

## **North of Tyne Combined Authority, Overview and Scrutiny Committee**

Tuesday 11 October 2022 at 1.00 pm

Meeting to be held: Collingwood Suite, Civic Centre, Newcastle upon Tyne, NE1 8QH

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### **AGENDA**

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	<b>Page No</b>
1. <b>Welcome and Introductions</b>	
2. <b>Apologies</b>	
3. <b>Declarations of Interest</b>	
4. <b>Agree the minutes of the meeting held on 5 July 2022</b>	<b>1 - 10</b>
5. <b>Mayor's Briefing</b>	<b>11 - 18</b>
In attendance: Mayor Jamie Driscoll, North of Tyne Combined Authority	
Attached: Report	
6. <b>Growth Plan, Levelling Up and Devolution - Presentation</b>	

In attendance: Dr Henry Kippin, Chief Executive, North of Tyne Combined Authority.

Presentation at meeting.

7. **North East Local Enterprise Partnership Update** **19 - 22**

In attendance: Helen Golightly OBE, Chief Executive, North East LEP

Attached: Report

8. **Investment Fund Update** **23 - 30**

In attendance: Rob Hamilton, Chief Economist, North of Tyne Combined Authority

Attached: Report

9. **2022/23 NTCA Q1 Budget Monitor Report** **31 - 42**

In attendance: Janice Gillespie, Director of Finance, North of Tyne Combined Authority

Attached: Report and Appendix

10. **2023-27 NTCA Financial Planning and Budget Process** **43 - 52**

In attendance: Janice Gillespie, Director of Finance, North of Tyne Combined Authority

Attached: Report and Appendix

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

1.00 pm on Tuesday 6 December 2022 at Civic Centre

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## North of Tyne Combined Authority, Overview and Scrutiny Committee

5 July 2022

(1.00 - 3.15 pm)

Meeting held: Bewick Room, Level 2, Newcastle City Library, 33 New Bridge St, NE1 8AX

### Draft Minutes

#### Present:

Chair: C Seymour

Councillors S Fairlie, G Stone, L Wright, J Harrison, Joe Kirwin and C Seymour and M Hall (sub)

#### 1 APPOINTMENT OF CHAIR AND VICE-CHAIR FOR THE 2022/23 MUNICIPAL YEAR

Elizabeth Kerr, Principal Governance and Scrutiny Manager (NTCA), opened the meeting. She confirmed that the Chair had to be drawn from a different political party to that of the Elected Mayor.

Councillor Seymour was nominated and seconded for the position of Chair. Councillor Wright was nominated and seconded for the position of Vice Chair.

**RESOLVED** that -

- (i) Councillor Seymour was duly appointed Chair of the Overview and Scrutiny Committee for the Municipal Year 2022/23; and
- (ii) Councillor Wright was duly appointed Vice Chair for the Municipal Year 2022/23.

#### 2 WELCOME AND INTRODUCTIONS

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

#### 3 APOLOGIES

Apologies for absence were received from Cllr Bowman, Cllr Beynon and Cllr Shaw (Cllr Hall in attendance as substitute).

#### 4 **DECLARATIONS OF INTEREST**

None.

#### 5 **AGREE THE MINUTES OF THE MEETING HELD ON 15 MARCH 2022**

**RESOLVED** – That the minutes of the meeting held on 15 March 2022 be agreed as a correct record and signed by the Chair.

#### 6 **NTCA ANNUAL REPORT AND CORPORATE PLAN**

Committee received a report and presentation from H Kippin, Chief Executive, which set out the NTCA's Annual Report 2021, endorsed by Cabinet at its March meeting, detailing the Authority's achievements and the work of the Mayor and Cabinet over the last year and also the Corporate Plan 2022/23 endorsed at the Annual Meeting in June.

The Annual Report 'Getting Stuff Done' was noted to include information on work by NTCA to attract companies and jobs to the region; safeguarding existing jobs and supporting businesses with advice and guidance; working with communities; investing in rural technologies; providing courses for residents to get good jobs and helping people get back to work. The report also provided annual updates from the Inclusive Economy Board, the Housing and Land Board and the Voluntary, Community and Social Enterprise Group.

It was also noted that at its Annual Meeting in June, Cabinet had endorsed NTCA's updated Corporate Plan. The presentation provided an overview of the 2022/2023 Plan, developed through co-design with Cabinet, officers and partners, and which refreshed the context and outlined NTCA's ambitions and delivery priorities within its seven delivery portfolios and three cross cutting themes.

Following the presentation, in discussion with committee members, the following key points were raised:-

- A committee member welcomed the Annual Report and Corporate Plan as useful documents that illustrated well the work and ambition of the Combined Authority. He urged caution around ensuring that statements were realistic, noting that while figures were quoted for projected job creation over the 30 year period from 2019/20 of 10,000 and number of jobs considered to be in the pipeline at present at 4,500, the actual number of jobs created was currently approximately 1000.

H Kippin explained that there would inevitably be some lag at this stage between target figures and jobs delivered, as some sectors were able to move faster than others. Also, jobs from inward investment often progressed more quickly than work to develop business cases to save or reinforce jobs. He noted that there was a constant focus on accountability in working to bring jobs to the area, with investment not taking place until jobs were secured.

The member responded that he had no criticism of the direction of travel or the work being carried out, but it was important that nationally the conversation around regional devolution was realistic. H Kippin responded that he was very mindful that longer term projections must be underpinned by solid assumptions.

H Kippin also noted that there was an evaluation process built into the planning process in the form of a Gateway Review every five years, to assess performance against targets under the devolution deal and in comparison with other authorities. The baseline assessment had been carried out the previous year and the position so far was quite positive. Delivery against targets inevitably would take time.

- A member asked about governance arrangements to ensure that where the Combined Authority worked on a potential project in one or more of its constituent authority areas, there was a cohesive approach to avoid possible conflict with the policies or procedures of the individual authorities.

H Kippin explained that there were a number of mechanisms in operation to promote a collaborative approach. The Leader and Deputy Leader of each local authority sat on the NTCA Cabinet which meant it was difficult for a proposal to reach that stage of scrutiny without cross authority consensus. Also there was a recognition of where responsibility lay for different processes and decisions e.g. planning etc. It was also clearly recognised that across some areas of work e.g. skills investment, there were benefits of economies of scale to be achieved from collaboration. The Combined Authority's constitution almost ensured that it would be impossible to progress a project for which there was not appropriate support.

- A committee member highlighted the importance of a joined-up approach and strategic thinking when bringing forward brownfield sites for housing in terms of the need to consider affordability and where new employment opportunities were being created.

H Kippin agreed and noted that NTCA had created a Housing Land Board (HLB) which included a range of stakeholders drawn from across the housing sector. The Board had commissioned work to look at housing affordability in the North of Tyne area. He noted that it was too simplistic to assume that affordable housing equated to 75% of market rate and other factors and circumstances also had to be considered. There was also work to be done to try influence government policy in this area - it was often difficult for local authorities to secure funding to build properties as they were not Registered Providers. The HLB would be considering these issues and himself and Mayor Redfearn, who chaired the Board, would be very happy to attend a future meeting to discuss this work further.

The committee member acknowledged the difficulties facing Local Authorities and Combined Authorities and reiterated the need for joint working particularly along adjacent geographic boundaries.

H Kippin commented that as a new public entity it was important to work to build trust. The original devolution bid had not included housing so it was positive that this was now in scope and the Housing and Land Board had been established. Housing development had to be considered in the context of a range of issues such as whether there were effective public transport links if a development was to be progressed. There were also a range of other issues that could impact development plans and needed to be balanced, such as cost of living pressures, the economic impact of the war in Ukraine, post pandemic recovery, pressures in the job market and the Levelling Up agenda.

The committee member noted that average income in the region was disproportionately low compared to other areas and it was important to secure good value jobs. Resource must be used to encourage businesses to invest and this would require investment in skills and training. Incomes in the region needed to be driven up through higher quality jobs.

H Kippin agreed that it would be important not just to create jobs but to ensure there were high skilled jobs and that people were appropriately trained to take these up. Challenges in the work programme were recognised.

**RESOLVED** – That the North of Tyne Combined Authority Annual Report 2021 and Corporate Plan 2022/23 be received and committee members comments noted.

## 7 **UK SHARED PROSPERITY FUND**

H Kippin, Chief Executive, gave a presentation which explained work underway to shape the Authority's approach to the UK Strategic Partnership Fund (UKSPF) which was funding to be made available regionally by the UK Government to replace EU funding withdrawn following Brexit. It was noted that some EU funded programmes had not yet finished. The UKSPF comprised a more limited amount of funding but government aimed for it to be able to be used more flexibly.

A UKSPF Strategic Partnership Group had been established to guide this work within NTCA. This advisory board reported to Cabinet and its Terms of Reference were outlined. There were noted to be two funds - the main UKSPF fund which for NTCA would equate to £47.1m over three years (2022-25) and the smaller Multiply Fund, comprising £4.1m over the same period (focused on improving mathematical literacy in the adult working population). The vision, themes and objectives to be met were prescribed by Government. The proposed Investment Principles were outlined, with UKSPF funding aligned around three key themes of (i) Community and Place; (ii) Support for Local Businesses; and (iii) Support for People and Skills.

It was noted that the Authority had submitted its' Multiply Investment Plan to Government, to meet the 30 June deadline. The main UKSPF Plan was due to be submitted by 1 August. In discussion with committee members the following key points were then raised:-

- H Kippin noted that a summary of key information about the UKSPF was available and undertook to forward this to the committee.

- The Chair commented that it was helpful that there would be more flexibility around how money could be used, compared with previous EU funding programmes.

H Kippin noted that there was a trade-off between having greater flexibility and the smaller quantum of funding that would be available.

- In response to a question from a committee member, J Gillespie confirmed that the North of Tyne Combined Authority area would receive approximately 25% of the funding previously received through the EU. Officers were therefore very aware of the need to ensure that the delivery programme maximised the potential of the Investment Funds. It would also be important to understand the risks to services currently being delivered and what it may be possible to deliver under the new funding regime.

H Kippin noted that central government would highlight that the funding over the period also coincided with the tapering off of some EU programmes and therefore the reduction was not a cliff-edge change. The area had to make the best of what it would be receiving and effectively align this with other investment where possible.

J Gillespie noted that the profile of funding also raised some issues as the NTCA investment programme ramped up significantly in year three.

- Responding to a query, H Kippin explained that initially the funding would sit within the Investment and Resources portfolio but as UKSPF then turned into “business as usual” activity, Cabinet would determine how to apportion this across portfolios.
- A committee member commented that it was important that councillors understood what projects were likely to fall as a result of the funding reduction. J Gillespie noted that work was underway in individual authorities to look at this, so members could be advised of the expected position.
- Cllr Stone declared that he had previously worked as an EU funding officer in a local university. While it was generally recognised that EU funding was bureaucratic, it had also been very valuable and he was interested in the planned structure to administer the UKSPF. He sought assurance that the governance arrangements would ensure that funding was fairly distributed, avoiding any undue political interference.

The member also commented that he hoped that support for business would focus on SMEs and not “big” business and that projects would promote sustainability.

J Gillespie confirmed that the net zero agenda featured in each fund theme. In terms of governance there was already a process in place for the administration of funding through the Investment Panel reporting to Cabinet and this was expected to continue. The role of the UKSPF Partnership Board, while advisory, would also be to understand whether investment was going to

the right places. There would be reports back to Overview and Scrutiny Committee on allocations made.

- Responding to a query, J Gillespie noted that it was anticipated that allocations would involve match funding as a matter of course, although the percentage split had not yet been prescribed.
- A member noted that Government Office North East had previously operated a small secretariat to oversee EU funding and asked how resource would be allocated to support the UKSPF process. J Gillespie confirmed that up to 4% of UKSPF and 10% of the Multiply Fund could be top sliced to provide resource for support. Some start-up capacity had been identified which cover a range of professional expertise.
- H Kippin noted that the UKSPF Plan was due for submission by 1 August, with response from Government expected in October. With regard to net zero, it would be important to consider what initiatives should be funded through UKSPF and what may be more suitable for funding through other routes.

The Chair thanked H Kippin and J Gillespie for the presentation and noted that the committee looked forward to receiving further updates in due course. H Kippin confirmed that there was no set date for feedback from Government on the Plan, but in the interim work would focus on ensuring processes were robust and on developing projects so they were able to start as soon as government approval was received.

**RESOLVED** – That

- (i) The presentation on the UKSPF be received and committee members comments noted in taking work forward; and
- (ii) Any further information on the work of the UKSPF Strategic Partnership Group and the Investment Plan be circulated to the committee for information once available.

**8 DEVOLUTION UPDATE**

H Kippin, Chief Executive, NTCA, gave a presentation which outlined the key fundamentals of the current devolution deal for the North of Tyne Combined Authority based on a 30 year, £600m investment plan, covering skills, housing, economic growth and transport (shared with the wider North East). The presentation also highlighted areas that required further consideration in developing the devolution offer for the NTCA region.

There was noted to be a strong focus in delivery on net zero, inclusive economy and investment in economic innovation. Delivery and impact would be achieved through collaboration via a cross-party Cabinet structure and strong partner relationships. The original investment fund had been augmented by funding for the Adult Education budget, housing and additional adult skills. The Authority was part of the M10 group of Combined Authorities which worked to develop policies around devolution, regions and levelling up. Good progress had been made since 2020 with more than 4.5k new jobs in the pipeline, £250m+ leverage and 35,000 learner opportunities p.a.



An overview was provided of the Combined Authority's current Investments and Programmes across the areas of Adult Education, Skills and Inclusion; Clean energy & 'green jobs'; New homes & communities; Covid Response & Innovation; Culture, Creative & Tourism ; Digital growth & connectivity; and Inward Investment and Business Support. Major long-term cross-regional programmes were also noted.

Finally H Kippin highlighted issues that would need further careful consideration in developing the devolution offer for the region. These related to (i) Understanding what our economy required post-Covid, post-Brexit and post-COP environment and what 'levelling up' meant for the region (ii) Growing important sectors i.e. clean energy, net zero, digital, health innovation etc – and what interventions, funding and powers would add most value (iii) Skills and human capital – how to ensure a robust skills pipeline so all communities can benefit from new jobs and growth; (iv) Transport and connectivity – building on our joint transport plan and progress on digital infrastructure and innovation (v) Inclusion and prevention – achieving sustainable growth will require public service innovation and prevention - how can business and the 'good work' agenda best contribute to this; (vi) Collaboration – any next steps must work for all of our citizens, places and our business community - how can we engage to make sure voices are heard.

Concluding H Kippin noted that nothing had yet been agreed in terms of a further potential devolution deal. However, all parties were aligned and there was a commitment to securing the boldest levelling up deal possible for the area. He noted that he would be happy to come back to the committee in the Autumn to update on how discussion had progressed.

In discussion with committee members the following key points were raised.

- A committee member commented that while a sense of direction of travel was starting to emerge in terms of a future devolution deal, there was still a lack of detail. This needed to be addressed to ensure proper scrutiny.

He noted that previously there could have been a wider devolution deal achieved but there had not been political consensus around this. There must be recognition from Government of the need for a better deal for transport but there must also be more transparency around what else was being asked for. He expressed concern that there may be an ask to sign-off on something for which the end game was not properly understood. He acknowledged that leaders would be pushing hard for more powers and resource but voiced concern that the scope of this was not more widely understood.

H Kippin noted that NTCA Cabinet had been very clear that in progressing any discussion they would seek to build on what had already been achieved. The Chair also commented on the current "unknowns" around this process and that more clarity was needed around the changes for the Local Authorities involved.

H Kippin commented that devolution deals already in place were centred on delivering additional powers and resources to regions based on collaborative working and did not remove powers from local authorities.

- A member noted that the current situation felt very similar to the first set of discussions during which little information had been shared. The current situation appeared very uncertain and transport in particular required a good outcome.
- A member agreed that one of the main potential benefits to be delivered from any new negotiations must be around transport, but he queried whether the geography of the area made that more difficult as the NTCA area did not necessarily follow a natural travel to work pattern. He also queried whether Durham was likely to be involved, noting that it may feel more naturally aligned with Wearside or Teesside. He also queried if there was a risk that the more authorities that became involved, the more difficult it may be to achieve consensus.

H Kippin responded that already having an established Mayoral Combined Authority meant that (with the exception of transport which was currently dealt with separately), there was a good basis from which to understand on what a future deal may be based. With regard to transport, the funding and operation was complex but City Regional Sustainable Transport Settlements were being linked to a governance model which implied wider devolution.

The issue of whether Durham would participate was one for its leaders but whatever the regional composition of any new settlement, there would be a continued commitment to good governance and collaborative working.

[At this point Cllr Wright stepped out of the meeting]

- A member urged that if a new deal was negotiated, that careful consideration be given to ensuring that any new resulting Authority had a clear and meaningful name.
- A committee member queried the role of scrutiny in the process and whether a larger geographic area would necessarily be better. He stressed the importance of ensuring that transport was included in a new deal to ensure that resources were co-ordinated for the benefit of residents. He also noted that to be justifiable, any new devolution deal must advance the current position.
- A committee member endorsed comments about the role of scrutiny in this process, noting that it had a valid interest in understanding the government's proposals. There was a need for clarity around how powers would be allocated between an elected Mayor and individual local Cabinets. He noted that while officers assured that there was a commitment to collaboration, this was not necessarily always how matters played out. Whatever model was adopted must take into account the interests of the region as a whole and avoid any political split between constituent authorities

[At this point Cllr Wright returned to the meeting]

The Chair thanked H Kippin for the presentation. H Kippin confirmed that he would be happy to come back to the committee with a further update in due course.

**RESOLVED** – That

- (i) The presentation be received and committee members comments noted; and
- (ii) A further update be brought to the committee in due course.

## 9 **2021/22 NTCA BUDGET OUTTURN REPORT INCLUDING NORTH EAST LEP AND INVEST NORTH EAST ENGLAND**

Committee received a report from J Gillespie, Chief Finance Officer, which informed the Committee of the provisional 2021-22 outturn financial position of the North of Tyne Combined Authority (NTCA) including the Corporate Fund, Investment Fund, Adult Education Budget, and Brownfield Housing Fund. The 2021-22 outturn position was noted to be provisional at this point, being subject to external audit as part of the Audit of the 2021-22 Statutory Accounts.

As the North of Tyne Combined Authority had become the Accountable Body for the North East LEP and Invest North East England from 1 April 2020, it was noted that the report also included the 2021-22 Outturn position for the North East LEP and Invest North East England in addition to reporting on the Accountable Body Budget. Included in the North East LEP report was the 2022-23 budget and illustrations for 2023-24 and in addition the Invest North East England (INEE) 2022-23 budget.

Committee was referred to the Corporate Budget Outturn set out in table 1 and section 2 of the report; to section 3 detailing Investment Fund performance; and to section 4 which highlighted activity and performance in relation to the Brownfield Housing Fund.

In discussion with committee members the following key points were raised:-

- Noting the position with regard to State Aid requirements following exit from the EU as detailed in section 3.5, a member queried whether this was impacting on delivery. J Gillespie explained that there had been some delay as officers became familiar with the new regime (around subsidy control) but the situation had now improved.
- A committee member referred to data on Investment Fund Capital Schemes detailed in section 3.7 and asked for some information on Community Hubs Northumberland.

H Kippin explained that this programme comprised a £1.5m allocation split across the three local authority areas, to bring together Community Hubs to generate local community enterprise. It varied in its approach across each area and was a three year programme that would run for the remainder of this year and next.

A committee member queried how this differed from supporting Sure Start or foodbanks. H Kippin explained that the funding was not being used to subsidise existing services and that the goal was to use the hubs to help residents develop new social enterprises.

It was noted that if helpful E Kerr could share the Cabinet report on this programme.

In response to a request for reassurance from a member around governance issues, H Kippin commented that he was confident that the monitoring arrangements and business case development meant that the programme had a good framework in place.

**RESOLVED – That**

- (i) The Committee note the report on the 2021-22 NTCA provisional outturn position, including the North East LEP and Invest North East England 2021-22 financial outturn, including the North East LEP 2022-23 budget and illustrations for 2023-24, and Invest North East England (INEE) 2022-23 budget which was presented to Cabinet on 7 June 2022; and
- (ii) A copy of the report to Cabinet on the Investment Fund Community Hubs programme, be circulated to the committee for information.

**10 WORK PROGRAMME 2022-23**

Committee received a report from E Kerr, Principal Governance and Scrutiny Manager, which set out the Overview and Scrutiny Committee's provisional work programme for the 2022-23 municipal year.

The Committee was asked to agree the provisional work programme for the year ahead as set out in the report, noting that it may change throughout the year to respond to matters as they arise. In doing so, the committee was invited make any recommendations considered appropriate.

In discussion the following key points were raised:-

- A member noted that the meeting on 6 December was scheduled to include an update from the Cabinet Member for Education and Skills and asked whether this could also include an update on the Adult Education Budget.

E Kerr confirmed that she would seek an update on of Adult Education Budget outcomes etc. for that meeting.

**RESOLVED – That**

- (i) The committee agree the provisional work programme for the year ahead as set out in the report, noting that it may change to respond to matters as they arise; and
- (ii) The draft programme be amended to include an update at 6 December meeting on outcomes relating to the Adult Education Budget.

**11 DATE AND TIME OF NEXT MEETING**

Tuesday 11 October 2022 at 1pm (venue to be confirmed)

## Overview and Scrutiny Committee

### Mayor's Briefing

The Overview and Scrutiny Committee invites Cabinet Member to committee meetings to provide the committee with an update on the work and plans of their portfolio area.

This briefing at the 11 October 2022 Overview and Scrutiny Committee meeting will be from **Jamie Driscoll, North of Tyne Mayor**.

#### 1. Overview

- 1.1. My joint top priorities remain the creation of green jobs and leading on decarbonisation of our economy *and* to achieve these in an inclusive way. We are making sure that the jobs we are creating are secure, well-paid and backed by our Good Work Pledge. Given the escalating cost of living crisis over the past year it is essential that we enable our residents to have a secure income through good work, as well as access to employability and skills programmes and our poverty interventions.
- 1.2. We are rolling out our Energy, Green Growth and Climate Change programme, backed by the £24.2 million in funding over eight years from our Investment Fund agreed by Cabinet in March 2020. Using the £8.3 million allocated for infrastructure as part of the £12 million allocated for Offshore & Subsea, we are funding improvements on the north bank of the Tyne and have also agreed funding for improved infrastructure at the Port of Blyth Clean Energy Terminal, and Swans Energy Park on the Tyne. In March this year, we were instrumental in establishing the Tyne Task Force comprising the Combined Authority, our local authority (LA) and private sector partners and the Offshore Renewable Energy (ORE) Catapult. The body is working to position the Tyne as a world leader in the offshore and renewable energy sectors.
- 1.3. Increasing local content in offshore wind projects is vital to make sure that the turbines get built here. Our partnership with the ORE Catapult to deliver our £3.5 million Technology, Innovation and Green Growth for Offshore Renewables programme (TIGGOR) is producing tangible results. Nine companies have now been awarded funding, totalling £2.3 million, under the programme for projects which will support technology demonstration in key areas such as maintenance of offshore wind turbines. One such company, Transmission Dynamics based in Cramlington, is manufacturing "smart bolts" which can remotely monitor turbines' functioning, reducing the need for expensive on sight inspection and maintenance.
- 1.4. We have also established the Just Transitions Programme in partnership with the Energy Democracy Project and Transition Economics to ensure that no communities are left behind as we move towards a lower-carbon economy.
- 1.5. As part of our Strategic Skills Plan, we are supporting the development of green skills with £2 million from our Skills for Growth Fund. An open call for projects was launched in October 2021 with an opportunity for a range of organisations and partnerships to come forward with ideas for projects. Four have been selected to deliver a skills and training offer which meets skills demand in areas such as offshore wind (power generation & supply chain), retrofit and green construction. We are also supporting green skills bootcamps with £1.2 million of the £5.4 million allocated to us in July this year from the Department for

Education for the delivery of Skills Bootcamps across our region. The bootcamps offer free, flexible courses for adults aged 19 or over who are either in work, self-employed, recently unemployed or returning to work after a break. The green skills bootcamps offer will enable residents to access the growing demand for skills in fast growing green industries such as electric vehicle maintenance, housing retrofitting and heat pump installation. All Skills Bootcamp beneficiaries are guaranteed an interview with employers supporting the delivery. We are not yet ready to put a figure on the total number of jobs these skills programmes will create, but we anticipate that it will add thousands to our already impressive total.

- 1.6. This work to position the North of Tyne as a clear national leader in green growth, based on a Zero Carbon, Zero Poverty mission, has been taking place against a dynamic backdrop of a growing momentum for a new devolution deal for our region. I've been driving this process forward, seeking to secure the best deal possible for the North East, through lobbying and discussions with government ministers across departments including the Department for Levelling Up, Housing and Communities, the Department for Transport, the Department for Education and the Treasury. I've been making the case for more powers in relation to transport, skills, adult education and regional wealth generation mechanisms (fiscal devolution) as the only way to achieve genuine levelling up. All throughout the process we have been working collaboratively across all the LA political teams and the NTCA cabinet. Through this hard work, a strong draft deal has been negotiated with government, which, if approved by our LA partners, will result in the best per capita settlement of all the combined authorities and unlock £600 million for transport investment. We will continue to work in this way to navigate the next stages of devolution deal process.

## **2. Green New Deal**

- 2.1. The £18 million Green New Deal Fund (GNDF), the low carbon investment fund established by NTCA and delivered through a Limited Partnership Agreement by Amber Infrastructure Group, was launched successfully at the end of November last year. The fund will be investing £18 million in low carbon infrastructure in the North of Tyne over the next four years and can invest directly into SMEs to support business growth and innovation. The Fund comprises a £9 million investment from the NTCA, with Amber – in its role as fund manager – tasked with sourcing an additional £9 million investment. Loans, equity and grants are available to fund small and medium sized innovative projects that deliver significant carbon savings and help create new jobs and develop skills in the region's green and low carbon industries.
- 2.2. When it was launched it was anticipated that it would take up to a year to develop the pipeline of projects and start making investments. Now there are currently 28 projects with an investment requirement in excess of £36m currently on the Green New Deal pipeline. These are from a range of different sectors including SMEs, Local Authorities, NHS, and not for profit, with the investments being sought ranging from £0.2m to £2.5m. Projects are seeking loan, grant and equity for a range of technologies including energy efficiency, e-mobility, renewables, energy storage and electric vehicle charging infrastructure. Despite pressures arising from the impact of covid, interest rates, energy prices, and supply chain bottlenecks, there are currently 3 deals expected to achieve financial close by the end of the year.

## **3. Citizens' Assembly on Climate Change**

- 3.1. The Assembly, which met over two months in early 2021, produced 30 recommendations on housing, transport, energy, financing carbon reduction and raising awareness of the climate emergency. The recommendations were presented to cabinet in July 2021. We then worked with our LA partners to come up with action plans for those recommendations which added value to the climate change actions already being undertaken. This work was reported back to cabinet in September 2021. Those recommendations which NTCA can implement were agreed on and initial funding of £1 million was approved at cabinet for this

in January this year. These cover three main areas: skills for green growth to ensure a just transition, support for community energy projects, and retrofitting our housing stock.

- 3.2. The green skills programme being implemented by NTCA has been outlined above and will complement the work we are now undertaking with the Energy Democracy Project (EDP) and Transition Economics. EDP have appointed a Just Transition Project Coordinator who is based with NTCA and working closely with our climate change team. As part of the research underlying this work a survey of those working in the fossil fuel sector was carried out over the summer (survey closed mid-September).
- 3.3. Community energy was another key recommendation from the Assembly. In early 2022, NTCA commissioned a report by the Centre for Sustainable Energy (CSE) on 'Enabling Community Energy in the North East of England: Tackling the Climate Emergency'. This provides a series of recommendations for overcoming barriers, along with a potential plan for supporting community energy in the region which will help inform the approach and actions taken by NTCA, the North East LEP, LAs, community groups and regional stakeholders. We are now working with partners to develop further support for community energy projects which is being led regionally by the North East and Yorkshire Energy Hub and several organisations in Northumberland have already benefitted from Rural Community Energy Funding.
- 3.4. Retrofitting is a necessary first step. We have now audited the region's housing stock to provide the evidence base for a large-scale retrofitting programme. This work was carried out for us by the Energy Saving Trust who produced their report in March this year.

#### **4. Growing the region's social economy through innovative finance**

- 4.1. At September 2021 Cabinet approval was given to establish a £4 million Social Finance fund as part of the £15 million Access to Finance package for SMEs. We have developed a strategic partnership with Power to Change to take this work forward. SMEs, particularly those that are socially-trading (e.g. co-operatives and Community Interest Companies) have traditionally had difficulty in getting access to the financial backing they need. Where financial support has been available, it is provided mostly via commercial banks or hedge funds meaning that repayment extracts wealth from our local economy. Socially trading SMEs, of which there are 5,000 in our region, employ 30,000 people and so are a crucial part of our local economy.
- 4.2. We ran a Call for Evidence between 7 March and 13 May 2022 to gather views on the opportunities and barriers to growth in the social economy. It also gauged the sector's appetite for innovative financial products including loans and equity to support start-up, innovation, and scale-up. This will inform significant investment into new and innovative social finance funds by NTCA and wider partners. Together with Insights North East and Power to Change we hosted 'Growing the North-East social economy through innovative finance' on 13 June at the Frederick Douglass Centre, Newcastle University. This event was a chance to learn about the initial findings from the Call for Evidence and discuss how to co-design the new and innovative finance initiative to grow the social economy. It is intended that the fund will be open for applications from the social economy sector by the end of this year.

#### **5. Culture and Creative Investment Programme**

- 5.1. The arts and the economy are inextricably linked. Arts not only enrich our lives, promote our mental health and produce more rounded individuals when taught in schools, but are crucial to our economy with 137,000 people employed in the sector. Working in partnership with Creative England, NTCA's £2.6 million programme was launched in June 2021. It provides a mix of grants, equity and loans to give the flexibility to provide bespoke support for the varying needs of organisations in this sector. The programme made its first investment in March this year with a loan and wrap-around business support to Do Gooder, a Newcastle-based, women-founded strategy and creative agency.

- 5.2. We are also providing support for the sector through our Culture and Creative Zones programme. This is providing up to £500k for each of our LAs, to enable them to develop a designated zone within which culture and creative organisations can grow. All three have now had their proposals appraised and are currently in the process of implementation. The project are Clayton Street corridor in Newcastle, the North Shields Cultural Quarter in North Tyneside, and NTCA cabinet has just signed off on Northumberland's zone in Berwick-upon-Tweed.
- 5.3. Allied to these programmes is the NTCA's Tourism and Events programme which has been taking place throughout the year. Highlights include ongoing events such as the Hadrian's Wall 1900<sup>th</sup> Anniversary for which we have provided £460k and the Lindisfarne Gospels at The Laing in Newcastle, running from mid-September until early December, for which we provided funding of £500k. Still to come is next month's Rugby League World Cup Wraparound Cultural Event and Festival of Rugby to which we have contributed £100k.

## **6. Crowdfund North of Tyne via Spacehive**

- 6.1. NTCA is committed to putting co-design and co-production with our residents and communities at the heart of our work. This also means trusting our communities with resources and, through our partnership with Spacehive crowdfunding platform, which commenced in autumn 2020, we have put this into practice. Crowdfunding works by encouraging grassroots community projects to raise a proportion of their funding via direct donations from people within the community, with the NTCA then matching these investments with pledges for projects that meet our criteria.
- 6.2. For the initial rounds, in autumn 2020 and spring / summer 2021, the focus was on projects which contributed to Covid recovery. In July 2021 we launched our third round of funding, backed up by £50k from the Mayor's Capacity Fund, with the theme of Zero Carbon, Zero Poverty. The aim is to provide match funding for projects which create or improve green spaces and/or reduce food waste and make it easier for everyone to access fresh, local food. Due to the huge success of the programme in terms of engagement from local communities, NTCA Cabinet in September 2021, agreed to allocate additional resources, including a further £150k from the Mayor's Capacity Fund.
- 6.3. To date, four rounds have now been completed (the fifth round, which opened in August, is still active) resulting in a total of £220k in pledges, supporting 29 local projects to achieving their goals. Projects can receive a maximum of £15k or 80% of the total project costs from the NTCA match funding. A huge diversity of projects have been supported – everything from community bee-keeping on the Meadowell Estate in North Shields to Building a Greener Scotswood in Newcastle. And we are reaching those communities most in need as our research show that 75% (21 out of 29) of projects we have funded are located in the lower half of deprived areas (as measured by Multiple Indices of Deprivation)

## **7. Community hubs**

- 7.1. We are continuing with supporting the development of community hubs. These are places which provide safe and accessible spaces for people of all ages to meet and engage in a range of educational, cultural and economic activities. It is an important component of revitalising local life and creating more sustainable communities. In July 2020 Cabinet approved £1.53 million for a Community Hubs Investment Fund (CHIF). This made up to £500k available to each of our three LAs, subject to their developing an operational delivery plan which met the criteria agreed by Cabinet. During 2021, bids were received and approved from all three LAs and the hubs have become operational during the course of the latter part of 2021 and into 2022.
- 7.2. Newcastle's programme is based around using £400k to support four family hubs, with the remaining 20% of the funding being used as grants to support social enterprises. The four family hubs, such as the Inner West hub in Benwell, are run in partnership with VCSE



sector organisations including Children North East and Action for Children and provide a range of interventions.

- 7.3. North Tyneside have used £300k of their CHIF allocation to develop a VCSE hub in Wallsend called Spirit of North Tyneside, opened in June this year. The remaining £200k of its CHIF allocation is being used as a grant fund for North Tyneside based VCSE organisations. The aim is to help them develop their existing premises or provision to become more sustainable. Taken together, the Newcastle and North Tyneside CHIF funded programmes are supporting around 2,500 residents to access volunteering and community-based support, building the capacity of around 100 community organisations and have led to the indirect safeguarding of 40 jobs. Northumberland's programme includes capital allocations for four main buildings to be refurbished and brought back into community use (at Lynemouth, Newbiggen, Haltwhistle and Cramlington), a small grants programme, and training and support offer for VCSE organisations. This programme has resulted in the creation of 10 jobs and seventeen enterprises being provided with financial support via a non-repayable grant.
- 7.4. In addition to the hubs created and supported via the CHIF, NTCA provided £2.6 million in funding to enable the Newcastle United Foundation to develop its new world-class community hub, "NUCASTLE" which was officially opened in March this year. Centrally based in Newcastle, the hub will support 12,000 young people annually over the next decade and transform the way the next generation enter the world of work.

## **8. 'The way we do things around here' policy**

- 8.1. This is the approach which informs all of our programmes and way of interacting with our partners. It refers to an approach which is also sometimes referred to as Community Wealth Building, or the Democratic Economy. Essentially, it is a policy of keeping local the wealth generated in our region and, in keeping it local, making sure that all of our residents and communities benefit from it. Co-design and collaboration is an important element in making sure that our economy is truly inclusive. It is an approach which is informed by our overarching goal of improving the wellbeing (financial, physical and mental) of all our residents.
- 8.2. Work has continued over the past year. The Good Work Pledge is being rolled out at an increasing pace and good green jobs continue to be created. Our access to finance package, which will help grow the social economy, is close to being launched. NTCA's value/ethics-base policies (Equality and Diversity, Social Value) are embedded in our organisation's culture. North of Tyne Crowdfunding is engaging with more and more communities at a grass roots level. This year has also seen the roll out of our innovative Child Poverty Programme with 90 schools signing up to either the poverty interventions and/or the school gates welfare rights programme. We are continuing to develop the local procurement strand as a way of promoting good employment practices, carbon neutrality and local supply chains in our anchor institutions, with North of Tyne (as an anchor institution) setting an example.
- 8.3. We continue to closely collaborate with our partners in the VCSE sector through the quarterly NTCA / VCSE stakeholder engagement group, The VCSE Mayoral Ambassador and the £346k VCSE Small Grants Programme for organisations (such as the Angelou Centre in Newcastle, working with marginalised young people). We also continue to work closely with the local business community and the trade unions. We are currently developing further mechanisms of collaboration and co-design with residents' groups.
- 8.4. Our Poverty Truth Commission, which is being managed for us by Children North East, is being launched on 14<sup>th</sup> October. The process has at its core fifteen commissioners, people with lived experience of poverty. They will be focussing on food poverty, caring responsibilities and health with the aim of coming up with practical interventions which will make a difference to the lives of people struggling on a low income. Work on our Equalities Assembly is now well underway with VONNE having been commissioned to manage the

pre-event consultation with the groups with Protected Characteristics (as defined by the 2010 Equality Act) and to run the event itself. The focus will be on the barriers to good work experienced by people with different protected characteristics, with the aim of formulating possible interventions to address these. The provisional timescale is for the Assembly to take place in November.

- 8.5. In January this year, Cabinet endorsed the work we had been doing throughout 2021 with the Carnegie Trust UK to develop a Wellbeing Framework for NTCA. We are the first combined authority to adopt a wellbeing framework. In response to our wellbeing work and focus on providing good work, we were approached by Professor Sir Michael Marmot and his team from the UCL Institute of Health Equity (IHE) to explore ways we could work together to reduce health inequality in our region. A high level round table was held in Newcastle in June and this has laid the ground for ongoing collaboration between NTCA and the IHE to develop innovative approaches to promote health equality, an essential element of wellbeing.

## **9. Number of jobs**

- 9.1. The North of Tyne's Devolution Deal came with one primary target from government: create 10,000 jobs over 30 year. Over the 3 years 5 months that I have been in office, that equates to 1,139 jobs. The actual number (as of the end August 2022) is 4,635 jobs in the pipeline on current commitments, with a further 2,643 jobs safeguarded through the pandemic as a result of our timely interventions. Through our judicious use of the programmes we have developed we are smashing our jobs target – for example through the Inward Investment Fund, our Rural Business Growth Offer and our North of Tyne Growth Fund. We are confident that our five year Gateway Review (in 2023) by government – the process of evaluation for all devolved long term Investment Funds – will be positive.
- 9.2. The jobs we are creating are all permanent, well-paid with good career prospects and are all directly attributable to these funds. Jobs such as those created by global technology and management consultancy Credera who, due to NTCA's Inward Investment Fund grant of £1 million, will be moving to the Catalyst in Newcastle later this year bringing 160 brand new high tech jobs to the region. Not included in these headline figures are the jobs that will come through our sector work, such as the Green New Deal Fund, which will deliver game-changing investment in new jobs, or from the £7 million investment in 5G and Future Connectivity. Also not included are the thousands of jobs that are planned through the £3.8 billion Britishvolt battery cell factory on the former power station site at Blyth, construction of which has recently started. Production is due to start in 2025 and fully ramped up, the plant is expected to create around 3,000 direct jobs and a further 5,000 in associated supply chains.

## **10. The Good Work Pledge**

- 10.1. Good work is about so much more than job creation. It is central to having an economy that works for everyone – employers and employees. It boosts companies' productivity and boosts workers' quality of life. The North of Tyne's employment charter, the Good Work Pledge (GWP), launched in November 2020, is the result of collaboration and co-design with the business community and trade unions. It underpins all of the thousands of jobs we are creating. It guarantees secure employment, a decent wage, proper representation in the workplace (including a trade union recognition agreement), and access to training to boost skills and turn a job into a career.
- 10.2. The GWP is being marketed to local businesses and they are being provided with guidance for the online application process and what they need to do to achieve accreditation. There are two levels of accreditation, standard and advanced, with advanced requiring compliance with all five pillars. Once awarded, employers can access learning and networking opportunities and, as part of our work on procurement, we are looking at linking in GWP accreditation with the procurement process. To date, 72 local employers, from both

the private and public sectors, have become accredited (52 Advanced, 20 Standard), with a number of our anchor institutions being among these. Together, these organisations cover 57,240 employees. We will be putting more resources in to the project in the near future to both enable the provision of more online resources to support employers who sign up and to ensure effective monitoring and evaluation.

- 10.3. We are also pushing for good work to become the norm across North of Tyne through supporting initiatives such as the development of employee-owned cooperatives and community interest companies in sectors which have often been characterised by exploitative employment practices. One such is the supply teacher private agency sector. Since early 2020 we have been working with the teaching unions to develop a social enterprise alternative which will provide better remuneration for supply teachers and be of benefit to schools. The co-op has now been registered and a provisional launch date is early in 2023.

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**Subject:** North East Local Enterprise Partnership – Update  
**Report of:** Helen Golightly OBE, Chief Executive  
**Portfolio:** All

### Report Summary

The purpose of this report is to update the Overview and Scrutiny Committee of the work of the North East Local Enterprise Partnership (LEP), the outcome of the national LEP Review and progress to date of the Annual Delivery Plan for 2022/2023.

### Recommendations

The Overview and Scrutiny Committee is recommended to note the report which provides information on the work of the North East Local Enterprise Partnership.

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

1.1 The report provides an update on the work of the North East LEP, including implications of the outcome of the national LEP Review and the associated realignment of the Annual Delivery Plan for 2022/23.

#### 2. LEP Review

2.1 The North East LEP received a letter from government on 31 March 2022 setting out the future role and remit for all 38 LEPs. The letter provided helpful clarity after a year of uncertainty, giving the LEP a clear mandate.

2.2 The letter outlined two strategic considerations. Firstly, that all 38 LEPs are entering a period of transition and are categorised into one of three pathways that work towards integrating LEPs either into a Mayoral Combined Authority or into a County Deal structure. There is recognition by government officials that the transition could take several years to achieve full devolution and integration of all 38 LEPs.

2.3 Government confirmed that the North East LEP is on pathway three, which is where a co-terminus devolution deal has not yet been agreed and where LEP geographies do not match proposed mayoral combined authority areas. The region's political leaders and mayors continue to progress discussions with government around further devolution to the region, which the LEP is very supportive of. The LEP has offered our experience and expertise to not only inform the devolution plans, but also to help shape them and bring the business voice to the table. The letter from government is clear that the business voice should be integral to informing the development of devolution deals.

2.4 Secondly, the letter stated the role for all LEPs which was to:

- “Embed a strong, independent and diverse local business voice into local democratic institutions
- Carry out strategic economic planning in partnership with local leaders that clearly articulates their area's economic priorities and sectoral strengths. This should involve building and maintaining a robust local evidence base that identifies local strengths and challenges, future opportunities and the actions needed to support priority sectors, aligned to the relevant levelling up missions. The

nature of this role will depend on individual LEPs' integration pathway. Across all pathways, LEPs, or local democratic institutions where LEP functions and roles have been integrated, should continue to use their convening power to bring together business, education and other local economic stakeholders

- Continue to deliver a number of functions on behalf of government departments, shaped by the local business voice where relevant. Future programme and funding decisions will be taken by each respective department according to their own decision-making and business planning processes, priorities and timescales. However, at the present juncture we would expect departments to continue to engage with LEPs, or begin to engage with the respective local democratic institution once LEP functions have been integrated, on the delivery of:
  - Growth Hubs, on behalf of the Department for Business, Energy and Industrial Strategy
  - International trade and investment activity, provision of local business intelligence, grant funding and levelling-up focused projects, on behalf of the Department for International Trade.
  - Local Digital Skills Partnerships, on behalf of the Department for Digital, Culture, Media and Sport.
  - Careers Hubs, on behalf of the Department for Education.
  - Monitoring and assurance pertaining to existing local growth programmes and funds for which LEPs are responsible.
- Plus where appropriate, LEP business boards can help broker and support new or deeper devolution deals, where requested by local partners. deeper devolution deals will not need to be signed off by LEPs.”

2.5 Therefore, another key role for LEPs going forward is to continue to support the development of regional strategic economic plans for our elected politicians to determine, as well as providing the evidence to shape and inform those plans.

### **3. Working with the North of Tyne Combined Authority**

3.1 The LEP continues to work closely with its partners and the North of Tyne Combined Authority to ensure that the mandate set out by Government, outlined above allows the LEP to offer experience and expertise to support any devolution plans.

3.2 At the beginning of the pandemic, a regional group was formed that focused on proposals to transform and reimagine the North East economy. In September 2020, a report was published that set out the work of this group entitled a 'Recovery and Renewal Deal for the North East'. This can be accessed [here](#). Since that time the group have continued to meet with the North East LEP leads, with representation from the North of Tyne Combined Authority, North East Combined Authority, key North East partners, including Newcastle University, CBI, Transport North East and the voluntary sector. This is important to feed the business voice into regional strategic economic planning work.

3.3 The group meets on a six-weekly basis and focuses on how we continue to shape regional economic policy, ensure that the business voice is key across the North East and allows the representation to discuss the wider implications of any future devolution deal.

3.4 The LEP Review is clear that if a wider regional devolution deal is agreed, then the current combined authorities and the LEP will come together to form a new mayoral combined authority.

### **4. Realignment of the Annual Delivery Plan**

4.1 The Annual Delivery Plan for 2022/23 is now based around the functions described by government for LEPs, which are to:

- Be the voice of business
- Undertake strategic economic planning

- Improve skills
- Grow businesses
- Manage funds

4.2 The Annual Delivery Plan was agreed by the LEP Board at their meeting in May 2022 and can be found [here](#). The latest version of the Delivery Plan Update was taken to the September LEP Board and can be found [here](#).

## 5. Key funding decisions

5.1 Over the last few months a number of key decisions have been taken to the North East LEP Board and through the North of Tyne Combined Authority. A report was also taken to NTCA cabinet on the 20 September 2022 which set out the funding decisions from the last quarter. These decisions included:

- Approval of the appointment of the Fund Management services for the North East LEP's Commercial Property Investment Fund (CPIF);
- Delegated authority 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
- Delegated authority 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.
- £800,000 per annum for the next three years received under a Section 31 funding from the Department for Business, Energy and Industrial Strategy (BEIS) was accepted to support the Made Smarter Project across the North East.

## 6. Potential Impact on Objectives

6.1 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.

## 7. Key Risks

7.1 The North East LEP is managing financial, regulatory and reputational risks at both project level and programme level.

7.2 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.

## 8. Financial and Other Resources Implications

8.1 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.

## 9. Legal Implications

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

## 10. Equalities Implications

6.1 All North East LEP funded projects are required to be delivered in accordance with the objectives set out under s149 of the Equalities Act 2010.

## **11. Inclusive Economy Implications**

- 11.1 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.
- 11.2 Projects consider the impact on inclusive growth in the North East.

## **12. Climate Change Implications**

- 12.1 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.

## **13. Consultation and Engagement**

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

## **14. Appendices**

None

## **15. Background Papers**

Report to NTCA Cabinet on funding decisions, 20 September 2022  
Annual Delivery Plan

## **16. Contact Officers**

- 16.1 Helen Golightly OBE  
Chief Executive, North East Local Enterprise Partnership  
[Helen.Golightly@nelep.co.uk](mailto:Helen.Golightly@nelep.co.uk)

## **17. Glossary**

LEP – Local Enterprise Partnership  
NTCA – North of Tyne Combined Authority





Title: Investment Fund Update  
Report of: Rob Hamilton, Chief Economist

## Report Summary

The purpose of this report is to provide an overview of progress of the NTCA Investment Fund. This includes a case study on our Towns and High Streets programme, together with an update on our Shared Prosperity Fund Investment Plan.

## Recommendations

The Overview and Scrutiny Committee is recommended to:

1. Note progress to date on the Investment Fund
2. Comment on any future priorities

### A. Context

#### 1. Overview of Investment Fund

1.1 The Investment Fund is a £20m per year allocation from Government, with £100m in total for the period up to March 2023. The initial priorities for this funding were agreed by Cabinet in 2019, with the Investment Plan split into the themes of Business, People, Place, Project development and 'Major Strategic Economic Opportunities'. In developing and implementing the Investment Plan, the NTCA is focussed on the updated Corporate Plan Priorities, including projects which are expected to make a strong contribution towards the Combined Authority's inclusive growth ambitions and its devolution deal targets of 10,000 new jobs, £1.1bn additional GVA and £2.1bn of private sector leverage. Other NTCA priorities – including around housing development and skills – are largely met through other funding sources.

#### 2. Economic Context

- 2.1 The economic backdrop for the NTCA's work is dominated by high inflation, the cost-of-living crisis and signs of a weakening economy, exacerbated by increasing concerns over interest rates.
- 2.2 The latest data show inflation of about 10% over the last year, driven by higher electricity, gas and fuel prices. The prices of food and non-alcoholic drinks are increasing rapidly too – with many staples (e.g. milk, pasta, flour) up by over 20% in the past year. High inflation reflects a number of underlying factors including: increased energy costs and shortages of goods and materials as a result of the Ukraine crisis and trade frictions, the ongoing fallout from COVID-19 and skill shortages.
- 2.3 Average pay has increased by 6.2% (although by much less for many workers), which means a significant cut in pay in real terms. Excluding bonus payments, the real value of pay is falling faster than at any time since comparable records began twenty years ago. Last month, the Bank of England said it expected the UK to fall into recession at the end of this year – reflecting both expected reductions in household spending and ongoing disruption to many world-wide supply chains.
- 2.4 On 8 September, the Prime Minister announced that there would be an 'energy price guarantee', effectively meaning that a typical household's energy bill will rise to £2,500 from 1 October, up from

the current cap of £1,971 and £1,277 a year ago. The guarantee will last two years; before the announcement, typical household bills had been due to rise to £3,549 with expectations that they could rise significantly further. In addition, all households will receive a £400 reduction off their energy bills this year, with low-income households on a number of benefits receiving an additional £650 and those on disability benefits a further £150.

- 2.5 Many of our 31,000 businesses (four fifths with under 10 employees) are also facing big increases in energy costs. Government has announced a new six-month scheme for businesses and other non-domestic energy users (including charities and schools) which will cap the energy unit price which businesses will pay.
- 2.6 There are also concerns about the declining value of the pound, which has fallen by about 10% against the US dollar over the last two months. This is likely to put further upwards pressure on inflation, triggering higher Interest Rates. By historic standards Interest Rates are at a low level, but have risen from 0.1% to 2.25% in less than one year, with financial markets predicting further rises to between 4% and 6% by Spring. According to analysis by the Financial Times,<sup>1</sup> homeowners coming off a two-year fixed term deal on a typical mortgage could see their monthly mortgage bill rise from £863 to £1,490.

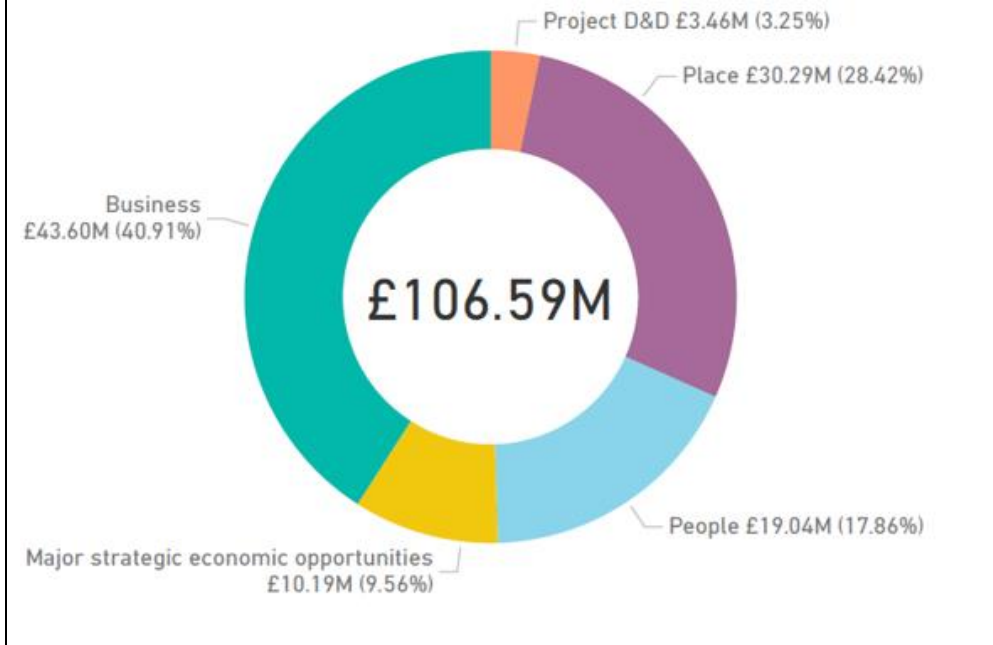
### 3. Progress to date

- 3.1 Delivery of the Investment Fund Programme continues, with 127 projects now approved. The Combined Authority has achieved:
- A contracted spend of £106.59m (figure 1). Although this is higher than the £100m allocated in the first 5 years, it includes commitments and expenditure into the next programme period. This will ensure ongoing progress with our strategic priorities – avoiding a juddering halt between programme periods.
  - 7 brownfield housing schemes have been supported so far, with a total NTCA contribution of £17.15m. These will unlock 1570 housing units, substantial progress towards our target of 2020 units.
  - Together, these projects have secured £292m of private sector investment and are forecast to deliver 4635 new jobs and safeguard a further 2643.
  - Of these, the first 962 new job opportunities have been created with North East residents employed as a direct result of NTCA investment; 1663 have been confirmed as safeguarded.
- 3.2 The Investment Programme includes projects across a number of different themes. Our 'business' element is primarily focussed on supporting business growth and job creation – including a range of projects seeking to unlock growth of the digital sector and by supporting 'digital adoption'. Major strategic economic opportunities include a diverse range of projects – from supporting businesses and communities during the pandemic to repairs to the Fish Quay. Our People theme – which is supplementary to the Adult Education Budget activities – includes help for people progressing into work and our flagship Skills for Growth projects. Our Place theme also includes a broad sweep of projects, from helping fund local events to the Towns and High Streets programme discussed below.
- 3.3 There is always a lag between project approvals and expenditure being paid. Many of our projects are multi-year, some have complex project mobilisation periods and/or lags between activity occurring and expenditure claimed. As shown in figure 2, cumulative claims have increased significantly recently and will be rising further over the next few quarters.

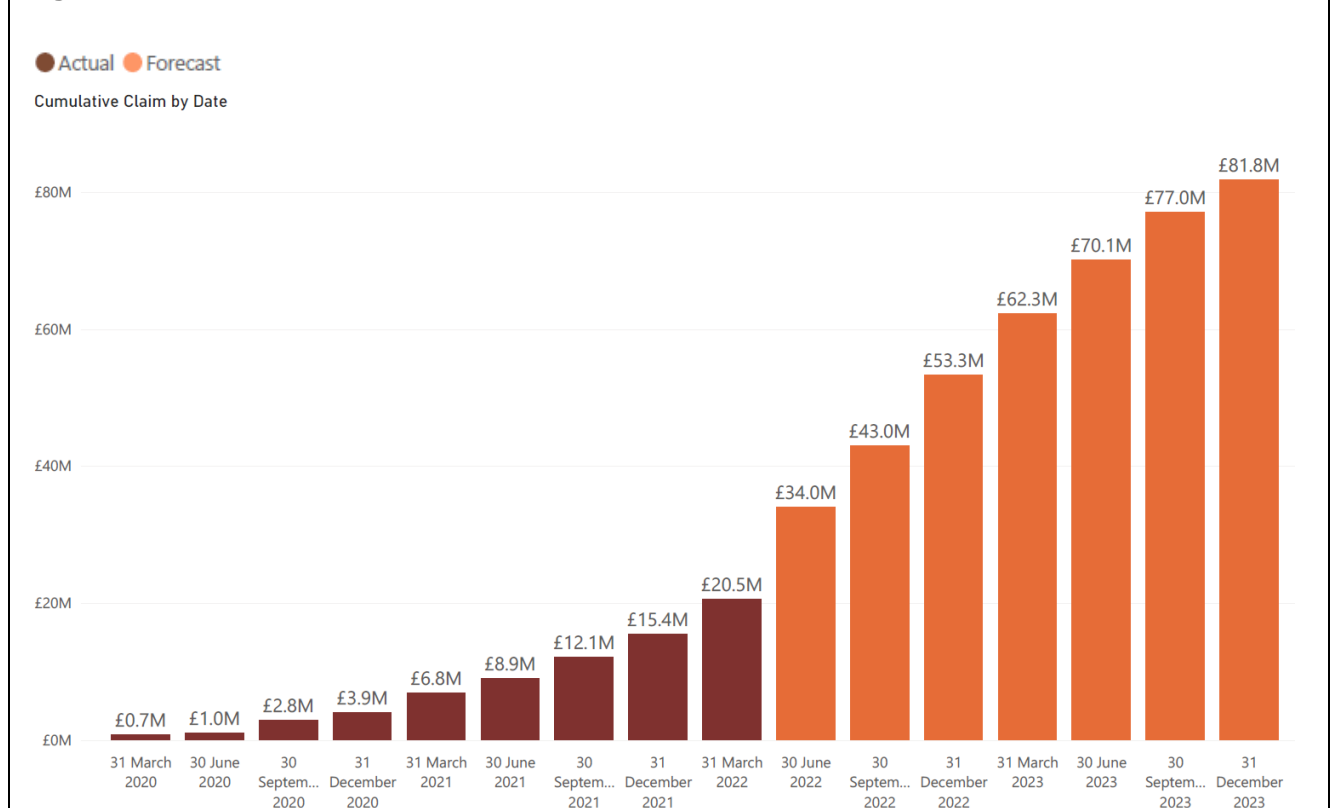
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<sup>1</sup> <https://www.ft.com/content/ab59b572-acc2-4ad8-989d-a6e5a4ca4c1a>

**Figure 1: Investment Fund commitments to date**



**Figure 2: Claims – actual and forecast**



**4. Case study: NTCA’s Towns and High Streets Programme**

4.1 The NTCA’s £6m Towns and High Streets programme is a fundamental part of our ‘place based’ approach to supporting communities. It has three main components, which have been identified nationally as central to long-term place-transformation:

- *Leadership and partnership*: developing a compelling shared vision for the future, with strong strategic leadership to make the vision a reality.
- *Investing in a model for change*: developing and testing new models for high street transformation, learning from evidence of what is working in other areas, while capitalising on the distinctive strengths and opportunities of each individual high street.
- *Stimulating long-term investment*: transformational change in high streets requires very substantial investment, with the private and public sectors working closely in tandem to provide the resources needed to deliver the future vision in each target high street. Our programme will prepare the ground to stimulate and attract the long-term investment needed to achieve genuine change.

4.2 The business case for this project has been approved by Cabinet and local delivery arrangements are starting to be worked up. This note provides an overview of the proposed approaches.

### *Ashington*

4.3 Ashington has been chosen for this programme due to evidence of market failure and the need to kick-start regeneration in readiness for a further package of planned capital investment. Revitalisation of the high street is at the heart of the plan, with existing businesses supporting the development of detailed proposals.

4.4 The revitalisation of Ashington Town Centre will support a number of wider economic growth objectives for the town, including maximising opportunities resulting from the Northumberland Line, the relocation of Northumberland College, the creation of mixed used opportunities at Portland Park and wider aspirations for improvements to Ashington as part of a Levelling Up bid.

4.5 The project has been developed with the support of the Ashington Town Board, which has been operational for over a year and undertaken extensive consultation and calls for projects as part of the wider regeneration of Ashington. This development work has enabled a detailed delivery plan to be developed which identifies three priority interventions for the High Streets and Towns Innovation Programme. These include improvements to Wansbeck square to improve connectivity and to enable the square to be used for community-led cultural uses and a programme of events and festivals.

### *Newcastle Inner East*

4.6 This project in the Inner East of Newcastle will focus on the following areas:

- Chillingham Road
- Shields Road
- Heaton Road (low traffic Neighbourhood)
- Heaton Park Road (low traffic Neighbourhood)
- Welbeck Road (West section to Roman Avenue)

4.7 The Inner East has been chosen due to both opportunities – high streets that support independent retailers, are vibrant due to their catchment and have a range of community assets – and challenges – including areas with high vacancy rates, lower footfall and have been experiencing decline which has been exacerbated by the pandemic. All of the streets are within walking distance of each other, and the aim is to improve connectivity, whilst diversifying the offer in terms of what they provide to the communities of this area.

4.8 The plans for the Inner East of Newcastle are at an earlier stage and the initial focus of activities will be developing an Investment Plan, which will be informed by community engagement and co-design, alongside establishing a Transformation Board to oversee the development and delivery of the plan. Initial proposals for the Inner East include 1:1 business support alongside a Green Streets pilot which will provide support for businesses to reduce their carbon footprint, connectivity improvements and bringing back into use empty properties to create a shared space for community and business uses.

- 4.9 Wallsend has a long and proud history dating back to the Romans, where it served as the eastern end for Hadrian’s Wall. The town is best known for being a manufacturing powerhouse, at the centre of industrial growth on the River Tyne throughout the 19th Century, and had a worldwide reputation for ship building; it currently plays an important role in the ambition to grow the Offshore Energy Sector. Segedunum is part of the Hadrian’s Wall World Heritage Site, with the attraction opening over 20 years ago and having the potential to be a thriving visitor attraction and unique destination.
- 4.10 Drawing from the Wallsend Masterplan, which involved consultation and co-design with the community and businesses, the High Streets and Town’s Programme will:
- Create a new active travel route incorporating artwork and installations between the town centre and Segedunum
  - Provide 1:1 support to businesses with a dedicated town centre business advisor
  - Include a shop front improvement grant scheme with specific design standards to enhance the look of the High Street
  - Develop and support a programme of events and festivals
  - Create a higher profile for Segedunum by establishing a retail/exhibition offer within the town centre.
- 4.11 As part of the programme, we are keen to share the learning from across the three areas and will be commissioning baseline analysis, alongside an evaluation to inform future investment in our High Streets and Towns.

## 5. UK Shared Prosperity Fund (UKSPF)

- 5.1 The NTCA was allocated funding of £47.1m for ‘core-UKSPF’ and £4.1m for the ‘Multiply’ adult numeracy programme, covering the areas of Newcastle, North Tyneside and Northumberland. Following an intensive programme of consultation – with events attracting around 600 participants – the NTCA submitted Investment Plans for both the ‘core-UKSPF’ and Multiply programmes ahead of Government’s deadlines. Table 1 sets out proposals for the allocations of funding across investment themes, with the annual profile constrained to match the allocation from Government.

**Table 1: Summary of UKSPF spend profile**

	(£m)	2022/23	2023/24	2024/25	Total
<b>Community and Place</b>		£2,286,000	£4,300,000	£9,300,000	<b>£15,886,000</b>
<b>Supporting Businesses</b>		£3,428,206	£4,094,213	£11,583,808	<b>£19,106,227</b>
<b>People and Skills</b>		-	£3,034,200	£9,058,634	<b>£12,092,834</b>
<b>Total Core UKSPF</b>		<b>£5,714,206</b>	<b>£11,428,413</b>	<b>£29,942,442</b>	<b>£47,085,061</b>
<b>Multiply Programme</b>		£1,248,185	£1,440,211	£1,440,211	<b>£4,128,607</b>
<b>Total with Multiply</b>		<b>£6,962,391</b>	<b>£12,868,624</b>	<b>£31,382,653</b>	<b>£51,213,668</b>

- 5.2 UKSPF investment will, alongside our other funds and programmes, enable us to:
- Maximise the benefits of our Economic Growth Corridors (the Northumberland Line; the Arc of Energy Innovation between Blyth and the Tyne; and our Urban Core), creating more opportunities for residents, businesses and communities
  - Grow businesses in important growth sectors (clean energy, digital, health & life sciences, professional services, culture and tourism), creating new high-quality jobs, supporting innovation, and boosting productivity.

- Build an inclusive economy, ensuring all our residents benefit from economic growth and prosperity by investing in skills and access to good quality jobs, supported by our Good Work Pledge.
- Deliver sustainable growth by accelerating the net zero transition in our economy and communities.
- Invest in our rural economy and communities recognising the opportunities presented by our unique environment and land assets, as well as the specific challenges facing rural areas.

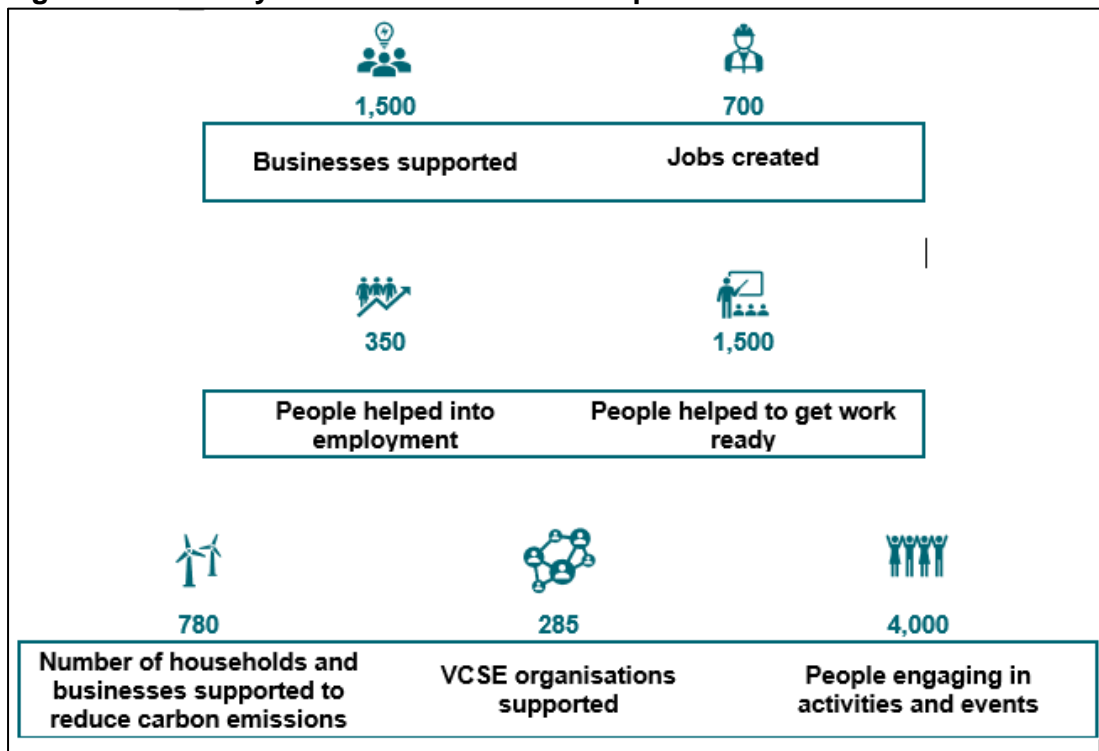
5.3 The Multiply Programme will include:

- Courses designed to increase confidence with numbers for those needing the first steps towards formal numeracy qualifications
- Courses designed to help people manage their money
- Courses for parents to increase their numeracy skills to support their children
- Provision designed with VCSE partners aimed at engaging with the hardest-to-reach learners
- Innovative programmes delivered with employers to support numeracy needs in the workforce

5.4 Figure 3 provides an update on the expected outputs and outcomes from the programme, including:

- Businesses supported and jobs created
- People helped into employment and to get job ready
- Support to reduce carbon emissions, invest in the VCSE sector and engage people in activities and events.

**Figure 3: Summary of SPF outcomes and outputs**



- 5.5 At the time of writing this report, we are still awaiting approval of the main UKSPF report but Government approved the Multiply Investment Plan in August. The first project delivery for Multiply – which will focus on personal financial wellbeing – will start in October. While Community Organisations, the VCSE sector and other partners will be asked to bring forward proposals to support Family Learning and engagement with our most hard-to-reach residents.

**B. Impact on NTCA Objectives**

The Investment Fund is a core part of the NTCA's work programme, as set out in the corporate plan, and is fundamental to the delivery of our devolution targets.

**C. Equalities implications**

The Overview and Scrutiny Committee is mindful of its duty under the Public Sector Equality Duty and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision eliminates discrimination, harassment and victimisation; advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it; and also considers the implications for people from different socio-economic backgrounds/low pay as a protected characteristic.

**D. Inclusive Economy and Wellbeing implications**

The Overview and Scrutiny Committee is mindful of NTCA's inclusive economy ambitions and the five characteristics of an inclusive economy: participation; equity; growth; stability and sustainability and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision has taken these fully into account. NTCA's Wellbeing Framework sets out ten social, economic, environmental, and democratic outcomes to improve the wellbeing of everyone living in the North of Tyne now and in the future. The inclusive economy case is assessed on an individual project basis as part of the assessment process and is embedded within the Investment Fund criteria.

**E. Climate Change implications**

Climate change implications are assessed on an individual project basis as part of the Investment Fund assessment process.

**F. 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 – particularly the UK Shared Prosperity Fund.

**G. Appendices**

None.

**H. Background papers**

None.

**I. Contact officer(s)**

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**J. Glossary**

NTCA North of Tyne Combined Authority  
UKSPF UK Shared Prosperity Fund

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Title: 2022/23 Q1 NTCA Budget Monitor Report  
Report of: Director of Finance, Janice Gillespie

## Report Summary

The purpose of this report is to present the first quarter budget monitoring report on the 2022/2023 NTCA financial position to the Overview and Scrutiny Committee. The report brings together the forecast financial position for both the Corporate, Investment Fund, Brownfield Housing Fund and Adult Education budget and provides an indication of the potential position of the Combined Authority on 31 March 2023. It also sets out the potential position on the reserves at the year end.

## Recommendations

The Overview and Scrutiny Committee is recommended to note the report on the 2022/23 Q1 NTCA Budget Monitor Report which was submitted and approved at Cabinet on 19 July 2022.

### 1. Background information, proposals, and timetable for implementation

- 1.1 Cabinet approved the 2022/23 Budget on 25 January 2022. Included in that Budget was the estimated expenditure across the year for both the Corporate Budget, Investment Fund, Brownfield Housing Fund, and the Adult Education Budget.
- 1.2 The 2022/23 Budget Proposals were set within the context of the COVID-19 pandemic and delay to Comprehensive Spending Review (CSR).
- 1.3 The 2022/23 Q1 NTCA Budget Monitor reflects the continued development of the Combined Authority in terms of the establishment of the Authority's staffing structure, and the systems required to support the delivery and monitoring of projects and programmes aligned with its vision based on current information and trajectory of delivery of programmes and projects.
- 1.4 The 2022/23 Q2 NTCA Budget Monitor Report, including the Mid-year Treasury Management position will be taken to Cabinet on 22 November 2022, and will follow on to Overview and Scrutiny Committee on 6 December 2022.

### 2. Impact on NTCA Objectives

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

### 3. Equalities implications

- 3.1 The Overview and Scrutiny Committee is mindful of its duty under the Public Sector Equality Duty and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision eliminates discrimination, harassment and victimisation; advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it; and also considers the implications for people from different socio-economic backgrounds/low pay as a protected characteristic.

This report is reporting on the financial performance of the Authority and therefore any equality impact assessment on the individual project and programmes will have been undertaken.

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

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

#### **5. Climate Change implications**

- 5.1 The Overview and Scrutiny Committee is mindful that the NTCA's and the three constituent Local Authorities have declared a Climate Emergency and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision has taken climate change fully into account.

#### **6. Consultation and engagement**

- 6.1 The 2022/23 NTCA Final Budget Proposals were subject to wide consultation both internally and externally.

#### **7. Appendices**

Appendix 1 - 2022/23 Q1 NTCA Budget Monitor Report.

#### **8. Background papers**

Cabinet 25 January 2022: 2023-2027 Budget Proposals

#### **9. Contact officer(s)**

Janice Gillespie, Director of Finance

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#### **10. Glossary**

NTCA	North of Tyne Combined Authority
Q1, Q2	Quarter 1, Quarter 2
EIA	Equality Impact Assessment

**Subject: 2022/23 Q1 NTCA Budget Monitor Report****Report of: Janice Gillespie, Chief Finance Officer**

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## Report Summary

This report is the first quarter monitoring report to Cabinet on the 2022/23 financial position. The report brings together the forecast financial position for both the Corporate, Investment Fund, Brownfield Housing Fund and Adult Education budget and provides an indication of the potential position of the Combined Authority on 31 March 2023. It also sets out the potential position on the reserves at the year end.

## Recommendations

The Cabinet is recommended to note the forecast budget monitoring position for the Combined Authority as set out in paragraphs 1.2, 1.3, 1.4 and 1.5 and the reserves position in 1.6.

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

#### 1.1 Summary

- 1.1.1 Cabinet approved the 2022/23 budget on 25th January 2022. Included in that budget was the estimated expenditure across the year for both the Corporate Budget, Investment Fund, Brownfield Housing Fund, and the Adult Education Budget.
- 1.1.2 The 2022/23 Q1 budget monitor reflects the continued development of the Combined Authority in terms of the establishment of the authority's staffing structure, and the systems required to support the delivery and monitoring of projects and programmes aligned with its vision based on current information and trajectory of delivery of programmes and projects.
- 1.1.3 Since the budget for 2022/23 was approved, the Combined Authority have been allocated funding of £47.1m for UK Shared Prosperity Fund, 'core-UKSPF' and £4.1m for the 'Multiply' adult numeracy programme, covering the areas of Newcastle, North Tyneside, and Northumberland. The Investment Plan for the core-UKSPF is now in its final stages of development, ahead of submission to Government by the 1 August 2022. Delivery against the core-UKSPF will be reported back to a later Cabinet after submission. The Multiply programme has now been submitted and anticipated delivery against year 1 of the programme is detailed in section 1.5 of this report.

#### 1.2 Corporate Budget

- 1.2.1 The Corporate Budget for 2022/23 set a net zero position covering the costs associated with the capacity required to deliver.
- 1.2.2 Table 1 overleaf reflects the 2022/23 forecast position across the key income and expenditure heads within the Corporate Budget head.

**Table 1 Q1 2022/23 Corporate Budget Monitor**

	2022/23 £m	Forecast £'000	Variance £000
<b>Expenditure</b>			
Staffing	3.145	3.673	0.528
Mayor's Office	0.248	0.244	(0.004)
Other Costs	1.203	1.203	0.000
Contribution to Reserves	0.800	0.800	0.000
Transport Levy	29.335	29.335	0.000
SLAs	0.285	0.294	0.009
<b>Total Expenditure</b>	<b>35.016</b>	<b>35.549</b>	<b>0.533</b>
<b>Income</b>			
Mayoral Capacity Fund	(1.000)	(1.000)	0.000
Constituent Authority Contributions	(0.111)	(0.111)	0.000
Investment Fund Contribution	(2.650)	(2.650)	0.000
AEB Contribution	(0.678)	(0.708)	(0.030)
Bootcamp Contribution	0.000	(0.503)	(0.503)
Investment Fund Workstreams	(0.773)	(0.773)	0.000
Other Contributions	(0.294)	(0.294)	0.000
Interest on Investments	(0.175)	(0.175)	0.000
Contribution from Reserves	0.000	0.000	0.000
Transport Levy	(29.335)	(29.335)	0.000
<b>Total Income</b>	<b>(35.016)</b>	<b>(35.549)</b>	<b>(0.533)</b>
<b>Net Position (Inc)/Exp</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

- 1.2.2 Gross expenditure is anticipated to exceed budget by £0.533m at this point in the new financial year, £0.524m of this is in relation to an increase in employee expenditure, the Mayor's Office showing a slight underspend against budget (£0.004m). There are now 62 staff directly employed by the Combined Authority, with an additional 4 vacant posts shortly to be recruited to within the Inclusive Growth Team to support on the delivery of the new Bootcamp Funding. This reflects an increase in the current forecast position on employee expenditure of £0.528m. As workforce planning continues to be reviewed considering anticipated delivery against the new UK Shared Prosperity Funding (core-UKSPF). Expenditure on Service Level Agreements (SLA) is anticipated to exceed the original budget level by £0.09m due to anticipated increase in line with inflation.
- 1.2.3 Other costs include budgeted expenditure on accommodation, travel and subsistence, external advisors, communications, and marketing in addition to recruitment and training. Some of these budget heads in the previous two financial years had reflected large underspends due to the pandemic forcing home working and therefore travel and training activity to be reduced. However, in 2022/23 the organisation, is investing heavily in training and development to ensure staff are fully equipped with the right skill set to meet ongoing demands as the organisation continues to grow and expand, and personal development plans which will contribute towards staff morale and retention. The accommodation budget (£0.350m) is sufficient to meet the day to day running costs of occupying the Lumen building and to create a reserve for future dilapidation costs. It is anticipated that there will be an immediate requirement for more desks in the current financial year in line with the increased workforce.

1.2.4 Gross income is reflecting a (£0.533m) increase against the original budget approved. This increase is in relation to new Bootcamp Funding, (£0.503m) to deliver Skills Bootcamps to allow residents to attain skills to improve their job prospects, a 10% top slice to fund delivery and cover administration costs is allowed within the grant funding conditions (£0.503m). A further (£0.030m) is anticipated on AEB devolved funding top slice, which equates to 3% of the £23.587m.

### 1.3 Investment Fund

1.3.1 Delivery on the Investment Fund continues, with 119 projects now approved. The Combined Authority has achieved:

- A contracted spend of £100.22m
- These projects will attract £292.015m of private sector leverage and are forecast to deliver 4586 jobs and safeguard a further 2679.
- Of these, the first 937 new jobs have been created and 1773 jobs reported as safeguarded.

Collaborating with Local Authority partners and project applicants is a high priority for financial year 2022/23. Table 2 below sets out the commitments against the key themes of the Investment Fund.

**Table 2 Commitment against Investment Fund Thematic Area Allocation**

	<b>Committed</b>	<b>Allocation</b>	<b>% Allocated</b>
	<b>£m</b>	<b>£m</b>	
Business	43.60	45.30	96%
People	17.66	17.30	102%
Place	25.51	13.25	193%
Major Strategic Economic Opportunities	10.19	9.65	106%
Business Case Development Fund	3.26	4.50	72%
	<b>100.22</b>	<b>90.00</b>	<b>111%</b>

1.3.2 The Investment Fund Programme continues to grow as projects progress through the pipeline. There have been key funding proposals coming forward for consideration, around innovation and supporting our key sectors. Work continues at pace to operationalise the headline sector strategies agreed by Cabinet. In addition, there is a step change in the volume of contracts and supporting financial claims as projects and programmes come to fruition. Table 3 overleaf shows the forecast position for the Investment Fund in 2022/23.

**Table 3 Investment Fund Q1 Budget Monitor**

<b>Investment Fund</b>	<b>Budget £m</b>	<b>Forecast £m</b>	<b>Variance £m</b>
<b>Expenditure</b>			
Business Case Development Fund	0.500	0.500	-
Investment Projects	41.600	41.600	-
Technical Assistance	0.250	0.250	-
Contribution to Corporate	2.650	2.650	-
<b>Gross Expenditure</b>	<b>45.000</b>	<b>45.000</b>	-
<b>Income</b>			
Investment Fund	(20.000)	(20.000)	-
<b>Total Income</b>	<b>(20.000)</b>	<b>(20.000)</b>	-
<b>Net Position (Income)/Expenditure</b>	<b>25.000</b>	<b>25.000</b>	-
<b>Investment Reserve brought forward</b>	<b>(54.048)</b>	<b>(54.048)</b>	-
<b>Net Investment Fund Reserve carried forward</b>	<b>(29.048)</b>	<b>(29.048)</b>	-

- 1.3.3 The economic outlook is dominated by increased cost of living prices and signs of a weakening economy, with inflation rising to 9.1%. Despite this backdrop the Combined Authority continues to invest to support inclusive economic growth. The quality of delivery continues to be strong. Relationships with grant recipients remain strong and organisations have been keen to work with NTCA to design and embed innovative delivery approaches, ensuring that projects can continue to meet the aims, objectives, and outputs that they set out to achieve. Additionally, the pipeline has continued to develop with a number of schemes to be delivered in 2022/23, including the Town and High Streets Programme (£6.000m) which is now moving into delivery and a contribution towards the building of a new Technology Development Centre at the Offshore Renewable Energy Centre (£2.00m).
- 1.3.4 Within the above investment fund workstream the following projects includes funding to be spent on capital schemes, see Table 4 overleaf:

**Table 4 Investment Fund Capital Schemes**

Project	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Return to Work		0.002		0.028		0.030
North of Tyne Science Education Enrichment	0.023					0.023
NTCA Heritage STEM: Our Past, Your Future		0.007				0.007
NU futures		0.336	1.637			1.973
North bank of the Tyne EZ - Phase 1				0.250	0.550	0.800
North Shields Fish Quay			0.346	1.194		1.540
Bates Clean Energy Terminal			0.711	1.627		2.338
Swans Energy Park				2.000		2.000
Spirit of North Tyneside				0.250		0.250
Community Hubs Northumberland			0.010	0.165		0.175
NEP1 Battle Wharf				0.509	0.742	1.251
CCZ - North Tyneside				0.350	0.450	0.800
Energy Central Learning Hub (ECLH)				1.000	1.000	2.000
Towns High Streets Innovation Prog. - Newcastle				0.830	1.070	1.900
Towns High Streets Innovation Prog. - North Tyneside				0.830	1.070	1.900
Towns High Streets Innovation Prog. – Northumberland				0.830	1.070	1.900
Technology Development Centre				1.200	0.800	2.000
Tyne Clean Energy Park, Howdon Yard				2.791	0.038	2.829
<b>Total</b>	<b>0.023</b>	<b>0.345</b>	<b>2.704</b>	<b>13.854</b>	<b>6.790</b>	<b>23.716</b>

#### 1.4 Brownfield Housing Fund

- 1.4.1 The Brownfield Housing Fund is the first housing allocation for the North of Tyne Combined Authority. The funding is intended to support the development of at least two thousand new homes, by remediating and revitalising brownfield sites across the North of Tyne area. The Brownfield fund is part of a broader housing programme and pipeline of sites, shaping a strategic delivery approach to supporting housing and economic recovery.
- 1.4.2 An extension to Brownfield Housing Fund was announced in the Levelling Up White Paper. Mayoral Combined Authorities (MCAs) were awarded £120 million nationally, to be allocated to each MCA based on population. NTCA has been awarded £7.96 million, bringing the total amount of NTCA BHF funding to £31.820 million.
- 1.4.3 A call for sites was undertaken in Autumn 2021 to identify additional sites for the fund and to build the Brownfield pipeline in anticipation of future funding. This position provides enough flexibility to manage the programme and NTCA, in collaboration with partners will continue to develop the pipeline of schemes to manage a deliverable capital programme which meets the requirements and timescales set out by DLUHC.
- 1.4.4 In terms of approvals to date, NTCA have approved seven schemes with a total commitment of £17.1m. These schemes are forecasting the creation of 1573 housing units with the extended pipeline accounting for 4215, this is set against the DLUHC target of 2000. Four schemes have

been contracted and are now delivering on the ground. Three schemes are awaiting planning application decisions. Forecast private sector leverage for the contracted projects stands at £115.95m.

- 1.4.5 Risk around performance has increased because of delays in year 1 and 2 resulting in a revised profile to DLUH as detailed below in Table 5.

**Table 5 Brownfield Housing Funding up dated Profile including additional allocation of funds**

	Total	Year 1	Year 2	Year 3	Year 4	Year 5
	£m	£m	£m	£m	£m	£m
<b>Original Funding Profile</b>	<b>23.854</b>	4.854	8.100	6.700	3.100	1.100
<b>Reprofiled Projected Programme Spend</b>	<b>31.820</b>	0.568	3.385	10.563	14.056	3.248

## 1.5 Adult Education Budget (AEB)

- 1.5.1 In August 2020 NTCA took control of £23.145m devolved Adult Education Budget for the academic year 2020/21. Annual funding for this and subsequent years was set just above £23.100m.
- 1.5.2 The Department of Education have confirmed NTCA's devolved AEB allocation for the period 1 August 2022 to July 2023 is £23.587m plus an additional £1.959m for the delegated Free Courses for Jobs bringing the total AEB in 2022/23 academic year to £25.546m.
- 1.5.3 Since the beginning of August 2021 over 28,600 enrolment opportunities have been delivered or are being undertaken.
- 1.5.4 Covid-19 impacts on face-to-face learning have eased in 2022/23. The impact was still evident last academic year however, with some providers under delivering. Under delivery for procured services will be clawed back if profile payments exceed actual delivery. For grant funded providers it had been suggested that they can submit a Cost Analysis Statement (CAS), setting out extenuating circumstances for under-delivery and any costs incurred which are related to AEB delivery but which are not captured in the ILR data returns.
- 1.5.5 Table 6 below shows the AEB Forecast for the academic year 2022/23

**Table 6 Adult Education Budget Forecast Academic Year 2022/23**

	Academic Year 2022/23		
	Budget £'000	Forecast £'000	Variance £'000
<b>Expenditure</b>			
Grant Awards	15.369	15.610	0.241
Procured Services	6.659	7.269	0.610
Corporate Contribution	0.678	0.708	0.030
Courses for Jobs	-	1.959	1.959
<b>Gross Expenditure</b>	<b>22.706</b>	<b>25.546</b>	<b>2.840</b>
<b>Income</b>	<b>(22.706)</b>	<b>(25.546)</b>	<b>(2.840)</b>
<b>Gross Income</b>	<b>(22.706)</b>	<b>(25.546)</b>	<b>(2.840)</b>
<b>Net Position (Income)/Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Table 7 Adult Education Budget Financial Year 2022/23**

Financial Year 2022/23	1 Apr 2022 - 31 Jul 2022 £m	1 Aug 2022 - 31 Mar 2023 £m	Total £m
Devolved Adult Education Budget	8,800,948	14,785,847	23,586,795
Free Courses for Jobs Funding	489,829	1,469,486	1,959,315
<b>Total</b>	<b>9,290,777</b>	<b>16,255,333</b>	<b>25,546,110</b>

1.5.6 Funding has been secured from the National Skills Fund to run a series of Skills Bootcamps in a range of sectors allowing residents to train and gain skills needed to improve job prospects. Examples of the sectors covered are digital, technical, construction, logistics and green skills.

Table 8 below shows the budget and forecast position for Bootcamps delivery 2022/23.

**Table 8 Bootcamps 2022/23**

	Financial Year 2022/23		
	Budget £'000	Forecast £'000	Variance £'000
<b>Expenditure</b>			
Procured Services	5.029	5.029	0.000
Overhead Contribution	0.503	0.503	0.000
<b>Gross Expenditure</b>	<b>5.532</b>	<b>5.532</b>	<b>0.000</b>
<b>Income</b>	<b>(5.532)</b>	<b>(5.532)</b>	<b>(0.000)</b>
<b>Gross Income</b>	<b>(5.532)</b>	<b>(5.532)</b>	<b>(0.000)</b>
<b>Net Position (Income)/Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>

1.5.7 The new Shared Prosperity Funding (Core-UKSPF) includes Multiply funding, £4.1m over three years. The funding is aimed at improving adult numeracy skills. In doing so, new job or training opportunities will be unlocked for residents. Table 9 shows the budget and forecast position for delivery against Multiply for 2022/23 the first year of delivery.

**Table 9 Multiply 2022/23 Forecast Position**

	Financial Year 2022/23		
	Budget £'000	Forecast £'000	Variance £'000
<b>Expenditure</b>			
Procured Services	1.123	1.123	-
Overhead Contribution	0.125	0.125	-
<b>Gross Expenditure</b>	<b>1.248</b>	<b>1.248</b>	<b>-</b>
<b>Income</b>	<b>(1.248)</b>	<b>(1.248)</b>	<b>-</b>
<b>Gross Income</b>	<b>(1.248)</b>	<b>(1.248)</b>	<b>-</b>

<b>Net Position (Income)/Expenditure</b>	-	-	-
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1.5.8 Approval of the Investment Plan by Government is not expected until October 2022 which will put pressure on delivery within the shortened time frame. To mobilise delivery quickly once funding is received a number of key partners and stakeholders involved in the design of the programme are engaging with target recipients.

## 1.6 Reserves

1.6.1 The forecast position on reserves held on 31 March 2022/23 are detailed below in Table 10.

**Table 10 Reserves as of 31 March 2023**

<b>Reserves Statement</b>	<b>2021/22</b>	<b>Movement (from)/to Reserves</b>	<b>2022/23</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Preparing to Exit EU	0.050	(0.050)	0.000
Strategic Reserve	0.200	-	0.200
Investment Fund Reserve	54.048	(25.000)	29.048
Adult Education Budget	3.220	(3.220)	0.000
Other grant reserves: Kickstart, Bootcamps, Defra Rural, CRF	1.095	(1.095)	0.000
<b>Total General (Useable) Reserves</b>	<b>58.613</b>	<b>29.365</b>	<b>29.248</b>

1.6.2 Based on the forecast position at Q1 the position on the Investment Fund Reserves will decrease to £29.048m based on the current trajectory on the Investment Fund. The level of the Investment Fund Reserve reflects Investment Fund monies received to date of £100.000m with delivery on projects in 2022/23 anticipated to be £45.000m.

1.6.3 It is anticipated that the balance of unallocated Adult Education Budget (£3.220m), again due to impact of Covid 19 will be allocated during the academic year August 2022 through to July 2023, with all funding received for the academic year anticipated to be fully allocated also. Other grant reserves such as the Preparing to Exit EU grant, Kickstart, Bootcamps, Defra Rural and CRF are anticipated to be used in 2022/23 in delivery against the relevant programmes. The Strategic Reserve continues to be maintained at £0.200m in line with the Reserves and Balances Policy.

## 2. Potential Impact on Objectives

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

## 3. Key Risks

3.1 Inflation rises will have an impact on cost of delivery on programmed spend on projects which could result in an increase on funding requests. Supply chain delays may also impact on delivery on projects.

## 4. Financial and Other Resources Implications

- 4.1 This is a financial report with any financial or resource implications set out in the report.
- 4.2 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 in accordance with the Authority's Reserves and Balances policy.

## **5. Legal Implications**

- 5.1 The Combined Authority has a legal obligation under the Local Government Act 2003 to have regard to the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice; the Chartered Institute of Public Finance and Accountancy's Prudential Code: Capital Finance in Local Authorities and the Department of Levelling up Communities and Housing Statutory Guidance on Local Government Investments.
- 5.2 The Combined Authority is required to agree a balanced budget annually and to monitor performance against that budget throughout the year. The Combined Authority must also make provision for an adequate level of un-earmarked reserves. It is also required to ensure that good financial governance arrangements are in place.

## **6. Equalities Implications**

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

## **7. Inclusive Economy Implications**

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

## **8. Climate Change Implications**

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

## **9. Consultation and Engagement**

- 9.1 The creation of the North of Tyne Combined Authority has been subject to significant and regional consultation. The 2022/23 budget was subject to wide consultation across the North of Tyne Region. The constituent authorities have been consulted directly on the production of the 2022/23 Budget and 2021/22 Outturn statement.

## **10. Appendices**

None

## **11. Background Papers**

25 January 2022 NTCA Budget Report

## **12. Contact Officers**

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Tel: 0191 6435701

## **13. Glossary**

AEB	Adult Education Budget
NTCA	North of Tyne Combined Authority
Core-UKSPF	UK Shared Prosperity Fund

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Title: 2023-2027 NTCA Financial Planning and Budget Process

Report of: Chief Finance Officer, Janice Gillespie

## Report Summary

The purpose of this report is to inform the Committee of the 2023-2027 Financial Planning and Budget Process. The report outlines 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 2023/24 to 2026/27.

Further reports will follow as part of the process of setting the Authority's Budget for the financial year 2023/24. The next report to Cabinet will be on 22 November 2022, which will outline the initial Budget Proposals and will then be brought to Overview and Scrutiny Committee on 6 December 2022, followed by the Overview and Scrutiny Budget Workshop on 10 January 2023 to consider in detail the Authority's draft Budget Proposals and recommendations to Cabinet.

## Recommendations

The Overview and Scrutiny Committee is recommended to note the report on the 2023-2027 Financial Planning and Budget Process which was submitted and approved by Cabinet on 20 September 2022, please see Appendix 1.

## Context

### 1. Background information, proposals, and timetable for implementation

1.1 At its meeting of the 20 September 2022 Cabinet Members considered the report on the 2023-2027 Financial Planning and Budget Process, including information on the key decision milestones, which will include:

- the update to the Medium-Term Financial Strategy (MTFS), and,
- development of the detailed budgets for 2023/24.

1.2 A Medium-Term Financial Strategy 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.

1.3 Key aspects of the 2023/24 Financial Planning and Budget process timetable are set out at Appendix A to the report attached as an appendix.

### 2. Impact on NTCA Objectives

2.1 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.

### **3. Equalities implications**

- 3.1 The Overview and Scrutiny Committee is mindful of its duty under the Public Sector Equality Duty and when undertaking scrutiny of a particular topic will look to see that any policy/event/decision eliminates discrimination, harassment and victimisation; advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it; and also considers the implications for people from different socio-economic backgrounds/low pay as a protected characteristic. 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.

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 20 November 2022.

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

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

### **5. Climate Change implications**

- 5.1 The Overview and Scrutiny Committee is mindful that the NTCA's and the three constituent Local Authorities have declared a Climate Emergency and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision has taken climate change fully into account. The Medium-Term Financial Plan is developed in line with the NTCA Corporate Plan which ensures climate change is taken fully into account in its Budget Proposals.

### **6. Consultation and engagement**

- 6.1 The 2023-2027 NTCA Budget Proposals will be subject to wide consultation before the Final Budget Proposals are taken to Cabinet for approval in January 2023, and after comments coming out from of the Overview and Scrutiny workshop are taken into account.

### **7. Appendices**

Appendix 1 2023-2027 Financial Planning and Budget Process including Draft Budget Setting Timetable for 2023-2027

### **8. Background papers**

Cabinet 25 January 2022, 2022-2026 Financial Planning and Budget Process  
Annual Meeting 7 June 2022, NTCA Corporate Plan

### **9. Contact officer**

Janice Gillespie, Chief Finance Officer [janice.gillespie@northoftyne-ca.gov.uk](mailto:janice.gillespie@northoftyne-ca.gov.uk)

## 10. Glossary

MTFP  
NTCA  
EIA

Medium-Term Financial Plan  
North of Tyne Combined Authority  
Equality Impact Assessment

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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

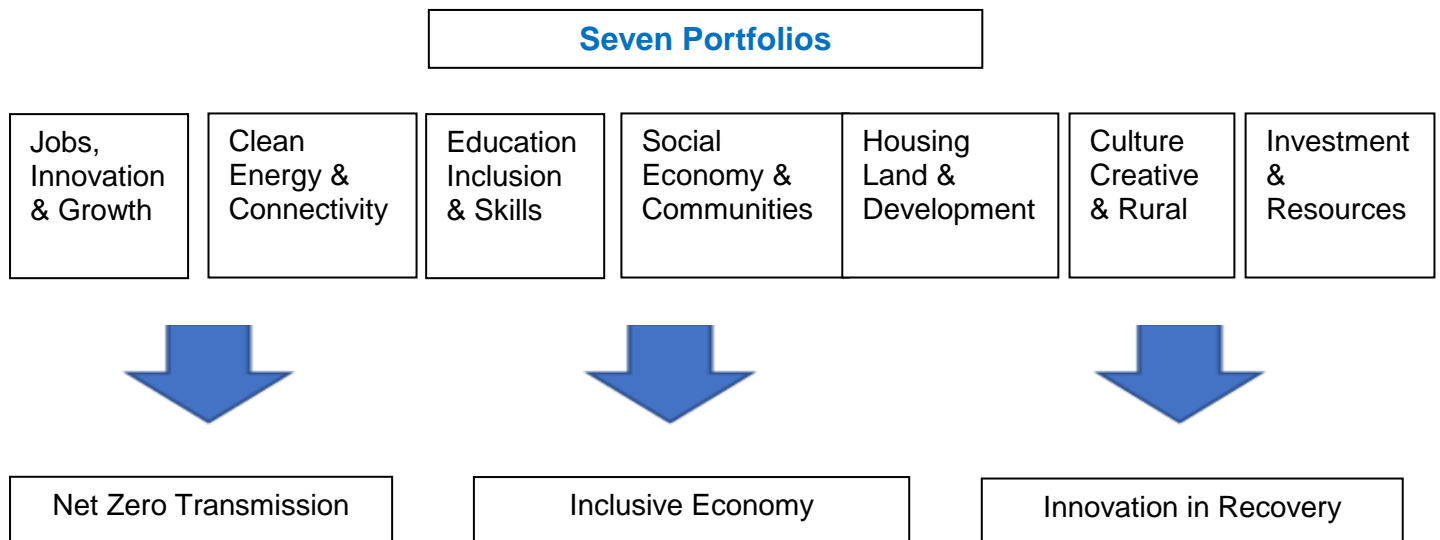
The Cabinet is recommended to approve the proposed outline 2023-2024 Financial Planning and Budget process, which incorporates the key decision milestones and dates as set out at Appendix A to this report.

#### 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)**

Janice Gillespie, Chief Finance Officer  
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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  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. Receive the Mayors draft budget proposals. 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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