

Title: North East Fund – UK Shared Prosperity Fund (UKSPF) Supplementary Funding
Portfolio: Finance and Investment
Responsible Director: Mags Scott, Director of Finance and Investment
Report Author: David Braithwaite-Wilson, Principal Programme Assurance Manager

Report Summary

The purpose of this report is to finalise the UKSPF funding value to the North East Fund following completion and closure of the 2022-25 UKSPF Programme.

A Delegated Decision on 7 February 2025 set out approval of £3m with flexibility to increase to £9m depending on performance of the UKSPF programme.

Recommendations

The Chief Executive is recommended to approve an additional £1,481,517.19 to take the final value of UKSPF for the North East Fund project to £4,481,517.19. Funding will be paid to the North East Fund Limited in line with the existing Grant Funding Agreement.

Executive Summary

A. Context

1. Outline

North East Technical Officers Group (TOG) and North East Finance and Investment Board in December 2024 and January 2025 respectively endorsed the recommendations to proceed to final approval of an initial £3m UKSPF grant, using existing delegations, with flexibility to allow for North East CA to release further funding of up to £9m, subject to budget availability, and on the basis that value for money remains proportionate to the increase in funding. A delegated decision on 7 February 2025 confirmed that the decision to increase the funding provided will be taken by the Chief Executive in consultation with the Director of Finance and Investment and will be subject to the UKSPF programme budget having capacity and the final outturn position on Q4 2024/25 claims

The 2022-25 UKSPF programme has now concluded with all claims received and processed. The final value of the contribution to North East Fund project was dependent on the residual value of UKSPF available.

The Grant Funding Agreement between North East CA and the North East Fund (NEF) initially committed £3 million, with the option to increase this to £9 million subject to available funding. While £3 million was guaranteed, it was anticipated that some projects within the wider programme might underspend. To prevent any unallocated funds from being lost, the agreement included flexibility to increase NEF's allocation if needed. Final programme reporting confirmed an underspend of £1,481,517.19 across other UKSPF-funded projects. This Delegated Decision authorises the release of this additional funding to the North East Fund.

The impact on key outputs and outcomes is summarised in the table below:

Output/Outcome	Based on £3m Investment	Based on £4.48m Investment
Number of enterprises receiving support	73	76
Jobs Created	249	267*

**this figure is achieved to date. The companies supported are forecasting further job creation however the evidence is not yet in place to achieve these. NEF will continue to report on additional jobs as they are verified with the expected total to be over 300.*

B. Impact on North East Combined Authority Objectives

There is no change in activity. Activity continues to align with North East Combined Authority Objectives and further supports ambitions to support our local economy and business growth.

C. Key risks

Principles of funding are already approved. No associated risks, expenditure has been incurred and verified through the claims process.

D. Corporate Implications

D1. Financial and other resources implications

Revised financial profile is set out below. Payment will be made via a single claim. No impact on internal resources. Funding package utilises full value of 2022-25 UKSPF programme and expenditure relates to the 2024/25 financial year.

Fund	Original Profile (Q4 2024/25)	Revised Profile (Q4 2024/25)
UKSPF 2022-25 Programme	£3,000,000	£4,481,517.19

D2. Legal implications

The Monitoring Officer has been consulted and has no comments to add.

D3. 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.

D4. Consultation and engagement

The project continues to deliver in line with original approval. Consultation and engagement remain in line with the previous delegated decision.

E. Appendices

None

F. Background papers

Delegated Decision Report and Record – 07 February 2025 – North East Fund – UKSPF
Supplementary Funding

G. Contact officers

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H. Glossary

NEF – North East Fund Limited
UKSPF – United Kingdom Shared Prosperity Fund