

### **1. Introduction**

The purpose of this call definition document is to provide eligible provider organisations with the information needed to submit a bid to the North of Tyne Combined Authority (NTCA). This call is **NOT intended** for businesses and freelancers to apply directly, a separate application process will be established and communicated by the successful provider organisation. This document also sets out the funding priorities for the Fund and explains the application process, the eligibility conditions and the indicative timetable.

### **2. Background & Strategic Context**

In January 2020, Cabinet considered a report which set out the strategic sector narrative for the Culture and Creative sector and agreed a £6m investment fund allocation till 2023 for a Culture and Creative Programme.

The Culture and Creative programme links directly to NTCA's strategic priorities and is identified as a priority sector in both the NTCA Economic Vision and the Devolution Deal. The vision for the North of Tyne Culture and Creative Sector is to be renowned across the UK and globally as an exemplar for culture and creative-led inclusive growth. Culture and creative industries will be at the heart of driving North East economic growth and productivity and enhancing quality of life, wellbeing and opportunity for people and communities.

Heritage, culture and events are crucial to the identity of our communities – whilst associated leisure and business tourism are a key part of our economy, providing jobs for thousands of residents. The North of Tyne Culture and Creative sector report highlighted that pre Covid-19, the North of Tyne was home to 1,200 cultural and creative businesses, plus a further 3,800 freelancers. Pre the pandemic, the sector also employed over 9,300 people and added around £409m GVA to the North of Tyne economy in 2017, with each job generating an average of £44,000 in GVA each year.

NTCA have agreed that part of the £6m allocation agreed till 2023 is to be utilised to establish a North of Tyne Culture and Creative Recovery Fund which focuses on the restart and recovery phases for the sector. This fund will be complemented by Culture and Creative Zones established and operational in 2021/22 (subject to a different process). In addition, a specific focus on creative skills will form part of the overall NTCA Skills for Recovery and Growth approach due to be considered in Autumn 2020. Investment in recovery is part of a wider acknowledgement of the contribution of sector to the regional economy and that it may take some time for the sector to fully recover given the present circumstances.

### **3. NTCA Approach**

Since the onset of Covid-19, the tourism sector and the culture and creative sector are among the most affected by the current situation and face long-term uncertainty. A number of surveys have been conducted at the North East level and also nationally for the whole or specific part of the sector. The messages are consistent regarding the financial impact on businesses, organisations and individuals. Strong messages in the short term, not surprisingly, are focused on financial support – whether from Central Government grants, Arts Council,

Combined authorities, or local authorities. For the medium to long term the very strong message is for an effective stimulus package to be put in place for the recovery phase.

The current crisis will have a particular impact on the cultural and creative sector due to the sudden and massive loss of income generating opportunities, especially for the more fragile players. At the same time, the importance of culture and creativity for society has become even more clear. The availability of cultural content contributes to mental health and well-being, and many cultural institutions have provided online and free content in recent weeks for that purpose. Indeed, the crisis has revealed the crucial role of culture in promoting social cohesion and wellbeing.

Enabling cultural and creative organisations and practitioners to develop plans for recovery, which allow them, and the wider economy, to flourish post the current crisis will contribute to the North of Tyne's economic recovery. The NTCA Recovery fund will alleviate negative impacts in the short term and help identify new opportunities in the medium term.

#### **4. Culture and Creative Recovery Fund - Funding Priorities & Call Focus**

NTCA is inviting proposals from organisations (or a partnership of organisations) that are able to demonstrate the ability to deliver a Culture & Creative Recovery Fund within the guidelines set out in this document.

The Fund will be awarded in its entirety to a third-party intermediary provider, or to a partnership of intermediaries, who will be charged with managing the Culture and Creative Recovery Fund. The selected intermediary is to design, manage and administer the Culture and Creative Recovery Fund. The intermediary will be required to manage end user applications from freelancers/individual practitioners, small companies and consortiums/partnerships. The cost of managing the fund should be in the range of 5% - 10% of the value of the fund, with relevant costs considered as part of the value for money assessment.

NTCA will require the selected intermediary to appoint an experienced Advisory Panel of up to 7 members to oversee investment decisions with a mix of appropriate private and public sector representation. The aim would be to ensure this is a lean, commercially-experienced, and outcomes-focussed panel that brings both creative sector and local knowledge.

The intermediary organisation should also be able to illustrate how they are able to deploy the fund within the timeframe set, manage a diversified portfolio of clients and proposals and indicate if they are able to leverage private and/or philanthropic funding through co-financing options alongside NTCA's £3.25 million investment.

The Culture and Creative Fund is not intended as crisis funding to provide subsidy for the organisations to cover overheads during lockdown but instead funding to support the costs of developing new revenue-generating cultural and creative products and services; diversification into new forms of practice; and the development of new business models. This will enable the sector to recover and will encourage organisations and individuals in the sector to think about how they need to adapt to the changed market conditions they may find when the current crisis is over and helps make the sector more resilient in the long term. This is also an opportunity to establish a system-wide framework approach to delivery for the sector in the North of Tyne which can be adapted based on changing needs.

Proposals submitted should contribute to both of these primary funding goals:

- Support the recovery of the Culture and Creative Sector in the North of Tyne
- Encourage a sustainable cultural and creative sector in the North of Tyne

Proposals should contribute to the following outcomes:

- More resilient and sustainable culture and creative freelancers, businesses and organisations.
- Innovative and effective partnerships between the culture and creative sector and other sectors, especially digital and technology sectors.
- Increased investment and economic growth.
- Increased opportunities for residents and wider audiences to experience and be inspired by culture and creativity.

The North of Tyne Culture and Creative Recovery fund, through the provision of business support and grants or repayable finance (as appropriate) to invest in product, process, skills and service improvements, should focus on:

- Support for recovery and longer-term resilience for SMEs, organisations and freelancers including:
  - Provision of advice, consultancy support, mentoring, peer to peer support, and support for collaborative projects
  - Improvements to business processes and fast track skills development to plug any short-term skills gaps
  - Implementation of productivity improvements
  - Development of focused recovery and growth strategies
  - Updating or introduction of new business models or higher quality products, processes or services which will drive business resilience
- Support for delivery that seeks to establish alternative forms of physical delivery in the short to medium term conditions of social distancing that may prevail.
- Support for creative content development / pump priming projects / de-risking projects and audience/market development.
- Support for intra sector collaboration and innovation

It is important to note that the Culture & Creative Fund:

- will need to be flexible to adapt not only to changing circumstances and operating environment but also evolving national government support and changing needs of the sector through the restart and recovery phases.
- cannot support activity which duplicates or displaces current provision or funding but will instead stimulate additional benefits.

Proposals should deliver against the following North of Tyne Investment Fund outputs:

- Direct jobs created
- Indirect jobs created
- Direct jobs safeguarded
- Indirect jobs safeguarded
- Number of apprenticeship/ traineeship opportunities achieved.
- Number of enterprises receiving support
- Creation / safeguarding of space for shared community and business activities

A full list of all North of Investment Fund outputs and associated guidance will be circulated with the project proposal form.

## 5. Culture & Creative Recovery Fund - Call Parameters

<b>Dates</b>	The Culture and Creative Recovery Fund call will open on 10 <sup>th</sup> August 2020 and close on 21 <sup>st</sup> September 2020  NTCA reserves the right to change the dates and numbers of stages subject to the volume and quality of proposals received.
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<b>Indicative Fund Allocation:</b>	<p>NTCA has agreed a budget of up to £3.25m for this programme and NTCA intends to select one applicant to deliver the entire fund. Fund management costs should be in the range of 5% -10% of the overall fund value. The overall cost should include overheads which will be paid at a flat 15% rate of direct salary costs.</p> <p>NTCA reserves the right to decrease or increase the indicative allocation or support more or fewer projects subject to the volume and quality of proposals received.</p>
<b>Applications</b>	Applicants are expected to submit proposals which demonstrate impact and additionality. NTCA funding is not intended to replace existing funding.
<b>Geographical Scope</b>	All interventions should be focused on activity within the North of Tyne area.
<b>Deadlines</b>	For this specific call, applications will be assessed following closure of the call. Applications received after the published call close date will not be considered.
<b>Application selection</b>	All applications will be scored in line with the NTCA assessment criteria included below.
<b>Eligible match funding</b>	Proposals which are able to leverage match funding will be scored more favourably through the assessment process. Applicants are asked to indicate if they are able to leverage private and/or philanthropic funding through co-financing options alongside NTCA's £3.25 million investment.
<b>Procurement</b>	All procurement must be undertaken in line with EU regulations.
<b>Eligible Applicants</b>	Applicants must be legally constituted at the point of signing a Funding Agreement and be able to enter into a legally binding Funding Agreement. The Applicant will be the organisation that, if the application is successful, enters into a contract with the NTCA and therefore carries the liability for ensuring that the terms of the Funding Agreement are met by them and to all delivery partners. Applications are encouraged from consortia or other similar types of partnership arrangements; however a lead organisation must be selected to become the Applicant. It is this organisation that carries the responsibility and liability for carrying out a compliant project.

## 6. Assessment criteria

Project proposals will be scored specifically against the following criteria

<b>Criteria</b>	<b>Consideration</b>	<b>Available marks</b>
<b>Strategic Fit</b>	<p>Demonstration that</p> <ul style="list-style-type: none"> <li>the proposal fits with NTCA Economic Vision, Inclusive Economy Statement and call focus area.</li> <li>the proposal is effective and will lead to a step change in cultural/creative provision.</li> </ul>	30
<b>Delivery of desired outcomes</b>	<p>Demonstration of clear knowledge of the cultural and creative sector in the North if Tyne</p> <p>Illustration of fund management expertise and a successful track-record with the ability to apply this skill-set to manage the fund.</p>	

<b>Culture and Creative structure and pipeline</b>	A strong rationale for suggested use of grant and repayable finance (as appropriate). Include information on mechanisms to avoid any biases, and the relevant steps to create and manage a diverse portfolio of clients (freelancers, SMEs, larger organisations) and proposals.	20
<b>Value for money</b>	<p>Explanation of how public and leveraged funds (as appropriate) will be utilised to maximise impact. Clear explanation of costs, income streams and expected outputs, including long term financial sustainability.</p> <p>If recyclable finance is used as an option, clear explanation of how intermediary intends to continue to support creative and cultural impact projects in the North of England.</p> <p>Fund management costs should be in the range of 5% -10% of the overall fund value. The overall cost should include overheads which will be paid at a flat 15% rate of direct salary costs. Fund management costs will be considered as part of the value for money assessment.</p>	20
<b>Deliverability risk</b>	<p>Robust assessment of deliverability, capacity and risks. Clear explanation of delivery routes, timeframes and key milestones. Strong arrangements for local transparency and accountability, monitoring and evaluation.</p> <p>Ability to deploy the funding within the timeframe set.</p> <p>Evidence of partnership strength and commitment (as appropriate)</p>	30

## 7. State Aid

There is an obligation on the selected intermediary to comply with the State Aid rules in relation to all forms of grant or repayable finance it makes - it will be for the intermediary (in conjunction with the end recipient) to satisfy itself that any grant or recoverable finance is State Aid compliant and that any necessary administrative requirements are complied with. Applicants must consider and inform NTCA how state aid rules will be applied to any successful financial award.

In compliance with Article 9 and Article 11 of GBER all awards over €500,000 will be posted on our website and reported to the Commission where required. All awards will be monitored for continued compliance with State Aid.

## 8. Application process

Intermediaries are invited to submit one proposal for the total £3.25 million fund, either independently or in conjunction with one or more suitable partner organisation(s). The decision to award the £3.25m fund to an intermediary will be made by NTCA.

Please submit a full application. Alongside it we would expect further **complementary detail on:**

- description of your organisation, its structure and biography of key team members.
- the organisation's knowledge of the culture and creative landscape of the North of England (this may also be demonstrated through a partnership with one or more external organisations and an illustration of their knowledge).
- relevant performance information and relevant examples of past performance and impact.

- the indicative composition of the Advisory Panel
- The methods employed to engage freelancers, SMEs and organisations to apply for Recovery Funding, and the specific channels and efforts that will be used for this purpose (including proposed communication and promotion measures). The proposal should contain enough information about access to and contacts with clients that the applicants has, whether this access is direct or indirect (via their own or other networks), and the kind of relationships they maintain, giving figures where possible.
- The process put in place to manage the Culture & Creative Recovery Fund. The selected intermediary will be responsible for sound management of the Culture and Creative Recovery Fund and will need to set out, as part of the application how funds will be managed.

### 9. Assessment & Selection Process

Project proposals will be scored against the selection criteria in this document. A score of zero in any category will result in the proposal being rejected from the process. Scoring will be undertaken by a panel made up of members of the NTCA team plus other relevant advisory members. Clarifications may be sought as of the assessment process.

Following this, the proposal with the highest score will be progressed in line with the NTCA's Assurance Framework prior to being considered by NTCA's Technical Officers Group and Investment Panel.

### 10. Indicative timetable

Proposals considered as part of this call should relate to projects which can complete practical delivery of project activity by the end of March 2023; however, NTCA reserves the right to extend this date as required.

The indicative timetable is set out below:

10 <sup>th</sup> August 2020	Call opens
21 <sup>st</sup> September 2020	Deadline for intermediaries to submit bids
September 2020	Assessment of proposals
October 2020	Consideration of selected proposal by TOG & IP
October 2020	Announcement of winning bid
November 2020	Enter into grant agreement with winning intermediary partner

### 11. Submission of proposal

We welcome informal contact, enquiries, and discussion from interested parties to help you assess the eligibility of your proposal or to answer any questions you may have.

If you are interested in submitting a project proposal please email [Cultureandcreative@northoftyne-ca.gov.uk](mailto:Cultureandcreative@northoftyne-ca.gov.uk) for the relevant form. Completed application forms should be sent to the same email address. Before doing so please ensure that you have followed the guidance, completed all questions and entered an electronic signature.

Please consider the following strategic documents that may help you with your application.

- [North of Tyne Economic Vision](#)
- [North of Tyne Inclusive Economy Statement](#)
- [North East Strategic Economic Plan](#)