



Subject: North East Create Growth Programme

Report of: Principal Economy and Strategy Manager

Portfolio: Culture, Creative & Rural

Report Summary

The purpose of this report is to formally accept a funding award of £1.275m from the Department for Digital Culture, Media & Sport (DCMS) for the North East Create Growth Programme. The North of Tyne (NTCA) Combined Authority is acting as the accountable body on behalf of the 7 North East local authorities.

Recommendations

The Director of Finance is recommended to

- i. Accept the funding of £1.275m from the Department for Digital Culture, Media & Sport (DCMS) for the North East Create Growth Programme.

1 Background Information, Proposals and Timetable for Implementation

- 1.1 Recognising that the creative industries are one of the fastest growing sectors of the UK economy, DCMS launched a Create Growth Programme in June 2022. Six successful local area partnerships have been awarded approximately £1.75m in grant funding to deliver targeted business support to high growth potential creative businesses.
- 1.2 Cabinet received an update on the proposed application on the 20th of September 2022 and authorised the Director of Finance to accept grant offers from Government with respect to the DCMS Create Growth Programme on behalf of the Authority, subject to the terms and conditions set out by the grant awarding bodies. Cabinet also authorised the Chief Executive, in consultation with the Director of Finance and relevant Cabinet Members, to approve the deployment approach and any subsequent grant agreements associated with the DCMS Create Growth Programme.

2 Proposal and timetable

Proposal Name	North East Create Growth Programme
Lead Organisation	North of Tyne Combined Authority (on behalf of the 7 local authorities)
Delivery Areas	North East
Timescales	28 th September 2022 – 31 st March 2025
Project Value	£1.275m
Grant amount requested	£1.275m
NTCA Budget Implications:	This project will be funded 100% by DCMS

- 2.1 The North East Create Growth Programme (GP) is one of the six successful partnerships and the programme will enable a collaborative approach across the region to support the creative sector. The

North East Create Growth Programme is designed to support creative businesses with high-growth potential, between the seed and scaling stages, from across County Durham, Gateshead, South Tyneside, Sunderland, Newcastle, North Tyneside and Northumberland with the support and the investment they need to grow their business and turn their innovative creative ideas into the leading creative businesses of the future. Four key target sectors of growth have been identified: IT/Software and computer services (with a focus on CreaTech; Gaming, AR/VR and E-sports), Design/Designer Fashion, Publishing, and Film and TV.

- 2.2 The business support component of the programme is focused on a nine-month long cohort programme (6 cohorts – 2 every 9months of between 15-20 businesses in each cohort), designed in collaboration with investors, sector experts and businesses within the target sectors in the North East who have a track record of successfully securing investment and supporting high-growth potential businesses for growth capital. This tailored, bespoke programme will enable our cohorts to clarify their ambition, develop the optimal business model, perfect their proposal, boost their revenue model, understand their market, understand the investment landscape, access national and international markets and – ultimately – to unlock the potential in their business to secure the investment they need to grow and scale.
- 2.3 A grant determination letter has been issued by DCMS which sets out the details of the Government's offer to the North of Tyne Combined Authority and the relevant requirements of the grant recipient. In addition, a Memorandum of Understanding (MoU) between DCMS and North of Tyne Combined Authority sets out provision of activities in support of the Create Growth Programme and the grant determination.
- 2.4 Appropriate legal agreements with the local authorities and delivery partners are currently being put in place. These documents will reflect the finalised governance arrangement proposed and will include strategic oversight, direction and risk and be based on clearly defined roles and responsibilities at organisation, group and where necessary individual level, and provide coherent, timely and efficient decision-making.
- 2.5 The Grant has been devolved under Section 31 non-ring fenced transfer (Local Government Finance Act 2003). The expectation from DCMS is that the Combined Authority will use the funds to support the aims of the Create Growth Programme to achieve a major impact for high-growth potential creative businesses. The total funding available for the Create Growth Programme is £17.5m over three financial years, 2022/23 to 2024/25.

2 Potential Impact on Objectives

- 2.1 The North East Create Growth programme links directly to NTCA's strategic priorities and is identified as a priority sector in both the NTCA Corporate Plan and the Devolution Deal.

3 Key Risks

- 3.1 The project risks have been considered as part of the application process and a project specific risk register is in place.

4 Financial and Other Resources Implications

- 4.1 The £1.275m available from DCMS will cover all project costs. Confirmed funding for FY 22/23 is £425,000. Indicative funding for £425,000 based on performance will be allocated for the FY 23/24 and FY 24/25. Payments will be made annually in advance and DCMS will review the amount of grant being committed annually based on performance against target and success measures.

5 Legal Implications

- 5.1 The proposed model of project delivery is fully compliant with the current UK subsidy control regime, as of the 4th August 2022.

6 Equalities Implications

NTCA has an Equality and Diversity Policy and is fully committed to complying with the Equality Act 2010 and to fulfilling its statutory duties towards its employees and residents with regards to equality and inclusion.

7 Inclusive Economy Implications

7.1 The approach taken will positively contribute to creating a more inclusive economy in the North of Tyne with specific positive impact on addressing the needs of businesses and supporting the creation of jobs.

8 Climate Change Implications

8.1 The Combined Authority has considered the implications relating to climate change in decisions regarding the delivery of the Create Growth Programme and believe there will be no negative impact as a result.

9 Consultation and Engagement

9.1 Consultation and engagement has taken place throughout the process and this has included the seven local authorities across the region and key delivery partners who were identified as specialist in their field.

10 Appendices

10.1 None

11 Background Papers

11.1 None

12 Contact Officers

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13 Glossary

NTCA	North of Tyne Combined Authority
DCMS	Department for Digital Culture, Media & Sport

14. Sign-off

1) Portfolio Holder: Yes	2) Chief Executive: Yes	3) Director of Finance: Yes	4) Monitoring Officer: Yes
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