

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

Tuesday 5 July 2022 at 1.00 pm

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

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### **AGENDA**

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	<b>Page No</b>
1. <b>Appointment of Chair and Vice-Chair for the 2022/23 municipal year</b>	
2. <b>Welcome and Introductions</b>	
3. <b>Apologies</b>	
4. <b>Declarations of Interest</b>	
5. <b>Agree the minutes of the meeting held on 15 March 2022</b>	<b>1 - 6</b>
6. <b>NTCA Annual Report and Corporate Plan</b>	<b>7 - 46</b>

In attendance: Henry Kippin, Managing Director

Attached: Report and Appendices

Presentation at meeting

7. **UK Shared Prosperity Fund**

In attendance: Henry Kippin, Managing Director

Presentation

8. **Devolution Update**

In attendance: Henry Kippin, Managing Director

Presentation

9. **2021/22 NTCA Budget Outturn Report including North East LEP and Invest North East England** **47 - 76**

In attendance: Janice Gallagher, Chief Finance Officer

Attached: Report and Appendices

10. **Work Programme 2022-23** **77 - 80**

In attendance: Elizabeth Kerr, Principal Governance and Scrutiny Manager

Attached: Report

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

Contact Officer: Susan Darroch

Email: [susan.darroch@newcastle.gov.uk](mailto:susan.darroch@newcastle.gov.uk)

[northoftynedevelopment.com](http://northoftynedevelopment.com)

Newcastle  
City Council



North Tyneside Council



Northumberland  
County Council

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## Overview and Scrutiny Committee

15 March 2022

(10.30 am - 12.30 pm)

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

### Draft Minutes

#### Present:

Chair: C Seymour

Councillors: L Bowman, L Wright, S Fairlie, G Stone and J Beynon

#### 12 WELCOME AND INTRODUCTIONS

The chair welcomed everyone to the meeting and brief introductions were provided.

#### 13 APOLOGIES

Apologies for absence were received from Cllr Hall, North Tyneside Council and Cllr Hunter, North Tyneside Council.

#### 14 DECLARATIONS OF INTEREST

None.

#### 15 AGREE THE MINUTES OF THE MEETING HELD ON 7 DECEMBER 2021

**RESOLVED:** That the minutes of the meeting held on 7 December 2021 be agreed as an accurate record.

#### 16 AGREE THE ACTION POINTS OF THE INQUORATE MEETING HELD ON 8 FEBRUARY 2022

**RESOLVED:** That the action points from the meeting held on 7 December 2021 be agreed as an accurate record.

## 17 HOUSING, LAND AND DEVELOPMENT PORTFOLIO UPDATE

Committee received a report from Mayor Redfearn, Cabinet Member for Housing, Land and Development, which provided an update on the work and plans for the portfolio area.

Mayor Redfearn introduced the report commenting on: portfolio achievements, including the award of £12.5m funding to unlock 1340 new homes and creation of apprenticeships, despite the challenges created by Covid; how collaboration had delivered new opportunities and had accelerated progress and capacity; the importance of ensuring quality and affordable housing; and the support provided for business case development to bring forward new developments. Mayor Redfearn welcomed the support that committee members could give to this area of the Combined Authority's work by identifying brownfield sites which might be suitable for redevelopment.

Mayor Redfearn went onto discuss the agreed Joint Infrastructure Plan as a means of unlocking housing sites through transport investment and discussed the High Street Fund which would support the reinvigoration of town centres.

Reference was made to the connection between the housing programme and skills, with the education skills programme providing opportunities to support residents into work.

Mayor Redfearn, H Kippin, Managing Director and Vicky Cuthbertson, Housing and Land Manager, then responded to questions/comments received from members and the following points were noted:

- The Combined Authority would seek to influence private developers on proposals for new housing developments to ensure the quality appropriateness of new developments. Whitley Bay seafront was highlighted as a good example of a development that had brought in new businesses and improved footfall in the area.
- In 2021, the Combined Authority had published a call for new housing sites and a further £20m of schemes had been identified. This overprogramming would help to manage the risks associated with schemes that were experiencing challenges to delivery. Additional funding had also been provided to support site investigation to identify constraints and improve deliverability.

The deadline for delivery of all schemes was March 2025. External appraisals were carried out on all schemes at an initial stage to ensure they could meet the criteria.

- The role of the Combined Authority was to support the acceleration of site developments, including providing analysis on the need to support affordable housing and creating an evidence base for challenging areas such as retrofitting. The authority had no statutory powers and worked closely with local authorities to add value to their work.

Added value was provided in relation to increasing the pace of delivery by supporting earlier site development. It was anticipated that further opportunities would be provided in the Levelling-Up White paper, in respect of support for social housing stock replacement.

- A member referred to a recent TV documentary that highlighted the value of council housing as an asset to the community and highlighted good practice by local authorities who had redeveloped derelict social housing into desirable new homes with a community feel. It was suggested that the Combined Authority may wish to speak to the presenter, George Clarke.
- The Combined Authority had identified several opportunities for housing development along the re-opening Northumberland train line – these were not greenfield sites and proposals would be sympathetic to existing communities and local infrastructure.
- A member commented on the importance of affordable housing that provided a mix of tenure and recognised that families living together were often now multigenerational.
- The Combined Authority did not have compulsory purchase powers to deal with landlords who had boarded up vacant high street premises. This had been explored by other combined authorities, however evidence suggested there was greater value in working collaboratively to create a shared vision for a high street. Other powers, such as those through selective licensing schemes, were also held by local authorities.

A member suggested that the term ‘high street’ may pre-determine areas that would be supported through the fund, with many communities not identifying small community-based shopping areas as a high street.

- The combined authority had commissioned a piece of work to review the scale of need for affordable and supported housing and where funding may be available to bring forward opportunities. Work was also taking place with local authorities and Homes England on a Memorandum of Understanding in respect of collaboration on strategic planning. H Kippin offered to report back on this at a meeting in Autumn.
- The Brownfield Housing Fund would focus on accelerating brownfield land development, whilst this was not affordable housing it would include a mix of schemes. This mix would be defined in collaboration with local authorities and the private sector but would contribute to increasing the number of affordable homes. The combined authority was waiting for the outcome of an application for additional funding that would focus on affordable housing.

The Chair brought the discussion to a close thanking Mayor Redfearn and officers for attending.

**RESVOLED:** that –

- i. The report be noted.

- ii. A report be brought to committee in Autumn 2022 on the outcome of commissioned work to review the scale of affordable and supporting housing and on the development of a Memorandum of Understanding with the local authorities and Homes England in respect of collaboration on strategic planning.

## 18 **LEVELLING-UP WHITE PAPER**

Committee received a presentation from H Kippin, Managing Director, which provided an overview of the Levelling Up White Paper and implications for the North of Tyne.

H Kippin, Managing Director, then responded to questions/comments received from members and the following points were noted:

- The combined authority provided capacity support to the Inward Investment team and financial support to encourage businesses to move to the area. The unique selling point of the area was the provision of affordable high-end office space alongside a location that provided access to a mix of city, coast and countryside.

The potential to build on the areas historical and cultural assets was also acknowledged, and – although it was difficult to quantify - support for recent events had highlighted the benefit in increasing visitor numbers and the contribution to the local economy.

- It was anticipated that the offshore wind, clean energy and the supply chain for energy and offshore, digital and service sector would be areas that would provide future competitive advantage and job opportunities.
- Changes to the region over the past forty years had come from a mix of public and private investment, and the ability of the combined authority to leverage private sector investment was an important aspect of future development. At this stage it would be important to understand the government's response to the region's proposed recovery deal before any governance discussions would take place.

The Chair highlighted the opportunity for the committee to understand any proposed changes to the devolution deal.

- A member raised a concern about the levelling-up agenda and the extent to which it would benefit the North of Tyne area following years of public sector austerity and the demise of industry in the area. It was suggested that the region could build on technology, its universities and its port to build on the potential of the green economy.
- The combined authority maintained a risk register and reported on this to Audit and Standards Committee. This took into account strategic risks related to Covid and the international landscape.

**RESOLVED** that the report be noted.



## 19 **SCRUTINY ANNUAL REPORT AND ANNUAL REVIEW**

Committee received a report from E Kerr, Principal Governance and Scrutiny Manager, which presented the committee's Annual Report for submission to Cabinet and confirmed that no urgent decisions or call-in requests had been made during the 2021/22 year.

E Kerr introduced the report, thanking members for their engagement and welcoming proposals for the 2022/23 work programme, noting that extraordinary meetings or workshops could be held where required. Responding to questions/comments received from members the following points were noted:

- The call-in process required four members from two constituent local authorities. Information on the power of call-in was provided in the scrutiny handbook and provided as part of the induction programme.

In discussion, E Kerr agreed to review how information on key decisions taken by Cabinet or a Cabinet Member was shared with scrutiny members

- A member highlighted the potential to include a further discussion on the Levelling-Up White paper on the committee's work programme.

**RESOLVED:** that –

- i. The Annual Report be approved for submission to Cabinet.
- ii. The work programme for 2022/23 to include a further discussion on the Levelling-Up White paper.

## 20 **DATE AND TIME OF NEXT MEETING**

To be confirmed.

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## Overview and Scrutiny Committee

5 July 2022

**Subject: NTCA Annual Report and Corporate Plan**

**Report of: Henry Kippin, Chief Executive**

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### Report Summary

The NTCA's Annual Report, endorsed by Cabinet at its March meeting, sets out the Authority's achievements and the work of the Mayor and Cabinet over the last year. The report 'Getting Stuff Done' includes information on how NTCA is attracting 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. In addition, there are also annual updates from the Inclusive Economy Board, the Housing and Land Board and the Voluntary, Community and Social Enterprise Group.

At its Annual Meeting in June, Cabinet endorsed NTCA's updated Corporate Plan. The 2022/2023 Plan, developed through co-design with Cabinet, officers and partners refreshes the context and provides an overview, outlining NTCA's ambitions and delivery priorities within its seven delivery portfolios and three cross cutting themes.

The Annual Report and Corporate Plan are attached as appendices to this report.

### Recommendations

Overview and Scrutiny Committee is recommended to note the Annual Report and Corporate Plan and make and comments/recommendations as appropriate.

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

##### 1.1 Annual Report

1.1.1 This is the second Annual Report and is presented as a record of the work of NTCA in creating and safeguarding jobs, working with communities on climate change and tackling poverty and showcasing 'good' jobs through the Good Work Pledge, which now covers 35,000 employees. NTCA is delivering on devolution, providing skills and education opportunities, and developing work on reducing child poverty.

1.1.2 The report has been designed to be a quick read to enable residents to see the impact of NTCA clearly; a signpost to the more in-depth information that is available on the website through our press releases or cabinet reports.

1.2 Two stories have been chosen to show the range of the impact of NTCA. One relating to investing in an offshore company, Transmission Dynamics, to enable their innovative technology sensors for turbines; the other to provide skills and training to enable a young entrepreneur to set up his own business. There are other, shorter stories, relating to digital growth and inward investment; NTCA's success with Kickstart and community crowdfunding; the culture and creative investment and a story of a carer who has returned to work with NTCA's support.

- 1.2.1 The report demonstrates that NTCA adds value through strong collaboration with its local authority partners, universities, businesses, the North East LEP and the voluntary and community sector.
- 1.2.2 The top 5 achievements of the NTCA are included as headlines to showcase quickly and succinctly the work and successes of NTCA in 2021. A further list of achievements is on the final page.
- 1.2.3 The Annual Report is attached as appendix 1.

## **1.2 Corporate Plan**

- 1.2.1 The Corporate Plan has been developed through a process of co-design with Cabinet, officers and NTCA's partners. It plays a key role in ensuring our funding and resources are used effectively and efficiently - adding maximum value and delivering with impact.
- 1.2.2 The Plan sets 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.
- 1.2.3 The Plan will drive the work programme that in turn feeds 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 our values, which underpin the way the authority works and outlines our approach to managing wisely the resources, funding and investment we have available.
- 1.2.4 The Plan is structured around seven delivery portfolios and three cross cutting themes, bringing together in single cohesive plan commitments in our devolution deal, manifesto and recovery plan.
- 1.2.5 The Corporate Plan is attached as appendix 2.

## **2. Equalities Statement**

The NTCA is mindful of its duty under the Public Sector Equality Duty and adopted Equalities Objectives in 2021 to enable it to advance equality of opportunity between persons who share relevant protected characteristics and those who do not. NTCA's Equalities Objectives centre on workforce diversity; staff confidence around equalities; employment levels amongst groups experiencing disadvantage; in-work poverty in the North of Tyne area; and co-design and co-production.

Through its work NTCA will also continue to promote policies and decision making which eliminates discrimination, harassment and victimisation and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it. NTCA considers the implications for people from different socio-economic backgrounds/low pay as a protected characteristic.

## **3. Inclusive Economy Statement**

The Annual Report is a reflective document and showcases NTCA's inclusive economy ambitions and the five characteristics of an inclusive economy: participation; equity; growth; stability and sustainability. These are also strongly reflected in the Corporate Plan.

## **4. Climate Change Implications**

The North of Tyne Combined Authority and all three constituent Local Authorities have declared a Climate Emergency; the impact of the NTCA's decisions on climate is taken into account and its work in this area is reflected in the Annual Report and the Corporate Plan.

## 5. Consultation and Engagement

The Mayor, Cabinet and the whole NTCA team have been involved in the formulation of the Annual Report and the Corporate Plan. The NTCA is a collaborative and supportive team and the Annual Report and the Corporate Plan are aligned with the internal work programme, targets and spend so each team can see how their individual effort contributes to the whole.

## 6. Appendices

Appendix 1 *Getting Stuff Done* NTCA Annual report  
Appendix 1a Inclusive Economy Board update  
Appendix 1b Housing and Land Board update  
Appendix 1c VCSE Stakeholder Engagement Group  
Appendix 2 NTCA Corporate Plan

## 7. Background Papers

NTCA Vision

## 8. Contact Officers

Dr. Henry Kippin, Chief Executive  
[henry.kippin@northoftyne-ca.gov.uk](mailto:henry.kippin@northoftyne-ca.gov.uk)

Ruth Redfern, Director of Policy and Performance  
[ruth.redfern@northoftyne-ca.gov.uk](mailto:ruth.redfern@northoftyne-ca.gov.uk)

Stuart Tarbuck, Head of Communications, Engagement and Organisational Development  
[Stuart.Tarbuck@northoftyne-ca.gov.uk](mailto:Stuart.Tarbuck@northoftyne-ca.gov.uk)

Chrisi Page, Investment Programme Manager  
[chrisi.page@northoftyne-ca.gov.uk](mailto:chrisi.page@northoftyne-ca.gov.uk)

## 9. Glossary

NTCA North of Tyne Combined Authority

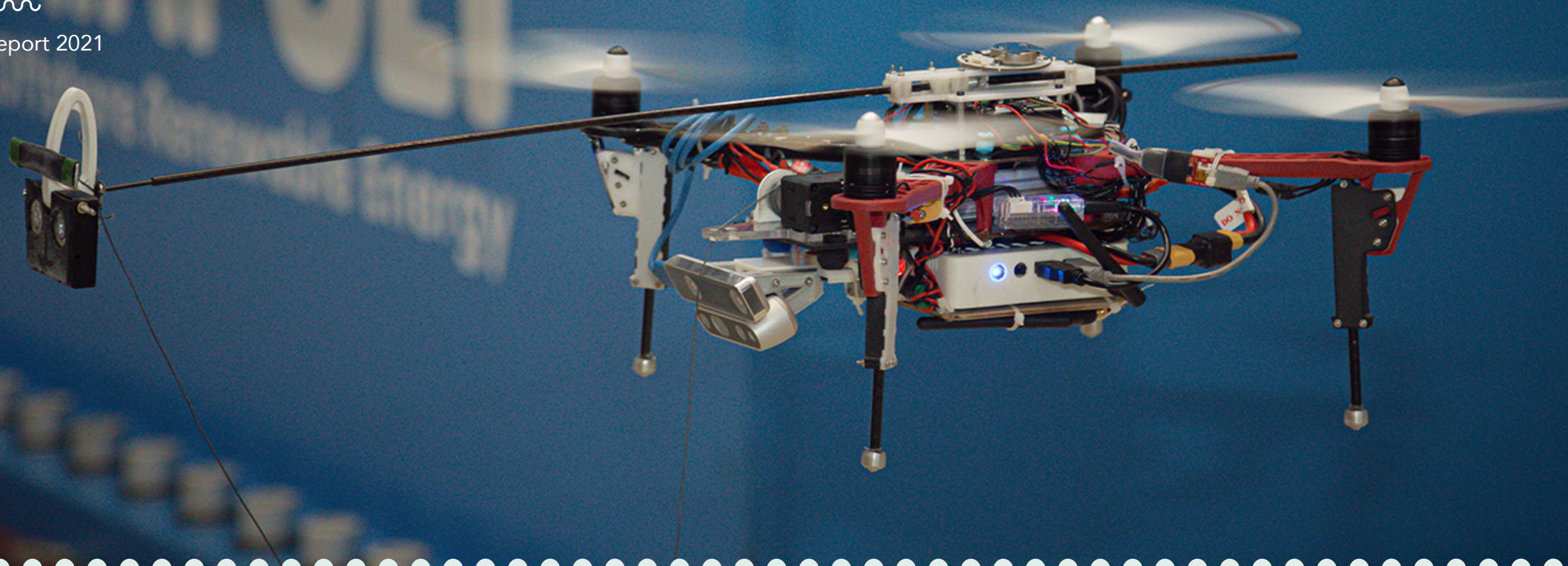
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# GETTING STUFF DONE. IN 2021



Annual Report 2021

NORTH  
OF TYNE  
~~~~~  
COMBINED  
AUTHORITY



# FOREWORD

## WELCOME TO THE NORTH OF TYNE COMBINED AUTHORITY'S ANNUAL REPORT FOR 2021.



**MAYOR DRISCOLL**  
North of Tyne

If this year has been about anything it's been about communities; people looking after each other and helping out vulnerable neighbours. People getting together virtually or in person to make their places better. People saying "enough" to climate change. At North of Tyne Combined Authority (NTCA) we are committed to listening to you, and this year we have heard from so many of you who want us to do whatever we can to thwart the impending climate catastrophe.

NTCA have embedded our 'zero-carbon – zero poverty' approach; the Energy, Green Growth and Climate Change programme, improving the north bank of the Tyne, green crowdfunding and our Green New Deal which will create jobs, reduce emissions, and save money – it's the kind of innovation that's needed for local areas to become net-zero. Creating jobs need not cost the Earth.

We know that everything counts, so I'm as proud of the bee-keeping project on the Meadowell Estate as I am of our big-ticket offshore wind items, like Woodside Avenue and Walker Quay, part an £18.6 million package of investment and Swans Energy Park, a £7m

package of investment to support the growth of the North East Offshore and Subsea cluster. We are leading the way!

My job at NTCA is about delivery; building links with businesses to boost the local economy, joint working with colleges and universities and using my convening powers to bring people together across the North of Tyne to make a difference.

Our Good Work Pledge acknowledges those great employers who look after their staff and I'm delighted that the pledge now covers over 35 500 employees. That's 35 500 people with secure employment, a decent wage, proper representation and a ladder to boost skills to turn a job into a career.

The North East has often lagged behind after any national or global recession, but we've seen regional growth remain relatively strong and I'm optimistic about the future. Every job we have created or safeguarded in 2021 has improved someone's life – that's our reason for being here and I could not be more pleased with our success in a challenging year for everyone.

NTCA was created by its founding partners to identify and deliver our shared vision for the region – a happier, healthier, better-connected and more prosperous North of Tyne. Our vision and priorities remain the same, but we have re-shaped portfolios and developed a Corporate Plan to better reflect our focus on key challenges. Not least, recovery from the pandemic and the effects of Brexit.

Our focus will always be on good jobs but it's really important to me that we ensure our residents have the skills to access these jobs. So, we have picked up our pace on skills and have now delivered over 25 000 enrolment opportunities and these are reaching our most disadvantaged residents, with nearly 70% undertaken by residents living in the most deprived areas - and with a 95% success rate.

A good education at school is always going to be the best way out of poverty and our education programme coupled with a child poverty initiative has begun an exciting approach that will support families, children and schools to ensure future generations in the North of Tyne have the opportunities they deserve.

Devolution has given our region a once-in-a-generation opportunity to create opportunities for our residents. We are driving a 30 year multi-million investment package over housing, skills, digital technology, ageing, cultural industries, events and so much more. Since our original deal we have secured a further £35 million of grant funding, demonstrating faith by government that we can deliver. Our projects and programmes have directly generated a commitment of over £254 million from private sector investors too. We have shown we have what it takes to ensure the region's continued economic and cultural renaissance and address the social challenges facing our communities.

As I look back at 2021 and how we have faced the challenges and done what we needed to do to support our people - I have never been more certain that together we can build a better and brighter future for all of our people.

# OUR TOP FIVE ACHIEVEMENTS IN 2021



**4487+**  
new jobs in the pipeline for growing businesses



**2679**  
jobs saved in a tough economic climate



**MAYOR REDFEARN**  
North of Tyne



**28 800**  
courses for people to get good jobs



**1707**  
businesses supported with advice and guidance



Launched our **£18m**  
Green New Deal fund, investing in low carbon projects



## REVOLUTIONISING THE OFFSHORE WIND INDUSTRY



Transmission Dynamics, based in Cramlington, is an engineering firm developing ultrasonic safety testing equipment to be fitted to thousands of offshore wind turbines. It will provide real time information about the effectiveness of individual turbines, flagging performance and maintenance issues. The award-winning Internet of Things specialists said the sale and manufacture of the equipment and associated data analysis would help generate £8 million a year by 2030 and create 50 jobs. The tech will revolutionise the industry driving innovation and efficiency.

Director Jenny Hudson said investment from the Technology, Innovation and Green Growth for Offshore Renewables (TIGGOR) programme backed by the North of Tyne Combined Authority made the project possible. "We would not have been able to commit to this ambitious industrial research project without the TIGGOR funding," she said. "It will support us to develop innovative, low-cost sensors to deploy ultrasonic guided waves across wind turbine towers and foundations identifying cracks, corrosion and loss of bolt tension for wind turbine structural integrity testing."

Transmission Dynamics, which is building a £4.8m base at Northumberland Business Park, began as an engineering consultancy and has grown to become a leading Internet

of Things specialist. They have a growing client list of wind turbine developers operating globally. Working with the industry, the company will retrofit existing technology to create its new ultrasonic testing apparatus.

It is one of five companies operating in Newcastle, North Tyneside and Northumberland – Transmission Dynamics, Kinewell Energy, SMD, Trident Dynamics and Unasys – to receive a share of £1.7m in match funding made available through the first round of the TIGGOR programme's technology demonstration strand. Further rounds of investment will follow.



## "I'VE GONE FROM HOBBYIST TO PROFESSIONAL..."

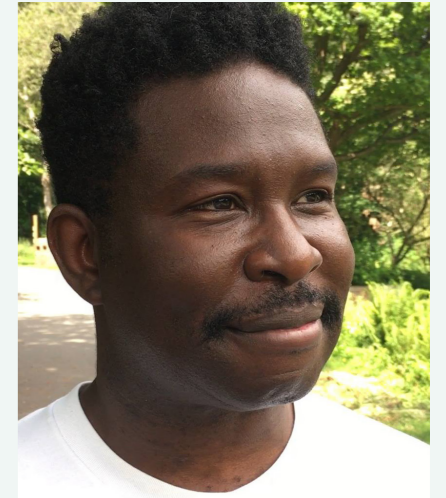


Solomon is passionate about his new business making soap. A self-confessed hobbyist during the pandemic he started to see demand for his products increase and was keen to turn this love into a commercial success.

He contacted NBSL our partner to help gain business skills to start his business on a strong footing. The Better Business Skills programme he joined was developed in conjunction with us and provides tailored support to emerging businesses. It helps them research, sell and market their products. This support helped give Solomon the confidence he needed to blend his love of retail and knowledge of natural cosmetics. He has now created a range of licenced soaps to soothe specific skincare issues.

"Joining this programme has been amazing. I needed a little bit extra, I needed a little bit more – it's been sensational. It gave me the roadmap and skills I needed to go from hobbyist to professional", said Solomon.

With over 100 businesses already taking part, this investment is helping create new entrepreneurs in our region. Find out more: [nbsl.org.uk/better-business-skills](https://nbsl.org.uk/better-business-skills)



### FUTURE FARMING TECH



With our grant funding of just £5.5k Northumberland based business AgriTech unlocked a further additional six-figure investment for their innovative farming drone and smart-analytics product. Drone Ag is cutting edge, flying over fields to take soil samples and map the land without the need to drive diesel tractors over acres of terrain. It will help transform farming, saving time, money and cutting CO2.



### CROWDFUNDING CREATES A BUZZ



This was the year that our crowdfunding really took off. With 16 projects funded, 822 backers getting involved and £122k pledged - many community projects are up and running, helping the environment, tackling poverty and brining communities together. From the Meadowell beekeeping project, to recycling bikes at Recyke y'bike in Byker, to Haltwhistle's World War II storytelling, people are coming together to fund great ideas in their area. Get involved! Google Crowdfund North of Tyne to find out how.



### INVESTING IN CREATIVE INDUSTRIES



With Creative UK in 2021 we launched our culture and creative investment programme, providing financial and business support to the sector. Our £3.25m programme is already creating success – Do Gooder a Newcastle based creative agency is expanding with the loan investment we've provided, speeding up their growth and the support they give to regional businesses and their brands to be at the cutting edge of creativity.



## BRINGING PEOPLE TOGETHER

Culture, arts and sport are for everyone... That's why we invested in events during 2021 – to create a buzz, get people out and about, help communities come together and drive footfall and tourism for our local businesses. This has never been more important as we recover from the pandemic. 70 000 people attended our events. From the first North Sea Weekender surfing festival on the coast to the internationally renowned Great North Run, we're investing to put the region on the map. And there is much more to follow.

During the past year the Hadrian's Wall Partnership has been rallying the troops to bring together a festival celebrating 1900 years of Hadrian's Wall World Heritage Site. A packed programme is planned and ready to go. Developed by communities and organisations along the Wall it includes thought-provoking talks and walks, flavoursome food festivals and spell binding re-enactments. Just one of the big events that will be happening across the region in 2022!



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## STAND UP FOR GOOD WORK

Our region is a great place to live, work and do business but, for too many, life is a struggle and it's time to change that. Many who are 'in' work are also living in poverty and we are taking steps tackle this unfairness.

We are standing with the businesses and organisations that are working hard to make sure their employees are happy, healthy, and well rewarded.

Our Good Work Pledge celebrates the achievements of employers, it shows how we can come together to make a difference.

Fifty organisations are signed up to the pledge who between them employ over 35 000 employees. This year Newcastle College was one of many employers to be recognised for their commitment to being a great place to work. Lisa Hamilton-Murray, Deputy Principal of Newcastle College said "We're thrilled to have received the Good Work Pledge. As a college, our vision is to develop the skills and talents of our students to succeed and make a positive contribution to the prosperity of the North East.

"It is impossible to realise this vision without the strength and skills of our passionate and talented team. We are



committed to creating a motivated and skilled workforce, ensuring that we provide good jobs and recognise, value and nurture everybody who contributes to what we do."

Through the Good Work Pledge scheme employers can stand up and be counted for the good work they do, and others can get on the journey to making the necessary improvements. Organisations can apply now on our website.

Google Good Work Pledge to get involved!



## DIGITAL GROWTH LEADING THE WAY

Newcastle has an ever-expanding digital sector, with Government forecasts of more than 13,000 new jobs created over the next three years. In 2021 a number of successful inward investment announcements and plans supported by North of Tyne and its partners has seen overseas tech firms such as Monstarlab, Xplor, Version1 and Arctic Wolf all committing to creating new jobs in the city.



## HELPING CARERS RETURN TO WORK

In 2021, the Return-to-Work Carers Project supported 147 carers, with dedicated carer into work advisors helping the majority into education and training to achieve their career aspirations. One carer said, 'I couldn't do it if it wasn't for you...I feel like I am going to do well, it means loads to me'.



## HELPING YOUNG PEOPLE INTO WORK

We're supporting Kickstart, a Government scheme to get young people into work. In 2021, we supported 97 businesses to create jobs for 177 young people. Brandon found it difficult to get employment after leaving school, but following a successful Kickstart placement with Northern Star Sports, he secured a permanent job there. He says "I can't thank everyone enough for giving me a chance to show what I can do. It's helped me get my life sorted."

# WHAT WE'VE ACHIEVED IN ONLY ONE YEAR





Generated **£276m** additional private sector investment into our region\*  
\* Since 2019

**GOOD WORK PLEDGE** ✓  
35 000 employees working at places supporting the Good Work Pledge



Prepared land for **3144** new homes



Unlocked Northumberland Line rail investment, creating a new economic corridor in training and skills



Supported **59** SMEs to go digital!



Investing **£78m** in 91 projects\*  
\* Since 2019




Boosting growing sectors, investing **£5m** in training and skills



Created a Tyne Taskforce of public and private sector to transform our river




Working on **7** Citizens' Assembly recommendations to tackle Climate Change



Helped **2684** people get 'work ready'




Brought over **70 000** visitors to local events with more to follow in 2022



Created **156** hands-on STEM experiences for young people

**£20m** invested in offshore energy sector and transition to Net Zero




Investing **£3.3 million** in ageing, and ageing well




**147** carers supported in going back to work



**10** community crowdfunded projects helped bees, carers and Covid recovery



Investing **£1.8m** to tackle child poverty and help children thrive



**100%** response rate on enquiries and FOIs




**162** rural businesses supported



Invested **£4.75m** in our culture and creative sector\*  
\* Since 2019



Investing **£7m** in 5G innovation and getting people connected



Attracted 5 companies and **2000** jobs to the region through inward investment

# AND SO MUCH MORE...

**NORTH OF TYNE**  
COMBINED AUTHORITY

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**Inclusive Economy Board  
Annual Report 2021/22**

**1. Purpose**

The purpose of this briefing is to provide an update for the Annual Report 2021/22 on the work of the Inclusive Economy Board, outlining the achievements and progress from the past twelve months.

*“2021 marks another important year for NTCA’s inclusive economy board. My thanks to members and Chairs alike for helping us focus on practical actions for young people and to become the first Combined Authority to work to address the causes as well as the consequences of child poverty for a more inclusive North of Tyne”.*

Cllr Karen Kilgour  
Cabinet Member for Education, Inclusion and Skills  
Vice Chair of the Inclusive Economy Board.

**2. Background**

NTCA’s Inclusive Economy Board is a unique feature of our Devolution Deal: independently chaired it is multi-sector and cross-area supporting Cabinet to bring our ambitions for a Zero Poverty, Zero Carbon future to life. The Inclusive Economy Board advises Cabinet on how to better integrate and strengthen education, skills and employment interventions in order to improve local education and employment outcomes for North of Tyne residents. It encourages NTCA to think creatively about the widest implication of a more inclusive economy – whether through digital inclusion, rural opportunities and access or wellbeing. This is underpinned by an ongoing commitment to understand and respond to some of the widening inequalities caused by the pandemic.

2021 has seen both continuity and change for the Board. We continue to be grateful to serving members for across business, civil society, education, academia and Government Departments including the Department of Work and Pensions (DWP), the Department for Education (DfE) and the Department for Levelling Up, Communities and Housing (DLUCH). In November 2021 we said goodbye to our founding Chair the Right Revd Christine Hardman, Bishop of Newcastle who retired from the Dioceses and the area. We were delighted Cabinet endorsed the Board’s recommended successor, Baroness Tanni Grey-Thompson, also a cross-bench member of the House of Lords with an active interest in inclusion, welfare and sport.

The Board meets quarterly.

**3. Achievements**

The Board started 2021 with two clear thematic priorities alongside its ongoing focus on employability and skills: child poverty and digital inclusion.

[www.northoftyne-ca.gov.uk](http://www.northoftyne-ca.gov.uk)

Newcastle  
City Council



North Tyneside Council

Northumberland  
County Council

### 3.1. Driving a locally-tailored employment and skills offer

The Board continued to lend effective support across NTCA's growing programme of devolved employment and skills activities. In September 2021 it received a full programme update, led by the Head of Inclusive Growth with contributions from DWP and DfE highlighting the success of the Kickstart programme across 2021 (for young people at risk of long-term unemployment), and the coordination of learning and skills opportunities through the creation of local Youth Employment Partnerships. The Board also received an update on the implementation of NTCA's Apprenticeship Hub, a project they had initiated to better connect young people with apprenticeship opportunities in the local areas. In partnership with DWP colleagues NTCA reported on progress with our joint Employment Framework Agreement, now underpinned by an Action Plan informed by our local authority and VCSE partners.

### 3.2. Making an Impact

In 2021 the Board continued its successful track-record of driving action as well as thinking for a more inclusive economy. The Board continued to oversee the successful mobilisation our Good Work Pledge, helping employers to demonstrate positive practice in relation to work which is well-paid and secure. 44 businesses now hold the Pledge, employing over 35,000 people between them. Many more applications to the Good Work Pledge are in the pipeline.

The Board was instrumental in supporting NTCA to become both the first Combined Authority to support a significant programme of child poverty interventions, as well as developing a Wellbeing Framework to 'measure what matters' for people across the North of Tyne, recommending both programmes to Cabinet for approval. The Board also engaged with the Good Things Foundation on national approaches to address digital inclusion and looked at research around rural lives and financial hardship in Northumberland. Bishop Christine Hardman was an active media and social media presence, as well as mentioning our work and the importance of economic inclusion in the House of Lords at its Budget Debate in November 2021.

We are grateful to both Chairs and Vice Chairs, the Mayor and all our members and ex-officio members for the commitment and dedication they have shown during 2021.

## 4. Next Steps

The first meeting of 2022 focussed on the implications of the Levelling Up White Paper: what it means for the North of Tyne and what members can do individually and collectively in response. The Paper and its implications reinforce the purpose and value of the Inclusive Economy Board, ensuring that NTCA continues to deliver economic growth which works for all our people and places across the North of Tyne.

## **Housing and Land Board Annual Report 2021/22**

### **1. Purpose**

The purpose of this briefing is to provide an update for the Annual Report 2021/22 on the work of the Housing and Land Board outlining the achievements and progress from the past twelve months.

### **2. Background**

The remit of the Housing and Land Board is to oversee a strategic approach to the delivery of more and better homes across the North of Tyne from a baseline of 1,800 net new homes a year to 3,000 net new homes a year by 2032. The Board does this by acting as a strategic and advisory sounding board that works for the North of Tyne Combined Authority (NTCA) collaboratively with our partners to oversee an integrated housing pipeline, and to advance work on housing policy and delivery.

Membership of the Board is drawn from the Local Authorities, the Combined Authority and Homes England as well as a wide cross-section of the housing sector, including – but not limited to - registered providers, private developers, institutional investors, and organisations representing residential landlords.

The Board is led by Mayor Norma Redfearn, portfolio holder for housing and land at the NTCA, with strategic input from the wider NTCA Cabinet. We are fortunate that Duncan Sutherland, Vice Chair of Homes England, assists with the drive and focus of the Board thus helping to cement a strong working relationship with Homes England.

### **3. Achievements**

Over the past year, the Board has maintained a consistent focus on matters relating to housing policy and, importantly, housing delivery. The following paragraphs outline this in further detail:

#### **3.1. Policy Focus**

In terms of housing policy focus, the Board has taken a strong interest in housing retrofit. The Energy Savings Trust who were commissioned to profile the current housing stock, identify retrofit measures required to achieve net zero, explore funding models and estimate the impact on skills requirements across the North of Tyne Combined Authority presented their findings to the Board. The Housing and Land Board noted the need for scaleable delivery models and investment packages across the different tenures and were keen to support the development of these.

The Board have helped to shape the development of a High Street Challenge to support the transformation of key town centres and high streets in the North of Tyne area, in response to both the pandemic and longer-term changes impacting on these local centres.

The following three pillars are central to the Challenge:

- **Leadership and partnership** - Each high street will develop a compelling shared vision for the future, with strong strategic leadership to make the vision a reality. A High Street Transformation Board will provide the essential focal point for a joined-up approach, harnessing all the resources and skills available towards the achievement of the shared vision.
- **Investing in a model for change** - The Programme will develop and test 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** - The NTCA investment will enable high streets to develop Strategic Investment Plans to deliver the vision, create compelling new projects and investment propositions to introduce new end uses. These plans and propositions will prepare the ground to stimulate and attract the long-term investment needed to achieve genuine change.

Development of new approaches and delivery models will support the North of Tyne's cross cutting priorities and enable us to access funding from a wide range of sources such as the soon to be launched UK Shared Prosperity Fund as well as private investment.

### **3.2. Brownfield Housing Fund**

The Board has taken a keen interest in the delivery of the Brownfield Housing Fund which has recently increased from £23 million to £31 million following the publication of the Levelling Up White Paper. Progress has been reported on the award of £12.4 million to schemes that were on the initial pipeline including The Rise, North Shields Masterplan and Bellingham Mart.

An additional call for sites to be included on the Brownfield Housing Fund pipeline was undertaken in summer 2021. At the most recent meeting progress was reported on the ongoing due diligence being undertaken to ensure new schemes that are allocated funding can deliver against the programme's objectives by March 2025. The call has put the North of Tyne Combined Authority in a strong position to deliver the additional funding that has subsequently been awarded.

The Board has helped to shape the development of the programme by providing their expertise and support which will help the Combined Authority successfully deliver the Brownfield Housing Fund.

### **3.3. Partnership Working with Homes England**

The Board has worked with NTCA and LA officers to formalise the working relationship with Homes England resulting in the signing of a Memorandum of Understanding with a Joint Action Plan which sets out how we will work together and has been cited as an example of best practice.

We are working with Homes England and our Local Authority partners to develop a joint pipeline of housing sites and to identify what investment is required to unlock their development. Both organisations have supported schemes through market assessments, infrastructure plans, design and site investigation work for key schemes including Forth Yards and North Shields. This joined up approach will help ensure that schemes can come forward when future funding programmes are announced, for example the recent



announcement in the Levelling Up White Paper to focus on 20 priority areas for investment.

### **3.4. Joint Infrastructure Plan**

The Board has played an important role in the development of a Joint Infrastructure Vision for the NTCA. This is a Devolution Deal priority. The central aim of the Infrastructure Vision is to maximise the impact and outcomes of future investment, recognising that with transformational infrastructure comes new opportunities to innovate and maximise the area's economic growth. This in turn will help attract funding – both private and public – by creating the conditions for strong strategic, cross-boundary alignment that connects priorities and helps to focus on the priorities of the NTCA.

The Infrastructure vision sets an ambition that the North of Tyne will be nationally and internationally recognisable as the Heart of Global Britain, at the centre of the UK's net zero transition, delivering inclusive and sustainable growth, with strong connections to Scotland, the wider North East, UK and beyond.

Focussing on transport, housing, economic and digital infrastructure, with green, inclusive economic growth as a cross-cutting theme significant added value can be realised by focusing infrastructure investment on both a number of cross-NTCA wide activities (retrofit, EV charging, rural growth) and in three strategic economic corridors, the Arc of Energy Innovation -from Ashington to the banks of the River Tyne, the Northumberland Line and the Urban Core of Newcastle City Centre.

The vision will provide the basis for the development of a joint pipeline, capacity and resourcing plan for each of the strategic economic corridors and the connections between these to enable the appropriated delivery mechanisms to be identified to enable this work to be taken forward.

### **3.5. Northumberland Line**

The Northumberland Line presents significant potential to unlock both economic and housing growth. The Housing and Land Board were presented with an update on the wide range of opportunities that could be unlocked through the reopening of this key passenger rail service. As well as connecting communities with jobs, the Northumberland Line will support wider spatial priorities. These include unlocking sites for both housing and economic growth including in new and growing industries, improving sustainable transport connections between stations - new sites and existing towns, ultimately improving the attractiveness of the area for investors and residents. A detailed pipeline of activity linked to the Northumberland Line alongside further analysis of the spatial opportunities associated with these is being developed and will be reported to future meetings of the Housing and Land Board.

## **4. Next Steps**

Over the next year, the Board will continue to focus on delivery: ensuring that priorities identified are progressing toward development and that the working relationship we have outlined continue to add value. The Board's guidance and insight will remain important to this delivery helping the work to progress smoothly.

The Board will continue to be appraised and updated on the work and delivery of the Brownfield Housing Fund as well as the development of the joint housing pipelines. A central ambition of this work is proving the Combined Authority is a capable delivery body by delivering on our obligations to MHCLG and ensuring that homes are built as quickly as possible which will help us to unlock additional investment post March 2025.

We will also continue to focus on key policy areas, such as affordable housing, modern methods of construction, housing retrofit to identify how the North of Tyne Combined Authority can collaborate with its partners to develop new models of delivery to ensure that the housing and associated infrastructure can support the wider economic objectives of the area.

## **VCSE Stakeholder Engagement Group Annual Report 2021/22**

### **1. Purpose**

The purpose of this briefing is to provide an update for the Annual Report 2021/22 on the work of the VCSE (voluntary, community, social enterprise) Stakeholder Engagement Group, outlining the achievements and progress from the past twelve months.

### **2. Background**

The VCSE Stakeholder Engagement Group was established in 2019 and formalised in 2020. It is chaired by the Mayoral Ambassador for the VCSE sector Robin Fry, Chief Executive of the charity VODA in North Tyneside. The Group brings together Chief Executive Officers from the local infrastructure bodies for the voluntary sector, as well as VONNE, the regional sector agency, working in partnership with lead officers from our three constituent authorities.

The group meets quarterly and aims to work together to build an inclusive economy, as set out in its Terms of Reference. Its work is underpinned by our VCSE Accord, approved by Delegated Decision in March 2020. The Group is passionate about bringing together people and opportunities to build thriving, vibrant communities. It does this by advising NTCA Cabinet on the wealth, wellbeing and social inequalities in North of Tyne communities. It provides specific expertise in co-design and co-production, helping to ensure the voices of all residents inform NTCA's work and ambitions.

### **3. Achievements**

At the beginning of 2021 the Group developed a 12-month workplan to help define and focus its efforts. Central to the plan was the ongoing impact of the pandemic and the opportunity to build on the VCSE sector, local authorities' and NTCA's collaborative efforts at regional recovery. The key achievements in-line with this workplan are detailed below.

#### **3.1. Convening, influencing and co-production**

The Engagement Group has continued to embed the North of Tyne VCSE voice and views across NTCA's work. The Mayoral Ambassador continues to attend Cabinet in an observer capacity and has contributed to relevant items including NTCA's first Annual Report and Corporate plan, our Child Poverty Intervention Fund and our new rural programme. The Mayoral Ambassador has also been a member of NTCA's Wellbeing Roundtable, directly supporting the co-design and co-production of the first Wellbeing Framework for a devolved area. This project included engaging 12 community-led groups in direct conversations about what matters to wellbeing in the North of Tyne, reinforcing our commitment to genuine co-production of policies and programmes with our residents.

VCSE representation remains strong on our Inclusive Economy Board. Following the retirement of Anne Lyall from Northumberland CVA we are grateful to Lisa Goodwin MBE from Connected Voice in Newcastle joining as her replacement.

### **3.2. Young people, employment and mental health**

As a result of the ongoing effects of the pandemic the Group made this important topic a focus in 2021. Under their direction and guidance NTCA has committed to invest just under £400k in a VCSE small grants programme, and included the sector as key part of NTCA Youth Employment Partnership, jointly funded by NTCA and DWP under our Employability Framework. This programme has overdelivered on all its targets including young people and employers engaged, as a direct result of the support and guidance of the Group and Mayor's Ambassador. Funded projects have included Sport Works CIC providing work skills through a fitness and health focus, targeting young people with experiences such as special educational needs, disabilities or living in poor health; and, Headliners directly targeting young people with experience of care to gain digital and media skills, alongside work and life skills such as CV building, job searching, budgeting and interview skills.

The VCSE Ambassador has also informed early work to explore a social prescribing project, helping young people access non-clinical support services to improve their psychological and social wellbeing to enable a better journey to work and training.

### **3.3. Community-led approaches to co-investment**

NTCA, our local authorities and our VCSE partners are clear about the role community-led co-investment can play in generating improved economic resilience across the North of Tyne. In 2021 the Engagement Group has supported interventions across a range of scales of activity: from small grants through our wellbeing programme and our Crowdfund North of Tyne community grants programme, to significant allocations through, for example, £4m committed to social enterprises within our new Access to Finance programme. This work sits alongside our established activities such as the devolved Adult Education Budget where community learning providers play a pivotal role, and our Community Hubs delivering sustainability support for community organisations and centres. Into 2022 the Group and Mayoral Ambassador will have an important role to play in understanding and framing our response to the opportunities presented by the UK Shared Prosperity Fund.

We remain grateful to Robin Fry, Mayoral Ambassador, the VCSE and local authority members for their invaluable advice and support during 2021.

## **4. Next Steps**

Residents and communities are entering 2022 with a renewed set of challenges: the legacy of the pandemic, combined with a cost of living crisis and rising demand for voluntary sector organisations. The Group will use its first meeting in March 2022 take stock and build on the achievements and effective collaborations of 2021.

# WORKING TOGETHER: OUR CORPORATE PLAN



2022-2023

ge 25



**NORTH  
OF TYNE**  
~~~~~  
**COMBINED  
AUTHORITY**



# WHY WE CAME TOGETHER... TO IMPROVE THE LIVES OF RESIDENTS

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# OUR TOP FIVE ACHIEVEMENTS SO FAR...



**4586+**  
new jobs in the pipeline  
for growing businesses



**2679**  
jobs saved in a tough  
economic climate



**46 862**  
courses taken  
up by local  
people to get  
good jobs



**2390**  
businesses  
supported with  
advice and  
guidance



Launched our  
**£18m**  
Green New Deal  
fund, investing  
in low carbon  
projects



MAYOR JAMIE DRISCOLL



DEPUTY MAYOR NORMA REDFEARN

These statistics meet nationally recognised standards, outlined in our **Outputs Guidance**. This guidance is followed by all partners and projects we invest in. You can find it on our website.

# INTRODUCTION

## WELCOME TO THE NORTH OF TYNE COMBINED AUTHORITY'S CORPORATE PLAN FOR 2022-2023.

Last year's Corporate Plan set out a three year vision for our Mayor and Cabinet, with ambitious delivery plans underscoring their vision to see a more vibrant and inclusive economy in the North of Tyne. I want to place on record my thanks to the NTCA team and our partners, who have continued to deliver this vision over the last twelve months with hard work, expertise, and a passion for achieving better outcomes through collaboration.



DR HENRY KIPPIN

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This refresh of the Corporate Plan offers the opportunity to reflect on how we have done so far, and what we will prioritise in another critical year for the Combined Authority and the region:

**Delivering in a Shifting Context.** 2021/2022 has been a year of adaptation and change. Covid19 continues to influence our working patterns, investment decisions and the speed with which we and our partners can translate strategic plans into real-world delivery. We have also seen some important policy shifts, notably through COP26, the Levelling Up White Paper and the emerging implications of Brexit. It is vital that we continue to adapt and deliver – which is why we are doing more than ever in 2022/2023 on team resilience and capacity.

**Expanding our Programmes.** The last twelve months has seen a significant expansion of our work programme – with new Cabinet commitments driving investment in areas like the digital economy, rural growth and poverty prevention. Government has also conferred new investment and responsibility on NTCA in areas like brownfield housing, adult skills and nature recovery. This year's delivery plans show how we will translate this investment into tangible activities and outcomes.

**Accelerating Delivery.** It will not surprise anyone to hear that our top corporate priority for 22/23 is to press ahead with delivery. As our Gateway Review baseline report has noted, we are already making great strides. All credit to the team and our partners for that. In the coming year we need to be relentless in pursuit of more – so that families, communities and businesses in the region can feel the benefits of the bold vision set out by our Cabinet.



IT WILL NOT SURPRISE ANYONE TO HEAR THAT OUR TOP CORPORATE PRIORITY FOR 22/23 IS TO PRESS AHEAD WITH DELIVERY.



## OUR CORPORATE PLAN

**WE ARE THE NORTH OF TYNE COMBINED AUTHORITY – A STRONG CROSS-PARTY, CROSS-REGIONAL COLLABORATION LED BY A MAYOR AND CABINET WORKING HARD TO CREATE INCLUSIVE, SUSTAINABLE GROWTH THROUGH DEVOLUTION.**

This is our Corporate Plan. It outlines the things that we are doing and will do in the future - using the powers and resources from our Devolution Deal - to drive jobs, inclusion, new homes and positive economic change in our region, by building on the rapid progress we have already made.

The Plan outlines how, through strong collaboration and real innovation, we are helping to build an exemplar post-Covid city-region that truly delivers on the promise of levelling up. It shows how a true cross-sector collaboration is being built in the region, and sets out the tangible, real-world impact of our work – right now and for the next three years – enabling positive change from the Tyne to the Borders.

We are collectively prepared to do whatever it takes to secure our recovery and help shape the future. The following pages show how we will do this in practice.

## OUR VISION

**OUR NORTH OF TYNE VISION IS OF A DYNAMIC AND MORE INCLUSIVE ECONOMY, ONE THAT BRINGS TOGETHER PEOPLE AND OPPORTUNITIES TO CREATE VIBRANT COMMUNITIES AND A HIGH QUALITY OF LIFE, NARROWING INEQUALITIES AND ENSURING THAT ALL RESIDENTS HAVE A STAKE IN OUR REGION'S FUTURE.**

We work in partnership, We create connections between programmes and projects and we are inclusive. Devolution has given us the chance to make our own decisions about our own future so we are targeting investment where we know we need it most, making a strong connection between economic growth and providing people with the skills, education and confidence to benefit from every opportunity.

## NORTH OF TYNE... A SNAPSHOT

### OUR ECONOMY HAS RECOVERED SIGNIFICANTLY FROM THE PANDEMIC...

Major job announcements and inward investment: British Volt, JDR Cables, Version 1 and Verisure.

12,000 fewer North of Tyne residents are claiming unemployment benefit than at the peak of the pandemic. We are only marginally above the national average.

### BUT CHALLENGES AND RISKS REMAIN

Long-term unemployment has increased, with nearly half accessing benefits for 2 years or more. Up 20% from pre-pandemic.

Business start-ups and innovation below national average. The gap is equivalent to an extra 360 businesses per year.

The number of people in work has fallen by 19,000 people since before the pandemic.

The pace of UK recovery has slowed and the risks to our growth have increased.

### ... AND THE COST OF LIVING CRISIS MEANS THAT MANY HOUSEHOLDS WILL SEE BILLS GOING UP THIS YEAR BY MORE THAN THEIR INCOME.

Household's average energy bills increased by £700 when the energy price cap was lifted in April and there are potentially further increases to come.

Spending power also held back by higher National Insurance contributions and inflation, which rose to 7% in March.

### LOOKING FURTHER AHEAD, OUR REGION CAN LEAD THE RECOVERY TOWARDS A MORE SUSTAINABLE AND INCLUSIVE ECONOMY:

We are powering the UK's green economy, including investment and new jobs in offshore energy and battery manufacturing.

We are unlocking inclusive innovation in our businesses by strengthening our links to our world-class health, digital, research, Catapult and innovation assets.

We are seeing an increased commitment to Good Work, which now covers 40,000 employees across 56 organisations.

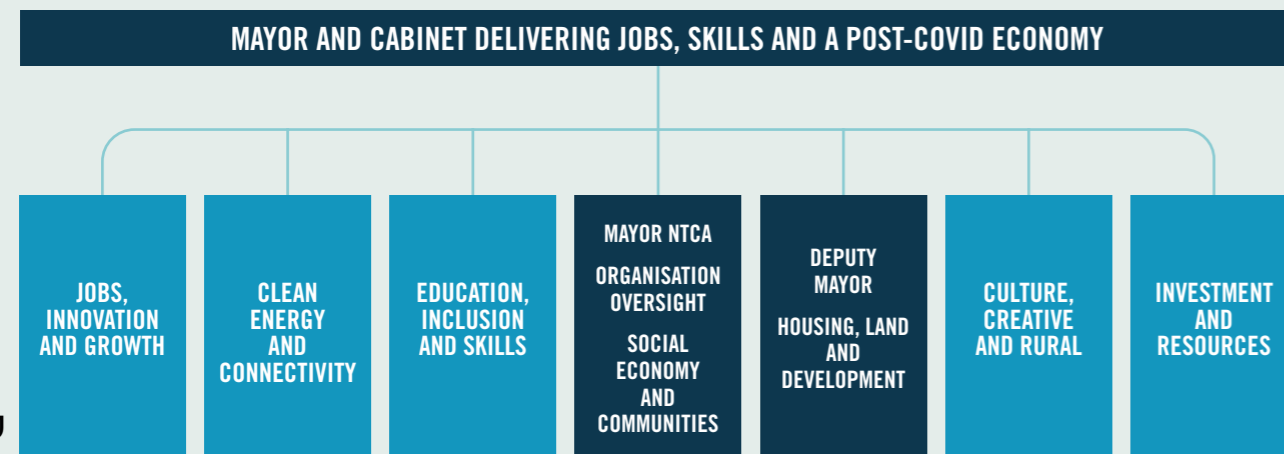
We are helping to build the profile of the region and have become known for our natural and cultural assets, and our world-class events.



## DELIVERING TOGETHER...



WE ARE ADDRESSING THESE REGIONAL CHALLENGES THROUGH A BOLD PROGRAMME OF INVESTMENT AND REFORM WHICH IS DESIGNED, DELIVERED AND GOVERNED THROUGH COLLABORATION. OUR CABINET HAS OVERSEEN RAPID PROGRESS AND WORKS TOGETHER TO ENSURE THAT WE DELIVER THE BIGGEST SOCIAL, ECONOMIC AND CLIMATE RETURN POSSIBLE.



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Cabinet Members lead specific portfolios and give collective strategic direction and oversight of our work. Cabinet is made up of representatives from Newcastle City Council, North Tyneside Council and Northumberland County Council, it is led by our Mayor and Deputy Mayor.








Ensuring that local priorities are reflected, we maximise the connection between our urban, rural and coastal geographies and our unique local assets and strengths.

The Mayor chairs the Cabinet, provides oversight of the programme, and plays a key role engaging with citizens, businesses, voluntary sector partners and with Government.

All are supported by an executive team built on close partnership between NTCA and constituent Local Authority officers.

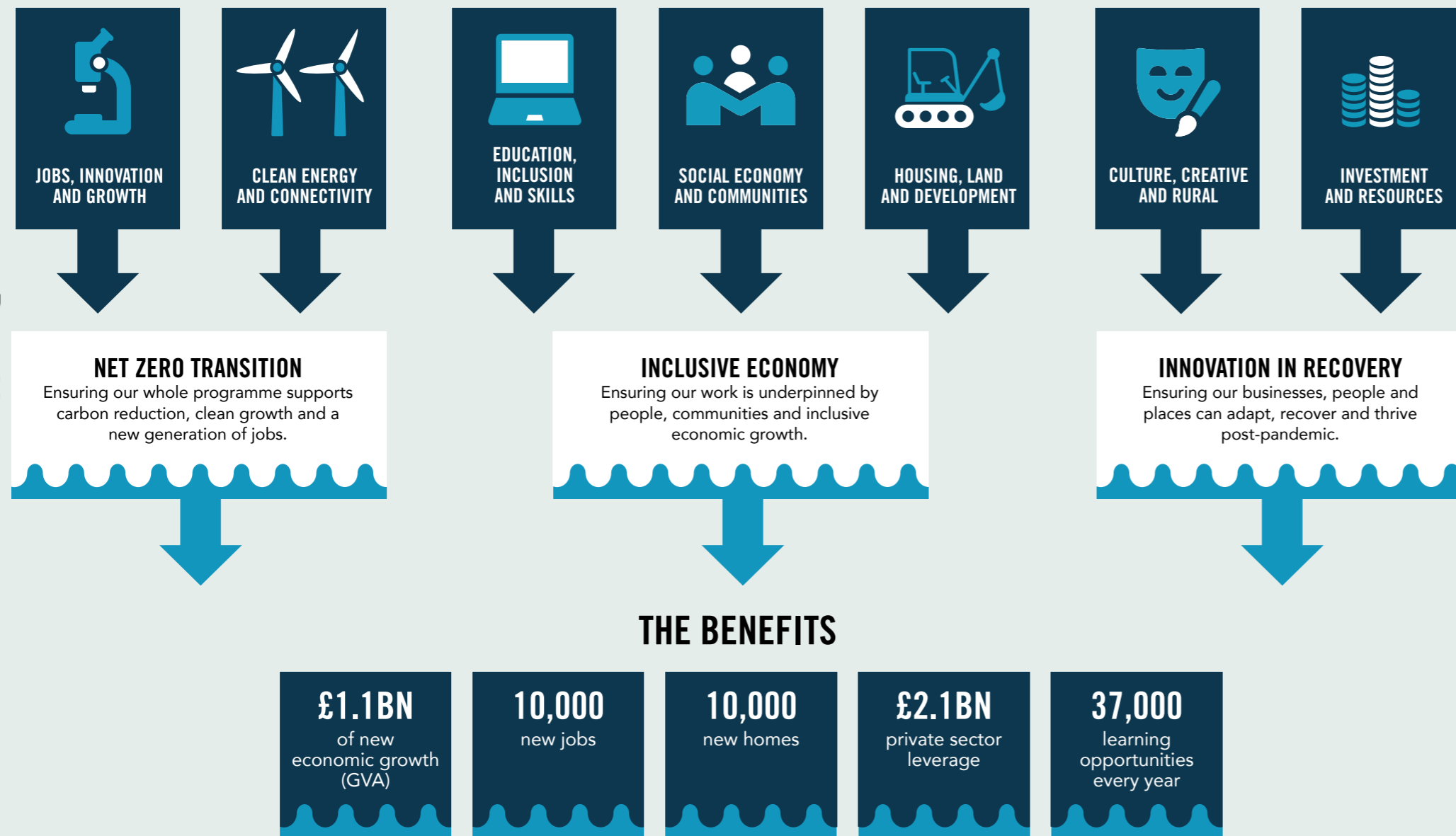
## OUR CABINET LED PORTFOLIOS...



 <p><b>JOBS, INNOVATION AND GROWTH</b></p>	<p><b>Building our capacity to innovate and create future jobs</b> – through major investment in our transition to clean growth, green jobs and a modern, digitally connected economy.</p>
 <p><b>CLEAN ENERGY AND CONNECTIVITY</b></p>	<p><b>Driving our clean energy revolution and connecting the region</b> – leading the national charge through multi-million clean energy partnerships, innovation in offshore wind and bold transport connectivity projects.</p>
 <p><b>EDUCATION, INCLUSION AND SKILLS</b></p>	<p><b>Expanding opportunities through skills, education and inclusion</b> – through our £690m devolved adult education budget, new inclusion, education and employment and skills programmes.</p>
 <p><b>SOCIAL ECONOMY AND COMMUNITIES</b></p>	<p><b>Supporting community resilience and readiness for change</b> – through investment, engagement and co-production with communities in our climate assembly, social economy incubator and anchor institutions programme.</p>
 <p><b>HOUSING, LAND AND DEVELOPMENT</b></p>	<p><b>Accelerating new housing and regenerating our places</b> – through bringing new resources to re-mediate land, and in major place-based schemes like the Northumberland line, North Shields and Newcastle city centre.</p>
 <p><b>CULTURE, CREATIVE AND RURAL</b></p>	<p><b>Boosting the productivity of our rural, cultural and creative economies</b> – by investing in innovation, digital connectivity and recovery from the impacts of Covid</p>
 <p><b>INVESTMENT AND RESOURCES</b></p>	<p><b>Investing in inclusive growth that benefits all of our communities</b> – with a £600m devolved investment fund, and major programmes of investment focused on inclusive growth, skills and innovation.</p>

## OUR CROSS-CUTTING THEMES

Our portfolios and programmes of work are underpinned by three cross-cutting themes. They are net zero, an inclusive economy and innovation in recovery. Together these portfolios and themes form our strategic plan.



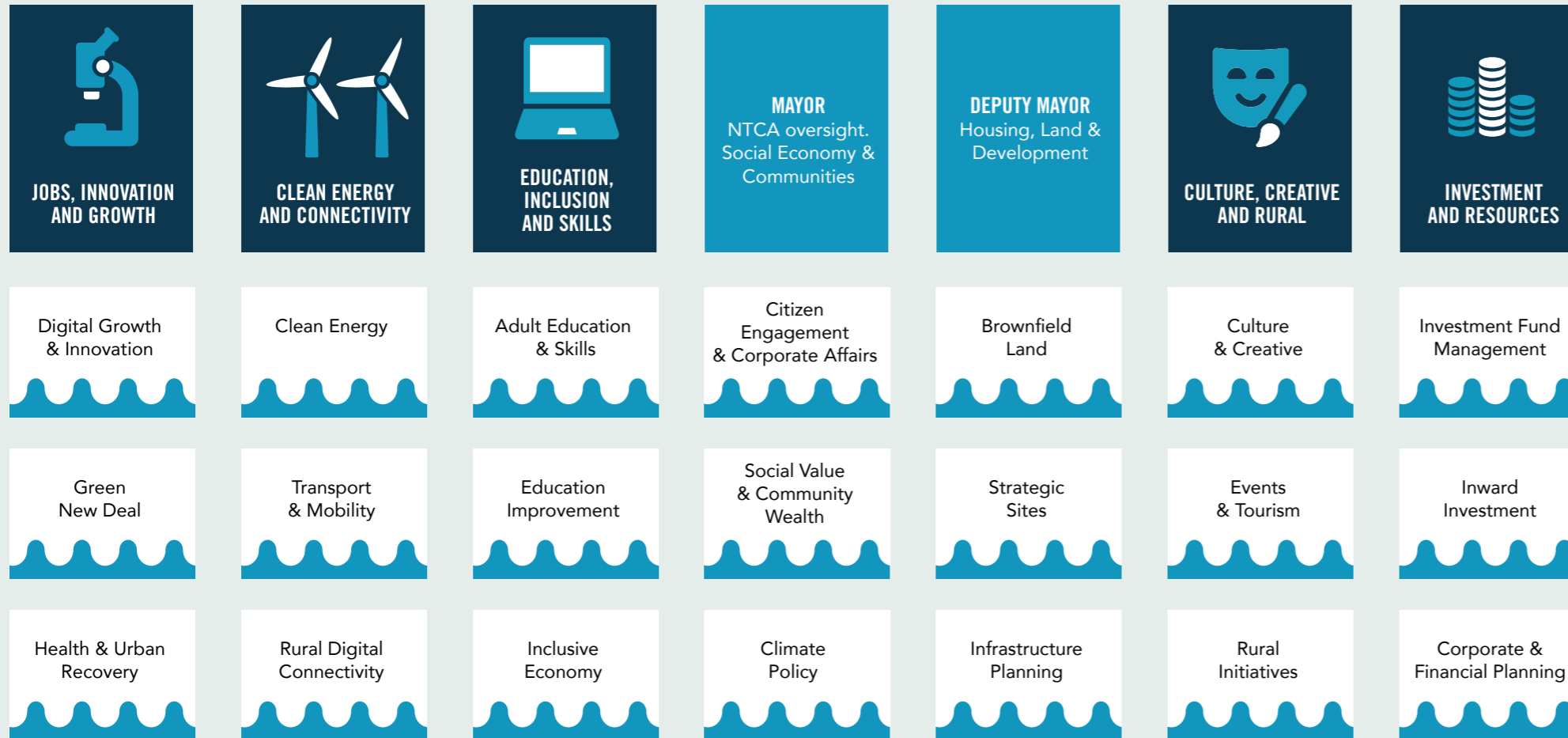
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# MAYOR AND CABINET



## OVERSEEING POLICY AND INVESTMENT PRIORITIES



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## HOW WE WORK



WE KNOW THAT THE WAY WE WORK IS JUST AS IMPORTANT AS WHAT WE DELIVER.



**Driven by our mission** – with clear goals, ambitious targets and a restless focus on ensuring long-term impact for our people, businesses and places. The evidence for this is in our investment fund commitments, recovery deal and Cabinet decisions on investment.



**Collaborative by design** – supporting a system response to complex challenges, and collaborating strongly in everything we do with our local, national and cross-sector partners. The evidence for this is in the number of partnerships we have grown and curated within the region and beyond.



**Innovative and agile in delivery** – a small team, proactively looking for new ways of working, delivering, and ensuring we add value, learn and adapt in a constantly changing context. The evidence for this is in our innovative funding models and the way we have adapted our delivery programme through Covid.



**Inclusive and aware** – celebrating difference and living by our values, including through ambitious equalities and social value policies and balanced headline investment fund commitments. The evidence for this is in our policies, our team values and behaviours, and in the strong focus on inclusion within our programme.



**Showing leadership** – being brave and investing early in areas where we can make a difference and leverage additional resource and collaboration. The evidence for this is in the foundational investments we are making in climate, digital, energy, housing and creative sector growth.

## FUNDING, INVESTMENT AND RESOURCES



**THIS SECTION EXPLAINS WHERE OUR MONEY COMES FROM AND HOW IT IS ALLOCATED. THE CABINET ARE ACCOUNTABLE FOR OUR INVESTMENT DECISIONS AND FOR ENSURING THAT THIS HAS IMPACT. THE PROCESS IS OVERSEEN BY THE NORTH OF TYNE INVESTMENT PANEL.**

The foundation of our investment is a £600m fully devolved investment fund, which delivers £20m per year over a thirty-year period. The purpose of this fund is clear: to support accelerated, inclusive growth which creates new jobs and skills opportunities, and which helps build the foundation for long term, sustainable growth in the region.

Our Investment Fund is augmented by new funding streams worth almost £700m which have been secured since the original devolution deal – supporting adult skills, the remediation of brownfield sites, community renewal and SME growth.

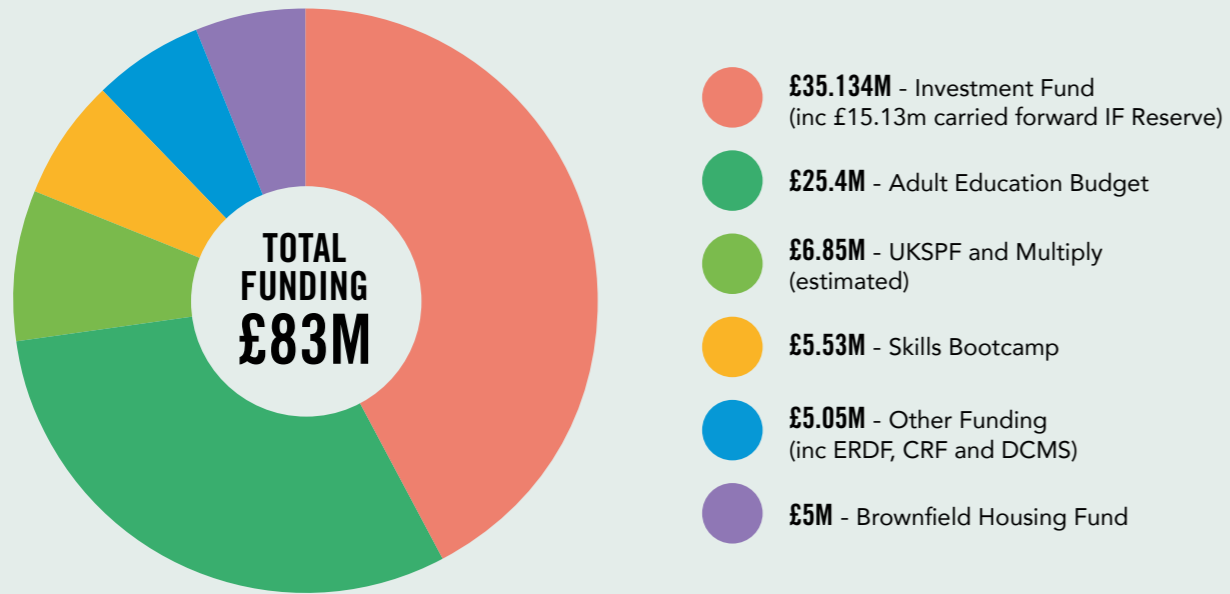
The North of Tyne Cabinet agreed a headline Investment Plan in April 2019 – which set out ambitions for delivery across a five-year period utilising the first £100m of Investment funds. This plan covers ‘business’, ‘people’ and ‘place’ elements as well as providing flexibility for us to pursue strategic opportunities as they arise. In addition, a small proportion is used to enable the Combined Authority to realise and effectively manage project delivery. Towards the end of 2020/21 legislation was put in place to secure borrowing powers that allow the Combined Authority to consider appropriate opportunities to increase the level of investment.

Over £90 million of this initial tranche has been committed and invested into tangible projects. This has helped attract a further £282m of private sector investment. This is reflected in the delivery plans on the next page.

A proportion of our funds will also be recycled through recoverable grants, loans, and equity investments – through new investment and delivery vehicles such as the Green New Deal Fund and the Culture and Creative Recovery Fund. This helps to maximise the value of our interventions.

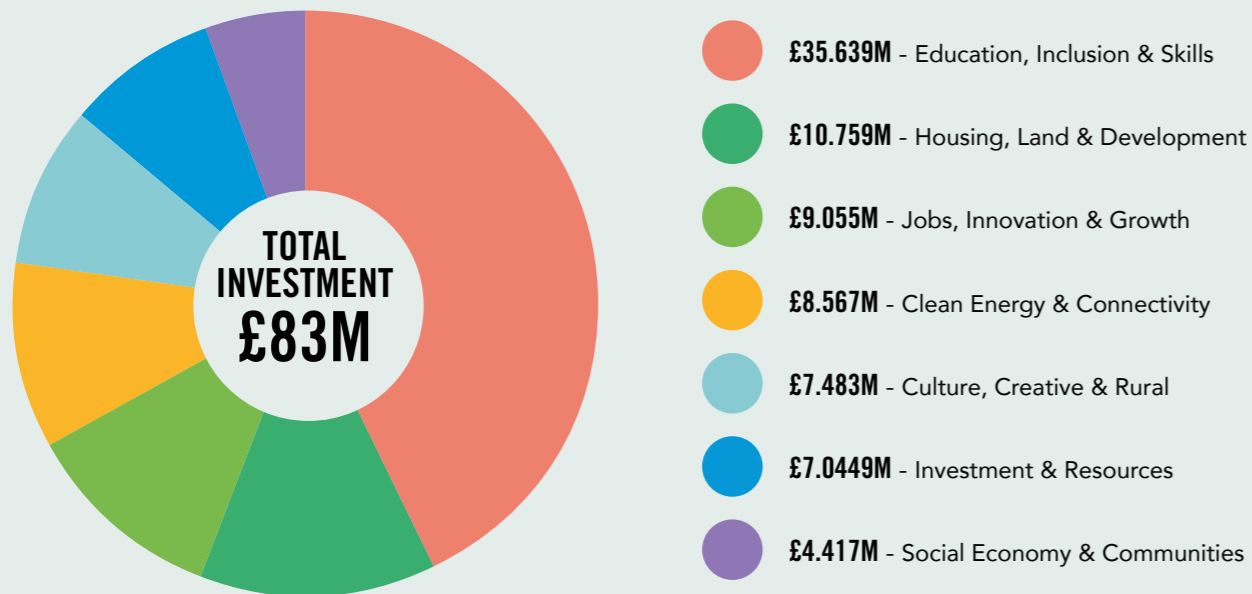


## WHERE OUR FUNDING COMES FROM IN 2022-2023

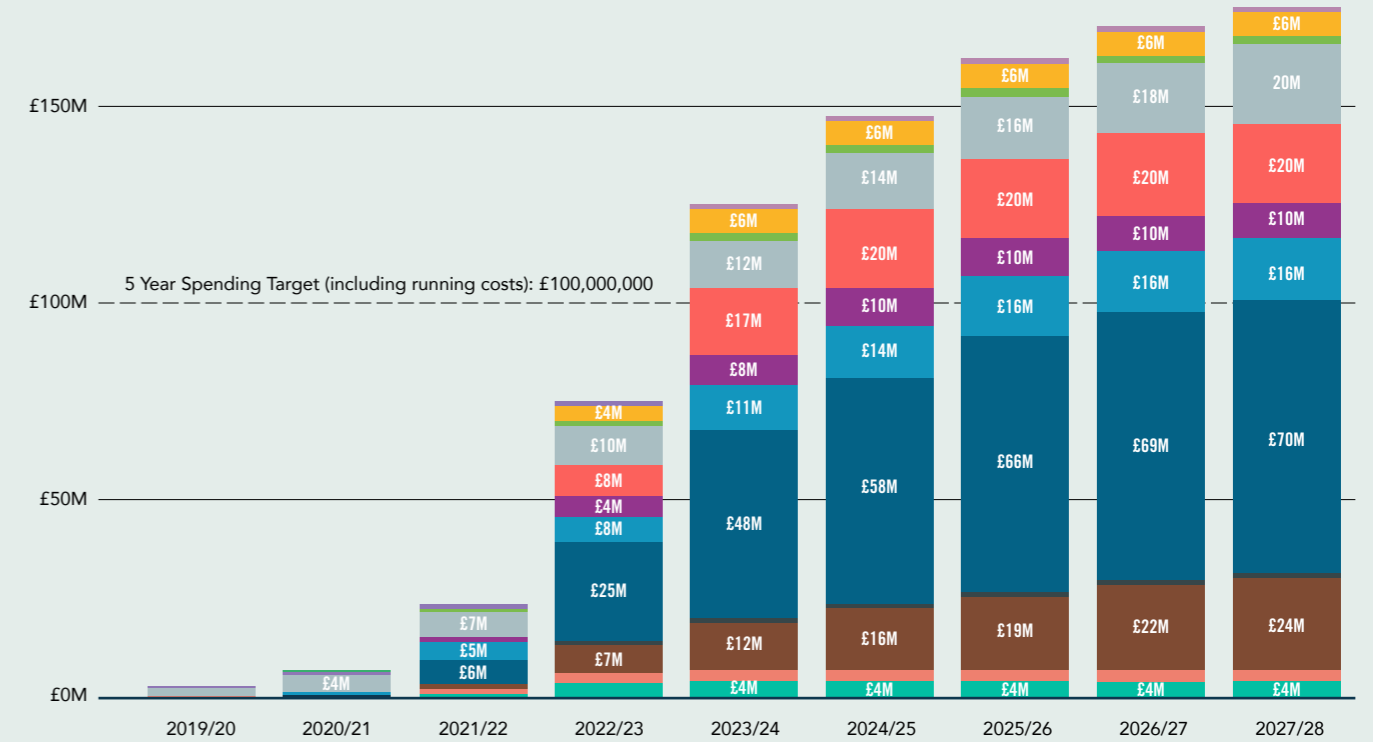


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## WHERE OUR MONEY IS GOING IN 2022-2023



## FORECAST INVESTMENT FUND EXPENDITURE FROM 2019 TO 2029



## WORKSTREAMS

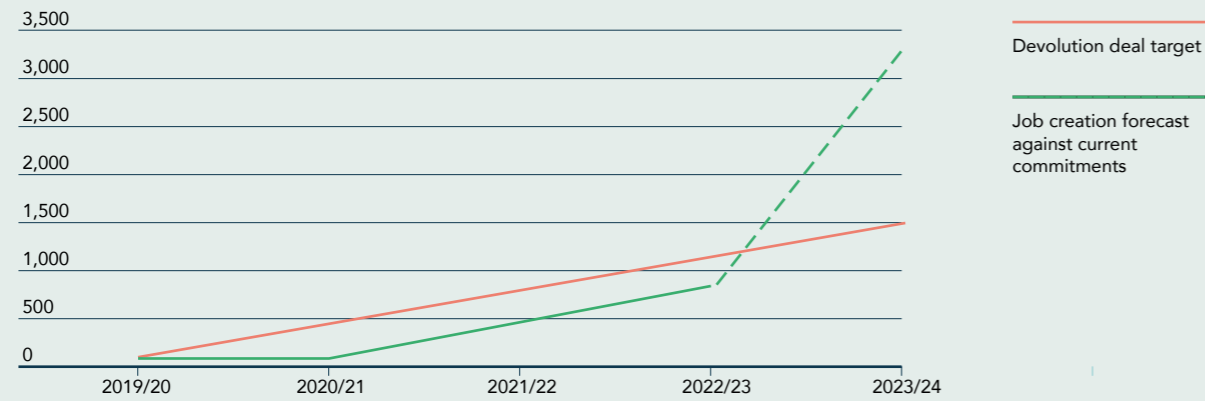
- Business and Enterprise Support
- Business Case Development Fund
- Culture, Creative and Tourism
- Digital/Transport Infrastructure
- Growth of Key Sectors
- Inclusive Economy Innovation Fund
- Inward Investment
- Major Strategic Economic Opportunities
- NTCA Running Costs
- Rural Fund
- Skills for Growth
- Stem and Digital Skills

## MEASURING OUR IMPACT

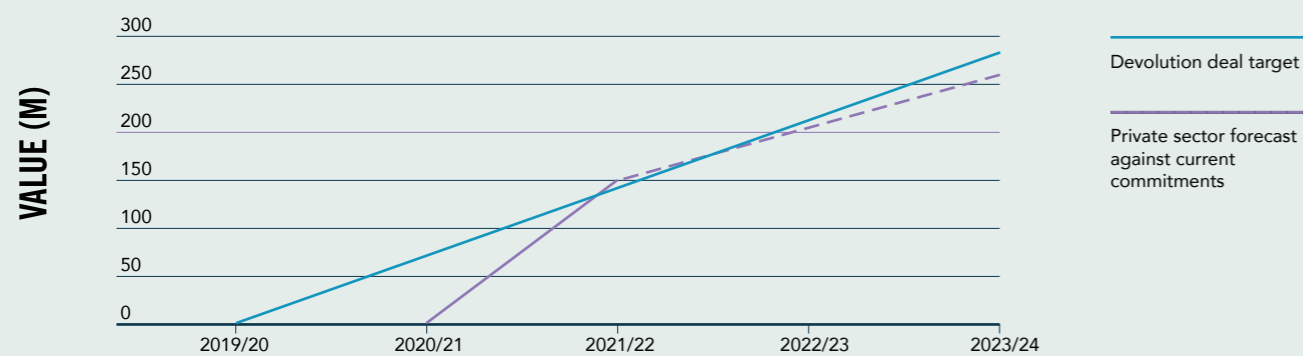
### OUR TARGETS

The devolution deal committed us to adding an additional £1.1bn GVA to the economy, delivering 10,000 new jobs and leveraging over £2.1bn in private sector investment. This is a 'job a day' through the lifetime of the deal, with every £1 invested generating a further minimum of £3.50 of private sector investment. We are on track to meet and exceed these targets, with over 4,500 projected new jobs already in the pipeline which we will work hard to turn into real, sustainable careers for our citizens.

10,000 JOBS IN 30 YEARS



£2.1BN PRIVATE SECTOR INVESTMENT IN 30 YEARS



## FORECASTS

FORECASTS TO HELP MEASURE IMPACT (CUMULATIVE)	2022 / 2023	2024 / 2025	2027 / 2028
Jobs created (contracted)	5,000	7,000	10,000
Jobs safeguarded (contracted)	3,000	4,000	5,000
Amount of additional private sector money leveraged (contracted)	£300m	£450m	£700m
Number of residents accessing employability support	14,100	28,100	50,000
Number of courses enrolled on by residents to develop their skills (AEB)	113,000	148,000	188,000
Businesses supported (actual)	1900	2500	4000
Employers committed to the Good Work Pledge	150	500	900
Schools supported	150	230*	360*
Children living in poverty supported	2,500	5000*	10,000*
Units of land made available for new homes	N / A	2,100	

\*subject to funding

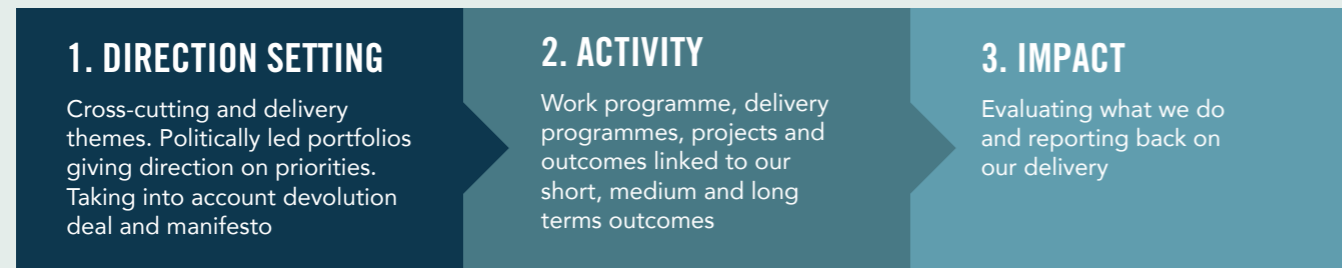
## UNDERSTANDING IMPACT



### WE KNOW THAT IMPACT IS EVERYTHING. THIS IS WHY WE HAVE ESTABLISHED A ROBUST MONITORING AND EVALUATION FRAMEWORK THAT SHOWS:

- How our priorities, mission and values translate into mechanisms for delivery
- How these mechanisms create value
- How we understand, measure and learn from the impact that we are making.

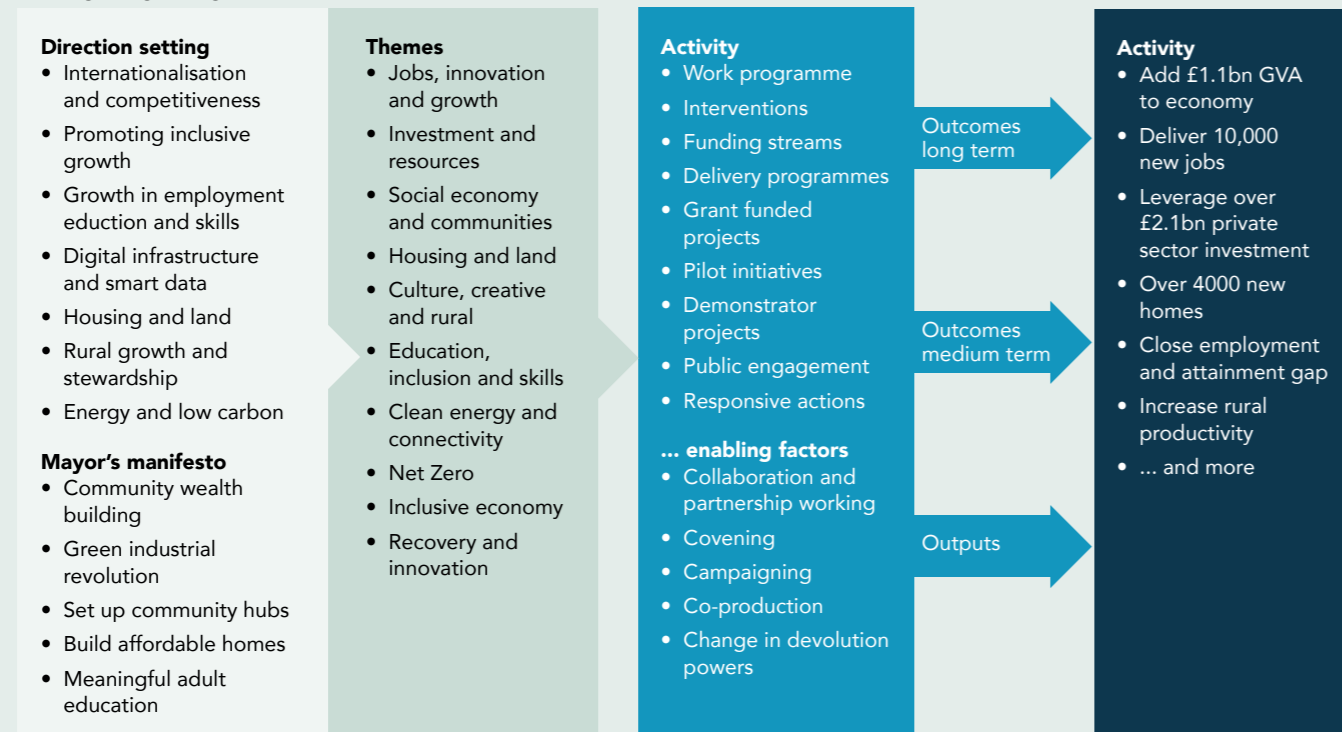
### SUMMARY OF OUR APPROACH:



This journey from issue-to-impact is outlined in the evaluation model below. It is used to evaluate the delivery priorities set out within this corporate plan, and helps us account for the impact we make to partners in the region and within Government.

Our policy priorities are drawn from NTCA's devolution deal, the Mayor's Manifesto, and the strategic direction shaped by our Cabinet. This framework ensures that NTCA is accountable for the investments that we make, and that we can learn, adapt and improve the way that we work in a changing environment.

### EVALUATION MODEL...



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# DELIVERY PLAN



Corporate plan 2022-2023

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## WHAT WE WILL DELIVER...



**THE DELIVERY ACTIVITY OUTLINED HERE IS AN EVOLUTION OF OUR PROGRAMME, FROM THE ORIGINAL DEVOLUTION DEAL THROUGH TO OUR POST-COVID RENEWAL PLANS.**

It shows a journey from past to present and future - giving confidence about our direction of travel, and the political direction of our Mayor and Cabinet.

 <p><b>JOBS, INNOVATION AND GROWTH</b></p>	<ul style="list-style-type: none"> <li>• A Green New Deal Fund which will deliver game-changing investment in green jobs</li> <li>• Bold investment in our digital economy, supporting jobs, growth and inclusion</li> <li>• Investment to secure our recovery from Covid through economic and public service innovation</li> </ul>
 <p><b>CLEAN ENERGY AND CONNECTIVITY</b></p>	<ul style="list-style-type: none"> <li>• Multi-million pound investments into offshore wind infrastructure and supply chains</li> <li>• Connecting rural communities to super-fast broadband</li> <li>• Ensuring the Northumberland train line investment creates a corridor of jobs, skills and prosperity</li> </ul>
 <p><b>EDUCATION, INCLUSION AND SKILLS</b></p>	<ul style="list-style-type: none"> <li>• Delivering great adult education that supports learners back into work and opportunity</li> <li>• Shaping the skills of the future in partnership with our employers, colleges and providers</li> <li>• Delivering targeted, bespoke interventions to help young and vulnerable people into work</li> </ul>
 <p><b>SOCIAL ECONOMY AND COMMUNITIES</b></p>	<ul style="list-style-type: none"> <li>• Creating real opportunities for citizens to influence policy and shape our net zero goals</li> <li>• Helping more employers to create opportunities for 'Good Work'</li> <li>• Becoming the exemplar Combined Authority in support of new zero investment and transition to a green economy</li> </ul>
 <p><b>HOUSING, LAND AND DEVELOPMENT</b></p>	<ul style="list-style-type: none"> <li>• Delivering more new homes through investing in brownfield sites</li> <li>• Delivering a sustainable housing and infrastructure plan to underpin our places</li> <li>• Investing in critical regeneration priorities and our capacity to reduce carbon from housing</li> </ul>
 <p><b>CULTURE, CREATIVE AND RURAL</b></p>	<ul style="list-style-type: none"> <li>• Investing in the future of our creative sector through our Culture and Creative Innovation Fund</li> <li>• Delivering a pipeline of major events to bring people together and help our places recover</li> <li>• Investing in innovation and connectivity to support our rural SMEs</li> </ul>
 <p><b>INVESTMENT AND RESOURCES</b></p>	<ul style="list-style-type: none"> <li>• Delivering an Investment Programme that creates jobs, skills and growth in the region</li> <li>• Bringing real new jobs in to the region through our Inward Investment Fund</li> <li>• Ensuring our investment and operations are robust, best in class, and continually adding value</li> </ul>



## JOBS, INNOVATION AND GROWTH



### THIS PORTFOLIO DELIVERS ACTIVITIES TO SUPPORT JOB CREATION, PRODUCTIVITY GROWTH AND BUILDS OUR CAPACITY FOR INNOVATION.

It does this through major investment into future growth sectors and economic opportunities – such as our digital economy, low-carbon jobs, healthy ageing, and post-Covid urban renewal.

The three workstreams within this portfolio are: digital growth and innovation, Green New Deal, and health economy.

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## OUR ROLE

- NTCA and cross-North East activities to support economic response and medium-term recovery.
- Attract investment to directly provide additional job and growth opportunities.
- Create sectoral growth and innovation programmes, including 'readiness' of businesses to transition to digital.
- These sectoral programmes include digital growth, innovation, and healthy ageing economy.
- Unlock economic opportunities associated with 5G and future technologies.
- Invest in collaborative open innovation approaches to industrial research, and accelerating commercialization, including:
  - the development and delivery of Insights North East – a cross-sector collaboration to support better decision making
  - development of a cross-sector inclusive innovation narrative with partners
- Supporting green jobs in sectors through our energy, green growth and climate change programme, which includes our Green New Deal Fund.
- Creating support eco-system for SMEs to grow and decarbonise, resulting in locally anchored job opportunities for all, at all skill levels.

## AMBITION

- Create 10,000 new jobs over 30 years.
- Build the basis of long term investment plans for key sectors in the North of Tyne that are ambitious but grounded in the reality of our economic assets and market opportunities.
- Position the North of Tyne as a innovative forward-thinking test bed for the future economy and an exemplar of levelling up in action.
- Raise levels of private and public sector R&D and innovation activity to national average (outside 'golden triangle'), leveraging the government's levelling-up white paper targets.
- Take a real lead in enabling green growth that will be fundamental to future growth, recovery, and the achievement of net zero.

## METRICS TO INFLUENCE

### NTCA Outputs:

- Direct jobs created.
- Direct jobs safeguarded.
- Indirect jobs created.
- Indirect jobs safeguarded.
- Enterprises receiving support.
- Enterprises introducing new to market products.
- Creation, or safeguarding, of space for business activities.
- Open workspace created or safeguarded for SMEs.

### Wider outcomes/results:

- Start-up and business survival/growth rates.
- Private sector investment including inward investment from outside of the region.
- Increase in GVA.
- Reduced carbon emission.



## CLEAN ENERGY, AND CONNECTIVITY



**THIS PORTFOLIO DELIVERS ACTIVITIES TO BOOST THE INVESTMENT READINESS, INNOVATION POTENTIAL AND REGION-WIDE CONNECTEDNESS OF OUR WORLD-LEADING CLEAN ENERGY SECTOR.**

It does this through major investment in river and port infrastructure, supply chain innovation, digital connectivity and flagship transport projects like the Northumberland Line.

The three workstreams within this portfolio are: clean energy, transport and mobility, and digital connectivity.

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### OUR ROLE

- Accelerate the development of low carbon energy – including offshore wind and battery technologies – bringing forward a pipeline of key sites, infrastructure and innovation.
- Develop our transport and digital infrastructure and connectivity vision statements – setting out our joint ambition with constituent LAs and an associated pipeline of projects ready for government investment at scale.
- Co-design 5G and future connectivity proposals with partners and build the business case for catalytic investment to support industry adoption.
- Lead on the development of a Future Connectivity Partnership, as a first step coordinating the Digital Connectivity Infrastructure Accelerator programme to unlock the roll-out of 5G and mobile connectivity.
- Support efforts to secure package of funding to support the development Northumberland Line physical works.
- Develop and co-ordinate proposals for an economic corridor along the Northumberland Line and secure investment for implementation.
- Convene the Tyne Taskforce, helping maximise economic and social potential.

### AMBITION

- North of Tyne area secures significant numbers of jobs in low-carbon energy production – including in offshore wind and battery manufacturing supply chain.
- The area is recognised as one of the leading centres for offshore wind manufacturing, servicing and innovation.
- Economic future of the Tyne and Blyth assured, with investment in sites, infrastructure.
- Northumberland Line successfully introduced, radically transforming connectivity to south east Northumberland, and with associated economic and social benefits.
- Greener transport options help reduce carbon emissions.
- Radical improvement to broadband, as part of a world-class digital infrastructure offer - including 5G and future connectivity, fibre connection to Europe, data centres and urban broadband.

### METRICS TO INFLUENCE

#### NTCA Outputs:

- Direct jobs created.
- Direct jobs safeguarded.
- Indirect jobs created.
- Indirect jobs safeguarded.
- Enterprises receiving support.
- Enterprises introducing new to market products.
- Creation or safeguarding of space for business activities.
- Open workspace created or safeguarded for SMEs.

#### Wider outcomes/results:

- Start-up and business survival and growth rates.
- Private sector investment in the region.
- Increase in GVA.
- Reduced carbon emissions.
- Access and take-up of fibre Connectivity, 5G and other new technologies.
- Increased number of premises with access to Superfast and full fibre connectivity.
- Reduction in number of residents who are digitally excluded by lack of technology, connectivity or confidence.
- Improved journey times to work and study in south east Northumberland.



## EDUCATION, INCLUSION AND SKILLS



**THIS PORTFOLIO DELIVERS ACTIVITIES THAT WIDENS OPPORTUNITIES, CREATES NEW TRAINING AND JOB OPENINGS, CLOSES GAPS AND PROVIDES THE SKILLS PIPELINE FOR OUR FUTURE INDUSTRIES AND SECTORS.**

It does this through major investments in adult education, employability and inclusion, and through innovation in employment support in partnership with DWP. A joint school improvement programme across North of Tyne maximises DfE investment to best support all children, with a focus on our most vulnerable.

The three workstreams within this portfolio are adult education and skills, inclusive economy and education improvement.

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### OUR ROLE

- Work collaboratively with national and local stakeholders to ensure that skills investment is driven by local employer needs and the current/future profile of labour market opportunities, as set out in the NTCA Strategic Skills Plan, are achieved.
- Develop our strategic approach to an inclusive economy in collaboration with members of the NTCA Inclusive Economy Board, in line with our policy statement.
- Encourage individuals to engage with employability support, to raise the aspirations within the community, and support individuals' transition into good employment.
- Collaborate across our education system to add value, supporting schools to raise the standard of education and the improve life chances for the young people we serve.
- Work with government to be proactive in addressing inequality and poverty, putting residents at the heart of the design.

### AMBITION

- Address inequality, by recognising its fundamental role in perpetuating poverty and economic disadvantage. This will enable residents to access opportunities, at every stage of their life.
- Drive the better coordination of education, skills, employment and health services across the North of Tyne area to increase the number of residents moving into work and progressing in work.
- Address digital inequality, driving down digital exclusion for our residents.
- Support our schools to improve outcomes, close gaps and prepare all children North of Tyne for a successful future.
- Address childhood poverty by addressing its symptoms and root causes.
- Implement our Wellbeing Framework to address the social, economic, environmental and democratic priorities of residents.
- Promote area-wide adoption of the Good Work Pledge.
- Support ongoing collaboration with DWP through our employment framework agreement.

### METRICS TO INFLUENCE

- Participants in education/training or employment (including self-employment) upon leaving school.
- Unemployed participants supported into employment (including self-employment).
- Participants gaining their first level 2 qualification.
- Participants gaining their first level 3 and above qualification.
- Economically inactive participants engaged in job searching.
- Residents supported into volunteering.
- Number of apprenticeship/traineeship opportunities.
- Employed participants, including self employed receiving support.
- Progress against NTCA Equalities objectives.
- Progress against NTCA Wellbeing Framework and its ten Outcomes.



## SOCIAL ECONOMY AND COMMUNITIES



**THIS PORTFOLIO DELIVERS ACTIVITIES AIMED AT BUILDING THE LONG-TERM CAPACITY, AGENCY AND COMMUNITY WEALTH OF OUR COMMUNITIES, AND ENABLE OUR TRANSITION TO NET ZERO CARBON.**

It does this through Investment, engagement and co-production - such as via our community hubs programme, our Climate Change Citizens' Assembly, and our approach to social value and community asset building.

The three workstreams within this portfolio are citizen engagement, social value and community wealth, and climate change policy.

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### OUR ROLE

- Supporting improvements in the foundational economy (including productivity/working conditions and through promoting alternative business models).
- Driving up the quality of employment by encouraging adoption of the Good Work Pledge and engagement in an Anchor network.
- Developing initiatives that tackle poverty and inequality – including specific promotion of equalities with our programme, informed by our Poverty Truth Commission and underpinned with our Inclusive Economy Policy Statement.
- Convening partnerships to advance social value and stronger place-based investment across key anchor institutions and via our community hubs investment.
- Increasing the use of community engagement platforms and civic crowdfunding as tools to improve reach and consultation with business and communities.
- Exploring potential for regional wealth building and improved access to finance - amplifying partner and LA work on social value and inclusive procurement in support of recovery.
- Promoting innovative and cohesive responses to carbon reduction and climate change that maximise social and economic benefits and achieve a just transition.

### AMBITION

- Create a more social and inclusive economy by keeping more wealth in the local economy which will create good local jobs for all and embed a culture of exceptional local procurement.
- A clear approach to building community assets and wealth – through investment and supporting collaboration.
- A network of community hubs through which long term social innovation can be strengthened.
- Strengthened local supply chains and community involvement within our recovery innovation programmes.
- A strong network of community engagement – in particular around climate change and inclusion challenges, including schools, children and young people.
- Address regional access to finance and investment – in support of longer term progress towards a people's bank.

### METRICS TO INFLUENCE

#### NTCA Outputs:

- Residents supported into volunteering.
- Creation or safeguarding of space for shared community and/or business activities.
- Jobs and learning opportunities - including for those marginalised from the labour market.
- Enterprises supported.

#### Wider outcomes/results:

- Increased engagement with residents and businesses.
- Providing leadership to help address local priorities.
- Making a substantive contribution to regional carbon reduction goals.
- Citizen and young people awareness and engagement in climate change, green growth opportunities and inclusive economy issues.
- Increasing prevalence of 'good work' agenda across the business sector.
- Make progress in-line with NTCA's Equality Objectives 2022-25.



## HOUSING, LAND AND DEVELOPMENT



**THIS PORTFOLIO DELIVERS ACTIVITIES TO ACCELERATE THE DELIVERY OF NEW HOMES IN OUR REGION, SUPPORTS THE REGENERATION OF OUR PLACES, AND MAXIMISES THE OPPORTUNITY OF NEW INFRASTRUCTURE INVESTMENT.**

It does this through major investments in brownfield land remediation and the creation of a strategic pipeline of development sites and growth corridors.

The three workstreams within this portfolio are brownfield land programme, joint infrastructure planning, and town and high street innovation.

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### OUR ROLE

- Establish a strategic housing and place investment strategy in collaboration with our partners.
- Accelerate the pace of delivery through enabling access to NTCA and wider government funding.
- Develop collaborative design principles to influence future delivery models.
- Complement and augment capacity within our Local Authorities.
- Use our convening power to better effect a range of partnership working.
- Co-ordinate the development of a business case for an at-scale housing retrofit programme.
- Develop a place regeneration deal with government – building on our recognised expertise in ageing, digital, construction and clean energy.
- Develop the town and high streets innovation programme focused on three high streets.

### AMBITION

- Accelerate delivery of new homes in the region above and beyond our devolution deal commitments.
- Accelerate development of strategic place/corridor developments along the Northumberland Line, in North Shields Masterplan Area, and in City Centre.
- Better coordinate infrastructure investment to ensure broad-based growth across the area.
- Bring forward an at-scale retrofit programme across the North of Tyne area.
- Position North of Tyne as a leading region in the development of age-ready models of housing.
- Unlock transformative strategic development opportunities in the area.
- Build and expand on our reputation as a trusted delivery partner.
- Develop new delivery models and approaches to transform high streets.

### METRICS TO INFLUENCE

#### NTCA Outputs:

- Area of site reclaimed, (re)developed or assembled.
- Area of brownfield land remediated.
- Number of new homes bought forward.
- Jobs created and safeguarded.
- Businesses supported.

#### Wider outcomes/results:

- Private sector investment including investment from outside of the region.
- Increased sustainability of new and existing homes (EPC/SAP ratings).
- Improved affordability of housing and different types and tenures.
- Growth of existing and new SMEs.
- Increased wellbeing of residents.
- Increase in GVA.
- Reduced carbon emissions.



## CULTURE, CREATIVE AND RURAL



**THIS PORTFOLIO DELIVERS ACTIVITIES TO BOOST THE ECONOMIC POTENTIAL OF OUR CULTURE, CREATIVE, EVENTS AND TOURISM SECTORS, AND DELIVERS OPPORTUNITIES FOR RURAL PLACES AND BUSINESSES.**

It does this through major investments and programmes of work on cultural and creative sector recovery, region-wide events, and through specific funding mechanisms to support rural enterprise.

The three workstreams within this portfolio are culture and creative, events and tourism; and rural place-based Initiatives.

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### OUR ROLE

- Shape long term strategy and deliver key programmes of investment in collaboration with partners.
- Stimulate recovery of the culture and creative sector post-pandemic.
- Establish culture and creative zones in collaboration with our Local Authorities and stakeholders.
- Support the development of the visitor economy within a regional approach.
- Develop, deliver and promote an events and tourism programme in collaboration with our LA partners.
- Stimulate rural enterprise – including through our rural growth service, rural design centre and strong collaboration with National Innovation Centre for Rural Enterprise.
- Develop a coordinated stewardship and rural growth investment plan.

### AMBITION

- Promote the growth of culture and creative sectors, and the skills pipeline to meet future demand.
- Support the culture and creative industries in North of Tyne to develop the businesses, skills and services to grow the sector.
- Attract more visitors who stay longer and do more.
- Create a tourism industry with expanded season, niche product offering and high-quality employment opportunities.
- Establish year-round events programme of high-quality cultural and sporting events capable of achieving regional, national and international profile.
- Increase levels of rural productivity and employment.
- Integrate stewardship and rural growth activity, putting our natural capital and assets at the heart of our rural growth agenda.

### METRICS TO INFLUENCE

#### NTCA Outputs:

- Number of cultural and tourism events taking place.
- Number of attendees participating in a cultural tourism event.
- Direct jobs created.
- Direct jobs safeguarded.
- Indirect jobs created.
- Indirect jobs safeguarded.
- Enterprises receiving support.
- Creation or safeguarding of space for business activities.
- Open workspace created or safeguarded for SMEs.

#### Wider outcomes/results:

- Culture and creative start-up and business growth and survival rates.
- Increased visitor numbers, spend per visit, and length of stay.
- Increased employment opportunities.
- Improved employment and wage levels in rural areas.
- Becoming carbon negative and biodiversity positive.
- Private sector investment including inward investment from outside of the region.
- Increase in GVA.



## INVESTMENT AND RESOURCES



**THIS PORTFOLIO OVERSEES OUR FINANCIAL PROCESSES AND IS ALSO RESPONSIBLE FOR THE ATTRACTION OF NEW COMPANIES TO THE REGION THROUGH INWARD INVESTMENT.**

Working closely with the Mayor and other Cabinet members this includes: oversight of our Investment Fund, our financial processes and progress with our Inward Investment Fund.

These functions are core to our work, providing the underlying basis for investment, programme development, corporate coherence and attracting new jobs to the region.

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## OUR ROLE

- Ensure that our investment fund is well managed, accountable, and clearly adds value across the region.
- Create long term alignment between our investment and the strategic goals of the region – putting the building blocks in place for future growth.
- Ensure that new funding and responsibilities are integrated effectively within the investment programme and Assurance Framework.
- Provide leadership and support for the Mayor and team in corporate business planning – supporting a coherent programme which is clearly understood and endorsed by Cabinet.
- Ensure that we are proactive in securing inward investment opportunities that deliver new jobs.
- Oversight' to Oversee the business support landscape.

## AMBITION

- Position the area as a prime inward investment location – maximizing new investment into the region using our Inward Investment Fund to create new jobs.
- Fully utilise all resources available to support inclusive economic growth, including the newly acquired borrowing powers to maximise investment opportunities.
- Deliver through a strong corporate core, ensuring consistent collaboration and integrity; and appropriate staff base aligned to purpose and delivery.
- Be fully prepared for the Authority's five-year Gateway Review, collating the required evidence to demonstrate current impact, and conduct forward planning to provide government with full confidence in our ability to deliver.
- Become the exemplar Combined Authority – ensuring our processes are robust and stand up to scrutiny, meeting a significant level of assurance as part of our audit processes.
- Securing the Government's Shared Prosperity Fund and other regeneration funding for North of Tyne and the region more widely.

## METRICS TO INFLUENCE

- All investments will support the delivery of our outputs in addition to realising the wider ambitions and outcomes associated with our delivery themes.



# OUR VISION FOR A DYNAMIC AND INCLUSIVE ECONOMY



**WHAT SUCCESS LOOKS LIKE**

- £1.1BN** of new economic growth (GVA)
- 10,000** new jobs
- 10,000** new homes
- £2.1BN** private sector leverage
- 37,000** learning opportunities every year

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**WHAT WE ARE DOING**

	INCLUSIVE ECONOMY		NET ZERO TRANSITION	INNOVATION IN RECOVERY		
<b>JOBS, INNOVATION AND GROWTH</b>	<b>CLEAN ENERGY AND CONNECTIVITY</b>	<b>EDUCATION, INCLUSION AND SKILLS</b>	<b>SOCIAL ECONOMY AND COMMUNITIES</b>	<b>HOUSING, LAND AND DEVELOPMENT</b>	<b>CULTURE, CREATIVE AND RURAL</b>	<b>INVESTMENT AND RESOURCES</b>
Digital Growth & Innovation	Clean Energy	Adult Education & Skills	Citizen Engagement & Corporate Affairs	Brownfield Land	Culture & Creative	Investment Fund Management
Green New Deal	Transport & Mobility	Education Improvement	Social Value / Community Wealth	Strategic Sites	Events & Tourism	Inward Investment
Health & Urban Recovery	Rural Digital Connectivity	Inclusive Economy	Climate Policy	Infrastructure Planning	Rural Initiatives	Corporate & Financial Planning

**OUR VALUES**

INCLUSIVE COMMUNITY • COLLABORATE • CURIOUS • EMPATHETIC • RESPECT • TAKE OWNERSHIP

Underpinning all we do

**CONTEXT**

A strong digital and health economy, with the potential to improve productivity	A diverse economy with some sectoral vulnerabilities - but with significant potential to change and renew	A great quality of life - which is driving businesses and people to relocate to North of Tyne	An opportunity for the North of Tyne area to lead the green economy, for example in offshore energy and battery tech
Young people economically vulnerable post-pandemic	Covid-19's economic impact and legacy is unevenly spread	A low 'base-line' of many economic indicators, even before Covid-19, such as in employment, productivity, and R&D	Specific challenges in rural and coastal communities, such as over reliance on major employers or sectors

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**Subject: 2021-22 NTCA Outturn Report including North East LEP and Invest North East England**

**Report of: Chief Finance Officer**

### Report Summary

The purpose of this report is to inform the Committee of the provisional 2021-22 outturn 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 is provisional at this point as it will be subject to external audit as part of the Audit of the 2021-22 Statutory Accounts.

The North of Tyne Combined Authority became the Accountable Body for the North East LEP and Invest North East England from 1 April 2020. This report will also include 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 is 2022-23 budget and illustrations for 2023-24 and in addition Invest North East England (INEE) 2022-23 budget.

### Recommendations

The Overview and Scrutiny Committee is recommended to 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.

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

- 1.1 At its meeting of the 7 June 2022, Cabinet members considered the report on the 2021-22 NTCA provisional outturn, including the North East LEP (LEP) and Invest North East England (INEE) 2021-22 financial outturn, with budget illustrations for 2022-23 and 2023-24. The North East LEP 2021-22 financial outturn and budget illustrations for 2022-23, 2023-24 have also been considered and approved by the LEP Board on 19 May 2022.
- 1.2 The report sets out the Combined Authority's financial performance in an outturn report. This reflects the Combined Authority's structure and is presented on a similar basis to the financial management reports that have been presented to Cabinet throughout the financial year. This report is also the end point of the Combined Authority's financial management process for the financial year to 31 March 2022. INEE was previously reported to the North East Combined Authority (NECA) Leadership Board with North of Tyne Combined Authority (NTCA) now the Accountable Body for INEE in addition to the LEP, the financial reporting is now reported alongside the LEP as part of the NTCA reporting processes. The report also includes performance in the year on the Accountable Body Budget.
- 1.3 The report sets out the provisional outturn position to be included in the Statutory accounts for 2021-22. The Accounts and Audit Regulations 2020/21, which took effect from 31 March 2021 revised the requirement for the audited accounts to be published from 31 July to 30 September, with the exercise of public rights and common inspection date being removed and the draft accounts to be published no later than 1 August. This will require the Chief Finance Officer to certify the draft accounts by 31 July 2022 with the approval of the Accounts by Audit and Standards Committee taking place in November 2022. Audit and Standards have been briefed on these changes. The figures in this report will remain provisional until the completion of the Accounts. This revised regulation will apply also to the 2021-22 accounts.

## 2. Equalities Statement

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

## 3. Inclusive Economy Statement

- 3.1 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. The NTCA, LEP and INEE outturn and budget reports provide transparency and assurance that public funds allocated to the region have been used appropriately in line with the Vision and of the NTCA and Strategic Economic Plan of the LEP.

## 4. Climate Change Statement

- 4.1 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. There are no direct considerations in relation to Climate Change arising from these specific finance reports other than reporting on the budget and expenditure in relation to Climate Change projects.

## 5. Consultation and Engagement

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

## 6. Appendices

Appendix 1: 2021-22 NTCA Outturn, including the North East LEP and Invest North East Invest England, Report to Cabinet 7 June 2022.

## 7. Background Papers

26 January 2021 NTCA Cabinet Papers  
27 May 2021 North East LEP Board Papers

## 8. Contact Officers

Janice Gillespie, Chief Finance Officer, Tel: 0191 6435701  
[Janice.gillespie@northoftyne-ca.gov.uk](mailto:Janice.gillespie@northoftyne-ca.gov.uk)

## 9. Glossary

NTCA	North of Tyne Combined Authority
LEP	Local Enterprise Partnership
INEE	Invest North East England
Outturn	Financial performance position at the end of the financial year.

**Subject: 2021/22 NTCA Provisional Outturn Report  
including North East LEP and Invest North East England**

**Report of: Chief Finance Officer**

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## Report Summary

The purpose of this report is to advise Cabinet on the provisional 2021/22 outturn position of the North of Tyne Combined Authority (NTCA) including the Corporate Fund, Investment Fund, Adult Education Budget, and Brownfield Housing Fund. The outturn position will be subject to external audit as part of the Audit of the 2021/22 Statutory Accounts and therefore the figures in this report will remain provisional until the completion of the accounts.

The North of Tyne Combined Authority became the Accountable Body for the North East LEP and Invest North East England from 1 April 2020. This report will also include the 2021/22 Outturn position for the North East LEP and Invest North East England in addition to reporting on the Accountable Body Budget.

## Recommendations

The Cabinet is recommended to note:

1. Note the NTCA provisional 2021/22 Outturn position for the Corporate Fund (section 2), Investment Fund (section 3)
2. Note performance against the Brownfield Housing Capital Budget and Investment Fund Capital Budgets (section 4).
3. Note performance against the Adult Education Budget (section 5)
4. Note the position on Reserves (section 6).
5. The Accountable Body Budget Outturn position and the funding position (section 7).
6. The Combined Authority's Treasury Management performance (section 8).
7. The North East LEP 2021/22 Outturn position and 2-year Outline Budget position (Appendix A).
8. The Invest North East England 2021/22 Outturn position (Appendix B).

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

- 1.1 This report sets out the provisional outturn position to be included in the Statutory accounts for 2021/22. The Accounts and Audit Regulations 2020/21, which took effect from 31 March 2021 revised the requirement for the audited accounts to be published from 31 July to 30 September. With the exercise of public rights, common inspection date being removed, and the draft accounts published no later than 1 August. This will require the Chief Finance Officer to certify the draft accounts by 31 July 2022 with the approval of the Accounts by Audit and Standards Committee taking place in November 2022. Audit and Standards have been briefed on these changes. The figures in this report will remain provisional until the completion of the Accounts.
- 1.2 The Accounts are a statutory document which set out the Authority's financial position and performance for the year in a series of formal accounts prepared according to specific and

regulatory framework. Successive changes to local government accounting practice and the way in which the Combined Authority is structured have made the accounts a very technical document. This report sets out the Authority's financial performance in an outturn report. This reflects the Combined Authority's structure and is set out in a similar basis to the quarterly budget monitoring reports presented to Cabinet throughout the year.

- 1.3 The 2021/22 Budget was set and agreed by Cabinet in January 2021 at a time when the country was just starting to come out of the pandemic. Throughout the response to the pandemic, the Combined Authority worked with regional colleagues to support the submission for Recovery Support and Finance for the North East. In addition, the Authority has taken a proactive approach to support for particular sectors impacted by the Pandemic, some examples of this include the continuation of the support to enhance short-term skills, jobs and inclusive economy interventions – Kickstart, Youth Hubs, Good Work Pledge, Culture and Tourism Recovery, Climate innovation and Growth of the Digital Sector.
- 1.4 The Mayor and Cabinet have continued to be clear in their approach to ensuring the North of Tyne Combined Authority is a lean organisation. The outturn performance reflects this with an underspend against budget of £0.477m. The outturn position reflects the increasing numbers of projects and programmes, this has included recruitment, capacity management and retention of a competent, productive, and collegiate workforce with the aim of creating a long-term staffing plan. The organisation may grow in the future and that will be based on a set of consistent set of agreed principles appropriate for the authority.
- 1.5 As part of statutory reporting regulations there is a requirement to ensure there is a clear audit trail between the outturn figures reported to Cabinet and those published in the Statement of Accounts. For 2021/22 there are no specific statutory accounting adjustments that will apply directly to the Combined Authority, however, the statutory accounts will include an element of the accounts for the North East Combined Authority that relate to transport activities that can be attributed to the North of Tyne Authorities. The North East LEP and Invest North East England figures will be incorporated into the NTCA Statement of Accounts as their Accountable Body. For this purpose, the Accountable Body Budget outturn position is reflected in section 1.8 including the funding sources.
- 1.6 **Outturn and Reserves**
- 1.6.1 The budget for 2021/22 was approved by full Cabinet at its meeting of 26 January 2021. Included in that budget was estimated expenditure across the year for both the Corporate Budget, Investment Fund, Brownfield Housing Fund and Adult Education Budget. The Corporate Budget was set at a net zero position covering the costs associated with capacity to deliver. The Investment Fund Budget was set at £30.238m reflecting the costs associated with continuing development of proposals to be delivered from the Investment Fund. The Adult Education Budget (£22.706m) reflected the first full academic year of delivery August to March 2022. The Brownfield Housing Fund showed a profiled capital budget for year 2 of £8.179m. The Outturn for 2021/22 indicates a net income position of (£0.477m) for the Corporate Budget based on the budgeted level of contribution from the Investment Fund of (£2.231m).
- 1.6.2 The reserves position reflects the position on the Investment Fund Reserve at the end of the financial year 2021/22 and shows the Strategic Reserve maintained at £0.200m.

## 2. Corporate Budget Outturn

2.1 The Corporate Budget Outturn is presented in Table 1. The narrative below provides more detail.

**Table 1 NTCA Corporate Outturn 2021/22**

Corporate Budget 2021/22	2021/22 Budget	2021/22 Outturn	Variance
<b>Expenditure</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Staffing/Secondments	2.564	2.672	0.108
Advisors External	0.080	0.074	(0.006)
Use of Reserves (EU Exit Grant)	0.000	0.132	0.132
Other Expenditure	1.619	1.439	(0.180)
SLA with Constituent Authorities	0.276	0.288	0.012
JTC Levy	26.801	26.801	0.000
<b>Gross Expenditure</b>	<b>31.340</b>	<b>31.406</b>	<b>0.066</b>
<b>Income</b>			
Investment Fund Contribution	(2.231)	(2.231)	0.000
Mayoral Capacity Fund	(1.000)	(1.000)	0.000
Adult Education Budget Contribution	(0.678)	(0.723)	(0.045)
Contributions from Constituent Authorities	(0.111)	(0.111)	0.000
Programme support costs recovered from IF	(0.241)	(0.386)	(0.145)
Brownfield Housing Programme Costs	(0.103)	(0.137)	(0.034)
Other Grants and Contributions	0.000	(0.161)	(0.161)
Use of Reserves	0.000	(0.132)	(0.132)
Investment Interest Receivable	(0.175)	(0.201)	(0.026)
JTC Levy	(26.801)	(26.801)	0.000
<b>Gross Income</b>	<b>(31.340)</b>	<b>(31.883)</b>	<b>(0.543)</b>
<b>Net (Income)/Expenditure</b>	<b>0.000</b>	<b>(0.477)</b>	<b>(0.477)</b>
<b>2021/22 Outturn/Transfer to General Reserve</b>	<b>0.000</b>	<b>(0.477)</b>	<b>(0.477)</b>

- 2.1.1 Gross expenditure outturn position for the year was £31.406m including the JTC Levy, reflecting a marginal variance of £0.066m increase over budget. Overall, within this marginal variance there are some variances reflected; staffing budget reflects an increase to budget of £0.108m due to recruitment of new staff to deliver on Investment Funded projects, this is matched with an increase in income from the Investment Fund Programme.
- 2.1.2 External Advisor costs were £0.083m, £0.003m over budget. SLA costs also showed an increase against budget due to an increase in the insurance premium, which is reflected within this budget heading, the increase was due to an increase in number of employees and other inflationary factors.
- 2.1.3 Other Expenditure shows an underspend against budget of £0.180m due to underspend against training, travel and subsistence and stationery due to the early half of the year staff working primarily from home due to COVID.
- 2.1.4 Gross Income exceeded budget in the year by £0.543m. Delivery on new programmes funded through the Investment Fund, such as Tourism and Education Challenge reflected increased

income of £0.145m over the budgeted amount, this aligns with the increase in employee expenditure detailed in 2.1.1. In addition, external funding was secured for Community Renewal Fund (CRF) which the Combined Authority were responsible for administering provided additional funding (£0.071m) and Kickstart funded through the DWP provided funding towards administering the programme (£0.028m), the ongoing ERDF programme for North of Tyne Growth Fund also provided income of £0.052m. The drawdown from the Exit EU Reserve (£0.132m) also contributed to the positive income variance against budget.

### 3. Investment Fund

3.1 At the end of financial year 2021/22 the Investment Fund total commitments stood at £82.9m against 96 live contracts. A strong pipeline of high-quality projects is in development with several significant investments planned over the coming months. This includes interventions to grow our digital and ageing sectors, as well support for our residents, creating opportunities to develop new skills and progress into employment.

- These projects will attract £282m of private sector leverage and are forecast to deliver 4530 new jobs and safeguard a further 2679.
- Of these, the first 819 have been confirmed as created as a direct result of NTCA investment, and 1,773 confirmed as safeguarded.

Table 2 below sets out the commitments against the key themes of the Investment Fund.

**Table 2 Investment Fund Key Themes Commitments**

	<b>Committed</b>	<b>Allocation</b>	<b>%Allocated</b>
	<b>£m</b>	<b>£m</b>	<b>%</b>
Business	40.96	45.30	49.41
People	13.15	17.30	15.87
Place	19.33	13.25	23.32
Major Strategic Economic Opportunities	7.34	9.65	8.85
Business Case Development Fund	2.12	4.50	2.55
	<b>82.90</b>	<b>90.00</b>	

3.2 Table 3 shows the actual expenditure across the year in terms of funding issued to projects.

**Table 3: Investment Fund Outturn 2021/22**

	<b>2021/22 Budget</b>	<b>2021/22 Outturn</b>	<b>2021/22 Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Expenditure</b>			
Business Case Development Fund	1.000	0.260	(0.740)
Workstreams	26.757	13.613	(13.126)
Technical Support	0.250	0.275	0.025
Corporate Contribution	2.231	2.231	0.000
<b>Total Expenditure</b>	<b>30.238</b>	<b>16.379</b>	<b>(13.859)</b>
Income	(20.000)	(20.000)	0.000
<b>Total Income</b>	<b>(20.000)</b>	<b>(20.000)</b>	<b>0.000</b>
<b>Net (Income)/Expenditure Position</b>	<b>10.238</b>	<b>(3.621)</b>	<b>(13.859)</b>



- 3.3 The financial performance reported in Table 3 is actual spend against the plan during 2021/22, but clearly Table 2 illustrates the significant progress made in decision and actions to deliver the overall programme. Delivery against the Investment Fund Programme has been delayed for a couple of specific reasons. Firstly, the impact of Covid-19 Pandemic has been felt across the programme, impacting pace of delivery as projects have had to revise delivery mechanisms to enable activity to continue. This has led to a number of projects having to re-profile expenditure into future years. This remains the highest programme risk, along with pressure on resources as activity both on developing pipeline and contract management increases, and has been regularly reported to Investment Panel
- 3.5 Following the exit from the European Union, Officers continue to work with the organisations applying for funding to understand the State Aid requirements that are set out in the UK approach to Subsidy Control. This has led to some delay in agreeing grant/funding agreements. NTCA Officers have worked proactively with legal colleagues to understand the changes and develop solutions to reduce the risk of ongoing delays. These solutions have been embedded into the application and contracting processes, and, it is anticipated this issue will reduce over the course of 2022-23.
- 3.6 Whilst delivery has been delayed in some areas, 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.
- 3.7 Within the above investment fund workstream there are the following projects which include capital schemes:

**Table 4 Investment Funded Capital Schemes**

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
NU Futures	1.690	0.222	0.211	0.054
NoT Science Education Enrichment	0.099			
North Bank of Tyne		0.400	0.400	
North Shields Fish Quay	0.346	1.194		
Swans Energy Park		2.000		
Spirit of North Tyneside	0.450	0.050		
Community Hubs Northumberland	0.375	0.121		
CCZ - North Tyneside		0.562	0.582	0.192
Energy Central Learning Hub (ECLH)		1.500	0.500	
Towns High Streets Innovation Newcastle		0.830	1.070	
Towns High Streets Innovation North Tyneside		0.830	1.070	
Towns High Streets Innovation Northumberland		0.830	1.070	
<b>Total</b>	<b>2.960</b>	<b>8.539</b>	<b>4.903</b>	<b>0.246</b>

#### 4. Brownfield Housing Fund

- 4.1 In July 2020, NTCA was awarded £23,853,618 to deliver the Brownfield Housing Fund to unlock between 1,500 and 2,500 new homes. NTCA was also awarded an additional £550,000 in revenue funding to accelerate delivery of the programme. The BHF is the first housing fund allocation for NTCA and represents an important opportunity to help meet the organisation's housing objectives and to leverage further private sector investment. NTCA Cabinet approved the overall approach to delivery of the Fund in September 2020, and officers have been working alongside applicants from

constituent Local Authorities, registered providers and private housing developers to ensure that a balanced and bottom-up pipeline is developed, which reflects North of Tyne collective priorities.

- 4.2 So far, NTCA has approved and entered into Grant Funding Agreements with 6 schemes, expected to deliver 1,339 homes drawing on £12,510,935 of the total BHF allocation, equivalent to 90% of outputs and 50.4% of Funds awarded in 2020. In addition to ongoing land remediation and infrastructure investment, the construction of 104 units has already commenced in these 6 schemes with the completion of 62 units recorded so far. These new homes are net additional homes for our region and represent a significant economic and social benefit to our communities.
- 4.3 An extension to BHF was announced in February 2022 by the Department for Levelling-Up, Housing and Communities (DLUHC) 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 allocated £7.96 million bringing the total amount of NTCA BHF funding to £31.8 million. The additional funding is linked to the unlocking of an additional 600 housing units to the 1,500-2,500 units identified in July 2020. This required the BHF pipeline to be increased.
- 4.5 Good progress is being made with the NTCA's Brownfield Housing Programme. The programme is expected to significantly over deliver in terms of outputs and to deliver excellent value for money. A number of challenging sites and regeneration priorities will have been addressed. Nevertheless, there have been challenges in terms of delivery against spend profile. In addition to challenges on individual schemes, all of which are not viable in the absence of BHF, the NTCA's programme has been affected by a number of national factors:
- Challenges associated with Covid-19 and national lockdowns
  - Delays in contracting with DLUHC, which meant that delivery slipped from year 1 to year 2
  - Uncertainties associated with the change from state aid to subsidy control
  - Skills shortages
  - Cost inflation
  - Local authority capacity
- 4.6 Delivery on Brownfield Housing Fund has taken time to mobilise, grant monies were received late in 2020/21 and therefore this year (Year 2) has been the first full year of delivery. Covid and difficulties experienced in accessing supplies, which have been experienced nationally, have also hampered delivery on site. Annual reports are provided to DLUHC detailing spend and outputs against profile. There is no risk presently of clawback as NTCA can demonstrate through the pipeline of projects that there is the commitment to spend over and above the grant profile. Table 5 shows the reprofiled programme spend across the 5 years as reported to DLUHC on the basis of the second Annual Report.

Table 5 below shows the reprofiled programme spend with the additional allocation of funds.

**Table 5 Reprofiled Projected Programme Spend at end of 2021-22**

	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>31.819</b>	0.568	3.386	10.564	12.908	4.393

## 5. Adult Education Budget (AEB)

- 5.1 The NTCA has successfully managed the devolved Adult Education Budget (AEB) for eligible local residents aged 19 and over since the beginning of Academic Year (AY) 2020/21. With Cabinet approval the devolved AEB was allocated to 29 education providers across 10 Grant Agreements and 21 Contracts for Services (via the establishment of a procurement framework).
- 5.2 NTCA's devolved AEB for the period 1 August 2021 to 31 July 2022 is £23,551,493 plus an additional £1,641,588 for the delegated Lifetime Skills Guarantee. This brings the total AEB for AY 2021/22 to £25,193,081.
- 5.3 Through the NTCA Scheme of Delegation for devolved AEB, 97% (including 3% for administration costs) of the allocation for AY 2021/22 including the delegated funds for the Lifetime Skills Guarantee which has been allocated through extensions to Grant Funding Agreements and procured Contract for Services.
- 5.4 Procurement exercises are underway to utilise the remaining AEB funding during AY 2021/22. These have been informed by consultations with employers, providers and wider stakeholders as well as analysis of delivery data to date.
- 5.5 Table 6 below shows the actual expenditure on AEB for 2021/22

**Table 6 Adult Education Budget 2021/22 Outturn**

	<b>Budget £m</b>	<b>Actual £m</b>	<b>Variance £m</b>
Grant Awards	15.369	16.109	0.740
Procured Services	6.659	2.973	(3.686)
High Value Courses	0.000	3.520	3.520
Swaps (Carry In)	0.000	0.124	0.124
Corporate	0.678	0.723	0.045
<b>Total Expenditure</b>	<b>22.706</b>	<b>23.450</b>	<b>0.744</b>
Devolved AEB	(22.706)	(23.551)	(0.845)
Delegated Lifetime Skills Guarantee	0.000	(1.642)	(1.642)
<b>Total Income</b>	<b>(22.706)</b>	<b>(25.193)</b>	<b>(2.487)</b>
<b>Net Income carried forward to Reserves</b>	<b>0.000</b>	<b>(1.743)</b>	<b>(1.743)</b>

- 5.6 Delivery of the AY 2021/22 AEB commenced on the 1 August 2021 and the impact of COVID-19 continued to be closely monitored, both in terms of learner engagement during the pandemic and providers performance against delivery plans and payment profiles that were set out at the beginning of the academic year.
- 5.7 Providers have implemented innovative plans to ensure delivery continues. This has included transferring provision on-line, supporting vulnerable learners through one-to-one video calls and where classrooms have been able to open, delivering to groups of learners with effective safety measures in place.

## 6 Reserves

6.1 Reserves held at 31 March 2022 are detailed below in Table 8.

Reserves Statement	2020/21	Movement (from)/to Reserves	2021/22
	£m	£m	£m
Preparing to Exit EU	0.182	(0.132)	0.050
Strategic Reserve	0.200	0.000	0.200
Investment Fund Reserve	49.950	4.098	54.048
Adult Education Budget	0	3.220	3.220
Other grant reserves: Kickstart, Bootcamps, Defra Rural, CRF	0	1.095	1.095
<b>Total General (Useable) Reserves</b>	<b>50.332</b>	<b>8.281</b>	<b>58.613</b>

6.2 Useable Reserves have increased by £8.281m to £58.613m, reflecting a small increase to the Investment Fund Reserve (£4.098m), and a reduction of £0.132m to the Preparing to Exit EU Grant Reserve which has been issued to contribute towards delivery on Infrastructure plans. Adult Education Budget works on an academic year and therefore at the end of the 2020/21 financial year there was still grant left to spend movement in year reflects the position at end of academic year 2020/21 (£1.477m) and also grant currently held at the end of financial year 2021/22 (£1.743m). Other grant reserves include Kickstart (£0.066m), Bootcamp Skills (£0.072m), Defra grants received late in the financial year in advance of delivery (£0.026m) and Community Renewal Fund (£0.931m) these grants are carried forward to meet delivery in 2022/23.

6.3 Brownfield Housing is a capital grant and therefore any unspent capital grant received and not yet spent (£9.520m) is carried forward as capital grants unapplied within the Statement of Accounts as per proper capital accounting treatment and therefore is not reflected in the above Reserves table.

## 7 Accountable Body Budget

7.1 All seven local authorities (LA7) in the North East area currently contribute £0.010m to meet the costs of the North East (LEP) Accountable Body role. This funding covers the SLA providing support to the North East LEP in 2021/22.

7.2 Additional costs over and above the SLA charges (£0.025m) relate to finance and legal advisory costs. These costs are funded from interest earned on investment income on the North East Investment Fund (NEIF) balances. Table 9 shows the 2021/22 North East LEP Accountable Body Outturn.

**Table 9 North East LEP Accountable Body 2021/22 Outturn**

2021/22 Accountable Body Outturn	
Expenditure	£m
Service Level Agreements	0.070
External Support	0.025
<b>Total Expenditure</b>	<b>0.095</b>
Income	
Accountable Body Contributions (LA7)	(0.070)
Interest Income (NEIF)	(0.025)
<b>Total Income</b>	<b>(0.095)</b>

## **8 Treasury Management**

- 8.1 In line with the CIPFA Code of Practice on Treasury Management in the Public Services, the Authority is required to approve a treasury management strategy before the start of each financial year and to monitor/report performance against the strategy (with a mid-year review). Cabinet approved the 2021/22 Treasury Management Strategy on 26 January 2021.
- 8.2 A key part of the Authority's treasury management function is to ensure that cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low risk policy, providing adequate security and liquidity before considering investment return.
- 8.3 A key element of the treasury management function is the management of the funding associated with the Authority's capital investment plans. These capital plans provide a guide to any borrowing needs of the Authority, essentially the longer-term cash flow planning to ensure that the Authority can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer term cash flow surpluses.

### **8.4 Borrowing**

- 8.4.1 During 2021/22 discussions were held with HM Treasury in relation to securing wider borrowing powers for the Combined Authority alongside a number of other Mayoral Combined Authorities who were not included in previous regulations. A report taken to 30 November 2021 Cabinet gave consent to the HM Treasury to make the necessary regulations allow NTCA to be included in the regulations which were to be laid by Central Government in January 2022. Confirmation of NTCA borrowing powers was received late March. This will mean that NTCA will have these borrowing powers in future years. A Capital Investment Strategy and a Minimum Revenue Provision Strategy which are a requirement that the Combined Authority has in accordance with the Prudential Code, will be brought to Cabinet in the near future. The debt cap for each year will be agreed with HM Treasury on an annual basis.
- 8.4.1 An authorised borrowing limit of £20.000m in advance of obtaining the borrowing powers was agreed in 2021/22 Treasury Management Strategy. Pending confirmation of the borrowing powers.

### **8.5 Investment Strategy**

- 8.5.1 The Combined Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. It should be noted that as the accountable body for the North East LEP and Invest North East England (INEE) any investment balances managed on a day-to-day basis will include balances relating to the North East LEP, INEE as well as the Combined Authority. The Treasury Management Investment Strategy reflects the investment activities of the North East LEP in addition to the Combined Authority.

### **8.6 Financial Investments**

- 8.6.1 The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. The Authority's investment strategy will consider core balances and cash flow requirements and the outlook for short-term interest rates. Where cash flow identifies cash sums that could be invested for longer periods (potentially obtaining a greater return), the value to be obtained from longer term investments will be carefully assessed.
- 8.6.2 If it is thought that the Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as

being short term or variable. Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

- 8.6.3 To date the authority has invested solely in investments defined as Specified Investments these are investments which are denominated in sterling; repayable within 12 months (either because of an expiry date or through a non-conditional option); not defined as capital expenditure by legislation; and invested with a body or in an investment scheme described as high quality or invested with one of: the UK Government; a Local Authority; or a Parish Council or Community Council The authority's financial limits against this type of investment is shown in Table 10 below:

**Table 10 NTCA Investment Financial Limits**

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

- 8.6.4 Investment income earned in 2021/22 for NTCA was £0.176m, marginally higher than the budget (£0.175m). Interest earned is lower than achieved in 2020/21 (0.373m), this is due to the low interest rates offered on investment as a result of the pandemic, at points during the year Debt Management Office interest rates ran into negative.
- 8.6.5 As accountable body for the North East LEP (LEP) NTCA is responsible for managing the cashflow of the LEP in addition to its own. As at 31 March 2022 NTCA, including LEP balances, had a portfolio of £130.000m with an average rate of 0.27% invested earning in total £0.341m net interest from investments with other local authorities for a term no greater than 1 year. The interest has been split at year end across NTCA and LEP according to balances invested, the LEP proportion of investment income is £0.140m with £0.025m contributing to funding of the Accountable Body costs, see section 7 above. The additional level of investment income has allowed investments to be placed for a longer-term (up to 1 year) attracting higher levels of interest.
- 8.6.6 Link Asset Services produces a quarterly Investment Benchmarking report that assesses both the rate of return and the risk of the counterparty to calculate a weighted average rate of return, which is used for comparison across other similar Authorities. The average rate of return earned by NTCA (0.27%) exceeds the risk adjusted expectations as defined in the benchmarking report of 0.19%.
- 8.6.7 Link Asset Services report on the reflection over 2021/22 was that investment returns remained close to zero for much of the year, with local authority lending managing to avoid negative rates and one feature of the year was the continued growth of inter local authority lending. The expectation for interest rates within the treasury management strategy for 2021/22 was that Bank Rate would remain at 0.1% until it was clear to the Bank of England that the emergency level of rates introduced at the start of the Covid-19 pandemic were no longer necessitated.

8.6.8 All investments made are in line with NTCA's Treasury Management Strategy and are considered a low risk counterparty/instrument commensurate with the Authority's low risk policy, providing adequate security and liquidity before considering investment return.

## **9 Impact on Objectives**

9.1 The North of Tyne Combined Authority Vision document sets out the strategic objectives of the Authority. The 2021/22 Outturn against which the budget is monitored, demonstrates the Authority has properly discharged its functions and assisted in delivering the Authority's vision, policies, and priorities.

## **10 Key Risks**

10.1 There are no specific risks relating to this report.

## **11 Financial and Other Resources Implications**

11.1 This report sets out in full the financial and resource implications that have arose over the past financial year 2021/22.

11.2 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.

## **13 Legal Implications**

13.1 Under the Accounts and Audit (Coronavirus) Amendment Regulations 2020 (SI 2020/404) the statutory audit deadline for all local and combined authorities was extended from 31 July to 30 November 2022, the Combined Authority is required to publish their draft accounts by 31 July 2022. 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.

13.2 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.

## **14 Equalities Implications**

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

## **15 Inclusive Economy Implications**

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

## **16 Climate Change Implications**

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

## **17 Consultation and Engagement**

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

## 18 Appendices

Appendix A: North East LEP 2021/22 Outturn and 2022/23 Budget Report

Appendix B: Invest North East England 2021/22 Outturn and 2022/23

## 19 Background Papers

26 January 2021 NTCA Cabinet Papers

27 May 2022 LEP Board Papers

## 20 Contact Officers

Janice Gillespie, Interim Chief Finance Officer, E-mail address:

[Janice.gillespie@northtyneside.gov.uk](mailto:Janice.gillespie@northtyneside.gov.uk)

Tel: 0191 6435701

## 21 Glossary

AEB	Adult Education Budget
INEE	Invest North East England
LA7	7 Tyne and Wear Local Authorities
NTCA	North of Tyne Combined Authority
North East LEP	North East Local Enterprise Partnership



**19th May 2022**

**ITEM 5: LEP budget: Financial Outturn 2021/22; Update on 2022/23  
and 2023/24 Budget Estimates**

**1. Introduction**

- 1.1 The purpose of this report is to provide an update to the Board on the final outturn revenue budget position for 2021/22, including the performance on the Enterprise Zone account, Local Growth Fund (LGF), Getting Building Fund (GBF) and the North-East Investment Fund (NEIF). A small revenue surplus of £0.088m was generated on the LEP's core revenue budget.
- 1.2 This report also provides the Board with an update on the current budget position for financial years 2022/23 and 2023/24. The budget estimates for 2022/23 and 2023/24 reflect the outcome from the recent LEP Review which announced a reduced level of LEP Core Funding from £0.500m to £0.375m and a reduction in Growth Hub Funding from £0.780m to £0.390m. It also shows reduced funding from both LGF and GBF as the programmes are tapered towards their close.

**2. LEP 2021/22 Revenue Budget Outturn**

- 2.1 The LEP core budget for 2021/22 covers core operational activity of the LEP and also management of the LGF, GBF, NEIF and Enterprise Zone (EZ) programmes. Table 1 provides; the original approved budget from May 2021, revised forecast reported to the Board in January 2022 and the actual spend for the year, with further details explaining significant variations provided below.
- 2.2 The original budget for 2021/22 presented in May 2021 comprised gross expenditure of £7.906m and gross income of £7.764m, projecting a drawdown requirement from the EZ Account of £0.142m. The update to the LEP Board in January revised the 2021/22 forecast gross expenditure to £7.956m and gross income to £8.092m, providing a forecast increase to LEP reserves of £0.136m.
- 2.3 Actual total revenue expenditure in 2021/22 amounted to £7.427m, which is £0.530m lower than the January forecast. Actual income also reduced this by £0.577m to £7.515m. Overall the LEP recorded a £0.088m surplus for the financial year.

**Table 1: North East LEP 2021/22 Outturn**

	2021/22 TOTALS			
	Original Budget 2021/22 (May 21)	Revised Budget 2021/22 (Jan 2022)	Projected Outturn	Under/ (Over) Spend
	£'000	£'000	£'000	£'000
Employees	3,700	3,353	3,335	18
Employee - Allowances	21	8	0	8
LEP Chair Remuneration	20	20	22	(2)
Premises	225	225	207	18
Communications	250	256	256	0
Other Operational Costs (Core)	670	675	447	227
Growth Hub Operational Costs	250	256	246	10
Growth Hub Cluster Management	85	0	0	0
Peer Networks	160	212	149	63
Made Smarter	217	520	516	4
LGF High Potential Operational	0	158	115	43
Life and Health Sciences	0	135	140	(5)
Energy Commissioning and Studies	85	125	91	34
Future Markets Accelerator Fund	0	0	23	(23)
Challenge North of Tyne	0	0	8	(8)
Innovation Challenge - Covid	313	313	273	41
Brexit Policy Work Programme (Strategy & Policy)	85	123	0	123
Trade and Export Strategy	46	70	70	0
NP11	0	30	60	(30)
North East Ambition Operational Costs 1	144	76	109	(34)
North East Ambition Operational Costs 2	192	0	64	(64)
Skills Operational CEC, EY, CITE, DfE	714	512	625	(113)
INEE Contribution	140	140	0	140
EZ, NEIF Costs	405	405	125	280
Future Markets Accelerator Fund	0	79	0	79
CPIF	0	0	218	(218)
LGF Project Management	51	101	151	(50)
GBF Project Management	133	165	176	(11)
<b>GROSS EXPENDITURE</b>	<b>7,906</b>	<b>7,956</b>	<b>7,427</b>	<b>530</b>
LEP Core & Strategy Grant from DCLG	(500)	(500)	(500)	0
Local Authority Match Contributions	(250)	(250)	(250)	0
<b>CORE FUNDING</b>	<b>(750)</b>	<b>(750)</b>	<b>(750)</b>	<b>0</b>
LGF Project Management	(454)	(604)	(601)	(3)
GBF Project Management	(320)	(370)	(358)	(13)
Interest Generated on Funds	(140)	(140)	(140)	0
Growth Hub	(780)	(780)	(780)	0
Growth Hub Business Support	(85)	(40)	(69)	29
Peer Networks	(410)	(375)	(314)	(61)
Made Smarter	(288)	(600)	(600)	0
LGF High Potential	(41)	(197)	(154)	(43)
ERDF + Digital Catapult	(42)	(42)	0	(42)
Academic Health Science Network (AHSN)(LGF)	(47)	(135)	(140)	4
Energy Accelerator	(143)	(143)	(85)	(58)
Energy Strategy BEIS / TVCA (Strat & Policy)	(277)	(258)	(234)	(24)
Innovation Challenge Covid	(313)	(313)	(273)	(41)
Future Markets Accelerator Fund	0	0	(34)	34
Challenge North of Tyne	0	0	(18)	18
Brexit Policy Work Programme (Strat & Policy)	(144)	(40)	(40)	0
Trade and Export Strategy	(46)	(70)	(70)	0
NP11	0	(30)	(60)	30
European Social Fund North East Ambition 1	(1,378)	(203)	(397)	194
European Social Fund North East Ambition 2	0	(845)	(614)	(231)
Enterprise Adviser grant - CEC	(617)	(397)	(509)	111
Education Challenge	(115)	(115)	(94)	(21)
EY Foundation	(86)	(85)	(108)	23
DfE	(137)	(137)	(172)	36
DFE - One Vison	(351)	(351)	(207)	(144)
Future Markets Accelerator Fund	0	(79)	0	(79)
NEIF Contribution to cover activity costs	(418)	(485)	(330)	(154)
EZ Contribution to cover activity costs	(96)	(236)	(128)	(108)
LA Contributions re ESIF Co-ordinator	(20)	(20)	(20)	0
Contribution Pension - NTCA	(168)	(154)	(146)	(8)
Other Income	(100)	(100)	(70)	(30)
<b>EXTERNAL FUNDING</b>	<b>(7,014)</b>	<b>(7,342)</b>	<b>(6,765)</b>	<b>(577)</b>
<b>GROSS INCOME</b>	<b>(7,764)</b>	<b>(8,092)</b>	<b>(7,515)</b>	<b>(577)</b>
<b>NET BUDGET</b>	<b>142</b>	<b>(136)</b>	<b>(88)</b>	<b>(48)</b>
<b>BROUGHT FORWARD BALANCE</b>	<b>(613)</b>	<b>(613)</b>	<b>(613)</b>	
<b>Use or (Contribution) LEP Reserves</b>		<b>(136)</b>	<b>(88)</b>	
<b>EZ Contribution</b>	<b>(142)</b>	<b>0</b>	<b>0</b>	
<b>CARRY FORWARD BALANCE</b>	<b>(613)</b>	<b>(749)</b>	<b>(702)</b>	

## 2.4 Expenditure

Gross Expenditure at the end of the 2021/22 financial year was £0.530m lower than the Revised Budget for the year reported to January 2022 LEP Board. The key variances making up this underspend are detailed below:

### 2.5 Employee Costs

Employee expenditure totalled £3.335m, which is £0.018m lower than the revised budget position however, it is £0.365m lower than the original budget position taken to the May 2021 LEP Board at the beginning of the financial year. This underspend reflects staff leaving the organisation and a hold on recruitment to fill vacant posts pending the outcome of the LEP Review.

### 2.6 Other Operational Costs funded from Core Budget

Other operational expenditure budgets reflect additional budget provision, funded from LEP Core Funding, provided to the individual sectors to fund key supplementary operational activity. This budget area reflects an underspend of £0.227m against a budget of £0.674m. This variance is mainly due to a cautious approach to spend on some operational activities pending the LEP Review. The sector teams have requested to carry forward any surplus budget to meet salary funding and operational activity in future years.

### 2.7 Business Growth Team Operational Costs

The Business Growth Team operational costs includes Growth Hub, Made Smarter, Peer Networks and LGF High Potential. All of these areas have specific related funding attached. Peer Networks is reflecting grant reduction of £0.063m against operational costs due directly to five cohorts being handed back to BEIS from the 26 allocated for the year, this was due to difficulty experienced in recruiting the required number of participants within the timeframe. Other operational expenditure on areas within the Business Growth Team is as anticipated within budget.

### 2.8 Energy Strategy Budgets

The Energy Team is funded from various funding streams such as, LGF, ERDF, contributions from North of Tyne and Tees Valley Combined Authorities and the Offshore Renewable Energy Catapult (OREC). Funding mainly covers salary costs with some operational costs in relation to commissioning costs and studies. A small underspend of £0.033m is reflected on operational expenditure.

### 2.9 Strategy, Policy and Analysis

The key areas of activity within the Strategy, Policy and Analysis Team are EU Exit Policy and work programme, Trade and Export and NP11. Operational activity in this area reflected an underspend in relation to the EU Exit activity.

### 2.10 Skills Team

The Skills Team covers a number of funding streams, ESF North East Ambition, Careers and Enterprise Company (CEC), EY and DfE One Vision and DfE Skills Advisory Panel. Expenditure on operational activity across the

various funding streams totalled £0.796m, reflecting an overspend against budget of £0.210m. This overspend on operational activity is fully funded from the respective grant funding streams in year, the variance to January budget is more of a reflection of a change in the balance of spending to cover more operational activity.

2.11 **Innovation Team**

The Innovation Team were successful in their bids for grant funding in relation to two key schemes Future Markets Acceleration Fund through CRF (Community Renewal Fund) and Challenge North of Tyne. In addition to this the Team delivered the Innovation Challenge Covid LGF Scheme (£0.272m).

2.12 **Invest North East England Contribution**

Previously the North East LEP has contributed £0.140m towards the Invest North East England Team funded from interest on funds invested. The level of LEP funding has declined with LGF funding ceasing in March 2021, therefore, the LEP is meeting this cost from the Enterprise Zone account.

2.13 **Investment Team**

The Investment Team manages the following four funding streams: LGF, GBF, NEIF and the Enterprise Zone account, as well as the new Commercial Property Investment Fund (CPIF). Operational activity in this area was £0.670m in total and relates to commissioning activity and external advice to support programme delivery.

2.14 **Income**

The 2021/22 outturn position reflected gross income of £7.367m reflecting a reduction in funding of ££0.725m compared to the revised budget position reported in January. The reduction in gross income reported at year end links directly to reduced expenditure on salary and operational activity. The key areas of underspend against budgeted funding relate to DfE One Vision (£0.143m) with any surplus funding carried forward for delivery in future years. NEIF and EZ funding (£0.262m) is also lower than anticipated spend on delivery.

2.15 The Business Growth Team's funding amounted to £2.057m in total including Made Smarter Fund (£0.600m), Peer Networks (£0.314m) and Growth Hub Funding (£0.780m). Growth Hub Funding has been one of the core areas of delivery for the North East LEP and is an area identified as receiving reduced 50% less funding from Government in 2022/23.

2.16 The Skills Team funding amounted to £2.101m including ESF North East Ambition (£1.011m) and CEC Funding (£0.508m). Funding of £0.967m across all Skills Sector budgets has been carried forward to fund delivery in future years. It should be noted however, payment of the first three funding claims made to the ESF Managing Authority were substantially delayed due to DWP administration pressure. Assurance was provided that the claims would be paid in full, and operations should continue on Programme. All claims are now fully paid and up to date.

2.16 As mentioned in 2.11 the Innovation Team drew in funding for delivery on the CRF Future Market Acceleration Fund (£0.358m, £0.334m in 2022/23) and Challenge North of Tyne, total funding £0.879m, £0.498m in 2022/23 and £0.363m in 2023/24. The current financial year showed the initiation of this project delivery with £0.034m income in relation to the CRF Future Market Acceleration Fund and £0.018m income in relation to Challenge North of Tyne drawn in to recover salary and overheads in the last two months of the financial year. LGF funding was also utilised to deliver on the Innovation Challenge Covid Scheme (£0.272m).

### 3. North East LEP Revenue Balances

3.1 Table 2 below shows the North East LEP revenue balance as at 31<sup>st</sup> March 2022. The reserve has increased by £0.088m over the year to £0.702m (rounded).

Table 2 – Revenue Balances

Budget Area	Opening Balance £000	Movement in 2021/22 £000	Closing Balance £000
LEP Reserve	613	88	702

### 4. North East Enterprise Zones

4.1 Round 1 Enterprise Zones (EZ) are located across four local authority areas: Newcastle, North Tyneside, Northumberland and Sunderland. Business rates growth generated on these designated sites accrues to the benefit of the North East LEP for a 25-year period with 2021/22 being the ninth year of the Round 1 EZ life.

4.2 In April 2017 these were joined by a further ten sites across, Durham, Gateshead, Newcastle, Northumberland, South Tyneside and Sunderland with the International Advanced Manufacturing Park (IAMP) site launched on the 1<sup>st</sup> April 2018 to complete the coverage. With the exception of the IAMP, it is the fourth year of the round 2 sites life. Ramparts (Northumberland), and Follingsby North (Gateshead) have generated Business Rates Growth Income during 2021/22, as the result of occupation on parts of the sites requiring no capital investment to enable occupation to occur.

4.3 The 2021/22 EZ Account Outturn figures are summarised in Table 3 below, which shows business rate income in 2021/22 of £2.953m for the year, which is higher than the previous year, but £1.208m lower than the estimate for the year. This is mainly because the rateable value of buildings on two of the EZ sites (Newcastle International Airport and the IAMP EZ sites), have not had their rateable values assessed by the Valuation Office and the rateable value of the Faltec building on the IAMP site has only just been received. The estimated business rate income due from these sites for 2020/21 and 2021/22, but now receivable in 2022/23 is £2.020m, as summarised in Table 4. When

this income is taken into account, the business rates income figure for 2021/22 would have been higher than the budget estimate of £4.161m.

- 4.4 In terms of other reductions in business rate income, - the lower income on the Swans' site is due to a backdated rateable value reduction on one building and a number of empty units in the refurbished CFI building; and a delay in the completion and occupation of the new buildings on the Holborn 1 site until 2022/23.
- 4.5 In terms of capital financing costs, the outturn figure of £2.171m includes in year interest costs paid to councils for projects in construction (£0.096m), annuity loan borrowing costs (of £1.436m) paid to councils and NECA, funding in year feasibility costs (£0.119m) and repayment of NEIF loans (£0.519m) previously used to fund capital costs on EZ sites. Capital financing costs are slightly lower than the estimate due to slippage of capital expenditure in the year resulting in lower interest payments to councils.

**Table 3: Enterprise Zone Account 2021/22 Outturn**

	2020/21 Actual	2021/22 Estimate	2021/22 Actual	Variation
<b>ROUND 1 EZ SCHEMES</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Newcastle - Neptune Yard	537	593	638.8	45.8
North Tyneside - Swans	143	217	157.9	-59.1
Northumberland - Blyth Estuary / Port of Blyth	334	326	319.1	-6.9
Sunderland A19 Corridor	628	692	830.7	138.7
<b>ROUND 2 EZ SCHEMES</b>				
Durham - Jade	51	142	185.1	43.1
Gateshead - Follingsby	255	1,289	258.6	-1,030.4
Newcastle - International Airport		137	-	-137.0
Northumberland - Ramparts (Berwick)	34	38	34.5	-3.5
South Tyneside - Holborn		60		-60.0
Sunderland/ South Tyneside IAMP	581	667	527.9	-139.1
<b>TOTAL BRGI</b>	<b>2,563</b>	<b>4,161</b>	<b>2,953</b>	<b>-1,208.4</b>
Interest	14	15	15.0	0.0
<b>Total Income</b>	<b>2,577</b>	<b>4,176</b>	<b>2,968</b>	<b>-1,208.4</b>
<b>Expenditure</b>				0.0
Capital Financing Costs	1,805	2,174	2,170.7	-3.3
Revenue Operating Costs	99	108	95.5	-12.5
Contribution to INEE Team Costs	65	157	157.0	0.0
<b>Total Costs</b>	<b>1,969</b>	<b>2,439</b>	<b>2,423.2</b>	<b>-15.8</b>
<b>Annual Surplus</b>	<b>608</b>	<b>1,737</b>	<b>544.4</b>	<b>-1,192.6</b>
<b>Use of the Surplus</b>				
- Project Development Fund	-	500	-	500.0
<b>Cumulative Pooled Surplus.</b>	<b>3,655</b>	<b>4,892</b>	<b>4,199.4</b>	<b>-692.6</b>

**Table 4 – Estimated Business Rates 2022/23**

<b>Estimated Rates due in 2022/23</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Newcastle International Airport	88	152	240
Gateshead - Follingsby		1,174	1,174
South Tyneside/Sunderland - IAMP	404	202	606
	<b>492</b>	<b>1,528</b>	<b>2,020</b>

- 4.6 Revenue operating costs were lower than the estimate for the year and the contribution to the INEE team was in line with the budget for the year.
- 4.7 The Revenue Account generated an in-year surplus of £0.544m, which increased the cumulative surplus to £4.199m.
- 4.8 The original approved budget for the year envisaged that the EZ surplus could be used to meet up to a £0.5m contribution to the LEP annual budget and could fund up to £1.5m of Development Fund projects. In January it became clear that a contribution to the LEP budget would not be required in 2021/22 and the estimate of funding for potential Development Fund costs was reduced to £0.5m. The actual Development Fund costs in 2021/22 were lower than anticipated and have been fully met in the first instance by the approved budget contribution from the NEIF. As a result, the EZ surplus has not been used in 2021/22 and will be carried over in full to 2022/23.
- 4.9 Capital expenditure and the cost of feasibility studies in 2021/22 was lower than anticipated at £4.690m. Expenditure to be funded by EZ loans slipped back into future years as the use of grant funding from the LGF and GBF were taken up first before the use of EZ funding.

**Table 5: Capital Expenditure and Feasibility Costs in 2021/22**

	Previous Forecast	2021/22 Outturn	Variation
<b>ROUND 1 EZ SCHEMES</b>	£000	£000	£m
Northumberland, Port of Blyth - Bates site	60.8	60.8	-
Port of Tyne Royal Quays Feasibility	1.6	1.6	
Northumberland - Energy Park (East Sleekburn) site	893.8	1,092.3	198.5
<b>ROUND 1 TOTAL</b>	<b>956.2</b>	<b>1,154.7</b>	<b>198.5</b>
<b>ROUND 2 EZ SCHEMES</b>			
Newcastle - International Airport - Phase 1	38.6	34.3	(4.3)
Newcastle - International Airport - Site A Master Planning	50.0	40.4	(9.6)
Northumberland - Ashwood Business Park	1,162.2	1,060.5	(101.7)
Northumberland - Fairmoor (Feasibility Study)	27.2	9.0	(18.2)
South Tyneside - Holborn Phase 1	12.4	12.4	-
South Tyneside - Holborn Phase 2 Feasibility	68.4	68.4	
South Tyneside - Holborn Phase 2 (Tyne Dock)	1,900.0	1,900.0	-
Sunderland - Port of Sunderland	697.0	410.1	(286.9)
<b>ROUND 2 TOTAL</b>	<b>3,955.9</b>	<b>3,535.1</b>	<b>(420.7)</b>
<b>TOTAL Investment</b>	<b>4,912.0</b>	<b>4,689.8</b>	<b>(222.2)</b>

## 5. Local Growth Fund

- 5.1 The LGF programme delivered over £8.100m of activity during 2021/22 across the SEP themes utilising the LGF legacy grant funding available, of which £0.601m related to project management costs.

### Getting Building Fund

- 5.2 The GBF programme fully expended the budget allocation of £23.5m with project spend exceeding £25.6m. The outturn position is considerably lower than what had been anticipated throughout the year (£30.6m), this being due to underspends across a number of projects, £0.358m related to project management costs. Returned GBF funding swaps money from 2020/21 and local funding from the NEIF/EZ account will be used to fund expenditure falling in 2022/23 and 2023/24.

### North East Investment Fund

- 5.3 The NEIF's initial £55m allocation was made up of £25m Growing Places and £30m Regional Growth Funding (RGF). The Regional Growth Funding element had originally tighter restrictions on how it was used, however, we worked with government to close the original RGF programme and release this funding to be used to support the Commercial Property Investment Fund (CPIF). The NEIF supports a number of projects through loans which are now making repayments, recycling the funding available for reinvestment in new projects and other opportunities.



- 5.4 To support projects within the programme, opportunity is available to suspend loan repayment within an agreed time frame in line with Government loan deferral schemes. This is being made available upon request and some requests for loan rescheduling were received and considered. Projects where loan rescheduling has been approved continue to make regular payments of interest and contributions to principal repayment.
- 5.5 The commitment of up to £10m approved for the NorthEast Property Development Fund in 2020/21 resulted in £7.5m being drawn against the facility in 2021/22. The additional funding for the North East Property Development Fund operated by FW Capital Ltd, supports small developers in the region to bring forward residential and commercial development with investment of up to £2m on a secured basis. To the end of March 2022, FW Capital as Fund Manager for the North East Property Fund, had been successful in bringing forward 39 investments since 2018 when the fund started with no defaults, creating 128 jobs, 163 housing units and 3,504sq m of commercial floorspace.

### **Commercial Property Investment Fund (CPIF)**

- 5.6 At the year-end some £20.3m is available from the NEIF to support new activity. This is envisaged to be used to fund Inward Investment Activity and to support the proposals for a new Commercial Property Investment Fund, which has been previously agreed by the Board. CPIF has been developed during the year with revenue spend for 2021/22 of £0.218m to enable the successful procurement of a fund manager for the CPIF, with its launch to take place shortly. It is estimated that the £35m CPIF investment which will be made over the four years (including other NEIF returned funds and cash flow) will be loaned out several times (three or more cycles are envisaged) and repaid in full at the end of the 15-year period, plus interest of c£10.3m and the potential of surplus of £6m, potentially rising to £8m if the bad debt provision is not called upon.

## **6 LEP Revenue Budget 2022/23 to 2023/24**

- 6.1 The budget position for 2022/23 was reported to the North of Tyne Combined Authority (NTCA) as the accountable body for the North East LEP on 25 January 2022, and the North East LEP Board on 28 January 2022. Since then, the Government issued their Levelling Up White Paper and subsequently the outcome of the LEP Review.
- 6.2 The key point coming out of the LEP Review was that every LEP across the country are entering a period of transition over the coming years as Government works with local areas on devolved deals. In terms of budgetary implications included within the LEP Review two key funding streams are being reduced this financial year: Growth Hub funding from £0.780m to £0.390m and LEP Core funding reduced from £0.500m to £0.375m. The 2022/23 and 2023/24 budget detailed in Table 6 takes account of the reduced funding, the proposed staffing efficiencies to be made and the related redundancy costs. This report will be reported to the North of Tyne Combined

Authority (NTCA) Cabinet on 7 June 2022, as accountable body for the North East LEP.

- 6.2 Table 6 overleaf, provides a summary of the revenue budget for the North East LEP showing financial years 2022/23 and 2023/24.

**Table 6 North East LEP Revenue Budget 2022/23, 2023/24**

	2022/23 (May 2021)	2022/23 Indicative Budget (Jan 2022)	2022/23 Base Budget	2023/24 Base Budget
	£'000	£'000	£'000	£'000
Employees	3,557	3,332	3,171	2,710
Premises	207	228	207	207
Communications	250	250	200	200
Other Operational Costs	600	619	737	600
Reduction in Operational Costs	0	0	(150)	(150)
Redundancy including Strain on the Fund	0	0	62	0
Growth Hub Operational Costs	184	244	229	229
Business Growth Operational Costs c/f	0	0	69	0
Peer Networks	160		0	0
Made Smarter	217	437	473	466
LGF High Potential Operational	0	0	40	0
Academic Health Science Network (AHSN)	0	0	48	0
North East Ambition Operational (ESF) 1	0	0	59	30
North East Ambition Operational (ESF) 2	175	135	126	90
Skills Operational CEC, EYCITE	169	320	316	0
Brexit Policy Work Programme	54	27	0	0
Trade and Export Strategy	0	6	10	0
Challenge North of Tyne	0	0	438	335
Future Markets Acceleration Fund	0	68	323	0
Inward Investment Contribution	0	0	0	0
EZ NEIF Costs	94	100	100	100
LGF Project Management	22	22	22	27
Getting Building Fund Project Management	61	90	61	25
<b>GROSS EXPENDITURE</b>	<b>5,750</b>	<b>5,878</b>	<b>6,539</b>	<b>4,870</b>
LEP Core & Strategy Grant from DCLG	(500)	(500)	(375)	(375)
Local Authority Match Contributions	(250)	(250)	(250)	(250)
<b>CORE FUNDING</b>	<b>(750)</b>	<b>(750)</b>	<b>(625)</b>	<b>(625)</b>
Local Growth Fund (Programme Mgmt)	(240)	(512)	(431)	(414)
Getting Building Fund (Programme Mgmt)	(196)	(201)	(195)	(37)
Interest Generated on Funds	(110)	(110)	(110)	(70)
Growth Hub	(700)	(780)	(390)	(390)
GH Business Support C/F	0	(154)	(69)	0
Peer Networks	(410)	0	0	0
Enterprise Adviser grant - CEC	(249)	(260)	(715)	(220)
Academic Health Science Network (AHSN)	(76)	(76)	(48)	(48)
NEIF Contribution to cover activity costs	(110)	(110)	(147)	(148)
EZ Contribution to cover activity costs	(87)	(87)	(32)	(32)
Education Challenge	0	0	(21)	0
North East Ambition 1 (ESF)	(1,145)	(167)	(169)	(110)
North East Ambition 2 March 2023		(896)	(859)	(540)
FRIC Monies	0	0	(321)	(134)
DfE	(75)	0	(79)	0
LGF High Potential	0	0	(40)	0
Brexit Policy Work Programme	(90)	(67)	(34)	0
NTCA Funding of Brexit Work Programme	0	0	(58)	0
Trade and Export - World Wide Chamber	0	(6)	(10)	0
Made Smarter	(288)	(600)	(600)	(600)
Energy Accelerator	(143)	(180)	(180)	(139)
Energy Strategy BEIS/TVCA, RCEF,OREC Misc.	(170)	(163)	(64)	(63)
DFE - One Vision	(131)	(192)	(192)	0
Challenge North of Tyne	0	0	(498)	(363)
Future Markets Acceleration Fund	0	(68)	(334)	0
Contribution Pension - NTCA	(160)	(145)	(132)	(117)
Other Income	(100)	(100)	(100)	(100)
<b>EXTERNAL FUNDING</b>	<b>(4,478)</b>	<b>(4,874)</b>	<b>(5,829)</b>	<b>(3,525)</b>
<b>GROSS INCOME</b>	<b>(5,228)</b>	<b>(5,624)</b>	<b>(6,454)</b>	<b>(4,150)</b>
<b>NET BUDGET</b>	<b>522</b>	<b>254</b>	<b>85</b>	<b>719</b>
Increase in LEP Reserve/(Contribution from Reserve)				(117)
EZ Reserve (Contribution)	(522)	(254)	(85)	(500)
LEP savings/LEP income				(102)
<b>B/F LEP RESERVE</b>	<b>(613)</b>	<b>(613)</b>	<b>(702)</b>	<b>(617)</b>
<b>C/F LEP RESERVE</b>	<b>(613)</b>	<b>(674)</b>	<b>(617)</b>	<b>(500)</b>

- 6.3 The 2022/23 LEP base budget includes a reduction of £0.437m in salary costs. The employee expenditure line also includes the Chair's salary and operational expenses. In addition, operational budgets have been reduced by £0.200m (£0.150m from core operations and £0.050m from communications operations), the budget of £0.737m includes £0.137m of carry forward from 2021/22 core operational budgets. Over the two years, if no additional income is identified the costs are estimated to exceed the available grant and core contributions income by up to £0.085m in 2022/23 and £0.719m in 2023/24. The deficit of £0.085m in 2022/23 is funded from the EZ account. In 2023/24 £0.117m from the LEP reserve reducing this to a prudent level of £0.500m £0.500m from EZ Reserve and the balance of £0.102m to be met from either future LEP funding sources or efficiencies. Funding support of £0.500m per annum from the EZ account has previously been agreed by the Board. This enables the potential risk of not securing additional income to be managed. However, this approach has been proven over the last few years, as where a deficit is shown at the beginning of the year, the LEP has to date secures additional funding to close the gap over the course of the year.
- 6.4 In November 2014, the Board agreed that Enterprise Zone Business Rates Growth Income (EZ BRGI) surplus of up to £0.500m per annum could be utilised to support the revenue budget if required. To date there has not been a requirement to use this facility and therefore in effect saving £2.500m of potential spend from the EZ account. However, due to the anticipated drop in funding and core funding potentially remaining fixed at the same level, coupled with the increased salary costs due to pay increment commitments it is anticipated that £0.085m will be required from the £0.500m EZ BRGI allocation in 2022/23 and a further £0.500m (as explained in 6.3 above) in 2023/24 to maintain a prudent LEP Reserve balance of £0.500m at 31<sup>st</sup> March 2024.
- 6.5 There are active funding bids which if successful will provide additional income and reduce the potential drawdown against the LEP reserve and EZ account, which has been the case in preceding years and has to date been a successful approach.
- 6.6 The LEP manages the uncertainty of funding by using some fixed term staffing contracts and by being able to reduce other operating costs to reflect the available funding streams; and by the availability of reserves and other funds which it can draw on to support activity, such as the use of the agreed EZ contingency contribution, which is illustrated in table 6 above. The opportunity to draw on the EZ reserve, if necessary, helps compensate for the uncertainty of other income streams. In recent years, this contingency has not been called upon as other income streams have been confirmed or new income streams have been identified.
- 6.7 Employee budgets have factored in 3% pay award increase in anticipation of the rises in inflation. National Insurance has also been amended for the additional 1.25%. A staff turnover allowance of 3% has been factored into the employee budget for all three financial years, which is considered prudent given experience in recent years.

- 6.8 The NECA pension fund enabled the LEP to benefit from a 0% employer superannuation contribution rate which provided a significant budget saving. The change in accountable body status to NTCA, has meant an employer superannuation contribution rate of 5.2% is now applicable, however, in order to maintain the saving benefit to the LEP the NTCA are providing a contribution at the same level to achieve a net budget impact (£0.132m in 2022/23, £0.117m in 2023/24).
- 6.9 Contribution to Invest North East England £0.140m funded from interest on balances has been removed with funding for this to be met from the EZ account from 2022/23.
- 6.10 The Communications’ team operational budget for 2022/23 onwards represents a continuation of the budget agreed by the Board at its meeting in March 2017 with a slight reduction of (£0.050m). Key aspects of the budget include development of the communications’ activity related to delivering the SEP plus the continuation of essential PR & Media support.
- 6.11 Despite LEP Core funding from Government reducing to £0.375m, the Local Authority Match Contribution requirement of £0.250m is assumed to continue at the same level.
- 6.12 As previously agreed by the Board, a 2.6% top-slice of the Local Growth Fund allocation is available to support the delivery of the programme, primarily LEP team staffing costs. Although the LGF programme officially ended in March 2021, by using funding SWAPs, revenue funds will be available in 2022/23 and 2023/24 to support extended activity. The drawdown of the balance of the top-slice budget is profiled to be made as follows:

<b>Table 7</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£’000</b>	<b>£’000</b>	<b>£’000</b>
LGF Programme Management	618	431	414

- 6.13 As the annual LGF grant allocation is normally paid by Government in full at the beginning of the financial year, the cash balances held are able to attract interest (£0.140m in 2021/22). An estimate for each financial year is included within the budget, based on an assumption of the timing of LGF expenditure. The level of interest generated naturally reduces in line with the reducing LGF and GBF grant receipts in future years and also depends on the rate of interest that can be earned on fund balances. We will continue to seek to maximise the level of interest earned on cash flow balances and will update the estimate when the budget is reviewed during the year. It is unlikely that the continuation of circa £0.140m of interest can be earned on revenue balances in 2022/23 onwards and therefore the income budget has been reduced to £0.110m and £0.070m in 2022/23 and 2023/24 respectively.

## **9. Recommendations**

9.1 The Board is requested to:

- i. Note the positive budget outturn position for 2021/22.
- ii. Approve the 2022/23 budget.
- iii. Note the indicative 2023/24 budget illustrations.

**Invest North East England 2021/22 Outturn and 2022/23 Budget.**

**1. Overview**

- 1.1 Invest North East England (INEE) acts as the strategic inward investment service in the North East. It works collaboratively with its seven local authority partners, two combined authorities, and other key stakeholders such as the North East LEP, Department of International Trade, and Universities to increase the levels of inward investment flowing into the region from both UK-owned and foreign-owned businesses.
- 1.2 Operationally, INEE's work has a few key guiding principles:
- INEE's primary function is to focus on attracting new inward investment to the North East (rather than seeking to secure re-investment in existing companies).
  - INEE works closely with, and on behalf of, all seven constituent authorities, its aim being to maximise levels of inward investment regardless of location in the North East (a 'North East First' principle).
  - INEE activity aims not to duplicate, but add value to activities undertaken by the constituent local authorities.
  - INEE engages in proactive lead generation activity which is sector-based, focussed on: Digital Technology; Energy; Life Sciences; Advanced Manufacturing; Financial, Professional and Business Services.
  - INEE focus of activity will be on strategic inward investment projects which require regional-level promotion, coordination, and collaboration in the first instance, before a focus on a specific site.
  - As far as possible, INEE will aim to attract investment opportunities which will lead to significant numbers of high-quality jobs (more and better Jobs)

**2. Performance**

- 2.1 After a very challenging (Covid-affected) 2020/21 with subdued levels of enquiries, 2021/22 has turned out to be the best year for a decade for the North East in terms of investment projects landed and new jobs created.
- 2.2 There have been multiple successful investment projects from foreign-owned companies as well as UK companies expanding into the region. These investments have come from a number of sectors including: offshore wind, business services, digital technology, and advanced manufacturing.
- 2.3 INEE has led many of these successful projects and currently has a very healthy project pipeline securing investments in the final quarter of 2021/22 and into 2022/23. The team is leading the development of a regional proposition in

electrification, a sector that offers a hugely significant opportunity for the region over the next few years.

### 3. 2021/22 Outturn and 2022/23 Proposed Budget

- 3.1 The 2021/22 Outturn position reflects an increase in employee expenditure relating to an additional member of the Team to meet delivery against the increased investment project activity detailed in section 2 above. This post continues on into 2022/23 on a fixed term contract basis to meet the continued activity on electrification. The increase in employee expenditure has been met from savings on other areas of the budget.
- 3.2 Historically the Invest North East England (INEE) budget has been funded from contributions from the 7 local authorities (£20,000 each); contribution from the North East LEP (£140,000) and the balance met from Enterprise Zone surplus due to the inward investment linked to Enterprise Zone sites, plus a small contribution from private sector (£10,000).
- 3.3 The North East LEP contribution (£140,000) was funded from interest achieved from investing Local Growth Fund in 2020/21, with this funding stream coming to a close at the end of 2021 this funding source is no longer available the balance of funding is now to be met from the Enterprise Zone account, this is reflected in Table 1 below. The Outturn for 2021/22 and the proposed budget for 2022/23 is set out in Table 1 below.

**Table 1 Invest North East England 2021/22 Outturn and 2022/23 Budget**

	2021/22 Original Budget	2021/22 Outturn	Variance	2022/23 Budget
Expenditure	£	£	£	£
Salaries	166,000	195,423	29,423	237,000
Staff Training	2,000	0	(2,000)	2,000
Travel and Subsistence	9,000	2,018	(6,982)	5,000
Visits and Hospitality	0	0	0	5,000
Web, Telecoms, Computers	8,000	6,173	(1,827)	8,000
Marketing/Communications	107,000	105,825	(1,175)	90,000
Membership Fees (e.g. Sector Bodies)	3,000	3,562	562	3,000
Professional Consultancy	20,000	10,650	(9,350)	20,000
Lead Generation/Events	120,000	60,537	(59,463)	75,000
Subscriptions	25,000	15,000	(10,000)	15,000
<b>Gross Expenditure</b>	<b>460,000</b>	<b>399,187</b>	<b>(60,813)</b>	<b>460,000</b>
<b>Income</b>				
Local Authority Contributions	(140,000)	(140,000)	0	(140,000)
LEP Contribution	(140,000)	0	140,000	0
EZ Contribution	(170,000)	(252,881)	(82,881)	(313,000)
KAM (DIT)	(10,000)	(6,306)	3,694	(7,000)
<b>Gross Income</b>	<b>(460,000)</b>	<b>(399,187)</b>	<b>60,813</b>	<b>(460,000)</b>
<b>Net Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>





Subject: Work Programme 2022-2023

Report of: Elizabeth Kerr, Principal Governance and Scrutiny Manager

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## Report Summary

The purpose of this report is to set out the Overview and Scrutiny Committee's provisional work programme for the 2021-22 municipal year.

## Recommendations

Overview and Scrutiny Committee is recommended to agree the provisional work programme for the year ahead as detailed below, noting that it can change throughout the year to respond to matters as they arise, and make any recommendations considered appropriate.

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

#### 1.1 Information

1.1.1 The role of the North of Tyne Combined Authority's (NTCA) Overview and Scrutiny Committee is to:

- Review or scrutinise decisions made, or other actions taken, by the Cabinet or the Mayor in connection with the discharge of any functions which are the Cabinet's or the Mayor's responsibility.
- Make reports or recommendations to the Cabinet or the Mayor (as appropriate) with respect to the discharge of their functions or on matters of strategic importance that affect the North of Tyne area or inhabitants.
- Review the performance of the Cabinet and Mayor against objectives within their strategies and policies.
- Facilitate the exchange of information about the work of the Cabinet and the Mayor and share information and outcomes from reviews.

1.1.2 The members of the Overview and Scrutiny Committee can scrutinise and challenge the Cabinet and the Mayor and consider matters of strategic importance to residents within the North of Tyne area with a view to influencing the decisions of the Cabinet and the Mayor.

1.1.3 The Committee is responsible for determining its own work programme, having taken advice from relevant officers. When considering a work programme, it will:

- Determine whether an issue is more appropriately dealt with by one of the constituent councils or by some other organisation or in some other way and will not duplicate the work of existing bodies or agencies.
- Take into account the resources available to support that programme and avoid establishing priorities for which the costs exceed the likely benefits.
- Avoid initiating enquiries at a time, or in a manner which disrupts the effective and efficient operation of the Authority, or unnecessarily delays the conduct of its business.

1.1.4 Taking the above into account, the Committee is invited to consider and agree the proposed work programme for the year ahead.

## **1.2 Formulating the proposed work programme**

1.2.1 A workshop was held with the committee members on 14 June 2022. In formulating the proposed work programme, reference was made to the principles set out in the statutory guidance on Overview and Scrutiny in Local and Combined Authorities, the NTCA's Constitution and senior officers within the NTCA.

1.2.2 This proposed work programme is a reflection of what the committee would like to do in the year ahead at this moment in time. It is acknowledged that a subject or matter, currently unthought of, might require the committee's attention during the year and will be added to the work programme. The committee will be mindful of its ability to, and the process for, calling extraordinary meetings and adding urgent items of business to meeting agendas.

## **1.3 Provisional work programme**

1.3.1 Attached at appendix 1 is a proposed agenda for each of the meetings scheduled for the year. As stated above, agreeing these proposals now does not prevent items being moved to a more suitable meeting or additional items being added as the need arises during the year; it provides a framework for the work of the committee for the year ahead.

1.3.2 Further devolution, whilst not specifically mentioned in the proposed work programme, is a matter over which the committee will keep a watching brief. Where a proposal or new development requires the committee's attention, an item will be added to the work programme.

1.3.3 The Overview and Scrutiny Committee has an important role in the budget setting process and is required by the Budget and Policy Framework to receive initial proposals and revised proposals from the Mayor and Cabinet. The timetable for the budget setting process will be presented to the committee in October with initial budget proposals at the 6 December 2022 meeting. A Budget Workshop is proposed in January and a report setting out the committee's recommendations will be submitted to the January Cabinet meeting.

## **2. Equalities Statement**

2.1 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.

## **3. Inclusive Economy Statement**

3.1 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 will look to see that any policy/event/decision has taken these fully into account.

## **4. Climate Change Statement**

4.1 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 will look to see that any policy/event/decision has taken climate change fully into account.

## **5. Consultation and Engagement**

- 5.1 The newly appointed committee discussed the work programme at their workshop on 14 June 2022 and the Chief Executive, Director and senior management team at NTCA are aware of the proposed work programme.

## **6. Appendices**

Appendix 1 – Provisional Work Programme for NTCA’s Overview and Scrutiny Committee for 2022-23.

## **7. Background Papers**

[North of Tyne Combined Authority Constitution](#)

[Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities](#)

## **8. Contact Officers**

Elizabeth Kerr, Principal Governance and Scrutiny Manager

email: [elizabeth.kerr@northoftyne-ca.gov.uk](mailto:elizabeth.kerr@northoftyne-ca.gov.uk)

## **9. Glossary**

NTCA North of Tyne Combined Authority

## Overview and Scrutiny Committee Proposed work programme 2022-23

### 11 October

1. Mayoral Update – Mayor Jamie Driscoll
2. Investment Fund Update
3. North East LEP update
4. Q1 Budget Monitoring
5. 2023-24 Budget and Budget setting process

### 6 December

1. Update from Cabinet Member for Education and Skills – Councillor Karen Kilgour
2. Child Poverty Update
3. Work of the Poverty Truth Commission
4. Culture and Creative Update
5. Medium Term Financial Plan/Budget Proposals for 2022-23 through to 2025-26.
6. Q2 Budget Monitoring

### 14 March

1. Update from Cabinet Member for Housing, Land and Development - Mayor Norma Redfearn
2. Q3 Budget Monitoring
3. Scrutiny Annual Report
4. Urgent decisions and decisions not subject to call-in for year

### Budget Workshop – 17 January 2023

A Budget Workshop will be held in January 2023 and a report setting out the committee's recommendations will be submitted to the January Cabinet meeting. The workshop is scheduled for Tuesday 17 January 2023, precise start time to be confirmed nearer the time when more information about the budget is known. This workshop will also be used as an opportunity to do a review of the work programme.

\*extraordinary meetings can be called at any time for discussion on any further devolution proposals if required.