Appointments Ltd ("PSAA Ltd") and the Audit and Standards Committee accepted this proposal.

Standards

A report was presented by the Monitoring Officer which updated the Committee on the constituent authorities' approach to the LGA model code of conduct, and to seek agreement to grant dispensations to Cabinet Members and Substitute Cabinet Members in certain circumstances.

Future Work of Audit Committee: 2022/23 and Beyond

Building on the work already undertaken and outlined in this report, some of the tasks required of Audit and Standards Committee in the coming year are already clear.

In accordance with CIPFA's recommendation the next annual assessment of the Audit and Standards Committee's performance will be undertaken. This review will be a self-assessment in accordance with CIPFA's Revised Position Statement on Audit Committees. The outcomes will be reported to Audit Committee and to Cabinet in the next annual report.

Conclusion

Audit and Standards Committee is pleased to present this first annual report to Cabinet for 2021/22 and hopes that this will give an outline of some of the issues which have been considered over the last year as the Committee has met its Terms of Reference. The Committee looks forward to developing its work programmes in accordance with revised best practice guidance and in assuring and supporting Cabinet as the current year progresses.

Summary of Reports considered by Audit Committee in 2021/22

Meeting Date	Governance Matters Considered
April 2021	<ul style="list-style-type: none"> • Strategic Audit Plan 2021/22 • Internal Audit Quarterly update • Audit Committee Work programme 2021/22 • Audit and Standards Committee Self-Assessment of Effectiveness • Strategic Risk and Opportunities Register – Quarterly Update • Report on Accounting Policies to be used in Annual Statement of Accounts 2020/21 • Draft Annual Governance Statement 2020/21 • Audit Strategy Memorandum 2020/21
July 2021 (NB meeting was inquorate but items circulated)	<ul style="list-style-type: none"> • Opinion on the Adequacy and Effectiveness of the Framework of Governance, Risk Management and Control 2020/21 • Internal Audit Quarterly Update Report • Strategic Risk and Opportunities Register – Quarterly Update • Draft Statement of Accounts 2020/21 • Annual Governance Statement 2020/21 • Audit Progress Report and Re-drafted Audit Strategy Memorandum • Standards Update
November 2021	<ul style="list-style-type: none"> • Internal Audit Quarterly Update Report • Strategic Risk and Opportunities Register – Quarterly Update • Audit Progress Report – Accounts 2020/21
January 2022	<ul style="list-style-type: none"> • Internal Audit Quarterly update and Development of Strategic Audit Plan 2022/23 • Review of Audit and Standards Committee Arrangements • Annual Governance Statement 2020/21 • Audited Statement of Accounts 2020/21 • Decision to opt into National Scheme for Auditor Appointments from April 2023 • Audit Completion Report 2020/21

Annex B

Role of Audit Committee

Audit committees in local government have grown and developed in recent years. The main professional body, the Chartered Institute of Public Finance and Accountancy (CIPFA), issues guidance regarding local government audit and financial governance matters. During 2022 CIPFA published a revised Position Statement on Audit Committees in Local Authorities, which sets out the main principles which should be evident in a good local authority audit committee. The main principles are:

1 Audit committees are a key component of an authority's governance framework.

Their purpose is to provide an independent and high-level resource on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

2 The purpose of an audit committee is to provide to those charged with governance, the full Authority, independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.

By overseeing internal and external audit together with the financial and governance reports, it makes an important contribution to ensuring that effective assurance arrangements are in place for both internal challenge and public accountability.

3 Authorities should adopt a model that establishes the committee as independent and effective.

The audit committee should be established so that it is independent of executive decision making and able to provide objective oversight. It is an advisory committee that has sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance.

The committee should:

- be directly accountable to the full Authority
- be independent of both the executive and the scrutiny functions
- Have clear rights of access to other committees / functions, for example, scrutiny and service committees, corporate risk management boards and other strategic groups.

- have rights to request reports and seek assurances from relevant officers
- be of an appropriate size to operate as a cadre of experienced, trained committee members. Large committees should be avoided.
- include an independent member where not already required to do so by legislation.

4 The core functions of an audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained:

The specific responsibilities include:

Maintenance of governance, risk and control arrangements

- Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
- Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.
- Monitor the effectiveness of the control environment, including arrangements for ensuring value for money, supporting standards and ethics and for managing the authority's exposure to the risks of fraud and corruption.

Financial and governance reporting

- Be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievements of the authority's objectives.
- Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

Establishing appropriate and effective arrangements for audit and assurance

- Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.
- In relation to the authority's internal audit functions:
 - oversee its independence, objectivity, performance and professionalism
 - support the effective arrangements of the internal audit process

- promote the effective use of internal audit within the assurance framework.
 - Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control and monitor management action in response to the issues raised by external audit
 - Contribute to the operation of efficient and effective external audit arrangements supporting the independence of auditors and promoting audit quality
 - Support effective relationships between all providers of assurance, audits and inspections of the organisation, encouraging openness to challenge, review and accountability.

5 Audit committee membership

To provide the level of expertise and understanding required of the committee, and to have an appropriate level of influence within the authority, the members of the committee will need to be of high calibre. When selecting elected representatives to be on the committee or when co-opting independent members, aptitude should be considered alongside relevant knowledge, skills and experience

Characteristics of audit committee membership:

- A membership that is trained to fulfil their role so that members are objective, have an inquiring and independent approach, and are knowledgeable.
- A membership that promotes good governance principles, identifying ways that better governance arrangement can help achieve the organisation's objectives.
- A strong, independently minded chair, displaying a depth of knowledge, skills, and interest. There are many personal skills needed to be an effective chair, but key to these are:
 - promoting apolitical open discussion
 - managing meetings to cover all business and encouraging a candid approach from all participants
 - maintaining the focus of the committee on matters of greatest priority.
- Willingness to operate in an apolitical manner.
- Unbiased attitudes – treating auditors, the executive and management fairly.
- The ability to challenge the executive and senior managers when required.
- Knowledge, expertise and interest in the work of the committee.

While expertise in the areas within the remit of the committee is very helpful, the attitude of committee members and willingness to have appropriate training are of equal importance.

- The appointment of co-opted independent members on the committee should consider the overall knowledge and expertise of the existing members.

6 Engagement and outputs

The audit committee should be established and supported to enable it to address the full range of responsibilities within its terms of reference and to generate planned outputs.:

- Meet regularly – at least four times a year and have a clear policy on those items to be considered in private and those to be considered in public.
- Be able to meet privately and separately with the external auditor and with the head of internal audit.
- Include, as regular attendees, the Chief Finance Officer(s), the Chief Executive, the head of internal audit and the appointed external auditor. Other attendees may include the Monitoring Officer (for standards issues) and the head of resources (where such a post exists). These officers should also be able to access the committee, or the chair, as required.
- Have the right to call any other officers or agencies of the authority as required.
- support transparency, reporting regularly on its work to those charged with governance
- report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.

7. Impact

As a non-executive body, the influence of the audit committee depends not only on the effective performance of its role, but also on its engagement with the leadership team and those charged with governance.

The committee should evaluate its impact and identify areas for improvement



Report Summary

The purpose of this report is to update Cabinet on the Northumberland Line and our Ten Point Plan for the Northumberland Line Economic corridor which will maximise the impact of the line for businesses and communities. The Plan will direct at least £130m over the next 5 years and it is proposed that a £10m allocation from the NTCA Investment fund is utilised to catalyse investment and accelerate delivery of projects.

The reintroduction of passenger services between Ashington and Newcastle Central continues apace. Northumberland County Council has undertaken extensive public consultation and formal planning exercises. Following an inquiry, the government has granted a Transport and Works Act Order (TWAO) authorising the closure of level crossings and purchase of land. The announcement of the final tranche of Department for Transport (DfT) funding is expected imminently.

In addition to improving public transport accessibility, the new Line creates the foundation for establishing an ambitious economic corridor – a place, business and community facing approach to enable transformational change with real cross-Authority and cross-regional impact. This economic corridor spans our three Local Authority areas, connecting our people to key innovation and employment assets within Newcastle City Centre, our housing sites and business parks in North Tyneside, and the towns and places and growing green economy cluster in South East Northumberland.

The Ten Point Plan is the result of detailed work commissioned by NTCA Cabinet in March 2021 and sets out details of ten practical programmes of work which will create value for communities in each of the three local authority areas and throughout the focussed corridor. The proposals build upon our established and emerging business and sector strengths; and places as much attention on growing the local labour market and facilitating equality of access as on strengthening our physical economic assets. The reopening of the Line in late 2023 also has the potential to catalyse the housing market to help meet strong demand for new homes across the area and meet the housing needs of our communities.

Recommendations

The Cabinet is recommended to:

- i) Note the contents of the report.
- ii) Endorse the approach for the Northumberland Line Economic Corridor Ten Point Plan.
- iii) Agree an allocation of £10m to catalyse and accelerate delivery of the projects identified in the Northumberland Line Economic Corridor Ten Point Plan.
- iv) Authorise the Chief Executive to approve businesses cases and delivery plans in consultation with Investment Panel and the Mayor.
- v) Authorise the Chief Executive to finalise the conditions to be attached to funding allocations and authorise the Monitoring Officer to complete necessary documentation.

A. Context

1. Background Information, Proposals and Timetable for Implementation

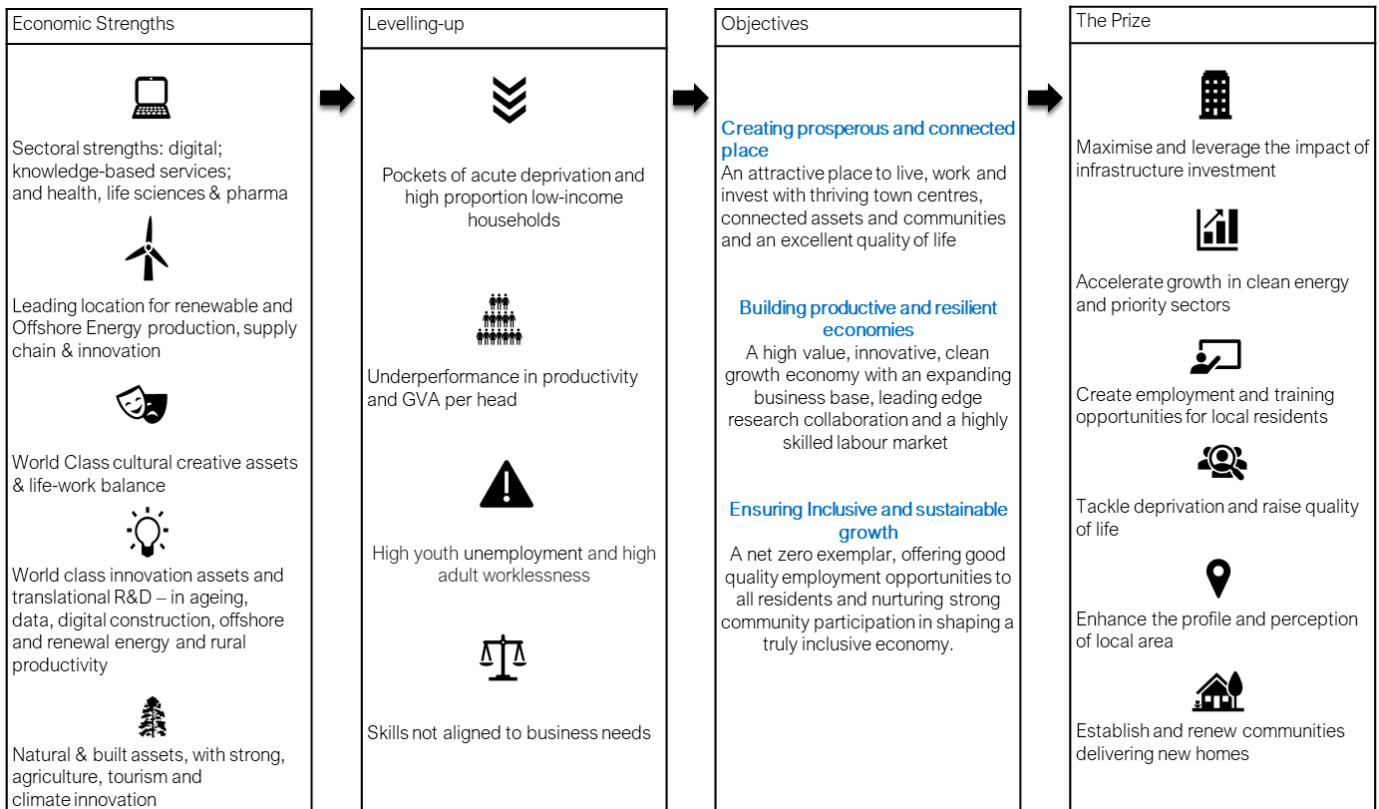
- 1.1 The Northumberland Line, a £180m project, with funding being provided by national Government and Northumberland County Council, represents a once in a generation investment across the NTCA area. The re-opening of a passenger rail line will link up the communities across the North of Tyne area from Ashington in the north to Newcastle at the south. This not only represents a significant infrastructure investment, with the associated economic and environmental benefits this

brings, but an opportunity to maximise the wider contribution to the region's prosperity through activity to support the economic corridor that will be created by the line.

- 1.2 The new passenger services will provide a direct connection between Ashington and Newcastle and create a new rail link to communities in Bedlington, Blyth and Seaton Delaval. It will also provide interchange points for the Tyne & Wear Metro, regional and national rail services and Newcastle Airport via Northumberland Park, Manors and Newcastle Central stations. This will provide greater access to employment centres and a range of services throughout the area and provide residents with real and convenient alternatives to driving.
- 1.3 An important element of the scheme is the support it provides for residents to access new and growing industries in South East Northumberland, particularly the internationally recognised centre for offshore and renewable energy, as well as ambitions around battery technology based on the significant investments and opportunities coming forward as a result of the planned British Volt battery gigaplant.
- 1.4 The reintroduction of passenger services between Newcastle-upon-Tyne and Ashington on the Northumberland line is now scheduled for operational reopening in 2023, in line with the Transport Works Act Order and will provide two trains per hour for passengers travelling to Newcastle and beyond, reduce congestion on local roads, and significantly boost the economic potential of the area.

2. Realising the Potential of a Northumberland Line Economic Corridor

- 2.1 In addition to improving public transport accessibility, the new Line creates the foundation for establishing an ambitious Economic Corridor to act as a catalyst for transformational change across the whole of the North of Tyne area. Whilst there is evidence that rail infrastructure can be a catalyst for long-term resilient growth, it is also clear that new rail connectivity does not generate inclusive economic growth on its own. Infrastructure is necessary, but not sufficient – with wraparound funding a proven model to maximise and accelerate the impacts of infrastructure investment and provide greater certainty for private sector investment.
- 2.2 The Northumberland Line will have a major impact on communities that currently have no direct access to passenger rail services, increasing access to employment centres and a range of services throughout the area. The new economic corridor opened up by rail investment in the Northumberland Line is a unique opportunity to drive our regional ambition of creating a dynamic and more inclusive economy, one that brings together people and opportunities to create vibrant communities and a high quality of life, narrowing inequalities and ensuring that all residents have a stake in our region's future. Inclusive growth is not an add on, it is the primary reason and impetus for both the infrastructure and the wider economic corridor.
- 2.3 The Northumberland Line Economic Corridor Strategy, endorsed by Cabinet in March 2021 provides the framework for realising the opportunities which the economic corridor presents. It set out the rationale, vision, objectives for the development and delivery of the Economic Corridor. This has now been developed and translated into a deliverable package of activities – the Ten Point Plan annexed to this report.
- 2.4 The vision for the Corridor is to “deliver a dynamic and inclusive clean growth economy across the North of Tyne, opening up opportunities to our communities and ensuring a more prosperous and resilient future”. The vision is framed by three objectives, set out below, which build on our strengths to support levelling up.



3 Delivery of the Ten Point Plan

- 3.1 With the Economic Strategy agreed, the development of the Line nearing the formal construction phase and further consultation and partnership work that has taken place over the last few months, the time is right to move forward active development and subsequent delivery of the Ten Point Plan for the Northumberland Line Economic Corridor.
- 3.2 Extensive stakeholder engagement has been undertaken to shape the package of projects to support the Economic Corridor objectives. Partners have developed joint thinking on the transformative potential of the investment in the Northumberland Line and there is considerable enthusiasm and untapped potential to align, accelerate and capitalise on existing work as well as bring forward new proposals in relation to the Economic Corridor.
- 3.3 By working collaboratively on the economic corridor across the North of Tyne, we can maximise and leverage the impact of infrastructure investment and take forward a number of mutually reinforcing opportunities in practical ways including:
- Capitalising on the green economy shift by accelerating growth in innovative clean energy and priority sectors
 - Ensuring the capture and delivery of added social value for communities, tackling deprivation and raising the quality of life
 - Boosting the visitor economy and enhancing the profile and perception of the local area.
 - Utilising the potential of the line for digital infrastructure roll out
 - Investing in first and last mile transport connectivity and reduce car dependency
 - Bringing forward place based interventions around three anchor nodes along the line:
 - Newcastle Central Station and Manors is forecast to generate 37% of the new rail patronage on the route, with 1.5m passenger movements per annum, much of it generated by employment sites in the Urban Core, Helix, Stephenson Quarter and the Team Valley. This in turn increases the labour pool available to businesses in the entire North of Tyne area, increasing the attractiveness of the area for potential employers and increased investment.
 - Northumberland Park station is forecast to generate around 20% of the total new rail patronage on the route, with 850,000 passenger movements per annum, 60% of the Northumberland Park patronage will be an interchange with the Tyne and Wear Metro with

40% making more local trips, many of them associated with key employment opportunities at Cobalt Business Park and other employment sites such as Quorum, Balliol and Indigo Park.

- Ashington is forecast to be the busiest station and along with Blyth and Bedlington form the key access points for the growing clean energy cluster. The development of the British Volt gigafactory and supplier park and the growth of the offshore and subsea sector across the North of Tyne brings forward opportunities for significant new job and career opportunities and rapid supply chain growth.

- 3.4 The Plan outlines initial investment of at least £130m over the next 5 years, leading onto significant investment in following years. With the line reopening scheduled for December 2023, a similar Project SPEED (Swift, Pragmatic, and Efficient Enhancement Delivery) approach that was adopted to accelerate the timeline of the line, now needs to be applied to the Economic Corridor. It is proposed that £10m of NTCA Investment is utilised to catalyse and accelerate delivery of £130m worth of projects. There is a clear way forward for each of the components of the Plan through a variety of funding streams including Department of Transport funding, Levelling Up Funding, UK Shared Prosperity Fund, NTCA Investment Fund money and local authority funding, all of which will in turn catalyse private sector investment. This is the foundation for a transformational place based approach to enable inclusive growth and partners are committed to work in partnership over the longer term to continue to catalyse investment.

4 Partnership and Governance

- 4.1 The work undertaken to date has involved the three constituent Councils, broader partners and the Combined Authority, working closely together at a number of different levels. Moving forward, the ongoing arrangements will be formalised and aligned with the Combined Authority's established governance. A programme board will be chaired by the NTCA Chief executive and with representation from Local Authorities, relevant Government departments and agencies such as Homes England. This Programme Board will report to the NTCA Cabinet and work alongside the core Northumberland Line Programme Board which will be focusing on the physical delivery of the line. An operational delivery group will continue to lead on the practical development of the programme and proposals and will report to the programme board at regular intervals, with the authority to create small task and finish groups to support the agile development of the programme at pace.

B. Potential Impact on Objectives

The reintroduction of passenger rail services on the Northumberland Line is a key economy priority for the North of Tyne and wider North East region, identified as an opportunity and priority in the North of Tyne Devolution Deal and the NTCA Corporate Plan

C. Key Risks

Programme risks will be managed in line with agreed processes and individual project risks will be considered as part of the development process.

D. Financial and Other Resources Implications

This paper set out the case for an indicative £10m of NTCA funding to support projects over the next 5 years. The financial implications of each business case and delivery plan will be considered during the appraisal process.

E. Legal Implications

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

F. Equalities Implications

The NTCA seeks to actively narrow inequality under the terms of the Equality Act 2010 and we will undertake an equality impact assessment at a programme level.

G. Inclusive Economy Implications

The inclusive economy case will be developed on an individual project basis as part of the development process.

H. Climate Change Implications

Climate Change implications will be assessed on an individual project basis as part of the development process. The activities described within this report are considered to positively support the climate change priorities of the Combined Authority, particularly by supporting the transition to a clean growth future and provide residents with real and convenient alternatives to driving.

I. Consultation and Engagement

Stakeholders have been fully engaged in the development of project proposals and, as far as possible, wider engagement has been sought in the development of the programme.

J. Appendices

Appendix 1 - Summary of the Northumberland Line Economic Growth Corridor Ten Point Plan.

K. Background Papers

Item 6 - Northumberland Line Economic Growth Corridor report to Cabinet in March 2021
<https://www.northoftyne-ca.gov.uk/wp-content/uploads/2021/03/Public-Agenda-Pack-NTCA-Cabinet-23-March-2021.pdf>

L. Contact Officers

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M. Glossary

None

Summary of Northumberland Line Economic Corridor Ten Point Plan

The Northumberland Line Economic Corridor Ten Point Plan includes the following interventions:

1. Accelerating Clean Growth Business and Skills

Building on the existing cluster and assets in offshore wind, subsea technology, and the quickly expanding cluster in electrification we want to unlock the potential for inclusive accelerated growth in the clean energy sector –. This will be achieved through the development of an integrated business environment, innovation and skills programme to support the growth of clean growth sectors.

2. Access to Employment & Community Engagement

The focus is to connect residents to employment and learning opportunities, enhance the profile and perceptions of the local area, support communities engaging with the railway and the opportunities it brings and create an identity for the broader economic corridor as an attractive place to live, work, visit and enjoy.

3. Growing the Visitor Economy

The aim is to create compelling visitor experiences that join up the best of our City, Coast and Countryside; enable a more co-ordinated approach across the area's full range of tourism assets and bring forward an outstanding programme of events. We will bring forward a coordinated approach to the development of a destination by promoting key assets and enabling the growth of visitor numbers who stay for longer and do more - which will in turn support the development and growth of visitor economy related businesses.

4. Digital Infrastructure & Innovation

Safeguard and enable core infrastructure that can incentivise commercial delivery of the necessary broadband connectivity to homes and businesses along the corridor and beyond and create an innovation ecosystem where infrastructure providers, tech industries and tech consumers (whether that be businesses, residents and visitors) can work together to advance tech enabled solutions which contribute to a better North of Tyne.

5. Housing

Enable a collaborative approach between partners including Homes England, Local Authorities, developers and registered providers to identify sites and solutions to unlock these for re/development aligned with access to the Northumberland Line for maximum benefit for all.

6. First and Last Mile Connectivity – Active and Sustainable Travel

Improve local station accessibility from key conurbations, employment sites and visitor destinations. There are a number of stations located some distance from the town centres, housing and other economic assets with limited existing public transport infrastructure to support connectivity in the 'first and last mile'. The key to making the Northumberland Line and broader public transport system more efficient and accessible is bringing forward first and last mile connections which are convenient.

7. Central Station & Manors

Newcastle Central Station is a key gateway into the North East and a key node for the Northumberland Line. The priority interventions identified as part of the Economic Corridor build on the previous improvements at the station and focus on helping deliver physical improvements opening up key north to south access. Manors station will provide an interchange with the Tyne and Wear metro and will support longer term aspirations for targeted regeneration around the station with the first step being the development of a comprehensive masterplan.

8. Northumberland Park

In addition to key infrastructure works at Northumberland Park station interchange, linking the Metro and the Northumberland Line and assisting limited mobility access, the plans are to bring forward proposals to extend wider transport links to key employment sites such as Cobalt Business Park and Indigo Park, key housing sites such as Killingworth Moor and other strategic assets such as the Northumbria Specialist Emergency Hospital in Cramlington.

9. Energising Blyth & Bedlington

The Northumberland Line helps ensure excellent access for residents and visitors but road and freight access remains key especially in regards to the Port of Blyth and the British Volt site. Building on existing regeneration programmes already being delivered the aim is to realise the Line's ambition for growth by improving access to strategic employment sites linked to clean energy sectors.

10. Ashington Town Centre Rapid Renewal

The aim is to supporting the regeneration of the town centre and improve access to strategic employment sites with priority interventions including improvements to pedestrian corridors to connect the station and the town centre and the redevelopment of Wansbeck Square.

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Subject: North of Tyne Digital: update and next steps
Report of: Chief Economist
Portfolios: Jobs, Innovation and Growth; Clean Energy and Connectivity; and Education, Inclusion and Skills

Report Summary

The purpose of this report is to update Cabinet Members on the progress of ‘North of Tyne Digital’: our collaborative approach and investment programme to boost digital connectivity, digital inclusion, skills and support growth of our tech economy. These are priorities which to date have attracted more than £27million of investment which is building jobs, skills, and talent in the region.

We are now well into delivery with over 350 businesses engaged and the external profile of the programme is building. A growing portfolio of skills support is now available and benefitting residents. The programme is also galvanising collaboration across the private sector, between educational institutions and between public sector partners.

Within the report we set out an ambition to build on this success, to go further and faster in the areas of digital connectivity, innovation, digital inclusion and skills. We seek endorsement from the Cabinet for priorities in the next phase of the programme, including to:

- **Enhance collaboration and capacity to boost digital connectivity** setting out a shared digital connectivity vision for the North of Tyne which highlights the role of local authorities and the NTCA as ‘digital placemakers’; and will underpin our collaboration with communities and the market. We will lead change – driving up connectivity standards and innovation where it is good and intervening where it is not – including in rural residential communities and some urban communities – by undertaking a comprehensive programme of market engagement and ‘barrier busting’ to improve infrastructure deployment and connectivity.
- **Build on our investment in digital sector growth and innovation.** Ensuring programmes and projects commissioned to date deliver on their potential, and that we harness the ambition and collaboration within the sector to better promote success through collaborative campaigns and a clear ambition statement co-designed with stakeholders.
- **Continue to use devolution to develop nationally important innovation assets.** This includes working with the National Innovation Centre for Data and Newcastle City Council - as a leading Smart City - to pioneer a smart-data environment and to support continued public service excellence across the area.
- **Continue to embed digital skills across our activity.** Building on our existing business led skills activity including Skills for Growth, Skills Bootcamps, and the Digital Talent Engine programme to create more pathways for residents into this exciting sector.
- **Develop a long-term approach to Digital Inclusion**– working with the NE LEP and our constituent local authorities to better understand the multi-faced nature of digital exclusion and intervene in the key areas of affordability, access, and skills.

Recommendations

The Cabinet is recommended to accept the following recommendations:

- i. Note progress in delivery of the North of Tyne Digital Programme and continued development of the narrative and ambition statement for the sector, the early impact from projects on residents and businesses, and the forthcoming fin-tech cluster strategy for the region.
- ii. Note next steps on the 5G and future connectivity programme which are to launch a call for private sector co-invested propositions to support commercialisation of 5G and low-latency connectivity.
- iii. Endorse deeper collaboration across the North of Tyne to deliver the shared connectivity vision set out at Appendix 2 and delegate to the Chief Executive, in consultation with the portfolio holder and

the mayor the consideration of resourcing and Governance requirements to support the delivery of the vision.

A Context

1. Background

1.1 The North of Tyne Devolution Agreement was published on the 8th of November 2018, it set out an ambition to build on our digital strengths to support significant growth in the tech sector, promote smart utilisation of data and the continued development of nationally significant innovation assets – underpinned by initiatives and investment to enable improved digital infrastructure, skill levels and inclusion. Our approach has been guided by four core areas (see fig. 1 below) where we believe we must invest and intervene.

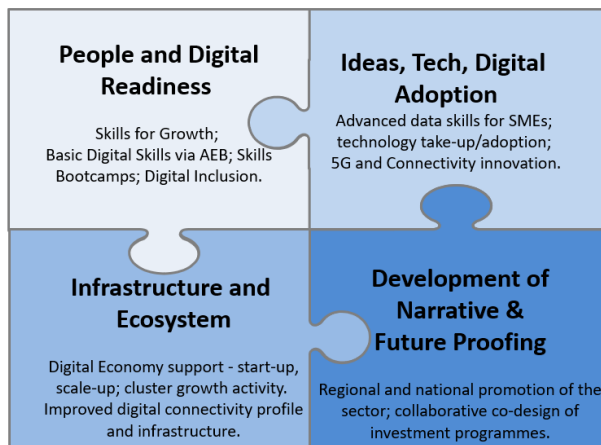


Figure 1: NTCA Digital Core Intervention Areas

1.2 Cabinet has made significant commitments to deliver on this intent, and investment is having a direct impact on businesses and communities and delivering the strategic objectives of the deal. Progress includes:

- Investing £17m of devolved funding into interventions to grow the digital economy and promote innovation with technologies such as 5G.
- Collaboration between constituent authorities and NTCA to improve wired and wireless internet connectivity – especially in places currently ‘left behind’. Together, we have secured £13m from the Department for Culture, Media and Sport (DCMS) and BDUK to support our objective to close the connectivity gap.
- Undertaking an NTCA wide state of play analysis to identify gaps and developing a shared connectivity vision to provide a basis to prioritise future investment and guide collaboration on a long term and coordinated programme of market engagement, ‘deployment barrier busting’ and infrastructure improvement.
- Investment in open innovation – supporting regional businesses to engage in new market opportunities where traditional business models and new and emerging technology intersect.
- Intervention to support digital inclusion during the pandemic – enabling 3000 residents to continue to learn or earn from home – with a clear intent from NTCA to build a more comprehensive long-term approach to tackling the root causes of digital exclusion.
- Providing digital skills that underpin our future economy – investing over £15m to enable employer-led and sector wide collaboration.

2. Tech and Digital Economy

2.1 The Digital sector continues to be an important part of the North of Tyne economy. Since 2018, the wider Information and Communications sector has increased productivity by over 12%, at a time when the wider economy has been shrinking. The NTCA Digital Growth and Innovation Programme is investing £10m into activities to support this growth and build the dynamism of the regional tech

economy – our programme was officially launched in March 2022 and delivery is underway with some excellent case studies and impact emerging across five projects. The following provides an update on progress of projects which to date have supported more than 350 businesses:

- **Digital Pathfinders** – our programme to support digital and tech adoption by businesses and social enterprises has produced its first annual report. The programme has supported 160 organisations to date delivering cross-sector impact including the introduction of new products and services, e-commerce websites and apps.
- The **Digital Inward Investment Project** has recently announced its first success, bringing the US owned tech company Credera and 160 new jobs to Newcastle, with more in the pipeline.
- The **Digital Business Pipeline Project** has supported its first cohort of 15 early-stage tech businesses through the Ignite ‘pre-accelerator’ programme. Grid Finder, successfully pitched for significant seed investment through the programme – setting the bar high for future cohorts. Seven companies with significant growth potential have now been selected for the first ‘accelerator’ cohort.
- **The Digital Cluster Project** is developing tailored growth plans and targeted activity to support tech cluster growth in areas including fintech, digital construction, culture and leisure, energy and digital health activity. The Academic Health Science Network (AHSN) led med-tech cluster is pioneering the way and providing insight to refine the overall approach.
- **Advanced Data Skills** – The National Innovation Centre for Data continues to support businesses through access to data science expertise – this has included supporting organisations to use data to better understand battery performance and lifecycles in electric vehicles, the performance of subsea vehicles and factors that influence maintenance schedules and supporting public sector collaboration on public sector data sharing and analysis to improve public services.

2.2 Fintech Cluster Strategy

2.2.1 The Kalifa Review of UK Fintech (2021) was commissioned by Government and identified the Northeast as an emerging financial technology or ‘fintech’ cluster. The review recommended that emerging clusters develop a clear strategy and roadmap with the input of local stakeholders to nurture the nascent cluster and unlock potential. Regional stakeholders including NTCA, Invest Northeast England, Invest Newcastle, Atom Bank, Newcastle University, Northumbria University, the Regional Economic Crime Coordination Centre commissioned Whitecap Consultancy, co-founder of Fintech North to undertake this work. The strategy is currently being reviewed by the Project Board and will be formally launched in Q4 of 2022.

2.3 Next steps

2.3.1 The next phase of our growth programme will see plans agreed by Cabinet to unlock the connectivity and economic potential from commercialisation of 5G developed into active projects and investment. Our 5G and Future Connectivity Programme will catalyse private sector innovation and R&D to ensure the NTCA area does not fall ‘behind the curve’ of digital adoption. We engaged the Connected Places Catapult (CPC) to work with regional stakeholders to assess the economic opportunities which can be best supported by innovations in connectivity such as 5G to guide our investment. This initial market assessment suggests opportunity areas covering Transport, Healthcare, Freight Logistics and Energy and we will now use this evidence base as a focal point to bring forward industry led collaborations and public-private partnerships seeking co-investment in novel approaches to commercialise 5G technologies through an open a call for proposals in Q4 of 2022.

3. Digital Connectivity

3.1 Digital infrastructure is now as central to society and the economy as the supply of electricity or water. The Covid 19 pandemic reinforced the need for fast and reliable digital connectivity to enable remote working and the connection of people to people and services.

3.2 At the request of Cabinet, an NTCA-wide ‘state of play’ analysis of the infrastructure and connectivity profile of the area has been conducted, which highlights some significant disparities between communities.

Local Authority Area	All Premises	Gigabit Fibre	% Gigabit Fibre	Rank in England*	<30Mbps	%
NEWCASTLE UPON TYNE	140,241	103,942	74%	116th	4,405	3%
NORTH TYNESIDE	102,977	81,410	79%	90th	794	1%
NORTHUMBERLAND	160,730	33,785	21%	283rd	10,065	6%
Total	403,948	219,137	54%	194th	15,264**	4%

* reflects % gigabit coverage in comparison to other England areas ** of which 4,286 households have <10Mbps

3.3 The North of Tyne area is ranked 194th (of 309) in England for connectivity. 12% of the NTCA does not have access to 4G connectivity; and 46% of premises do not have access to gigabit capable connectivity (c185,000 premises) - increasing to nearly 80% of premises in Northumberland: Gigabit connectivity is due to be the Government’s connectivity standard by the early 2030’s. Around 15,000 homes currently do not have access to the acceptable connectivity standard for an average household of 30Mbps and c4,200 households fall short of the Government’s Universal Services Obligation (USO) connectivity standard of 10Mbps. This means some of our communities are the most digitally excluded nationally.

3.4 Through the Local Full Fibre Networks (LFFN) programme we have begun to tackle these deficits. As a result of LFFN over 230 public premises within rural Northumberland have been connected to fibre internet – which in turn provides the infrastructure to make the connection of thousands more premises in rural communities significantly more viable. We are now mobilising a Digital Infrastructure Accelerator pilot having secured funding from the Department for Culture, Media and Sport – this pilot will put the NTCA and Sunderland and South Tyneside Councils at the forefront of enabling wireless connectivity deployment through proactive use of public sector assets to enable commercial rollout of mobile connectivity.

3.5 Joint Connectivity Vision

3.5.1 Building on our collaboration to date we have set out a Joint Connectivity Vision (appendix 2) to guide the next phase of our collaboration. It sets out a shared set of objectives and evidence-led approach to improving connectivity in the NTCA area; developed in collaboration with Northumberland, Newcastle, and North Tyneside Councils. It sets out our high-level priorities and desire to be an easy place to deploy – to be an area where infrastructure providers willingly go. It provides the focal point to engage government nationally, the market of infrastructure providers and anchor organisations locally to explore and test more innovative methods of deployment.

3.5.2 Within the document we set out how - by working collaboratively - we can go further and faster and address gaps in connectivity. It sets out principles to guide our approach, clear actions to be taken by NTCA and local authorities and clear asks of government, infrastructure providers and Mobile Network Operators. This vision will form the basis of a best-in-class cooperation between the public sector, the market, business, and communities in the pursuit of reliable connectivity across the region.

3.5.3 As we move into delivery of the vision, we will develop bespoke support for communities with no current prospect of good connectivity and through a more programmatic approach to needs assessment, deployment barrier busting, and market and government engagement we aim to be

better positioned to maximise commercial rollout plans and current and future public investment for the benefit of our businesses and communities.

4. Tech Workforce and skills

- 4.1 To ensure digital growth and connectivity improvement contributes to a more inclusive economy we must support residents to develop and maintain relevant digital skills; addressing current skills shortages and ensure employers can better access the talent they need.
- 4.2 The Tech Talent Engine is our flagship industry-led talent programme in partnership with Dynamo. The project is improving the availability of tech talent and has already attracted much interest from residents and employers alike, with 90 businesses already engaged with the programme. NTCA is also making significant investment through the Devolved Adult Education Budget and is funding supply of the intermediate and higher-level skills that are likely to have the greatest impact in terms of addressing sectoral and technical skills deficits, re-training needs resulting from digitisation and supporting economic growth.
- 4.3 Our £1.5m Skills for Growth investment in the digital and tech sector has resulted in projects that are developing higher-level skills, designed with employers, and supporting the skills pipeline for the sector. In April 2022 NTCA secured a further £5.4m of funding from the Department of Education (DfE) for the delivery of 'Skills Bootcamps' across our region. A significant proportion of this funding (£2m) will deliver digital skills that are in demand from employers and where there are high numbers of recruitment shortages, working with our Tech Talent Engine project. This includes co-investment in skills for digital infrastructure deployment with infrastructure providers - critical if we are to increase the pace of rollout - and a range of engineering and construction programmes delivered through delegated funding from the DfE through the Free Courses for Jobs programme.

5. Digital Inclusion

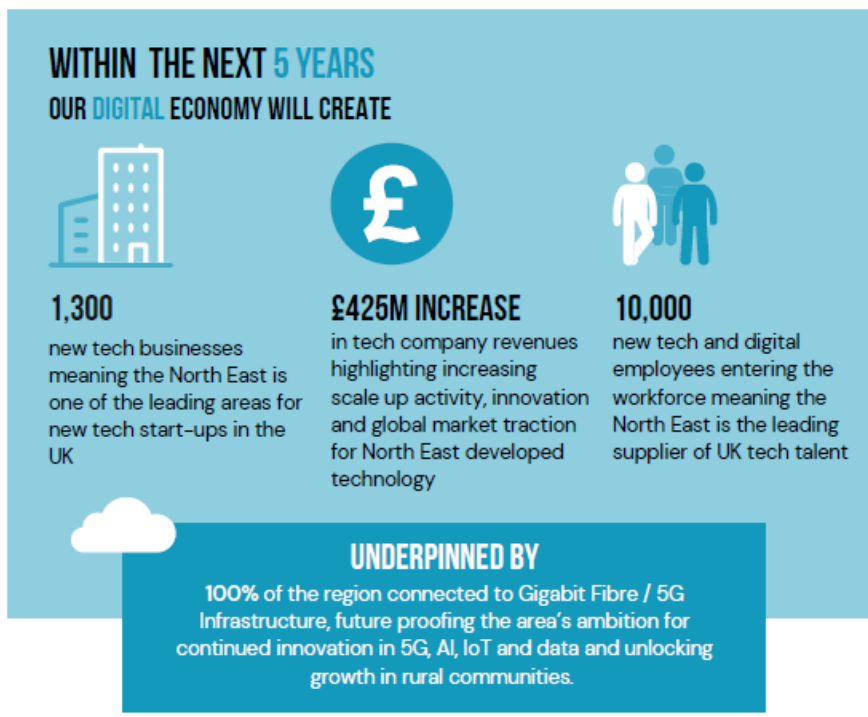
- 5.1 An estimated 8% of residents –over 67,000 individuals in North of Tyne - are not regular internet users and are locked out of the opportunities presented by digital at home and in the workplace. Last year, NTCA responded to the large-scale digital exclusion resulting from the pandemic lockdowns, supporting 3,000 adults and children by providing vital equipment and connectivity to enable school children to learn online and adults to earn and maintain social links and connection with services.
- 5.2 We are now developing our long-term plans to tackle digital exclusion, based on collaboration with communities, existing activities by our constituent local authorities and the VCSE sector, and a focus on the known drivers of digital exclusion: access and connectivity, skills, and affordability. To provide a guiding framework to prioritise our future interventions we will develop a 'digital living standard' for the North of Tyne area with a range of stakeholders including national experts such as Good Things Foundation.

6. Overall Conclusions

- 6.1 North of Tyne Digital is now well into delivery and significant appetite for enhanced collaboration and shared objectives is coming through strongly. As a result, NTCA has co-produced 'Ambition Statement' with key stakeholders.

OUR AMBITION

Our vision for growth and innovation has been developed together; with the sector and our partners. Through the combination of business backing and public investment, the full potential of the digital and tech sector in the area could be unlocked. The ambitions represent a realistic stretch on the current baseline of the area.



6.2 This Ambition Statement gives a stretching but realistic assessment of the potential of the sector in the North of Tyne area over the next five years. The statement will provide a focal point for our programme as it develops while creating a shared sense of ambition and basis for a co-developed and sector wide comms campaign – commencing in Q4 of 2022 - which will celebrate success and collaboration within the cluster and raise awareness of the opportunities in the sector for residents and businesses.

B. Impact on NTCA Objectives

1. The North of Tyne Digital programme directly supports the delivery of NTCA's strategic priorities and contributes to the following objectives set out in the NTCA Corporate Plan: a) create sectoral growth and innovation programmes, including 'readiness' of businesses to transition to digital; unlock economic opportunities associated with 5G and future technologies; b) invest in collaborative open innovation approaches to industrial research, and accelerating commercialization; c) develop our transport and digital infrastructure and connectivity vision statements – setting out our joint ambition with constituent LAs and an associated pipeline of projects ready for government investment at scale; d) co-design 5G and future connectivity proposals with partners and build the business case for catalytic investment to support industry adoption; e) lead on the development of a Future Connectivity Partnership, as a first step coordinating the Digital Connectivity Infrastructure Accelerator programme to unlock the roll-out of 5G and mobile connectivity.

C. Key Risks

1. There are no risks associated with the proposals set out in this paper which are not managed or mitigated through existing governance and project management processes.

D. Financial and Other Resources Implications

1. There are no new financial implications as a result of this report. The report recommends that the Cabinet delegate to the Chief Executive consideration of the staff resource implications from within existing funding allocations.

E. Legal Implications

1. The comments of the Monitoring Officer have been incorporated in this report.

F. Equalities Implications

1. As required by Section 149 of the Equality Act 2010, 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. We will encourage all partners and delivery organisations involved in the plan and its infrastructure to be mindful of our commitment to equalities and direct them to guidance provided by the Equalities and Human Rights Commission. <https://www.equalityhumanrights.com/en/advice-and-guidance/guidance-businesses>.

G. Inclusive Economy and Wellbeing Implications

1. 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 employment and skills across the area.

H. Climate Change Implications

1. NTCA has considered the implications relating to climate change in the development of the North of Tyne Digital Programme and believe there will be no negative impact as a result.

I. Consultation and Engagement

1. The North of Tyne Digital Programme has been co-developed with the three constituent Local Authorities and with input from a range of strategic stakeholders, businesses and digital infrastructure providers.

J. Appendices

Appendix 1 – North of Tyne Digital Brochure

Appendix 2 – Joint Digital Infrastructure and Connectivity Vision

K. Background Papers

North of Tyne Digital: 5G and Future Connectivity Cabinet Report <https://www.northoftyne-ca.gov.uk/wp-content/uploads/2021/07/Agenda-Pack-Cabinet-27-July-2021.pdf>

L. Contact Officers

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M. Glossary

NELEP – Northeast Local Enterprise Partnership

5G – 5G is the fifth-generation technology standard for broadband cellular networks,
NTCA – North of Tyne Combined Authority
BDUK – Building Digital UK
DCMS – Department for Culture, Media and Sport
AHSN – Academic Health Science Network
Fintech – Financial Technology
CPC – Connected Places Catapult
4G – 4G is the fourth-generation technology standard for broadband cellular networks
USO – Universal Service Obligation
LFFN – Local Full Fibre Networks
DFE – Department for Education

NORTH OF TYNE



DIGITAL



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HOME OF DIGITAL



AT A GLANCE

Our £2 billion+ industry employs close to 35,000 people in over 3,500 creative and digital businesses.

Our area is recognised as a vibrant, fast growing tech hub and our digital connectivity and infrastructure make us a leading UK smart city region.

We are home to thriving early stage and high growth companies as well as FTSE 100 company Sage PLC, a new BBC Tech Hub and Ubisoft's largest UK Games Studio.

We are the fourth largest games cluster in the UK.

Our strengths include games development, software development, data analytics, immersive technologies, e-commerce, cybersecurity, consultancy and much more.

We're home to national assets such as the UK's National Innovation Centre for Data playing a pivotal national role growing a data driven economy.

FACTORS SUPPORTING OUR SUCCESS



PARTNERSHIP + COLLABORATION

We have a digital ecosystem with a track record of strong collaborative established clusters, including Energy, Fintech, Health and Life sciences, bringing together unique perspectives and specialisms.



FINANCE

We have public and private backing providing the capacity to invest and innovatively support; including venture and growth funding.



A CONNECTED LOCATION

We are the optimum location for data rich businesses with world class infrastructure and connectivity: the area is the chosen UK location for a secure, high capacity fibre network: the North Atlantic Optical Fibre Loop routes cables from the USA to Northern Europe through the UK, via the Stellium Data Center in North Tyneside.



TALENT DEVELOPMENT

We have a skilled and loyal workforce and an unwavering focus on talent pipeline development. We attract the highest proportion of STEM and computing students in the country.



INNOVATION ASSETS

We have expert centres, leading research capability and knowledge from National Institutes, Academic and Business networks engaging to solve problems, tap into expertise, accelerate innovation and realise ambition and value.

NORTH OF TYNE



DIGITAL



METRO MAYOR JAMIE DRISCOLL

"Past inventions from the North East have transformed our world. Today, this creative tradition has new champions: our tech and digital industries. Our £10 million of NTCA funding will mean more jobs, more support for start-ups, and more opportunities."



**CLLR NICK KEMP
LEADER NEWCASTLE CITY COUNCIL**

"The North East has a proud history of creative industries. We're committed to developing new ideas and technologies in our region that bring communities, businesses and investment together to make a real difference in people's lives."

OUR DIGITAL AMBITION



Our ambition is to build on our current strengths to create an unrivalled, thriving, dynamic and inclusive digital and tech community.

Our area has great assets in our innovative businesses, international connectivity, talent, world leading academic institutes and quality of life and rich cultures on which we will build.

We are committed to a collaborative approach that enables the right conditions for ambitious people and organisations in our area to prosper, realise their full potential and compete globally.

Our collective actions will ensure the area is a great place to start, scale, invest and innovate.

OUR AMBITION

Our vision for growth and innovation has been developed together; with the sector and our partners. Through the combination of business backing and public investment, the full potential of the digital and tech sector in the area could be unlocked. The ambitions represent a realistic stretch on the current baseline of the area.

WITHIN THE NEXT 5 YEARS OUR DIGITAL ECONOMY WILL CREATE



1,300

new tech businesses meaning the North East is one of the leading areas for new tech start-ups in the UK



£425M INCREASE

in tech company revenues highlighting increasing scale up activity, innovation and global market traction for North East developed technology



10,000

new tech and digital employees entering the workforce meaning the North East is the leading supplier of UK tech talent



UNDERPINNED BY

100% of the region connected to Gigabit Fibre / 5G Infrastructure, future proofing the area's ambition for continued innovation in 5G, AI, IoT and data and unlocking growth in rural communities.

NORTH OF TYNE



DIGITAL

RUTH HARRISON

THOUGHTWORKS

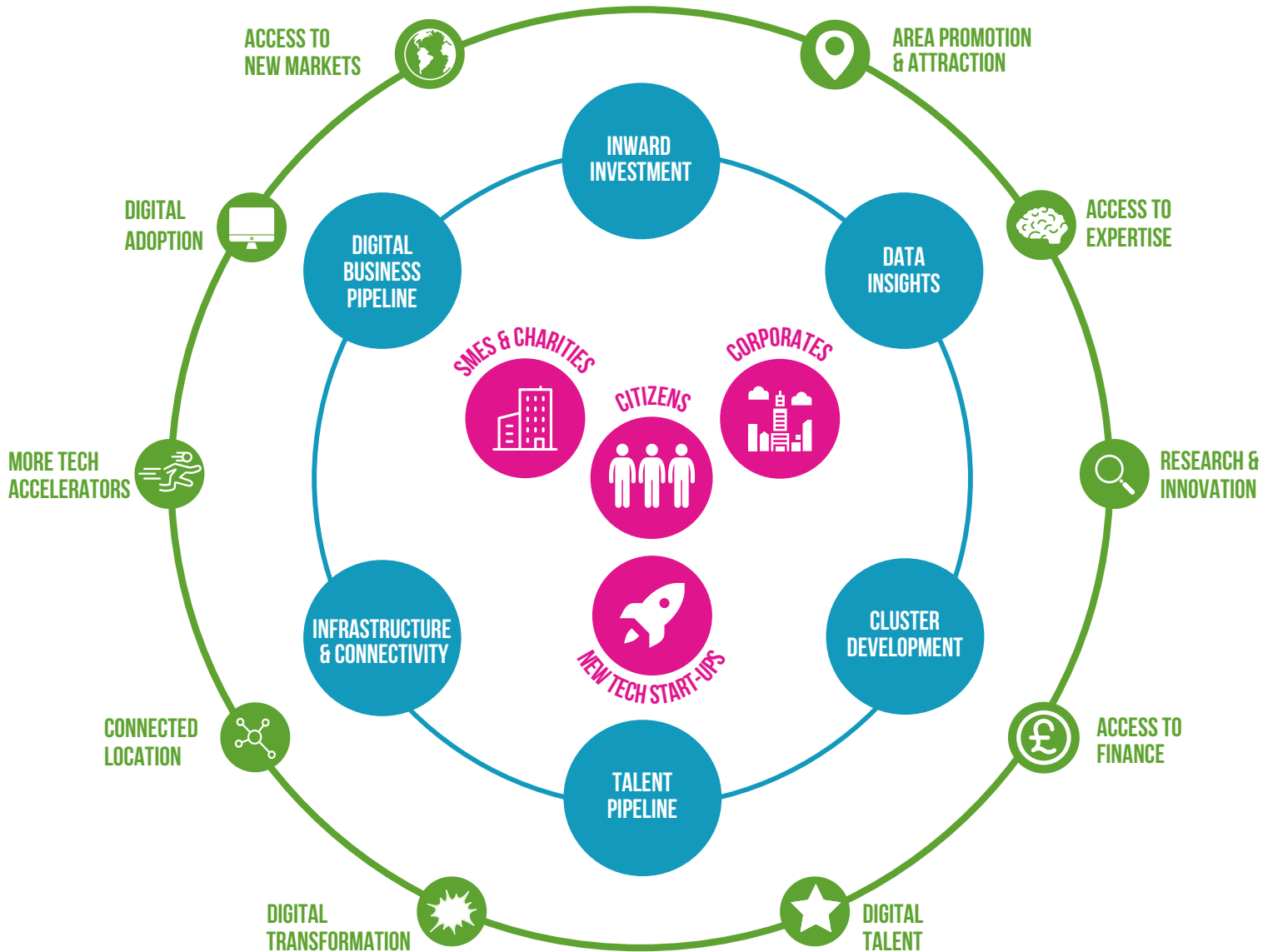
GLOBAL HEAD OF INDUSTRY DOMAINS

"As a local North Easterner – I was delighted that we selected Newcastle as the location for Thoughtworks third UK office location. The vibrancy of the region and its growing reputation for digital innovation and engineering excellence has attracted many global organisations seeking to establish a foothold in the north of the UK, supported by great emerging talent from the region's universities and colleges made it a simple choice.

We are committed to supporting initiatives that develop digital skills and nurture a talent pipeline to support the accelerated growth and prosperity for our region."



OUR DIGITAL ECOSYSTEM





TOM BUNTEN
FOUNDER AT GRID FINDER

"Ignite seemingly has an army of incredible well-informed, successful and generous entrepreneurs who are more than happy to give up their time to share their experiences with the accelerator. Over five months, we were privileged to receive hours of insightful, challenging, pivot-inducing advice and feedback from Ignite alumni all over the world."



NOLA LUCAS
FOUNDER OF THE RELOCATION APP

"Digital Pathfinders has been a bridge to getting the app from an idea into reality and development.

A bridge from something which is dormant to becoming alive"

ENABLING PROGRAMMES



NTCA's Digital Growth and Innovation programme recognises the digital and tech opportunity in the area and will contribute to the achievement of the digital ambition, together with others from the private and public sector, with the following enabling programmes.



The North of Tyne **Digital & Tech Inward Investment** Programme, delivered by Invest Newcastle, supports the growth of the digital and tech sector by attracting new inward investors to the area. This programme promotes the many key strengths of the area highlighting why it is a world-class place in which to invest, work and live. The programme provides inward investors with a bespoke package of support including access to finance, property and talent and aims to make any investment decision process, as easy and smooth as possible.

Inward investment success is driving new digital and tech employment opportunities in the area, contributing to additional quality employment and careers, growth of organisations and the positive impact on the broader tech ecosystem.

ENABLING



ACCESS TO
NEW MARKETS



ACCESS TO
FINANCE



DIGITAL
TALENT

Data is the driving force of modern economies: the world class National Innovation Centre for Data helps organisations **to unlock value in their data** by linking business, academia and research to elevate learning, solve business challenges and acquire new data skills to become more productive. SMEs operating in all sectors across the North of Tyne can benefit from the service through exploring data, finding efficiencies and creating new products and services to support business growth. NICD blends teams of academics and industry experts with organisations to understand their industry and business problem. They run projects with organisations that enable them to acquire new skills and gain immediate return on investment. The programme is contributing to the growth of organisations and therefore the economy through new digital and data skills development and enhanced productivity insights.

ENABLING



ACCESS TO
EXPERTISE



RESEARCH &
INNOVATION



DIGITAL
TALENT



Digital Pathfinders helps SMEs, charities and social enterprises across the North of Tyne become more successful and resilient by adopting digital technology. Through a free programme of specialised events and expert one-to-one support, Digital Pathfinders demonstrates how adopting new technology can drive productivity, efficiency and performance in organisations. The programme helps mitigate the risk of digital adoption by non-tech businesses as well as supporting the digital transformation of others, equipping them with the understanding of potential investment required for relevant digital solutions. Digital Pathfinders ensures the right support is easily available to help organisations start, grow, improve, scale-up and prosper.

ENABLING



ACCESS TO
EXPERTISE



RESEARCH &
INNOVATION



The **Digital Cluster** programme, led by **Innovation Supernetwork** facilitates the development of digital clusters with potential to build collaborative support systems around these clusters in the North of Tyne. The programme connects clusters to innovation expertise and market opportunities to help SME's grow through bespoke specialist support, innovation challenges to accelerate market access for innovation and delivering investor readiness understanding and provision.

The digital cluster programme is enabling innovation to deliver improvements in productivity and competitiveness, creating new opportunities across all sectors and improving public and private services and solutions. Thereby contributing to the growth and appeal of the region as an area to solve social and economic challenges.

ENABLING



RESEARCH & INNOVATION



ACCESS TO NEW MARKETS



ACCESS TO EXPERTISE



ACCESS TO FINANCE



The aim of the **Digital Business Pipeline** programme is to increase the pipeline of new digital businesses across Newcastle, North Tyneside, and Northumberland. The programme is delivered in partnership by Digital Catapult North East Tees Valley, Ignite, the International Centre for Connected Construction (IC3) at Northumbria University, and TEDCO. Each of the partners in the programme bring specific expertise, businesses or individuals seeking support from the programme will be guided to the partner who can provide them with the most appropriate support for their need. The programme is designed to support individuals to explore their digital business ideas. This will include support for testing the market, testing the concept and testing the technology.

The programme supports NTCA residents, by helping them understand more about digital business creation and operation with the aim of supporting them to create new digital businesses.

The programme supports NTCA businesses, by helping them launch and grow their digital business or spin-out new digital businesses from more traditional backgrounds.

ENABLING



To support sustainable growth of the digital sector in North of Tyne there is focus on the development of the talent pipeline. **Tech Talent Engine** is driving collaboration between employers and education providers to support the creation of meaningful digital and tech roles across the area by clearly articulating the digital career paths that are available and provide more new-to-digital, early-career and career progression roles. The project supports regional businesses, particularly SMEs, to raise the profile of their digital and tech opportunities to attract the talent they need to fuel their growth by creating mass-awareness of tech career opportunities, and ensuring business and employees understand the skills and available employment openings.

ENABLING



DIGITAL
TALENT



ACCESS TO
EXPERTISE

**NORTH
OF TYNE**
~~~~~  
**DIGITAL**

NTCA's 5G and Future Connectivity Programme is supporting the **creation of jobs, business growth opportunities and faster implementation of 5G and future connectivity technologies**. It will level up the connectedness of the region, working with the market to maximise commercial deployments and investments; exploit the value from robust connectivity and identify sectors in the application of 5G and future connectivity; and, support businesses to use the technology available through access to skills and technology solutions.

This investment enables organisations in the area to be at the forefront of digital innovation and the application of cutting edge technologies; contributing significantly to the ambition of our fully connected location providing faster, reliable digital connectivity, interconnecting national and international networks, making the area an optimum place to locate data rich businesses.

ENABLING



CONNECTED  
LOCATION



ACCESS TO  
NEW MARKETS

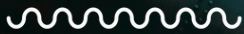


ACCESS TO  
EXPERTISE



DIGITAL  
TALENT

# NORTH OF TYNE



# DIGITAL



North Tyneside Council



Northumberland  
County Council

[northoftyne-ca.gov.uk/projects/digital](http://northoftyne-ca.gov.uk/projects/digital)  
[enquiries@northoftyne-ca.gov.uk](mailto:enquiries@northoftyne-ca.gov.uk)  
#NTCADigital





# **NORTH OF TYNE** Joint Digital Infrastructure and Connectivity Vision

**DIGITAL**

## Contents

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## 1 Executive Summary

Digital infrastructure is now as central to society and the economy as the supply of electricity or water. Demand for data, and therefore the speed, reliability, and capacity of broadband connections, is growing rapidly and will continue to increase as businesses, homes and all types of economic infrastructure become smarter and more connected.

The Covid 19 pandemic accelerated these trends and reinforced the fact that the provision of fast and reliable digital connectivity is essential in enabling remote working, connecting people with people, and connecting people to services.

This report presents an NTCA-wide needs analysis in relation to infrastructure deployment and connectivity and highlights a disparity between communities - there is 12% geographic coverage gap in 4G mobile connectivity; and 46% gap in premises with access to gigabit capable connectivity (c184,811 premises). Furthermore, another c15k premises currently do not have access to the generally accepted threshold of connectivity for an average household of 30mbps, of which c4k do not meet the UK Government's Universal Services Obligation (USO) of 10mbps, meaning these communities are at a greater disadvantage to the rest of the region.

The report sets out our proposed approach for how we intend to support and accelerate the delivery of robust, reliable connectivity across the region; maximising the delivery of the underlying infrastructure which will unlock the innovation potential of the region and secure the economic and social returns promised by comprehensive 5G and Full Fibre network capabilities and coverage.

We will develop targeted approaches to communities with no current prospect of connectivity or where we think there are factors that indicate we can work with the market to speed up planned deployment (barrier busting). In addition, we wish to work with government and anchor organisations locally to explore and test more innovative methods of deployment – including fibre through the water mains and cooperative or community led approaches to connectivity deployment in very marginal areas.

We aim to improve our position with the market and our readiness to secure resources by boosting capacity and a commitment to local leadership, supporting a more programmatic approach to market and government engagement, and helping the NTCA area to be better positioned to maximise current and future public investment.

Our Joint Connectivity Vision sets out a shared set of objectives developed in collaboration with Northumberland, Newcastle, and North Tyneside Councils. It sets out how - by working collaboratively - we can go further and faster and signals clearly what NTCA will do, what local authorities will do, and importantly what we expect of government, infrastructure providers and MNOs too. We hope this will form the basis of a best-in-class cooperation between the public sector, the market, business and communities in the pursuit of improved connectivity.

## 2 Introduction and Context

North of Tyne Combined Authority (NTCA) and its constituent Local Authorities have been clear about the importance of digital connectivity to the future of the region; this has led to direct NTCA, Local Authority and Government investment being secured in the area - pioneering activities in connectivity and data, such as the Urban Observatory and National Innovation Centre for Data and several accolades for Smart City initiatives.

Robust internet connectivity and wireless are an essential part of enabling remote working, connected public services, and marketing this region as a forward looking, investable place to live, study and work. NTCA has thus far been on the front foot, investing ~£29million to support the growth of the Digital Sector and improved connectivity across the North of Tyne.

Digital is the golden thread which connects the Combined Authority's wider ambition to make it easier for the Region to harness the power of tech and data to improve the lives of those in the NE and beyond through tech enabled product and service innovation happening here; creating a nexus where digital and data innovation, public services and inclusion come together to deliver a more inclusive economy.

By demonstrating clear and visible leadership, acting as an incubator for the adoption of new ideas and working closely with councils and other regional stakeholders to actively address barriers to tech innovation, digital infrastructure deployment and digital adoption, we can tackle complex region-wide problems by:

- Levelling up access to high-speed internet (fixed and wireless) for homes and businesses – building on our BDUK Local Full Fibre Programme (LFFN) and current DCMS Digital Infrastructure Accelerator Pilot (DCIA) to develop a collaborative and proactive market engagement function based on a comprehensive understanding of our connectivity map and economic, innovation and deployment opportunities.
- Kick-starting digital innovation and boosting the adoption of 5G and emerging technologies – actively supporting and co-investing in industry led innovation and R&D focussed on these transformative technologies.
- Breaking down the barriers for start-ups – investing in the regions start-up and scaleup ecosystems to ensure a fertile and supportive environment that nurtures tech start-up.
- Creating a Digital Talent Engine with the private sector to grow the tech-talent pipeline - raising aspirations and skills levels and creating clear pathways into the opportunities in digital for all our residents
- Attracting digital and tech companies to the area and creating new jobs to add to a growing crop of existing businesses in our digital economy.

We've already invested in rural internet connectivity, digital adoption, data analysis and digital business growth – with the potential to keep, create and transition jobs. Our LFFN programme has, for example, connected over 170 public sites within rural Northumberland to fibre internet with plans underway to connect a further 300 sites in the area through a wider strategy including urban connectivity – this will facilitate connectivity to at least 2000 premises. Three thousand residents are now more digitally included because of our covid response investment during the pandemic and £10m is being invested in direct support to grow the digital economy and create good jobs.

### 3 Our Connectivity Challenge: Full Fibre and 5G Context

#### Broadband

The Government's National Infrastructure Strategy (published 2020) committed £5bn in public funding to roll out gigabit broadband to at least 85% of the country by 2025, and to as close to 100%<sup>1</sup> as possible by 2030. Public investment will target premises that are 'hardest to reach' and which would otherwise not be provided for by the private sector in the course of business-as-usual deployment plans. Good progress has been achieved so far with gigabit coverage increasing from 10% to over 60% in less than two years.

The current position for NTCA (table below) shows 54% (219,137) of premises have gigabit fibre access but 3.8% (15,264 premises) fall below of a minimum threshold for an average household of 30mbps for acceptable broadband.

| Local Authority Area | All Premises   | Full Fibre Access | Gigabit Access | <30Mbps       | <10Mbps     |
|----------------------|----------------|-------------------|----------------|---------------|-------------|
| Newcastle            | 140,241        | 64,511            | 103,942        | 4,405         | 293         |
| North Tyneside       | 102,977        | 41,191            | 81,410         | 794           | 361         |
| Northumberland       | 160,730        | 35,361            | 33,785         | 10,065        | 3632        |
| <b>Total</b>         | <b>403,948</b> | <b>141,062</b>    | <b>219,137</b> | <b>15,264</b> | <b>4286</b> |

There are large parts of the region who are falling behind acceptable connectivity markers. Rural areas in the North and the West of the NTCA area are most markedly affected – though there are not insignificant pockets of poor connectivity within more urban areas too.

The challenge for the NTCA area in addressing the level of disparity in connectedness across the area will rely on a mix of interventions which range from encouraging commercial infill in urban 'not spots' through to more multi-faceted and transformative intervention needed for deep rural areas. The table below sets out the gap in premises not able to achieve gigabit capable connectivity which need to be addressed.

| Local Authority Area | All Premises   | No. Premises without Gigabit Connectivity | % Premises without Gigabit Connectivity | Premises with <30Mbps | Premises with <10Mbps |
|----------------------|----------------|-------------------------------------------|-----------------------------------------|-----------------------|-----------------------|
| Newcastle            | 140,241        | 36,299                                    | 26%                                     | 4,405                 | 293                   |
| North Tyneside       | 102,977        | 21,567                                    | 21%                                     | 794                   | 361                   |
| Northumberland       | 160,730        | 126,945                                   | 79%                                     | 10,065                | 3,632                 |
| <b>Total</b>         | <b>403,948</b> | <b>184,811</b>                            | <b>46%</b>                              | <b>15,264</b>         | <b>4,286</b>          |

<sup>1</sup> Where nationwide means 95% of the UK for 4G, and at least 99% of premises for gigabit-capable broadband.

Some of this gap will be addressed by Government intervention programmes (i.e. Project Gigabit) and the Markets' commercial deployment plans. It is the premises with less than 30mbps which are more likely to require intervention as those deemed 'hardest to reach' properties which have yet to benefit from technologies like SFBB.

## **Mobile Connectivity**

Where 4G was the evolution that transformed the day-to-day lives of consumers, 5G is the generation of mobile connectivity that will transform the connectedness of places, objects and processes. 5G promises greater bandwidth, greater capacity, greater speeds and lower latency and give a productivity boost to the industries that drive regional growth and prosperity, such as manufacturing, tourism, and agriculture.

While fixed fibre connectivity presents deployment challenges, so does mobile infrastructure, particularly in rural areas. The UK Government committed £1bn for mobile operators (EE, O2, Vodafone and Three) to deliver the Shared Rural Network (SRN) programme. This will see operators collectively increase 4G coverage to 95% by 2025. Across the NTCA region, 12% of Northumberland remains unconnected to 4G services – while Newcastle and North Tyneside have full coverage of 4G based on official statistics. However, this may vary in the day-to-day experiences of residents and communities.

Beyond 4G, the Government's ambition is that the majority of the population will have access to a 5G signal by 2027 and projects like SRN will help achieve this.

## **Emerging Technologies and the future of connectivity in the North of Tyne**

Despite a relatively tentative adoption curve to date, 5G promises something that we haven't seen before: a genuine industrial-scale internet of things that has the potential to provide all of those who live, work and move around in towns and cities a more seamlessly connected environment and experience. It will also be a far more robust and reliable network than we've previously experienced with service providers themselves able to monitor their networks in real-time and optimise their services to customers.

As a region we need to be ready for this inevitable shift, while we renew focus and re-double our efforts on improving the underlying fibre infrastructure and deliver basic universal connectivity to all of our communities. The reality is that 5G's capabilities far exceed what the average consumer will require in terms of connectivity, which are largely already catered for by 4G technologies. This means a focus on enterprise applications, where cities and places will be among those to benefit, turning data into actionable intelligence that feeds into strategies and decision-making, to ultimately create better outcomes and services for citizens, businesses and visitors. 5G has been designed to work on the existing 4G infrastructure, but as it works at a higher frequency, the signal doesn't travel as far. For 5G to become a truly pervasive technology, small cell infrastructure will be required to fill gaps and blackspots, as well as the bigger masts and base stations we've become used to seeing.

## **4 Our Joint Infrastructure and Connectivity Vision: Full Fibre, 5G and Beyond**

In the context of our changing connectivity requirements, there is a balance to be struck between the basic connectivity needs of our communities and the innovation potential of new technologies. We must ensure we focus on ensuring operators provide wired connectivity to every home and business and where appropriate we support them to do so; that the installation of the backhaul connectivity required to facilitate community fibre partnerships is prioritised as they can fulfil the last miles connectivity that is so often the most difficult; and that we invest in innovation and enable future connectivity where the infrastructure supports it.

NTCA and its constituent local authorities want to ensure that everyone, wherever they live or work in the Region, can access the connectivity and services they need for the ever-digitising world. Our ambition is:

- By 2028, we have 99%<sup>3</sup> of the region with access to gigabit connectivity – accelerating against the Government's target of 99% gigabit connectivity by 2030.
- Improved robustness and satisfaction of digital infrastructure, enabling our residents and businesses to thrive and innovate, and our connectivity enables the best experiences for our visitors.
- the digital skills of our residents are improved, and that no one is digitally excluded regardless of their location or income.

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<sup>2</sup> UK Digital Strategy

<sup>3</sup> Excludes premises which are not primary places of residence and therefore excluded from Government Schemes, and properties where there is no power from National Grid

To achieve this together, we will focus on:

### **Enabling world-class connectivity and smarter places...**

- Developing an in-depth understanding of our connectivity needs and boosting our capacity to shape the markets' deployment plans;
- Bridging the digital divide by directly incentivising and facilitating faster commercial rollout of fast, reliable, sustainable, affordable, high-speed wired and wireless internet access – especially in places currently 'left behind';
- We will be the easiest and most coordinated region to do business with for infrastructure providers wishing to invest and deploy here;
- We will proactively engage the market and Government to fill gaps, not be a passive recipient of commercial rollout plans.

### **Improved region-wide cross sector collaboration and innovation using current and future connectivity solutions...**

- co-creation of commercially viable 'use-cases' by investing in platforms for industry innovation, connecting users, businesses, academia and other sectors - creating a knowledge economy with technology as the pivot.

### **Enhance digital leadership & skills...**

- Enriching peoples' lives, empowering residents and businesses across sectors to adopt digital infrastructure as a 'Core Utility' by providing support to maximise potential for digital business and service provision, address digital exclusion and give people the skills and confidence to get online.

## **5 Our Strategy for Success**

With the ultimate objectives of increasing the connectivity profile of the NTCA region there are a number of activities which will help us achieve our goals. We want to create a strategy for success which impacts the communities in greatest need whilst also supporting other communities to flourish. Together, we will:

- Identify and prioritise the communities in greatest connectivity deficit and need: understanding their specific connectivity challenges – with bespoke interventions and activities targeted towards redressing the connectivity deficit in these areas. The initial areas are likely to feature predominately but not exclusively in Northumberland and the West of the NTCA area, as the area with greatest rurality. This will be a rolling list of communities and interventions until we reach our target connectivity – an approach that ensures a targeted, strategic and iterative progress.
- Work closely with National Innovation Centre for Rural Enterprise (NICRE) and Rural Design Centre (RDC) whose work also focuses on the needs of rural communities to align activities to take a more coordinated approach to intervention. Understanding the situational assessment of the needs of rural communities is essential to providing the appropriate services.
- Work closely with the Shared Rural Network and Borderlands project teams to contribute and support the impact that both projects can have on the 4G combined networks across rural communities.
- Develop and deliver a barrier busting plan which focuses on making it easy for infrastructure providers to do business with us.
- Provide dedicated resource to enhance our shared capacity to engage with the market and government and to secure progress through increased pace of commercial roll-out; creative approaches to in-fill connectivity, and community evidence led approaches.
- Implement an appropriate method of capturing demand for connectivity across the region which can be used with the market infrastructure providers to warrant and trigger investment.

## **6 NTCA's Role and Commitment**

To support this vision, NTCA will take an active role in:

- Building our collective understanding of what will be required at a local level to deliver 99% coverage (fixed and wireless) across the North of Tyne, creating a single unified NTCA-wide view of the current infrastructure, overlaid and combined with planned and potential infrastructure investment (completion of LFFN, Project gigabit etc).

- Identifying gaps that still exist in the connectivity profile of the region and work collectively across the LAs and with industry partners to create innovative solutions to address connectivity needs, and where possible creating a monetised view of the capital investment required to bridge the gaps in NTCA connectedness.
- Provide dedicated resource to enhance existing capacity to support ongoing engagement with commercial operators to:
  - Take a more pragmatic approach to rural investment where the commercial stakes (payback) of overbuild are much higher. Looking at more innovative access solutions and identifying potential co-investment or strategic joint ventures with the market.
  - Engage with operators and wider stakeholders to supporting a consortia approach to investing in rural connectivity – network agnostic access across multiple carriers.
  - Push more innovative uses of network technology in urban areas where good connectivity already exists e.g., exploiting the value of 5G connectivity.
- Leading the DCIA project on behalf of the LAs and ensure it delivers an effective proof of concept for a wider programme of deployment barrier busting activity.
- Invest in 5G and Future Connectivity innovation support and facilities across the NTCA area, to ensure maximum contribution to economic and societal return on investment.

## **7 Commitments from Local Authorities**

In addition to the activities driven by NTCA, there is recognition that the LAs have a key role in contributing to the realisation of the ambition. Our Local Authorities will:

- Provide collective political leadership to remove the barriers to commercial roll out and create conditions that encourage and facilitate network deployment using standardised processes.
- ensure connectivity is a key consideration in all new developments and re-developments including connectivity to residents and businesses as part of additionality and social value commitments.
- through planning responsibilities, ensure gigabit capable connectivity is incorporated as a 'Core Utility' in any new developments.
- explore the role of digital and technology in response to shared challenges such as social isolation and future of care services and in the delivery of 'best in class' digital public services.
- maximise the public sector as a source of and test bed for commercial innovation.

## **8 Asks of Mobile Network Operators and Infrastructure Suppliers**

We want to make it easy for the market to work with our Region and to roll out infrastructure and connectivity ahead of their current commercial schedules. However, we also need the market to play their part in supporting our approach, requiring coordination on both sides. The market of operators and infrastructure providers can support the achievement of this vision by:

- Adopting and using the new DCIA platform to make it easier to consider LA assets for inclusion in commercial roll out plans. This will ensure we have a more co-ordinated approach to making assets available and help us identify the level of interest from the market for our infrastructure
- Commitment to provide early visibility of commercial deployment roadmaps to enabling NTCA and LAs to recommend public sector assets which are readily available (Wireless infrastructure) and so partners can endeavour to complete the required approvals in good time (planning, wayleave, highways etc) for wired infrastructure.
- Commitment to regular engagement sessions with NTCA to create a single point of contact and a commitment to work in partnership with our Digital Team.
- Support NTCAs Digital Inclusion Accelerator programme which seeks to address the non-connectivity related barriers to getting people online (skills, affordability, need).
- work in partnership with NTCA and other regional stakeholders to deploy and use neutral host infrastructure to optimise efficiency of deployment.
- Commitment to a more collaborative approach to workforce planning and highlighting impact to planned deployments. Providing visibility of recruitment drives so potential candidates can be signposted towards job opportunities, identifying potential training requirements that could be addressed in other programmes to help upskill potential candidates ahead of applications.

## **9 Asks of Government**

The Government has a number of projects and initiatives underway which seek to accelerate the roll out of gigabit capable infrastructure across the UK. Several commitments by Government are required to support NTCA to 'level up' connectivity across the region.

- Acknowledge the current value of the gigabit voucher scheme is no longer fit for purpose (£1500 households and £3500 for businesses), and a commitment to review the value in recognition that it is now targeting the hard and hardest to reach properties across the UK.
- Provide a dedicated point of contact in BDUK to engage regularly (at least quarterly) and be proactive in ensuring the region is more informed on subjects like Gigahub funding and any other actions and activities which will support local areas in the acceleration of infrastructure roll out.
- A commitment from BDUK to co-invest with NTCA in solutions which bridge the gap in current connectivity availability.
- Commitment to further funding competitions that test alternative delivery methods for fibre infrastructure (like Fibre in Water project). In hard-to-reach areas this alternative delivery approach will be vital in connecting those rural communities.
- Endorsement and delivery of the connectivity and innovation propositions developed as a part of the North East devolution proposals.

## **10 Measuring success**

The following measures will be used to impact assess benefits to the region

1. In percentage of premises within NTCA that can access gigabit-capable broadband
2. Increase in the number of access points rolled out by MNOs across the area
3. Increase in percentage coverage across NTCA with acceptable signal on all the mobile networks
4. Increase in the roll out of 5G infrastructure
5. Reduction in the number of people who are digitally excluded in NTCA

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**Title:** 2023-2027 Financial Planning and Budget Process  
**Report of:** Chief Finance Officer  
**Portfolio:** Investment and Resources

### Report Summary

This is the initial report to Cabinet outlining the process to be adopted for the Authority's Financial Planning and Budget process for 2023-24 as part of the proposed framework for the four years 2023-2024 to 2026-2027. Further reports will follow as part of the process of setting the Authority's Budget for the financial year 2023-2024. The next report to Cabinet will be on 22 November 2022, which will outline the initial Budget proposals.

This report sets out information in relation to the proposed 2023-2024 Financial Planning and Budget process, including information on the key decision milestones. This will include:

- the update to the Medium-Term Financial Strategy (MTFS), and,
- development of the detailed budgets for 2023-2024.

### Recommendations

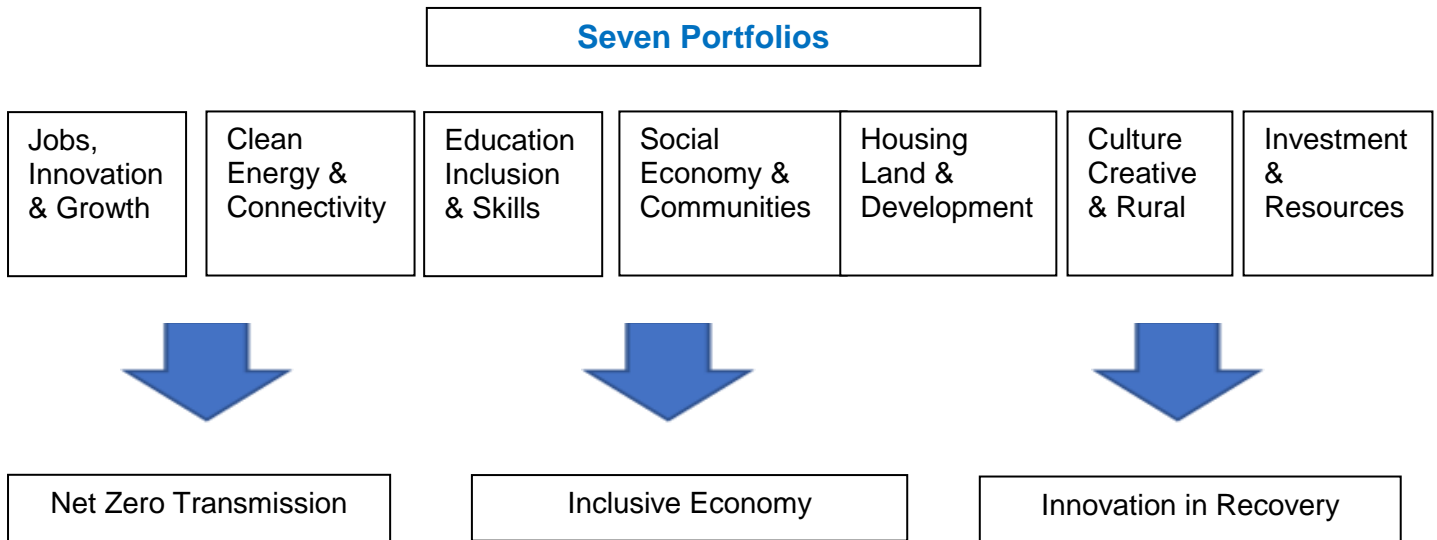
The Cabinet is recommended to approve the proposed outline 2023-2024 Financial Planning and Budget process, which incorporates the key decision milestones and dates as set out at Appendix A to this report.

#### A. Context

##### 1. Background Information

- 1.1 The Budget and Policy Framework Procedure Rules are set out in Part 3.2 of the Authority's Constitution. The Budget is guided by paragraph 3 covering the process for the preparation, consideration, and final approval of the Authority's Budget. The constitutional requirements for preparing, considering, and approving the Budget drive the timetable for the Financial Planning and Budget process.
- 1.2 The Financial Planning and Budget process is a fundamental part of the overall governance and assurance framework of the Authority. This, in turn, provides assurance that the Budget is considered as part of preparing the Annual Governance Statement to the Authority each year.
- 1.3 The North of Tyne Combined Authority Corporate Plan was taken to Cabinet Annual Meeting on 7 June 2022. Setting out the ambitions of Cabinet for the Authority, both immediately and in the future, with a roadmap for action. It captures the breadth of work undertaken and ensures activities are aligned allowing for clear collaborative working.
- 1.3.1 The Corporate Plan has been developed through a process of co-design with Cabinet and officers it plays an intrinsic role in ensuring that funding and resources are used efficiently and effectively adding maximum value and delivering with impact. The plan will be refreshed for approval by Cabinet as part of the Budget and Financial Planning process.
- 1.4 The Corporate Plan will drive the work programme of the NTCA which will turn into both team plans and individual personal objectives, creating a 'golden thread' from Cabinet's vision to day-to-day delivery. Importantly, the Plan is rooted in the NTCA values, which underpin the way the Authority works and outlines our approach to managing wisely the resources, funding, and investment available.

- 1.5 The Plan is structured around seven portfolios and three cross cutting themes, bringing together in a single cohesive plan the commitments within the devolution deal, manifesto, and recovery plan.



- 1.6 As for 2023-2024 the Authority will be required to raise the levies on the constituent authorities, so an important part of the budget setting process is ensuring the timetable meets the relevant statutory deadlines for the issuing of the Transport Levy. The relevant dates for the Joint Transport Committee meetings have been included within timetable at Appendix A.

- 1.7 Consideration will be given as to the inclusion of the 2023-24 North East Local Enterprise Partnership (LEP) and Invest North East England (INEE) budgets as part of the Mayor and Cabinet's overall budget proposals.

## 2. Developing a Medium-Term Financial Strategy (MTFS)

- 2.1 A Medium-Term Financial Strategy (MTFS) should be developed within the context of the strategic priorities and policy decisions made by the Mayor and Cabinet to ensure the Authority's strategic plans can be developed within the financial resources available. In addition, the MTFS ensures the Authority has a clear financial vision and direction for the medium-term and that the Mayor and Cabinet understand the financial implications of decisions that it is taking.

- 2.2 As part of the 2023-2024 Financial Planning process, the updating of the MTFS will be important. The approach will include:

- Analysis of the current financial situation, including the main sources of income, the main financial commitments and the levels of reserves currently held.
- Overall, Authority spending should be contained within original Budget estimates. If, following monthly revenue monitoring, Team budgets are projected to exceed original estimates, plans should be prepared setting out the actions required to ensure spending at the end of the year does not exceed original estimates.
- The Authority will maintain its Strategic Reserve at a minimum level of £0.200m at the end of each year, subject to a risk assessment as part of the annual budget setting process.
- The Authority will aim to balance its revenue budget over the period of the MTFS without reliance on the use of the Strategic Reserve.
- The Authority will plan for any changes to specific grants/interim funding/financial settlement/legislation.

- The Authority will maintain earmarked reserves for specific purposes which are consistent with achieving its key priorities. The use and level of earmarked reserves will be reviewed at least annually.
- The Authority will continue to develop its approach to efficiency, commissioning, and procurement to ensure value for money.
- The Authority will continue to consider business risk in all decision-making processes and, alongside this, ensure that resources are aligned to reduce any material financial risk to the Authority.
- The Authority will continue to review its Treasury Management Strategy and the efficient management of debt on an annual basis, with an on-going focus on delivering safe stewardship.

### **3. 2023-24 Financial Planning and Budget Process Timetable of Key Decision Milestones**

3.1 Key aspects of the 2023-2024 Financial Planning and Budget process timetable are set out at Appendix A to this report.

#### **B. Impact on NTCA Objectives**

1. The North of Tyne Combined Authority Corporate Plan sets out the strategic objectives of the Authority. The budget will enable the Authority to properly discharge its functions and assist 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. The financial implications arising from the outcomes of this report will be appraised as part of the decisions made as to what will be included in the Authority's 2023-2024 Financial Plan, incorporating the 2023-2024 Budget-Setting process.

2. The Mayor and Cabinet need to have due regard to the Chief Finance Officer's advice in relation to the levels of reserves and balances proposed as part of the four-year Financial Plan for 2023-2027 in accordance with the Authority's Reserves and Balances Policy.

#### **E. Legal implications**

1. The Authority is required to agree a balanced budget annually and to monitor that budget throughout the year. The 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**

1. The Authority has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential effects of decisions on those protected by the equality's legislation are considered prior to any decision being made.

2. The Authority will continually monitor the effect of our Budget-setting process and decision-making, utilising equality impact assessments and reflecting the Authority's equalities objectives.

3. Equality Impact Assessments (EIA) may be included in proposals for inclusion with the initial Budget proposals in November 2022 where applicable, in order to be available to the Mayor and Cabinet when it further considers the Financial Plan and Budget proposals on 22 November 2022.

**G. Inclusive Economy and Wellbeing implications**

1. There are no direct inclusive economy implications arising from the recommendations in this report. However, EIA's include inclusive economy implications and NTCA has adopted socio-economic disadvantage as a protected characteristic.

**H. Climate Change implications**

1. There is no direct climate changed implications arising from the recommendations in this report. However, climate change is considered within an EIA for projects.

**I. Consultation and engagement**

1. The creation of the North of Tyne Combined Authority has been subject to significant regional and national engagement. The 2023-2024 Budget will be based on the devolution deal and the Parliamentary Order which created the Authority and the Authority's Vision which has been detailed in the Corporate Plan which has been agreed by Cabinet and is being shared with stakeholders in a range of events.
2. Consultation with the Business Community and the Community and Voluntary Sector has continued through 2022-2023 as part of the overall approach to engagement undertaken with these sectors. In addition, the attendance at Cabinet of the Ambassador for the Community and Voluntary sector will add to the opportunity for engagement.

**J. Appendices**

Appendix A 2023-2024 Budget Setting Timetable

**K. Background papers**

25 January 2022 Financial Plan and Budget.  
1 February 2022 North East Combined Authority Leadership Board 2022-2023 Budget and Medium-Term Financial Strategy.

**L. Contact officer(s)**

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**M. Glossary**

|      |                                         |
|------|-----------------------------------------|
| MTFS | Medium Term Financial Strategy          |
| LEP  | North East Local Enterprise Partnership |
| INEE | Invest North East England               |

**Appendix A**  
**Budget Setting Timetable**

| <b>DATE</b>                                                                                                      | <b>EVENT/MEETING</b>                       | <b>ACTION</b>                                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20 September 2022                                                                                                | Cabinet Meeting                            | To consider and agree 2023/24 budget process/timetable for <b>both</b> the Authority and Mayoral budgets.                                                                                                                                                                            |
| 11 October 2022                                                                                                  | NTCA Overview and Scrutiny Committee       | Update on the Budget process and timetable for <b>both</b> the Authority and Mayoral budget.                                                                                                                                                                                         |
| 15 November 2022                                                                                                 | Joint Transport Committee                  | Consider and agree draft transport budget/levy for consultation.                                                                                                                                                                                                                     |
| 22 November 2022                                                                                                 | Cabinet Meeting                            | Consider and agree the Updated Corporate Plan and draft budget proposals in respect of the Authority.                                                                                                                                                                                |
| 6 December 2022                                                                                                  | NTCA Overview and Scrutiny Committee       | Receive the Authority's draft Corporate Plan and Budget proposals.                                                                                                                                                                                                                   |
| 10 January 2023                                                                                                  | NTCA Overview and Scrutiny Budget Workshop | Workshop to consider in detail the Authority's draft Corporate Plan and budget proposals and make recommendations to Cabinet.                                                                                                                                                        |
| 17 January 2023                                                                                                  | Joint Transport Committee                  | Approve Transport Revenue Budget and Transport Levies.                                                                                                                                                                                                                               |
| 24 January 2023                                                                                                  | NECA Leadership Board                      | NECA Leadership Board formally issue Transport Levy agreed by JTC                                                                                                                                                                                                                    |
| 31 January 2023<br><br>Note: The Mayor's draft Budget must be presented before 1 February in any financial year. | Cabinet Meeting                            | To consider outcomes of consultation and recommendations from Overview and scrutiny and agree final proposals for the Authority's Corporate Plan and Budget.<br>Receive the Mayors draft budget proposals.<br>Formally agree to issue the Transport Levy to constituent authorities. |
| Before end February 2023 (if required)                                                                           | Cabinet                                    | Cabinet meet to agree recommendation to the Mayor in respect of the Mayoral budget.                                                                                                                                                                                                  |

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**Title: North East Local Enterprise Partnership – Funding Decisions Update**  
**Report of: Chief Executive North East LEP**  
**Portfolio: All**

## Report Summary

The purpose of this report is to update the Cabinet on the work and decisions of the North East Local Enterprise Partnership (North East LEP). Since the North of Tyne Combined Authority Cabinet meeting held on 22 March 2022 there have been a number of project funding decisions related to the investment programmes managed by the North East LEP, for which NTCA is the accountable body since 1 April 2020. This report provides summary information about the Local Growth Fund (LGF), Getting Building Fund (GBF), Enterprise Zone (EZ), Project Development Accelerator Fund (PDAF) and North East Investment Fund (NEIF) programmes.

## Recommendations

Cabinet is recommended to note the report which provides information on the work and funding decisions of the North East Local Enterprise Partnership (North East LEP) over the last six months.

### A. Context

#### 1. Background Information

- 1.1 The report provides an update on the North East LEP project funding decisions made since the 22 March 2022. The North East LEP manages four funding programmes; the Local Growth Funding (LGF), the Getting Building Fund (GBF), the North East Investment Fund (NEIF) and the Enterprise Zone (EZ) programmes. On the 28 May 2021, the North East LEP Board agreed to the establishment of a Project Development Accelerator Fund (sourced from NEIF, reallocated from GBF programme match underspend and retained EZ surplus) to support the development of strategic regional projects. This fund has assisted 20 projects to date.
- 1.2 Project funding decisions are made in line with the North East LEP Constitution and Scheme of Delegation which sets out how decisions can be made through the North East LEP Board, the Investment Board or through the delegated decision process.
- 1.3 The North of Tyne Combined Authority (NTCA), as the North East LEP accountable body, is the legal entity which issues the grant and loan agreements to project applicants and as such must satisfy itself of the legal and financial probity of any decisions it implements on behalf of the North East LEP. This means that the North LEP project funding decisions also need to be authorised through NTCA decision-making for legal and financial probity reasons, rather than endorsing the actual in principle decision of the North East LEP.

#### 2. Funding Decisions

- 2.1 Project funding decisions made and implemented up to the end of August 2022 are as follows:
  - Delegated authority was given to the North East LEP Chief Executive in consultation with the Chair of the Investment Board by the LEP Board to enter into a revised and increased grant funding agreement to provide Enterprise Zone (EZ) programme funds totalling £7.356m to Newcastle City Council for the Newcastle North Bank of Tyne – Phase 2 (Walker Quay) Enterprise Zone site.

- Following the significant change to GBF programme with the withdrawal of the Aykley Heads Office Development, Durham project and to mitigate against the potential GBF grant payback to DLUHC it was agreed:
  - a. Local discretion to treat £2,965,910 towards the total £6m GBF project grant as LEP matched funds from the North East Investment Fund, enabling its release from the GBF programme and availability for reallocation to new projects out with the GBF programme.
  - b. The £3,034,090 balance of decommitted GBF resources to be added to GBF programme part funded Enterprise Zone projects with £1,900,000 at Tyne Dock in South Tyneside and £1,134,090 at NEP1, Blyth Estuary in Northumberland displacing an equivalent sum of EZ borrowing that is currently supporting project infrastructure costs.
- Grant funding agreement for Enterprise Zone (EZ) funding with an award of £2.6 million (subject to conditions) to Durham County Council to deliver Phase 2 of the Jade Enterprise Zone infrastructure works project.
- Varied an existing Local Growth Fund (LGF) grant to allocate £15,108 additional grant to Transport North East's (NECA) Electric Vehicle (EV) Charging Infrastructure scheme to cover additional grid connection costs.
- Delegated authority to the Chief Executive of the North East LEP, in consultation with NTCA's Chief Finance Officer, to undertake a procurement exercise for and then award {to the successful bidders) two contracts to deliver skills bootcamps up to the value of £5million (i.e. in total for the 2 contracts together).
- Approval of the appointment of the Fund Management services for the North East LEP's Commercial Property Investment Fund (CPIF).
- Funding decisions made under delegated authority are included at Appendix D to this report.

### **3. Receipt of funding**

3.1. Receipt of funding up to the end of August 2022 was also noted and approved as outlined below:

- £800,000 per annum for the next three years under a Section 31 funding from the Department for Business, Energy and Industrial Strategy (BEIS) was accepted to support the Made Smarter Project with the following actions:
  - a. Approved entry into a Partnership Agreement with the Tees Valley Combined Authority to undertake the project;
  - b. The Monitoring Officer completed the necessary paperwork and finalised an award of contract for an appointed Fund Manager to distribute grant aid to SMEs within a budget of up to £115,000 over three years;
  - c. Delegated authority was given to the North East LEP Chief Executive in consultation with the Monitoring Officer to enter into a Memorandum of Understanding with the Department for Business, Energy and Industrial Strategy in line with the requirements of the Made Smarter Project.

### **B. Impact on Objectives**

1. The decisions support the vision and objectives of the North East LEP Strategic Economic Plan 2014- 2024, and the North East Recovery and Renewal Deal submitted to Government in September 2020.



## **C. Key risks**

1. The North East LEP is managing financial, regulatory and reputational risks at both project level and programme level. Individual project level risks are assessed prior to funding approval as part of the project appraisal process and in accordance with the North East LEP Assurance Framework.
2. NTCA's finance and legal officers consider all related grant and loan funding agreements including subsidy control matters to ensure legal and financial probity prior decisions being taken.

## **D. Financial and other resources implications**

1. The Section 73 Officer is consulted on all funding decisions going through the NTCA decision-making process to ensure financial probity and whether the budget provision is available.

## **E. Legal implications**

1. The comments of the Monitoring Officer have been included within this report. The NTCA Monitoring Officer is consulted on all funding decisions going through the NTCA decision-making process to ensure legal probity.

## **F. Equalities implications**

1. All North East LEP funded projects are required to be delivered in accordance with the objectives set out under section 149 of the Equalities Act 2010.

## **G. Inclusive Economy and Wellbeing implications**

1. The North East LEP follows the policies set out in its North East Strategic Economic Plan (SEP) that promote sustainable economic growth across the region. The core objective of the North East SEP is to support the creation of 100,000 'more and better' jobs in the region by 2024.
2. Projects consider the impact on inclusive growth in the North East.

## **H. Climate Change implications**

1. A number of projects / mini programmes supported by the North East LEP funding programmes are specifically supporting efforts to achieve Net Zero goals and to mitigate against climate change.

## **I. Consultation and engagement**

1. Proposals have been developed through the North East LEP Board and Investment Board processes.

## **J. Appendices**

Appendix A: Copy of the North East LEP Board funding papers – 17 March 2022

Appendix B: Copy of the North East LEP Board funding papers – 19 May 2022

Appendix C: Copy of the North East LEP Board funding papers – 21 July 2022

Appendix D: Copy of funding decisions made under delegated authority since March 2022

The appendices are not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **K. Background papers**

None

**L. Contact officer(s)**

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**M. Glossary**

EZ – Enterprise Zone  
DLUHC - Department for Levelling Up, Housing and Communities  
GBF – Getting Building Fund  
LEP – Local Enterprise Partnership  
LGF – Local Growth Fund  
NEIF – North East Investment Fund  
PDAF – Project Development Accelerator Fund

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