

## Cabinet

Wednesday, 22 September 2021 at 2.00 pm

Meeting to be held in a Committee Room, Civic Centre, Newcastle upon Tyne, NE1 8QH.

This meeting will be streamed live on YouTube at <https://youtu.be/kuBtjyxuN-M>

Due to health and safety reasons, attendance by the public at this meeting may be limited and allocated prior to the meeting. Please contact Victoria Miller by emailing [victoria.miller@northoftyne-ca.gov.uk](mailto:victoria.miller@northoftyne-ca.gov.uk) no later than 17 September 2021 if you wish to attend.

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## AGENDA

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Page No

1. **Apologies for Absence**

2. **Declarations of Interest**

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

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

3. **Minutes of the Previous Meeting**

1 - 10

4. **Mayors Announcements: Comprehensive Spending Review Submission**
5. **Any other announcements from the Mayor and/or the Managing Director**
6. **Education Improvement work programme** **11 - 24**
7. **Community Engagement: A Future Approach** **25 - 32**
8. **Low Carbon and Green Jobs: An Update** **33 - 40**
9. **Funding for SMEs, social enterprises and for improving innovation** **41 - 48**
10. **Investment Fund Update and Funding Approvals**
11. **2022-2026 NTCA Financial Planning and Budget Process** **49 - 54**
12. **Date and Time of the Next Meeting**

Members are requested to note the intention to circulate the above report on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985

Tuesday, 30 November 2021 at 2pm at Newcastle Civic Centre.

Contact Officer: Victoria Miller  
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## **Cabinet**

27 July 2021

(2.00 - 3.18 pm)

Meeting held: Committee Room, Civic Centre, Newcastle upon Tyne, NE1 8QH.  
The meeting was also streamed live via YouTube.

## **Minutes**

### **Present:**

Chair: Mayor J Driscoll

Councillors N Forbes, C Johnson, K Kilgour and R Wearmouth, Mayor N Redfearn and Ms L Winskell

### **16 APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor G Sanderson.

### **17 DECLARATIONS OF INTEREST**

Councillor R Wearmouth declared an interest in all relevant agenda items on the agenda due to being a Director of Advance Northumberland. Councillor Wearmouth stayed at the meeting and took part in the decision-making on all agenda items.

### **18 MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 8 June 2021 were approved as a correct record and signed by the Chair.

### **19 ANNOUNCEMENTS FROM THE MAYOR AND/OR THE HEAD OF PAID (IF ANY)**

The Mayor welcomed everyone to the meeting and introductions were made.

The Mayor, on behalf of the Cabinet, welcomed the good news regarding the Blyth Power Station site development and the jobs this would bring to the region.

## **NORTH OF TYNE CITIZENS' ASSEMBLY REPORT AND UPDATE ON PROGRESS IN DELIVERING THE NORTH OF TYNE ENERGY, GREEN GROWTH AND CLIMATE CHANGE BLUEPRINT**

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

The Cabinet considered the report which presented the conclusions and recommendations of the North of Tyne Citizens' Assembly (Citizens' Assembly) regarding climate change and proposed next steps, including for building on NTCA's existing programme of activities. The report also set out how the region was responding to the shared challenge of climate change already.

The report was introduced by the Mayor. He highlighted the outcomes of the Citizens' Assembly and spoke about the relevant work that was already being progressed by the combined authority, the magnitude of the climate change agenda and the importance of collective and individual responsibility. He emphasised NTCA's focus on partnership working.

The Cabinet welcomed the report. This is a summary of the comments and references made during the discussion:

- Thanks were offered to all who had been involved in the Citizens' Assembly.
- The important recommendations of the Citizens' Assembly would need to be carefully considered and cross-referenced with the work that was currently being undertaken in the North of Tyne area to align and maximise efforts.
- As the evidence regarding climate change was becoming clearer and clearer, the importance of continuing to take action to tackle climate change.
- Actions on climate change should be free of politics.
- The many projects that were already progressing in the region to improve the environment and tackle climate change; and the achievements of the individual constituent local authorities.
- The importance of seeing climate change not just as a threat but also a great opportunity for job creation for the region; and the importance of seizing the opportunity as a matter of priority and making the NTCA area a world-class place for green technology and innovation across all spectrums of daily life.
- The need for support and resources from government, including match-funding and further devolved powers, specifically regarding skills; and the importance of being able to demonstrate how the combined authority's work could add value.
- The need for private investment; and the need for instruments to incorporate that investment and manage risks.

- The importance of understanding that green economy was for *now* and for the future. And within that context, the need for further devolution and investment for getting ready for the employment opportunities in green economy. And, equally, the need to achieve employment opportunities sooner for the existing appropriately skilled workforce.
- The advantages of the public and private sectors working in partnership to progress the work on tackling climate change and developing green economy urgently.
- The North East Local Enterprise Partnership (North East LEP) welcomed progress; emphasised the urgency and the importance of working in partnership; and reconfirmed its commitment to being a key partner in this work.

Thanks were offered to the North East LEP for their work.

- The importance of collective and individual responsibility and everyone being involved in actions to tackle climate change. And the importance of appreciating the strength of the threat of climate change and taking all actions possible to tackle this global problem.
- NTCA's "Zero Carbon, Zero Poverty" ambition and its programme of work, which was building on the significant work by the constituent local authorities, the North East LEP and wider partners.
- The need to take urgent action.

**RESOLVED** – That the Cabinet:

- i. Thanked all those who participated in the Citizens Assembly including the Oversight Panel and Expert Commentators.
- ii. Received the Citizen's Assembly Report and endorsed their collective statement which set out the need for urgent action.
- iii. Endorsed collaboration between NTCA and the three constituent Local Authorities to jointly respond to the recommendations of the Citizens Assembly, and jointly develop project proposals where the recommendations of the Citizens' Assembly provided clear opportunities to add value, scale up, or enhance the work currently underway through the NTCA Energy, Green Growth and Climate Change Blueprint and Local Authority Climate Emergency plans.
- iv. Agreed to receive a report in autumn that would provide further detail on how NTCA intended to work with the three constituent Local Authorities and wider regional stakeholders to respond to the recommendations of the Citizens' Assembly.

## 21 CO-PRODUCTION AT NTCA SCRUTINY REPORT

Submitted: A report of the Overview and Scrutiny Committee (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report of the Overview and Scrutiny Committee on its work to examine the issue of co-production and produce a report with recommendations. The report was introduced by Councillor C Seymour, the Chair of the Overview and Scrutiny Committee.

Councillor Seymour offered thanks to the five members who had served on the working group, namely Councillors L Wright (Vice-Chair of the committee), G Roughead (previously the Chair of the committee), S Graham, G Stewart, and the late Councillor A Lower, for their work and recommendations; and the officers E Kerr, R Redfearn, L Mills, A Doherty and R Bearne for their work and support.

The review of co-production had resulted in the following recommendations to Cabinet:

That Cabinet should request the Director of Policy and Performance to:

- Create and deliver a programme of information sharing and awareness raising on the different approaches to engaging with residents, partners and colleagues on the ladder of participation and co-production for the whole NTCA officer team;
- Utilising the “Ladder of Engagement”, develop guidance for officers to use when beginning work on a project or plan which would allow them to positively identify the most appropriate participation approach for the topic; and
- Develop a co-production network to identify appropriate groups of people to enable the involvement of harder to reach groups in the work of the NTCA and its constituent authorities.

The Cabinet welcomed the report. This is a summary of the comments and references made during the discussion:

- The importance of listening to and engaging with residents, seeing them as partners and allies;
- Whilst the concept of co-production was not new and engagement was an essential part of political work, there were now new challenges in existence and, therefore, the need to do things differently. New approaches, where residents were defined as collaborators and participants, were welcome;
- The combined authority’s focus on doing things “with residents” and “not to residents”;
- The benefits of co-production, including getting things right the first time and therefore in a more cost-effective way, building strong relationships,

gathering knowledge and building on the existing insights, ideas and work, despite the additional costs, efforts and challenges that could be involved in co-production;

- The benefits of inbuilding co-production into the early stages of work programmes.
- The way the funding was released from the government needed to change to encourage co-production. A member urged the Cabinet to continue to campaign for a single pot of money for the region.

The Mayor, on behalf of Cabinet, thanked Councillor C Seymour and the working group for their work and the report.

**RESOLVED** – That the Cabinet noted the report of the Overview and Scrutiny Committee on Co-Production at NTCA and accepted its recommendations.

## 22 **NORTH BANK OF THE TYNE GROWTH CORRIDOR**

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

The Cabinet considered the report which set out proposals regarding the protection of the valuable River Tyne asset and unlocking its future potential for economic growth. The proposals entailed building on the findings of the North Bank of the Tyne Economic Corridor Study, which was progressing well and nearing completion.

The report proposed the establishment of a targeted Task Force, which would provide joined-up leadership and strengthen cross-sector collaboration, supported by a technical capacity fund to enable rapid business case development of projects and the creation of a credible pipeline of proposals. The report was introduced by Councillor R Wearmouth.

The Cabinet welcomed the report. This is a summary of the comments and references made during the discussion:

- Engagement with the private sector, attracting private investment, working in partnership and cross-sector collaboration were pivotal for the success of NTCA's ambitions regarding the economic growth and jobs creation; and this was inbuilt into NTCA's activities.
- In addition to the opportunities presented by local markets, consideration should be given to exploring the potentials of international markets, particularly regarding new technologies and innovation. The North East was the centre of excellence and this should be promoted. It was in the region's interest to work closely with international businesses to unlock further opportunities.
- The importance of private investment and NTCA's facilitatory role, particularly regarding skills and supply chain.

- It was the region’s responsibility to support and facilitate innovation and the development of the green sector, helping ambitious companies within the sector to grow and create jobs.
- The importance that the opportunities within the green agenda should reach communities that had been suffering from the long-term unemployment. Work should continue to engage with these communities, supporting residents with getting new skills, thereby stimulating inner pride and dignity, and returning people into employment.
- The great significance of the proposals for the region; and the importance of effective publicity.

**RESOLVED** – That the Cabinet:

- i. Noted the report;
- ii. Commented on future collaborative arrangements as set out in paragraph 1.3 of the report; and delegated approval to the Head of Paid Service to work with other stakeholders to bring forward detailed proposals;
- iii. Agreed an allocation of up to £500k from the North of Tyne Investment fund to establish a Technical Capacity Fund, subject to the development of a business case; and
- iv. Authorised the Head of Paid Service, in consultation with the Investment Panel, the Mayor and the Portfolio Holders, to consider and approve the business case for the Technical Capacity Fund, and to then make subsequent funding awards.

23

**NORTH OF TYNE DIGITAL: 5G AND FUTURE CONNECTIVITY**

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

The Cabinet considered the report which set out proposals for investment to unlock an allocation from the Investment Fund to create a “5G and Future Connectivity” programme that would build on the NTCA existing investment. The report explained the advantages of the proposals.

The report was introduced by Councillor R Wearmouth. He explained the benefits of the proposals for the NTCA area and urged providers to get in touch with the combined authority.

Comments were made about the benefits of digital progress, including for the development of green economy, and the importance of the NTCA area being ready for the infrastructure that underpinned innovation. Good connectivity and digital infrastructure were pivotal for unlocking opportunities for economic growth.

Thanks were offered to the NTCA officers for their work.



**RESOLVED** – That the Cabinet:

- i. Noted the report and endorsed the priorities as set out.
- ii. Endorsed a headline allocation of £7m to support the delivery of the priorities set out in the report.
- iii. Authorised the Head of Paid Service to take next steps in designing the programme, including undertaking market engagement activity, inviting forward proposals and allocating funding in consultation with Investment Panel, Portfolio Holder and the Mayor.
- iv. Authorised the Head of Paid Service to finalise the conditions to be attached to subsequent funding awards; and authorised the Interim Monitoring Officer to complete the necessary documentation.

24 **INVESTMENT FUND UPDATE**

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

The Cabinet considered the report which provided an update on progress with the North of Tyne Investment Fund, including new projects to support economic recovery through investment into key sectors, place-recovery, people and communities. The report was introduced by Councillor C Johnson.

The Cabinet welcomed the report and the progress made. This is a summary of the comments and references made during the discussion:

- The success of NTCA's Inward Investment Fund, specifically regarding the creation jobs well ahead of the targets of the Devolution Deal.
- The commendable number, quality and value of the jobs created over the last two years through programmes and projects that were supported by NTCA.
- The importance of supporting the creation of a successful local economy.
- The importance of recovery and evolution of high streets.

**RESOLVED** – That the Cabinet:

- i. Noted the progress to date on the Investment Fund, achievement of key milestones and ongoing development work, particularly in respect of defrayed expenditure and achievements in terms of tangible jobs for residents as a direct result of NTCA's investment.
- ii. Approved funding of £5.14m to the four digital ecosystem projects: Digital Business Pipeline, Digital Cluster Development, Digital Inward Investment and Talent Engine – with the project details set out in section 1.3 of the report.

- iii. Approved funding of up to £200,000 for ongoing promotion, co-ordination and delivery support to maximise the value of NTCA's Digital Programme, with authority delegated to the Head of Paid Service for implementation, in consultation with the Portfolio Holder.
- iv. Authorised the Head of Paid Service, in consultation with the Mayor, Portfolio Holder and Investment Panel, to approve funding up to a maximum of £1million to support 'Town and High Street' recovery innovation projects being developed by Newcastle, North Tyneside and Northumberland Councils, subject to satisfactory completion of the project development and appraisal process. Whilst also supporting the development of a 'Future Towns and High Streets programme', to explore common issues and solutions, and to promote the case to Government for further funding.
- v. Approved £199,990 of business case development funding to New Writing North, to enable them to develop proposals for a Centre for Writing and Publishing.
- vi. Agreed an allocation of £1.3m from the NTCA Investment Fund to strengthen the inward investment pipeline, delegating authority to the Head of Paid Service, in consultation with the Mayor, Portfolio Holder and Investment Panel, to consider and approve a proposal for funding.
- vii. Authorised the Head of Paid Service to finalise the conditions to be attached to the above funding awards and authorised the Interim Monitoring Officer to complete the necessary documentation.

## 25 **INCLUSIVE ECONOMY INNOVATION FUND AND BOARD UPDATE**

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

The Cabinet considered the report which provided an update on progress with NTCA's Inclusive Economy Innovation Fund and Inclusive Economy Board.

The report was introduced by Councillor K Kilgour. Amongst key matters, which included achievements and challenges, Councillor Kilgour also spoke about the combined authority growing a national reputation for its work on economic inclusion and the importance of working in partnerships. She urged all potential stakeholders to contact NTCA for collaboration opportunities.

Speaking about the efforts to ensure a more equal, fair and harmonious society, Councillor Kilgour, on behalf of Cabinet, condemned the outbreak of racism during recent sports events and emphasised the importance of action, in partnership.

She invited all potential stakeholders and co-investors, including businesses, charitable trusts and social investors, to join NTCA on projects and interventions.

The Cabinet welcomed and commended the report. The ensuing discussion included the NTCA inclusive approach regarding residents' needs; the value of co-

design and co-production; the importance of protecting people of all backgrounds from racism and other discrimination; and achieving a richer society.

New members were welcomed to the Inclusive Economy Board.

**RESOLVED** – That the Cabinet:

- i. Noted and commended the progress on the work of NTCA’s Inclusive Economy Innovation Fund and Inclusive Economy Board.
- ii. Approved the new nominated members of the Inclusive Economy Board as set out in paragraph 1.7 of the report.
- iii. Delegated authority to the Head of Paid Service, in consultation with the Inclusive Economy Board Chair and Vice-Chair (Education, Inclusion and Skills Portfolio Holder) to agree in-year replacements to the membership of the Inclusive Economy Board.

## 26 **2021/22 QUARTER 1 NTCA BUDGET MONITOR REPORT**

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

The Cabinet considered the monitoring report setting out the financial position for the first quarter of the financial year 2021/22. The report brought together the forecast financial position for both the Corporate, Investment Fund, Brownfield Housing Fund and Adult Education Budget and provided an indication of the potential position of the Combined Authority at 31 March 2022. The report also set out the potential position on the reserves at the year end.

The report was introduced by J Gillespie, the Chief Finance Officer. She confirmed that, whilst there were no issues to report, the financial position would continue to be subject to close monitoring and regular reporting.

The Mayor, on behalf of Cabinet, welcomed the continuing good financial position, with the combined authority’s costs remaining under the budget despite overachieving its targets; and thanked all members and officers for their work.

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

## 27 **NORTH EAST LOCAL ENTERPRISE PARTNERSHIP - FUNDING DECISIONS UPDATE**

Submitted: A report of the Chief Executive of the North East Local Enterprise Partnership (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report which provided an update on the work and decisions of the North East Local Enterprise Partnership (North East LEP), since 26 January 2021. The report provided summary information about the Local Growth

Fund (LGF), Getting Building Fund (GBF), Enterprise Zone (EZ), and North East Investment Fund (NEIF) programmes.

The report was introduced jointly by the Mayor and J Gillespie, the Chief Finance Officer. The Mayor explained the NTCA role as the accountable body for the North East LEP.

Thanks were offered to the North East LEP for their work as the key partner of the combined authority and specifically for their contribution and work regarding addressing skills gap and promoting inclusive growth.

**RESOLVED** – That the Cabinet noted the report which provided information on the work and decisions of the North East Local Enterprise Partnership (North East LEP) since the North of Tyne Combined Authority Cabinet meeting held on the 26 January 2021.

28 **DATE AND TIME OF THE NEXT MEETING**

22 September 2021 at 2pm.

29 **EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** – That by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, press and public be excluded from the remainder of the meeting for the duration of the consideration of agenda item 15 (North East Local Enterprise Partnership - Funding Decisions Update - Appendix A: Copy of the North East LEP Board, Investment update paper - 27 May 2021) because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.

30 **NORTH EAST LOCAL ENTERPRISE PARTNERSHIP - FUNDING DECISIONS UPDATE - APPENDIX A: COPY OF THE NORTH EAST LEP BOARD, INVESTMENT UPDATE PAPER - 27 MAY 2021**

Submitted: A report of the Chief Executive of the North East Local Enterprise Partnership (previously circulated and copy attached to Official Minutes).

Noted.



**Subject:** Education Improvement work programme  
**Report of:** Director of Policy and Performance  
**Portfolio:** Education, Inclusion and Skills

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### Report Summary

This paper sets out an innovative Education Improvement pilot which builds upon the co-designed priorities of our Joint School Improvement Strategy. The pilot addresses regional gaps exacerbated by the pandemic that see North of Tyne pupils underperforming compared to their peers elsewhere in the country, with particular focus on pupils from the most disadvantaged backgrounds.

We want to address the devastating impact the pandemic has had on learning, particularly on our most vulnerable pupils. We will work with experts to develop a local education recovery programme which will complement the national offer and ensure our pupils receive the support they need.

There are no great schools without great teachers and great leaders. We aim to support these teachers and leaders with a range of activity including an evidence-informed approach to mental health in schools and a local leadership development offer which will complement incoming national programmes.

We want more North of Tyne children to be ready for school when they enter the education system, and recognise a need to address performance at transition points. We will work with experts to prepare more children for a successful start and help more schools to engage in early literacy interventions. We will support successful transition into the secondary phase by developing innovative solutions with our existing expert practitioners.

Reviewing local and global best practice, we will pilot interventions to address the significant literacy gap between our pupils from the most disadvantaged backgrounds and their peers, building and sharing knowledge across the system.

We will support pathways to careers for all pupils, by helping schools work with local employers to develop curricula, complementing the work we have started with our apprenticeships hub.

This pilot will directly benefit the current cohort of pupils most affected by the pandemic. It is acknowledged that the level of investment proposed here cannot meet the scale of need, therefore Government support for our Education Challenge remains essential. We must not stand still as we await this support. This pilot will ready our education system for the wider Challenge and commits to help those pupils most in need.

### Recommendations

Cabinet is recommended to:

1. Approve funding of £967,800 for a pilot NTCA Education Improvement programme, with authority delegated to the Managing Director for implementation, in consultation with the Cabinet Member for Education, Inclusion and Skills.
2. Delegate authority to Managing Director and Chief Finance Officer to sign off amendments to the programme if required once delivery has commenced.

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

- 1.2 The North of Tyne devolution deal set out our bold ambition to address academic underperformance by developing a Joint School Improvement Strategy and establishing a North of Tyne Education Challenge.
- 1.3 We have requested that Government support an ambitious North of Tyne Education Challenge as part of Budget, Comprehensive Spending Review and COVID-19 Recovery Package submissions. In line with our Devolution Deal commitments, NTCA Cabinet approved a Joint School Improvement Strategy in July 2020, built upon an engagement campaign that captured the views of school leaders, trade unions and education experts.
- 1.4 Initial progress towards the Joint School Improvement Strategy has been good, despite school disruption due to COVID-19. We have facilitated the sharing of best practice across our constituent authorities, established a productive Blended Learning Group, supported pupils with access to learning technologies, launched and adapted a large-scale STEM and Digital engagement programme, and helped early career teachers by supporting a flagship DfE programme.
- 1.5 We remain clear that Government support for our Education Challenge is essential. We propose an allocation from the NTCA Recovery Innovation Fund to progress our education improvement work, supporting education for the current cohort of pupils, and preparing our local education system for the Education Challenge when funding arrives.
- 1.6 To this end, we have developed a shared work programme with input from the Department for Education and our constituent Local Authorities that bring together NTCA and DfE education improvement priorities.
- 1.7 **What we are trying to improve**
- 1.8 This work programme has recovery at its heart. Children in England have missed more normal, face-to-face education than anywhere in Europe during the pandemic – over 115 learning days. Evidence tells us that pupils from disadvantaged backgrounds have been disproportionately affected. We know, for example, that over 4,500 families in the North of Tyne could not access online learning during school closures and therefore struggled to engage with learning resources during this time.
- 1.9 Not enough children enter the North of Tyne education system ready for school, with literacy being a key concern. This contributes to a long-term negative impact on academic outcomes, particularly for those from disadvantaged backgrounds. Progress between Key Stage 2 and Key Stage 4 is a significant problem for our pupils, with outcomes at Key Stage 4 consistently below the national average – worse still for our most disadvantaged pupils.
- 1.10 The quality of teaching is the most significant factor when it comes to influencing pupil performance in schools. Not enough of our early career teachers receive the high-quality support they need to build the foundation for a successful career. Regional insight tells us that leadership development programmes in our area could also benefit from further development.
- 1.11 **An Education Improvement work programme**
- 1.12 Working up a collaborative approach to school improvement based upon shared priorities from NTCA's Joint School Improvement Strategy and priorities from the DfE, we have identified five key themes:
- COVID-19 recovery
  - Improving transition into and between schools
  - Supporting schools in challenging contexts
  - Recruitment and development
  - Career pathways

- 1.13 A comprehensive overview of each theme, why it is our focus and our planned approach is presented in Appendix 1. How our original Joint School Improvement Strategy priorities sit within these themes are also presented in Appendix 1.
- 1.14 The activity in this programme is proposed to run from Autumn 2021 until summer 2023, when impact will be evaluated, and next steps recommended.
- 1.15 **Monitoring and evaluation**
- 1.16 This pilot programme has been co-developed by the NTCA Education Strategy Group, comprising of Newcastle City Council's Assistant Director: Education and Skills, Northumberland County Council's Director of Education and Skills, and North Tyneside Council's Assistant Director for Education, and with input from the Regional Schools Commissioner - North at the DfE. Wider local authority teams have also fed into the programme. Schools, union, and education stakeholder engagement has continued over the development of the programme and the incoming Teaching School Hub has been consulted.
- 1.17 Project performance will be monitored at monthly intervals via the Education strategy Group, who will share updates with the Inclusive Economy Board. The Blended Learning, Education Recovery, Career curriculum, Early help and transition, Mental health and Closing the literacy gap working groups will provide regular performance updates to the Education Strategy Group.
- 1.18 A formal evaluation for the Education Improvement pilot will begin in March 2022. The specification for this evaluation will follow the NTCA Monitoring and Evaluation Framework. Findings will be published in good time ahead of project completion and presented to Inclusive Economy Board to make recommendations to the NTCA Cabinet in terms of next steps for potential work in this space, taking into account the status of Government support for our Education Challenge.

## **2 Potential Impact on Objectives**

- 2.1 This pilot programme speaks to the very principles of the Education, Inclusion and Skills portfolio, representing an investment in the education of our 98,000 school-aged residents. We committed in our corporate plan to delivering targeted, bespoke interventions to help young people into work – this programme outlines a specific approach to prepare our young people for successful careers.
- 2.2 In July 2020, the North of Tyne Cabinet supported a Joint School Improvement Strategy, which acknowledged that a funding ask would be required to enable the ambitious outcomes identified, alongside the Education Challenge. This programme is built on that strategy and addresses each of the agreed priorities.

## **3 Key Risks**

- 3.1 School engagement is essential to the success of this programme, which may be more challenging than usual given increased pressures due to COVID-19 disruption. Mitigation here is the co-designed nature of work thus far, and the focus on school engagement throughout delivery. Local authority relationships with schools and school networks will further support engagement.
- 3.2 Alignment with emerging national policy. This is mitigated by maintaining close working relationships with the Regional School Commissioner's team to continue to understand national priorities and ensure the shared work programme enhances the national offer. Ongoing engagement with the new Teaching School Hub and national education influencers and stakeholders will also be key.
- 3.3 COVID-19 remains a risk. School closures, staffing shortages, changes to expected operation of schools may all impact upon elements of the pilot. School and LA stakeholder engagement is key to managing this risk. If schools close at scale, programme delivery will adapt (using the Blended Learning group for support). Precedent has been established for successfully adapting school-based interventions to COVID-19 disruption through project change requests in the NTCA STEM and Digital programme.

## 4 Financial and Other Resources Implications

4.1 An indicative budget for the five themes of the pilot is outlined below. Funding is proposed to come from the NTCA Recovery Innovation Fund.

	Year 1	Year 2	Total
<b>COVID-19 recovery</b>	£90,750	£50,750	£141,500
<b>Recruitment and development</b>	£110,000	£95,500	£205,500
<b>Improving transition into and between schools</b>	£70,000	£79,500	£149,500
<b>Supporting schools in challenging contexts</b>	£15,000	£45,000	£60,000
<b>Careers pathways</b>	£36,750	£36,750	£73,500
<b>Resourcing and Managing the Programme</b>	£123,000	£150,000	£273,000
<b>Engagement</b>	£7,000	£7,800	£14,800
<b>Initial reviews and programme evaluation</b>	£40,000	£10,000	£50,000
<b>Total</b>	£492,500	£475,300	£967,800

4.2 The DfE are, through various national strategies, investing an estimated £7.5m to support schools across the North of Tyne over the next two years. In addition, they have committed £1.4bn to education recovery nationally, which North of Tyne schools expect to benefit from. Our Education Improvement pilot programme has been developed with input from the Regional School Commissioner's office and Local Authority education teams to compliment DfE interventions and avoid duplication of existing or anticipated provision from a national or regional perspective. Our pilot will by design build upon existing investment, sharing best practice, and supporting our schools to make best use of this vital national resource.

4.3 The programme will fund activity through a mix of grant funding agreements and contracts (awarded in some cases directly and in some cases by competition).

4.4 Ahead of completion of the pilot, a full evaluation and recommendations for next steps will be presented to Cabinet, taking into account the status of Government support for our Education Challenge.

4.5 It is recommended that authority be delegated to the Managing Director for implementation of the pilot, in consultation with the Cabinet Member for Education, Inclusion and Skills. It is proposed that NTCA's existing Strategic Lead for Education support the delivery of the programme. Resource for a fixed-term programme manager and officer support is also included in the proposal.

## 5 Legal Implications

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

## 6 Equalities Implications

6.1 This pilot will have positive impacts for groups experiencing protected characteristics, under the terms of the Equality Act 2010. Eligibility for the pupil premium is a characteristic of socio-economic disadvantage and can correlate with single parent status, for example. The elements of the programme addressing the Joint School Improvement Strategy priority of 'Closing the Gap' will specifically deliver the aims of the 2010 Equality Act: to advance equality of opportunity for all, especially for residents experiencing socio-economic disadvantage.



## **7 Inclusive Economy Implications**

- 7.1 An Education Improvement pilot programme speaks directly to NTCA's Employability and Inclusion priority. This work will develop interventions early, supporting long-term local economic resilience by strengthening our education system to improve outcomes for or pupils. This will ultimately lead to our young people moving into the good jobs our wider Education, Skills and Inclusion portfolio will provide.
- 7.2 Education Improvement will support the development of a future inclusive economy, addressing critical barriers early to reduce achievement gaps and support more of our young people to thrive in our school system and be better prepared for a successful life beyond it.
- 7.3 The Careers Pathways priority supports the Combined Authority's aspirations around 'good jobs' by building strong employer links with curriculum leaders in schools and colleges. This will support pupils to make connections between their learning and future employment, while assisting them to develop the skills employers in our region are looking for.
- 7.4 Much of the Education Improvement activity is focused on reducing existing inequity, targeting pupils from the most disadvantaged backgrounds. This is intended to improve the education experience for pupils eligible for Free School Meals, reducing the achievement gap for our most disadvantaged pupils, and improving the overall attainment rate compared to the rest of the country.

## **8 Climate Change Implications**

- 8.1 There are no direct climate change implications for this report.

## **9 Consultation and Engagement**

- 9.1 NTCA has worked with over 250 education professionals including school leaders, teachers, governors, teacher educators, trade unions, local and national system leaders to co-develop and test the priorities on which this work programme has been built.
- 9.2 This work programme has been directly co-developed with Newcastle City Council's Assistant Director: Education and Skills, Northumberland County Council's Director of Education and Skills, North Tyneside Council's Assistant Director for Education, with input from the Regional Schools Commissioner - North at the DfE. Wider local authority teams have fed into the programme via their Director of Education. Schools, union and education stakeholder engagement has continued over the development of the programme and the incoming Teaching School Hub has been consulted.

## **10 Appendices**

Appendix 1 - Collaborating for education improvement North of Tyne – a shared work programme

## **11 Background Papers**

North of Tyne Combined Authority Joint School Improvement Strategy

## **12 Contact Officers**

Ruth Redfern, Director of Policy and Performance, [ruth.redfern@northoftyne-ca.gov.uk](mailto:ruth.redfern@northoftyne-ca.gov.uk)  
Adrian Dougherty, Strategic Lead Education Challenge, [adrian.dougherty@northoftyne-ca.gov.uk](mailto:adrian.dougherty@northoftyne-ca.gov.uk)

## **13 Glossary**

DfE – Department of Education  
LA – Local Authority  
STEM – science, technology, engineering and maths

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### Collaborating for Education Improvement North of Tyne – pilot programme

This paper sets out a collaborative pilot supporting school improvement based upon the shared priorities of the Department for Education (DfE) and the North of Tyne Combined Authority's (NTCA) Joint School Improvement Strategy (JSIS). Five key themes have been identified as: *improving transition; supporting schools in challenging contexts; recruitment and development; careers pathways; and COVID-19 recovery*. The activity in this pilot is proposed to run until summer 2023, where impact will be reviewed, and next steps considered.

#### COVID-19 recovery

##### Why this is our shared focus

Children in England have missed more normal, face-to-face education than anywhere in Europe during the pandemic – on average 115 out of 190 learning days<sup>1</sup>. This disruption has had significant impact on their academic achievement, is likely to take an average of £40k from their lifetime earnings<sup>2</sup> and is set to have a long tail of mental health repercussions. Evidence tells us that pupils from disadvantaged backgrounds are disproportionately affected<sup>3</sup>.

NTCA LAs estimate that during the first lockdown that over 4,500 families were without access to learning devices or connectivity.<sup>4</sup>

Research suggests that quality teaching, tutoring and extended learning opportunities are key elements to education recovery, facilitated by a timely, local response.

##### What we are doing

The National Tutoring Programme (NTP) addresses learning loss by providing additional support to schools to help disadvantaged pupils whose education has been most affected by school closures. While there are exemplars of best practice in the North of Tyne area, uptake data indicates fewer schools here are taking advantage of this opportunity than elsewhere in the country.

DfE Digital Devices Scheme / NTCA Digital Inclusion Project. The DfE and NTCA have worked closely with our constituent Local Authorities to significantly reduce the number of pupils without access to devices or connectivity to support online learning. So far thousands of families have been supported in this joint endeavour, though there is still further to go.

The NTCA Blended Learning group currently supports practitioners across North of Tyne by researching, sharing, and supporting best practice – from both a practical and pedagogical stance.

Existing extended learning opportunities are strong in our region, all three constituent local authorities offering a range of activities. NTCA's flagship STEM & Digital project was redeveloped during the pandemic to ensure that extended learning opportunities

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<sup>1</sup> [Lost learning: Up to 95% of teaching days missed during Covid crisis](#)

<sup>2</sup> [The crisis in lost learning calls for a massive national policy response](#)

<sup>3</sup> [Childhood in the time of Covid](#)

<sup>4</sup> [NTCA Digital Inclusion Pilot Scheme](#)

were made available to hundreds of our children throughout school closures. Delivery continues with increased reach now pupils have returned.

### **What we will focus on**

Adapting national advice to our context, we seek to:

1. Support the professional development of our teachers
2. Work together across our constituent authorities to utilise local tutoring strengths through the National Tutoring Programme
3. Address deficits for specific cohorts through an education recovery programme of academic and non-academic learning opportunities.

Work with the existing NTCA Blended learning Group (including EEF, Newcastle Research School and our constituent LAs) to develop a research project. This will deliver evidence of best practice and guidance reports to support all NTCA schools.

Connect DfE Digital Education Platforms support programme and similar department initiatives with the NTCA Blended Learning group to secure most impact for our schools and reduce the points of contact a school must access to seek help with blended learning.

## **Recruitment and development**

### **Why this is our shared focus**

There are no great schools without great teachers<sup>5</sup>.

Regional insight tells us that our existing leadership development programmes have proven strengths but could benefit from further development. We see a need to incorporate elements of training to address the current challenges of school leadership (including how to lead through a crisis).

Nationally, we know that the wider context in which Headteachers operate can create pressure that leads to excessive workload that distracts teachers from teaching<sup>6</sup>. Not enough early career teachers receive the high-quality support they need to build the foundation for a successful career<sup>7</sup>.

### **What we are doing**

The DfE shared their Teacher Recruitment and Retention Strategy in January 2019. Since then, they have committed to delivering a two-year package of structured training and support for new teachers at the start of their career, underpinned by a new Early Career Framework. In September 2020 NTCA supported an early roll out across our schools, establishing good partnerships with all ECF providers, cascading key information to North of Tyne schools.

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<sup>5</sup> [What makes great teaching?](#)

<sup>6</sup> [Headteachers operate can create pressure that leads to excessive workload that distracts teachers from teaching](#)

<sup>7</sup> [Early Career Framework \(publishing.service.gov.uk\)](#)

In September 2020, a programme of support for Maths teachers and leaders was launched in the North East – the Great North Maths Hub, from lead school Churchill Community College in North Tyneside.

In April 2021, King Edward VI School was awarded Teaching School Hub status, serving the North of Tyne area as a centre of excellence for teacher and leadership training and development. The Hub will launch in September 2021.

### **What we will focus on**

Work with the incoming Teaching School Hub to work together to support professional development of teachers and leaders across the North of Tyne area. This will include helping the hub to engage with schools to ensure full uptake of professional development opportunities and engagement with the Early Career Framework.

Working to provide a local offer to support existing school improvement teams and serving school leaders through accreditation and ongoing professional development.

Develop an evidence-informed approach to mental-health in line with a focus on staff retention and development.

Develop a leadership in education programme to support school leaders who do not intend to pursue an executive headship. Initial work has begun on the design of this programme through the North Tyneside System Leaders group.

## **Improving transition into and between schools**

### **Why this is our shared focus**

Not enough of our children enter the North of Tyne education system ready for school, with early reading highlighted as one of our biggest areas of concern. This contributes to a long-term negative impact on academic outcomes, particularly for those from disadvantaged backgrounds.

Progress between Key Stage 2 and Key Stage 4 has historically been and continues to be a significant problem for North of Tyne schools. At the end of Key Stage 4, 4000 of our pupils do not achieve a 'strong' 9-5 pass in English and Maths GCSEs.<sup>8</sup>

### **What we are doing**

Opportunity North East have funded four projects that are helping to support young people to continue to achieve well from Key Stage 2 to Key Stage 3 by focusing on areas including; improving the cross-phase curriculum, developing a more consistent teaching approach and supporting more vulnerable children.

Our constituent LA education teams have identified best practice from a '1001 days' project focusing on extra support for families and young children most in need, and an EYFS 'Passport' to capture key milestones in preparation for a child's transition into school and a strong reading recovery programme.

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<sup>8</sup> (Local Authority data provided for Joint School Improvement Strategy)

All three NTCA local authorities continue to share best practice on transition between schools, and there are many exemplars of which we are proud.

### **What we will focus on**

An expert-led review of best practice in early help provision, to cover health visitors, health teams and early years support teams. We want to focus on intervention that works, amplifying good practice that already sits in the region.

Following the review, support the pilot extension of an early help approach, amplifying existing best practice.

As we wait for the findings of ONE's key stage 2 to key stage 3 transition research projects, we intend to showcase emerging best practice from the pilots with all North of Tyne Schools, in collaboration with the Teaching School Hub, the Maths Hub and Newcastle Research School.

Extend an existing early literacy model to enable greater reach.

An innovative test and learn programme amplifying good practice in transition between primary/secondary and middle/high schools that already sits in the North of Tyne.

## **Supporting schools in challenging contexts**

### **Why this is our shared focus**

Outcomes at key stage 4 and key stage 5 in the North East are consistently below the England average.<sup>9</sup> The region has the lowest percentage of secondary schools with an Ofsted judgement of 'good' and 'outstanding' in the country<sup>10</sup>.

The achievement gap is one of the biggest challenges in our education system. At Key Stage 4, North of Tyne Schools have a significantly larger achievement gap than the national average.<sup>11</sup>

In the secondary phase, pupils receiving the Pupil Premium for deprivation are more likely to receive a Fixed Term Exclusion than their peers. Similarly, pupils from the 20% and 40% most deprived areas are significantly more likely to receive a Fixed Term Exclusion than pupils from other less deprived areas<sup>12</sup>.

### **What we are doing**

In 2019, the DfE launched the ONE Vision schools programme, a three-year offer of targeted improvement support, identifying 7 North of Tyne schools committed to taking an active role in this transformational project.

Since establishing the Joint School Improvement Strategy, NTCA education teams have started to share best practice for 'closing the gap' intervention strategies.

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<sup>9</sup> [Record A Level Results as North East Schools Celebrate student's achievements](#)

<sup>10</sup> [Local authority interactive tool \(LAIT\)](#)

<sup>11</sup> (Local Authority data provided for Joint School Improvement Strategy)

<sup>12</sup> [The English Indices of Deprivation 2019](#)

North of Tyne Local Authorities are currently reviewing the effectiveness of Alternative Provision in their respective areas.

### **What we will focus on**

A review of the current literacy intervention for pupils from a disadvantaged background across NTCA, with subsequent recommendations to support spending decisions.

NTCA 'closing the literacy gap' group. A facilitated practitioner working group to digest and disseminate emerging international research to their schools, focusing on supporting our most disadvantaged pupils.

Disadvantaged pupil's literacy intervention based on findings of research group and review of existing provision.

Sharing emerging best practice for schools on a journey to 'Good' from the ONE Vision schools' programme.

Build upon current in-house Alternative Provision reviews at each LA with a combined authority AP evaluation.

## **Careers pathways**

### **Why this is our shared focus**

The North East is the region with the lowest percentage of young people in a sustained education, employment or training destination after key stage 4 and key stage 5, with too many young people North of Tyne contributing to this statistic<sup>13</sup>.

In addition, North of Tyne faces a significant employability skills gap<sup>14</sup>, which we know needs to be addressed before our young people leave school<sup>15</sup>.

### **What we are doing**

ONE and NTCA have established strong partnerships with key regional stakeholders including the Local Enterprise Partnership (LEP) to ensure better pathways to a good career.

Each ONE Vision school has access to a 2-year enhanced offer of personalised advice and guidance for up to 30 young people in to help them to make the best of their strengths, interests and aspirations.

Working with the Newcastle United Foundation, a bold NU Futures Programme combines engagement, careers and skills activities delivered from a network of outreach centres at locations across the North of Tyne area.

The NTCA STEM & Digital Programme, launched in September 2019 across NTCA schools consists of four projects led by Kielder Observatory, Woodhorn Museum, Northumbria University and Digital Catapult and aims to inspire career aspirations in these subject areas.

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<sup>13</sup> (Local Authority data provided for Joint School Improvement Strategy)

<sup>14</sup> [New-AEB-Skills-Plan-2021](#)

<sup>15</sup> [Careers Education in England's schools and colleges 2020 | The Careers and Enterprise Company](#)

## What we will focus on

Establish a North of Tyne careers curriculum steering group, bringing together representatives from schools, academies, businesses, the LEP and other career support stakeholders, building on emerging best practice from existing business and school partnership programmes currently underway in each LA.

Support schools to coordinate relationships between curriculum leads and local businesses.

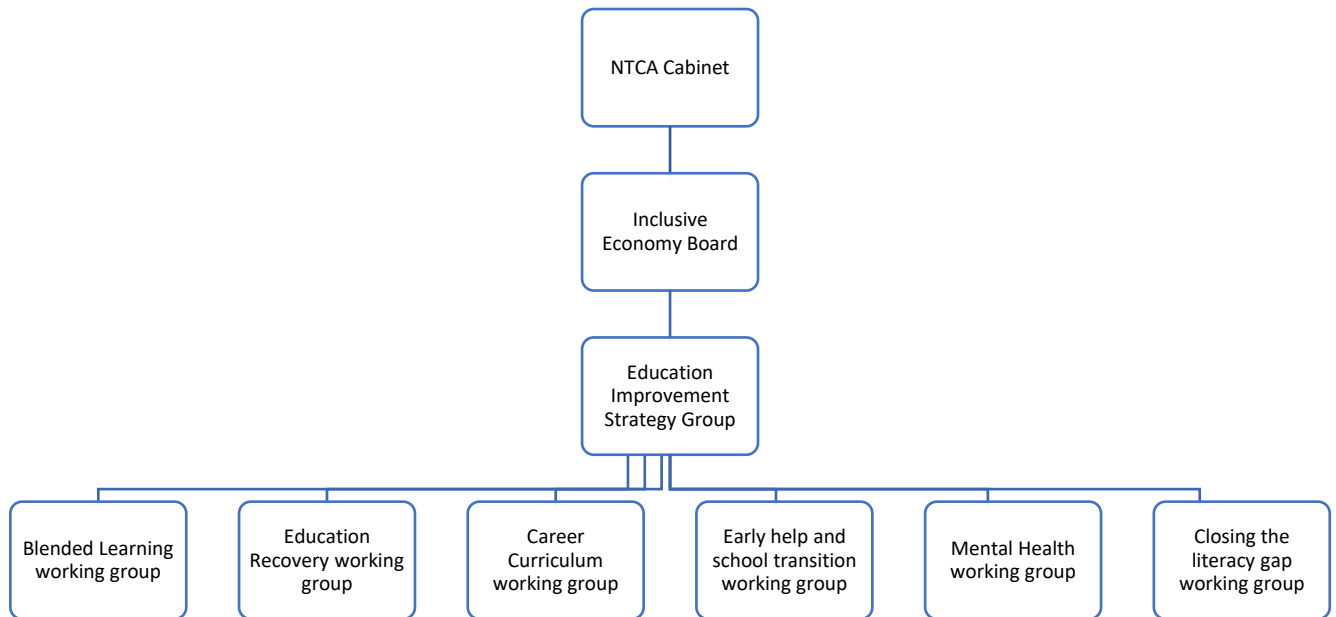
Support schools to engage with the NTCA Apprenticeships hub to provide localised apprenticeship content to young people making early career choices.

## Maximising impact: How existing education priorities have been mapped to each theme

Delivery Theme	Existing education improvement priority
COVID-19 recovery	
Supporting schools in challenging contexts	<ul style="list-style-type: none"> <li>• <a href="#">Opportunity North East (ONE)</a> Challenge 2: To unlock the potential of key secondary schools in the North East</li> <li>• NTCA Joint School Improvement Strategy Priority: Educational achievement for all</li> <li>• NTCA JSIS Priority: Closing the gap</li> </ul>
Recruitment and development	<ul style="list-style-type: none"> <li>• ONE Challenge 3: Some schools struggle to recruit, retain and develop great teachers</li> <li>• NTCA JSIS Priority: Leadership, recruitment, and retention</li> <li>• <a href="#">DfE Teacher Recruitment and Retention Strategy</a></li> </ul>
Careers pathways	<ul style="list-style-type: none"> <li>• ONE Challenge 4: Too few young people find a pathway to a good career</li> <li>• NTCA JSIS Priority: Careers pathways</li> <li>• ONE Challenge 5: Too few young people progress to higher education, particularly to the top tier universities.</li> </ul>
Improving transition into and between schools	<ul style="list-style-type: none"> <li>• ONE Challenge 1: Too few children continue to make good progress from primary to secondary</li> <li>• NTCA JSIS Priority: Ready for school</li> <li>• NTCA JSIS Priority: Educational achievement for all</li> </ul>



## Governance structure



### Working group members:

- LA Representatives x 3
- Multi Academy Trust / Diocesan representative
- Subject expert
- School / college representatives

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**Subject: Community Engagement: A Future Approach**

**Report of: Leigh Mills, Head of Inclusive Growth**

**Portfolio: Social Economy and Communities**

### Report Summary

The purpose of this report is to provide Cabinet with an update on the North of Tyne's main community engagement platforms, including the successful community-led North of Tyne Crowdfunder and outline plans for future activity.

NTCA is committed to putting co-production and co-design with our residents and communities at the heart of our work. The report outlines how NTCA has used a range of different digital platforms to start this process, helping us connect with 97,123 neighbourhood members via the social networking platform Next Door and supporting 15 community-led projects worth nearly £130,000 through the crowdfunding platform Spacehive.

The report outlines projects supported to date from beekeeping on the Meadow Well Estate in North Tyneside, to a respite caravan for family carers in Northumberland. It requests a further £375,000 for future phases of local community-led economic development activity via crowdfunding in support of sustainable, inclusive economic growth.

### Recommendations

The Cabinet is recommended to authorise the Managing Director, in consultation with the Mayor as Cabinet Member for Social Economy and Communities, to finalise and implement all steps in taking forward a further phase of community engagement work, including securing and agreeing appropriate funding from NTCA's Investment Fund of no more than £375,000.

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

- 1.1 In July 2020 Cabinet authorised £125,000 investment from the Inclusive Economy Innovation Fund to support NTCA's first phase of community engagement activities. Three projects together formed the basis of our engagement and co-production strategy, with a deliberate focus on residents and communities which might be missed from traditional approaches. These were Next Door, a specialist social networking platform for neighbours and neighbourhoods; Commonplace, a consultation and engagement tool used by over 250 local authority developers; and Spacehive, a crowdfunding platform for community-led projects.
- 1.2 This proto-type programme allowed NTCA to begin to test different, complementary on-line engagement platforms to raise our profile and engage with our residents better. Following an initial 12 months of activity we have mobilised both Next Door and Spacehive with strong early success. We have engaged with over 97,000 members on Next Door and supported 15 community-led projects worth nearly £130,000 through Spacehive.
- 1.3 In Autumn 2021 NTCA will begin exploring the use of Commonplace as a co-production tool for NTCA projects. We will also begin exploring the role of sharing-economy platforms and activities alongside these tools. Sharing economy initiatives aim to address underused assets – whether physical (car clubs) or services (co-working spaces) – for local wealth retention and sustainable, inclusive economic growth. NTCA is keen to explore our role in supporting more of these initiatives to flourish in the North of Tyne.

## **Telling Our Story: The Role of Next Door**

- 1.4 Next Door has allowed us to reach 97,123 members. This is 14% of 589,145 households in the North of Tyne, representing 420 neighbourhoods. Based on levels of clicks, comments and shares we know from Next Door that news about opportunities for young people, such as our Apprenticeship Hub, are of real interest and relevance. Users of Next Door are also interested in health and wellbeing and self-employment: posts about lower business grant thresholds and our call for evidence on wellbeing also performed highly.
- 1.5 Next Door allows us to share general information, and, based on responses, understand residents' local and neighbourhood-level interest in what we are doing. Next Door works together with NTCA's main digital engagement platforms, Twitter, Facebook and Linked-In to help us reach a total audience of 967,000.

## **Communities in the Lead: Spacehive**

- 1.6 Spacehive is an on-line crowdfunding platform. In Autumn 2020 NTCA ran our first Crowdfund North of Tyne programme, offering small grants for community-led economic resilience interventions. Crowdfunding works by encouraging projects to raise a proportion of their funding via direct donations from people, groups and businesses. NTCA matches these investments with additional 'pledges' for good projects which meet our aims of a more inclusive economy.
- 1.7 In its first year Crowdfund North of Tyne has exceeded expectations. Through two rounds of crowdfunding 26 projects have been launched: NTCA has offered 15 projects £53,562 of grant support, matching £76,323 of funding raised by local communities. Community donations have ranged from £2 to £1,260 from 359 individuals and groups. At 60% this level of match funding is comparable to many of our large investments.
- 1.8 Going live during the pandemic the project has also met an increased demand for community-led activities. In Round 1 we helped fund a project which brought bees to the Meadow Well Estate in North Tyneside, enabling volunteers from across the community to learn about local ecology and encourage social cohesion. We also pledged to one of the first projects nationally to tackle long-Covid. The Altered Eating Altered Meeting project helps people to share their experiences of long-Covid and sources of professional support. By May 2021 the project had already engaged 300 members and had created one new job.
- 1.9 In Round 2 our support will help expand the Beach Access North East beach wheelchair scheme to make sure more of our residents get to experience our shared coastline. We have also supported the Tyne Rivers Trust to work with three schools across the area to maintain the connection to nature lots of people have experienced during the Lockdowns, through a salmon life cycle project. These campaigns are live at the time of this report. Examples of project impact reports and social media stories can be found in Appendix A.
- 1.10 Our three constituent authorities have been central to the success of the project. Officers have been actively involved in our decision-making panels for pledges, providing local expertise and insights. They have been joined by independent funding advisers from voluntary sector support organisations across the three authority areas, enabling comprehensive and collaborative recommendations to be made. We are grateful for all of this support and collaboration. In addition, Newcastle City Council have matched our original investment with £12,500 of additional funding for Newcastle projects on the Spacehive Platform.
- 1.11 In July 2021 we launched our new third round of funding, our Mayor's Fund with an initial contribution of £50,000. Spacehive has had particular success working with Mayoral Combined Authorities on funds of this type. In accordance with the Cabinet priority of Social Economy and Communities this new round has been designed with a specific Zero Carbon, Zero Poverty remit.

## Next Steps

- 1.12 Based on the success of this initial phase of activity Cabinet is invited to consider a recommendation for a new three-year programme of community engagement activity.
- 1.13 This would enable NTCA to extend the project beyond its initial 18-month timeframe and:
- Run from January 2022 to December 2025
  - Continue using the Next Door platform for NTCA engagement activity
  - Continue the North of Tyne Crowdfunding programme via an appropriate equivalent platform (see Section 4: Financial and Other Resource Implications) to:
    - Support 150 additional community projects
    - Use £375,000 of NTCA Investment Fund resources to:
      - Funding platform fees (£135,000 in total for three years)
      - Deliver £240,000 in direct grants to community-led organisations generating a forecast match of £580,000 from community donors
    - Unlock a further £150,000 of in-principle match-funding as part of the Mayor’s Fund
  - Applying learning from the trial of the Commonplace platform to improve the co-design of forthcoming NTCA projects
  - Explore NTCA’s response to the opportunities presented by the sharing economy

## 2. Potential Impact on Objectives

- 2.1 NTCA’s Vision is of a “a dynamic and more inclusive economy, one that brings together people and opportunities to create vibrant communities and a high quality of life”.<sup>1</sup> We are committed to ensuring everyone has a stake in our region’s future – by narrowing inequalities and supporting projects and programmes which treat social and economic interventions as two sides of the same coin.
- 2.2 Our Inclusive Economy Policy Statement, *Working Together for You*, reinforces this by committing NTCA to taking a people-focused approach to sustainable growth which makes the most of our community assets.<sup>2</sup> Our recently published Equalities Objectives 2021-25 support these ambitions with clearly defined targets to measure our progress around co-design and co-production. They commit NTCA to making sure 15% of all our products and projects are co-designed or co-produced by June 2023.<sup>3</sup>

## 3. Key Risks

- 3.1 The following key risks have been identified in relation to the proposals:

Area	Risk	Mitigation
Scope of work	Proposed activities fall outside of NTCA’s powers and accountabilities.	The initial phase of funding for community engagement activity has enabled NTCA to test the two of the three platforms outlined for relevance and utility in NTCA engagement and co-production work. Advice from Directors and Senior Officers has been provided in the development of this proposal.
Duplicating existing work	The proposals duplicate or risk	In its proto-type phase all the platforms have demonstrated added value to the existing tools

<sup>1</sup> Jobs, Skills and a Post-Covid Economy – NTCA Corporate Plan 2021-2022, June 2021, p4

<sup>2</sup> Working Together for You: A More Inclusive North of Tyne, June 2021

<sup>3</sup> Equalities and Diversity Cabinet Report: APPENDIX C - NTCA Equality Objectives 2021 – 2025, June 2021

	displacing existing work.	in use by our local authorities and other partners. This proposal builds on learning from existing good practice e.g. Newcastle City Council's own local crowdfunding programme with Spacehive.
<b>Lack of interest and engagement</b>	Residents do not engage with the platforms or content, or do not bring forward crowdfunding projects.	The performance of both Crowdfund North of Tyne and Next Door has exceeded initial expectations in terms of reach, engagement and project's which have been co-designed and co-produced.

#### 4. Financial and Other Resources Implications

- 4.1 An indicative budget for a further three years of activity is outlined below. This would support funding the Spacehive license fee for three more years and maintaining the current grant scheme with a modest uplift in available grant to meet projected demand for community projects.

	Year 1	Year 2	Year 3	Total
<b>Spacehive Platform License Fee</b>	£45,000	£45,000	£45,000	£135,000
<b>2 x Crowdfunding Rounds per annum</b>	£80,000	£80,000	£80,000	£240,000
<i>In-principle Match</i>				
<b>Mayor's Fund Contribution</b>	£50,000	£50,000	£50,000	£150,000
<b>Total</b>	£175,000	£175,000	£175,000	£525,000

- 4.2 It is anticipated that funding will come from NTCA's Inclusive Economy Innovation Fund.

#### Assumptions

- 4.3 **Maintain an appropriate crowdfunding platform for delivery:** There are three mainstream solutions in the crowdfunding space: The current platform is the only one specialising in community-led projects with an assurance process sufficiently in line with NTCA's framework. An open procurement exercise will take place in Year 1 of the new programme to secure a suitable delivery platform and ensure effective value for money for project delivery.
- 4.4 **NTCA's Investment is static over time:** As the profile of the project grows it is expected that the more individuals and groups will want to create projects and support them. Therefore, whilst growth in activity on the platform is expected over the project period, NTCA's contribution will in effect taper as a proportion of the overall programme.
- 4.5 **Return on Investment:** Based on activity in Rounds 1 and 2 we expect the requested investment to unlock a further £2.42 for every £1 invested by NTCA and deliver support to at least 150 additional residents or voluntary groups funded via the project. NTCA investment of £240,000 in direct grant-funding is estimated to generate c. £580,000 in additional community-led fundraising activity on this basis.
- 4.6 In 2021 Crowdfund North of Tyne was projected to secure £100,000 in match funding from the National Lottery Community Fund. This was not achieved as the Lottery re-focussed on direct COVID-19 response funding as a result of the pandemic. The project was able to secure a total of £62,500 match funding through contributions from Newcastle City Council (£12,500) and £50,000 initial commitment to the Mayor's Fund. A further £150,000 is already allocated in-principle to future phases of delivery for the Mayor's Fund and officers will continue to explore other avenues of co-investment as the project progresses.

## **5. Legal Implications**

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

## **6. Equalities Implications**

6.1 NTCA's commitment to equalities is clear and consistent. Building on our recognition of socio-economic disadvantage as a protected characteristic within in our Public Sector Equalities Duty, and our recently published Equalities Objectives, NTCA seeks to actively narrow inequality. This proposal will support our ambition by providing innovative ways for NTCA to hear the views and voices of residents and enable projects to come forward which specifically respond to the needs of all our communities in the North of Tyne, including those often under-served or seldom heard.

6.2 In the proto-type phase Crowdfund North of Tyne projects have included a respite caravan for kinship carers and a beach-enabled wheelchair. Both of these projects also demonstrate the growth of 'sharing economy' initiatives in the North of Tyne, which have equalities and inclusive economy benefits.

## **7. Inclusive Economy Implications**

7.1 This initiative positively addresses the following characteristics of the inclusive economy:

- Participation – By putting our commitment to co-design and co-production into practice, through funding community-led projects and providing tools which improve our engagement with all residents, and specifically people whose voices are rarely heard in decision-making. Providing equality of opportunity for rural and urban residents in the North of Tyne.
- Equity – By implementing new tools and methods for groups' experiencing protected characteristics and socio-economic disadvantage to share their views and lead their own projects.
- Sustainability – Using NTCA seed investment to lever greater levels of individual and organisational investment in community-led local economic development.

## **8. Climate Change Implications**

8.1 Building on the success of the Citizen's Assembly for Climate Change, this proposal will support our wider work towards a Zero Poverty, Zero Carbon recovery. It will support platforms and initiatives which help us understand people's views about issues like climate change. It will also generate specific projects which respond to these priorities. In the first two rounds of Crowdfund North of Tyne eight projects, nearly one third of the total, have been green initiatives including urban 'pocket parks' and Northumberland woodlands.

## **9. Consultation and Engagement**

9.1 Officers from our three constitution authorities have been actively involved throughout the proto-type phase of this programme, providing advice from their own experience of Spacehive and community-funding initiatives and recommendations on project 'pledges'. Local VCSE partners have also been actively involved in the recommendations panel. The Community Foundation Tyne and Wear and Northumberland provided initial advice at the inception of the project. The Cabinet member for Social Economy and Communities has been consulted throughout.

## **10. Appendices**

Appendix A: Spacehive: Example Impact Reports and Supporting Content

## **11. Background Papers**

None.

## 12. Contact Officers

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07855 100179 [leigh.mills@northoftyne-ca.gov.uk](mailto:leigh.mills@northoftyne-ca.gov.uk)

## 13. Glossary

NTCA            North of Tyne Combined Authority

VCSE            Voluntary, Community and Social Enterprise



## Appendix A

### Spacehive: Example Impact Reports and Supporting Content

Pure Buzzin You Tube Channel:

<https://www.youtube.com/channel/UCd9TkxtGwr5Ucwj7ZZHPaFA>

Pure Buzzin  
44 subscribers

HOME VIDEOS PLAYLISTS CHANNELS DISCUSSION ABOUT

Uploads ▶ PLAY ALL

Assembling supers and frames | community...  
17 views · 1 month ago

Hiving bees | Spacehive | Honey bees | Apiculture  
45 views · 1 month ago

Running in a swarm | Apiculture Up North |...  
24 views · 2 months ago

Swarm collected | honeybee swarm | Apiculture Up Nort...  
79 views · 2 months ago

Honeybee colony survived a fire | live colony cut out | U...  
73 views · 3 months ago

Shorts

Checking on the bees extracted from the fire damaged building | A three year old beekeeper!  
Pure Buzzin · 14 views · 3 months ago

Two days after removing a honeybee colony from a fire damaged building, I check on the colony with my

### Example Impact Report - Get Online, Get Active with US:

94 ONLINE FITNESS SESSIONS FOR YOUNG PEOPLE PROVIDED

6 INSPIRING, AMAZING COACHES ENGAGED

1 ONLINE EVENT BOOKING SYSTEM DEVELOPED

FREE online fitness and yoga classes for U25s

GET ONLINE, GET ACTIVE  
WEEKLY TIMETABLE: 15TH FEBRUARY TO 21ST MARCH 2021

MON	TUE	TUE	WED
<b>YOGA WITH EMMA</b> YINYANG YOGA SESSION 12:00 pm - 1:00 pm Class Requirements: Age 18-25	<b>YOGA WITH GRACE</b> VINYASA FLOW YOGA 10:30 am - 11:30 am Class Requirements: Age 18-25	<b>BOXERCISE WITH GEMMA</b> 10:30 am - 11:30 am Class Requirements: Age 18-25	<b>BODY WEIGHT STRENGTH WITH ANGUS</b> 10:00 pm - 11:00 pm Class Requirements: Age 18-25
THU	FRI	SAT	ALL CLASSES FREE
<b>BOXERCISE WITH GEMMA</b> 10:30 am - 11:30 am Class Requirements: Age 18-25	<b>YOGA WITH LUCY</b> VINYASA FLOW YOGA 10:30 am - 11:30 am Class Requirements: Age 18-25	<b>YOGA WITH HOSSIN</b> 10:30 am - 11:30 am Class Requirements: Age 18-25	Classes available for 15-16, 18-19 and 20-25

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**Subject: Low Carbon and Green Jobs: An Update**  
**Report of: Chief Economist**  
**Portfolio: Clean Energy and Connectivity**  
**Jobs, Innovation and Growth**  
**Social Economy and Communities**

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### Report Summary

This report provides an update on the substantial investment and collaboration being undertaken by the North of Tyne Combined Authority (NTCA) to reduce carbon emissions and create green jobs.

In July, Cabinet received a report from the Citizens' Assembly, which considered "*What should we do in the region to address climate change and its causes fairly, effectively and quickly?*" The majority of recommendations related to the themes of housing, transport and energy; however, the Assembly also made wider recommendations, including to support awareness raising and novel forms of finance for carbon reductions.

In this report, we provide an update on progress on the NTCA's work around:

- Raising awareness of low carbon opportunities and supporting low-carbon decision making – including a young persons' climate change pilot and sponsoring 'Bring it on', a school competition with a Net Zero North East theme.
- Community energy schemes – where a recent report has proposed milestones and actions necessary to bring schemes forward in the next few years.
- Green New Deal Fund – our £18m flagship programme which is due to launch around the end of October to help finance carbon reduction projects and create good green jobs.
- Housing retrofit – where recent work has highlighted the scale of the challenge, with up to 140,000 homes needing investment.

The Citizens' Assembly also highlighted the importance of seizing the economic opportunities associated with the transition to net zero, themes explored further in the recent NTCA and Newcastle University Green Economy Summit. The Combined Authority will be issuing 'calls for projects' to promote Green Skills (£2m) and Offshore Wind Innovation (up to £1.3m) around the time of the Cabinet meeting. In addition, Cabinet is asked to approve an additional allocation of £4m to our flagship Offshore Wind Infrastructure and Innovation programme, reflecting the high quality of projects currently in the pipeline.

### Recommendations

The Cabinet is recommended to

1. Note the contents of this report and that the Combined Authority will be imminently issuing calls to promote Green Skills and Offshore Wind Innovation.
2. Agree a further allocation of £4m from the NTCA Investment Fund to increase opportunities for further jobs and investment in offshore wind, delegating authority to the Managing Director, in consultation with the Mayor, Cabinet Member and Investment Panel, to consider and approve proposals for funding.
3. Authorise the Managing Director to finalise the conditions to be attached to subsequent funding awards and authorise the Interim Monitoring Officer to complete the necessary documentation.

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

### Introduction

- 1.1 The Combined Authority is bringing forward a programme of investment, collaboration and change in clean energy, green growth and action to address the climate emergency which:
- unlocks the potential for accelerated growth in our clean energy sector – building on already world class assets in offshore wind, subsea technology and the associated supply chain as part of a North East-wide sector strategy;
  - creates the conditions for radical innovation across our industries and public services – supporting collaborative, market-led interventions that create new jobs and demonstrates bold ambition around carbon reduction;
  - grows our capacity as a region to build the skills base to support new jobs and transition to cleaner ways of working – through an ambitious green growth skills partnership that draws on the best innovation from other places; and
  - invests in the capacity of citizens, communities, businesses and public services to inspire changes to the way we live, work, travel and communicate – supplementing the existing bold plans led by our local authorities and other stakeholders in the region.

### **Raising awareness of opportunities to reduce carbon footprint and supporting low-carbon decision making**

- 1.2 Awareness raising was a key theme that emerged from the Citizens' Assembly recommendations. NTCA has allocated £100,000 to develop a pipeline of future interventions to support citizen, community and public sector engagement. Funded through this allocation, a young persons' climate change pilot initiative has been designed to draw upon existing best practice and help to generate interest in climate change for young residents through the lens of STEM and Digital subjects. NTCA will fund a pilot to extend the Newcastle University *Kids Action Thru Change* project, aimed at pupils aged 6 – 8, to two more schools (building out to Newcastle and North Tyneside from a successful start in Northumberland). NTCA will sponsor *Bring It On*, a schools' competition for Future Engineers which has a Net Zero North East theme this year and is targeted at young people aged 9-14. NTCA aims to get more North of Tyne schools signed up to this event. NTCA will work with Ubisoft to promote a climate change computer game competition, supported by Newcastle University who will provide workshops and advice for individuals or teams of young people aged 17 – 19.
- 1.3 Having climate change at the heart of decision making and planning was another key recommendation from the Citizens' Assembly and NTCA is taking steps to embed this principle into its policies and procedures. NTCA's Corporate Environment Policy sets out its ambition and commitments on environmental sustainability which include: working towards becoming a net zero organisation; publicly reporting on organisational carbon footprint; using accredited providers to offset in the UK any organisational emissions NTCA is unable to reduce; and integration of climate change into decision making and assurance processes.
- 1.4 NTCA's initial organisational carbon baseline is being calculated and will be published on our website in October 2021. NTCA will make a multi-year investment in tree planting as it works towards becoming a net zero organisation as trees require years to grow before they sequester carbon from the atmosphere.
- 1.5 The importance of working together and collaboration if we are going to succeed in our net zero goals was discussed in the inaugural Green Economy Summit. NTCA is currently working in partnership with Ashden on a two-year co-benefits project – looking at how low carbon benefits can be secured by Voluntary Community and Social Enterprise (VCSE) sector and other organisations,

alongside their other objectives. This includes developing guidance on how to demonstrate co-benefits in project development.

### **Green New Deal Fund – financing low carbon projects**

- 1.6 Making investment available for low carbon and innovative technologies was another priority identified by the Citizens' Assembly and NTCA has a number of exciting initiatives underway to do just that. As reported to the last Cabinet, NTCA has agreed to enter a partnership with Amber Infrastructure and their sister company Amber Fund Management Limited to deliver the £18m North of Tyne Green New Deal Fund. The final stages of preparation for the fund are currently under way, ahead of its launch towards the end of October.
- 1.7 This ground-breaking Fund will invest in projects which will deliver significant carbon savings as well as supporting new industry and jobs in areas where emissions reductions are most needed. In doing this, it will catalyse investment in green growth, stimulate innovation and enable sector and supply chain growth in the areas of heat decarbonisation, energy efficiency, small scale renewable energy generation and local energy systems, low carbon transport and natural capital.
- 1.8 Development work is also being carried out on the pipeline of low-carbon projects. The North East Energy for Growth Accelerator (which is jointly funded by NTCA, North East LEP and regional Local Authorities) is now up and running. The Accelerator is intended to help projects overcome barriers during their development stage. This includes providing technical, commercial and legal support required to get projects to the point of investment. This will enable 'green growth' projects to leverage new funding, while proactively aligning regional funding, stimulating economic recovery and growth, and supporting rapid decarbonisation required by Climate Emergency plans. North of Tyne projects may then access investment through the North of Tyne Green New Deal Fund.

### **Development of Community Energy Schemes**

- 1.9 Supporting community energy was a key recommendation from the North of Tyne Citizens' Assembly and NTCA (with partners) recently commissioned a report by the Centre for Sustainable Energy (CSE) on '*Enabling Community Energy in the North East of England: Tackling the Climate Emergency*'.
- 1.10 This work concludes that community energy has a very important role to play in the transition to net zero – with the potential to help achieve a very rapid uptake of energy efficiency measures, technologies and behaviours. Community-led action can often tackle challenging issues around energy, with community groups well placed to understand their local areas and to bring people together with a common purpose. It offers different models for organisation and collaboration, with a greater focus on community asset building, local agency and public engagement and provides a key opportunity to contribute to our net zero goals and a green economic recovery.
- 1.11 Research found that there is appetite from the general public to get involved with community energy, and a desire to pursue community energy projects. Nevertheless, there are multiple barriers to the adoption of schemes, including: access to further skills, knowledge and abilities; access to investment and support mechanisms; and the regional and national legal, policy and regulatory context not being as supportive as it could be. The report provides a series of recommendations for overcoming these barriers, along with a potential plan for supporting community energy in the region which will help inform the approach and actions taken by NTCA, the North East LEP, local authorities, community groups and regional stakeholders.

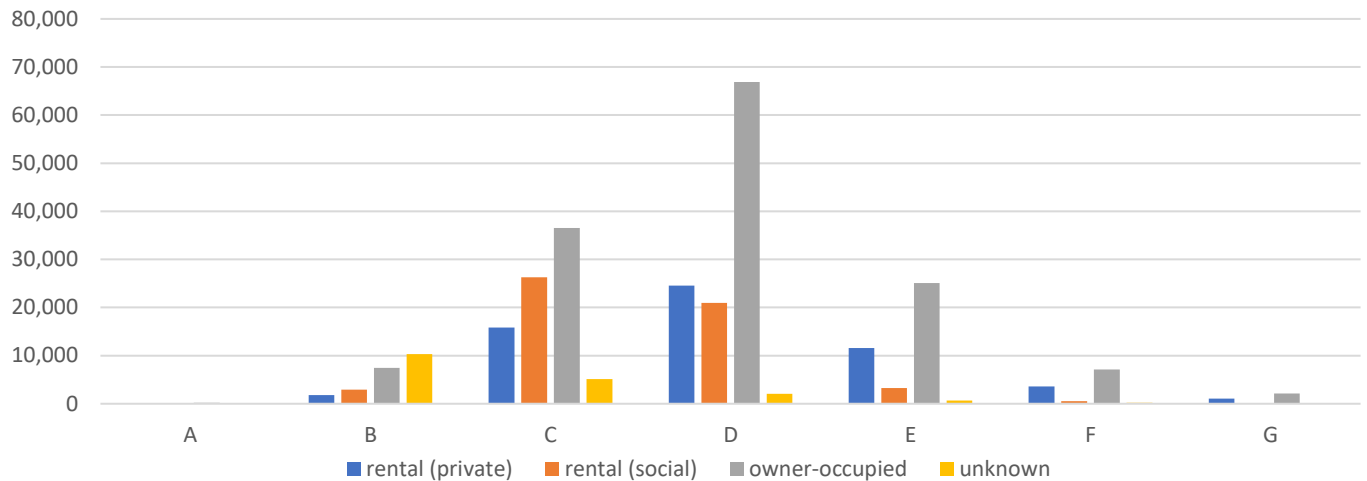
- 1.12 The report concludes that in order to accelerate the development of community energy projects, the North East region should aim for the following goals:
- By mid-2023 all regional leaders view community energy as integral to addressing the climate emergency, with specific targets and resource allocations.
  - By mid-2023, 50-250 VCSE, academic and research organisations working together collectively with local authorities, NTCA, NECA, the LEP and Northern Powergrid to develop and deliver impactful community energy initiatives.
  - Between 2022 and 2025 support a minimum of 50-100 communities to explore local needs and opportunities for community-based energy projects.
  - By 2023, 25-50 new community energy projects underway.
- 1.13 These recommendations are being taken forward by a North East Community Energy Steering Group established by the North East LEP, whilst an update on how NTCA can best support this work will be provided at November Cabinet.

### **Housing Retrofit**

- 1.14 Housing accounts for approximately a third of all carbon emissions in the North of Tyne. Improving the energy efficiency of housing was another key theme from the Citizens' Assembly recommendations. In addition to improving the efficiency of new homes, it will be necessary to retrofit existing buildings – a complex process which could take many years and will require targeted interventions from Government, as well as activities and programmes designed locally.
- 1.15 Significant work has already been undertaken by our Local Authorities and other providers of social housing to improve the energy efficiency of their housing stock in the area, but our region still has some of the highest levels of fuel poverty in the UK because of relatively high heating bills and below average wages.
- 1.16 NTCA has commissioned Energy Savings Trust (EST), supported by Frontier Economics and Accelar Ltd, to develop a robust evidence base to support the design of a large-scale housing retrofit programme for the NTCA region. This will include the provision of a database of the energy efficiency of the housing stock across all tenures, and a dashboard to support the analysis of the data. The housing stock baseline will be used to create a funding options report that will include estimates of green job creation associated with retrofitting homes across North of Tyne. With the support of Narec Distributed Energy, NTCA is also designing the development of a new delivery framework to access and procure professional services and contracting services to deliver large scale low carbon retrofit programmes.
- 1.17 Over 40% of the housing stock in the North of Tyne region falls below an Energy Performance Certificate (EPC) band of C. EST estimates that around 140,000 homes will require some form of retrofit. Existing EPC data demonstrates the majority of homes in the North of Tyne that require retrofitting to improve their energy efficiency are owner-occupied (see Figure 1 overpage).



Figure 1: Energy Performance Certificates across the North of Tyne - August 2020



### Securing Green Jobs – Supporting Skills and investing in Offshore Wind Infrastructure and Innovation

1.18 Energy is a major sectoral strength of the North of Tyne area, with existing offshore energy, subsea and marine technologies supporting thousands of jobs. Cabinet’s strategy – approved in March 2020 – highlighted the need for a co-ordinated approach to investment, including supporting skills, investment in infrastructure and sites, and promoting innovation.

#### Skills

1.19 NTCA will be launching a call for £2million of investment in Green Growth Skills around the time of the September Cabinet meeting, which will be an opportunity to support employer-led investment in skills initiatives. NTCA is interested in innovative proposals that equip people with the skills they need to capitalise on the growing employment opportunities in the low carbon and renewable economy in the North of Tyne. Transitioning to a low carbon economy is not just about creating new jobs, but also changing the way we operate in existing ones. Proposals may also support the transition to a green economy, with provision designed to support existing businesses or sectors with the skills needed to modernise and operate in a more resource-efficient way, minimising carbon emissions and preparing for climate change. An update on progress with the first stage of this call will be provided at November’s Cabinet.

#### Infrastructure

1.20 NTCA is also catalysing investment in infrastructure to support the growth of the industry, attract private investment and secure the future of the sector. The Offshore and Subsea Infrastructure programme is supporting the development of a robust pipeline of investable propositions with a focus on developing infrastructure in ports and quays; in demonstration and research opportunities; or to meet the needs of the offshore wind and subsea supply chain. The approach NTCA has taken is an iterative one, with the main point of the programme overall to build a robust pipeline and strengthen proposals which will put North of Tyne partners in a much better position to seize future funding opportunities – including a number of projects which have submitted proposals to the Offshore Wind Growth Partnership (OWGP).

- 1.21 NTCA has previously agreed £5.8 million for three investments for projects which will enhance the sites and infrastructure available and leverage an additional £6.75m – including projects along the North Bank of the Tyne and at Blyth. An additional project is currently going through the project appraisal process.
- 1.22 Following a second call, NTCA received four Expressions of Interest for projects valuing over £19m and projected to create 477 jobs, with many more expected to be created indirectly through the supply chain. These projects include innovation and demonstration, quay refurbishment and infrastructure projects; all are undergoing peer review by advisory firm WSP.
- 1.23 Given the success of the current programme and the strength of the emerging pipeline, it is recommended that Cabinet approves an additional allocation of £4m to the Offshore Wind Programme budget for the programming period up to 2023. This will enable NTCA to capitalise on the momentum generated so far and continue successful delivery of the programme.

### *Innovation*

- 1.24 The North of Tyne has invested £3.5m in an offshore technology innovation programme delivered in partnership with OREC. The Technology Innovation and Green Growth for Offshore Renewables (TIGGOR) programme has two elements – de-risking technology innovation and business growth support. The programme is industry led with partners such as industry giants Equinor, the developer of the world's largest offshore wind farm, which is located on the north east coast, and EDF, the developer of the UK's first offshore wind farm, located here in Blyth. The industry partners shape the programme to boost the supply chain growth and productivity.
- 1.25 Following the first call, five companies have been selected to showcase their innovative technologies and will receive a share of £1.7m in match funding from the TIGGOR programme's technology demonstration strand. The successful companies – Transmission Dynamics, Kinewell Energy, SMD, Trident Dynamics and Unasys - applied for support to accelerate innovative technology concepts in key areas of operation and maintenance for offshore wind, including remotely operated vehicles (ROVs), digital twins, cable arrays and sensors. They will now demonstrate their technologies to specialists at Equinor and EDF Renewables, who will provide technology assessment and advice on how these technologies can be applied to offshore wind. ORE Catapult will also provide direct support.
- 1.26 A second Technology Demonstration Programme (TDP) funding call will be launched on 15 September for up to £1.3m and targets supply chain companies located in the North of Tyne region, providing opportunities for funding and support for technology innovation in offshore wind and subsea sectors. Applicants can register their interest now on the ORE Catapult website and find out more about eligibility and the application process.

## **2. Potential Impact on Objectives**

- 2.1 The activity and recommendations detailed in this paper directly contribute towards NTCA's Corporate Plan and the North of Tyne Economic Vision.

## **3. Key Risks**

- 3.1 Risks associated with each funding application will be considered as part of the application and appraisal process. The conditions associated with funding approvals relate to the mitigation of risks.

## **4. Financial and Other Resources Implications**



4.1 The financial implications are for an additional £4m for the Offshore Wind Programme to 2023 from the growth of key sectors allocation in the NTCA Investment Plan. Resources are available in the NTCA budget to cover the proposed expenditure. Outputs are considered good value for money, on a cost-per-job, basis. We will seek to maximise collaboration with other funders and agencies supporting the sector wherever possible.

## **5. Legal Implications**

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

## **6. Equalities Implications**

6.1 The NTCA seeks to actively narrow inequality under the terms of the Equality Act 2010. The Citizens' Assembly demonstrates our commitment to co-design and co-production, specifically people whose voices are rarely heard in decision-making.

6.2 This programme of investment, collaboration and change in clean energy, green growth and action to address the climate emergency aligns our zero carbon, zero poverty ambition and reflects our commitment to our Public Sector Equalities Duty, with particular reference to socio-economic disadvantage. Our commitment to a 'just transition' aims to create an equitable and prosperous future for our residents and communities as we build a low-carbon economy.

## **7. Inclusive Economy Implications**

7.1 The Inclusive Economy Impact of the projects listed in this report has been considered. The Combined Authority believes that the projects will positively contribute to creating a more inclusive economy in the North of Tyne.

## **8. Climate Change Implications**

8.1 The report outlines progress in delivering NTCA's Energy, Green Growth and Climate Change Blueprint. Although it is not yet possible to fully quantify the impact of all the activities outlined in this report, the development of further work to support the delivery of climate emergency plans will have a positive impact on tackling climate change across the region.

## **9. Consultation and Engagement**

9.1 Key stakeholders have been engaged throughout the development and delivery of the projects outlined in this report. This builds on the substantial work already underway by Local Authorities relating to climate change and reaching net zero which has also been subject to extensive consultation.

## **10. Appendices**

None.

## **11. Background Papers**

11.1 NTCA Cabinet 2th July 2021: North of Tyne Citizens' Assembly Report and update on progress in delivering the North of Tyne Energy, Green Growth and Climate Change Blueprint:  
<https://www.northoftyne-ca.gov.uk/wp-content/uploads/2021/07/Agenda-Pack-Cabinet-27-July-2021.pdf>

NTCA Cabinet 23<sup>rd</sup> March 2021: Supplement Agenda 1: Investment Fund Update and Funding Approvals: <https://www.northoftyne-ca.gov.uk/wp-content/uploads/2021/03/Supplemental-Agenda-Pack-1-NTCA-Cabinet-23-March-2021.pdf>

NTCA 1<sup>st</sup> April 2020: Delegated Decision Investment Fund Update, Part B: Energy, Green Growth and Climate Change – a North of Tyne Blueprint: <https://www.northoftyne-ca.gov.uk/wp-content/uploads/2020/09/20200401-InvestmentB-report.pdf>

## 12. Contact Officers

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## 13. Glossary

NTCA - North of Tyne Combined Authority  
VCSE - Voluntary Community and Social Enterprise  
CSE – Centre for Sustainable Energy  
EST – Energy Saving Trust  
OWGP – Offshore Wind Growth Partnership  
TIGGOR -Technology Innovation and Green Growth for Offshore Renewables  
TDP - Technology Demonstration Programme



**Subject: Funding for SMEs, social enterprises and for improving innovation**  
**Report of: Chief Economist**  
**Portfolio: Social Economy and Communities and Investment and Resources**

### Report Summary

Available and accessible finance for our businesses will enable our economy to grow, renew, innovate and create and sustain good jobs and services. This report sets out a series of proposals for NTCA to invest, further strengthen outcomes and encourage a recycling of regional wealth into local funds and businesses.

The work was undertaken in response to:

- A desire from Cabinet to improve access to finance for SMEs and social enterprises - particularly to support rapid recovery from the Covid pandemic.
- A Mayoral Manifesto commitment to support investment in local businesses, build local wealth and to provide support for small and employee-owned business – with the potential for new financial institutions over the longer term, such as a regional wealth fund or community bank.
- Opportunities to work collaboratively with other agencies including banks, non-bank lenders and regional publicly backed loan and equity funds to maximise existing resources – maximising uptake and better understanding unmet needs.

In finalising the proposals in this report, we have:

- Undertaken dialogue with financial professionals, economic development experts, investment managers, market research professionals and those already involved in new access to finance initiatives elsewhere in the UK.
- Explored a wide range of options for meeting the access to finance needs of SMEs and Social Enterprises. These include ways of augmenting existing regional finance mechanisms; the potential to build on strong interest from venture capital funds in the region to support innovating and fast-growing companies: and the evidence base for a range of community finance models.
- Confirmed that our strategic goals and objectives in this space are reasonable and that a phased and evidence led approach to delivering them is appropriate. This will ensure we meet the immediate needs to support Covid-recovery and prioritise activity which delivers near term impact.
- Identified that the region has many of the ingredients of an effective access to finance ecosystem already in play; and that we should proactively build capacity and coordination to maximise existing and new resources.

Immediate gaps have been identified for a first phase of investment - specifically in relation to equity and venture capital and tailored finance for cooperatives and social enterprises. Securing this immediate impact is the focus of the recommendations below. They are underpinned by strong collaboration, a robust evidence base, and have been developed in the context of a long-term policy commitment to explore the feasibility of a community bank.

### Recommendations

The Cabinet is asked to:

1. Note the conclusions of this report and endorse the proposed objectives as set out in section 1.2 of the report.
2. Agree an overarching allocation of £15m over 5 years to enable the first phase of investment in a strategic approach to achieving these objectives.
3. Authorise the Managing Director in consultation with Investment Panel, the Mayor and Cabinet Member for Investment and Resources to consider proposals and award funding to deliver activity

aligned with the specific proposals set out in section 2, with Cabinet updated on progress and with provisional allocations as follows:

- a. £900k to improve ecosystem coordination, maximise take-up of existing finance on offer and improve investor readiness.
  - b. £10m for equity investment, including through seeding or investment in new or existing Venture Funds, with the objective of improving finance for high growth potential organisations based in the North of Tyne.
  - c. £4m to establish a social finance fund with the aim of filling gaps in the finance market, including loan and equity, for socially trading and or employee-owned businesses operating in our key sectors.
  - d. £100k to commission advice on how NTCA and wider stakeholders can improve the flow of local capital into existing or new regional funds and vehicles; retaining regional wealth in our access to finance ecosystem and boosting investment in our key objectives of innovation, growth, and transition to net-zero.
4. Agree that the development of proposals should continue to be overseen by the Chief Finance Officer and Managing Director, with ongoing input from the Local Authority Financial and Economic Directors.

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

### 1.1 NTCA strategic context, evidence base and access to finance objectives

1.1.1 Our first devolution deal sets out targets for job creation, economic growth, and private sector leverage; all of which depend on the availability of funding to support business creation, innovation and growth.

1.1.2 Businesses have a variety of funding needs, from the point of establishment through various stages of growth – including grant/micro finance for early stage businesses through to loan and Venture Capital. As a business matures, they typically need to move up the funding ‘escalator’ and require a different mix and more sophisticated finance for each stage of maturity (figure 1).

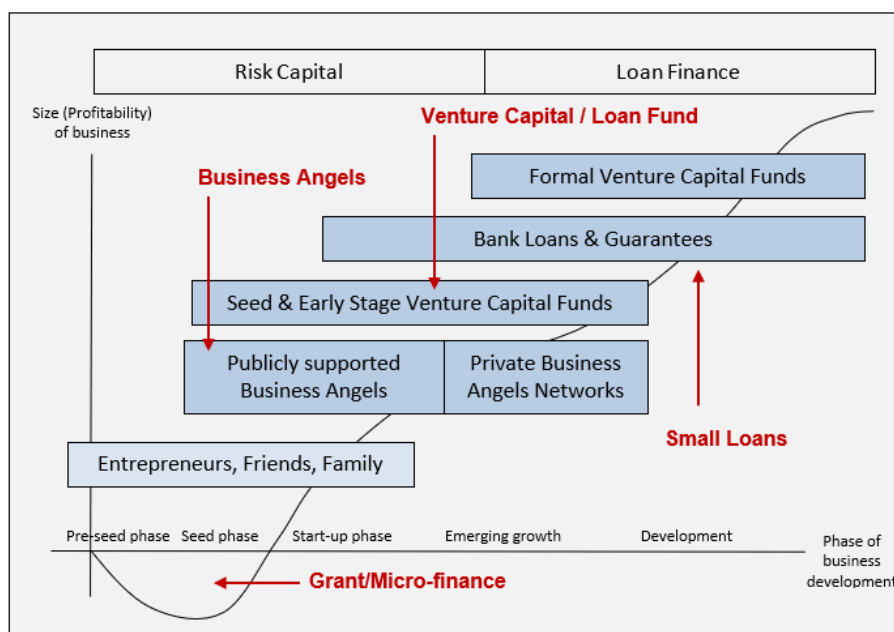


Figure 1: Business Finance Escalator

1.1.3 Ensuring that all products necessary for growth are available is a key system stewardship role for the public sector. Gaps in finance offerings can cause business stress or even encourage business relocations. Both the availability of funds and the maturity or ‘investor readiness’ of businesses are key considerations in how well the overall ecosystem functions.

1.1.4 Larger businesses tend to have access to a range of financial products, while the challenges faced by smaller businesses are well documented. A lower appetite for risk from borrowers and lenders, and gaps in market offerings for specific funding types, products, services, or deal/loan sizes can

constrain businesses of all sizes. Overall, the access to finance system in the NTCA area works reasonably well for most but is more likely to be sub-optimal for some smaller businesses, higher risk ventures (typically seeking risk or venture capital) or those seeking unsecured lending.

1.1.5 Work undertaken as part of the Strategic Economic Plan refresh by the North East LEP in 2020 considered the effectiveness of the region's access to finance ecosystem. It identified scope to improve: the availability of equity funding, especially seed and early stage private equity and venture capital; ecosystem leadership; and the intermediary system that stimulates demand for finance from businesses, including support which ensures that businesses are investor ready, aware of and ready to pitch for the full range of financial products open to them.

## 1.2 NTCA's access to finance priorities

1.2.1 The access to finance ecosystem has such a bearing on the functioning of our economy that it is imperative we understand and influence how it is performing. This means ensuring that supply and demand are better joined up and that the full range of finance needed to support growth is available. Interventions by NTCA and other public bodies are justified where the market is not meeting our objectives or is not addressing structural issues in our economy such as low business density or poor retention/utilisation of local sources of capital/wealth.

1.2.2 Following consultation with a range of stakeholders and considering NTCA's wider policies, it is proposed that NTCA's access to finance priorities are to:

- Attract net additional and new flows of capital into the region
- Address specific gaps in funding to support business innovation and growth, including options for small and socially driven businesses, where the market is failing.
- Build a collaborative ecosystem to underpin our future ambitions and drive culture change, which promotes fair access, trust, and ethical behaviour in the system.
- Improve awareness of funding options and the investment readiness of businesses
- encourage the local retention and re-circulation of capital into local businesses and funds
- Under-take a phased approach to the creation of future institutions, such as a regional wealth fund or a community bank, subject to regular reviews of the evolving evidence base and market conditions.

## 2. Specific Investment Proposals

As set out in figure 1 both risk capital and loan capital are required to meet the full spectrum of business finance needs. Risk capital is generally required to support higher risk/return investments associated with innovative businesses such as those developing new products or markets. Loan or debt finance is typically used to fund operational improvement or organic growth at a more moderate pace. Proposals set out below provide evidence based and targeted investment proposals across this spectrum, which add value to and avoid duplication with existing offers.

### 2.1 *Business Lending*

2.1.1 Mainstream banks dominate business lending in the UK, though there have been some state-backed entrants (e.g. the British Business Bank), 'challenger banks' and non-bank lenders which have entered the market. Models which do not rely on deposits from private individuals and instead fund their loans/activity through wholesale money markets, Government and European funds or institutional investors have also gained in popularity.

2.1.2 Withdrawal from the EU, and more particularly the Covid-19 pandemic, has led to changes in the pattern of business lending, with a significant shift of supply toward a suite of government backed funds and a substantial increase in the proportion of SMEs, irrespective of size and sector, seeking external financial support.<sup>1</sup>

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<sup>1</sup> <https://www.british-business-bank.co.uk/wp-content/uploads/2021/03/SME-Finance-Survey-2020.pdf>

- 2.1.3 SMEs and large businesses made considerable use of the Government's Coronavirus Business Support Loans. Bank of England data<sup>2</sup> shows net lending to businesses in the NE stood at £8bn - an increase of £2.5bn since 2019, largely accounted for by the Government's Covid lending schemes. Consultation has validated the conclusion that many of the government backed schemes are popular with businesses - with July seeing record enquiries reported by one regional fund manager.
- 2.1.4 Recent reports by Deloitte<sup>3</sup> and Iwoka<sup>4</sup> point to a general improvement in both the cost and availability of credit, especially for larger businesses.

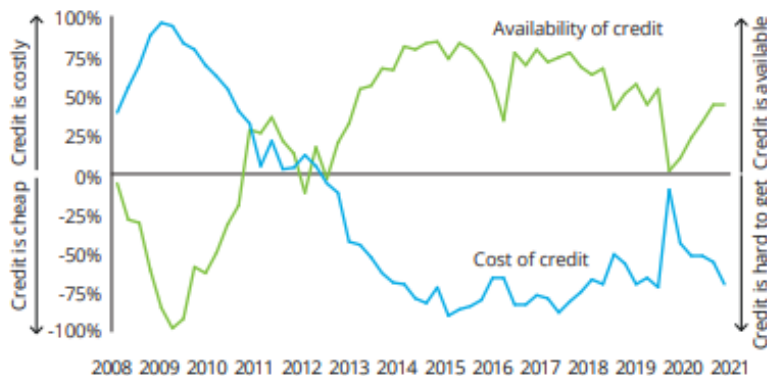


Figure 2: Deloitte Data in cost and availability of credit. Source: Deloitte 2021

- 2.1.5 However, both suggest that some gaps may yet emerge, especially for smaller businesses with limited property and assets, and those unable or unwilling to offer personal director guarantees. As government backed schemes begin to close, many high street banks may reduce their lending to small and micro businesses as their risk appetite narrows or, as may yet be the case, small business defaults grow.
- 2.1.6 As a result, we conclude that this is not a short-term priority area for the NTCA, at least up to 31 March 2023 when current funds backed by the European Development Fund and European Investment Bank must be fully invested. Beyond this, the future of regional funds at scale is less clear.
- 2.1.7 **Next Step:** NTCA should keep the availability of business loans/debt finance under review. Monitoring the impact any changes in government backed loan funds have on the overall finance available and impact this may have on rationale for NTCA intervention.

## 2.2 **Intermediary support and investor readiness**

- 2.2.1 Much of the evidence reviewed has suggested that, while the overall availability of finance is reasonably good at present by historic standards, more can be done to improve awareness of what is available for businesses and, once ready to access finance, ensure they are 'investor ready' and able to present the strongest possible case for investment of any type.
- 2.2.2 Feedback from stakeholders consistently suggests that additional capacity for brokerage between those offering and those seeking finance would greatly improve take-up and maximise available funding, and that support for businesses should not be 'product specific' but focus on exploration of high-level options – key to this is training, mentoring for businesses prior to signposting to professional advice and experts in specific financial products when appropriate.
- 2.2.3 **Next Step:** A business case is to be developed to enable training, mentoring, advice, and support for NTCA based organisations seeking to access finance. The role of this intervention will be to boost the visibility and the levels of understanding of the range of financial tools available and

<sup>2</sup> <https://www.bankofengland.co.uk/statistics/tables>

<sup>3</sup> <https://www2.deloitte.com/uk/en/pages/finance/articles/deloitte-cfo-survey.html>

<sup>4</sup> <https://ibsintelligence.com/ibsi-news/iwoca-reports-embedded-finance-is-vital-for-loan-approvals-for-smes>

improve investor readiness. Options to mobilise will be explored and proposals on next steps brought to Investment Panel for consideration.

### 2.3 **Equity/Venture Funding**

- 2.3.1 Only 1.4% of total UK Private Equity and Venture Capital is invested in the North East<sup>5</sup>, despite the region accounting for 2.23% of the UK economy. Without interventions from the public sector, this figure would be even worse: Treasury analysis finds that three quarters of investments below £1m are publicly backed<sup>6</sup> and that the NE suffers from a lack of private capital, with the top five investors by deal numbers all being government backed funds.
- 2.3.2 This market failure is despite the development of the 'NE Fund' instrument by the Regional Development Agency (RDA). These public sector-backed funds are designed to help increase the options available to businesses seeking risk-based funding. Three of the NE Fund funds are loan funds; as the loans need to be serviced from day one, they are not appropriate for the early stage, scalable and high impact SMEs that venture funding typically supports. The remaining funds are generalist venture funds which can invest in SMEs – although they are nearing the end of their current investment cycle.
- 2.3.3 Following extensive consultation, we have concluded that NTCA should consider developing additional equity funds, aligned to our specific growth sectors, objectives, and funding gaps. This will add further 'depth' to the access to finance market and help ensure that the most innovative companies are able to access the funding they require to grow as the economy recovers from the pandemic.
- 2.3.4 NTCA is already establishing a Green New Deal Fund which will invest in projects/businesses which have potential to deliver significant carbon savings as well as promote development of new ways of working and jobs in areas where emissions reductions are most needed. In doing this, it will catalyse investment in green growth, stimulate innovation and enable sector and supply chain growth. The Fund comprises a £9 million investment from NTCA with *Amber Infrastructure*, in its role as fund manager, tasked with sourcing an additional £9 million investment. The fund will be operational and open for applications in October 2021 and will provide grant, loan, and a small amount of equity funding.
- 2.3.5 **Next Step:** NTCA will make available capital investment in equity funding to support innovation, reimagine the economy and to address identified gaps in equity funding – equity funding has the potential to generation return to the NTCA to support long term access to finance priorities, in addition to more immediate benefits for the innovation ecosystem and economy. Proposals for investment will be sought from the market and considered by NTCA Investment Panel in the Autumn.

### 2.4 **Finance for socially trading and or employee-owned businesses**

- 2.4.1 Research by Social Enterprise UK showed that 40% of social enterprises regard lack of access to finance a significant barrier to start-up and 39% regard it as a significant barrier to sustainability and growth.<sup>7</sup>
- 2.4.2 The VCSE sector more broadly can be highly dependent on grant funding – with over 70% of NE based organisations rating their reliance on grants as important or very important. Research has shown that this is compounded by access to finance gaps that emerge partly due to the business structures of socially orientated or cooperative business models, including inability to offer equity due to asset locks, the attitudes of mainstream lenders, risk tolerance of directors or trustees, and higher transaction costs for intermediaries on typically smaller deals<sup>8</sup>. Therefore, tailored financial

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<sup>5</sup> <https://www.bvca.co.uk/Portals/0/Documents/Research/Industry%20Activity/BVCA-RIA-2019.pdf>

<sup>6</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/642456/financing\\_growth\\_in\\_innovative\\_firms\\_consultation\\_web.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/642456/financing_growth_in_innovative_firms_consultation_web.pdf)

<sup>7</sup> Social Enterprise UK (2013) *State of Social Enterprise Survey 2013*

<sup>8</sup> <https://betterentrepreneurship.eu/cs/node/51?q=/printpdf/51>

products are required for these organisations, such as loan guarantees (that de-risk mainstream investment) or blended equity and debt products or bonds.

2.4.3 **Next Step:** NTCA will create an investment fund to support access to finance and business support for socially trading and or employee-owned businesses operating in our key sectors. This will include a vehicle for lending to socially trading organisations typically unable to access mainstream finance. It will gauge the appetite for social investment and build the experience of the NTCA to operate non-bank lending models as a part of a phased approach towards generating and recycling community wealth. This could be developed in partnership with leading social funders such as Power to Change, Big Society Capital and the Key Fund.

## 2.5 ***Collaboration and innovation to achieve long-term objectives***

2.5.1 Collaboration and leadership to ensure that our access to finance ecosystem remains future proof is critical and NTCA will seek to build the expertise and partnerships required to achieve longer-term objectives, including supporting the social economy, maximising local capital, bringing forward new investment vehicles and joining up the funding journey from start-up to Initial Public Offering.

2.5.2 We are taking a phased approach, due to the market changes and uncertainty arising from the COVID-19 pandemic. We will initially focus on immediate improvement in access to finance for local SMEs, building on our existing investments in the Green New Deal Fund and will open support to more sectors. At the same time, we will continue to explore further opportunities to re-circulate local wealth and improve access to finance.

2.5.3 **Next Step:** NTCA will commission advice on how NTCA and stakeholders might improve the retention and re-cycling of local capital within our access to finance ecosystem, including options for new funding vehicles we may wish to consider to support innovation, growth, and transition to net-zero. Proposals to establish any new vehicles as a result of this work will be considered by Investment Panel in consultation with the Mayor and Cabinet Member for Investment and Resources.

## 3. **Conclusion and Summary of next Steps**

3.1.1 This report asks NTCA Cabinet to make an allocation of £15m to support a strategic and long term approach to the access to finance needs of the area – and in doing so building the capacity of the NTCA and wider partners to achieve long-term ambitions, including exploring the role of new financial institutions.

3.1.2 Subject to cabinet approval, the recommendations of the report and the specific next steps set out above will be shaped into investment propositions in line with NTCA's Assurance Framework, and will be scrutinised by Investment Panel, the Mayor, and the Cabinet Member for Investment and Resources. NTCA's Chief Finance Officer and Managing Director will continue to shape priorities and proposals with ongoing input from the Local Authority Financial and Economic Directors. Where required, NTCA will invite forward proposals for investment from partners in line with our assurance framework process.

## 4. **Potential Impact on Objectives**

4.1 Ensuring access to different types of finance is a strategic priority for NTCA. It enables our economy to grow, renew and innovate and to create and sustain good jobs and services. Access to finance for SMEs and social enterprises will support recovery from the Covid pandemic and provide opportunities to work in collaboration with other agencies such as banks, non-bank lenders and alternative funding mechanisms to maximise existing resources.

## 5. **Key Risks**

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



## 6. Financial and Other Resources Implications

- 6.1 A total allocation of £15m is requested from the Investment Fund; a financial profile will be agreed as part of the delivery arrangements which will subsequently be considered by Investment Panel. Like other funding which has been approved by the Combined Authority, project spend will be validated and reported to Cabinet as part of the regular quarterly monitoring report. The following financial profile is *indicative* at this stage and will be confirmed when final proposals are received and approved by NTCA.

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
<b>NTCA Revenue</b>	£0.1m	£0.3m	£0.3m	£0.3m	£0	£1m
<b>NTCA Capital</b>	£0	£2m	£5m	£5m	£2m	£14m
<b>Total</b>	<b>£0.1m</b>	<b>£2.3m</b>	<b>£5.3m</b>	<b>£5.3m</b>	<b>£2m</b>	<b>£15m</b>

- 6.2 Funding of £2.4m required in 2021-2023 will be allocated against the Business and Enterprise Support and Major Strategic Economic Opportunities budget lines.
- 6.3 The proposals require a further £12.6m from the NTCA Investment Fund to be made available for the period 2023-26, this requires funds to be committed beyond the Combined Authority's initial Gateway Review in 2023. Based on the expected timetable in the report consideration will be sought in budget setting for 2023-28 to ensure that funds are available and can be defrayed throughout the period.

## 7. Legal Implications

- 7.1 The comments of the Interim Monitoring Officer are included in the report.

## 8. Equalities Implications

- 8.1 An equality impact assessment will be undertaken on the funds when proposals have been received, in accordance with the agreed process. NTCA is mindful of its responsibilities under the Public Sector Equality Duty and through its work will 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. NTCA also considers the implications for people from different socio-economic backgrounds/low pay.

## 9. Inclusive Economy Implications

- 9.1 The activities proposed in this report are likely to positively enhance economic inclusion for residents in North of Tyne through the identified support for the social economy and the creation of high-quality employment in innovative businesses.

## 10. Climate Change Implications

- 10.1 Climate change implications will be assessed on an individual project basis as part of the development process. The activity described within this report is considered to positively support the climate change priorities of the Combined Authority, particularly by supporting the transition to a clean growth future and provide options for sustainable community energy initiatives.

## 11. Consultation and Engagement

- 11.1 In developing the proposals set out in this report, officers have undertaken dialogue with financial professionals, economic development experts, investment managers, market research professionals and those already involved in novel access to finance initiatives elsewhere in the UK.
- 11.2 NTCA has also engaged experts to assess the viability of particular options, including a community bank model; the potential to augment existing regional finance mechanisms and the potential to build on what is now strong interest from venture capital funds in the region.

## 12. Appendices

None

## 13. Background Papers

None

## 14. Contact Officers

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## 15. Glossary

<b>NTCA</b>	North of Tyne Combined Authority
<b>SME</b>	Small and Medium Sized Enterprise
<b>LEP</b>	Local Enterprise Partnership
<b>NE</b>	North East
<b>RDA</b>	Regional Development Agency
<b>VCSE</b>	Voluntary, Community and Social Enterprise



**Subject: 2022-2026 NTCA Financial Planning and Budget Process**  
**Report of: Chief Finance Officer**  
**Portfolio: Investment and Resources**

## Report Summary

This is the initial report to Cabinet outlining the process to be adopted for the Authority's Financial Planning and Budget process for 2022/23 as part of the proposed framework for the four years 2022/23 to 2025/26. Further reports will follow as part of the process of setting the Authority's Budget for the financial year 2022/23. The next report to Cabinet will be on 30 November 2021, which will outline the initial Budget proposals.

This report sets out information in relation to the proposed 2022-2026 Financial Planning and Budget process, including information on the key decision milestones. This will include:

- a) the update to the Medium-Term Financial Strategy (MTFS) and
- b) development of the detailed budgets for 2022/23.

## Recommendations

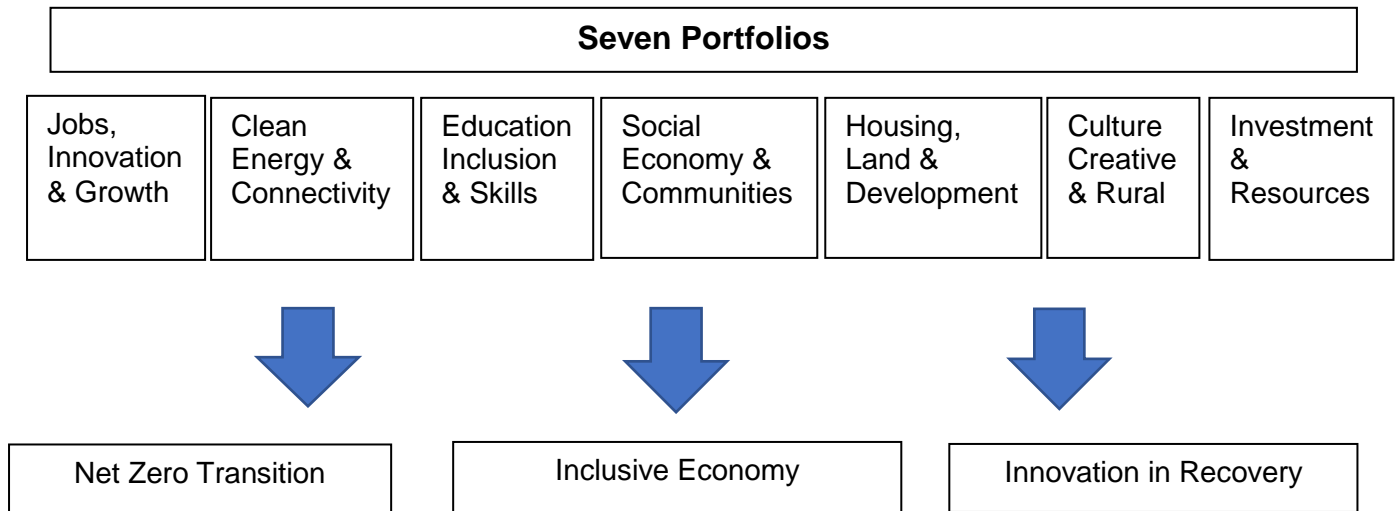
The Cabinet is recommended to approve the proposed outline 2022-2026 Financial Planning and Budget process, which incorporates the key decision milestones and dates as set out at Appendix A to this report.

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

#### The Budget

- 1.1 The Budget and Policy Framework Procedure Rules are set out in Part 3.2 of the Authority's Constitution. The Budget is guided by paragraph 3 covering the process for the preparation, consideration, and final approval of the Authority's Budget. The constitutional requirements for preparing, considering, and approving the Budget drive the timetable for the Financial Planning and Budget process.
- 1.2 The Financial Planning and Budget process is a fundamental part of the overall governance and assurance framework of the Authority. This, in turn, provides assurance that the Budget is considered as part of preparing the Annual Governance Statement to the Authority each year.
- 1.3 The North of Tyne Combined Authority Corporate Plan was taken to Cabinet Annual Meeting on 8 June 2021. Setting out the ambitions of Cabinet for the Authority, both immediately and in the future, with a roadmap for action. It captures the breadth of work undertaken and ensures activities are aligned allowing for clear collaborative working.
- 1.4 The Corporate Plan has been developed through a process of co-design with Cabinet and officers, it plays an intrinsic role in ensuring that funding and resources are used efficiently and effectively adding maximum value and delivering with impact.
- 1.5 The Corporate Plan will drive the work programme of NTCA which will turn into both team plans and individual personal objectives, creating a 'golden thread' from Cabinet's vision to day-to-day delivery. Importantly, the Plan is rooted in the NTCA values, which underpin the way the Authority works and outlines our approach to managing wisely the resources, funding, and investment available.

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



- 1.7 The Corporate Plan reflects an ambitious delivery plan and consideration will need to be given to how existing resources available can be maximised to ensure delivery against the plan.
- 1.8 As for 2021/22 the Authority will be required to raise the levies on the Constituent Authorities, so an important part of the budget setting process is ensuring the timetable meets the relevant statutory deadlines for the issuing of the Transport Levy. The relevant dates for the Joint Transport Committee meetings have been included within timetable at Appendix A.
- 1.9 Consideration will be given as to the inclusion of the 2022/23 North East Local Enterprise Partnership (LEP) and Invest North East England (INEE) budgets as part of the Mayor's and Cabinet's overall budget proposals.

### **Developing a Medium-Term Financial Strategy**

- 1.10 A Medium-Term Financial Strategy should be developed within the context of the strategic priorities and policy decisions made by the Mayor and Cabinet to ensure the Authority's strategic plans can be developed within the financial resources available. In addition, the MTFS ensures the Authority has a clear financial vision and direction for the medium-term and that the Mayor and Cabinet understand the financial implications of decisions that it is taking.
- 1.11 As part of the 2022-2026 Financial Planning process, the updating of the MTFS will be important. The approach will include:
- Analysis of the current financial situation, including the main sources of income, the main financial commitments and the levels of reserves currently held.
  - Overall, Authority spending should be contained within original Budget estimates. If, following monthly revenue monitoring, Team budgets are projected to exceed original estimates, plans should be prepared setting out the actions required to ensure spending at the end of the year does not exceed original estimates.
  - The Authority will maintain its Strategic Reserve at a minimum level of £0.200m at the end of each year, subject to a risk assessment as part of the annual budget setting process.
  - The Authority will aim to balance its revenue budget over the period of the MTFS without reliance on the use of the Strategic Reserve.
  - The Authority will plan for any changes to specific grants/interim funding/financial

settlement/legislation.

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

### **2021-2025 Financial Planning and Budget process Timetable of Key Decision Milestones**

1.12 Key aspects of the 2022/23 Financial Planning and Budget process timetable are set out at Appendix A to this report.

## **2. Potential Impact on Objectives**

2.1 The North of Tyne Combined Authority Corporate Plan sets out the strategic objectives of the Authority. The budget will enable the Authority to properly discharge its functions and assist in delivering the Authority's vision, policies, and priorities.

## **3. Key Risks**

3.1 There are no specific risks relating to this report.

## **4. Financial and Other Resources Implications**

4.1 The financial implications arising from the outcomes of this report will be appraised as part of the decisions made as to what will be included in the Authority's 2022-2026 Financial Plan, incorporating the 2022/23 Budget-Setting process.

4.2 The Mayor and Cabinet need to have due regard to the Chief Finance Officer's advice in relation to the levels of reserves and balances proposed as part of the four-year Financial Plan for 2022-2026 in accordance with the Authority's Reserves and Balances Policy.

## **5. Legal Implications**

5.1 The Authority is required to agree a balanced budget annually and to monitor that budget throughout the year. The Authority must also make provision for an adequate level of un-earmarked reserves. It is also required to ensure that good financial governance arrangements are in place.

## **6. Equalities Implications**

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

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

6.3 Equality Impact Assessments (EIA) may be included in proposals for inclusion with the initial Budget proposals in November 2021 where applicable, in order to be available to the Mayor and Cabinet when it further considers the Financial Plan and Budget proposals on 30 November 2021.

## **7. Inclusive Economy Implications**

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

## **8. Climate Change Implications**

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

## **9. Consultation and Engagement**

9.1 The creation of the North of Tyne Combined Authority has been subject to significant regional and national engagement. The 2021/22 Budget was based on the devolution deal and the Parliamentary Order which created the Authority and the Authority's Vision which has been detailed in the Corporate Plan which has been agreed by Cabinet and is being shared with stakeholders in a range of events.

9.2 Consultation with the Business Community and the Community and Voluntary Sector has continued through 2021/22 as part of the overall approach to engagement undertaken with these sectors. In addition, the attendance at Cabinet of both the Ambassador for business and the Ambassador for the Community and Voluntary sector will add to the opportunity for engagement.

## **10. Appendices**

Appendix A 2022/23 Budget Setting Timetable

## **11. Background Papers**

26 January 2021 Financial Plan and Budget.

5 February North East Combined Authority Leadership Capital and Revenue Outturn Report.

## **12. Contact Officers**

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## **13. Glossary**

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

## **Appendix A Budget Setting Timetable**

<b>DATE</b>	<b>EVENT/MEETING</b>	<b>ACTION</b>
22 September 2021	Cabinet Meeting	To consider and agree 2022/23 budget process/timetable for <b>both</b> the Authority and Mayoral budgets.
12 October 2021	NTCA Overview and Scrutiny Committee	Update on the Budget process and timetable for <b>both</b> the Authority and Mayoral budget.
30 November 2021	Cabinet Meeting	Consider and agree the draft budget proposals in respect of the Authority.
30 November 2021	Joint Transport Committee	Consider and agree draft transport budget/levy for consultation.
7 December 2021	NTCA Overview and Scrutiny Committee	Receive the Authority's draft Budget proposals.
18 January 2022	Joint Transport Committee	Approve Transport Revenue Budget and Transport Levies.
25 January 2022  Note: The Mayor's draft Budget must be presented before 1 February in any financial year.	Cabinet Meeting	To consider outcomes of consultation and recommendations from Overview and scrutiny and agree final proposals for the Authority's Budget.  Receive the Mayors draft budget proposals.  Formally agree to issue the Transport Levy to constituent authorities.
Before 1 February 2022 (additional meeting needed)	Cabinet	Cabinet meet to agree recommendation to the Mayor in respect of the draft Mayoral budget.
1 February 2022	NECA Leadership Board	Leadership Board formally issue levy agreed by JTC in January.
08 February 2022	Overview and Scrutiny Committee	Consideration of Authority's and Mayor's final budget proposals.
22 February 2022	Cabinet	Cabinet consider O&S Final Recommendations and approve the Authority's and Mayor's Budget.

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