

1. Introduction

The North of Tyne Combined Authority (NTCA) has agreed a strategic approach and a bold programme of investment to:

- Bring forward tangible investments that create jobs and growth through actively decarbonising our economy.
- Unlock the potential for accelerated growth in our clean energy sector – building on already world-class assets in offshore wind, subsea technology and the associated supply chain as part of a North East-wide sector strategy.
- Create the conditions for radical innovation across North of Tyne industries and public services – supporting collaborative, market-led interventions that create new jobs and demonstrates bold ambition around carbon reduction.
- Grow our capacity as an area to build the skills base to support new jobs and transition to cleaner ways of working – through an ambitious green growth skills partnership that draws on the best innovation from other places.

Energy is a major sectoral strength of the North of Tyne area, with the existing offshore energy, subsea & marine technologies supporting thousands of jobs. The majority of these companies are located in an ‘arc’ stretching from Newcastle along the Tyne and up the coast to Blyth and are part of a strong North East wide cluster. The strength of this cluster has been built on nationally significant quayside and port infrastructure, complemented by a deep skills base together with increasingly strong R&D and innovation capabilities.

The offshore wind sector provides a game-changing economic opportunity for the area. Given the scale of opportunity, NTCA has agreed a headline investment fund allocation of £25 million up to 2028 for this programme, approving the initial £12m till 2022/23, with the remaining of the allocation to be confirmed following a review in 2022/23.

2. Strategic Economic Context

The North East has been active in offshore wind since the inception of the sector. The UK’s first offshore wind farm was constructed off the coast of Blyth in 2000 and the region is a national centre for offshore renewable energy technology and innovation. The region benefits from a rich mix of local enterprises and global organisations across many stages of the supply chain. The cluster is further bolstered by nationally-significant quayside and port infrastructure, a long-established skills base and world class R&D and testing facilities – such as the Offshore Renewable Energy Catapult and the National Centre for Offshore and Subsea Engineering.

The North of Tyne hosts a significant number of regional employers which are part of the Energi Coast cluster, exporting products and services internationally for wind farm project developments in the USA, China, Taiwan and Europe. The North of Tyne area will also play a key supporting role in the development of the world’s largest offshore wind farm located some 90km+ from the coastline. This planned 4.8GW development (Dogger Bank and Sofia wind farms), with the Dogger Bank A, B and C wind farms being jointly developed by Equinor, SSE Renewables and Eni and Sofia wind farm being developed by RWE, represents a significant opportunity for the North of Tyne and wider North East supply chain.

The global offshore wind sector has expanded significantly in recent years, with installed capacity more than tripling globally between 2011 and 2017. North East assets and offshore capability are central to supporting the growth of the UK offshore wind sector, set to both decarbonise energy supply and build our readiness to expand export-driven growth beyond the EU. In this context, the Offshore Wind Sector Deal, announced by BEIS in March 2019, offers a major opportunity for the region as one of the key regional clusters identified.

The Offshore Wind Sector Deal between Government and industry sets out ambitious plans to put offshore wind at the centre of the nation's clean, affordable and reliable energy system. The deal proposed increasing UK offshore wind capacity from current 9GW installed offshore wind capacity to 40GW by 2030, which would mean it would generate one-third of the UK's electricity, creating 27,000 jobs and boosting exports to £2.6 billion a year. The estimated potential investment value into the UK economy is over £40 billion by 2030. There are reasons to think these are lower bound figures, with the Committee on Climate Change's scenario for reaching net zero by 2050 setting out a path for capacity to grow to 75GW. As well as high growth in UK-based offshore wind projects, high growth is expected globally, creating significant increased export opportunities for firms based in the North East.

The North of Tyne region has a critical mass of world leading offshore engineering/manufacturing, subsea technology and digital/technical consultancy services companies. The North East LEP and NTCA recently commissioned a North East offshore wind supply chain study by Cambridge Econometrics which estimated that jobs could increase an additional 2000 to 3250 direct jobs in the North East, with similar numbers in the associated supply chain. With the right investment, the cluster will be able to deliver the upper end of this range of jobs.

NTCA recognises that the offshore wind sector operates at a scale bigger than North of Tyne, with supply chains and collaborations stretching across the North East, Tees Valley and beyond. NTCA recognises the strong assets and capability that exist in the North of Tyne area, and seeks to strengthen the sector for the benefit of the wider cluster. NTCA works closely with the North East LEP to deliver the Energy for Growth strategy which aims to drive growth in the North East while delivering on national energy objectives at scale.

3. Call focus – Eligibility Criteria

The North of Tyne Offshore and Subsea infrastructure programme complements the Supply Chain Innovation Programme and is focused on improvements that will strengthen existing capabilities and capacity as well as attracting new opportunities.

This call for project proposals will support the development of a robust pipeline of investable propositions with a focus on developing infrastructure:

- In ports and quays
- In innovation, demonstration and research assets which support the growth of the sector
- To meet infrastructure needs of the offshore wind and subsea supply chain

In particular, we would like to see project proposals come forward which either include or align with the following opportunities:

- Offshore wind sector deal: Projects which will strengthen the region's response to the Offshore Wind Sector Deal, and its key priorities and objectives.
- Innovation and demonstration: Projects which strengthen the region's energy innovation and demonstration capabilities which support the growth of the regional Offshore and Subsea sector.
- Business growth and job creation: Projects which will directly support a business growth and job creation opportunity related to energy.

Investment is broadly expected to be for, but not limited to:

- capital investment in works, such as construction, modification, equipment, project preparatory or delivery works.
- Operational revenue costs with a clear exit strategy if appropriate.
- Revenue funding for detailed technical studies which enable follow-on delivery and investment is available through the NTCA Business Case Development Fund, please contact NTCA for further information.

A minimum NTCA investment of £200,000 will apply to any single project with a maximum intervention rate of 50%. All project proposals will need to demonstrate at least 50% match funding, although where a clear case can be made other levels of match funding may be considered in line with state aid rules.

All applicants must be legally constituted at the point of submitting a project proposal. Project proposals must relate to project activity in the North of Tyne area (Newcastle, North Tyneside and Northumberland local authority areas).

4. Selection Criteria

Project proposals will be scored specifically against the following criteria

Assessment of Project							
Strategic fit with NTCA Vision , Energy for Growth Strategy and call focus area	13-15		7-9	4-6	1-3	0	15
	Very strong fit		Moderate fit		Low fit	No fit	
Outcomes associated with the project	9-10		5-6	3-4	1-2	0	10
	Demonstrates clear/relevant outcomes and potentially very good value for money		Likely to provide some outcomes and represent reasonable value for money		Likely to provide limited outcomes and less favourable value for money	Unlikely to meet any of defined outcomes or offer value for money	
Intensity of grant request	5	4	3	2	1		5
	10%	20%	30%	40%	50%		
Status of the match funding	5		3		1	0	5
	Fully confirmed		Most match funding in place		Little match funding in place	No source of match funding identified	
State Aid risk	5	4	3	2	1	0	5
	Independent legal opinion supports compliant route or confirm no State aid.	Applicant identifies a compliant State Aid route.	Relevant State Aid issues understood and clarified	Relevant State Aid issues understood but currently unable to be clarified	No appropriate consideration of State Aid provided	Request not compliant with State Aid.	
Deliverability Risk	9-10		5-6		1-2	0	10
	Considered to have a high chance of success & completion by the timescales indicated - risks well managed		Moderately likely to succeed and be delivered by the timescales indicated, some risks with strategies in place		Management and delivery arrangements considered to be weak. High risk of failure	Considered to have a very low likelihood of successful completion by the timescales indicated / multiple high level risks with no clear management	
Inclusive Economy fit	5		3		1	0	5
	Very strong fit		Moderate fit		Low fit	No fit	
						Score	/55

5. Pipeline Development and Selection Process

Project proposals will be scored against the selection criteria in this document, a minimum of 35 is required to progress. 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 and North East LEP team plus other relevant advisory members.

Following this, projects with a score of 35 or above will be invited to take part in a peer review exercise with the intention of strengthening proposals. As part of the peer review process projects will also be prioritised taking into consideration any restraints on timescales e.g. match funding requirements and deliverability of the project.

The peer review process will result in a prioritised pipeline of proposals. Within the funding constraints of the programme, proposals will in priority order be invited to submit a full business case application. Acceptance of a project proposal to progress to full application stage does not in any way indicate or constitute an offer of grant from NTCA.

Each business case will be progressed in line with the NTCA's Assurance Framework and appraised against the HM Treasury 'five case' model and NTCA's additional Inclusive Economy Case prior to being considered for approval by NTCA's Technical Officers Group and Investment Panel.

Please note the call for proposals will be repeated at regular intervals to continue the development of the pipeline for a programme which extends to 2028 subject to a review in 2023. For 2021/22 the calls for proposals will take place in in May 2021 and then again later in the calendar year, NTCA may amend the dates of the expression of interest calls.

Projects which score over 35 that are not invited to progress immediately as a high priority will still form part of the longer-term pipeline which will support the region in developing and evolving a constant pipeline of investment which can be utilised to make the case for further investment for the sector.

6. Timescales and deliverability

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 is supporting the development of a broader pipeline and a programme which extends to 2028 therefore proposals which extend beyond March 2023 should be submitted as part of this call.

Projects must be able to demonstrate that the project activities are realistic and that public funds are required to fill an identified gap. Delivery and financial completion is required by the 31st March 2023 although longer term projects extending beyond this timescale will be considered as part of the wider programme and pipeline. The project needs to demonstrate how this will be achieved within relevant timescales, with a business case supported by robust costings and clear delivery milestones.

In addition, you must demonstrate that you have identified and are managing risks to delivery, this may include securing planning approval, match funding, and going through required procurement processes depending on the stage of development.

7. Subsidy Control

Following the UK's departure from the European Union on 31st December 2020, a new subsidy control regime is now in place. As such, NTCA require all applicants for funding to seek advice setting out how projects are compliant with the new UK Subsidy regime. The application includes a specific section for applicants to respond.

(This is a requirement under the new regime, as set out in the BEIS Technical Guidance (which can be accessed here: <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/technical-guidance-on-the-uks-international-subsidy-control-commitments-from-1-january-2021>)

Please note the advice should cover both receipt of the Funding from NTCA and the subsequent transfer of that Funding to third parties.

To comply with new subsidy control regulations, all awards that are considered 'subsidies', and with a value of over £300,000, will be published on the new BEIS transparency database. All awards will be monitored for their ongoing compliance with subsidy control rules.

8. Outputs

It is envisaged that proposals could deliver against the following North of Tyne Investment Fund output measures:

- Direct jobs created
- Indirect jobs created
- Direct jobs safeguarded
- Indirect jobs safeguarded
- Number of established businesses accommodated
- Number of apprenticeship/ traineeship opportunities created
- Creation or safeguarding of space for shared community and/or business activities
- Area of site reclaimed, (re)developed or assembled

The North of Tyne Investment fund Output Measures Guidance will be provided with the project proposal form.

9. Submission of proposal

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

If you are interested in submitting a project proposal or a Business Case Development Fund application, please send an email to Offshore@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.

This call for project proposals will open on the 10th May 2021 and will close on the 5th July 2021. Project proposals which meet the criteria and score more than 35 points based on the selection criteria will be asked to take part in a peer review exercise.

10. Other supporting documents

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](#)
- [North East Energy for Growth Strategy](#)
- [Offshore Wind Sector Deal](#)