

North Tyneside Council

Report to Cabinet

Date: 31 July 2023

Title: A Strategy for Economic Growth in North Tyneside – North of Tyne Combined Authority Acceptance of Grant

Portfolio(s):	Economic Development	Cabinet Member(s):	Councillor Carl Johnson
Report from Service Area:	Regeneration and Economic Development		
Responsible Officer:	John Sparkes, Director of Regeneration and Economic Development	(Tel: (0191) 643 6091)	
Wards affected:	All		

PART 1

1.1 Executive Summary:

The purpose of this report is to seek approval from Cabinet to:

- Develop a comprehensive Economic Strategy for North Tyneside.
- To accept grant funding of £65,000 from the North of Tyne Combined Authority to support the development and commissioning of the Strategy.

The Economic Strategy will build upon the existing Inclusive Economic Strategy that was agreed by Cabinet in May 2021. It will contribute to the objectives as set out in 'Our North Tyneside Plan' and the 'North of Tyne Combined Authority Corporate Plan.' The project will take a collaborative and place-based approach to develop an inclusive, robust and impactful Economic Strategy for the Borough.

The project will include input and commitment from internal Authority teams, led by the Regeneration and Economic Development team, as well as the

procurement of a specialist to help with analysis work and the drafting of the Strategy. The project builds upon the existing North Tyneside Council Inclusive Economic Strategy, the Employment and Skills Strategy, the Digital Strategy, the Carbon Net Zero 2030 Action Plan and incorporates the Regeneration projects as outlined in 'Our Ambition.'

In addition, the Strategy will be developed in line with the North East Devolution Deal and emerging workstreams to ensure that the Borough's activity contributes to the aims and objectives of the region as a whole, as well as ensuring the Borough is in a position to benefit from the opportunities the Deal represents.

Input from partners, stakeholders and residents will be key and the team will play an active role in developing and framing the strategy to ensure it is a meaningful mechanism for inclusive economic growth in the Borough and the wider region.

1.2 Recommendation(s):

It is recommended that Cabinet:

- (1) Authorise the Director of Regeneration and Economic Development to accept the £65,000 grant funding from the North of Tyne Combined Authority in relation to A Strategy for Economic Growth in North Tyneside;
- (2) Authorise the Director of Regeneration and Economic Development in consultation with the Director of Resources and Head of Law to enter into the Grant Funding Agreement and any other documentation as required to facilitate recommendation (1); and
- (3) Authorise the Director of Regeneration and Economic Development in consultation with the Director of Resources and the Head of Law to commence the procurement of a specialist to assist with analysis work and the drafting of the Strategy for Economic Growth, and to award a contract to the bidder who submits the most advantageous tender in accordance with UK public procurement legislation.

1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 30 June 2023.

1.4 Council Plan and Policy Framework

This report relates to the following priority in the 2021–2025 Our North Tyneside Plan:

A thriving North Tyneside

This priority includes delivering activity in regeneration, place making, education and skills, the visitor economy, job creation, business support and inward investment. There is a great deal of work happening to achieve these commitments, however the Authority would benefit from having a comprehensive and coordinated Economic Strategy for the Borough encompassing all of these areas.

The Economic Strategy will help articulate and frame the economic vision for North Tyneside and determine what can be done to promote inclusive economic growth based on robust evidence that looks at live opportunities and challenges.

There are key strategies already in place that help underpin the ambitions and principles for the Boroughs success including:-

- The Borough's Health and Wellbeing Strategy, Equally Well, which sits alongside the Inclusive Economic Strategy. They both acknowledge the vital contribution that socio economic factors such as education, income and job status make to both keeping communities healthy and ensuring a prosperous economy.
- The Employment and Skills Strategy.
- The Digital Strategy.
- The Carbon Net Zero 2030 Action Plan.

This project will coordinate the key messages and guiding principles in these strategies whilst drawing out and articulating the strengths and challenges in the local economy. This will help North Tyneside maximise the key opportunities for growth and ensure they are accessible to all.

The Strategy will be developed using a place-based approach, working alongside partners and stakeholders to determine and demonstrate how all components play a part in working towards an inclusive and thriving economy.

1.5 Information:

Background

In May 2021 Cabinet agreed an Inclusive Economic Strategy for North Tyneside. The strategy includes a framework, built around the concept of rights to seven fundamental areas. These include Education, Employment, Safety, Social Equity, Housing, Connections and Environment and the Strategy sets out how the Authority can use economic growth to ensure residents have access to good quality provision. As well as ensuring those with protected characteristics are fully linked to opportunities.

The Economic Strategy will take this thinking further and include an additional focus on how North Tyneside as a coordinated 'place' will achieve economic growth and provide a greater understanding of the Boroughs strengths and the opportunities that can act as enablers. The Strategy will then incorporate the principles of the existing Inclusive Economic Strategy which demonstrates how growth will provide opportunity for the Boroughs deprived wards and how it supports the objective of reducing inequalities.

The Authority has allocated a small budget within the Director of Regeneration and Economic Development's approved budget to develop this strategy but by securing the additional North of Tyne Combined Authority (NTCA) funding this work can be truly amplified to ensure that the strategy is fully collaborative across stakeholders and partners and can clearly demonstrate how the Borough can contribute to the region's aims and objectives, particularly in light of North East Devolution.

The project will be delivered in the following stages:

- Consultation – Led by the Authority via the Regeneration and Economic Development Team and the Engagement, Participation and Advocacy Team. Consultation will be carried out with partners, stakeholders, businesses, and residents.
- Economic Analysis – The appointed specialist will look at baseline economic data and provide a robust analysis to set out the position in North Tyneside and identify key strengths, challenges and opportunities.
- Drafting the Strategy – Using feedback from consultation, economic evidence and analysis and information and review from the team, the specialist will draft the strategy in line with key priorities. There will be

scheduled review points where feedback and further consultation can be sought before the final draft is produced.

- Publication – The strategy will be published and promoted in partnership with stakeholders and partners as a place-based strategy for the Borough.

This project supports the NTCA's Corporate Plan by defining, understanding, and articulating how North Tyneside can support the key aims and ambitions as outlined within the plan. In particular, how the Borough can deliver against the following portfolios:

- Jobs, Innovation and Growth – Developing a deeper understanding of the North Tyneside business profile and the opportunities they represent, defining the opportunities for job growth and tackling challenges in the talent pipeline, defining real sector strengths and identifying leading clusters with future potential. Working to understand where innovation can lead productivity gains, prosperity and growth, with links to the green economy. As well as articulating and defining the inward investment proposition for the Borough.
- Education, Inclusion, and Skills – Developing a strategy for upskilling the local workforce in line with the NTCA Strategic Skills Plan to ensure businesses have the talent they need and to promote inclusion in the economy.
- Cultural and Creative – coordinating the economic development outcomes contained within the North Tyneside Cultural Plan and incorporating the North Tyneside Cultural and Creative Zone.

The strategy will also include North Tyneside's contribution to elements of the cross-cutting themes as set out below:

- Net Zero Transition – by ensuring residents and businesses are equipped with the skills needed for the future and ensuring businesses are supported in making the necessary changes for a successful transition to a sustainable economy.
- Inclusive Economy – by ensuring all elements of growth and economic opportunity are accessible and beneficial to all.
- Innovation in Recovery – supporting post pandemic innovation in the private sector and securing any opportunities it represents for North Tyneside and the wider region. E.g. Pharmaceuticals, digital and tech, advanced manufacturing, renewables and offshore.

The Strategy will also ensure that North Tyneside provides an active and meaningful contribution to the following goals as defined in the NTCA Corporate Plan, the value of which will be determined as a result of the Strategy:

- £1.1bn of new economic growth.
- 10,000 new jobs.
- 2.1bn private sector leverage.
- 37,000 learning opportunities a year.

The Strategy will also be developed in line with the priorities as set out on the North East Devolution Deal to ensure that it has longevity and continues to be meaningful over the next 5 years. In particular, the strategy will consider:

- Economy & Investment Fund – a scaled up fund underpinned by an investment plan driving inclusive economic growth, net zero and addressing inequalities. The value of which is £48m per year for LA7 totalling £1.4bn over the deal lifetime, with substantial leverage effect.
- Skills, Education & Inclusion – scaling up devolved skills package (to around £60m p.a.), encouraging strong collaboration around education and continuing a focus on inclusion, careers & employability.
- Clean Energy & Net Zero – measures to unlock potential and increased investment in our major industries, businesses and infrastructure to support clean energy & net zero transition.
- Culture, Tourism and Place – scale-up of cross-regional activity and endorsement of major NE opportunities.
- Business Growth & Inward Investment – provisions to join-up regional assets to strengthen investment potential.
- Trailblazer Negotiations and Future Funding – allowing the combined Authority the option to ‘fast track’ into further powers and investment and maximise future funding to the Borough and wider region.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

To approve the recommendation set out in paragraph 1.2 of this report.

Option 2

To approve and/or reject some or all of the recommendations set out in paragraphs 1.2 of this report.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

Accepting this funding will enable the authority to produce An Economic Strategy for North Tyneside.

1.8 Appendices:

None.

1.9 Contact officers:

John Sparkes, Director of Regeneration and Economic Development, tel. (0191) 643 6091)

Claire Emmerson, Senior Manager Financial Strategy and Planning, tel. (0191) 643 8109)

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (1) Our North Tyneside Plan 2021-2025
<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/ONT%20Plan%202021-25.pdf>
- (2) Working Together – North of Tyne Combined Authority Corporate Plan
[Working Together: Our Coporate Plan 2022-2023 - NTCA \(northoftyne-ca.gov.uk\)](http://Working Together: Our Coporate Plan 2022-2023 - NTCA (northoftyne-ca.gov.uk))

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

As stated in paragraph 1.1 above, £65,000 of grant funding has been secured from the North of Tyne Combined Authority, business case development fund. The match funding as specified in the table below will be provided as a contribution from the Inclusive Economic Growth budget in line with the

funding criteria. Once the Grant Funding Agreement is signed work will begin on the work packages set out in paragraph 1.5. above.

Source	2023/24	Total
NTCA funding	65,000	65,000
Other public - North Tyneside Council	25,000	25,000
Private sector		
Other		
Total	90,000	90,000

2.2 Legal

2.2. The grant funding agreement does allow the funder to claw back the grant in specified circumstances, but these are reasonable for such purposes.

The strategy will be developed and considered in the context of subsidy control with the Authority ensuring that the following is achieved:-

- a) no subsidy arises as between the funder and the Authority.
- b) no subsidy arises between the Authority and the contracted specialist, and that the specialist is procured in accordance with the Public Contract Regulations 2015 and the Authority's Contract Standing Orders.

The Authority will also be required to adhere to the provisions contained in the Grant Funding Agreement including provision for "clawback" in certain eventualities.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Lead Cabinet Members have been briefed and finance, legal and procurement have provided advice on this project and the background to this report.

The project will be managed and delivered predominantly through the Regeneration and Economic Development (RED) team at North Tyneside Council, led by the Head of Inclusive Economic Growth.

There will also be key involvement from other Directorates across the Authority with some focus on the Participation, Advocacy and Engagement team in terms of consultation at the outset.

2.3.2 External Consultation/Engagement

A key part of developing the strategy will be consultation, during this phase we will engage and consult with key partners, stakeholders, businesses, and residents.

2.4 Human rights

2.4.1 There are no Human Rights issues arising from this report.

2.5 Equalities and diversity

2.5.1 The Strategy will be inclusive in nature and a key focus will be linking the plan to boost economic growth to opportunities for all residents across the Borough. A programme of consultation will be planned and implemented from the outset that includes engagement across a range of groups and stakeholders including VCSE organisations and representation from groups with protected characteristics. A full plan will be mapped in partnership with Equality and Diversity colleagues ahead of beginning consultation. An EQIA will be completed ahead of the project start date.

2.6 Risk management

2.6.1 A risk register has been developed as part of the business case development and will be reviewed and monitored monthly.

2.7 Crime and disorder

2.7.1 There are no crime and disorder issues arising from this report.

2.8 Environment and sustainability

2.8.1 The economic strategy will help provide a blueprint for inclusive and sustainable economic growth across the borough. It will set out how economic activity can contribute to the Net Zero Transition targets by ensuring residents and businesses are equipped with the skills needed for the future and ensuring businesses are supported in making the necessary changes for a successful transition to a sustainable economy.

PART 3 – SIGN OFF

- Chief Executive X
- Director(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Assistant Chief Executive X