



Delegated Decision Report

15 May 2020

Subject: North of Tyne COVID-19 Capacity Fund
Report of: Investment Programme Manager
Decision maker: Interim Head of Paid Service
Portfolio: Economic Growth

Report Summary

This report seeks approval to allocate £4.5m of the North of Tyne COVID-19 Capacity Fund to Northumberland County Council, Newcastle City Council and North Tyneside Council.

Recommendations

The Head of Paid Service is recommended to approve the following funding requests from the North of Tyne COVID-19 Capacity fund, subject to the funding conditions set out in this report:

- Northumberland County Council £1.5m
- Newcastle City Council £1.5m
- North Tyneside Council £1.5m

As set out in this report, it is also recommended that the Head of Paid Service is authorised to agree (without further consultation) any changes to a local authority's proposals which result in a reduction in output targets of up to 10% to ensure flexibility and the most effective use of the funds deployed.

1. Background Information, Proposals and Timetable for Implementation

1.1 The Covid-19 outbreak is a rapidly evolving situation with wide impacts felt across Northumberland, North Tyneside and Newcastle. On the 30th March the Interim Head of Paid Service, acting under urgent delegated decision-making powers, agreed a report which proposed that up to £5m from NTCA's Investment Fund be allocated to create a North of Tyne COVID-19 Capacity fund.

1.2. As set out in that report, the purposes of the capacity fund is to support mitigation of the economic and inclusive growth impacts of Covid-19 within the NTCA area, including:

- local authority (and/or system) capacity to deliver rapid crisis response, including through the mechanisms outlined by Government;
- additional and immediate Civil Society and Local Authority led action in support of our residents and businesses;
- bridging finance for VCS organisations, where the support from Government is insufficient for them to remain solvent; and
- measures to support a rapid and inclusive economic recovery.

1.3 This will ensure that our Authorities have access to the resources and capacity to help them deliver quickly, to help cope with the impact of shifting resources and ensure that we are doing everything we can to support collaborative practice that gets support to our businesses, citizens and sectors most effectively. It will be targeted at specialist capacity and/or programme support for specific Covid-19 business and resident facing interventions in the immediate future, with regular review points to ensure it continues to meet the current need.

1.4 The report which was agreed on 30th March made clear that the Head of Paid Service was authorised to finalise the details of this capacity fund and deploy funding in consultation with the relevant portfolio holder and the Mayor. An operational delivery plan was agreed by Investment Panel on 4th April which set out the detailed eligibility criteria and delivery arrangements for the fund. In response each of our three constituent Local Authorities has developed a programme of activity requiring up to a value of £1.5m each from the capacity fund, which will enable them to immediately respond to identified local needs.

1.5 While each programme is tailored locally, commonality exists with a clear offer evident in all three programmes to support businesses, VCS organisations and residents. Officers within the 3 Local Authorities and the Combined Authority have worked collaboratively throughout the development to strengthen proposals and mitigate against any unfair disparities between programmes.

1.6 The final proposals were considered by Investment Panel at an extraordinary meeting which took place on the 4th May. It was acknowledged as part of the discussion that flexibility will be important - as new measures of government support are announced we must ensure that the NTCA funding continues to fill identified gaps, adds value to and does not duplicate other source of funding available. Each Local Authority programme contains reserve investment opportunities, in most cases this will be around expanding the reach of other activity included within the application.

1.7 Delivery arrangements will operate on a basis that enables us to be agile in delivery; approved funds will be flexible between cost headings providing they continue to meet the agreed criteria for the fund and are legally compliant.

1.8 To maintain pace it is recommended that the Head of Paid Service is authorised to agree (without further consultation) any changes to a local authority's programme which result in a reduction of up to 10% of the output targets in that programme. It is anticipated that this will allow the programmes to be modified in response to changes in central government support

1.9 Following discussion Investment Panel were minded to recommend all three applications for approval subject to the following conditions:

Newcastle:

- (i) Applicant to strengthen state aid position within the application form in the following areas:
 - a. Aid to the applicant and delivery partners;
 - b. Aid to sub-contractors
 - c. How aid to businesses will be monitored and calculated.
- (ii) Applicant to agree with NTCA the cost calculations for staff members working on the project within both Newcastle Council and partner organisations. This should be in place prior to the submission of the first claim.
- (iii) Applicant to provide additional detail setting out how grant schemes will be set up, delivered and managed.

Northumberland:

- (i) Applicant to strengthen state aid position within the application form in the following areas:
 - a. Aid to the applicant and delivery partners;
 - b. How aid to businesses will be monitored and calculated.
- (ii) Applicant to confirm process for including NTCA funds as match funding for VCS ESF projects.
- (iii) Applicant to agree with NTCA the cost calculations for staff members working on the project. This should be agreed prior to the submission of the first claim.

North Tyneside:

- (i) Applicant to strengthen state aid position within the application form in the following areas:
 - a. Aid to the applicant and delivery partners;
 - b. Aid to sub-contractors
 - c. How aid to businesses will be monitored and calculated.
- (ii) Applicant to agree with NTCA the cost calculations for staff members working on the project. This should be agreed prior to the submission of the first claim.
- (iii) Applicant to provide an updated milestone list setting out clear timescales for delivery. This should be provided prior to submission of first claim.

2. Potential Impact on Objectives

The proposals contained within this paper support the Combined Authority in their purpose of developing social and economic prosperity, and the wellbeing of communities across

Northumberland, North Tyneside and Newcastle. It will set the foundations for a strategic programme of recovery, to jump-start our economy post crisis and maintain a continued focus on our ambitions for inclusive growth.

3. Key Risks

3.1 A risk exists around duplication with future government schemes which are yet to be announced. This is mitigated against by including within the decision a degree of flexibility to enable programmes to respond and divert funds to other areas of need in response.

3.2 Individual programme risks have been included in the application form.

3.3 Risk against all three programmes will be managed by the NTCA programme team in line with the claims and monitoring work instruction. Risk is reported to the Investment Panel as part of the monthly performance report.

4. Financial and Other Resources Implications

4.1 In line with our agreed claim process, grants will be paid at the agreed intervention rate quarterly in arrears and upon verification of costs.

4.2 The practical completion date for the project will be the 31st March 2021. Applicants will have until 30th June 2021 to submit their final claims.

4.3 Below is a forecast projected spend profile, this will be updated as more accurate forecasting information is provided through the contracting process.

	Q1 2020/21	Q2 2020/21	Q3 2020/21	Q4 2020/21	Q1 2021/22	Total
NCCF Fund (£)	100,000	1,250,000	1,250,000	1,500,000	900,000	5,000,000

5. Legal Implications

The Monitoring Officer's comments have been included in this report.

6. Equalities Implications

All of our constituent authorities receiving grant have in place individual equality policies which they adhere to and are in line with the Public Sector Equality duty which came into force in April 2011.

7. Inclusive Economy Implications

Each of the applications received sets out an approach which contributes towards NTCA's ambitions for an inclusive economy, this has been assessed through the appraisal process and considered acceptable.

In all applications activities are set up to address spikes in unemployment and ensure individuals are provided with the support needed to ensure they can return to work. VCS organisations are supported who provide much needed support to the most disadvantaged communities and ensuring resilience within this sector is key to maintaining progress towards an inclusive economy.

The focus is mainly on ensuring pre-Covid-19 provision remains in place once restrictions are lifted rather than addressing the main objectives set out in the inclusive economy strategy, however resilience is a key theme within this fund and the measures appear reasonable.

8. Climate Change Implications

While climate change benefits are not specifically referenced in this report, the activity described is focused on supporting businesses and residents operating from their own homes. Services offered will be delivered at a distance therefore reducing carbon footprint of more traditional methods used pre-COVID19 pandemic. Digital solutions play an important role.

9. Consultation and Engagement

Work on the programme development has operated at pace however throughout the process extensive consultation has taken place. This has included discussion at Technical Officers Group meeting, Investment Panel, at both Officer and Director level between teams in NTCA, the 3 local authorities and North East LEP. Stakeholders within the VCSE sector have also been consulted.

Regular briefings have been provided to the elected Mayor and Portfolio lead for Economic Growth, both are supportive of the investment.

10. Appendices

None.

11. Background Papers

None

12. Contact Officers

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13. Glossary

NTCA	North of Tyne Combined Authority
VCS	Voluntary and Community Sector
NCCF	North of Tyne COVID-19 Capacity Fund
LEP	Local Enterprise Partnership