

Title: Multiple Project Extensions
Report of: David Braithwaite-Wilson, Programme Assurance Manager
Portfolio: Economy

Report Summary

The purpose of this report is to document and authorise the extension of four projects to allow continued delivery of priorities as set out in paragraph 9.2 of the former North of Tyne Combined Authority (NTCA) March 2024 Cabinet Report. In March 2024, Cabinet approved additional funding allocations for the SME Digital Adoption Project and for the Inward Investment Capacity Fund and delegated authority to the Chief Executive and Chief Finance Officer to finalise arrangements, including, where appropriate, agreement of a revised Delivery Plan. In May 2024, the North East Combined Authority (North East CA) Cabinet subsequently resolved that the formal decisions made by the former North East Combined Authority and the former North of Tyne Combined Authority be treated as decisions of the North East Combined Authority.

Recommendations

The Chief Executive is recommended to approve the following funding awards, and authorise entry into required agreements to facilitate approvals, as set out in this report:

- i. An extension of £250,000 of North East CA Investment Fund for the **I0068: SME Digital Adoption (Digital Catapult)** project in line with the Project Change Request provided by Digital Catapult. The activity will be delivered between June 2024 and March 2025.
- ii. An extension of £334,032 of North East CA Investment Fund for three **Inward Investment Capacity Fund** projects covering the period between April 2024 and March 2025 consisting of:
 - **I0041: Inward Investment Capacity Fund - Newcastle** (Newcastle City Council) – £150,012 Extension award.
 - **I0042: Inward Investment Capacity Fund – North Tyneside** (North Tyneside Council) – £85,320 Extension award.
 - **I0042: Inward Investment Capacity Fund – North Tyneside** (North Tyneside Council) – £85,320 Extension award.

A. Context

1. Introduction

- 1.1 The projects were originally approved through the former North of Tyne Combined Authority Single Assurance Framework. The projects have continued delivery into 2025/26 following Cabinet endorsement of additional funding in March 2024. This report formalises the approvals in line with requirements of the Cabinet Clause.

2. Current position

- 2.1 On 12 March 2024, the former North of Tyne Combined Authority (NTCA) Cabinet approved an extension of 10 projects with additional funding totalling £3.53m and delegated authority to the Chief Executive and Chief Finance Officer to finalise arrangements, including agreement of a revised delivery plan with project sponsors. In May 2024, the North East CA Cabinet agreed that the formal decisions which the former North East Combined Authority and the former North of Tyne Combined Authority made be treated as decisions of the Authority.
- 2.2 Five of the ten projects have been approved via separate Delegated Decisions, with a total value of £2.83m. Five projects remain with a value of £700,000.

- 2.3 This Delegated Decision covers £400,000 for the Inward Investment Capacity Fund which comprises four individual sub projects, and the SME Digital Adoption project which had an indicative £300,000 extension.
- 2.4 The extensions cover the period between April 2024 and March 2025. The projects have been delivering at risk since the Cabinet endorsement in March 2024.

B. Impact on North East Combined Authority Objectives

The project change requests have been reviewed in detail. The review considered all projects will remain in line with the original strategic fit, value for money, and delivery objectives.

C. Key risks

Individual programme risks have been included in the application form and continue to be updated and reported through quarterly claim submissions.

Risk will be managed by the Programme Assurance Team in line with the standard claims process. Risk is reported to the Investment Board as part of performance reporting.

D. Financial and other resources implications

The Financial implications are summarised in the tables below. There are no internal staffing and resource implications as the projects are currently being managed within existing staff portfolios. The Financial implications are summarised in the tables below.

I0068: SME Digital Adoption (Digital Catapult) - £250,000 Additional ask of the £300,000 indicative approval in the Cabinet Paper.

	Currently Contracted	Proposed	Variance (£)	Variance (%)
Total Project Value	£1,537,441	£2,050,010	£512,569	33.34%
Total North East CA Funding (revenue)	£750,000	£1,000,000	£250,000	33.33%
North East CA Intervention Rate	48.78%	48.78%	-	0.00%
Total Public Match Funding	£0	£0	£0	0.00%
Total Private Match Funding	£787,441	£1,050,010	£262,569	33.34%

The extension will create an additional 10 new jobs within SMEs (33.33% increase) and safeguard an additional 17 (34% increase). The increase in outputs is proportionate to the increase in investment.

I0040: Inward Investment Capacity Fund – Management (North East CA) – No Change

	Currently Contracted	Proposed	Variance (£)	Variance (%)
Total Project Value	£200,900	£200,900	£0	0%
Total North East CA Funding (revenue)	£200,900	£200,900	£0	0%

North East CA Intervention Rate	100%	100%	-	0%
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I0041: Inward Investment Capacity Fund - Newcastle (Newcastle City Council) – £150,012 Extension

	Currently Contracted	Proposed	Variance (£)	Variance (%)
Total Project Value	£356,336	£506,348	£150,012	43%
Total North East CA Funding (revenue)	£356,336	£506,348	£150,012	43%
North East CA Intervention Rate	100%	100%	-	0%

I0042: Inward Investment Capacity Fund – North Tyneside (North Tyneside Council) – £85,320 Extension

	Currently Contracted	Proposed	Variance (£)	Variance (%)
Total Project Value	£363,004	£448,324	£85,320	23.5%
Total North East CA Funding (revenue)	£363,004	£448,324	£85,320	23.5%
North East CA Intervention Rate	100%	100%	-	0%

I0043: Inward Investment Capacity Fund – Northumberland (Northumberland County Council) – £98,700 Extension

	Currently Contracted	Proposed	Variance (£)	Variance (%)
Total Project Value	£501,653	£600,353	£98,700	19.7%
Total North East CA Funding (revenue)	£501,653	£600,353	£98,700	19.7%
North East CA Intervention Rate	100%	100%	-	0%

Inward Investment Capacity Fund – Total Programme - £334,032 extension out of £400,000 indicative approval in the March 2024 Cabinet Paper

	Currently Contracted	Proposed	Variance (£)	Variance (%)
Total Project Value	£1,421,893	£1,755,925	£334,032	23.5%
Total North East CA Funding (revenue)	£1,421,893	£1,755,925	£334,032	23.5%
North East CA Intervention Rate	100%	100%	-	0%

Of the overall £700,000 approved in the 12 March 2024 Cabinet Paper, the total funding to be approved is £584,032.

E. Legal implications

Legal colleagues have been consulted as part of the delegation process and the comments of the Monitoring Officer have been included in this report. There are no ongoing legal implications. Subsidy control has been considered as part of the delivery plan assessment. The original business case for I0068 SME Digital Adoption was approved on the basis subsidy passed on to SMEs would be recorded as Special Drawing Rights. This has since been replaced with Minimal Financial Assistance. The variation letter will include revised conditions reflecting the need to inform SMEs of support received via Minimal Financial Assistance.

F. Equalities implications

The North East CA follows the Public Sector Equality duty and this report has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. In June 2024 the North East CA adopted equality objectives to reflect the different roles of the Combined Authority as an employer, a commissioner and deliverer of services, and a civic leader. There are no anticipated negative impacts on groups within the protected characteristics.

G. Consultation and engagement

Throughout the process, extensive consultation has taken place, this has included discussions at Officer level between teams in North East CA, key stakeholders, and Director of Finance.

H. Appendices

None

I. Background papers

- 22 July 2020 – [Delegated Decision Record](#) – NTCA Investment Fund Update and Funding Approvals: Digital Adoption North of Tyne Project – Award of Grant Funding to Digital Catapult NE and Tees Valley
- 14 September 2021 – NTCA Investment Panel Report – Item 8_ Inward Investment Capacity Funding (Investment Promotion Agencies Lead Generation)
- 12 March 2024 – [Investment Fund Cabinet Report](#)

J. Contact Officers

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K. Glossary

North East CA – North East Combined Authority
NTCA – former North of Tyne Combined Authority
SME -Small- and Medium-Sized Enterprises

L. Sign-off

1) Cabinet Member: Yes	2) Director/Head of Service: Yes	3) Director of Finance and Investment: Yes	4) Monitoring Officer: Yes
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