

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

Tuesday 12 October 2021 at 10.30 am

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

Due to social distancing limits, observers must give 2 working days' notice if they wish to attend and provide contact details

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### AGENDA

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	Page No
1. <b>Welcome and Introductions</b>	
2. <b>Apologies</b>	
3. <b>Declarations of Interest</b>	
4. <b>Agree the minutes of the meeting held on 29 June 2021</b>	1 - 6
5. <b>Mayoral Update</b>	7 - 12
In attendance: Mayor Jamie Driscoll	
Attached: Mayoral briefing	
6. <b>Citizens Assembly Report</b>	13 - 20

In attendance: Rob Hamilton, Chief Economist

Attached: Report

7. **Green New Deal** **21 - 24**

In attendance: Maria Antoniou, Principal Economy and Strategy Manager

Attached: Report

8. **Gateway review process**

In attendance: Janice Gillespie, Chief Finance Officer and Chrisi Page, Principal Investment Programme Manager.

Presentation

9. **Q1 Budget Monitoring** **25 - 32**

In attendance: Janice Gillespie, Chief Finance Officer

Attached: Report and appendix

10. **2021-23 Budget and Budget setting process** **33 - 40**

In attendance: Janice Gillespie, Chief Finance Officer

Attached: Report and appendices

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

10:30am, Tuesday 7 December 2021 (venue tbc)

Contact Officer: Helen Delap  
Tel: (0191) 2115121  
Email: [Helen.delap@northoftyne-ca.gov.uk](mailto:Helen.delap@northoftyne-ca.gov.uk)



29 June 2021

(10:00 – 11:22)

Meeting held: Banqueting Hall, Civic Centre, Newcastle Upon Tyne

## Draft Minutes

### Present:

Chair: Cllr C Seymour

Councillors L Bowman, S Fairlie, M Hall, Cllr Janet Hunter, Joe Kirwin, Paul Scott, Cllr Catherine Seymour and Les Bowman

### 1 APPOINTMENT OF CHAIR AND VICE CHAIR

John Softly (NTCA Monitoring Officer) opened the meeting and introductions were made.

John Softly went on to confirm that the chair had to be from a different political party to that of the Elected Mayor.

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

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

**RESOLVED** that -

Councillor Seymour was duly appointed Chair of the Overview and Scrutiny Committee for the Municipal Year 2021/22.

Councillor Wright was duly appointed Vice Chair for the Municipal Year 2021/22.

### 2 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Lower and Wright.

### 3 **DECLARATIONS OF INTEREST**

None.

### 4 **AGREEMENT OF THE MINUTES OF THE MEETING HELD ON 23 MARCH 2021**

It was pointed out that bullet point three on page 4 should have stated 'Higher education' not 'further education'.

**RESOLVED** – that the minutes of the remote meeting held on 9 February 2021 were agreed as a correct record and signed by the Chair.

### 5 **COMMITTEE WORK PROGRAMME FOR 2021/22**

Submitted: Report of the Principal Governance and Scrutiny Manager (previously circulated and a copy attached to the Official Minutes).

The report set out the Overview and Scrutiny Committee's provisional work programme for the 2021-22 municipal year and proposed a change to the committee's start time from 10.00am to 10.30am.

Elizabeth Kerr presented the report and stated that the framework for the year ahead reflected discussions held at a workshop in June.

**RESOLVED** – That Overview and Scrutiny Committee:-

- 1) agreed the provisional work programme for the year ahead, noting that it could change throughout the year to respond to matters as they arose, and make any recommendations considered appropriate; and
- 2) agreed that the meetings of the committee would be held at 10.30am for the remaining meetings of the 2021-22 municipal year.

### 6 **COVID-19 RECOVERY UPDATE**

Submitted: Report of the Managing Director (previously circulated and a copy attached to the Official Minutes).

Dr Henry Kippin introduced the report which provided a regular update to the Overview and Scrutiny Committee on the role NTCA was playing in supporting COVID-19 response and recovery in the region. It built on the framework set out in the report to Committee in March 2021.

During the ensuing discussion and in response to questions, it was noted that:

- A requirement of the Levelling Up Fund was that local authorities had to submit bids rather than combined authorities. It was hoped that further rounds of this funding stream would become available in the future. The local authority criteria for bidding was dependent on where they were in the project

cycle and the government guidelines on priority places. There was also a set of stipulations around support from MPs. The NTCA had added its full support to the bids submitted from the North of Tyne region including three from Newcastle.

- The bid for the Tyne Bridge had wide cross party support across the region as well as the support of the Mayor of the NTCA.

**RESOLVED** – That the Overview and Scrutiny Committee agreed to note the information and make any comments and/or recommendations as appropriate.

## 7 COVID-19 RECOVERY UPDATE

Submitted: Report of the Managing Director (previously circulated and a copy attached to the Official Minutes).

The NTCA's Annual Report, endorsed by Cabinet in March meeting, set out the Authority's achievements and the work of the Mayor and Cabinet over the last year. 'Working Together For You' included stories on how NTCA was creating opportunities and driving innovation and included an annual update from the Inclusive Economy Board, the Housing and Land Board and the Voluntary, Community and Social Enterprise Stakeholder Engagement Group.

At the Annual Meeting in June, Cabinet endorsed NTCA's first Corporate Plan. The Corporate Plan set the direction for delivery across the authority over the next three years and beyond. The report provided an overview of content, outlining NTCA's ambitions and delivery priorities, described within seven delivery themes and three cross cutting themes.

Henry Kippin introduced the report and gave a presentation on the content of the NTCA's Annual Report and Corporate Plan.

During the ensuing discussion and in response to questions, it was noted that:

- In response to a question about projected job numbers, there was a natural lag between the investment made, the jobs the NTCA contracted for and 'real' jobs. The NTCA was confident that the pipeline showed 4000 jobs as a result of its investment so far; some of these jobs would come quickly and some less quickly. Over time there would be a tapering together of projected jobs and real jobs.
- Regarding how NTCA annual income had grown – from £20m per year in the original Devolution Deal, to £62.75m this year – was down, principally, to two particular funding streams as a mayoral combined authority; the Adult Education Budget and the Brownfield Housing Fund which is just over £24m for this region for a period of five years.
- A clear set of bids had been submitted to government in response to the 2020 Comprehensive Spending Review (CSR) and the Recovery Plan. There was also the Community Renewal Fund, the Levelling Up Fund and the post EU Shared Prosperity Fund.

- It was important that the NTCA was seen as a collaboration. All investment coming into the region was to be welcomed as it was value for everyone. It was suggested that a similar discussion take place after the next CSR.
- Regarding education, the devolved powers of the NTCA were currently focussed on adult education and the NTCA had a strong relationship with the universities in terms of bringing through innovation assets.
- In terms of school age education, the Devolution Deal set out the joint basis for a School Improvement Strategy and was taken to Cabinet last year as a means of unlocking further funding from government for the Education Challenge. A package of work would go through Cabinet over the coming months to provide updates on the School Improvement Strategy and 'the ask' of government would be shared with Committee Members. Digital connectivity was vital and anecdotal evidence indicated that work life would be different going forward. A partnership programme between Northumberland County Council and the NTCA had secured for a £12m investment from the Local Full Fibre Networks Programme. The NTCA was keen to invest in digital connectivity and would actively work to seek additional funds.
- On a point about clean energy connectivity, the NTCA was at the early stages of a long term programme and the intention was to look at the assets in the region, see what was ready for transition and invest in making sure that jobs were protected and give the best possible chance for transitions as appropriate.
- The NTCA did not have responsibility for transport at the moment unlike some other combined authorities. Greater Manchester and London had different governance arrangements for police and fire services and Manchester also had a deal around health and social care. The NTCA worked with the powers that it had and placed more emphasis on collaborative working.

**RESOLVED** – That the Overview and Scrutiny Committee noted and commented on the Annual Report and Corporate Plan.

## 8 **2020/21 OUTTURN REPORT**

Submitted: Report of the Chief Finance Officer (previously submitted and a copy attached to the Official Minutes).

Katy Laing (Strategic Finance Manager) introduced the report which informed the Committee of the provisional 2020-21 outturn position of the North of Tyne Combined Authority (NTCA) including the Corporate Fund, Investment Fund, Adult Education Budget, and Brownfield Housing Fund. The 2020-21 outturn position is provisional at this point as it will be subject to external audit as part of the Audit of the 20-21 Statutory Accounts.

In response to a question about underspend, Committee was advised that at the end of the year all underspends would be carried forward and added to the Investment Fund reserve for future delivery.

**RESOLVED** – that the Overview and Scrutiny Committee noted the report.

9 **CO-PRODUCTION WORKING GROUP REPORT**

Submitted: Report of the Principal Governance and Scrutiny Manager (previously submitted and a copy attached to the Official Minutes).

Elizabeth Kerr introduced the report which set out the work of Overview and Scrutiny Committee's first working group established to consider co-production and how the model could be applied to the work of the NTCA.

**RESOLVED** – That Overview and Scrutiny Committee endorsed the report and its recommendations and agreed to approve the report for submission to Cabinet.

10 **DATE AND TIME OF NEXT MEETING**

10:30am, Tuesday 12 October 2021 (venue tbc)

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

This briefing at the 12 October 2021 Overview and Scrutiny Committee meeting will be from **the Mayor, Jamie Driscoll**

#### 1. Overview

- 1.1. My joint top priorities are creating green jobs, and leading on decarbonisation of our economy, *and* we are doing these in an inclusive way. We need to take people with us, and that's why we're making sure these jobs are secure, well-paid and backed by our Good Work Pledge. We are working hard to roll out our Energy, Green Growth and Climate Change programme, backed by £24.2 million in funding, agreed by Cabinet in March last year. Using the £8.3 million allocated for infrastructure as part of the £12 million allocated for Offshore & Subsea, we are funding improvements on the north bank of the Tyne and have also agreed funding for improved infrastructure at the Port of Blyth Clean Energy Terminal, and Swans Energy Park on the Tyne.
- 1.2. We are also looking at ways to increase local content in offshore wind projects. We've partnered with the Offshore Renewable Energy Catapult to deliver our £3.5 million Technology, Innovation and Green Growth for Offshore Renewables programme (TIGGOR). Five companies have now been awarded funding under the programme for projects which will support technology demonstration in key areas such as maintenance of offshore wind turbines. We are also moving ahead on developing a programme to support the development of green skills as part of our Strategic Skills Plan and are about to launch a call around this. We are not yet ready to put a figure on the total number of jobs these programmes will create, but we anticipate that it will add thousands to our already impressive total. All of this work is positioning the North of Tyne as a clear national leader in green growth, based on a 'Zero carbon, Zero' poverty mission, with a just transition at its core.

#### 2. Green New Deal

- 2.1. We have now selected a partner – Amber Fund Management – to help us deliver the £18 million Green New Deal for jobs, and this should be operational imminently. This fund will focus on creating and supporting new green jobs, providing incentives for the private and public sector to innovate in the areas where the most CO<sub>2</sub> will need to be reduced. The Green New Deal Fund will enable and maintain positive environmental benefits in recovery; catalyse investment in green growth, which complements and aligns with other regional and national funding, and leverages private sector investment; stimulate innovation and business growth in the green economy, and target investment in areas of genuine opportunity.

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

- 3.1. Although Cabinet gave approval for the Citizens Assembly back in February 2020, the pandemic meant that it was delayed until February this year. Facilitated by Shared Futures,

a Community Interest Company, the assembly met online for a total of 30 hrs over 8 sessions during a one-month period. The Assembly, which comprised 50 local residents chosen by sortition, chose to focus in depth on housing, transport and renewable energy and came up with a raft of thirty prioritised recommendations in relation to these. Key recommendations included: supporting community energy; better funding for low carbon and innovative technologies; awareness-raising; and improving the energy efficiency of housing.

- 3.2. The Assembly Report was published in July 2021, and the recommendations were presented to Cabinet at the end of July. Cabinet agreed to the NTCA working with our three Local Authorities (LAs) to undertake a detailed review of the report's recommendations, and come up with action plans in relation to those recommendations which add value to the climate change actions already being undertaken. The team will be reporting back to Cabinet in the autumn. The Assembly highlighted the importance of seizing the opportunities associated with the transition to net zero and this theme was explored further in the well-attended Green Economy Summit, held in June, which was organised by NTCA, with Newcastle University.

#### **4. Access to Finance**

- 4.1. SMEs (Small and Medium-sized Enterprise) are the backbone of our local economy, so supporting them will power the innovation and building of local wealth necessary to continue the recovery from the pandemic, and grow our economy. However, SMEs, particularly those that are cooperatives and/or trading with a social purpose, have traditionally had difficulty in getting access to the financial backing they need. Additionally, where financial support has been available, it is provided mostly via commercial banks or hedge funds, meaning that repayment extracts wealth from our local economy.
- 4.2. At the September 2021 Cabinet, approval was given for a package of access to finance measures which will address these issues, and encourage a recycling of regional wealth into local funds and businesses. Backed by £15 million over five years, from the NTCA Investment Fund, it will have the heft required to make a real difference. There's £10 million in the package for equity investment, allowing us to support innovation by directly investing in promising start-ups and scale-ups, with returns from this enabling us to grow the fund and recycle money to support more firms and job creation. There's also £4 million for a social finance fund to fill gaps in the finance market for socially trading or employee-owned businesses. Cabinet also reaffirmed that we will be continuing our work in relation to the long-term objective of establishing a Community Bank, with some of the positive returns to NTCA from equity or loan investment being recycled to support this.

#### **5. Culture and Creative Investment Programme (Formerly the Culture and Creative Recovery Fund)**

- 5.1. The arts and the economy are inextricably linked. Arts not only enrich our lives, promote our mental health and produce more rounded individuals when taught in schools, but are crucial to our economy with 137,000 people employed in the sector. The sector was particularly badly hit by Covid as many of the income streams which creatives rely on – everything from putting on exhibitions and music gigs to providing art therapy sessions in hospitals – were closed down. In June 2020 we responded by establishing the Culture and Creative Recovery Fund. This has now developed into our £2.65 million Cultural and Creative Investment Programme, with a shift in focus from recovery to growth.
- 5.2. Working in partnership with Creative England, the Programme, launched in June this year, is the first of its kind, with a mix of grants, equity and loans to give the flexibility to provide bespoke support for the varying needs of organisations in this sector. There's £635k for equity investments of £25,000 to £75,000; £1.5million for loans of £50,000 up to £150,000 at interest of 0-10%, and £500k for small grants of up to £5k. There's also a separate offer to freelancers in the sector, to help them develop commercial skills such as bringing new products to market. We are also going to be providing support for the sector through our

Culture and Creative Zones programme. This will provide up to £500k for each of our three LAs, to enable them to develop a designated zone within which culture and creative organisations can grow. Our three LAs are currently developing their proposals for appraisal and it is intended for the zones to be ready for launch from April 2022 onwards.

## **6. Spacehive**

- 6.1. The NTCA is committed to putting co-design and co-production with our residents and communities at the heart of our work. This also means trusting our communities with resources and, through our partnership with Spacehive crowdfunding platform, which commenced in autumn 2020, we have put this into practice. Crowdfunding works by encouraging grassroots community projects to raise a proportion of their funding via direct donations from people within the community, with the NTCA then matching these investments with pledges for projects that meet our criteria.
- 6.2. For these initial rounds, the focus was on projects which contributed to Covid recovery. We've now completed two funding rounds, autumn 2020 and spring/summer 2021, and have had fantastic buy-in from local communities across our three LAs. A total of 26 projects have been launched, from which 15 are being supported by the NTCA, with £53,562 of grant funding matching £76,323 of funding raised by local communities. Projects as diverse as beekeeping in the Meadowell Estate in North Tyneside to the Altered Eating Altered Meeting project, one of the first projects in the country to tackle the impaired taste/smell associated with long Covid.
- 6.3. In July this year we launched our third round of funding, backed up by £50k from the Mayor's Capacity Fund, with the theme of Zero Carbon, Zero Poverty. We are looking to provide match funding for projects which improve or create green spaces and/or reduce food waste, and make it easier for everyone to access fresh, local food. At the September Cabinet, agreement was given to continue with the North of Tyne crowdfunding programme, and to allocate additional resources to this, including a further £150k from the Mayor's Capacity Fund.

## **7. Community hubs**

- 7.1. Supporting the development of community hubs – places which provide safe and accessible spaces for people of all ages to meet and engage in a range of educational, cultural and economic activities – is an important component of revitalising local life and creating more sustainable communities.
- 7.2. In July 2020, Cabinet approved £1.53 million for a Community Hubs Investment Fund (CHIF). This made up to £500k available to each of our three LAs, subject to their developing an operational delivery plan which met the criteria agreed by Cabinet. These criteria included supporting the development and delivery of social enterprise activities, such as more community businesses, and strengthening local partnerships/networks. In spring this year, bids were received from Newcastle and North Tyneside and, following appraisal, both have been approved. Together, they will support around 2,500 residents to access volunteering and community-based support; build the capacity of around 100 community organisations; and lead to the indirect safeguarding of 40 jobs. Newcastle's plan is based around supporting four family/children hubs with some support for social enterprises and North Tyneside is based on a VCSE hub which is hoped to be operational in early 2020. Northumberland is in the process of developing its bid to the CHIF.

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

- 8.1. This refers to the central theme/approach which brings coherence to, and informs, all of our programmes and way of interacting with our partners. 'The way we do things around here' refers to an approach which is also sometimes referred to as Community Wealth Building,

or the Democratic Economy. Essentially, it is a policy of keeping local the wealth generated in our region and, in keeping it local, making sure that all of our residents and communities benefit from it, with co-design and collaboration being an important element in this, i.e. making sure that our economy is truly inclusive.

- 8.2. There are a number of strands involved in putting this into practice, some of which we are putting in place already. For example, the Good Work Pledge and good green jobs; our recently agreed access to finance package, (which will enable active involvement in a more social economy); our value/ethics-based organisational policies (Equality and Diversity, Social Value); North of Tyne Crowdfunding; and our Child Poverty Programme. The other important strand to the policy is local procurement as a way of promoting good employment practices, carbon neutrality and local supply chains in our anchor institutions, with North of Tyne (as an anchor institution) setting an example.

## **9. Successfully devolved Adult Education Budget**

- 9.1. Meaningful adult education ensures that all North of Tyne residents have the skills to benefit from economic opportunities, including the good jobs we are creating through our investment programmes. In August 2020, the NTCA took control of the £23 million pa Adult Education Budget (AEB), secured as part of the devolution deal. In September 2020 we received, in addition, just under £1million to invest in high-value courses. The transfer went very smoothly, due to the huge effort that had been put in by the team over the preceding year to carry out an efficient procurement process, including £6.6 million for adult skills programmes to promote equality of opportunity for marginalised groups.
- 9.2. We have developed strong working relationships with all our providers, from the FE colleges all the way to the small scale providers - such as The Action Foundation in Newcastle and the Cedarwood Trust on the Meadowell Estate in North Tyneside - who benefited from the £650k pot in our procurement for small scale innovative programmes. The team's efficiency in getting the funds out to providers and the support we provided to them during Covid has undoubtedly been a factor in this. Despite the impact of Covid, our first year in control of the AEB has been remarkably successful: we have enabled 25,000 enrolment opportunities for our residents, with 17,000 of these completed up to August this year; 20% of enrolments are in the Health & Social Care sector, an increase of 5% compared to the previous year; and a 29% increase over the preceding year in the number of opportunities in English for Speakers of Other Languages (ESOL).

## **10. Progressed Brownfield Housing**

- 10.1. At the end of June 2020, the NTCA was awarded £24 million of government funding over a 5 year period, to enable our three LAs to target additional investment towards brownfield sites they identify as requiring intervention to make them suitable for housing development to go ahead. These are sites, mostly in a city or town's former industrial areas, where there may be abandoned factories, or other previously polluting operations. The funding came with a requirement that it would support the delivery of a minimum of 1,500 homes and also a very tight and demanding timetable (six months) for identifying and approving the first tranche of sites.
- 10.2. Despite Covid, the team's hard work has resulted in 5 projects, with a total value of just over £11 million, forecasted to create 1,238 housing units, being approved already. These projects include the North Shields Master Plan; Scotswood Phase two; and the Commissioners Quay in Blyth. Projects worth another £4 million are under appraisal, and another £11 million are in the pipeline. Together, these are forecasted to create an additional 2,000 housing units, meaning we are forecast to exceed the contracted target with the MHCLG of 1,500 units. This is a remarkable achievement.

## **11. Number of jobs**

- 11.1. The North of Tyne's Devolution Deal came with one primary target from government: create 10,000 jobs over a 30 year period. Over the 2 years 5 months that I have been in office, that equates to 805 jobs. The actual number (as at September 2021) is 4,193 jobs in the pipeline on current commitments, with a further 2,673 jobs safeguarded through the pandemic as result of our timely interventions. Through our judicious use of the programmes we have developed – including the Inward Investment Fund, our Rural Business Growth Offer and our North of Tyne Growth Fund – we are well on the way to smashing our jobs target.
- 11.2. The jobs we are creating are all permanent, well-paid with good career prospects and are all directly attributable to these funds. Jobs such as those created by Thoughtworks, a leading global technology consultancy, which has chosen to come to Newcastle because of our offer : this will create 100 highly-skilled, well-paid tech roles by 2024. Not included in these headline figures are the jobs that will come through our sector work, such as the Green New Deal Fund, which will deliver game-changing investment in new jobs, or from the £7 million investment in 5G and Future Connectivity agreed at July's Cabinet. Also not included are the thousands of jobs that will come through the Britishvolt battery cell factory on the former power station site at Blyth, construction of which has just started. Fully ramped up, the plant is expected to create around 3,000 direct jobs and a further 5,000 is associated supply chains.

## **12. The Good Work Pledge**

- 12.1. Good work is about so much more than job creation. It is central to having an economy that works for everyone – employers and employees. It boosts companies' productivity and boosts workers' quality of life. The North of Tyne's employment charter, the Good Work Pledge (GWP), launched in November 2020, is the result of collaboration and co-design with the business community and trade unions. It underpins all of the thousands of jobs we have been creating. It guarantees secure employment; a decent wage; proper representation in the workplace, (including a trade union recognition agreement); and access to training to boost skills and turn a job into a career.
- 12.2. With the appointment of a project officer earlier this year, we have started to market the GWP to local businesses more effectively, and are now able to provide them with guidance on the online application process, and what they need to do to achieve accreditation. There are two levels of accreditation, standard and advanced, with advanced requiring compliance with all five pillars. Once awarded, employers can access learning and networking opportunities and, as part of our work on procurement, we are looking at linking in GWP accreditation with the procurement process. To date, around 40 local employers, from both the private and public sectors, have become accredited, with a number of our anchor institutions being among these.

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Subject: North of Tyne Citizens' Assembly Report  
Report of: Chief Economist

## Report Summary

The purpose of this report is to provide the NTCA Overview and Scrutiny Committee with an overview of the North of Tyne Citizens' Assembly which was held in February and March this year. It presents an overview of the conclusions and recommendations of the Assembly and updates on next steps. The recommendations from the Citizens' Assembly provide NTCA and the constituent Local Authorities with a considered set of prioritised recommendations, together with wider consultation and engagement, which will help guide the development of further work in response to climate change, including influencing Government.

This report also documents how we are already responding together as a region to this shared challenge. Through investment, convening and working in-step across our Local Authority areas, we can ensure this region leads the transition to net zero and that we embed the voice of citizens, business, and society in the way we do this.

## Recommendations

The Overview and Scrutiny Committee is recommended to note the information and make any comments and/or recommendations as appropriate.

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

- 1.1 The case for investment and action to address climate change is global, urgent and increasingly becoming part of the political and societal mainstream. The UK Climate Change Act sets a legally binding target to achieve net zero greenhouse gas emissions across the UK economy by 2050 and, in June, the UK government set the world's most ambitious climate change target into law to reduce emissions by 78% by 2035 compared to 1990 levels. In November, the UK will host the 26th UN Climate Change Conference of Parties (COP26) in Glasgow, where heads of state, climate experts and campaigners will come together to agree coordinated action to tackle climate change.
- 1.2 Climate change is a complex problem and solutions are likely to require significant social as well as technical transformations. This implies significant change in the way we generate electricity, travel and heat our homes, as well as in the way products and services are produced and consumed. Therefore, citizens need to be engaged and at the centre of our response to the climate emergency.
- 1.3 NTCA's approach learns from and builds on the work already being done in the region. Our work to tackle the climate emergency is developed collaboratively with the three constituent Local Authorities and wider regional stakeholders, including the North East LEP, to ensure that we are adding value and supporting collective leadership and cross-regional change.
- 1.4 A Citizens' Assembly is a process used to meaningfully engage with citizens on how to address a challenge, in this instance climate change. Members learn about the topic (hear evidence from expert witnesses), deliberate (weighing possible policy options), and make actionable recommendations. It is designed to bring real, deliberative engagement with our citizens that is robust enough to reflect the complexity of the issues at hand. They actively seek sceptical and opposing views, rather than simply recruiting enthusiasts for a particular position, to engage a broadly representative sample of the population. It is used as a tool for gathering evidence and advice and for ensuring that initiatives align with what our citizens want and expect.
- 1.5 In February 2020, Cabinet approved a funding of £80,000 to deliver a Citizens' Assembly on Climate Change. This provided a further

opportunity to hear the views of our citizens about the type of economy and society they want in the future, and what we can collectively do to make this happen - building upon existing Local Authority consultations and engagement. To ensure the process was robust, fair, and unbiased, an Oversight Panel which was independent of the NTCA, was formed to support the process and to set the question that the Assembly were tasked with answering:

***“What should we do in the region to address climate change and its causes fairly, effectively and quickly?”.***

- 1.6 In order to continue this relationship with the Oversight Panel, whose expertise on climate change has been invaluable, the North of Tyne Citizens’ Assembly on Climate Change Post-Assembly Oversight Panel has been established for the implementation and delivery of the Citizens’ Assembly recommendations. The panel will advise and support the delivery of the Citizens’ Assembly evaluation and communications activity. It will comprise of key stakeholders and independent experts. It is important to emphasise that the Panel will not be taking away from the role of scrutiny, and will act more as critical friend with expert oversight over climate change related policies and projects, and will promote the opportunities in the NTCA work programme through their networks.
- 1.7 For recruitment of the 50 members, a process of ‘random stratified sampling’ was used to ensure the Assembly reflected local diversity in terms of age, disability, ethnicity, gender, geography, relative deprivation of an area, and attitude to climate change.
- 1.8 The Assembly took place online, due to the ongoing coronavirus pandemic, between 24 February and 24 March 2021. It met for a total of 30 hours over eight sessions, listening to and questioning a range of expert commentators. It was facilitated by an independent provider, Shared Future, a social enterprise that has extensive experience of delivering citizens’ assemblies and juries across the country.
- 1.9 The initial Assembly sessions were focussed on the wider topic of climate change. Following these the Assembly chose to explore housing, transport and energy in depth. The videos from the commentators are available to view on the NTCA website. At the first session of the Citizens’ Assembly it was explained that NTCA Cabinet would consider all the recommendations that emerged from the process although there was no commitment that Cabinet would agree with, or be able to implement all of the recommendations. It was explained that while the NTCA will not necessarily have all of the powers and resources to deliver on all of the recommendations, the region as a whole may be able to work in partnership to explore other options to progress delivery or to make the case to national Government for policy changes.
- 1.10 In July, the Citizens’ Assembly report by Shared Future (<https://sharedfuturecic.org.uk/wp-content/uploads/2021/07/NTCA-Citizens-Assembly-on-Climate-Change-report.pdf>) was published and is available on the NTCA website. The report explains the process followed to deliver the Assembly and then, in their own words, the conclusions of the Assembly in the form of a statement and a set of thirty prioritised recommendations.
- 1.11 The Citizens’ Assembly produced a statement setting out the importance of tagging urgent action to address climate action and to encourage the NTCA and three Local Authorities to consider low carbon issues in every decision they make (Box 1). This was supported, or strongly supported, by 92% of the citizens that participated in the Assembly. The statement was also endorsed by NTCA Cabinet in July.

**Box 1: The Citizens Assembly Statement:**

We now see that climate change is a credible, urgent and real threat. It threatens all we value: our families, our communities and our planet. Individuals, communities, businesses and government must all be involved in tackling the climate emergency, putting Climate Change at the forefront and heart of every single decision.



The Assembly urge the North of Tyne Combined Authority and the three Local Authorities of North of Tyne to direct all their departments and committees to consider the effects on Climate Change in every decision they make, whenever possible choosing the low carbon solution. This work must be a major priority for our Mayor who must lead the way and lead by example.

In deciding our action we must place fairness at the centre ensuring that those of us who are vulnerable and marginalised are not further disadvantaged. We must empower and support communities to take urgent, methodical and united action to get to net zero and create an environment in which all life can thrive.

We have a responsibility to act urgently and leave a fair legacy to conserve what we have and value now. If we don't act it will be too late. It is imperative that we speak on behalf of future generations as they have no voice.

Our region is one of outstanding beauty, character and a rich history. It is through our community spirit and resilience we will tackle this crisis together.

- 1.12 Most of the recommendations relate to the themes of housing, transport and energy, however, the Assembly also made recommendations about planning, awareness raising, waste and recycling, green spaces and nature, lobbying, local powers and finance. There are also recommendations on lobbying, local powers and finance, as well as a recommendation that the Citizens Assembly wish to continue their work and receive six monthly updates on progress. The Citizens Assembly then voted on their recommendations and ranked them in order to produce a prioritised set of recommendations.
- 1.13 The comprehensive recommendations of the Citizens' Assembly are detailed in the full report and include:
- Recommendations on energy included further support for community energy, ensuring the region has the skills required to tackle the climate emergency, investing in new technologies, and increasing uptake of existing technologies such as solar PV.
  - Recommendations for housing are heavily focused towards improving the energy efficiency of new and existing housing, working towards passivhaus standards for new build, and Page 12 raising the policy ambition to EPC B for existing homes with a targeted approach to retrofitting and incentivising private landlords.
  - Recommendations for transport are focused towards improving joined up public transport across both urban and rural areas, making walking and cycling easier and reducing dependency of private car travel where possible.
  - Recommendations on nature are focused on local planning, better use and protection of green space and increasing woodland across the region.
  - General recommendations include the future role of the Citizens' Assembly and calling for national policy change that would support the region to take further action to tackle the climate emergency, including but not limited to local planning.
- 1.14 As described in more detail in a report to Cabinet in September, the NTCA is working collaboratively with constituent Authorities and wider regional stakeholders to deliver against our objectives of Green Growth and reduced carbon emissions – with many of these activities aligned with the conclusions from the Citizens' Assembly:
- **Green New Deal Fund (£9m):** NTCA has agreed to enter a partnership with Amber infrastructure and their sister company Amber Fund Management Limited to deliver NTCA's flagship £18m North of Tyne Green New Deal Fund. The final stages of preparation are currently underway, ahead of its launch towards the end of October. This ground-breaking fund will invest in projects which will deliver significant carbon savings as well as support new industry and jobs in areas where emissions reductions are most needed.
  - **Energy for Growth Accelerator (£0.5m):** In partnership with the North East LEP, this will overcome market barriers and accelerate investment in low carbon projects across the North

East. The Accelerator will provide enhanced capacity to develop a pipeline of shovel-ready low carbon projects by appointing two project managers to work across the North East region and a funding for consultancy to enable projects to access the technical, commercial and legal support that is required to get projects to the point of investment. Following the programme launch in September, five projects from the North of Tyne constituent local authorities are now receiving support from the Accelerator.

- **Green Growth Skills (£2m):** In September, NTCA launched a call for £2m of investment in Green Growth Skills. This is 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. The call will close in November.
- **Offshore Wind and Subsea Infrastructure Programme (£12.5m):** 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 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 and attract private investment. NTCA has agreed £5.8m for three investments to enhance the sites and infrastructure available and leverage an additional £6.75m. As discussed by Cabinet in September, an additional project - Battleship Wharf to Northumberland Energy Park by Blyth Harbour Commission – has also been agreed, subject to final due diligence; with the project set to improve infrastructure and open up access to deep water berths.

Following a second call, NTCA received four Expression of Interest for projects valuing over £19 and projected to create 477 jobs, with many more expected indirectly through the supply chain. Given the success of the current programme and strength of the emerging pipeline, in September Cabinet approved 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.

- **Technology, Innovation and Green Growth for Offshore Renewables (TIGGOR) Programme (£3.5m):** The North of Tyne has invested £3.5m in an offshore technology innovation programme delivered in partnership with OREC. The programme has two elements – de-risking technology innovation and business growth support. It is industry led, with partners such as industry giants Equinor, the developer of the world’s largest offshore wind farm and EDF, the developer of the UK’s first offshore wind farm. The industry partners shape the programme to boost the supply chain growth and productivity. 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. The successful companies applied for support to accelerate innovative technology concepts in key areas of operations and maintenance for offshore wind, including remotely operated vehicles (ROVs), digital twins, cable arrays and sensors. A second funding call was launched in 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.
- **Community Energy:** NTCA, with partners, has commissioned a report by the Centre for Sustainable Energy (CSE) on ‘*Enabling Community Energy in the North East of England: Tackling the Climate Emergency*’. This 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. The report provides a series of recommendations for overcoming barriers to community energy, along with a potential plan for supporting community energy in the region. These recommendations are being taken forward by the North East Community Energy Steering Group established by the North East LEP.

- **Citizen, Community, and public Sector Engagement:** NTCA has allocated £100,000 to develop a pipeline of future interventions to support citizen, community and public sector engagement.
- **Housing Retrofit:** NTCA has commissioned the 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 North of Tyne region. This will include the provision of a database of the energy efficiency of 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 on green job creation associated with retrofitting homes across the 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.
- **Working together and collaboration:** The importance of working together and collaboration if we are going to succeed in our net zero goals was discussed at the inaugural Green Economy Summit which NTCA hosted jointly with Newcastle University. 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 the Voluntary Community and Social Enterprise (VCSE) sector and other organisations, alongside their other objectives.

## 2. Next Steps

- 2.1 As set out in the reports to Cabinet in July and September, the NTCA has a strong programme of activities in support of our objectives to reduce carbon emissions and increase green growth, with activities aligned to the conclusions from the Citizens' Assembly. Further updates will be provided to Cabinet on a regular basis. Our key next step is the launch of the Green New Deal Fund.

## 3. Equalities Statement

- 3.1 The Overview and Scrutiny Committee is mindful of its duty under the Public Sector Equality Duty and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision eliminates discrimination, harassment and victimisation; advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it; and also considers the implications for people from different socio-economic backgrounds/low pay as a protected characteristic.
- 3.2 As set out in the report to Cabinet in July, 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.
- 3.3 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.

#### **4. Inclusive Economy Statement**

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

#### **5. Climate Change Statement**

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

#### **6. Consultation and Engagement**

- 6.1 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.

#### **7. Appendices**

None

#### **8. Background Papers**

NTCA Cabinet 22nd September 2021: Low Carbon and Green Jobs: An Update: [\(Public Pack\)Agenda Document for North of Tyne Combined Authority, Cabinet, 22/09/2021 14:00 \(northoftyne-ca.gov.uk\)](#)

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: [\(Public Pack\)Agenda Document for North of Tyne Combined Authority, Cabinet, 27/07/2021 14:00 \(northoftyne-ca.gov.uk\)](#)

NTCA Cabinet 23rd March 2021: Supplement Agenda 1: Investment Fund Update and Funding Approvals: [\(Public Pack\)Supplemental Agenda 1 Agenda Supplement for North of Tyne Combined Authority, Cabinet, 23/03/2021 14:00 \(northoftyne-ca.gov.uk\)](#)

NTCA 1st April 2020: Delegated Decision Investment Fund Update, Part B: Energy, Green Growth and Climate Change – a North of Tyne Blueprint: [20200401-InvestmentB-report.pdf \(northoftyne-ca.gov.uk\)](#)

Shared Future, June 2021, The North of Tyne Citizens' Assembly on Climate Change 2021: <https://sharedfuturecic.org.uk/wp-content/uploads/2021/07/NTCA-Citizens-Assembly-on-Climate-Change-report.pdf>

#### **9. Contact Officers**

Lizzie Lunn, Policy and Economy Advisor  
[Elizabeth.lunn@northoftyne-ca.gov.uk](mailto:Elizabeth.lunn@northoftyne-ca.gov.uk)

**10. Glossary**

NTCA – North of Tyne Combined Authority

North East LEP – North East Local Enterprise Partnership

TIGGOR - Technology, Innovation and Green Growth for Offshore Renewables Programme

CSE – Centre for Sustainable Energy

EST – Energy Saving Trust

VCSE - Voluntary Community and Social Enterprise

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Subject: Green New Deal  
Report of: Principal Economy and Strategy Manager

## Report Summary

The purpose of this report is to provide the NTCA Overview and Scrutiny Committee with an overview of the Green New Deal programme.

## Recommendations

The Overview and Scrutiny Committee is recommended to note the information and make any comments and/or recommendations as appropriate.

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

#### 1.1 Background

- 1.1.1 In April 2020, NTCA approved an Energy, Green Growth and Climate Change Blueprint and agreed a £24.2m investment fund allocation until 2023, which included a £10m for a Green New Deal Fund.
- 1.1.2 The Green New Deal Fund will leverage private sector resources to deliver an £18m investment, enabling the North of Tyne to take a real lead in an area that will be fundamental to future growth, recovery, and the achievement of net zero.
- 1.1.3 In September 2020, Investment Panel agreed an approach for the Green New Deal Fund, with £9m to be utilised to establish the actual Green New Deal Fund, and up to a maximum of £1m to be utilised to establish technical capacity for the development of a robust low carbon and energy project pipeline. NTCA launched a call for proposals to shape the fund on 25th September 2020 and in March 2021 Investment Panel endorsed an NTCA contribution to North East Energy for Growth Accelerator to the total value of £495,000 from the £1m allocation previously agreed.
- 1.1.4 Following the external legal and financial due diligence review of the selected Green New Deal proposal, in June 2021 the Head of Paid service approved the investment of £9m for North of Tyne Green Deal Fund and agreed that the Monitoring Officer and Section 73 Officer should progress the development of a Limited Partnership with Amber to deliver the fund.

#### 1.2 Green New Deal

- 1.2.1 The scale of the challenge of moving to net zero, and opportunities associated with Green Growth, were outlined to Cabinet in March 2020 and September 2021. Although Covid-19 has had significant societal and economic impact since that report was approved, a green and just economic recovery continues to form a clear and growing part of national and international discourse. As plans for recovery are developed within the region, there is a real opportunity to deliver on the twin benefits of stimulating the economy to create jobs while accelerating the green transition.
- 1.2.2 The NTCA Green Growth approach creates the conditions for radical innovation across our industries and public services – supporting collaborative interventions that stimulate the market to create new jobs and growth, demonstrating bold ambition around carbon reduction. This will allow us to grow our capacity as a region to build the skills base to support new jobs and transition to cleaner ways of working, aligning with wider green growth policies such as 'green prescribing' and harnessing the natural capital of the area.

- 1.2.3 The Green New Deal Fund will catalyse investment in green growth, stimulating innovation and business growth in the areas of heat decarbonisation, energy efficiency, renewables, energy systems, low carbon transport and natural capital. In parallel, NTCA will work with Government and the private sector to match and multiply this commitment with additional funds.
- 1.2.4 NTCA launched a call for proposals to deliver the fund on 25th September 2020 which closed on the 19th November. Applicants were asked to illustrate how they would intend to deploy the fund within the timeframe set, manage a diverse portfolio of clients and proposals and indicate expected leverage of investment co-financing options alongside NTCA's investment. NTCA also stipulated a requirement for a Green New Deal Fund Advisory Panel (to include representatives from the Combined Authority, Local Authorities and the private sector).
- 1.2.5 Several organisations expressed an interest and two detailed proposals were submitted. Two proposals were received and underwent evaluation in advance of consideration by Technical Officers Group and Investment Panel.
- 1.2.6 The proposal from Amber achieved the highest score with a thorough and evidenced based approach entirely in line with the specification set out the call definition document. Their ability to stimulate demand for local projects, SME growth and supply chain benefits in the region as well as their ability to simultaneously achieve verifiable outputs on carbon reduction, energy efficiency and renewable energy generation within the timeframe of programme were particular strengths. Amber's wealth of expertise in managing public sector funds in the low carbon field and ability to generate significant new leads was also highlighted in addition to extensive experience of managing these types of fund and the strong process and procedures in place to manage the Green New Deal Fund.
- 1.2.7 Amber is a leading equity investor, debt arranger and investment fund manager across the infrastructure, energy and real estate sectors, headquartered in the UK and operating internationally through ten offices. Amber's key UK offices are in London and Edinburgh but they have local presence up and down the country through asset managers who are located close to the assets that they are managing and a local asset manager will be based in the North of Tyne area. Amber is a leading fund and asset manager of infrastructure assets with a particular focus and a proven track record in the UK market, having deployed over £270 million into low carbon infrastructure projects across London and Scotland, via London Energy Efficiency Fund, the Mayor of London Energy Efficiency Fund and the Scottish Partnership for Regeneration and Urban Centres fund. In addition, Amber is the joint fund manager for HM Treasury for NDIF, a public sector fund created to roll out of digital infrastructure across the UK. Amber has market-leading experience of establishing and operating funds that successfully deliver performance and return targets for both public and private sector investors.
- 1.2.8 The Green New Deal Fund will incorporate the following elements:
- Leveraging £9m additional private sector investment to NTCA investment of £9m resulting in an £18m programme with a 50% intervention rate. Total fund management costs will not exceed 10% of NTCA investment.
  - A mixed grant/loan/equity model - a financial instrument with an evergreen component based on a Limited Partnership model.
  - A focus on infrastructure projects as well as business growth and innovation with financial models that could be employed to bring forward projects.
  - Investment directly into SMEs based in North of Tyne. This funding will be for growth capital which will allow the SME to invest in its R&D, training and workforce, enabling them to access larger contracts.
  - Technical and investment support will be provided to project sponsors to ensure viable projects are brought forward for investment. This support will be aligned with support brought forward through the North East Energy for Growth Accelerator programme.
  - The Fund would create high skilled jobs by delivering innovative projects across growing sectors. This will support upskilling and create apprenticeships or work placements for example the applicant would look to create a short-term work experience programme for young people interested in green finance
  - The Fund would work closely with existing initiatives including the Energy Catalyst and local universities to review high Technology Readiness Level projects for consideration and has



confirmed there will be an initial period of engagement with the local business development support ecosystem.

- 1.2.9 It is anticipated that the North of Tyne Green New Deal Fund will be operational for businesses to access from late-Autumn 2021 onwards.
- 1.2.10 The Green New Deal Fund will be formed as an English limited partnership and the Combined Authority will invest into the Partnership, this will be done via the Combined Authority becoming a Limited Partner alongside an entity established by Amber to hold its investment - these are the Limited Partners. The general partner of the Fund will be an English limited company and the partnership will be governed by a Limited Partnership Agreement which is agreed between all partners. Using a separate legal entity for this purpose protect the Combined Authority from risk of unlimited liability. The general partner will, acting on behalf of the Partnership and in its own capacity enter into a tripartite Investment Management Agreement with the selected External Fund Manager. The Investment Management Agreement will require that the Partnership be managed in accordance with the LPA and establish appropriate governance over investment decisions.
- 1.2.11 The Limited Partnership structure is a model used to deliver such funds across the UK and will provide a robust framework to deliver the Green New Deal Fund as originally envisaged by NTCA Cabinet, provide the ability to demonstrate the effectiveness of this investment model. The first Green New Deal Fund Panel Meeting will approve the governance and operation policies of the GNDF, including the Investment Policy which will direct final recommendations for funding approvals under the Green New Deal Fund. The general partner will be ultimately responsible for administering the awards and making actual final decisions, in line with the Investment Policy - which needs to be agreed by all partners and following consultation with the Green New Deal Fund Panel. Through the development of the Limited Partnership Agreement, NTCA will include relevant controls but the general partner must make the decisions and run the fund to ensure that 'Limited' Liability is retained by the NTCA as required by the Limited Partnership legal requirements.

### 1.3 Progress and Next steps

- 1.3.1 External legal advice sought by NTCA and provided by DWF has confirmed that the Limited Partnership is an appropriate mechanism to deliver a fund such as the Green New Deal Fund and to manage risk for the Combined Authority. Independent financial due diligence of the proposal was commissioned and completed by UNW. The independent appraisal confirms that Amber has the expertise to deliver the Fund; has the relevant process and procedures in place to manage investment and risks; and as an organisation have the ability to effectively manage their resources and maintain positive results.
- 1.3.2 Since June, NTCA Officers and Amber have been progressing all the work associated with the set up of the Limited Partnership and the Fund including:
- An MOU between NTCA and Amber has been signed which covers the joint work on the set-up period till the Limited Partnership is set up
  - The Investment Policy has been drafted and discussed with stakeholders at length.
  - A draft Limited Partnership agreement is currently going through legal review.
  - Private sector board members have agreed to become members of the advisory board
  - Work has commenced to develop the pipeline in order for the first deals to come forward soon after the launch of the fund.
  - A procurement is open for the business development component with an expected award by the end of October.
  - Meetings with key partners are underway and Amber will be in the region on the 6<sup>th</sup> and 7<sup>th</sup> October to meet with key partners.
- 1.3.3 It is expected that the Limited Partnership will be set up in the coming weeks and the Green New Deal Fund will be launched and operational in the Autumn.

## **2. Equalities Statement**

- 2.1 As required by Section 149 of the Equality Act 2010, the Combined Authority has considered its obligations regarding the Public Sector Equality Duty and there will be no anticipated negative impact on groups with protected characteristics from these proposals. 6.2 In addition, NTCA will encourage Amber to be mindful of our corporate policy and direct them to guidance provided by the Equalities and Human Rights Commission. <https://www.equalityhumanrights.com/en/advice-andguidance/guidance-businesses>

## **3. Inclusive Economy Statement**

- 3.1 The Inclusive Economy impact of this project was considered as part of the Appraisal process. The Combined Authority believes that the North of Tyne Green New Deal Fund will positively contribute to creating a more inclusive economy in the North of Tyne. wealth is sustained over time, thus maintaining inter-generational well-being.

## **4. Climate Change Statement**

- 4.1 The Combined Authority has considered the implications relating to climate change in decisions regarding the delivery of the North of Tyne Green New Deal Fund and expects the Green New Deal Fund to enable the North of Tyne to take a real lead in an area that will be fundamental to future growth, recovery, and the achievement of net zero.

## **5. Consultation and Engagement**

- 5.1 Consultation has taken place with a broad range of national and regional stakeholders to develop the call definition document inviting proposals to deliver a Green New Deal Fund. Proposals were evaluated by officers at NTCA, Local Authorities and the North East LEP, and have been considered by Technical Officers Group and Investment Panel.

## **6. Appendices**

## **7. Background Papers**

NTCA Delegated Decision Report 1 April 2020, 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-InvestmentBreport.pdf>

NTCA Delegated Decision report 15 June, Investment Fund Update and Funding Approvals - Green New Deal Fund, <https://www.northoftyne-ca.gov.uk/wp-content/uploads/2021/06/DD-Report.pdf>

## **8. Contact Officers**

Maria Antoniou  
Principal Economy and Strategy Manager  
[maria.antoniou@northoftyne-ca.gov.uk](mailto:maria.antoniou@northoftyne-ca.gov.uk)  
07970627134

Leanne Wilson  
Policy and Economy Adviser  
[leanne.wilson@northoftyne-ca.gov.uk](mailto:leanne.wilson@northoftyne-ca.gov.uk)  
07971 919975



Subject: 2021/22 Q1 NTCA Budget Monitor Report

Report of: Janice Gillespie, Chief Finance Officer

## Report Summary

The purpose of this report is to present the first quarter monitoring report on the 2021/22 NTCA financial position to the Overview and Scrutiny Committee. The report brings together the forecast financial position for both the Corporate, Investment Fund, Brownfield Housing Fund and Adult Education budget and provides an indication of the potential position of the Combined Authority on 31 March 2022. It also sets out the potential position on the reserves at the year end.

## Recommendations

The Overview and Scrutiny Committee is recommended to note the report on the 2021/22 Q1 NTCA Budget Monitor Report which was submitted and approved at Cabinet on 27 July 2021.

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

- 1.1 Cabinet approved the 2021/22 Budget on 26th January 2021. Included in that Budget was the estimated expenditure across the year for both the Corporate Budget, Investment Fund, Brownfield Housing Fund, and the Adult Education Budget.
- 1.2 The 2021/22 Budget Proposals were set within the context of the COVID-19 pandemic and delay to Comprehensive Spending Review (CSR).
- 1.3 The 2021/22 Q1 NTCA Budget Monitor reflects the continued development of the Combined Authority in terms of the establishment of the Authority's staffing structure, and the systems required to support the delivery and monitoring of projects and programmes aligned with its vision based on current information and trajectory of delivery of programmes and projects.
- 1.4 The 2021/22 Q2 NTCA Budget Monitor Report, including the Mid-year Treasury Management position will be taken to Cabinet on 30 November 2021, and will follow on to Overview and Scrutiny Committee on 7 December 2021.

### 2. Equalities Statement

- 2.1 The Overview and Scrutiny Committee is mindful of its duty under the Public Sector Equality Duty and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision eliminates discrimination, harassment and victimisation; advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it; and also considers the implications for people from different socio-economic backgrounds/low pay as a protected characteristic. This report is reporting on the financial performance of the Authority and therefore any equality impact assessment on the individual project and programmes will have been undertaken.

### 3. Inclusive Economy Statement

- 3.1 The Overview and Scrutiny Committee is mindful of the NTCA's inclusive economy ambitions and the five characteristics of an inclusive economy: participation; equity; growth; stability and

sustainability and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision has taken these fully into account.

#### **4. Climate Change Statement**

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

#### **5. Consultation and Engagement**

- 5.1 The 2021/22 NTCA Final Budget Proposals were subject to wide consultation both internally and externally.

#### **6. Appendices**

Appendix 1. 2021/22 Q1 NTCA Budget Monitor Report.

#### **7. Background Papers**

Cabinet 26 January 2021-2025 Budget Proposals

#### **8. Contact Officers**

Janice Gillespie, Interim Chief Finance Officer  
E-mail address: [Janice.gillespie@northtyneside.gov.uk](mailto:Janice.gillespie@northtyneside.gov.uk)  
Tel: 0191 6435701

#### **9. Glossary**

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

**Subject: 2021/22 Quarter 1 NTCA Budget Monitor Report**  
**Report of: Chief Finance Officer**  
**Portfolio: Investment and Resources**

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## Report Summary

This report is the first quarter monitoring report to Cabinet on the 2021/22 financial position. The report brings together the forecast financial position for both the Corporate, Investment Fund, Brownfield Housing Fund and Adult Education budget and provides an indication of the potential position of the Combined Authority at 31 March 2022. It also sets out the potential position on the reserves at the year end.

## Recommendations

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

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

- 1.1 Cabinet approved the 2021/22 budget on 26th January 2021. Included in that budget was the estimated expenditure across the year for both the Corporate Budget, Investment Fund, Brownfield Housing Fund, and the Adult Education Budget.
- 1.2 The 2021/22 budget proposals were set within the context of the COVID-19 pandemic and delay to Comprehensive Spending Review (CSR).
- 1.3 The 2021/22 Q1 budget monitor reflects the continued development of the Combined Authority in terms of the establishment of the Authority's staffing structure, and the systems required to support the delivery and monitoring of projects and programmes aligned with its vision based on current information and trajectory of delivery of programmes and projects.
- 1.4 **Corporate Budget**
  - 1.4.1 The Corporate budget for 2021/22 set a net zero position covering the costs associated with the capacity required to deliver.
  - 1.4.2 Table 1 overleaf reflects the 2021/22 forecast position across the key income and expenditure heads within the Corporate Budget head.

**Table 1 Q1 2021/22 Corporate Budget Monitor**

<b>Corporate</b>	<b>Budget £m</b>	<b>Forecast £m</b>	<b>Variance £m</b>
<b>Expenditure</b>			
Employees	2,564	2,959	396
Other Service Expenses	1,699	1,699	-
Support Services	276	285	9
JTC Levy	26,801	26,801	-
<b>Gross Expenditure</b>	<b>31,340</b>	<b>31,744</b>	<b>405</b>
<b>Income</b>			
Mayoral Capacity Grant	(1,000)	(1,000)	-
Constituent Authority Contributions	(111)	(111)	-
Investment Fund Contribution	(2,231)	(2,231)	-
Investment Fund Workstreams	(221)	(554)	(333)
AEB Contribution	(678)	(678)	-
Other Contributions	(123)	(195)	(72)
Interest on Investments	(175)	(175)	-
JTC Levy	(26,801)	(26,801)	-
<b>Gross Income</b>	<b>(31,340)</b>	<b>(31,745)</b>	<b>(405)</b>
<b>Net (Income)/Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>

1.4.3 There are now 58 staff directly employed by the Combined Authority, this reflects an increase in the current forecast position on employee expenditure of £0.396m and is in light of increasing numbers of projects and programmes, resulting in recruitment of a number of temporary posts to lead on the delivery of the projects. A workforce planning exercise is currently being undertaken with the aim of creating a long-term staffing plan set within the context of a consistent set of agreed principles appropriate for the Authority.

1.4.4 The increase in employee expenditure is matched by an increase in income from Investment Fund workstreams and an increase in other contribution income directly funding the increase in employee expenditure. A small increase (£0.009m) in Support Services is due to an increase in the insurance policy costs.

## 1.5 Investment Fund

1.5.1 To date the Combined Authority has achieved:

- A commitment of £68.440m against 71 live projects – out of a total programme value of £90.000m to March 2023.
- These projects will attract £245.720m of private sector leverage and are forecast to deliver 4193 jobs and safeguard a further 2673.
- Of these, the first 380 new jobs have been created and 1773 safeguarded.

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

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

	<b>Committed</b>	<b>Allocation</b>	<b>% Allocated</b>
	<b>£m</b>	<b>£m</b>	
Business	42.000	45.300	93%
People	10.760	17.300	62%
Place	6.580	13.250	50%
Major Strategic Economic Opportunities	7.160	9.650	74%
Business Case Development Fund	1.940	4.500	43%
	<b>68.440</b>	<b>90.000</b>	<b>76%</b>

1.5.2 The Investment Fund Programme continues to grow as projects progress through the pipeline. There have been key funding proposals coming forward for consideration, around innovation and supporting our key sectors. Work continues at pace to operationalise the headline sector strategies agreed by Cabinet. In addition, there is a step change in the volume of contracts and supporting financial claims as projects and programmes come to fruition. Table 3 below shows the forecast position for the Investment Fund in 2021/22.

**Table 3 Investment Fund Q1 Budget Monitor**

<b>Investment Fund</b>	<b>Budget £m</b>	<b>Forecast £m</b>	<b>Variance £m</b>
<b>Expenditure</b>			
Business Case Development Fund	1.000	0.900	(0.100)
Investment Projects	26.757	26.757	-
Technical Assistance	0.250	0.350	0.100
Contribution to Corporate	2.231	2.231	-
<b>Gross Expenditure</b>	<b>30.238</b>	<b>30.238</b>	<b>-</b>
<b>Income</b>			
Investment Fund	(20.000)	(20.000)	-
<b>Total Income</b>	<b>(20.000)</b>	<b>(20.000)</b>	<b>-</b>
<b>Net Position (Income)/Expenditure</b>	<b>10.238</b>	<b>10.238</b>	<b>-</b>
<b>Investment Reserve brought forward</b>	<b>(50.129)</b>	<b>(50.129)</b>	<b>-</b>
<b>Net Investment Fund Reserve carried forward</b>	<b>(39.891)</b>	<b>(39.891)</b>	<b>-</b>

1.5.3 The quality of delivery continues to be strong. Relationships with grant recipients remain strong and organisations have been keen to work with NTCA to design and embed innovative delivery approaches, ensuring that projects can continue to meet the aims, objectives, and outputs that they set out to achieve. Additionally, the pipeline has continued to develop with a number of schemes to be delivered in 2021/22, including the Green New Deal Fund which will deliver a significant amount of expenditure and outputs. The increase shown (£0.100m) on the Technical Assistance budget is in relation to evaluation work due to be contracted pending the Gateway Review.

1.5.4 Within the above investment fund workstream the following project includes funding to be spent on capital schemes:

**Table 4 Investment Fund Capital Schemes**

<b>Project</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>Total £m</b>
NU Futures	1.637	0.029	1.666

**1.6 Brownfield Housing Fund**

- 1.6.1 The Brownfield Housing Fund is the first housing allocation for the North of Tyne Combined Authority. The funding is intended to support the development of at least 1,500 new homes, by remediating and revitalising brownfield sites across the North of Tyne area. The Brownfield fund is part of a broader housing programme and pipeline of sites, shaping a strategic delivery approach to supporting housing and economic recovery.
- 1.6.2 A current total pipeline of 19 schemes with a total funding request of £26.100m. This position provides enough flexibility to manage the programme and NTCA, in collaboration with partners will continue to develop the pipeline of schemes in order to manage a deliverable capital programme which meets the requirements and timescales set out by MHCLG.
- 1.6.3 In terms of approvals to date, NTCA have approved 5 schemes with a total commitment of £11.140m. These schemes are forecasting the creation of 1238 housing units with the extended pipeline accounting for 3144, this is set against the MHCLG target of 1500. Forecast private sector leverage for the 5 approved projects stands at £115.95m.
- 1.6.4 These schemes have been contracted and are now delivering on the ground, the following section sets out further detail on each scheme.
- 1.6.5 Due to the late confirmation and receipt of funding in year 1 (2020/21) and delays due to the pandemic, the unspent allocation from this year has been carried forward in to 2021/22 (year 2). This will increase pressure in terms of accelerated delivery in this financial year. Table 5 below shows the revised profile going forward over the 5 years as agreed with MHCLG.

**Table 5 Brownfield Housing Funding Profile updated for Year 1 underspend**

	<b>Total £m</b>	<b>Year 1 £m</b>	<b>Year 2 £m</b>	<b>Year 3 £m</b>	<b>Year 4 £m</b>	<b>Year 5 £m</b>
<b>Funding Profile</b>	24.000	5.000	8.100	6.700	3.100	1.100
<b>Funding Profile reflecting underspend in 2020/21 c/f to 2021/22</b>	23.854	0.585	12.368	6.700	3.100	1.100
<b>Projected Programme Spend</b>	26.184	0.585	11.693	6.925	6.687	0.293

**1.7 Adult Education Budget (AEB)**

- 1.7.1 In August 2020 NTCA took control of £23.145m devolved Adult Education Budget for the academic year 2020-21. An additional allocation of £0.959m for one year was received in September 2020 to invest in high value courses and sector-based work academy programmes. A further £0.409m was delegated to NTCA in April 2021 to deliver Lifetime Skills Guarantee. Bringing the total AEB for the academic year (August 2020 – July 2021) to £24.514m.
- 1.7.2 The Department of Education have confirmed NTCA's devolved AEB for the period 1 August 2021 to July 2022 is £23.551m plus an additional £1.642m for the delegated Lifetime Skills Guarantee bringing the total AEB in 2021/22 academic year to £25.193m.
- 1.7.3 Since the beginning of June 2021 over 22,000 enrolment opportunities have been delivered or are being undertaken. AEB has delivered 78% of their profiled enrolments with the expectation this will reach 80% by the end of the academic year 2020/21.



1.7.4 COVID-19 has had a big impact on face-to-face learning, the impact of this is being closely monitored through Provider Quarterly Monitoring Meetings both in terms of learner engagement during the pandemic and providers performance against delivery plans and payment profiles that were set out at the beginning of the academic year.

1.7.5 Table 6 below shows the forecast budget position on AEB for academic year 2021/22.

**Table 6 Adult Education Budget Forecast Academic Year 2021/22**

	Academic Year 2021/22		
	Budget £'000	Forecast £'000	Variance £'000
<b>Expenditure</b>			
Grant Awards	15.369	16.214	0.845
Procured Services	6.659	6.659	-
Corporate Contribution	0.678	0.678	-
Lifetime Skills Guarantee	-	1.642	1.642
<b>Gross Expenditure</b>	<b>22.706</b>	<b>25.193</b>	<b>2.487</b>
<b>Income</b>	<b>(22.706)</b>	<b>(25.193)</b>	<b>(2.487)</b>
<b>Gross Income</b>	<b>(22.706)</b>	<b>(25.193)</b>	<b>(2.487)</b>
<b>Net Position (Income)/Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 1.8 Reserves

1.8.1 The forecast position on reserves held at 31 March 2021/22 are detailed below in Table 7.

**Table 7 Reserves as at 31 March 2022**

Reserves Statement	Opening Balance £m	Movement in Reserve £m	Closing Balance £m
Strategic Reserve	0.200	-	0.200
Investment Fund Reserve	50.129	(10.238)	39.891
Preparing to Exit Grant	0.183	-	0.183
<b>Total NTCA General Fund Reserves</b>	<b>50.512</b>	<b>(10.238)</b>	<b>40.274</b>

1.8.2 Reserves will decrease by £10.238m to £40.274m based on the current trajectory on the Investment Fund. The level of the Investment Fund Reserve reflects Investment Fund monies received to date of £80.000m with delivery on projects anticipated to reduce the reserve to £40.274m at the end of 2021/22.

1.8.3 The Strategic Reserve continues to be maintained at £0.200m in line with the Reserves and Balances Policy.

## 2. Potential Impact on Objectives

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

## 3. Key Risks

3.1 There are no specific risks relating to this report.

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

- 4.1 This is a financial report with any financial or resource implications set out in the report.
- 4.2 The Mayor and Cabinet need to have due regard to the Chief Finance Officer's advice in relation to the levels of reserves and balances in accordance with the Authority's Reserves and Balances policy.

#### **5. Legal Implications**

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

#### **6. Equalities Implications**

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

#### **7. Inclusive Economy Implications**

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

#### **8. Climate Change Implications**

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

#### **9. Consultation and Engagement**

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

#### **10. Appendices**

None

#### **11. Background Papers**

26 January 2021 NTCA Budget Report

#### **12. Contact Officers**

Janice Gillespie, Interim Chief Finance Officer  
e-mail address: [Janice.gillespie@northtyneside.gov.uk](mailto:Janice.gillespie@northtyneside.gov.uk)  
Tel: 0191 6435701

#### **13. Glossary**

AEB	Adult Education Budget
NTCA	North of Tyne Combined Authority



Subject: 2022-2026 Financial Planning and Budget Process

Report of: Chief Finance Officer, Janice Gillespie

## Report Summary

The purpose of this report is to inform the Committee of the 2022-2026 Financial Planning and Budget Process. The report outlines 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 and will then be brought to Overview and Scrutiny Committee on 7 December 2021, followed by the Overview and Scrutiny Budget Workshop on 11 January 2022 to consider in detail the Authority's draft Budget Proposals and recommendations to Cabinet.

## Recommendations

The Overview and Scrutiny Committee is recommended to note the report on the 2022-2026 Financial Planning and Budget Process which was submitted and approved by Cabinet on 22 September 2021, please see Appendix 1.

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

- 1.1 At its meeting of the 22 September 2021 Cabinet Members considered the report on the 2022-2026 Financial Planning and Budget Process, including information on the key decision milestones, which will include:
- the update to the Medium-Term Financial Strategy (MTFS), and,
  - development of the detailed budgets for 2022/23.
- 1.2 A Medium-Term Financial Strategy should be developed within the context of the strategic priorities and policy decisions made by the Mayor and Cabinet to ensure the Authority's strategic plans can be developed within the financial resources available. In addition, the MTFS ensures the Authority has a clear financial vision and direction for the medium-term and that the Mayor and Cabinet understand the financial implications of decisions that it is taking.
- 1.3 Key aspects of the 2022/23 Financial Planning and Budget process timetable are set out at Appendix A to the report attached as an appendix.

### 2. Equalities Statement

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

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

Equality Impact Assessments (EIA) may be included in proposals for inclusion with the initial Budget proposals in November 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

### **3. Inclusive Economy Statement**

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

### **4. Climate Change Statement**

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

### **5. Consultation and Engagement**

- 5.1 The 2022-2026 NTCA Budget Proposals will be subject to wide consultation before the Final Budget Proposals are taken to Cabinet for approval in January 2022, and after comments coming out from of the Overview and Scrutiny workshop are taken into account.

### **6. Appendices**

Appendix 1 2022-2026 Financial Planning and Budget Process

### **7. Background Papers**

Cabinet 26 January 2021, 2021-2025 Financial Planning and Budget Process  
Annual Meeting 8 June 2021, NTCA Corporate Plan

### **8. Contact Officers**

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

### **9. Glossary**

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

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

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## 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

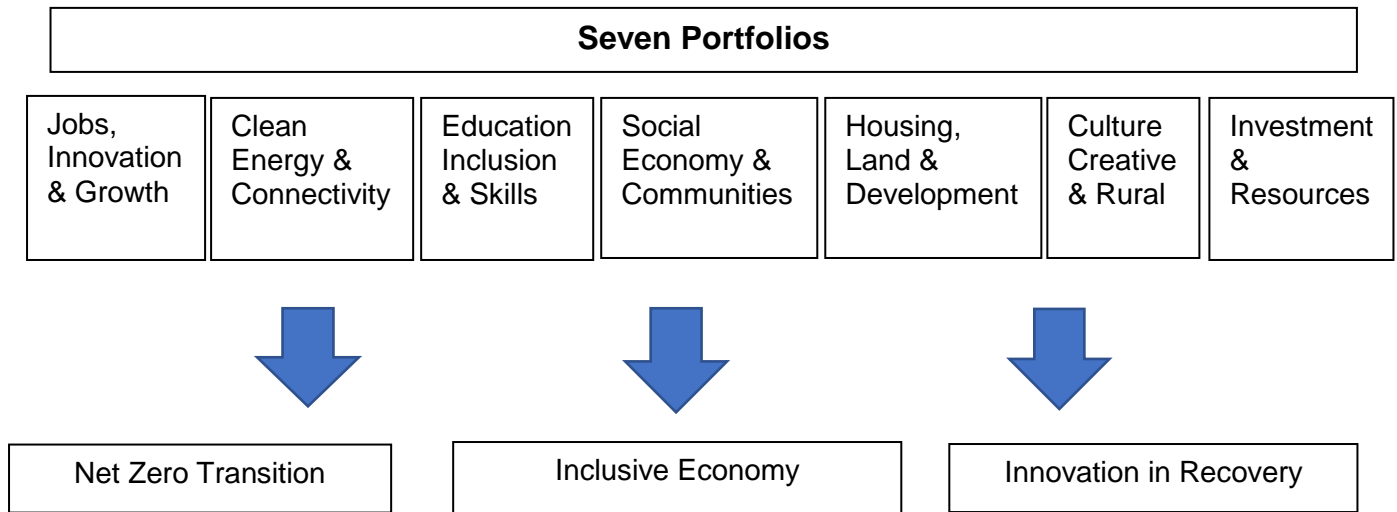
The Cabinet is recommended to approve the proposed outline 2022-2026 Financial Planning and Budget process, which incorporates the key decision milestones and dates as set out at Appendix A to this report.

### 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**

Janice Gillespie, Interim Chief Finance Officer  
E-mail address: [Janice.gillespie@northtyneside.gov.uk](mailto:Janice.gillespie@northtyneside.gov.uk)  
Tel: 0191 6435701

## **13. Glossary**

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



## Appendix A Budget Setting Timetable

DATE	EVENT/MEETING	ACTION
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.
11 January 2022	NTCA Overview and Scrutiny Budget Workshop	Workshop to consider in detail the Authority's draft budget proposals and recommendations to Cabinet.
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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