

Cabinet

Tuesday, 23 March 2021 at 2.00 pm

This meeting will be held virtually and live streamed.

Information on how to join the meeting will be circulated to all participants.

Please use this link to view the live stream: <https://youtu.be/NlzbRV-xo0k>

Committee papers are available at www.northoftyne-ca.gov.uk

AGENDA

Page No

1. **Apologies for Absence**

2. **Declarations of Interest**

Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be submitted to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.

Note: The Audit and Standards Committee has granted dispensations to Cabinet members so that they may participate in decisions which relate to the constituent authority which appointed them.

3. **Announcements from the Mayor and/or the Head of Paid (if any)**

4. **Minutes of the Previous Meeting**

1 - 8

5. **Working Together For You - NTCA Annual Report** **9 - 18**
6. **Northumberland Line Economic Growth Corridor** **19 - 62**
7. **Investment Fund Update and Funding Approvals**
- Members are requested to note the intention to circulate the above report on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985.
8. **Adult Education Budget update and Strategic Skills Plan** **63 - 112**
9. **Mayoral Ambassadors Review** **113 - 116**
10. **Date and Time of the Next Meeting**
- Tuesday, 8 June 2021 at 2pm (Annual Meeting).
11. **Exclusion of Press and Public**
- Under section 100A and Schedule 12A Local Government Act 1972 because exempt information is likely to be disclosed and the public interest test against disclosure is satisfied.
12. **Confidential Minutes of the Previous Meeting** **117 - 118**

Contact Officer: Victoria Miller
Tel: 0191 211 5118
Email: Victoria.Miller@northoftyne-ca.gov.uk



Cabinet

26 January 2021

(2.00 - 2.44 pm)

This meeting was held virtually and live streamed.

Minutes

Present:

Chair: Mayor J Driscoll

Councillors R Dodd, N Forbes, J McCarty, B Pickard and G Sanderson, Mayor N Redfearn and Ms L Winskell

Also: Mr R Fry (Observer)

125 **APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

126 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

127 **MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 24 November 2020 were approved as a correct record and signed by the Chair.

128 **ANNOUNCEMENTS FROM THE MAYOR AND/OR THE HEAD OF PAID SERVICE (IF ANY)**

Although there were no formal announcements, the Mayor welcomed the news about the £34m investment from the government for work to reinstall the rail line between Ashington and Newcastle upon Tyne. Councillor G Sanderson of Northumberland County Council thanked all who had been involved for their support.

129 **EMPLOYABILITY AND INCLUSION PORTFOLIO UPDATE - IN THEIR OWN WORDS**

Submitted: A report of the Head of Inclusive Growth (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report which provided an update on the Employability and Inclusion portfolio projects which had been launched during 2020. Now, the projects were being progressed in a different environment due to the additional challenges as a result of pandemic. The report was introduced by Councillor J McCarty, the Portfolio Holder for Employability and Inclusion.

The update detailed the positive impact the projects were making on the lives of residents. In addition to the case studies described in the report, a video was played at the meeting about the experience of the beneficiaries of the projects.

It was highlighted that the Inclusive Economy ambition was being delivered in cooperation with partners and stakeholders, sharing experiences and working in a co-ordinated and long-lasting way.

Amongst the matters discussed and comments made during the ensuing discussion were the following:

- the welcome focus on confidence building, which had an important role when working to tackle unemployment;
- the importance of listening, when working to tackle unemployment;
- the valuable role of the voluntary sector;
- the benefits of volunteering;
- the benefits of inspirational mentoring;
- the importance of creating opportunities for all; and
- the real value of the projects in achieving positive results and changing lives.

RESOLVED – That the progress and the positive impact, which the projects in the Employability and Inclusion portfolio were making to the lives of residents of the North of Tyne area, be noted.

130 **INVESTMENT FUND UPDATE AND FUNDING APPROVALS**

Submitted: A report of the Director of Economic Growth (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report which provided an update on progress that had been made on the North of Tyne Investment Fund and sought associated approvals. The report was introduced by Councillor B Pickard, the Portfolio Holder for Economic Growth.

Amongst the matters discussed and comments made during the ensuing discussion were the following:

- the importance of and opportunities within the Digital sector;
- the importance of apprenticeships; and

- the red tape that was associated with larger organisations and the role of smaller local employers in potentially being able to offer apprenticeship schemes quicker.

It was also noted that, in progressing the work on the creation of the North of Tyne Apprenticeship Hub, the Combined Authority would be working closely with the Department for Work and Pensions and rely on their timetables for releasing funding. Due to reliance on that national resource and associated timescales, the Combined Authority would need to work to prepare to be in a position to progress quickly and flexibly.

The Combined Authority's work on the creation of its Apprenticeship Hub would include liaison with the constituent local authorities to avoid any duplications. Further information on this aspect of work would be provided to the Member requesting this information outside of the meeting.

RESOLVED – That the Cabinet:

- Noted progress to date on the Investment Fund, achievement of key milestones and ongoing development work, particularly in respect of defrayed expenditure and achievements in terms of tangible jobs for residents as a direct result of the NTCA investment.
- Noted progress in relation to the Digital Ecosystem and Offshore Infrastructure programmes, with a number of projects asked to develop full business cases for the NTCA funding.
- Noted progress to operationalise the North of Tyne Brownfield Housing Fund, including funding having been awarded to the first two schemes.
- Agreed an allocation of £150,000 from the Inclusive Economy Innovation Fund for the creation of the North of Tyne Apprenticeship Hub; and delegated authority to the Director of Economic Growth, in consultation with Investment Panel, for subsequent decisions regarding procurement of services.

131 **EXCLUSION OF PRESS AND PUBLIC**

The order of the agenda was changed, moving agenda item 6 (b) to the end of the meeting. Consequently, there was no exclusion of press and public until later at the meeting.

132 **2021-2025 BUDGET PROPOSALS**

(a) **2021-2025 NTCA Budget Proposals**

Submitted:

- A report of the Chief Finance Officer (previously circulated and copy attached to Official Minutes); and

- ii. An updated report of the Chief Finance Officer with updated figures in tables (previously circulated and copy attached to Official Minutes).

The Cabinet considered the updated report which invited approval of the budget for the North of Tyne Combined Authority for 2021/22, and the medium-term financial plan for the period 2022/23 to 2024/25. The report was introduced by J Gillespie, the Chief Finance Officer.

The report:

- set out the budget in respect of the Corporate Budget, Investment Fund, Adult Education Budget and the new Brownfield Housing Fund;
- outlined the context within which the budget proposals had been prepared in relation to COVID-19 and the delay of the Comprehensive Spending Review (CSR);
- included the Mayoral Capacity Funding for 2021/22 only (£1.000m), as recently announced as part of the provisional Local Government Finance Settlement, which would be without an additional cost to local taxpayers or local authorities in the current budget proposals; and
- included proposals for the North East Local Enterprise Partnership accountable body budget.

RESOLVED – That the Cabinet:

- i. Agreed the Corporate Budget for 2021/22 as set out in paragraph 1.2 of the report, whilst taking into account comments made by the Overview and Scrutiny Committee.
- ii. Agreed the Investment Fund as set out in paragraph 1.3 of the report, whilst taking into account comments made by the Overview and Scrutiny Committee.
- iii. Agreed the Adult Education Budget as set out in paragraph 1.4 of the report, whilst taking into account comments made by the Overview and Scrutiny Committee.
- iv. Agreed the Brownfield Land Programme Budget as set out in paragraph 1.5 of the report, whilst taking into account consultation with the Overview and Scrutiny Committee.
- v. Agreed the Tyne and Wear levies that would be issued on the 15th February 2021.
- vi. Agreed to hold the reserves set out in paragraph 1.6 of the report and noted the Chief Finance Officer continued to keep the level of resources under review as the Combined Authority developed and new information become available about the financial risks facing the Combined Authority arrangements for managing risks.

- vii. Noted the North East LEP Accountable Body Budget, paragraph 1.7 of the report.
- viii. Agreed the Treasury Management Strategy as set out in paragraph 1.8 of the report and Appendix B to the report.

(b) The Overview and Scrutiny Committee Report to Cabinet: North of Tyne Combined Authority 2021-2025 Budget Proposals

Submitted: A report of the Overview and Scrutiny Committee (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report which set out the response of the Overview and Scrutiny Committee to the proposals for 2020-24 budget of the North of Tyne Combined Authority.

The report was introduced by Councillor G Roughead, the Chair of the Overview and Scrutiny Committee, who, on behalf of the Committee, supported the budget proposals, acknowledged the need for adequate corporate resources and highlighted the Committee's recommendations as set out in the report.

At the start of his presentation, Councillor G Roughead thanked the Combined Authority's Directors, especially Paul Hanson, Ruth Redfern, Henry Kippin and Janice Gillespie, and other Officers for their commitment and engagement with the Overview and Scrutiny Committee.

Councillor G Roughead also thanked the Overview and Scrutiny Committee members and substitute members for their engagement throughout the year and for their input into the preparation of the report.

When presenting the views of the Overview and Scrutiny Committee on the 2021/22 budget proposals, Councillor G Roughead mentioned an additional observation in relation to Transport Levies for future years, as raised by a member of the Committee. Although acknowledging that the Tyne and Wear Transport Levies were the responsibility of the North East Joint Transport Committee, Councillor Roughead felt that it was necessary to bring this observation to the attention of the NTCA Cabinet.

Regarding the Mayoral Capacity funding for 2021/22 for COVID-19 recovery, more detail was needed to see how the funding would be used and what benefits could be achieved.

A suggestion was also made about the timing of consulting the public on the Combined Authority's budget proposals, suggesting an earlier time, perhaps over the summer and before the consultation on the budgets of the constituent councils, as an option.

The Mayor welcomed the benefit of regular engagement with the Chair of the Overview and Scrutiny Committee.

Councillor G Roughead and the Overview and Scrutiny Committee were thanked for the report and comments, including for the comments on the design of the public consultation programme on budget. The Mayor suggested that comments about the Joint Transport Committee should be fed in through appropriate routes.

The Mayor agreed that the North of Tyne was a good representation of the diversity of the county as a whole and, therefore, should be considered as an area for national pilots and initiatives. The Mayor mentioned that he continued to promote the area at the government level and seek additional opportunities for the area.

RESOLVED - That the report as the response from the Overview and Scrutiny Committee to the 2021-2025 Budget proposals for the North of Tyne Combined Authority and took its comments and observations into account when agreeing the Budget be accepted.

133 **2021/22 NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BUDGET**

Note: The updated title of this item is as set out on the supplemental agenda for the meeting:

“2021/22 North East Local Enterprise Partnership Budget and 2021/22 North East Local Enterprise Partnership and 2021/22 Invest North East England”

Submitted: A report of the Chief Finance Officer (previously circulated and copy attached to Official Minutes).

The Cabinet considered the update report which provided information on the North East Local Enterprise Partnership (LEP) indicative financial Outturn position for 2020/21 and indicative Revenue Budget for 2021/22, which would be reported to the LEP Board on the 28 January 2021.

The report also provided an update on the Invest North East England (INEE) 2020/21 financial Outturn position and indicative Revenue Budget for 2021/22.

As the North of Tyne Combined Authority became the Accountable Body for both the LEP and INEE on 1 April 2020, the report provided a brief background of the principles agreed in relation to the Accountable Body role and a brief overview of the budget and funding of both the North East LEP and INEE.

It was noted that the NTCA 2021-2025 Budget update report set out corrected figures in the tables.

RESOLVED – That:

- i. the contents of the report be noted;
- ii. the update on the 2020/21 North East LEP Revenue Budget and the 2020/21 Invest North East England Revenue Budget be noted; and

- iii. the provisional estimate for the 2021/22 Revenue Budget for both the North East LEP and Invest North East England be noted.

134 **NTCA Q.3 BUDGET MONITORING REPORT**

Submitted: A report of the Chief Finance Officer (previously circulated and copy attached to Official Minutes).

The Cabinet considered the third quarter monitoring report on the 2020/21 Combined Authority financial position. The report also provided the latest indication of the forecast financial position at 31 March 2021, the year end, including information on the Corporate Budget, the Investment Fund, the Adult Education Budget (AEB), the Brownfield Housing Fund and reserves. The report was introduced by J Gillespie, the Chief Finance Officer, who highlighted key matters, including risk areas. She confirmed that, overall, the corporate budget remained on balance.

The Mayor, on behalf of Cabinet, thanked Officers for their work and particularly for achieving a balanced budget for the Combined Authority despite the challenges.

RESOLVED – That the forecast budget monitoring position as set out in paragraphs 1.2 – 1.8 of the report be noted.

135 **APPOINTMENTS**

Submitted:

- i. A report of the Monitoring Officer (previously circulated and copy attached to Official Minutes); and
- ii. An updated report of the Monitoring Officer, setting out additional appointments for approval (previously circulated and copy attached to Official Minutes).

The Cabinet considered the updated report which invited agreement of appointments for North East LEP's Business Growth Advisory Board, NTCA Overview and Scrutiny Committee and NTCA Audit and Standards Committee.

RESOLVED – That the appointments set out in section 1 of the report be agreed.

136 **NORTH EAST LEP – FUNDING DECISIONS UPDATE**

Submitted: A report of the North East Local Enterprise Partnership Chief Executive Officer (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report which provided information on the work and decisions of the North East LEP over the last three months. The report also provided information about new appointments to the LEP advisory boards and

substitute arrangements. The report was introduced by J Gillespie, the Chief Finance Officer.

RESOLVED – That the report, which provided information on the work and decisions of the North East LEP over the last three months, be noted.

137 **DATE AND TIME OF THE NEXT MEETING**

Tuesday, 23 March 2021 at 2pm.

138 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 press and public be excluded from the remainder of the meeting for the duration of consideration of agenda item 13, North East LEP – Funding Decisions Update – Appendices (Confidential), and agenda item 6 (b), Supplemental Report: Investment Fund Update – Inward Investment Opportunity (Confidential Item), because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.



Subject: Working Together For You - NTCA Annual Report
Report of: Director of Policy and Performance
Portfolio: All

Report Summary

The NTCA has produced an Annual Report to set out the Authority's achievements and the work of the Mayor and Cabinet over the last year. The report 'Working Together For You' includes stories on how the NTCA is creating opportunities and driving innovation and includes an annual update from the Inclusive Economy Board, the Housing and Land Board and the Voluntary, Community and Social Enterprise Group.

Recommendations

Cabinet is recommended to endorse *Working Together For You*, the NTCA annual report.

1. Background Information, Proposals and Timetable for Implementation

- 1.1 This is the first Annual Report and is presented to Cabinet in lieu of a launch event due to the restrictions imposed by the coronavirus pandemic which would allow the Mayor, Cabinet Members and our partners to come together and reflect on the work achieved this year.
- 1.2 The report has been designed to be a quick read to enable residents to see the impact of the NTCA in a clear and concise way; a signpost to the more in-depth information that is available on the website through our press releases or cabinet reports.
- 1.3 Two stories have been chosen to show how the work of the NTCA is creating opportunities for people by attracting large companies to invest here or to encourage them to develop a new skill or attend training which will enable them to find 'good work'. Two other stories have been chosen to show how the NTCA is driving innovation in data and a green economy.
- 1.4 The top 5 and top 20 achievements of the NTCA are included as headlines to showcase quickly and succinctly the impact and benefit of the NTCA.
- 1.5 The Annual Report, which will be produced in January in the future, will be followed by a Corporate Plan which will be presented at the Annual Meeting of Cabinet in June which will set out how the NTCA will deliver for the coming years.

2. Potential Impact on Objectives

The Annual Report is a reflective document which show how the NTCA has worked to reflect and be consistent with the priorities set out in the NTCA vision.

3. Key Risks

There are no specific risks relating to this report.

4. Financial and Other Resources Implications

There are no financial implications arising directly from this report.

5. Legal Implications

There are no direct legal implications arising directly from this report.

6. Equalities Implications

The NTCA is mindful of its duty under the Public Sector Equality Duty and through its work will continue to promote policies and decision making which eliminates discrimination, harassment and victimisation; advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it; and also considers the implications for people from different socio-economic backgrounds/low pay as a protected characteristic.

7. Inclusive Economy Implications

There are no direct inclusive economy implications arising in the report itself, however as a reflective document it showcases NTCA's inclusive economy ambitions and the five characteristics of an inclusive economy: participation; equity; growth; stability and sustainability.

8. Climate Change Implications

The North of Tyne Combined Authority and all three constituent Local Authorities have declared a Climate Emergency; the impact of the NTCA's decisions on climate is taken into account and its work in this area is reflected in the *Working Together For You* document.

9. Consultation and Engagement

The Mayor, Cabinet and the whole NTCA team have been involved in the formulation of the Annual Report. The NTCA is a collaborative and supportive team and the Annual Report and the Corporate Plan are aligned with the internal work programme, targets and spend so each team can see how their individual effort contributes to the whole.

10. Appendices

Appendix 1 - *Working Together For You* NTCA Annual report (To follow)
Appendix 1a - Inclusive Economy Board update
Appendix 1b - Housing and Land Board update
Appendix 1c - VCSE Stakeholder Engagement Group

11. Background Papers

None

12. Contact Officers

Ruth Redfern, Director of Policy and Performance
ruth.redfern@northoftyne-ca.gov.uk

Stuart Tarbuck, Head of Communications, Engagement and Organisational Development
Stuart.Tarbuck@northoftyne-ca.gov.uk

Inclusive Economy Board Annual Report Update 2020/21

Purpose

The purpose of this briefing is to provide an update for the Annual Report 2020/21 on the work of the Inclusive Economy Board, outlining the achievements and progress from the past twelve months.

“We want to target our resources where they can make a real difference to people’s lives as part of our commitment to creating an economy that delivers for everyone and leaves nobody behind”

Cllr Joyce McCarty, Cabinet Member for Employability and Inclusion and Vice Chair of the Inclusive Economy Board.

Background

Our Inclusive Economy Board is an important component of our Devolution Deal, helping NTCA think creatively about how we can make the North of Tyne economy work for everyone. The Inclusive Economy Board advises Cabinet on how to better integrate and strengthen education, skills and employment interventions in order to improve local education and employment outcomes for North of Tyne residents. Over 2020 this has included specific work to understand and respond to some of the widening inequalities caused by the pandemic.

Launched in March 2020, it is independently chaired by the Right Revd Christine Hardman, Bishop of Newcastle and brings together regional and national representatives from business, civil society, education, academia and Government Departments including the Department of Work and Pensions (DWP) and the Ministry of Housing, Communities & Local Government (MHCLG). We are particularly grateful for the support of our three local authorities and ex-officio members from the Local Enterprise Partnership who have been instrumental in supporting the Chair’s stated ambition that the Board is focussed on **doing not discussing**: as she says,

“...it’s about driving forward real change to move us further, faster towards our goal of creating a fairer and more inclusive economy...”

The Board meets quarterly and has continued to do so throughout the COVID-19 pandemic.

Achievements

- **Accelerating skills and employability responses to the pandemic**
The Board has been instrumental in supporting and advising on the development and delivery of key employability and skills programmes for young people in response to the pandemic. In particular, Kickstart (for young people at risk of long-term unemployment), the coordination of learning and skills opportunities for young people through the creation of local Youth Employment Partnerships and the development of an

Apprenticeship Hub which will be made available to young people via schools and colleges. With members' support this has formed the Board's first priority workstream.

- **Partnership Working with DWP**

The Inclusive Economy Board provides oversight of the jointly developed Employment Framework Agreement between NTCA and the DWP. Support from the Board was instrumental in enabling the Framework Agreement which was approved by the DWP Minister for Employment in October 2020. The Framework is a key enabler for coordinating employment, skills and health services at a local level to move more people into good work. Into 2021 the Board is supporting its delivery through advising and informing an associated Action Plan to realise the full potential of this joint Agreement.

- **Promoting the Importance of Good Work**

The Board has also prioritised supporting the development of our Good Work Pledge and wider Good Work agenda throughout 2020. This was crucial in a year in which the world of work shifted radically for so many of our residents. The Board supported conversations with business, unions and the VCSE sector to understand the relevance of Good Work in a COVID-19 context, and actively supported our successful Pledge launch in November 2020.

We are grateful to the Chair, Vice Chair, Mayor and all our members and ex-officio members for the commitment and dedication they have shown during this extraordinary year.

Next Steps

The Board used its first meeting in 2021 to develop a forward plan of activities for the year. Topics under consideration have included poverty, wellbeing, financial inclusion, 'resetting' learning and skills pathways, and reimagining a post-COVID economy, with an underlying focus on some of the key groups affected most by the pandemic: older workers, women and people from black and minority ethnic backgrounds. Following a valuable presentation on digital inclusion the Board will also consider whether it can add value to current local and regional activity through a focussed workstream in this area.

Housing and Land Board Annual Report Update 2020/21

Purpose

The purpose of this briefing is to provide an update for the Annual Report 2020/21 on the work of the Housing and Land Board outlining the achievements and progress from the past twelve months.

Background

The remit of the Housing and Land Board is to oversee a strategic approach to the delivery of more and better homes across the North of Tyne from a baseline of 1,800 net new homes a year to 3,000 net new homes a year by 2032. The Board does this by acting as a strategic and advisory sounding board that works collaboratively with the North of Tyne Combined Authority (NTCA) to oversee an integrated housing pipeline, and to advance work on housing policy and delivery.

Membership of the Board is drawn from the Local Authorities, the Combined Authority and Homes England as well as a wide cross-section of the housing sector, including – but not limited to - registered providers, private developers, institutional investors, and organisations representing residential landlords. The Board meets quarterly and has continued to do so throughout the Covid 19 pandemic.

The Board is led by Mayor Norma Redfearn, portfolio holder for housing and land at the NTCA, with strategic input from the wider NTCA Cabinet. We are fortunate that Duncan Sutherland, Vice Chair of Homes England, assists with the drive and focus of the Board thus helping to cement a strong working relationship with Homes England.

Achievements

Over the past year, the Board has maintained a consistent focus on matters relating to housing policy and, importantly, housing delivery. The following paragraphs outline this in further detail:

- **Policy Focus**

In terms of housing policy focus, the Board has taken a strong interest in ageing, connected construction and modern methods of construction (MMC). Members have actively engaged with key regional partners to hear about projects they are undertaking and have considered how the NTCA team can develop its policy agenda with these regional assets in mind. The Board has heard updates on the Centre for Ageing and Vitality, a key housing delivery priority for the Combined Authority and Newcastle City Council, with a significant element of ageing innovation and design excellence at its core. It has heard from and endorsed Northumbria University's IC3 project, a bold programme of work that looks to build on the emerging regional expertise in connected construction. Working closely with Home Group, the Board has taken a keen interest in the work at the Gateshead Innovation Village, a major MMC led development and the

associated post-occupancy work undertaken with Northumbria University. This ensures that the NTCA is at the forefront of emerging housing best practice within the North of Tyne and that early opportunities to influence and assist with innovation can be realised.

- **Brownfield Housing Fund**

The Board's focus on delivery has been exemplified by work to establish the £24m Brownfield Housing Fund, the joint pipeline of key sites and the Joint Infrastructure Plan. The Board has overseen the successful operationalisation of the Brownfield Housing Fund, giving timely insight into the rollout of the programme, and endorsing the approach of the NTCA throughout the process.

The Board has received regular updates on progress; heard from key officers about the rationale for the programme and has seen the pipeline of sites take shape. The pipeline, endorsed and agreed by Cabinet, represents a bold first step for the Combined Authority in establishing housing delivery capability.

The Housing and Land Board has overseen a wider portfolio of housing and land work within the Combined Authority. This has included the establishment of operating and design principles for the Housing and Land portfolio, incorporating the strategic insight of the Board, and reflecting the priorities of our Local Authorities' Local Plans. This ensures that, by working together on shared strategic priorities, the Combined Authority can constantly add value, capacity, and resource to our partners.

- **Partnership Working with Homes England**

The Board has worked with NTCA and LA officers to formalise the working relationship with Homes England around on a joint pipeline of key sites across the North of Tyne. Central to this is an understanding that each Local Authority, the Combined Authority and Homes England can achieve more together, working collaboratively on a site by site basis to share resource, capacity and add value to our constituent Local Authorities.

The sites represent those major strategic opportunities put forward by our Local Authorities that, if realised, will establish a £150m housing pipeline in the area. They include bold city centre regeneration plans at Forth Yards, town centre revitalisation at Tanners Bank and transformative place-making opportunities around the Northumberland Line.

To underpin this work, we have agreed a Joint Action Plan – endorsed by the Housing and Land Board – that governs this approach to joint working and establishes thematic areas of interest influenced by the NTCA's overarching principles and those strategic priorities of our Local Authorities.

- **Joint Infrastructure Plan**

The Board has played an important role in designing the specification of a Joint Infrastructure Plan for the NTCA. This is a Devolution Deal priority. Alongside our Local Authorities, the NTCA Cabinet and other stakeholders, the Board has helped to shape the scope and ambition, as well as the strategic fit with other regional and national initiatives. This product, which is due to report back in September 2021, will give the NTCA a pipeline of investable and strategic infrastructure projects that will unlock economic, commercial, and residential growth through impactful transport investments. It will provide a visual, interactive means to map, analyse and understand our investable propositions.

Early work to date on this has included a pipeline of transport schemes and prioritisation tool – an important component part of the above – that was funded by the Combined

Authority and delivered in January 2021. Other place-based developments such as the Northumberland – North Tyneside – Newcastle Line, the North Shields Masterplan Area and North Bank of the Tyne have also benefited from investment from the Combined Authority to ensure that the NTCA is continually adding value to the propositions and strategic ambitions of our constituent local authorities. As the Chair and Board has noted, these represent an important part of our proactive approach to securing future investment in forthcoming spending rounds, for example, from the forthcoming Single Housing Infrastructure Fund.

- **Situating Housing Growth in Our Wider Economic Ambitions**

A key driver of the Board's work over the past year has been understanding how the NTCA can embed our housing and land ambitions within wider economic growth, cross-regional recovery strategies and within major infrastructure schemes (e.g. Northumberland-North Tyneside-Newcastle Line, the North Shields Masterplan Area, and emerging plans for City Centre recovery and renewal). The NTCA have a considerable amount of funding now allocated to drive and expand growth opportunities in our key sectors (digital, clean energy, ageing). There exists a real opportunity to align future delivery complementary to these investments which we will continue to pursue.

Further exploration of this will take place in the coming year through the Housing and Land Board and through increased engagement with wider stakeholders across the area.

Next Steps

Over the next year, the Board will continue to focus on delivery: ensuring that our joint pipeline of strategic sites are progressing toward development and that the working relationship we have outlined over the past year is put into practice in the next. The Board's guidance and insight will remain important to this delivery helping the work to progress smoothly.

The Board will continue to be appraised and updated on the work and delivery of the Brownfield Housing Fund. A central ambition of this work is proving the Combined Authority is a capable delivery body by delivering on our obligations to MHCLG and ensuring that homes are built as quickly as possible.

It is also anticipated that the Infrastructure Plan, on which the Board will be briefed and have sight of, and the projects and priorities it raises, will form a key part of the future work of the Board in the latter half of next year.

This page is intentionally left blank

VCSE Stakeholder Engagement Group Annual Report Update 2020/21

Purpose

The purpose of this briefing is to provide an update for the Annual Report 2020/21 on the work of the VCSE (voluntary, community, social enterprise) Stakeholder Engagement Group, outlining the achievements and progress from the past twelve months.

Background

The VCSE Stakeholder Engagement Group was established in 2019 and formalised in 2020. It is co-chaired by the Mayor and the Mayoral Ambassador for the VCSE sector Robin Fry, Chief Executive of the charity VODA in North Tyneside. The Group brings together Chief Executive Officers from the three local infrastructure bodies for the voluntary sector, as well as VONNE, the regional sector agency, working in partnership with lead officers from our three constituent authorities.

The group aims to work together to build an inclusive economy, as set out in its Terms of Reference. Its work is underpinned by our VCSE Accord, approved by Delegated Decision in March 2020. The Group is passionate about bringing together people and opportunities to build thriving, vibrant communities. It does this by advising NTCA Cabinet on the wealth, wellbeing and social inequalities in North of Tyne communities. It provides specific expertise in co-design and co-production, helping to ensure the voices of all residents inform NTCA's work and ambitions.

The Board met bi-monthly in 2020 and will meet quarterly from 2021 onwards.

Achievements

- **Representation, Voice and Engagement**

The Engagement Group has directly influenced VCSE engagement and representation across several strategically significant groups for NTCA. The Mayoral Ambassador attends Cabinet in an observer capacity and has spoken on relevant agenda items including NTCA's Community Hubs programme and Poverty Truth Commission. NTCA's Inclusive Economy Board includes both regional and local VCSE representation: homelessness and complex needs charity Changing Lives is represented on the Housing and Land Board. The Group has also supported direct engagement of residents from our own communities in NTCA's work: nearly 100 people joined the launch of our North of Tyne Crowdfunder, mostly residents with ideas for local projects. This was made possible through the support of our VCSE partners and active promotion amongst their networks.

- **Co-design and Co-production**

This is an area in which NTCA is at the start of a journey: the VCSE Stakeholder Engagement Group has been a testbed for exploring our approaches to co-production

and providing constructive advice and challenge. In 2020 the Group has provided advice on initiatives including our Employment and Skills Programme (Phase 1), our Community Hubs programme and Inclusive Economy Innovation Fund, as well as supporting sector-specific promotion of our response to Kickstart (the national employment programme for young people at risk of long-term unemployment). Into 2021 the co-chairs, members and NTCA officers will be using the workplan outlined below to enable greater influence on NTCA's projects and programmes at earlier stages of design and development.

- **Understanding and Responding to the Pandemic**

The Group has played a critical role in helping NTCA understand some of the early impacts of the pandemic, receiving regular formal feedback on sector surveys as well as informal evidence and analysis of community impacts, especially for some groups most at risk of further disadvantage and exclusion (through loss of jobs, services or support). It has also supported high-quality local collaborative work in response, such as joint cross-sector work on NTCA's Covid Capacity funded projects to aid local community-led responses. At a regional level VONNE continues to be involved in Regional Recovery Group activities helping to ensure the work of our Engagement Group is supporting the wider recovery agenda.

We are grateful to Robin Fry, Mayoral Ambassador, the VCSE and local authority members for their invaluable advice and support during 2020.

Next Steps

In March 2021 the group agreed a workplan for 2021 which will cover topics including valuing volunteering, community-led approaches to co-investment, innovation and recovery, and young people, employability and mental health (aligned to the work of the Inclusive Economy Board), building on the positive collaboration of 2020.



Subject: Northumberland Line Economic Growth Corridor
Report of: Director of Economic Growth
Portfolio: All

Report Summary

The purpose of this report is to update Cabinet on Northumberland-North Tyneside-Newcastle Line Economic Growth Corridor Strategy and propose next steps for implementation.

The reintroduction of passenger services between Newcastle-upon-Tyne and Ashington (denoted in this paper as the 'Northumberland Line' for brevity) has gathered pace following the Government's announcement of £34m to support early works. In addition to improving public transport accessibility, the new Line creates the foundation for establishing an ambitious "economic corridor" – a place-based plan to enable transformational change with real cross-Authority and cross-regional impact.

This 'economic corridor' spans our three Local Authority areas, connecting our people to key innovation and employment assets within Newcastle City Centre, our housing sites and business parks in North Tyneside, and the towns and places and growing 'green economy' cluster in South East Northumberland.

The proposals in this paper build on initial business case development work commissioned through the North of Tyne Combined Authority's business case development fund, and suggest next steps to start turning this potential into practical programmes of work and funding which will create value in each Local Authority area. Proposals build upon our established and emerging business and sector strengths; and places as much attention on growing the local labour market and facilitating equality of access as on strengthening our physical economic assets. The reopening of the Line also has the potential to catalyse the housing market to help meet strong demand for new homes across the area, as well as provide a framework to support renewal of older stock and meet the housing needs of our communities.

By working collaboratively across the North of Tyne we can take forward a number of mutually reinforcing opportunities in practical ways:

- Leverage the impact of infrastructure investment by bringing forward new development sites
- Capitalise on the green economy shift by accelerating growth in clean energy and priority sectors
- Reduce dependency on the car as a mode of transport
- Improve employment and training opportunities in growing sectors which the line 'connects'
- Design programmes of work which tackle deprivation and raise quality of life
- Enhance the profile and perception of the local area.

The strategy proposed in this paper provides a framework, a governance model and early actions to accelerate this work – including rapid preparation for new funding rounds and bidding processes. Next steps will involve mobilising to progress projects within associated programmes; mapping proposals against current provision to ensure alignment; and developing programmes and project ideas to investable propositions.

Recommendations

The Cabinet is recommended to

- i. Note the contents of the report;
- ii. Endorse the Northumberland Line Economic Corridor Strategy;
- iii. Agree an allocation of up to £500k from the North of Tyne Investment fund to establish a Technical Capacity Fund and related capacity for project development, subject to the development of a business case;
- iv. Authorise the Interim Head of Paid, in consultation with the Investment Panel, the Mayor and the Portfolio Holders, to consider and approve the business case and requested funding.

1.1 Background

- 1.1.1 The reintroduction of passenger services between Newcastle-upon-Tyne and Ashington on the Northumberland line has gathered pace following the Government's announcement of £34m to support early works including land acquisition, detailed design work and early site works. The line is scheduled for operational reopening in Dec 2023 and will provide reliable and regular services for passengers travelling to Newcastle and beyond, reduce congestion on local roads, and significantly boost the economic potential of the area.
- 1.1.2 The new passenger services will provide a direct connection between Ashington and Newcastle and create a new rail link to communities in Bedlington, Blyth and Seaton Delaval. It will also provide interchange points for the Tyne & Wear Metro, regional and national rail services and Newcastle Airport via Northumberland Park, Manors and Newcastle Central. This will provide greater access to employment centres and a range of services throughout the area and provide residents with real and convenient alternatives to driving.
- 1.1.3 In addition to improving public transport accessibility, the new Line creates the foundation for establishing an ambitious "Economic Corridor" to act as a catalyst for transformational change across the whole of the North of Tyne area. However, whilst there is evidence that rail infrastructure can be a catalyst for long-term resilient growth, it is also clear that new rail connectivity does not generate inclusive economic growth on its own. Infrastructure is necessary, but not sufficient – with wraparound funding a proven model to maximise and accelerate the impacts of infrastructure investment and provide greater certainty for private sector investment.
- 1.1.4 Recognising this opportunity, in March 2019, NTCA Cabinet agreed a Business Case Development Fund application for £175,000 as part of a £250,000 project to develop the Northumberland Economic Transformation Masterplan. This was targeted at identifying the economic potential of the corridor and setting out how the potential of the opportunities could be maximised. The key outputs of the work included a baselining of the main challenges and opportunities and identification of the vision, objectives and strategy for the economic corridor, in consultation with key stakeholders.
- 1.1.5 The Northumberland Line Economic Corridor Strategy (attached at Appendix 1) is the outcome of this work and provides the framework for realising the opportunities which the economic corridor presents. It sets out the rationale, vision, objectives and next steps for the development and delivery of the Economic Corridor approach. It also introduces an outline programme of interventions and investment that match the scale of this opportunity and which now need to be translated into a deliverable package of activities

1.2 The scale of the opportunity

- 1.2.1 The Northumberland Line provides a catalytic opportunity to strengthen the whole region by accelerating investment across the entire corridor from Ashington to Newcastle. As such, it can be a fundamental driver in transitioning the communities and businesses across the North of Tyne from its proud industrial legacy to a clean growth future. To do this in both a sustainable and inclusive way, our strategy for unlocking this has to be built upon our established and emerging business and sector strengths; and place as much attention on growing the local labour market and facilitating equality of access as on strengthening our physical economic assets. Importantly, the reopening of the line and the associated catalytic investment along the entire corridor will encourage major employers to consider setting up in our city and the wider region, which brings with it additional economic benefits, employment and training opportunities.
- 1.2.2 The local industrial base is already home to a range of industrial specialisms with strengths across energy, advanced manufacturing, life sciences and knowledge-based services. Whilst energy has always been a fundamental part of the local economy, the focus has shifted from the intensive carbon emitting fuel of coal to low-carbon, clean energy sources such as offshore renewable and electric battery manufacturing. The reopening of the Line provides a new direct link to some of these assets and in so doing, further opens up the scope to expand supply chains and build agglomeration in business and industrial growth that is future-proofed.

- 1.2.3 Equally, significant areas of deprivation exist along the Line; particularly clustered around the North of the Line in Ashington, Bedlington and Blyth and communities along the River Tyne including North Shields, Wallsend, and Byker. The reopening of the Line will help connect these deprived areas to jobs, businesses and future growth including concentrations to the South of the Line around the Newcastle conurbation; around Cobalt Business Park in North Tyneside; and in growing sectors in South East Northumberland including offshore wind, renewables and wider clean energy and advanced manufacturing specialisms.
- 1.2.4 The reopening of the Line also has the potential to catalyse the housing market to both meet strong demand for new homes whilst driving housing renewal of the poorer and older stock. Building on the existing partnership with Homes England and the work of the Housing and Land Board, there is the potential to deliver an estimated increase of 9,000 households in sites around the line resulting in an estimated 4,000 new homes. In particular, significant new development could occur adjacent to the new stations on the line particularly at Ashington, Blyth, Seaton Delaval and Northumberland Park. The Northumberland line opportunity around housing is recognised by Homes England as major opportunity and in partnership with our LAs we are exploring the best way forward to unlock housing growth which meets the needs of our communities.
- 1.2.5 There is also the potential to combine housing with wider positive place development within the context of recovering from COVID-19 to support the repurposing of our town and city centre and to maintain new behaviours associated with using green and sustainable ways to travel. This will also underpin the regions offer to investors and visitors too - with access to the different blend of arts, culture, and natural assets and attractions available in the distinctly more rural and more urban parts of the Corridor also enhanced.
- 1.2.6 The potential of this collaborative work is significant, and could help achieve a number of mutually reinforcing objectives:
- Maximise and leverage the impact of infrastructure investment such as bringing forth housing sites
 - Capitalise on the green economy shift by accelerating growth in clean energy and priority sectors
 - Reduce dependency on car as a mode of transport
 - Improve employment and training opportunities in growing sectors such as digital and health and life sciences for local residents
 - Tackle deprivation and raise quality of life
 - Enhance the profile and perception of the local area.
- 1.2.7 Most notably, this will allow an improvement in productivity and for the economy to level-up. The economic prize for is considerable. By way of example: at a regional level, raising GVA per worker from £48,887 to national levels of £61,295 will deliver an additional £4.7bn per year to the local and national economy.
- 1.2.8 Within this context, the Economic Corridor is a key opportunity to implement the Combined Authority's shared ambition to deliver its COVID-19 Recovery Plan. Working with local, regional and national partners, the Economic Corridor will support the government's key agendas around levelling up, clean growth and delivering 21st century infrastructure to build back better as we recover from COVID-19.

1.3 Taking forward the strategy

- 1.3.1 The vision for the Corridor is to:

Deliver a dynamic and inclusive clean growth economy across the North of Tyne, opening up opportunities to our communities and ensuring a more prosperous and resilient future.

- 1.3.2 The vision will work to deliver the objectives of:

- *Creating prosperous and connected places:* An attractive place to live, work and invest with thriving town centres, connected assets and communities and an excellent quality of life;

- *Building productive and resilient economies:* A high value, innovative, clean growth economy with an expanding business base, leading edge research collaboration and a highly skilled labour market; and
- *Ensuring inclusive and sustainable growth:* A net zero exemplar, offering good quality employment opportunities to all residents and nurturing strong community participation in shaping a truly inclusive economy.

For each of the objectives, there are three strategic priority areas that align to the challenges for the local area and the opportunities the Line presents. These are summarised in Figure 4-1 on page 20 of the Strategy.

- 1.3.3 As part of the strategy development stage, extensive stakeholder engagement was undertaken to shape the package of projects to support the Economic Corridor objectives. The purpose was to develop joint thinking on the transformative potential and investment being made in the transportation corridor and there was considerable enthusiasm and untapped potential to align, accelerate and capitalise on existing work as well as bringing forward new proposals. Over 70 partners contributed to this emerging pipeline from the commercial, innovation, education, and public and community sectors.
- 1.3.4 The wider emerging programme of projects identified to date already extends to in excess of 35 projects. The projects range from early-stage concepts to projects and programmes either in development and resourced or existing activities which could be enhanced or accelerated. Considerable further work is now needed to develop robust business cases to secure support for programme delivery. The Strategy and Catalyst Funding submission to Government showcases four indicative proposals as examples in mobilising this next phase of work. These are: New Homes and Communities Accelerator; Town Centre Rapid Renewal; Accelerated Station Development; Clean Growth Business and Skills Connector.
- 1.3.5 The strategy provides a framework to accelerate the initial development of proposals to fully establish a package of deliverable proposals integrated with the Line's development. This next stage will involve mobilising project sponsor to progress projects within associated programmes; mapping proposals against current provision to ensure alignment; and developing programmes and projects to investable propositions. This will need to:
- Align with the complementary work within the Line reopening scheme to develop a social value and sustainability strategy; and
 - Align and respond to the North of Tyne COVID-19 response; and
 - Be responsive to the evolving funding landscape and remain well positioned for future funding opportunities.
- 1.3.6 Equally, with the Line planned to reopen in December 2023, a similar Project SPEED (Swift, Pragmatic, and Efficient Enhancement Delivery) approach that was adopted to accelerate this timeline, now needs to be applied to the associated Economic Corridor.
- 1.3.7 We will continue to emphasise how schemes along the 'corridor' can – and should – support our existing local commitments to net zero carbon. This includes pushing as much as possible for modern rolling stock, low-carbon construction and integration within existing plans for integrated transport and active travel. Partners recognise that the rail line itself is the first stage in a long term development and regeneration process, which could unlock new sites, stations and developments from the east of the city up to Ashington, Blyth and beyond.

1.4 Catalyst Funding

- 1.4.1 Given this timeline involved, a funding ask of £35 million has been submitted to Government to co-sponsor the **acceleration** of the Economic Corridor's programme delivery. This would form part of a joint investment fund of £140 million which captures pipeline investment already aligned or planned to promote economic growth along the Corridor – Town Deals; Brownfield Housing Programme; North of Tyne sector investment, etc.

- 1.4.2 The creation of a joint Catalyst Fund would also provide the basis for a genuine national / local partnership to be established with Government departments and agencies collaborating and co-producing an investment programme in partnership with the Combined Authority, the constituent Councils and other local partners to optimise the unique delivery window over the next two years to kick-start transformational change.
- 1.4.3 The initial discussions with the Department for Transport (DfT) and the Ministry of Communities, Housing, and Local Government (MHCLG) have been positive and constructive but with the imminent launching of the Levelling Up Fund Prospectus, the next steps on tangibly securing this Catalyst Fund now need to be agreed with the Government.

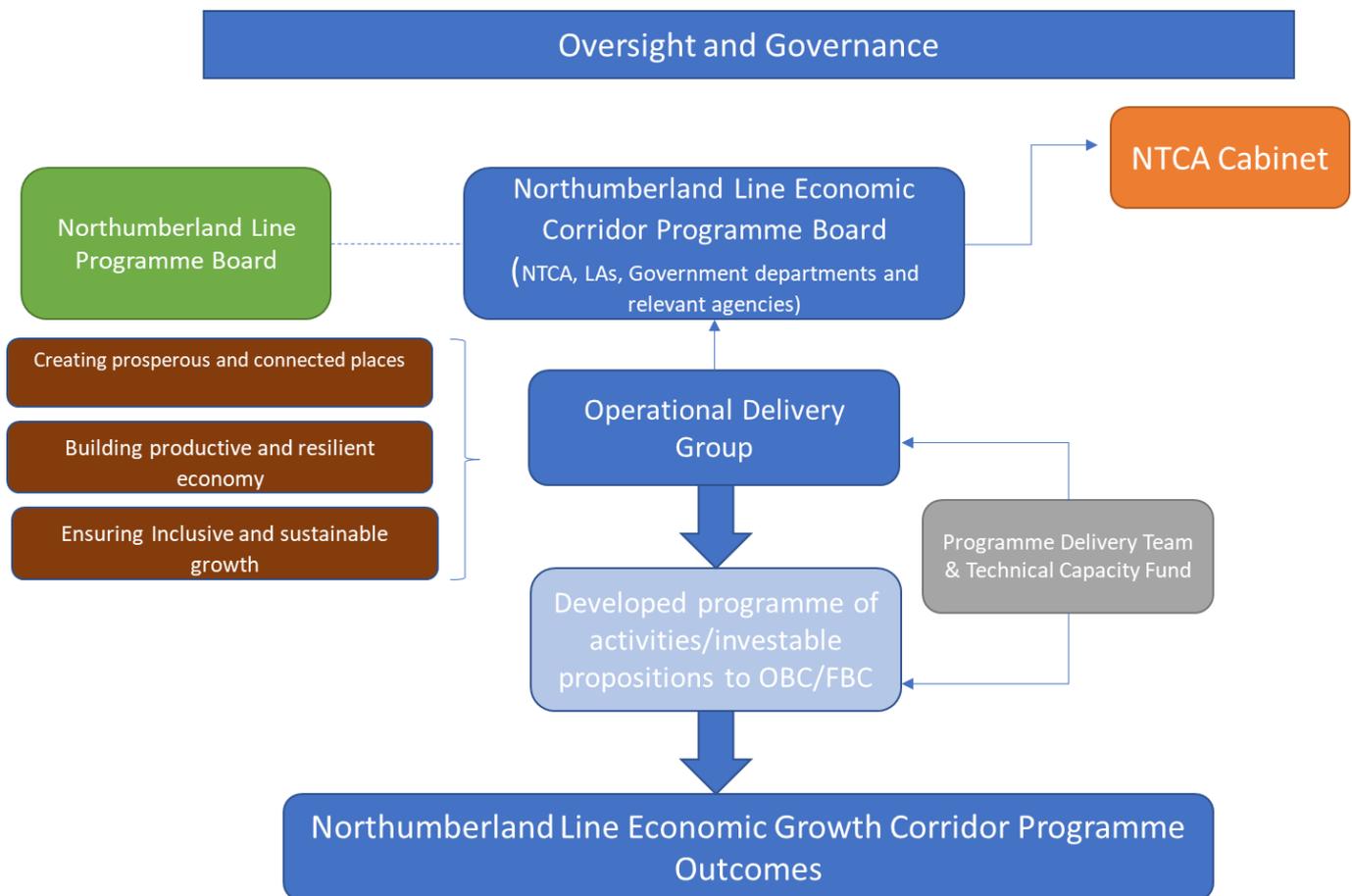
1.5 Mobilising Delivery

- 1.5.1 Irrespective of the decision on the Catalyst funding however, there is still a need to bring forward the capacity across the North of Tyne area, working in partnership with LAs and wider partners, to develop the investable propositions under the three objectives of the Northumberland Line Economic Growth Strategy and seek relevant investment routes to ensure the benefits of the new infrastructure are fully materialised.
- 1.5.2 In line with the approach NTCA has taken for shaping major programmes (Digital Infrastructure Programme) and developing a strategic pipeline (Unlocking Sustainable Future Homes), it is proposed that NTCA funding is allocated to create a “technical capacity fund” to support the development of the Northumberland Line Economic Growth Corridor pipeline and develop the interventions to outline or full business case – administered by a central programme delivery team.
- 1.5.3 A technical capacity fund would be used flexibly to strengthen and stress test the pipeline of interventions and also support proposals through the business case development process – including elements such as options analysis; economic and financial modelling; feasibility work; costings; preliminary site investigations etc. as well as flexible capacity to support project sponsors to develop robust business case. This will alleviate capacity constraints as appropriate and enable a collaborative development of investable propositions across the North of Tyne area and across different programme areas. By ensuring a robust pipeline of proposals is in place, NTCA and project sponsors will be in a much stronger position respond to funding opportunities and leverage in additional investment at scale alongside the development of the line. With reintroduction of passenger services scheduled for Dec 2023 under project SPEED it is necessary to develop the economic corridor in tandem in order to capitalise on the opportunities presented by the line and the wide economic growth corridor.
- 1.5.4 Cabinet is therefore asked to allocate £500k of the NTCA investment fund and authorise the Interim Head of Paid Service, in consultation with Investment Panel and the Mayor to consider and agree a business case.

1.6 Partnership and Governance

- 1.6.1 The work undertaken to date has involved the three constituent Council and the Combined Authority, working closely together at a number of different levels. However, in moving forward, the ongoing arrangements will be strengthened and formalised and aligned with the Combined Authority’s established governance (e.g., Housing and Land Board, Inclusive Growth Board, Investment Panel, etc) and thereby facilitate complete alignment with other programmes and processes.
- 1.6.2 Building on the partnership work undertaken so far, it is proposed that arrangements are formalised under an Economic Corridor Programme Board, chaired by the NTCA Director of Economic growth and with representation from Local Authorities, relevant Government departments and agencies such as Homes England. This Programme Board will report to the NTCA Cabinet and work alongside the Northumberland Line Programme Board which will be focusing on the physical delivery of the line. An operational delivery group, driven and supported by the programme delivery team - will lead on the practical development of the programme and proposals, reporting to the programme

board at regular intervals and with the authority to create small task and finish groups to support the agile development of the programme at pace. Any in-principle financial decisions taken by this group would be subject to the usual NTCA delegations and assurance process. The diagram below shows how this governance model is intended to work.



2 Potential Impact on Objectives

- 2.1 The reintroduction of passenger rail services on the Northumberland Line is a key economic priority for the North of Tyne and wider North East region, identified as an opportunity and priority in the North of Tyne Devolution Deal, the North of Tyne Economic Vision and the North East Strategic Economic Plan. The Northumberland Line Economic Corridor aligns with the priorities set out in NTCA's vision and the Investment Fund workstreams and programmes.

3 Key Risks

- 3.1 Programme risks will be managed in line with agreed processes and individual project risks will be considered as part of the development process

4 Financial and Other Resources Implications

- 4.1 A total allocation of £500,000 is requested from the Investment Fund. A delivery plan for this will be realised through a business case application from the NTCA team. A financial profile will be agreed as part of the delivery arrangements which will subsequently be considered by Investment Panel. Like other funding which has been approved by the Combined Authority, project spend will be validated and reported to Cabinet as part of the regular quarterly monitoring report.

5 Legal Implications

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

6 Equalities Implications

- 6.1 Equality impact assessments are undertaken for all funding requests in accordance with the agreed process.

7 Inclusive Economy Implications

- 7.1 The inclusive economy case will be developed on an individual project basis as part of the development process.

8 Climate Change Implications

- 8.1 Climate change implications will be assessed on an individual project basis as part of the development process. The activity described within this report is considered to positively support the climate change priorities of the Combined Authority, particularly by supporting the transition to a clean growth future and provide residents with real and convenient alternatives to driving.

9 Consultation and Engagement

- 9.1 Over 70 partners contributed to Northumberland Line Economic Corridor Strategy and emerging pipeline from the commercial, innovation, education, and public and community sectors.

10 Appendices

Appendix A – Northumberland Line Economic Corridor Strategy

11 Background Papers

None

12 Contact Officers

Maria Antoniou – Principal Economy & Strategy Manager, North of Tyne Combined Authority, maria.antoniou@northoftyne-ca.gov.uk, 07970627134

Janice Rose, Head of Economy and Regeneration, Northumberland County Council, janice.rose@northumberland.gov.uk, 07500 097568

13 Glossary

None

This page is intentionally left blank

Northumberland Line Economic Corridor Strategy



Northumberland Line Economic Corridor Strategy

Prepared by:

Steer Economic Development
61 Mosley Street
Manchester M2 3HZ

+44 (0)161 261 9154
www.steer-ed.com

Prepared for:

Northumberland County Council
County Hall, A197
Morpeth NE61 2EF

Our ref: 237-358-01

Contents

| | |
|---|-----------|
| Foreword..... | i |
| Our Economic Corridor Strategy on a Page..... | iii |
| 1 Introduction | 1 |
| 2 The Northumberland Line | 6 |
| 3 The Rationale for Establishing the Economic Corridor | 9 |
| 4 An Economic Corridor – Vision and Objectives..... | 19 |
| 5 Delivering the Economic Corridor | 21 |

Appendices

- A Outcomes & Monitoring**
- B Evidence Base**
- C Workshop Findings**

Front Cover images L to R:

- *Robotics Company Tharsus based in Blyth*
- *Blyth Estuary 'Energy Central' offshore wind and renewables clean energy cluster including the national Offshore Renewable Energy (ORE) Catapult*
- *Skills workshop*
- *Newcastle City Centre*
- *Newcastle Helix innovation centre – home to the National Innovation Centre for Data and National Innovation Centre for Ageing*
- *Rail tracks outside Ashington*
- *Cobalt Business Park*
- *Newcastle City Centre*
- *Blyth Estuary 'Energy Central' offshore wind and renewables clean energy cluster*

NB. These photos were taken prior to the Covid 19 pandemic.

Foreword

The Northumberland Line Economic Corridor Strategy sets out the collective ambition of the North of Tyne Combined Authority (NTCA) to fully capitalise on the re-introduction of passenger rail services to this route through the interconnected communities of Northumberland, North Tyneside and Newcastle upon Tyne.

The vision of the Northumberland Line Economic Corridor is to:

Deliver a dynamic and inclusive clean growth economy across the North of Tyne, opening up opportunities to our communities and ensuring a more prosperous and resilient future

A catalyst for transformational change, this rail investment provides a once-in-a-generation opportunity to deliver growth which levels up economic performance in the region. This will secure better jobs, increase access to training, accelerate town centre renewal and the development of new homes in sustainable communities delivering a clean growth focused economy that all residents truly have a stake in.

Alongside the £166 million investment in the Line's construction, this critical integrated investment in an Economic Corridor can help unlock the transformation of the North of Tyne's economy. **New stations will connect to major economic growth occurring throughout the area in all three Local Authorities.** This includes new investment to accelerate clean energy and advanced manufacturing sector growth in revitalised communities throughout South East Northumberland who currently have no access to rail services meaning residents face barriers to accessing wider opportunities. Business growth is held back throughout the area as a consequence as access to markets and skilled labour is impacted with the railway potentially marking a major change to this.

The case for introducing an Economic Corridor is well evidenced, examples of similar projects delivered elsewhere in the UK have shown that although new rail connectivity can have a transformational effect on commuting patterns, access to jobs and regeneration, it does not generate growth on its own. Put simply, **infrastructure investment is necessary, but not sufficient.**

For this reason, alongside the Line's planned construction, an Economic Corridor Strategy has been developed to set out the opportunity to deliver this transformational change. **The catalytic potential of the Northumberland Line can only be fully realised if the Line's reopening is combined with interventions that support local communities and businesses.** These interventions should take advantage of the opportunities presented by improved connectivity through the establishment of an ambitious and purposeful approach to economic renewal: the Northumberland Line Economic Corridor.

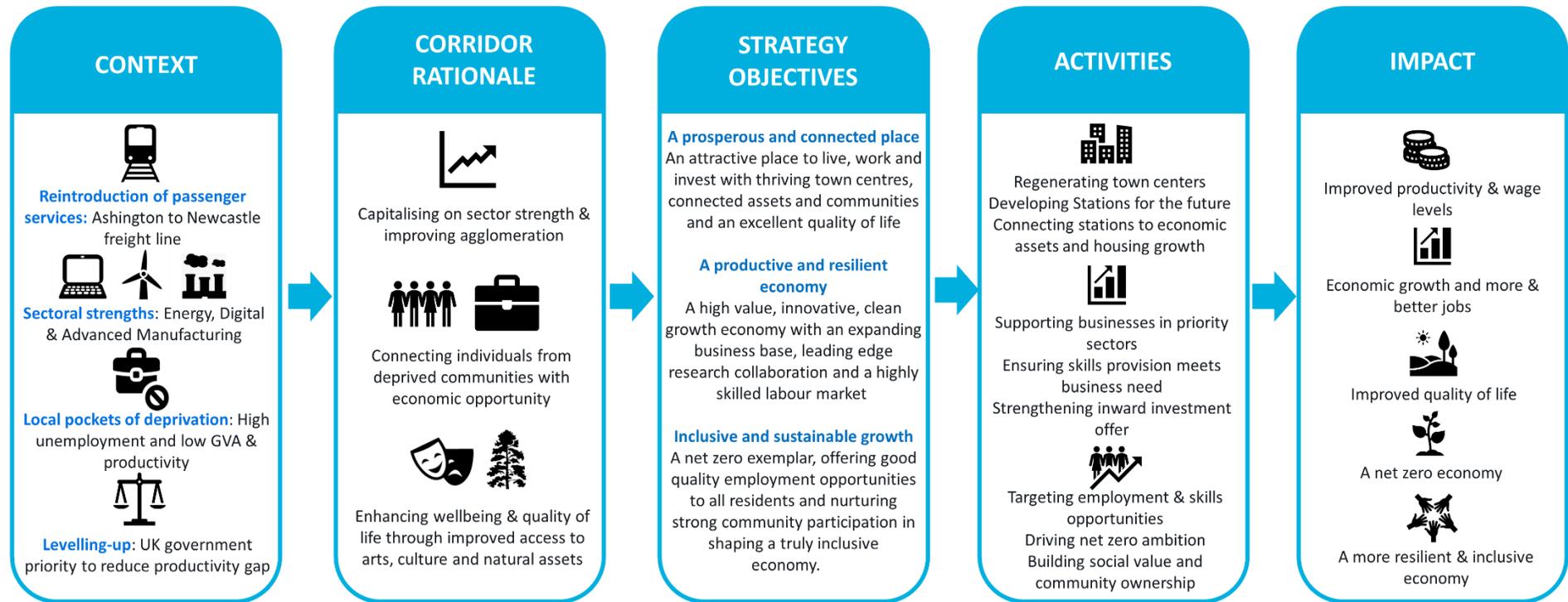
The North of Tyne region is a distinct and deeply interconnected place at the heart of the Northern economy with trading, employment and cultural relationships that expand far beyond its administrative borders. The region is built on a legacy of coal and heavy industries that have proudly shaped communities for centuries. Including England's northernmost county Northumberland, the region acts as a gateway that connects the United Kingdom, providing

opportunities for growth and development that are unique. **Targeted investment can help North of Tyne and the wider North East to develop into a resilient economic area** with clean growth at its heart, attracting a skilled workforce as well as providing opportunities for those already in the region.

Investment in an Economic Corridor has **the potential to enable truly inclusive and sustainable growth** helping the area build back effectively from the COVID-19 pandemic. The Economic Corridor will unlock this potential and accelerate growth in clean energy sectors, create employment and learning opportunities for residents and enhance the profile and perceptions of the local area. **This project will help the government work towards goals set out in critical policy areas** such as the net-zero carbon target and the levelling up agenda. Failure to act now could result in higher investment in the future to achieve the same benefits.

This Economic Corridor Strategy sets out how real and lasting change can be delivered for residents and businesses. Public and private sector partners in the region have helped to shape this Strategy. Working together with the support of central government we can secure transformational change by delivering a truly transformational investment programme integrated with the opening of the new railway service in December 2023.

Our Economic Corridor Strategy on a Page



Page 33

1 Introduction

Document Purpose

- 1.1 This document sets out the Strategy for the Northumberland Line Economic Corridor, which seeks to capitalise upon the reintroduction of passenger services between Ashington and Newcastle as a catalyst for transformational change. The Northumberland Line is expected to have a major impact on the local economy by facilitating economic activity and improving public transport accessibility, providing the foundations for a new and ambitious clean growth Economic Corridor to be established. The Line is currently expected to reopen in December 2023.
- 1.2 This Strategy builds upon work undertaken from September 2019 to January 2021 including comprehensive baselining and stakeholder engagement. This Strategy document sets out the rationale, vision, objectives and next steps for the Economic Corridor, providing the foundation for more detailed project development and investment planning across the sub-region.
- 1.3 Local partners are undertaking a range of activities and investments that will contribute towards the Economic Corridor objectives, however, the programme of interventions and investment introduced in this Strategy is in development. We are working closely with central and local government partners, alongside the private and third sectors, to secure support and investment into an ambitious and deliverable package of activities that match the scale of the opportunity afforded by the reopening of the Line, and can deliver the desired scale of change and economic impact in the North East.

Context

The North of Tyne

- 1.4 Located on the North East Coast of England, the North of Tyne (Figure 1-1) is comprised of the three local authorities of Newcastle Upon Tyne, North Tyneside, and Northumberland. The region sits at the heart of the ambition for an East-Coast economic powerhouse from Edinburgh to Newcastle. This ambition is grounded in the Borderlands Partnership and the objective to unlock sustainable and inclusive economic growth across the South of Scotland and North of England¹. North of Tyne partners work closely within the North East on strategic economic development and transport infrastructure planning as part of the North East Local Enterprise Partnership and North East Joint Transport Committee.
- 1.5 The North of Tyne has pronounced economic strengths in highly productive sectors and is home to a range of strategic employment sites and high-value innovation assets of national importance. These align to the region's sector strengths in advanced manufacturing, robotics, and low carbon and offshore wind. North of Tyne's communities and businesses are

¹ Building the Post-Covid Economy: A second devolution deal for the North of Tyne (September 2020), North of Tyne Combined Authority

transitioning from a proud industrial legacy to a clean growth future that can make a significant contribution towards Net Zero and Clean Growth agendas.

- 1.6 However, despite these strengths, the local economy as a whole is underperforming compared to national averages, with relatively high levels of deprivation and long-term unemployment. The North of Tyne needs to create more and better economic opportunities and ensure residents are better connected to these opportunities.
- 1.7 These challenges have been (and will continue to be) compounded by COVID-19, with the North East being particularly impacted by poor health outcomes. Targeted investment in the North of Tyne can help to drive recovery post-COVID-19 and accelerate the transition to an exemplar city-region, supporting the national recovery agenda. During the first wave of the pandemic (March to July 2020), the North East had a COVID-19 mortality rate of 106.0 per 100,000 compared to an average of 86.03 in England².

² Covid-19 and the Northern powerhouse: Tackling inequalities for UK health and productivity (November 2020), Northern Health Science Alliance (NHS)

Figure 1-1: North of Tyne Map



The Northumberland Line and the Economic Corridor Strategy

- 1.8 The reintroduction of passenger rail services on the Northumberland Line is a key economic priority for the North East region, identified in both the North of Tyne Devolution Deal³ and the North East Strategic Economic Plan⁴. The Line will provide direct connections for communities in Northumberland, North Tyneside and Newcastle upon Tyne.
- 1.9 The Northumberland Line will have a major impact on communities that currently have no direct access to passenger rail services, increasing access to employment centres and a range of services throughout the area.
- 1.10 New stations will be built in Ashington, Bedlington, Blyth Bebside, Newsham, Seaton Delaval, and Northumberland Park (adjacent to the existing Northumberland Park transport interchange).
- 1.11 The Line provides a direct service to Newcastle and the interchange with Tyne & Wear Metro, regional and national rail services and Newcastle Airport via Northumberland Park, Manors and Newcastle Central. It will also provide Newcastle residents with access to the employment opportunities in South East Northumberland.
- 1.12 An Economic Corridor is a geographically targeted development initiative made up of integrated networks of infrastructure that are designed to stimulate economic development and connect relevant assets. The creation of an Economic Corridor to capitalise on the rail infrastructure will help to ensure that this Line is truly transformational, notably through:
- Connecting people to jobs;
 - Connecting businesses to each other, innovation assets and a wider labour pool; and
 - Delivering thriving town centres and communities that boast an excellent quality of life.
- 1.13 In turn, the additional investment and increased access to opportunity created through the Economic Corridor will drive users to the Line and ensure it is well utilised.
- 1.14 Implementing an Economic Corridor, integrated with the Line's re-opening to passenger services provides a unique opportunity to deliver the government's levelling-up agenda. This will catalyse economic growth and address deprivation across a range of communities within the North of Tyne area.
- 1.15 The Northumberland Line is seeking to secure investment of over £166 million to reopen the much-needed passenger services. £34 million funding for the preparatory stages of the Line's delivery was announced by the Government in January 2021. Alongside this, the Economic Corridor is seeking to establish a £140 million Catalyst Fund to capitalise on the rail infrastructure investment and the region's natural assets to establish a thriving and resilient Economic Corridor, with Clean Energy at its heart.

Work so far

- 1.16 The work developing the Northumberland Line Economic Corridor Strategy was preceded by two phases of work; the establishment of a baseline and broad stakeholder engagement. The project has been supported by the North of Tyne Business Case Development Fund and funding from Northumberland County Council.

³ North of Tyne Devolution Deal (2018), HM Government

⁴ North East Strategic Economic Plan (2019), North East Local Enterprise Partnership

Establishing the Baseline

- 1.17 A comprehensive three-part baseline report (presented in Appendix A) was produced in June 2020. This comprised of:
- **A socio-economic baseline of the North of Tyne area:** Collation, analysis, and presentation of relevant socio-economic data across four overarching themes: People and Human Capital, Infrastructure and Place, Business Environment and Knowledge and Ideas. The data provided a snapshot of the area’s positioning and performance relative to North East LEP and national benchmarks, highlighting the North of Tyne’s strengths, weaknesses, and areas of opportunity;
 - **An in-depth review of the North of Tyne’s economic and innovation assets:** Informed by a series of one-to-one consultations with senior representatives from public sector organisations and private businesses locally, a summary of the Economic Corridor’s key assets and their unique challenges and opportunities are presented with emerging insights on how the assets can be mobilised to create the Strategy and Investment Plan; and
 - **Three detailed rail corridor development case studies:** A series of three case studies of schemes delivered elsewhere identifying good practice and lessons learnt relevant to the Northumberland Line. The case studies comprised: Borders Railway in Scotland (2015); the Ebbw Vale line in Wales (2008); and the Ebbsfleet High Speed 1 Line in England (2009).

Stakeholder engagement

- 1.18 A series of workshops were undertaken with a diverse mix of stakeholders in June and October 2020. The purpose of these engagement sessions was to define priorities and identify a package of emerging initiatives that would best enable partners to capitalise on the transformative potential and investment being made in the Northumberland Line.
- 1.19 The first session was set up on the 18th June 2020 with **local economic development and transportation leads**. This workshop provided the intelligence to establish three key thematic groups for which initiatives would be organised. These were:
- **Business and Innovation**, 19th October 2020;
 - **Infrastructure and Place**, 21st October 2020; and
 - **Inclusion and Skills**, 22nd October 2020
- 1.20 The detailed findings from these workshops are presented in Appendix B. The facilitated discussions have provided the opportunity for extensive stakeholder engagement and provided the foundation for subsequent phases of work. Specifically, in underpinning the framing of this Strategy and through developing a pipeline of projects to inform the proposed next stage of work; the Northumberland Line Investment Plan.

Document Structure

- 1.21 The remainder of the document is structured as follows:
- **Section Two** provides a summary of the Northumberland Line;
 - **Section Three** explains the rationale for establishing the Economic Corridor;
 - **Section Four** outlines the Economic Corridor’s vision and objectives; and
 - **Section Five** looks at how the Economic Corridor could be taken forward, including expected partnership and governance arrangements as well as next steps.

2 The Northumberland Line

The Passenger Line

Overview

- 2.1 The Northumberland Line previously provided passenger services but moved to freight-only services in 1964. The proposed route is depicted in Figure 2-1 and worked to reuse much of this existing track with six new station facilities proposed along the Line. The Line is 23 kilometres long and passes through three local authorities (Newcastle upon Tyne, North Tyneside, and Northumberland). The anticipated capital cost of the project is £166 million.
- 2.2 The objectives for the Northumberland Line, as set out in the Outline Business Case are to⁵:
- Facilitate economic activity, employment growth and the delivery of housing sites within South East Northumberland and the wider region;
 - Create mode shift from car to public transport to improve local air quality and reduce highway congestion at key bottlenecks on the highway network between South East Northumberland, North Tyneside, and Newcastle; and
 - Improve public transport accessibility for commuting, retail and leisure trips between South East Northumberland, North Tyneside, and Newcastle.

Transport and Connectivity Impacts

- 2.3 The Northumberland Line has the potential to dramatically improve transport outcomes for local residents. The journey time from Ashington to central Newcastle, currently approximately an hour by car, will take approximately 35 minutes.
- 2.4 The Line will strengthen connectivity between the three Local Authorities, not only providing better connectivity to Newcastle, but connecting communities, business clusters and economic assets located across the sub-region,
- 2.5 The scheme is predicted to generate circa. 1.1 million return journeys by 2039, with annual revenue of around £12.6 million in 2018 prices.

⁵ The Northumberland Line: Strategic Outline Business Case (March 2019), Northumberland County Council

Figure 2-1: The Northumberland Line Map



Progress in reopening passenger services

Work so far

- 2.6 The Northumberland Line scheme has been the subject of a thorough Governance for Railway Investment Projects (GRIP) study funded by NCC and undertaken by Network Rail and Jacobs in 2016. A subsequent value engineering exercise, overseen by Network Rail, Nexus, NCC and Rail North, was carried out in September 2017, with the report issued May 2018.
- 2.7 Since the summer of 2018, NCC has engaged AECOM and SLC Rail to critically review the engineering, operational and business casework undertaken to date, to identify a project which is capable of being delivered at an efficient level of capital and ongoing operational cost.
- 2.8 In 2019, Prime Minister Boris Johnson announced a £500 million Restoring Your Railway Fund to reverse the Beeching cuts; £6.5 million was subsequently designated to the Northumberland Line in 2020⁶ to support project development. £34 million funding for the preparatory stages of the Lines delivery was announced by the Government in January 2021.

Next steps and expected timeframes

- 2.9 The project is being progressed through close working with DfT and Network Rail as part of the Project SPEED (Swift, Pragmatic and Efficient Enhancement Delivery) initiative to look at accelerating delivery post-COVID. Passenger services are expected to reopen in December 2023.
- 2.10 This Strategy emphasises the critical importance of inclusive growth to levelling up the region's performance. The ticketing strategy for the Line is a key component of ensuring that a wide range of people can use the Line. An integrated ticketing strategy for the Line is currently being developed by the project team with the potential operator. As well as scoping out the potential for integration with existing ticketing in the area, incentives to increase patronage of target groups to support the objectives of the Economic Corridor are also being explored.
- 2.11 The improved infrastructure on the Line will also create the potential to explore complementary improvements to the regions freight links, for example the freight rail infrastructure serving the Ports of Blyth and Tyne.

⁶ <https://www.gov.uk/government/news/north-east-rail-revolution-begins-with-beeching-reversal-and-fund-for-new-trains-across-tyne-and-wear>

3 The Rationale for Establishing the Economic Corridor

Why Establish an Economic Corridor?

- 3.1 The Northumberland Line provides a critical building block in unlocking the transformation of the North of Tyne's economy. The catalytic potential of the Northumberland Line can only be fully realised if the Line's reopening is combined with targeted interventions that support local communities and businesses. The Line builds on the success of the A19 employment corridor and should take advantage of the opportunities presented by improved connectivity through the establishment of an ambitious and purposeful approach to economic renewal; the Northumberland Line Economic Corridor.
- 3.2 Examples of similar projects delivered elsewhere in the UK, have shown that whilst new rail connectivity can have a transformational effect on commuting patterns, access to jobs and regeneration, it does not generate growth on its own. Put simply, infrastructure investment is necessary, but not sufficient.
- 3.3 An example of such a project is Borders Railway extension, delivered in Midlothian. A summary case study of this project is captured in Figure 3-1. Specific lessons for Northumberland to be taken from this include:
- The importance of accompanying the Line with plans for new housing around the stations as well as other game changing initiatives such as the roll out of better digital infrastructure.
 - The prospect of a significant model shift occurring from car to public transport.
 - Working with and promoting the Line to stakeholders to support its development.
 - The need for a robust governance and management structure to ensure effective delivery.

Figure 3-1: Borders Railway Case Study

What was the context for intervention?

- The delivery of the Borders Railway was a fundamental part of delivering the Tourism Scotland 2020 Strategy and promoting growth in Scotland’s visitor economy in 2020.
- Within the Strategy, developed in 2012, the Scottish Tourism Alliance said it would work with sectors such as transport and finance to address the barriers to growth that can’t be fixed by tourism alone.
- The Government Economic Strategy at the time (2011) reaffirmed the core purpose for the Scottish Government: “to focus Government and Public Services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.”
- The value of goods and services produced in Edinburgh, Midlothian and the Scottish Borders is just under £20 billion, (c. 20% of Scotland total value). However, whilst Midlothian and the Scottish Borders account for around a third of these businesses they only contribute just over a tenth of the value.
- Midlothian and the Scottish Borders have proportionately, three times the number of companies in food and drink and tourism, reflecting their strength in these sectors and providing opportunity for growth.



Borders Railway Extension

What was the intervention trying to achieve?

- Promote access to and from the Scottish Borders and Midlothian to Edinburgh, including the airport and the central belt.
- Foster social inclusion by improving access to key services for those without access to a car.
- Secure better access to Edinburgh’s labour market and prevent a decline in the Borders’ population
- Create a modal shift from car to public transport (train).

How much did the intervention cost? What partners were involved?

- The key players were the Project Sponsor (Transport Scotland), the Project Delivery Partner (Network Rail) and the Project Partners (Local Authorities).
- The total cost of the project was £353 million, with construction costs reaching £295 million.

What did they do?

- There was extensive mining remediation with just under a million tonnes of earth moved.
- Extensive infrastructure was built, including the laying of 30 miles of new railway and 90,000 sleepers.
- The project included the development of seven new rail stations and six station car parks.
- There were over 100 new and repaired bridges, road and path upgrades, signalling, telecoms, accommodation works and a train servicing facility.

What did the intervention achieve?

- The project has promoted investment. The new railway was complemented by the roll-out of fibre-optic high-speed broadband and Digital Scotland investments, and inward investment incentives through Assisted Area Status within the Railway Corridor area.
- The project had a positive environmental impact. Approximately 21% of households in the Scottish Borders do not have access to a car, the project contributed positively towards this.
- The project continues to perform well in improving accessibility, with two trains per hour in each direction providing regular and reliable access to Edinburgh city centre.
- The project has opened labour markets. There is evidence from the Year 1 Evaluation that the Borders Railway has had an impact on peoples’ choice of workplace. Of respondents who had moved employment, over 80% stated that the re-opening of the line had been the main factor in their decision.
- The new fast, reliable, and efficient rail service provides people in the Borders and Midlothian areas access to employment in high-value sectors with higher than average wages, providing greater opportunities for social mobility.

Challenges and opportunities

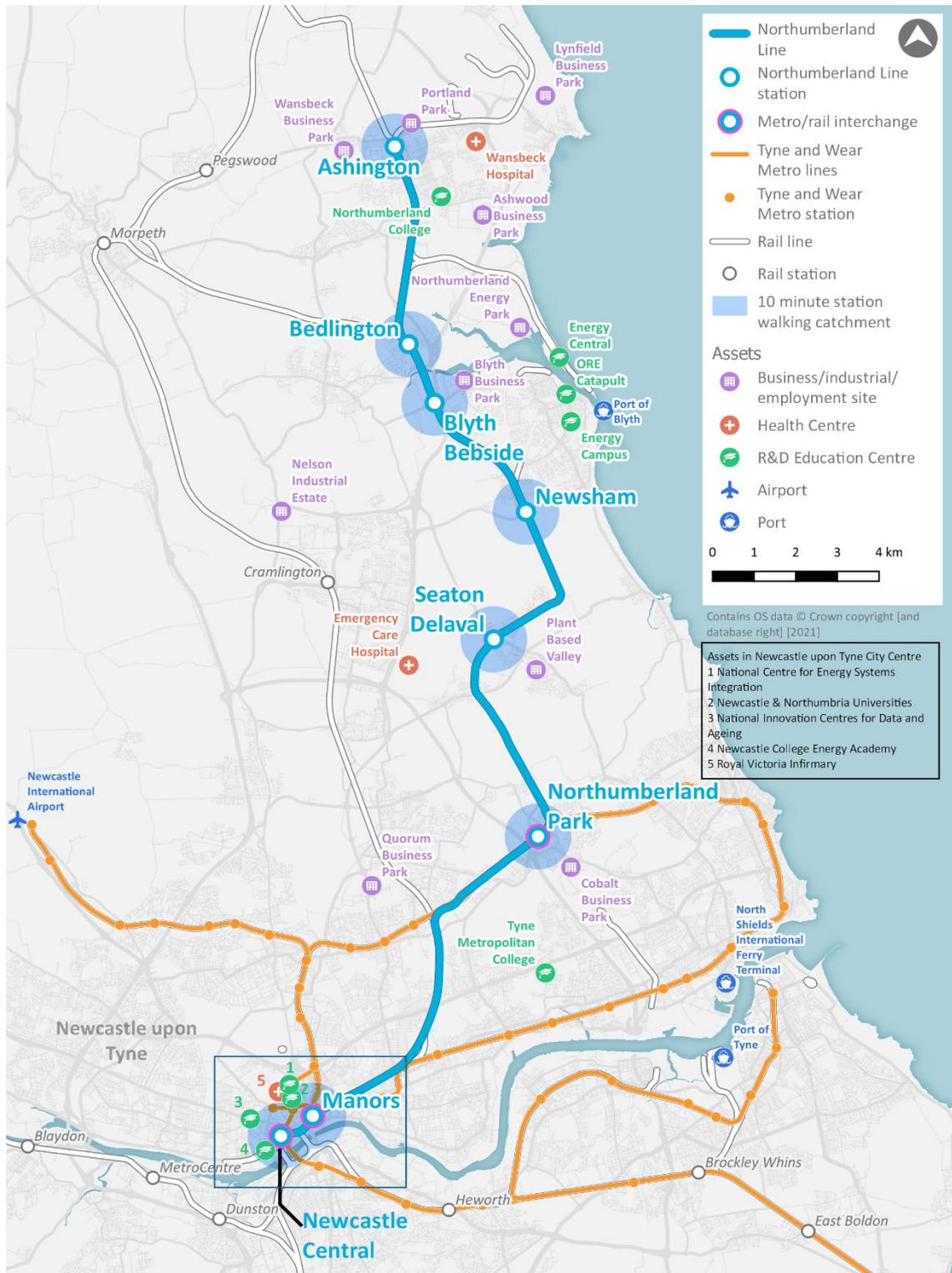
- 3.4 Key challenges for the North of Tyne and opportunities presented through the Northumberland Line are structured around the following three themes:
- Capitalising on sector strengths and improving agglomeration;
 - Connecting all individuals and communities with economic opportunity;
 - Enhancing wellbeing and quality of life through improved access to arts, culture, and natural assets.
- 3.5 By addressing these themes, the area will be on track to grow sustainably and inclusively, ensuring that those that are more marginalised from the labour market gain access to the wealth of opportunities available across the North of Tyne.

Capitalising on sector strengths and improving agglomeration

Strategic and economic context

- 3.6 The North of Tyne possess a rich mining heritage dating back to the 12th Century. Other key historical industries that accounted for its economic prosperity include shipbuilding, heavy engineering, glassmaking, locomotive manufacturing, salt, and fishing. This heritage has played an important part in shaping its culture and history. However, like many other parts of the North of England, there has been a significant structural shift in the economy towards more service-orientated sectors.
- 3.7 Given the historical reliance on mining and heavy industry, the transition of the industrial base and labour market has been challenging; clearly evidenced by relatively low levels of economic output and high levels of socio-economic deprivation. In spite of this, the local industrial base is now home to a range of industry specialisms with strengths across energy, advanced manufacturing, life sciences and knowledge-based services.
- 3.8 The area also boasts a plethora of tourist attractions, attracting visitors from all over the UK and internationally. Whilst energy has always been a fundamental part of the local economy, the focus has shifted from the intensive carbon emitting fuel of coal to low-carbon, clean energy sources such as offshore renewables.
- 3.9 A summary of existing local economic assets is included in Figure 3-2. It shows that the Line provides a direct link between a range of employment, skills and innovation assets found throughout the Line and provide rail connectivity to the currently unserved communities in South East Northumberland.

Figure 3-2: Map of Northumberland Line Economic Assets



- 3.10 Advanced Manufacturing is one of the principal growth sectors locally, located throughout the North East, including in South East Northumberland. The energy asset base is anchored by the Blyth Estuary Enterprise Zone, containing the Port of Blyth - one of the UK's most important offshore renewable energy clusters and the Port of Tyne. There is significant potential to nurture and grow this emerging cluster and provide a major contribution to the government's clean growth agenda.
- 3.11 Another key development area is the knowledge-based business service sector. The Economic Corridor hosts major employers in the finance sector such as Santander, Leeds Building Society and Newcastle Building Society and is home to key employment hubs including Newcastle City Centre which has the greatest concentration of business services. The area has a range of significant business parks such as Quorum Business Park, Ashwood Business Park, Blyth Riverside Park and Cobalt Business Park all with the potential to be served more effectively by commuting by rail. Existing long commute times to these key sites are often major barriers for people living along the Line, significantly impacting the employment opportunities for local residents.
- 3.12 This economic geography faces a variety of challenges in building on these sector strengths and growing the local economy, not least the mismatch between supply and demand of skills. Local businesses struggle to recruit sufficiently skilled workers locally and, despite a variety of higher and further education institutions across the locality and in neighbouring areas, the skill levels of the workforce are insufficient to meet the needs of new industry and modern business requirements.
- 3.13 Challenges are expected to be further exacerbated due to the UK's exit from the European Union (EU) and the impact of COVID-19:
- The UK's exit from the EU is likely to further exacerbate local skills shortages, particularly within industries that draw heavily on migrant labour such as construction and agriculture. It is likely to also raise challenges for sectors that are dependent on international supply chains and export markets;
 - COVID-19 has already led to high unemployment levels across the country including the North of Tyne and has already caused structural change in key sector and businesses, the full effects of which not yet known. In addition, COVID-19 is likely to have further impacts on skills demand and supply, including a likely increase in demand for digital skills as many sectors pivot their working arrangements and offer to the 'new normal'.

The opportunity

- 3.14 Newcastle acts as a transport gateway to the Economic Corridor. The Line will create opportunities to grow existing labour market pools in areas such as Newcastle, Blyth and North Tyneside's business parks and create the potential to develop new and existing sector clusters along the Line. A larger talent pool will provide the potential to reduce skill shortages and improve the outward perception of the economy to attract investors.
- 3.15 In particular, securing inward investment in the renewable energy sector, wider clean growth economy and advanced manufacturing and digital sectors would provide a significant boost to the local economy and help to create sustainable high value industrial clusters. Initiatives such as the collaborative bid for the North East England Freeport will unearth opportunities for investments and drive change for the area.
- 3.16 The Combined Authority was one of the first of the UK's Mayoral Combined Authorities to declare a climate emergency, recognising that clean growth has been designated as one of the UK's Grand Challenges and therefore opportunities to expand the offshore renewable energy

cluster are a key priority. The sector has the potential to provide thousands of jobs and increase the area's competitiveness as the UK shifts towards a greener, Net Zero economy. Our region has strengths in all four Grand Challenges and is home to nationally significant innovation assets.

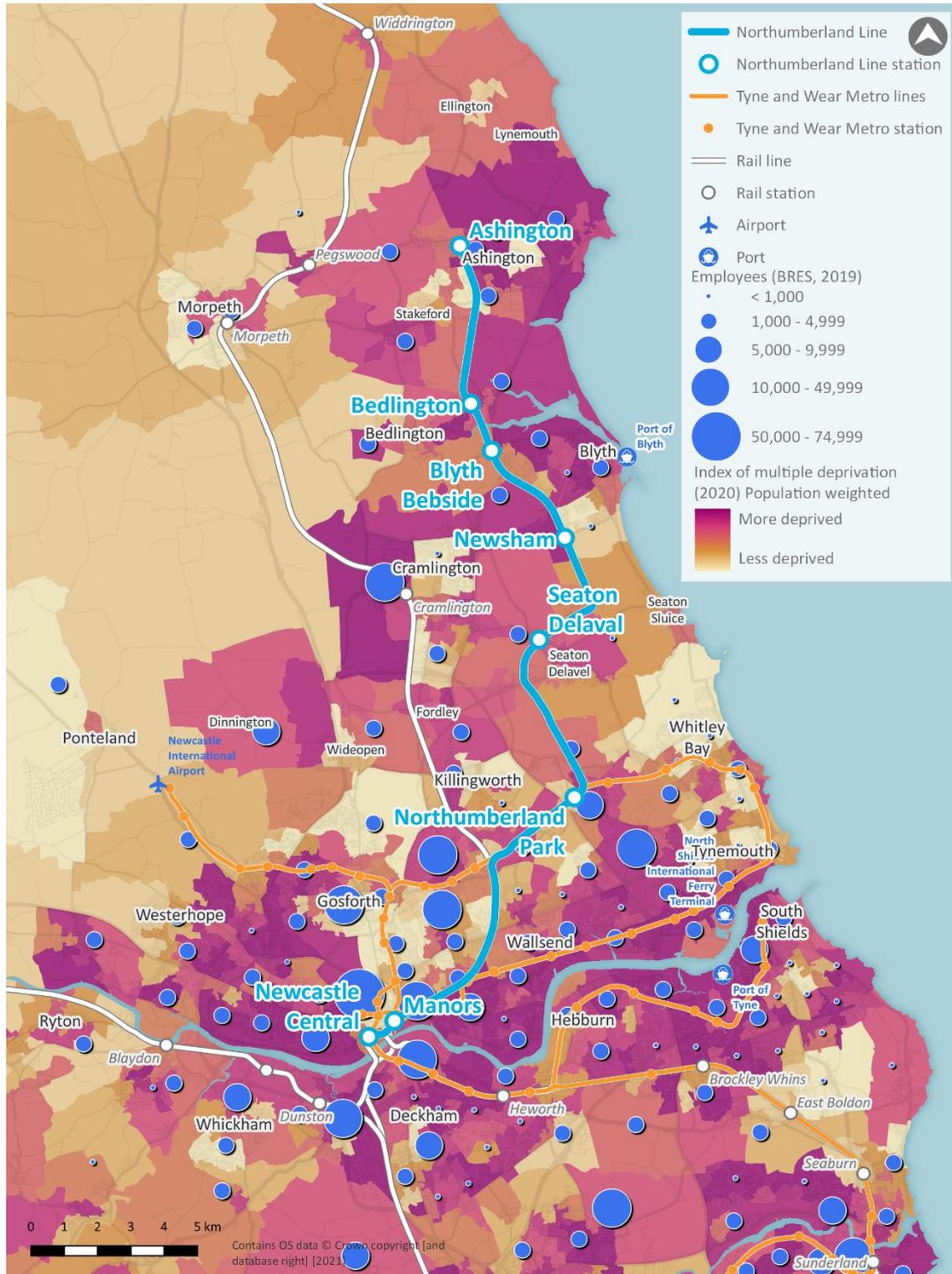
- 3.17 As well as the opportunity to integrate the renewable energy cluster, our Net Zero ambitions are underpinned by the development of the Line itself. The Line will alleviate congested roads by providing an alternative mode of transport. Rolling stock will initially be diesel-powered, but plans are in place for the development of an alternative, sustainable fleet operating on the Line post 2025. This is being discussed with the potential operator as part of project planning.
- 3.18 There is an opportunity to align investment in the Economic Corridor to existing and future strategic programmes and bidding opportunities in the region, this includes the currently live Free Port opportunities.

Connecting all individuals and communities with economic opportunity

Strategic and economic context

- 3.19 The proposed Northumberland Line route connects marginalised communities which include notable pockets of acute deprivation, particularly clustered around the North of the Line in Ashington, Bedlington and Blyth and communities along the River Tyne including North Shields, Wallsend, and Byker. These areas display concentrations of low educational attainment, high long-term unemployment levels and a high proportion of low-income households.
- 3.20 Although varying across the three local authorities and depending on the level of qualification, on average there are lower levels of educational attainment locally. In particular, Northumberland and North Tyneside's working age population is characterised as 'lower-skilled' with individuals more likely to have a maximum attainment at a GCSE-level (NVQ2), compared to an average maximum attainment of A-level (NVQ3) nationally. Newcastle has a higher proportion of the working age population with a degree (NVQ4) but also a relatively high proportion of the working population with no qualifications, when compared to the national average. This has contributed to not only high levels of adult worklessness but high levels of youth employment. Figure 3-3 shows the extent of deprivation along the Line alongside the concentration of jobs in Newcastle. Although deprivation levels are high in Newcastle, there is a high concentration of jobs and therefore job opportunities present, this contrasts with areas along the Line where the concentration of jobs is much lower. Individuals from communities with fewer opportunities will need to be connected to economic opportunities elsewhere.
- 3.21 The extent of marginalisation is also reflected in the very low level of car ownership in several areas along the Line, in particular Blyth Cowpen and Ashington Hirst where 42% and 46% of households respectively are without cars. This implies that on a whole, the population in South East Northumberland is highly reliant on public transport to move throughout the North of Tyne and indeed the North East region. For those in possession of a car, it is their preferred way to commute; further highlighting the inadequacies of the existing public transport infrastructure in place.

Figure 3-3: Connecting individuals and communities with economic opportunity



3.22 In terms of existing transport infrastructure, even though Newcastle is also home to a number of major transport assets, such as Newcastle airport, the A1 road and the East Coast Mainline, all of which provide easy access to other parts of the country and beyond, connecting to these assets for many South East Northumberland residents is difficult. Public transport connectivity within this area is poor and this hinders residents' ability to access economic opportunities. This is a barrier to retaining and attracting higher skilled workers to the area and is reflected in the working-age population forecasts for Northumberland which, in the absence of concerted effort and investment, are projected to fall.

3.23 The effects of COVID-19 on the economy has been significant and will be felt for some years to come. This may include lower passenger numbers in the Line's first years of operation. Despite this, the Line presents an opportunity for the area to pave the way for building back better and ensuring that the local economy remains resilient in a time of unprecedented change. The High Streets along the Line will face significant challenges as the area recovers from COVID-19 with support needed for businesses to reopen and/or recover in towns and the City Centre and for longer term structural adjustment to the infrastructure needed for settlements to thrive again.

The opportunity

3.24 The Line will connect areas of deprivation throughout the North of Tyne and the wider region, with opportunity both through the Line directly and via the additional network access it provides to communities and employment centres served by the existing infrastructure in the area e.g. Tyne and Wear Metro.

3.25 An integrated transport network will create connections between existing housing and economic assets. It will also open up the potential for increasing housing supply and unlocking additional housing sites beyond allocations in current Local Plans. The Line will connect marginalised communities to jobs, businesses and future growth including concentrations to the south of the Line around the Newcastle conurbation, around the major Cobalt Business Park in North Tyneside and in growing sectors in South East Northumberland including offshore wind, renewables and wider clean energy and advanced manufacturing specialisms.

3.26 The government's levelling-up agenda and focus on town centre regeneration (e.g. the Future High Streets Fund (FHSF) and the Towns Fund) is critical for the area as is the development of high streets in all places along the Line. There are significant needs for targeted regeneration including Manors and Newcastle City Centre, and notably Blyth, which recently secured £11 million after a successful bid for the FHSF and is currently preparing a bid for the Towns Fund. In Ashington a significant programme of town centre renewal is underway to diversify its use-mix and 'offer'. Feasibility work on the regeneration of the prominent Wansbeck Square development site, which provides the access point to the town from the new Ashington station, is underway. Transport hubs in these towns will provide a unique opportunity to increase a town's connectivity and consequently its footfall; helping to catalyse on town centre redevelopment and increase the attractiveness and viability of residential development in the surrounding areas.

3.27 The government's recent announcement of further funding; the £4.8 billion levelling-up fund, will further enhance the area's opportunity to bid for funding to invest in projects that support the objective of being of a dynamic and more inclusive economy. As part of enabling a more dynamic area, local cycling and walking infrastructure plans are being developed. This will not only help to increase more sustainable ways of transport but will also support the health of local residents. In addition, the £4.6 million North of Tyne Growth Fund will also play an

instrumental role in helping to grow and support the local economy, with a focus on strengthening and expanding the SME landscape.

Enhancing wellbeing and quality of life through improved access to education, arts, culture, and natural assets

Strategic and economic context

3.28 The quality of life varies considerably across the Economic Corridor, with communities along the Line including densely populated areas of relative affluence adjacent to areas facing significant socio-economic challenges associated with acute deprivation. There is a mixture of semi-rural coastal settlements, lower quality old terraced housing and estates in the centre of key towns such as Blyth and Ashington and new housing in outlying suburban areas. A higher proportion of the working age population in areas such as Blyth reside in social and rented housing compared to the national average. The types of housing and access to green space can have a significant impact on the quality of life.

3.29 Health outcomes correlate closely to levels of deprivation and several areas along the Line are characterised by very low healthy life expectancies relative to the national level, particularly among men. Low healthy life expectancies contribute to greater levels of economic inactivity and therefore poorer productivity levels. COVID-19 has exacerbated the North’s health and wellbeing position, an extra 12.4 more people per 100,000 died in the Northern Powerhouse due to COVID-19 compared to the rest of England during the first wave⁷. The North East was hit particularly badly with a mortality rate of 106.0 per 100,000. As the area emerges from the pandemic, supporting people to lead healthy productive lives across all ages will become even more important, and tackling physical, mental, and financial health issues will be key areas of focus.

The opportunity

3.30 Northumberland has many natural assets including Northumberland National Park, a 400 square mile area of outstanding beauty and the Northumberland Coast covering around 40 miles of coastline. These natural assets will be more accessible to both residents and visitors through improved public transport infrastructure.

3.31 There is a concentration of arts and cultural assets throughout the area including a high concentration of organisations in Newcastle. The Arts Council currently supports 223 National Portfolio Organisations (NPO) across the North of England, eight of which are in the North of Tyne Combined Authority. Newcastle has a strong track record in securing this funding and hosts the majority of these. Although Northumberland is home to the UNESCO world heritage site of Hadrian’s Wall and there are a few planned cultural related developments (e.g. Ashington’s cinema development and Blyth’s proposed cultural centre), arts and cultural assets in towns along the South East Northumberland segment of the Line are limited. Despite the excellent and varied offer, cultural engagement is therefore limited particularly in areas demonstrating acute levels of deprivation exacerbated by limited connectivity.

3.32 With such an abundance of natural assets, the Northumberland Line brings an opportunity to allow households in Newcastle, many of which may infrequently visit natural assets due to accessibility issues, to use a more sustainable mode of transport to reach these assets. Not only does this contribute to lowering carbon emissions but it helps to increase physical activity

⁷ <https://www.thenhsa.co.uk/app/uploads/2020/11/NP-COVID-REPORT-101120-.pdf>

and ultimately health outcomes. Tackling health barriers will be key to ensuring people are fit for work and ultimately improve labour market participation.

3.33 The North of Tyne Combined Authority is home to many educational assets. In general, there are many Higher Education and Further Education providers across the North East region. Newcastle, with all its educational assets, provides a real opportunity for upskilling and enhancing the lower academic achievement levels in both Northumberland and North Tyneside. For example, Newcastle University achieved research excellence scores for STEM subjects in particular. In general, there is a real focus on developing significant industry led education assets throughout the corridor, such as the planned Energy Central Campus in Blyth and the Line will help to connect learners to these facilities.

3.34 Overall, the Line will improve access to education, arts and cultural events and assets for residents living across the North of Tyne, linking people and institutions up to a concentration of assets in the City.

Levelling-up the economy

3.35 Creating an Economic Corridor that works to address challenges and capitalises upon existing strengths and future opportunities (as outlined above) will allow the economy to:

- Maximise and leverage the impact of infrastructure investment such as bringing forth housing sites;
- Capitalise on the green economy shift by accelerating growth in clean energy and priority sectors;
- Reduce dependency on car as a mode of transport;
- Improve employment and training opportunities in growing sectors such as digital and health and life sciences for local residents;
- Tackle deprivation and raise quality of life; and
- Enhance the profile and perception of the local area.

3.36 Most notably, this will allow an improvement in productivity and for the economy to level-up. The economic goal for levelling-up is considerable. Raising GVA per worker from £48,887 to national levels of £61,295 would deliver an additional £4.7 billion per year to the local and national economy.

4 An Economic Corridor – Vision and Objectives

Vision

4.1 The vision of the Northumberland Line Economic Corridor is to:

Deliver a dynamic and inclusive clean growth economy across the North of Tyne, opening up opportunities to our communities and ensuring a more prosperous and resilient future.

Objectives

4.2 The vision will work to deliver the objectives of:

- **Creating prosperous and connected places:** An attractive place to live, work and invest with thriving town centres, connected assets and communities and an excellent quality of life;
- **Building productive and resilient economies:** A high value, innovative, clean growth economy with an expanding business base, leading edge research collaboration and a highly skilled labour market; and
- **Ensuring inclusive and sustainable growth:** A net zero exemplar, offering good quality employment opportunities to all residents and nurturing strong community participation in shaping a truly inclusive economy.

4.3 For each of the objectives, there are three strategic priority areas that align to the challenges for the local area and the opportunities the Line presents. These are summarised in Figure 4-1. Examples of proposed activities presented in Figure 4-1 are described in more detail in the next section.

4.4 The Economic Corridor is a key opportunity to implement the North of Tyne Combined Authority's (NTCA) shared ambition to deliver its COVID-19 Recovery Plan. Working with local, regional and national partners, the Economic Corridor will support the government's key agendas around levelling up, clean growth and delivering 21st century infrastructure to build back better as we recover from COVID-19.

4.5 The Economic Corridor will be integrated into the major workstreams and programmes being developed by NTCA (the importance of the corridor is highlighted in NTCA's devolution deal and economic vision) and NTCA are fully committed to working with Local Authorities to progress both the Line and related investment.

Figure 4-1: Our strategic framework



Source: Steer-ED, 2021

5 Delivering the Economic Corridor

Partnership and governance

- 5.1 Local and regional partners have been working closely on the Economic Corridor initiative, establishing a working group comprising Newcastle City Council, Northumberland County Council, North of Tyne Combined Authority and North Tyneside Council. To help take forward the Strategy, this group has been supported by specialist consultants Steer-Economic Development and Cadenza Transport Consulting.
- 5.2 Around 70 partners have contributed to this emerging pipeline from the commercial, innovation, education and public and community sectors along the Line. This engagement has comprised a combination of consultations and group workshops. The purpose was to develop joint thinking on the transformative potential and investment being made in the transportation corridor and there was considerable enthusiasm and untapped potential to align, accelerate and capitalise on existing work as well as bringing forward new developments.
- 5.3 The wider emerging programme of projects identified to date extends to in excess of 35 projects. The projects range from early stage development concepts to projects and programmes either in development and resourced or existing activities which could be enhanced or accelerated. Considerable further work is now needed to develop robust business cases to secure support for programme delivery.
- 5.4 The programme areas in this Strategy provide a framework to accelerate the initial development of project activities to fully establish a package of deliverable initiatives integrated with the Line's development.
- 5.5 Looking ahead to the next phase of work, there is a need to establish more formal and joint leadership and governance model (as indicated in Figure 5-5). This model will be integrated into existing governance arrangements and align to and leverage existing programmes through NTCA and partners e.g. Housing and Land Board, Inclusive Growth, NTCA Investment Fund. NTCA has well established assurance mechanisms and a strong track record to deliver a programme of this scale. This will be achieved through working closely with national government and pooling and leveraging local, regional and national resources to create a deliverable and effective programme through innovative delivery models.
- 5.6 Collective leadership and governance will align to and learn from other examples, and build on work to date in establishing this Strategy. Work to date has included the convening of local leaders from a range of sectors and disciplines who recognise opportunities to collaborate and are mobilised to move into the next stage, working together to deliver the collective ambition to realise the potential of the Line.
- 5.7 As an integral part of the Economic Corridor Strategy and programme development, a comprehensive logic model has been designed and an accompanying output and outcome

monitoring framework. These are presented in Appendix A. These will be reviewed and updated on an ongoing basis throughout the lifecycle of the programme.

Delivery Programme Areas

- 5.8 A package of projects to support Economic Corridor objectives are in development. Prior to the establishment the Economic Corridor’s proposed delivery plan, four indicative programme areas expected to mobilise in this next phase of work are included below with example projects for each.

Figure 5-1: New Homes and Communities Accelerator

Programme ambition

- To ensure communities can grow and be fully included in the economic opportunities of the future through capitalising on transformative opportunities for residential development along the Line.

Project example

- There is the potential to unlock an estimated increase of 9,000 households in sites around the Line resulting in an estimated 4,000 new homes.
- Significant new development could occur particularly at Ashington, Blyth, Seaton and Northumberland Park.
- This major priority of the North of Tyne Housing and Land Board will help accelerate the schemes by linking housing growth to the introduction of the Line infrastructure.
- Killingworth Moor in North Tyneside is an example adjacent to Cobalt Business Park (a major base for digital service businesses including Accenture, Sage, and EE), and a short walk from Northumberland Park. The site is an LA priority site allocated for housing in the Local Plan and could deliver 2,000 homes.
- Multiple landowners, developers and the Council are working to deliver the site. Strategic infrastructure requirements (including new roads and junctions) are a barrier to construction given their impact on site viability.



New Homes & Communities Accelerator

Figure 5-2: Town Centre Rapid Renewal

Programme ambition

- To realise the Line’s ambition for growth, there needs to be a regeneration and change in perception of town centres.

Project example

- Ashington Central Renewal Programme (Wansbeck Square). An example of town centre renewal linked to the Line’s development.
- This includes the development of a landmark new central attractor at Ashington station: The Northern Gateway into North of Tyne via the Northumberland Line.
- The development is to be principally focused at Wansbeck Square. This is next to the new Ashington Central Station and the main access route to the town centre, including Station Rd ‘the High Street’, the new Portland Park development and business parks nearby.
- The site is already home to a national retailer and significant employment but is not fit for purpose – accelerated renewal will introduce new attractors and uses including retail, office, education, and health services complimented by compelling public space to draw visitors into the town centre to drive footfall and spend.



Town Centre Rapid Renewal

Figure 5-3: Station Gateway Development

Programme ambition

- To realise the Line’s ambition for growth, access to strategic employment centres needs to be improved; accelerating this investment to secure more job and training opportunities for local people.

Project example

- This project will accelerate plans to create the Stephenson Gateway, a southern entrance to Newcastle Central Train Station, and infrastructure works at Stephenson Quarter to unlock 2000 jobs.
- The Stephenson Quarter is a strategically important economic area for the region, located directly adjacent to Central Station, it is a prime Newcastle city centre site which is rich in engineering history as the site of the Robert Stephenson and Co Locomotive Works.
- Just as the site was the catalyst for the industrial revolution, it will be a critical centre of employment and training for key sectors and the future of work in the region.
- Newcastle Central Station is in the heart of the city and is the national and international gateway into the whole of the Economic Corridor.



Newcastle Station Development

Figure 5-4: Clean Growth Business and Skills Connector

Programme ambition

- Unlock the potential for inclusive accelerated growth in the clean energy sector – building on the existing cluster and assets in offshore wind, subsea technology, and the associated supply chain.

Project example

- A Line-wide clean growth business environment, innovation and skills programme enabling the rapid job creation to support the growth of the sector.
- Invest in the business ecosystem to support innovation, commercialisation, diversification, and exports.
- Ensure businesses along the Line have access to skilled labour.
- Provide the skills pathways to enable a just transition as the UK initiates a green recovery.
- Change perceptions for the local and future workforce as the North of Tyne being a place to build a successful career in clean growth.



Clean Growth Business & Skills Connector

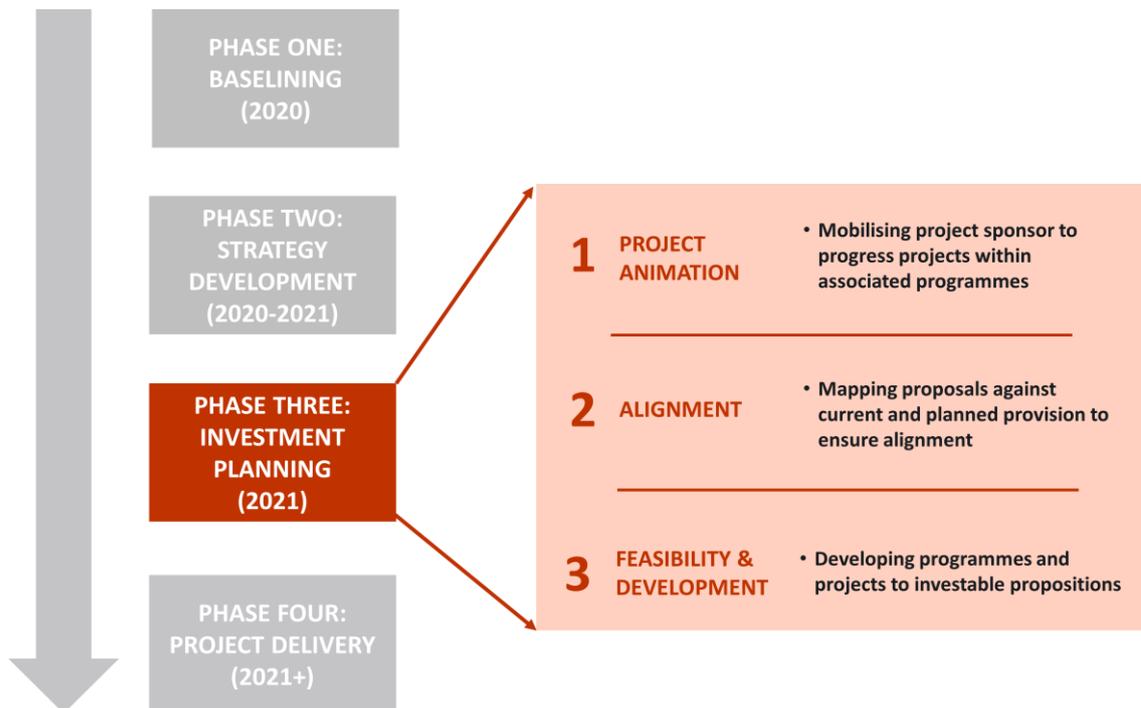
Investment Planning

5.9 The expected forward process for the investment plan is not yet finalised. However, an indicative view is summarised in Figure 5-5.

5.10 Critically, investment planning (as part of phase three) will:

- Align to the complementary work developing the social value and sustainability Strategy currently being developed;
- Align and respond to the North of Tyne COVID-19 response; and
- Be responsive to the evolving funding landscape and remain well positioned for future funding opportunities.

Figure 5-5: Establishing the Economic Corridor

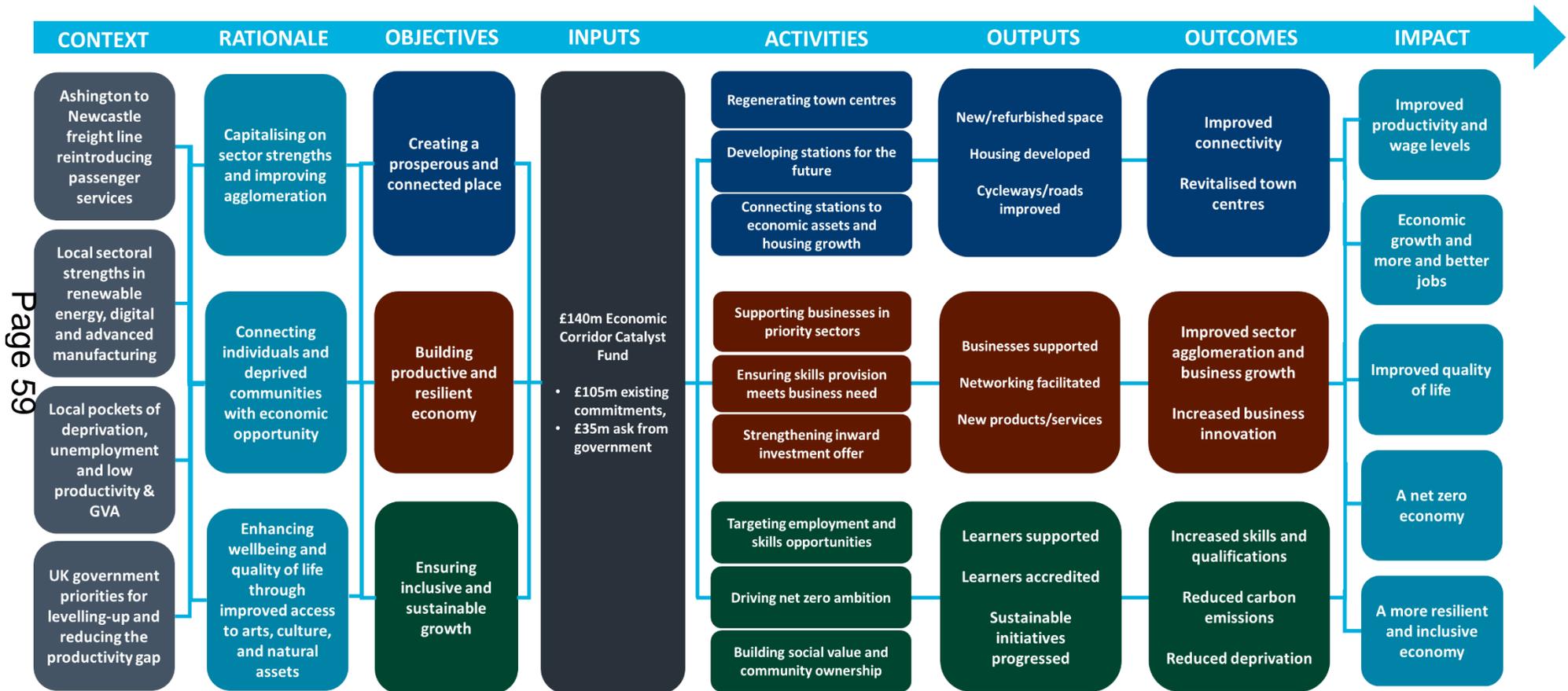


A Outcomes & Monitoring

Logic Model

- A.1 The Northumberland Line Economic Corridor logic model is included in the figure overleaf. This has been developed through a literature review and consultation with local partners.

Figure A.1: Revised logic model



Page 59

Proposed outcomes monitoring

A.2 In alignment with the logic model, a summary of the proposed outcomes that may be used to measure the success of the Northumberland Line is included in the table below. This can be used as a starting point in developing a Monitoring & Evaluation plan in the upcoming phase of work.

Table A.1: Proposed outcomes monitoring

| Objective | Outcomes | Proposed Indicators |
|---|--|---|
| Creating a prosperous and connected place | Improved connectivity | <ul style="list-style-type: none"> • Reduced travel times • Increased investment in public transport/active travel |
| | Revitalised town centres | <ul style="list-style-type: none"> • Improved business occupancy • Increased town centre footfall |
| Building productive and resilient economy | Improved sector agglomeration and business growth | <ul style="list-style-type: none"> • Increased number of businesses • Increased business turnover • Increased exports • Increased GVA • Increased number of gross jobs |
| | Increased business innovation | <ul style="list-style-type: none"> • Increased number of new products opportunities • Increased partnerships with universities |
| Ensuring inclusive and sustainable growth | Increased skills and qualifications in the local workforce | <ul style="list-style-type: none"> • Increased number of local people qualified to NVQ3+ and NVQ4+ qualifications • Improved education attainment in skills |
| | Reduced carbon emissions | <ul style="list-style-type: none"> • Increased sustainable travel |
| | Reduced deprivation | <ul style="list-style-type: none"> • Reduced proportion of young people not in Education or Employment (NEETs) • Reduced proportion of population involuntarily excluded from the labour market • Improved accessibility to housing and other local services • Reduced crime • Improved health outcomes • Improved living local environment |

Progressive thinking

No time for business as usual

We are a boutique economic development consultancy firm. We don't just offer strategies for economic development, we change the way our clients think about it. Bringing together a wealth of experience, we deliver a bold, rigorous, integrated vision of the future. We challenge assumptions, and leave our clients with the knowledge and capabilities to succeed.

Our offices

Manchester

61 Mosley Street
Manchester, M2 3HZ
+44 (0)161 261 9140

Leeds

67 Albion Street
Leeds, LS1 5AA
+44 (0)113 389 6400

London

28-32 Upper Ground
London, SE1 9PD
+44 (0)20 7910 5000

This page is intentionally left blank



Subject: Adult Education Budget update and Strategic Skills Plan

Report of: Head of Inclusive Growth

Portfolio: Employability and Inclusion

Report Summary

The purpose of this report is to provide an update on provision that has been delivered through the devolved Adult Education Budget (AEB) for the 6-month period from 1 August 2020 to 6 February 2021. It sets out the adult education opportunities that have been created for North of Tyne Combined Authority (NTCA) residents during the first half of this academic year (AY) and outlines next steps in terms of managing AEB delivery for the remainder of this year and into AY 2021-22.

In August 2020 the NTCA took control of a £23 million AEB, secured as part of the devolution deal. An additional allocation of £959,064 for one year only was received in September 2020 to invest in High Value Courses and sector-based work academy programmes as part of the Chancellor's announcement on the 'Plan for Jobs' to support young people during the COVID-19 crisis.

Delivery of the AEB commenced on the 1 August 2020 and the impact of COVID-19 is being closely monitored, both in terms of learner engagement during the pandemic and providers performance against delivery plans and payment profiles that were set out at the beginning of the academic year.

Our ambition is that the devolved AEB will deliver high quality skills provision which leads to positive outcomes for individuals and provides clear progression pathways for our residents to access the local labour market and future economic development opportunities.

This report also introduces an updated Strategic Skills Plan for 2021-2023. The plan sets out NTCA's ambitious programme for skills development. It highlights strengths, opportunities and challenges across the NTCA region and sets out the key priorities to ensure our residents have the skills to get a good job, progress in work and that employers have people with the right skills they need to support a strong and inclusive local economy.

The plan builds on the AEB Strategic Skills Plan published in 2019 which set out the key priorities for the devolved AEB. The pace of change since its launch has been significant across many areas, making it timely to refresh this document and align the devolved AEB to the wider skills interventions that are needed across the region.

Recommendations

The Cabinet is recommended to:

- i. Note the progress which has been made in terms of AEB delivery for the first half of the academic year (1 August 2020 to 6 February 2021) and endorse the approach to managing AEB delivery for the remainder of this year and into AY 2021-22.
- ii. Note the content of the updated Strategic Skills Plan for 2021-2023 and endorse the launch of the document from 1 April 2021.

1. Background Information, Proposals and Timetable for Implementation

- 1.1 In August 2020 the NTCA took control of a £23 million AEB, secured as part of the devolution deal. An additional allocation of £959,064 for one year only was received in September 2020 to invest in High Value Courses and sector-based work academy programmes as part of the Chancellor's announcement on the 'Plan for Jobs' to support young people during the COVID-19 crisis.
- 1.2 Our ambition is that the devolved AEB will deliver high quality skills provision which leads to positive outcomes for individuals and provides clear progression pathways for our residents to access the local labour market and future economic development opportunities.
- 1.3 The devolved Adult Education Budget is enabling us to:
 - Deliver a step-change to improve basic maths, English, digital and transferable skills
 - Break new ground in a collaborative strategic partnership working with an absolute focus on 'place'
 - Deliver a more responsive, accessible adult skills offer for residents and employers
 - Establish protocols for joint working across all post-16 skills activity, bringing together planning, funding and regulation, regardless of whether funding is devolved or not
- 1.4 NTCA have made use of the flexibilities afforded by devolution of AEB in relation to its funding rules, rates and eligibility criteria to ensure the funding can be targeted where it is needed most. We have successfully secured provision which is based in the heart of our communities for innovative programmes that would not have been funded through non-devolved AEB.
- 1.5 We want to ensure that a greater focus on the economic and social outcomes for residents is secured through the devolved AEB rather than just the outputs in terms of qualifications delivered. This underpins our commissioning approach to secure provision which is increasingly focused on outcomes such as securing employment, progressing to higher levels of learning and progressing in employment.
- 1.6 NTCA are clear that the devolved AEB is a cornerstone of investment in the skills system and has a significant role in supporting our region's economic recovery from the COVID-19 pandemic. We are working closely with providers to ensure that a high-quality adult skills offer is available which focuses on achieving outcomes directly linked to local labour market needs, helping residents to improve their quality of life and ensuring that North of Tyne employers can access residents with the skills their businesses need to grow and thrive.

Review of AEB delivery

- 1.7 Delivery of the AEB commenced on the 1st August 2020 and the impact of COVID-19 is being closely monitored, both in terms of learner engagement during the pandemic and providers performance against delivery plans and payment profiles that were set out at the beginning of the academic year.
- 1.8 Providers have implemented innovative plans to ensure delivery continues. This has included transferring provision on-line, supporting vulnerable learners through one to one video calls and where classrooms have been able to open delivering to groups of learners with effective safety measures in place.
- 1.9 However, despite this innovation providers do report that class sizes have had to be reduced due to social distancing measures, residents confidence to engage in training has diminished as the crisis continues and concerns are being raised regarding the mental health and wellbeing of adult learners across our region.
- 1.10 NTCA implemented new funding flexibilities in January 2021 following consultation with providers on the impact of the crisis during the first quarter of the academic year to November 2020.

- 1.11 These flexibilities included a fully funded non-accredited learning aim that can be utilised by all providers to engage residents in devolved AEB enrolment opportunities. The purpose of the aim is to offer informal activities to improve learner confidence, mental health and wellbeing. Providers are funded to engage residents with this learning aim prior to progressing them to further learning.
- 1.12 A further flexibility was introduced for employed residents who were contributing 50% towards the cost of their learning if it was not part of a statutory entitlement i.e. maths or English. In order to encourage employers and employees to take up training opportunities the devolved NTCA AEB is now fully funding accredited learning at Level 2 and Level 3 and funding non-accredited work-related training. This is to support employers in areas such as business resilience and COVID-19 safe working practices.
- 1.13 The third National lockdown in the New Year has delayed any impact of the funding flexibilities that were introduced and has caused disruption to enrolments anticipated from January 2021. Providers have also reported further disruption on delivery in workplaces and employer engagement.
- 1.14 In addition to dialogue with providers and stakeholders NTCA receive monthly performance data. This is utilised to monitor actual delivery versus profiled delivery, as well as the type and level of provision on offer to ensure it remains responsive to the needs of our residents and employers.
- 1.15 NTCA officers have undertaken a six-month review of the AEB delivery data, this analysis is set out in the following sections. The review has been used to inform NTCA's approach to managing AEB delivery for the remainder of this AY and into AY 2021-22.

Enrolments

- 1.16 Most providers have been able to start delivery from August 2020 with 27 of the 29 Grant agreements and procured contracts underway. Due to the COVID-19 restrictions imposed, two providers have delayed delivery of their contracts until AY 2021-22 as provision was fully dependant on practical activity that could not be converted to on-line.
- 1.17 Up to 6 February 2021, **over 14,000 enrolment opportunities have been delivered** or are being undertaken. 2458 (17%) of these are being delivered as Community Learning.
- 1.18 NTCA recognise the value and positive impact that informal community learning can have on our resident's health and wellbeing. Recovery from the COVID-19 crisis will require outreach into disadvantaged communities, wrap around support to re-engage our residents, building confidence and breaking down barriers to work.
- 1.19 Table 1 illustrates the overall number of enrolments by Local Authority area and funding model.

Table 1

| Enrolments by Local Authority to 6th Feb 2021 | AEB Adult Skills | Community Learning | Total |
|---|------------------|--------------------|---------------|
| Newcastle | 6,737 | 986 | 7,723 |
| North Tyneside | 2,004 | 447 | 2,451 |
| Northumberland | 2,897 | 1,025 | 3,922 |
| Total | 11,638 | 2,458 | 14,096 |

- 1.20 Delivery data is also analysed at Ward level to ensure that enrolment opportunities are being undertaken by residents in our most deprived areas. The review of data has revealed that **9551 (68%) of enrolment opportunities are undertaken by residents living in NTCA's top 20% deprived areas. 6385 (45%) of enrolments are in the top 10% deprived wards across NTCA.**

- 1.21 Targeting areas where deprivation is high is a key priority in the NTCA Strategic Skills Plan to ensure that the AEB investment is reaching residents most disadvantaged in terms of poverty and skills.
- 1.22 All providers are required to set out their enrolment targets on a monthly profile so that 'actual delivery' can be monitored against their profiled targets. Due to the impacts of COVID-19 providers have delivered 82% of their profiled Adult Skills and Community Learning targets to date.
- 1.23 Table 2 below sets out the profiled targets by Grant providers and procured Contract for Service providers to February 2021 against their actual delivery.

Table 2

| | Profiled delivery to Feb 2021 | Actual delivery to Feb 2021 | % of profiled target |
|-------------------------------|-------------------------------|-----------------------------|----------------------|
| Grant providers | 13,930 | 11,562 | 83% |
| Procured Contract for Service | 3,277 | 2,534 | 77% |
| Total | 17,207 | 14,096 | 82% |

- 1.24 Analysis of delivery data and consultation with providers suggests that main areas of under delivery in procured Contract for Service provision is delivery that was due to take place on employer premises however progress has been impeded by social distancing and lockdown measures. This provision includes rail track engineering, supporting teaching and learning in schools, delivery to care workers in care homes and a HCV (heavy commercial vehicle) driving course where practical driving tests have been cancelled.
- 1.25 Enrolments in other areas of Contract for Service delivery are performing well in spite of the pandemic. Provision for the unemployed and projects delivered through the AEB innovation fund have proved extremely successful in continuing to engage residents through a 'blended' approach of classroom delivery and on-line.
- 1.26 Table 3 illustrates performance against profile by Contract for Service providers in each area of delivery.

Table 3

| | Profiled delivery to Feb 2021 | Actual delivery to Feb 2021 | % of profiled target |
|---|-------------------------------|-----------------------------|----------------------|
| Profiled Procured Starts Lot 1 - Unemployed | 912 | 1073 | 118% |
| Profiled Procured Starts Lot 2 - Employed | 1646 | 1033 | 63% |
| Profiled Procured Starts Lot 3 - Innovation | 294 | 428 | 146% |
| Totals | 2852 | 2534 | 89% |

- 1.27 The success of programmes being delivered through the AEB Innovation fund cannot be understated. Providers in this Lot have met delivery targets and utilised the funding available to them. The innovation funding enables providers to deliver targeted niche provision aimed at residents who are most at risk of being left behind in terms of education and work opportunities.
- 1.28 Programmes range from 'catering academies', basic and digital skills using the medium of film and production and courses specifically designed to maximise residents' entrepreneurial skills for self-employment and social enterprise.
- 1.29 NTCA have recently commissioned £300,000 of remaining unallocated AEB funding for provision in Lot 3 'Innovation'. The COVID-19 crisis has amplified the need to ensure residents most at risk of disadvantage have access to learning opportunities. This additional funding will ensure the continuation and expansion of targeted innovative delivery models in our communities.

Range of provision

- 1.30 Providers deliver a range of provision targeting employed and unemployed residents including basic maths, English and digital skills and full Level 2 and Level 3 vocational programmes required for work. There are effective links to Job Centre Plus (JCP) work coaches across the region who help promote the AEB offer and refer unemployed residents.
- 1.31 **68% of enrolment opportunities are undertaken by residents who are unemployed**, 49% of these residents are unemployed and actively looking for work. It is essential that the AEB investment supports residents with skills that employers require and programmes match labour market demand.
- 1.32 NTCA work closely with providers to promote collaboration with employers in designing skills opportunities. Providers have responded well and developed programmes to support residents to access jobs in the current labour market. These include courses to meet demand for warehousing and distribution and creating adult skills opportunities for the care sector which has seen a surge in demand for care workers and support staff as result of the COVID-19 crisis.
- 1.33 Sector based work academy programmes are being co-designed with employers who have job vacancies in areas such as construction, installation of fibre networks and rail engineering. There are also many opportunities for residents to gain digital skills required for work from basic level skills to Level 2 and Level 3 Microsoft courses.
- 1.34 Table 4 below illustrates the range of provision across key subject sector areas.

Table 4

| Enrolments by subject sector area | Number | % of Overall enrolments |
|---|--------|-------------------------|
| 01 - Health, Public Services and Care | 2,245 | 16% |
| 02 - Science and Mathematics | 333 | 2% |
| 04 - Engineering and Manufacturing Technologies | 546 | 4% |
| 05 - Construction, Planning and the Built Environment | 285 | 2% |
| 06 - Information and Communication Technology | 1,203 | 9% |
| 07 - Retail and Commercial Enterprise | 829 | 6% |
| 13 - Education & Training | 162 | 1% |
| 14 - Preparation for Life and Work | 6,535 | 46% |
| 15 - Business, Administration and Law | 365 | 3% |

- 1.35 Subject sector area (SSA) 14 – Preparation for Life and Work accounts for 46% of all enrolment opportunities. This provision includes all English for Speakers of other Languages (ESOL), English, maths and basic digital skills as well as routeways back to employment in vocational areas such as health and social care, hospitality, warehousing and construction.

Statutory Entitlements

- 1.36 The AEB provides free statutory entitlements which include digital, maths, English and English for Speakers of other Languages (ESOL). Grant funded providers which include Further Education (FE) Colleges and Local Authority providers deliver a significant proportion of this entitlement for the NTCA.
- 1.37 Analysis of the delivery data to February reveals that **1295 residents are enrolled in maths and English provision** with 481 undertaking GCSE's in these subjects which is often an essential entry qualification for apprenticeships and employment.

- 1.38 **Over 3400 enrolment opportunities are in ESOL.** Providers report that learners whose first language is not English have been severely impacted by the COVID-19 crisis and are increasingly marginalised by lack of digital skills to access information and support. Digital skills sitting alongside language skills have been prioritised for these learners with many now able to access some learning on-line.
- 1.39 First Full Level 2 and Level 3 qualifications for young people aged between 19 and 24 are also part of the statutory entitlement. The qualifications in this entitlement are highly valued by employers and provide specialist skills in our key sectors. Colleges have engaged over 500 young people in this provision in the first half of the academic year.
- 1.40 Table 5 illustrates enrolments in statutory entitlement

Table 5

| Statutory Entitlements | Number of enrolments |
|--------------------------|----------------------|
| English | 391 |
| Maths | 423 |
| ESOL | 3447 |
| Digital Entitlement | 301 |
| Full Level 2 Entitlement | 331 |
| Full Level 3 Entitlement | 186 |
| Total | 5079 |

Profile of residents engaged in AEB

- 1.41 Key priorities set out in the NTCA Strategic Skills Plan 2021-23 include supporting residents of all ages, including those in work, to develop their skills to progress into better jobs and increase their earnings. We also aim to extend the reach of learning opportunities to a broader range of underrepresented groups.
- 1.42 Analysis of the profile of residents engaged in enrolment opportunities during the first half of the academic year suggests that the investment from the devolved AEB is responding to these priorities.

Table 6 illustrates the profile of residents engaged in AEB in terms of gender, ethnicity and learning difficulty/disability (LLDD) as a proportion of overall enrolments.

Table 6

| Resident profile | Number | % of overall enrolments |
|---|--------|-------------------------|
| Male | 5749 | 41% |
| Female | 8347 | 59% |
| BAME | 6587 | 47% |
| Self-declared learning disability/difficulty (LLDD) | 2386 | 17% |

- 1.43 Of the 14,096 enrolment opportunities delivered or being undertaken through the devolved AEB 8347 (59%) are undertaken by women, **5191 (62%) of female enrolments are unemployed.** The impact of the COVID-19 crisis has disproportionately affected women who tend to be lower level earners and employed in sectors that have been most vulnerable to the pandemic.

- 1.44 AEB provision is supporting women who are out of work and/or returning to work with a range of provision both informal to build confidence and maximise transferable skills and formal learning opportunities leading to qualifications and skills most valued by NTCA employers.
- 1.45 The crisis has also put many elements of our workforce at centre stage such as those who provide essential services including health and social care, transport distribution and food production. It has also exposed poor pay and insecurity of many workers in these essential services.
- 1.46 Devolved AEB has enabled NTCA to offer a low wage flexibility for residents who earn less than the 'real' living wage. This provides full funding for employed residents who are on a low wage and may not have engaged in learning due to course fees being unaffordable. Over 1000 enrolment opportunities undertaken by the employed are eligible for the low wage flexibility. 72% of these enrolments are undertaken by women.
- 1.47 The pandemic has impacted all communities across our region, not least those from a BAME background who have been unduly affected by the virus in terms of transmission and health. AEB is supporting **over 6500 enrolment opportunities undertaken by our BAME community**. AEB provision delivers digital inclusion to our BAME residents to ensure they have access to information and support as well as formal language skills to enable progression to employment and/or further education.
- 1.48 Research also suggests that people with disabilities have also been among the hardest hit during the COVID-19 crisis and this looks set to worsen. With some support systems unavailable, people with disabilities have faced multiple barriers in finding employment, education or training.
- 1.49 **Over 2300 (17%) of AEB enrolment opportunities are accessed by residents who have self-declared a learning difficult/disability**. An in-depth analysis into this data at the end of the academic year will be conducted to identify any achievement or outcomes gaps amongst these cohorts to ensure that AEB provision for these residents is accessible and inclusive.
- 1.50 It is well documented that the COVID-19 crisis is disproportionately affecting our young people and supporting this age range to gain the skills needed to progress into employment is a priority for the AEB. In the first half of this academic year over 2400 (17%) of enrolments are aged 19-24 with many of these young people getting vital employability support as well as full level 2 and level 3 qualifications.
- 1.51 Table 7 illustrates the age profile of residents undertaking enrolment opportunities in the first half of the AY.

Table 7

| Age Profile | | % |
|-------------|-------|-----|
| 19-24 | 2415 | 17% |
| 25-30 | 2239 | 16% |
| 31-49 | 6569 | 47% |
| 50- 64 | 2175 | 15% |
| 65+ | 698 | 5% |
| Total | 14096 | |

Outcomes for residents undertaking AEB provision

- 1.52 Complete destination and outcome data for AEB delivery will be available at the end of the AY. Table 8 below illustrates outcomes in terms of completions and achievements of learning aims to 31 January 2021.

Table 8

| Outcomes (Learning aims completed to 31 st Jan 2021) | Number | % |
|---|--------|-----|
| Completed learning aim | 6382 | 45% |
| Achieved learning aim | 5520 | 86% |

- 1.53 We recognise that the AEB is an important contribution to NTCA’s inclusive economy and will play a major role in supporting recovery. Provider performance in the first half of this academic year is mainly positive, however we are mindful that further disruption from the crisis and the timing of when lockdown and social distancing restrictions end may impact on delivery and learner engagement going forward.

Next Steps

- 1.54 In recognition of the unprecedented impact on AEB delivery that COVID-19 restrictions have had during this AY we want to ensure a stable financial footing for the NTCA’s provider base going into the next funding year, whilst also ensuring the appropriate use of public funds.
- 1.55 NTCA are exploring a number of options for consideration in relation to the management of funding allocations for the remainder of this year and for AY 2021-22.
- 1.56 In line with the scheme of delegation in place for the devolved AEB, a Delegated Decision report will be submitted setting out the options available, with associated risks and mitigations. The report will present a proposed approach for approval by Head of Paid Service in consultation with the Cabinet member for Employability and Inclusion.
- 1.57 NTCA have received confirmation from the DfE of the devolved NTCA AEB allocation for AY 2021-2022. The devolved AEB for the period 1 August 2021 to 31 July 2022, will be £23,551,493. The allocation has increased on AY 2020-2021 by £406,526; this increase is due to an Education and Skills Funding Agency (ESFA) transfer of funds from national providers delivering in the NTCA devolved area and an uplift of funding for qualifications delivered as part of the 19-23-year-old full Level 3 entitlement. Funding for sector-based work academies and High Value Courses will not continue into AY 2021-2022.
- 1.58 Allocations of AY 2021-2022 funding to providers will be set out in the proposed options included in the delegated decision report outlined in paragraph 1.56.
- 1.59 NTCA have also received confirmation of ‘delegated’ funding for the delivery of the Lifetime Skills Guarantee announced by the Prime Minister and Secretary of State for Education in September 2020. This Level 3 Adult Offer is for adults without an A-Level or equivalent Level 3 qualification who will be offered a free, Level 3 fully-funded college course – providing them with skills valued by employers, and the opportunity to study at a time and location that suits them.
- 1.60 DfE have confirmed NTCA’s Level 3 Adult Offer funding allocation for the period 1 April 2021 to 31 July 2020 (against the AY 2020-21) and for the period 1 August 2021 to 31 July 2022 (the full AY 2021/22). Table 9 illustrates NTCA’s Level 3 Adult Offer funding for the two periods.

Table 9

| Funding period | Allocation |
|--------------------------|------------|
| 01/04/2021 to 31/07/2021 | £409,894 |
| 01/08/2021 to 31/07/2022 | £1,641,588 |

- 1.61 NTCA are proposing a phased approach to the allocation of funding for the Level 3 Adult Offer. This approach will be submitted for approval through the scheme of delegation for delivery to commence from 1 April 2021 onwards.

NTCA Strategic Skills Plan 2021-23

- 1.62 This report also introduces an updated Strategic Skills Plan for 2021-2023 which is included in Appendix A.
- 1.63 The plan sets out NTCA's ambitious programme for skills development. It highlights strengths, opportunities and challenges across our region and sets out the NTCA key priorities to ensure our residents have the skills to get a good job, progress in work and that employers have people with the right skills they need to support a strong and inclusive local economy.
- 1.64 The plan builds on the AEB Strategic Skills Plan published in 2019 which set out the key priorities for the devolved AEB. The pace of change since its launch has been significant across many areas, making it timely to refresh this document and align the devolved AEB to the wider skills interventions that are needed in our region.
- 1.65 The aim of this plan is to provide an overview of the high-level skills interventions required to support an inclusive economy, and which are likely to have the greatest impact in terms of addressing skills deficits and supporting economic growth.
- 1.66 NTCA's Strategic Skills Plan 2021-23 is designed to provide a clear direction of travel to skills commissioners, our provider networks and employers. It will influence local skills provision and curriculum design and become a vital tool in setting priorities, allocating resources and potential funding.
- 1.67 The refreshed Strategic Skills Plan builds on key priorities set out in the NTCA's Post-COVID Economy Plan alongside the wider North East Recovery and Renewal Plan and will play a key role in shaping the region's economic recovery.
- 1.68 The plan also supports the North East Transport and Connectivity Plan – recognising that connectivity (including digital connectivity) plays a crucial role in enabling economic growth by facilitating trade and investment, movement of goods and services and sustaining jobs and training opportunities for our residents.
- 1.69 The Cabinet is recommended to note the content of the updated Strategic Skills Plan for 2021-2023 and endorse the launch of the document from 1 April 2021.

2. Potential Impact on Objectives

- 2.1 The devolved AEB supports the NTCA objective to empower our people with the skills and resources they need to take ownership of their futures and secure good jobs with fair wages. We want everyone to have the opportunity to thrive, with access to good employment and progression. Supporting the availability of good quality, well paid work, whilst providing the right support for people to access these jobs and further training, is crucial to our economic and social success.

3. Key Risks

- 3.1 AEB Devolution features as a strategic risk on the NTCA Strategic Risk Register. In addition, at a project level, appropriate risk management processes are in place to identify and mitigate risks, with escalation requirements embedded.

4. Financial and Other Resources Implications

- 4.1 Table 7 illustrates the total AEB funding allocations for academic year (AY) 2020-21. This includes the additional allocation received from DfE in August 2020 for High Value Courses (HVC) and Sector based work academy programmes (SWAP).

Table 7

| | |
|--|--------------------|
| NTCA AEB allocations AY 2020-21 | |
| AEB devolved from DfE to NTCA for 2020-21 | £23,144,967 |
| Additional AEB allocation devolved from DfE to NTCA for HVC and SWAP 2020-21 | £959,064 |
| Total Allocation 2020-21 | £24,104,031 |
| 3% Administration costs | £723,121 |
| AEB allocations to Grant providers | £15,505,134 |
| Additional AEB allocations to Grant providers - High Value Courses | £419,932 |
| Additional AEB allocations to Grant providers - SWAP | £476,006 |
| AEB allocations to Contract for Services in Lot 1 Unemployed | £2,235,363 |
| AEB allocations to Contract for Services in Lot 2 Employed | £3,500,109 |
| AEB allocations to Contract for Services in Lot 3 Innovation | £875,544 |
| Additional AEB allocation to Contract for Service in Lot 3 Innovation | £346,190 |
| Total devolved AEB allocated 2020-21 | £24,081,399 |
| | |
| | |
| Amount remaining | £22,632 |

- 4.2 NTCA will retain the remaining £22,632 of the budget at this stage and will plan to distribute this funding later in the AY 2020-21 if demand exists. Otherwise it will be carried into AY 2021-22.
- 4.3 DfE have confirmed that NTCA's devolved AEB allocation for AY 2021-2022 will be £23,551,493.
- 4.4 NTCA will receive additional 'delegated' funding from DfE to deliver the Level 3 Adult Offer of the Lifetime Skills Guarantee. The delegated allocation to cover the period 1/4/2021-31/7/2021 will be £409,894. The delegated allocation to cover the full AY 1/8/2021-31/7/2022 will be £1,641,588.
- 4.5 NTCA are exploring a number of options for consideration in relation to the management of funding allocations for the remainder of this AY year and for AY 2021-22. In line with the scheme of delegation in place for AEB, a Delegated Decision report will be submitted with a proposed approach.

5. Legal Implications

- 5.1 The grant funding process in relation to the devolved AEB has been undertaken in accordance with all relevant legal requirements. A robust set of funding terms and conditions have been developed to protect NTCA's position.
- 5.2 Procurement processes for Contracts for Service have been undertaken pursuant to the NTCA Order and Constitution and the Public Contracts Regulations 2015. In accordance with those legal requirements, contract for service awards have been based on the most economically advantageous tender.
- 5.3 The Interim Monitoring Officer's representative has advised throughout these processes (both procurement and grant funding) and attends the AEB Operational Steering Group on a weekly basis. There are no negative legal implications associated with either process.

6. Equalities Implications

- 6.1 As required by Section 149 of the Equality Act 2010, the NTCA has considered its obligations regarding the Public Sector Equality Duty and there will be no anticipated negative impact on groups with protected characteristics from these proposals.

6.2 Each organisation the NTCA will contract with will be required by law to meet all relevant requirements in the workplace in respect of equalities. Through the Due Diligence process, we have sought assurance from each provider that they have appropriate policies in place which protect and champion equality within their service.

6.3 In addition, we will encourage all companies we work with to be mindful of our commitment to equalities and direct them to guidance provided by the Equalities and Human Rights Commission. <https://www.equalityhumanrights.com/en/advice-and-guidance/guidance-businesses>.

7. Inclusive Economy Implications

7.1 The NTCA believe the approach taken will positively contribute to creating a more inclusive economy in the North of Tyne with specific positive impact on addressing inequalities in skills and qualifications across the area.

7.2 The AEB is being used to better equip residents with low or no qualifications in the North of Tyne with the skills required to participate in our key recovery and growth sectors. The alignment of provision towards the North of Tyne growth sectors will better meet the needs of our businesses and in turn provide residents with clearer opportunities to contribute to and benefit from economic growth now and in the future.

7.3 The NTCA will continue to monitor the impact of the AEB on the inclusive economy aspirations as part of all performance management processes.

7.4 In due course, all providers will be invited to commit to the NTCA Good Work Pledge to advance their contributions as employers to the NTCA's inclusive economy aspirations.

8. Climate Change Implications

8.1 The NTCA has considered the implications relating to climate change in decisions regarding allocation of the AEB and believe there will be no negative impact as a result.

8.2 All providers are required to provide assurance that they have an environmental and sustainability policy.

8.3 In all procurement exercises, applicants were appraised on their commitments to climate change as part of Social Value. Where specific commitments have been made in relation to climate change, the NTCA will monitor compliance through performance management processes.

8.4 With the impact of COVID-19, early indication shows the provider base in the NTCA area have significantly increased the use of online learning as a means of delivery. Although no measurements are in place, the NTCA understand this will likely reduce carbon emissions associated with staff and learner travel.

9. Consultation and Engagement

9.1 NTCA have been in continual communication with NTCA Grant and Contracted providers to ascertain the impact of the COVID-19 crisis on their current delivery and gather intelligence on what additional provision could be made available through the AEB provider base to support recovery.

9.2 NTCA officers maintain regular contact with relevant stakeholders including the North East Local Enterprise Partnership, Skills Providers, the Department for Work and Pensions (DWP), the Department for Education (DfE) and Employers. This supports co-ordination of vacancy opportunities and skills development.

9.3 NTCA AEB officers attend regular meetings with DfE, the ESFA and other Mayoral Combined Authorities (MCAs) to share information and best practice.

9.4 NTCA will continue to work collaboratively with national strategic partners and local stakeholders to align the devolved AEB with other funding streams and activity to ensure it complements, rather than duplicates the wider learning experiences and opportunities aimed at supporting our residents to progress in learning and to move towards or into productive and sustained employment.

10. Appendices

Appendix A – NTCA Strategic Skills Plan 2021-23

11. Background Papers

AEB Strategic Skills Plan

AEB Cabinet papers 24 April 2019, 4 June 2019, 30 July 2019, 22 October 2019, 25 February 2020, 28 July 2020 and 29 September 2020

AEB Delegated Decision Report March 2020

AEB Delegated Decision Report June 2020

AEB Delegated Decision Report December 2020

AEB Delegated Decision Report January 2021

AEB Delegated Decision Report February 2021

12. Contact Officers

Leigh Mills, Head of Inclusive Growth, leigh.mills@northoftyne-ca.gov.uk 07855 100179

Michelle Stone, AEB Policy and Data Officer michelle.stone@northoftyne-ca.gov.uk 07813 766998

13. Glossary

| | |
|------|---|
| AEB | Adult Education Budget |
| AY | Academic Year |
| BAME | Black, Asian and Minority Ethnic |
| LLDD | Learners with learning difficulties or disabilities |
| DfE | Department for Education |
| DWP | Department for Work and Pensions |
| ESFA | Education and Skills Funding Agency |
| ESOL | English for Speakers of other Languages |
| HVC | High Value Courses |
| JCP | Job Centre Plus |
| MCA | Mayoral Combined Authority |
| NEET | Not in Education, Employment or Training |
| NTCA | North of Tyne Combined Authority |
| SSA | Subject Sector Area |
| SWAP | Sector based work academy programme |

OPPORTUNITY FOR ALL



**North of Tyne Strategic
Skills Plan 2021–2023**



CONTENTS



| | | | |
|---|-----------|--|-----------|
| Foreword | 3 | Deprivation and adult skills | 25 |
| Section 1: Background | 4 | Low pay | 26 |
| Section 2: Our skills priorities 2021 – 2023 | 5 | In-work poverty | 26 |
| Section 3: Our area | 6 | Section 11: Our response – enabling rapid skills and job transition | 27 |
| Section 4: An inclusive economy | 4 | NTCA impact | 27 |
| Section 5: Our recovery and growth sectors | 8 | Good Work Pledge | 28 |
| A fast-growing tech and digital sector | 8 | Youth Employment Partnership | 28 |
| Green growth and energy | 8 | Section 12: Supporting national policy for recovery | 29 |
| Culture, creative and tourism | 9 | Additional AEB investment | 29 |
| Finance and professional business services | 9 | Kickstart | 29 |
| Health, pharmaceuticals and life science | 9 | The Skills Toolkit | 30 |
| Ageing and longevity | 9 | Lifetime Skills Guarantee | 30 |
| Section 6: Sectors in the wider economy | 11 | Digital Bootcamps | 30 |
| Section 7: Digital skills and inclusion | 12 | Section 13: The adult education budget (AEB) overview | 31 |
| Digital growth and innovation programme | 12 | Section 14: AEB strategic approach | 33 |
| The essential digital skills entitlement | 12 | Maintaining stability | 33 |
| Section 8: A green economy | 13 | Strengthening collaboration | 33 |
| A just and inclusive low carbon transition | 14 | Community learning | 33 |
| Section 9: The economic context | 15 | Subcontracting | 33 |
| Impact of COVID-19 | 16 | Online learning | 34 |
| Employment rate | 17 | Section 15: AEB commissioning principles | 35 |
| Unemployment rate | 18 | Section 16: The wider skills system | 36 |
| Claimant count | 19 | Apprenticeships | 36 |
| Economic inactivity | 20 | Traineeships | 36 |
| Section 10: The longer-term economic challenge | 21 | T Levels | 37 |
| Skills supply | 21 | Further Education Reform | 37 |
| Skills shortages | 22 | Section 17: Next steps | 38 |
| Skills demand | 23 | | |
| Demand for digital skills | 24 | | |
| Deprivation | 24 | | |

FOREWORD



Our vision is of a dynamic and more inclusive economy, one that brings together people and opportunities to create vibrant communities and a high quality of life, narrowing inequalities and ensuring that all residents have a stake in our region's future.

To support the North of Tyne Combined Authority's (NTCA's) vision, our region requires a skills infrastructure that is fully aware of, and responsive to, the sectors that have labour and skills shortages. It also needs to take into consideration planned economic growth, both now and in the future. To achieve an economy that works for all, we must focus on engaging and upskilling our residents, including those furthest from the labour market, by providing specialist and intensive support to overcome often multiple and complex barriers to employment.

Our region has many challenges to overcome. The Covid-19 pandemic has led to an economic shock that is unprecedented in its size and speed and we are starting to see the economic effects of the crisis escalate. The pandemic has made existing high youth unemployment and high adult worklessness more acute in our region; 97% of our businesses have been impacted and a significant proportion of our residents are reliant on employment in the sectors most affected, such as retail, culture, leisure and tourism.

It is too early to be able to accurately predict the ultimate impact but the need to ensure our residents have the right skills to get a good job and progress in work, and employers have access to an adaptable, resilient and skilled local workforce, has never been greater.

The skills system has a key role to play in meeting the region's economic and social challenges. Developments such as the UK's withdrawal from the European Union, rapid technological change and population ageing all demand a prompt and effective response.

Driving up the skills capacity of the local population is linked to a more flexible and productive workforce which in turn is a key driver of productivity improvements. For our people, it can lead to better employment opportunities, improved pay prospects and a better quality of life. For business, it means success with improved productivity, innovative practices and quality products. For the region, it represents sustained future prosperity.

This Strategic Skills Plan is closely aligned to the North East Recovery and Renewal Plan.¹ We recognise that effective skills interventions have a key role to play in ensuring our residents and businesses are best equipped to deal with today's competitive jobs market and the challenges yet to come. Ultimately, it's about investing in our residents as our greatest asset and so securing a fairer future for all generations across the region.

¹ <https://www.northeastlep.co.uk/wp-content/uploads/2020/10/northeast-recovery-and-renewal-deal-for-publication.pdf>

SECTION 1: BACKGROUND



This Strategic Skills Plan sets out our ambitious programme for skills development in the region. It highlights strengths, opportunities and challenges and sets out our key priorities to ensure our people have the skills to get a good job, progress in work and that employers have people with the right skills they need to support a strong and inclusive local economy.

The plan builds on the Adult Education Budget (AEB) Strategic Skills Plan published in 2019 which set out the key priorities for the devolved AEB. The pace of change since its launch has been significant across many areas, making it timely to refresh this document and align the devolved AEB to the wider skills interventions that are needed.

The aim of this plan is to provide an overview of the high-level skills interventions required to support our inclusive economy, and which are likely to have the greatest impact in terms of addressing skills deficits and supporting growth.

NTCA's Strategic Skills Plan will:

- Provide a clear direction of travel to skills commissioners, our provider networks and employers.
- Influence local skills provision and curriculum design.
- Become a vital tool in setting priorities, allocating resources and potential funding.

Our plan puts skills at the centre of NTCA's economic ambitions. We will build on successful partnership working to ensure our skills system is informed by employers and able to supply high quality employees for the jobs of the future.

We will work collaboratively with national strategic partners and local stakeholders to align our skills investments with other funding streams and activity. This will ensure we complement, rather than duplicate, the wider learning experiences and opportunities that support our residents to progress in learning and to move towards or into productive and sustained employment.

This refreshed Strategic Skills Plan builds on key priorities set out in the NTCA's Post-Covid Economy Plan alongside the wider North East Recovery and Renewal Plan and will play a key role in the region's economic recovery.

The plan also supports the North East Transport and Connectivity Plan. We recognise that connectivity (including digital connectivity) plays a crucial role in enabling economic growth by facilitating trade and investment, movement of goods and services and sustaining jobs and training opportunities for our residents.

SECTION 2: OUR SKILLS PRIORITIES 2021 – 2023



NTCA's skills priorities support the North of Tyne's Economic Vision. Our headline priorities, actions and measures are summarised in the table below:

| Priority | Key Actions | Measures |
|--|--|--|
| Secure better outcomes for young people | <ul style="list-style-type: none"> • Support multi-agency approaches which ensure young people are fully aware of the careers in demand locally; career paths into those jobs; and their training options • Promote traineeships and apprenticeships among employers and young people • Work with skills providers to increase the range of opportunities for young people to gain skills and qualifications which match labour market demand | <ul style="list-style-type: none"> • NEET rate for 16–24 year olds • Participation in Apprenticeships and Traineeships by 16–24 year olds • Attainment of Level 2 and Level 3 qualifications amongst 19–24 year olds |
| Invest in skills to support the local economy | <ul style="list-style-type: none"> • Promote dialogue and collaboration between providers and employers in the development of skills provision to address skills shortages in our recovery and growth sectors • Work with the provider network to meet the demand for higher level technical skills including digital • Commission activity that supports NTCA residents to gain the skills needed for a changing economy including green skills | <ul style="list-style-type: none"> • Proportion of employers reporting skills gaps and shortages • Proportion of employers reporting hard to fill vacancies • Proportion of working age population with Level 3 and Level 4 qualifications • Participation in provision linked to our recovery and growth sectors and skills for a green economy |
| Help people progress into work | <ul style="list-style-type: none"> • Support our residents of all ages, including those in work, to develop their skills to progress into better jobs and increase their earnings • Extend the reach of learning opportunities to a broader range of underrepresented groups • Support provision to address barriers to employment, including improving attainment in basic English, maths and digital • Continue to promote the benefits of investing in the workforce through the Good Work Pledge | <ul style="list-style-type: none"> • Participation of low wage residents in AEB funded provision • Participation in learning by underrepresented groups • Participation and outcomes from AEB funded English, maths and digital entitlement • Employer engagement with the Good Work Pledge |

SECTION 3: OUR AREA



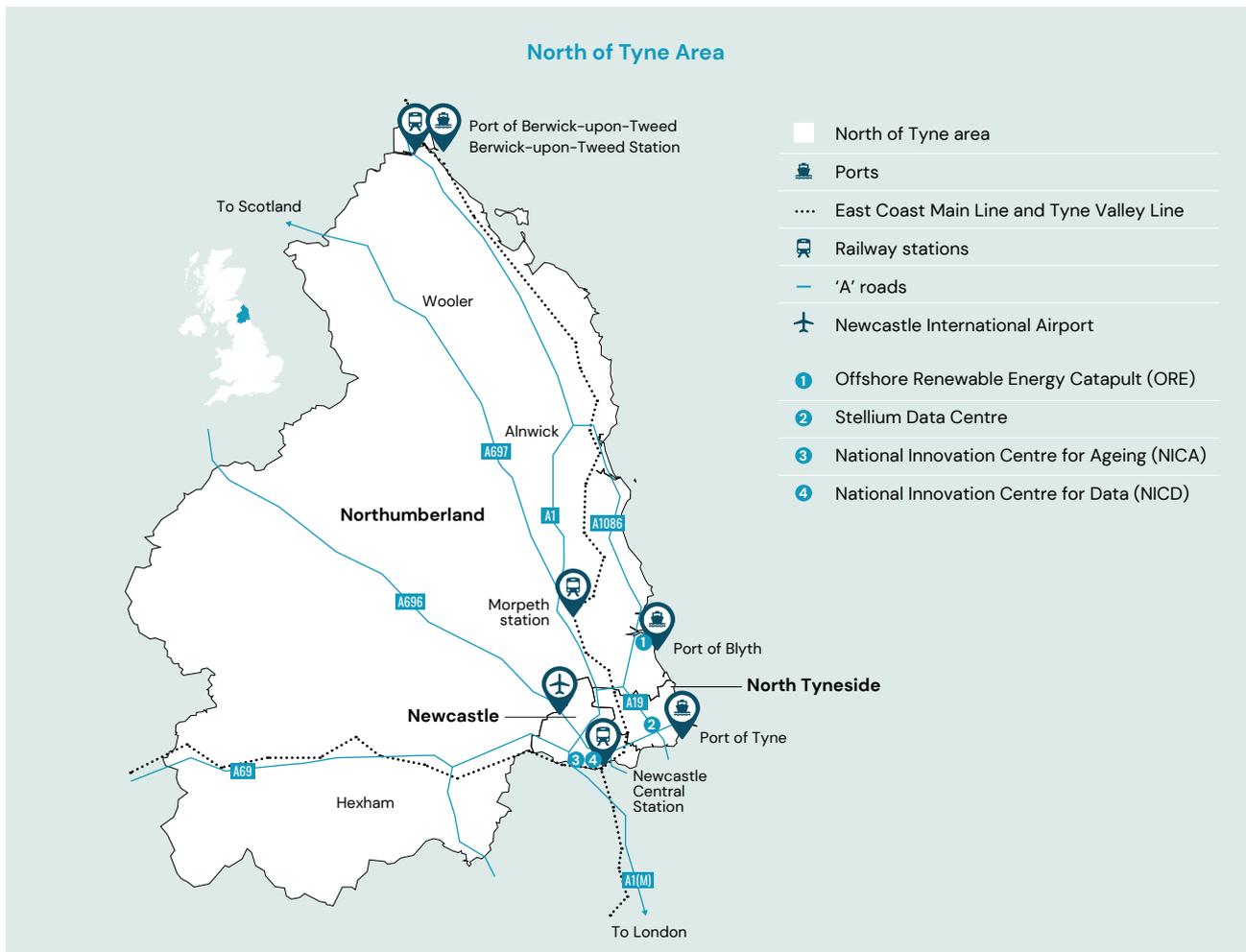
The North of Tyne Combined Authority area begins at the most southerly boundary of Northumberland and continues north to the border with Scotland, and spans from the North Sea on the east coast to the border with Cumbria in the west.

It encompasses Newcastle, North Tyneside and Northumberland Local Authority Districts and includes the city of Newcastle, coastal communities spanning from Tynemouth to Berwick, the market towns of Morpeth, Hexham and Alnwick and many rural communities.

It has a population of 833,200, with 24,000 businesses. 522,700 (63%) of the population are of working age (16-64).²

NTCA has a strong identity based upon a common history and a network of distinctive but interconnected communities. Many bear testament to an illustrious industrial and mining heritage. Even with a transition to a predominantly service-based economy, manufacturing continues to play an important role in employment and defining the ongoing characteristics of communities – particularly along the river Tyne and in south east Northumberland.

The North of Tyne area has great assets in our universities, innovative businesses, international connectivity and rich cultures. It has a strong track record of creating jobs and supporting world-leading businesses. Our unique combination of city, coast and countryside offers a range of great places to live, work and bring up families.



² ONS Annual Population Survey

SECTION 4: AN INCLUSIVE ECONOMY



Our vision is focused on developing an inclusive and dynamic economy and this means becoming the home of ambition and opportunity for all.

We believe in opportunity for everyone, removing the barriers which make it difficult for people to take up employment and training opportunities. We want to empower our people with the skills and resources they need to take ownership of their futures and secure good jobs with fair living wages.

To NTCA this means:

- **Closing the gap on average earnings** – increasing earnings, qualification levels and progression routes for residents is an important issue as an inclusive economy to ensure residents have access to new higher skilled jobs in future.
- **Closing the unemployment gap** – removing the barriers which make it difficult for people to take up employment and training opportunities.
- **Closing the skills and education gap** – making sure our young people have the skills, experience and qualifications to take up quality training and jobs through good schools and colleges.
- **Closing the aspiration and ambition gap** – providing opportunities that enable local people to own their own economic future and all young people to have high aspirations and confidence, with support that allows them to make good choices.



We want to target our resources where they can make a real difference to people's lives as part of our commitment to creating an economy that delivers for everyone and leaves nobody behind.

Cllr Joyce McCarty
Cabinet Member for Employability and Inclusion

SECTION 5: OUR RECOVERY AND GROWTH SECTORS



The region has a comparative advantage and strong potential in a number of sectors. These include a fast-growing tech and digital sector; research and design in low carbon energy and the offshore sector; a strong pharmaceuticals and life sciences sector; major employment in financial and professional business services; and a world-class urban and rural tourism and leisure offer.

NTCA’s recovery and growth sectors have the potential to offer employment opportunities and significant GVA growth. We have an opportunity to plan for this growth and jobs by ensuring the Combined Authority, with skills providers, including colleges and universities, are investing in the right skills provision.

A fast-growing tech and digital sector

Across the region there is evidence of a strong, diverse and inter-connected digital sector that is leading the way in developing and applying new technologies and data analytics capability.

The extent to which individuals, businesses and our economy can reap the benefits of our fast and growing digital sector changes will depend critically on the readiness of the skills system to help people develop and maintain relevant skills over their working careers.

We recognise the importance of baseline digital skills which are becoming a near-universal requirement for employment. However, our skills system also needs to supply high-level specific digital skills including: Software and Programming; Networking Systems; Data Analysis; Digital Marketing; Digital Design; Customer Relationship Management Software; and Machining and Manufacturing Technology.

Specific high-level digital skills are key to unlocking opportunities for job seekers to qualify for the best paying and fastest growing jobs in the region, as well as to address the shortage of digitally skilled workers in our area.

Green growth and energy

The North of Tyne Devolution Deal identifies energy as a sectoral strength, with significant energy technology and low-carbon expertise. In the North of Tyne Vision Statement, sustainable and low carbon futures is identified as an important priority in ensuring pride of place, ensuring the region is an environment where people want to live, work and visit.

NTCA recognises the scale of the challenge to reduce carbon emissions but also the opportunity that the shift to a green economy presents for the North of Tyne area.

New jobs (some of which have yet to be invented) and new green skills are likely to be increasingly required in all sectors. There is, for example, growing demand for skills in the context of the green economy covering retrofitting / energy efficiency; eco/green construction methods; resource efficiency; the low carbon industry; climate resilience; and skills to manage natural assets.

In order to support green growth our skills system must better understand the projected skills requirements of these sectors and ensure the necessary provision is in place to contribute to a just and inclusive low carbon transition.



Culture, creative and tourism

The North of Tyne has a unique city, coast and country offer and boasts key assets in the cultural, creative and tourism sectors.

The Covid-19 crisis has had a significant impact on these sectors due to the sudden and massive loss of income generating opportunities, especially for more fragile businesses. At the same time, the importance of culture, creativity and tourism for society has become even more clear for our mental health and wellbeing.

The reinvigoration of the events and cultural / creative offer is a priority for NTCA. Our environment and heritage are key economic key assets and we recognise the role that the creative industries and the visitor economy play in driving economic growth and job creation across the region.

Investment in skills is crucial to develop more resilient freelancers, businesses and organisations, as well as ensure our residents have access to the many employment opportunities in this sector.

Finance and professional business services

The region has a strong and diverse financial, professional and business services sector. We are home to leading regional companies in law and finance and specialist consultancies supporting key areas of opportunity like offshore energy and construction.

There are opportunities for growth in financial technology, and as a result, high-calibre accounting and finance experts are increasingly sought after to support business growth, address financial instability across multiple sectors, and provide vital in-house functions for businesses.

Skills shortage vacancies (SSVs) in the finance and business services sector are highlighted in the most recent Employer Skills Survey (ESS)³. In the North East Local Enterprise Partnership (LEP) area, the SSV density tells us that the proportion of skills shortage vacancies for this sector in 2019 was 35%. This was an increase of 8 percentage points on the previous survey in 2017.

Our skills system including the Higher Education sector has a crucial role in ensuring there is a pipeline of talent with the high-level technical skills that employers have highlighted as valuable for positions in the finance and professional services sector. These include interim management and project management skills, audit and accounting as well as specialist skills in business partnering, financial reporting and compliance.

Health, pharmaceuticals and life science

The region is uniquely placed by having innovative sectors that are poised for growth, with significant strengths in health, life science, translational medicine, and med-tech R&D capability. We have a unique set of health and care assets with access to world class hospital trusts, a collaborative health and social care system and high-quality adult social care services.

A supply of skilled people is a foundational requirement for innovation in these areas – we not only need ideas and capital, but also the people. Skilled people with deep technical knowledge, those with management expertise and entrepreneurs are all important ingredients for these sectors at every level.

Ageing and longevity

Ageing is now well documented as one of the greatest social and economic challenges of the 21st century. By 2040, the number of people in the UK aged 50 and over is expected to increase by 21%, from 25 million to 30 million⁴. In the North of Tyne more than 270,000 residents, or one in three people living in our area, is aged 55+.

The ageing and longevity economy is growing and transforming society. Instead of fixating on the fiscal costs related to demographic ageing, there is an increased focus on the considerable economic opportunities associated with our growing older population⁵.

The NTCA Devolution Deal identifies innovation assets of national and international importance in the context of the ageing and longevity economy. Our vision is to use our recognised expertise in the dynamics of ageing to improve the experience of ageing across our society and by leading cross sectoral collaboration and innovation, unlock social and economic value from successful positioning of the region as an international leader in ageing well and the ageing economy.

The skills sector is an essential component in unlocking the significant social and economic potential of our ageing and longevity economy. Provision is required to support start-up businesses and entrepreneurs to innovate in order to serve the evolving tastes and consumer preferences of our older generation.

Education and training are required to support our rapidly ageing workforce; people aged 50 and over are working longer than ever before, generating a growing share of earned income. Skills providers can support employers to retain older workers and utilise their extensive experience and talents.

³ <https://www.gov.uk/government/publications/employer-skills-survey-2019-england-results>

⁴ Principal projection - UK population in age groups - Office for National Statistics (ons.gov.uk)

⁵ Maximising the longevity dividend - ILCUK

The skills sector can also help older people to overcome barriers to gaining employment, increasing qualification levels and providing employability support. This includes ensuring our older population is able to adapt to digitalisation in order to benefit from the many employment and social opportunities that digital skills provide.

Whilst our residents are living longer, too many are living more of these years in ill health and health inequalities are widening across our region. Covid-19 has brought these health inequalities into sharp focus and has the potential to deepen them further. The provision of adult learning

to support older people to maintain a sense of personal independence as they age and remain active in their communities will contribute to healthy ageing.

If we can overcome the barriers to older people working and continuing as consumers, we will see substantial economic gains, which will grow over time as the population ages. This would also help to offset projected rises in age-related fiscal costs. To achieve this, we need action to enable healthy ageing, to address the barriers to employment, to support older people's incomes and to encourage businesses to respond.



SECTION 6: SECTORS IN THE WIDER ECONOMY



It is important to consider sectors in the wider economy which are made up of the services, production, consumption and social goods that sustain our daily lives. Core activities in the wider economy include transport, childcare and adult care, health, education, and the sectors of hospitality, retail, food processing and distribution.

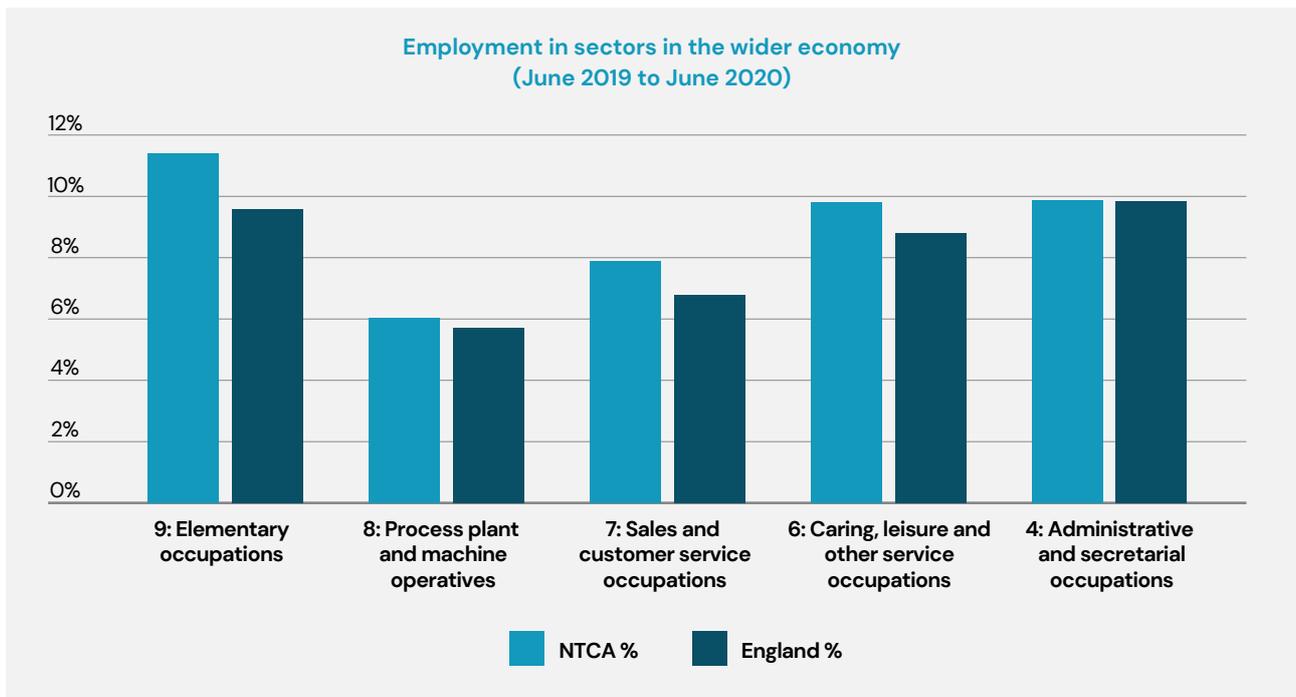
In the 12 months up to June 2020 these sectors employed around 45% of the workforce in NTCA.⁶

The Covid-19 crisis has put many elements of this workforce at centre stage, from those who create the goods and services that people need, to the commitment of health, social care, transport, food and other essential workers to keep working throughout the pandemic.

It also exposed poor pay and the insecurity of many workers in these essential services despite the vital economic value they create.⁷

It is critical that our skills system acts as an enabler of labour market progression for workers in these sectors. Now more than ever, in addition to the specialist skills that are needed for specific occupations, these residents require transferable skills in digital, evaluation and problem solving which are required for most jobs.⁸

This will provide these workers with the flexibility to adapt or specialise in a range of roles, ensure they are prepared for a more 'automated' future, and supported to compete through high skills and innovation rather than low income and undervalued skills.



⁶ ONS Annual Population Survey

⁷ A Better Recovery | TUC

⁸ <https://www.gov.uk/government/publications/employer-skills-survey-2019-2020> results

SECTION 7: DIGITAL SKILLS AND INCLUSION



Digital inclusion is about having access to the internet and the skills and confidence to use the internet safely. Investing in our residents' digital skills will help us to face the future.

Covid-19 exposed our digital divide and exacerbated digital exclusion rather than inclusion. For many of our residents who were staying at home to stay safe, technology became a necessity for keeping in contact with family, working remotely and accessing vital information. However, the least digitally engaged in our region were put at a real disadvantage.

The latest Lloyds Bank Digital Index survey data⁹ for 2020 indicates an estimated nine million people, 16% of the UK population, are unable to use the internet and their device by themselves. At a crucial time when digital can turn isolation into inclusion, the Lloyds Bank report suggests only 7% of over 70s are likely to have the capability to shop and manage their money online.

Digital exclusion also exposes the poverty divide. Often, it is the most vulnerable and disadvantaged who are the most likely to be digitally excluded. Research commissioned by the Good Things Foundation suggests that 23% of children in the poorest families don't have home access to broadband and a laptop, desktop or tablet; 4 in 10 people claiming benefits lack all the essential digital life skills; and the least digitally engaged spend an average of £348 more per year on utility bills¹⁰.

People with disabilities also face barriers in accessing technology. The Lloyds Bank survey suggests people with disabilities are 25% less likely to have the skills to access devices and get online by themselves. This may be due to the cost of everyday devices and the expensive assistive technology some may have to buy to use them. Only 2% of the world's most popular websites meet the legal minimum requirements for accessibility. Therefore, once equipment is purchased and the digital skills are acquired, our residents with disabilities may still be 'designed out' of using digital products and services.

Covid-19 has created a window for change and shown how essential digital skills are to us all. Our residents and

businesses have responded to the crisis with innovation and resilience and got to grips with technology through challenging times.

Our ambition, working with a cross-sector of partners, is to reduce the number of our residents lacking digital competencies. We can fire up our economy by investing in a step change in NTCA's digital capability to secure our recovery and ensure everyone can get back to their best in life and work.

Digital growth and innovation programme

Our innovative digital growth and innovation programme has digital inclusion for our residents and raising overall digital skill levels in the NTCA area at its heart.

This targeted investment from NTCA will play a key role in driving forward a programme that is focussed on productivity improvement, innovation and the protection and creation of jobs.

Overall, the programme will provide a balanced and future oriented strategy for the digital sector here. It will drive improved digital connectivity and the wider adoption of digital technology across society and the economy, and prepare our businesses and communities for the future.

The essential digital skills entitlement

The devolved AEB has provided NTCA with the opportunity to commission over 4000 enrolment opportunities for the delivery of digital skills. This includes the new statutory digital entitlement to enable residents to be fully funded for digital skills, up to and including Level 1.

The devolved AEB is also providing bespoke digital skills to support residents who are currently experiencing major barriers to accessing and engaging online information and advice, and who are at risk of becoming further marginalised during the Covid-19 pandemic.

We will work with providers as this digital entitlement embeds to analyse uptake and ensure it impacts on local skills levels.

⁹ https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/lb-consumer-digital-index-2020-report.pdf
¹⁰ https://www.goodthingsfoundation.org/sites/default/files/blueprint_for_a_digitally-included-uk-0.pdf

SECTION 8: A GREEN ECONOMY



The green economy is defined as one in which value and growth are maximised across the whole economy, while natural assets are managed sustainably.

Such an economy would be supported and enabled by a thriving low carbon and environmental goods and services sector. Environmental damage would be reduced, while energy security, resource efficiency and resilience to climate change would all be increased.

The government's legal commitment to delivering net zero emissions by 2050 and ambitions for a green recovery not only requires policies to drive low carbon economic activity, but also investment in human capital and skills¹¹.

The low carbon economy is predicted to grow four times faster than the rest of the economy over this decade¹² and the transition to this green economy provides a real opportunity for driving the economic recovery from the Covid-19 crisis in the NTCA region.

Sectors will see a change in the profile of skills required and a significant potential to deliver new jobs. Research by the Local Government Association has shown that in the North, where many workers are specialists in power generation, storage and low carbon technology and processes, the wind, nuclear, hydrogen and carbon capture and storage industries could create over 84,000 potential jobs by 2050¹³. There is also huge potential for job creation through the low carbon transition in other sectors of the economy including buildings, energy, manufacturing, transport and ICT.

These jobs will require a diverse range of skills and expertise to support the production and deployment of clean technologies. Some of these jobs could involve installing heat pumps, manufacturing wind turbines, engineers with renewable energy skills and installers of electric vehicle (EV) charge points.

The transition to a green economy requires a workforce with the right skills. This includes not only skills in the low carbon and environmental goods and services sector, but also those needed to help all businesses use natural resources efficiently and sustainably and to be resilient to climate change.

Skills gaps are already recognized as a major bottleneck in a number of these sectors, such as renewable energy, energy and resource efficiency, renovation of buildings, construction, environmental services and manufacturing.

The skills system has a crucial role to play in equipping our workforce with the right skills to build an inclusive and competitive low carbon economy. With the right skills provision and innovation investment, there is an opportunity to reenergise sectors that were already struggling with competitiveness and attracting the right talent, making them more competitive in this challenging economic climate.

¹¹ <https://www.aldersgategroup.org.uk/asset/1702>

¹² Department for Business, Energy & Industrial Strategy (October 2017) Clean Growth Strategy

¹³ Local Government Association (June 2020) Local green jobs – accelerating a sustainable economic recovery

A just and inclusive low carbon transition

NTCA recognises the scale of the challenge to reduce carbon emissions but also the opportunity that the shift to a green economy presents for the North of Tyne area.

The Combined Authority has approved its £9m Green New Deal Fund which will deliver significant carbon reductions, as well as support new industry and jobs in areas where emissions reductions are most needed.

NTCA has also allocated £2m to support green skills as part of NTCA's wider skills for growth programme. This fund will target employers in low carbon sectors to work alongside skills providers to identify the training and support they need to upgrade and utilise their existing skills in the transition to a green economy.

The recent government announcement regarding the 'Lifetime Skills Guarantee' provides NTCA with an opportunity to support Level 3 technical skills that are required to address skills shortages for a green economy. NTCA will work with providers to consider the technical qualifications that will be required in curriculum planning and development.

AEB providers will also be encouraged to develop Sector-based Work Academy Programmes to enhance opportunities for the unemployed to take advantage of the job opportunities that will be created in the transition to a green economy.

Building the recovery from Coronavirus represents a once in a generation challenge. But it is also an opportunity to take the urgent action needed to build a greener and fairer economy in the NTCA area contributing to a 'just low carbon transition'.

A 'just transition' is rapidly emerging as an essential element in the successful transition to a resilient zero-carbon economy. The need for a just transition emerged from the recognition that jobs in carbon intensive sectors may be at risk from the transition to a low carbon economy.

A just and inclusive transition requires a focus on ensuring that actions to tackle climate change also take account of core social priorities, such as distributional effects and the ways in which decisions are made¹⁴. This includes increased opportunities for learning and skills to prepare workers for the transition and provide a clear pathway to new jobs for the unemployed.

¹⁴ https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2020/02/Investing-in-a-just-transition-in-the-UK_policy-brief_8pp-1.pdf

SECTION 9: THE ECONOMIC CONTEXT



The NTCA has a large and diverse economy with many strengths. However, it faces challenges of low productivity and pay, linked to a range of issues, including a deficit of skills which has led to some organisations being less agile and less able to adapt to a changing political, economic and technological climate.

This means that recovery from the Covid-19 crisis begins from a more challenging position than many other parts of the UK. The crisis has already caused major disruption to the local labour market and the effects could prove to be long lasting, with implications for the role of skills interventions.

| Economic strengths | Economic challenges |
|---|---|
| Sectoral strengths: digital; knowledge-based services; manufacturing; and health, life sciences and pharma. | High youth unemployment and high adult worklessness. |
| Leading location for renewable and offshore energy production and supply chain. | Previous labour market recoveries have been slow. |
| World class cultural creative assets and life-work balance. | Rural and coastal reliance on tourism, culture and farming. |
| World class innovation assets and translational R&D in ageing, data, digital construction and rural productivity. | Pockets of deprivation; underperformance in GVA per head. |
| Natural and built assets, with strong, agriculture, tourism and climate innovation. | 29% of workforce was furloughed. |

Impact of Covid-19

Analysis by the Learning and Work Institute (LWI)¹⁵ confirms that the Covid-19 crisis will cause an unprecedented increase in unemployment which risks exacerbating pre-existing economic inequalities.

The economic pain inflicted by Covid-19 will be felt unequally across the UK. LWI notes that the North East has a higher proportion of employment in ‘shutdown sectors’; 36% of people in the North East work in the occupations that were most impacted by the first lockdown in March 2020, compared to just 32% in London.

The impact of the Covid-19 crisis has fallen most severely on individuals with low pay and less job security, affecting disproportionately young people, women and our ethnic minority (BAME) communities. According to analysis by the Institute for Fiscal Studies (IFS)¹⁶:

- Nearly a third of young workers are employed in sectors that were most impacted by the crisis, compared with one in eight of those aged 25 or over.
- Low earners are seven times as likely to have been employed in affected sectors than the highest paid.
- Women are about one third more likely than men to work in these sectors.

The Covid-19 pandemic has impacted all communities across the United Kingdom. However, those from BAME backgrounds have been disproportionately affected by the virus in terms of transmission and health.¹⁷

In the Combined Authority area, skills providers report that BAME residents whose first language is not English are also increasingly marginalised as a result of the crisis by a lack of digital skills to access information and support. Digital skills for residents whose first language is not English are being delivered through the devolved AEB and this essential provision will continue to support digital inclusion for our BAME residents.

The impact in the NTCA so far has been felt by our residents, businesses and places as follows:



¹⁵ <https://www.learningandwork.org.uk/resource/coronavirus-set-to-lead-to-unprecedented-unemployment-shock-and-widening-economic-inequalities/>

¹⁶ <https://www.ifs.org.uk/uploads/BN278-Sector-shutdowns-during-the-coronavirus-crisis.pdf>

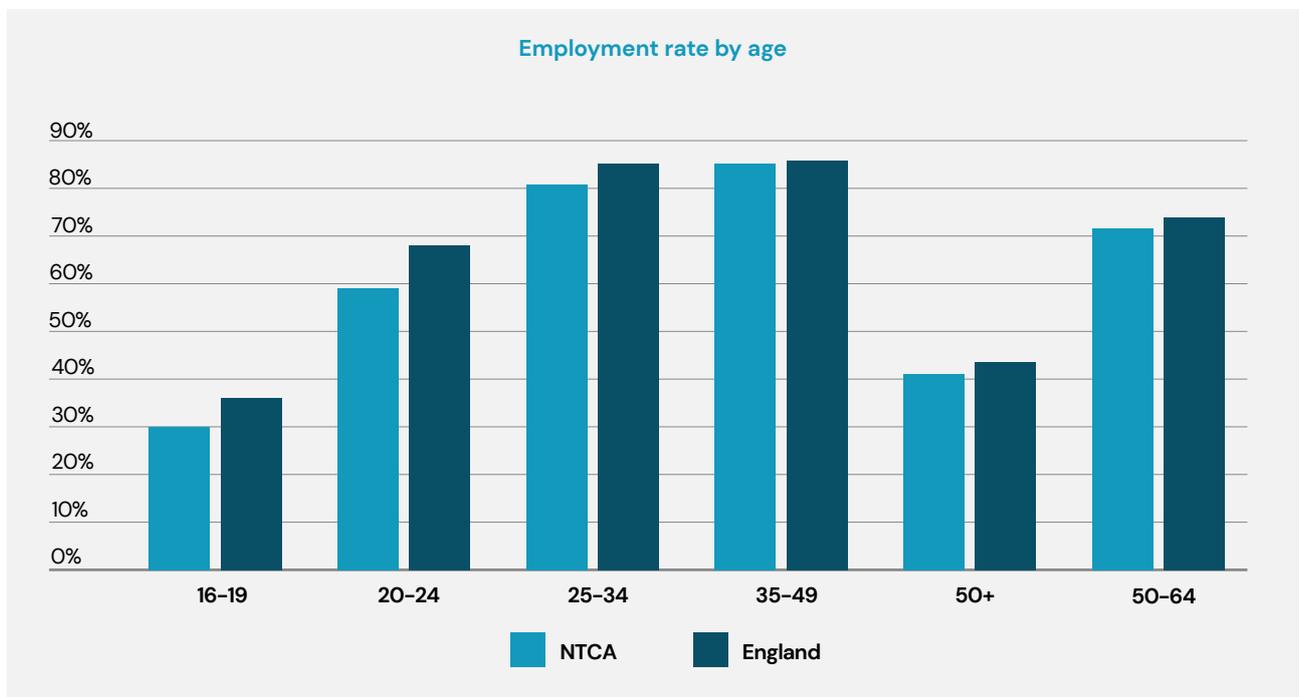
¹⁷ The Impact of COVID-19 on BAME communities in the UK - Curriculum Press (curriculum-press.co.uk)

Employment rate

The NTCA area had lower levels of employment when compared to other regions before the crisis. This suggests the impact of the crisis risks widening regional inequalities and that the government’s efforts to ‘level up’ prosperity across the UK will require a significant boost.

In the 12 months to June 2020, the employment rate stood at 71.3%, 4.9% points lower than for England, with Newcastle having the lowest employment rate of 67.4%.

Employment rates in the North of Tyne are less than England averages across all age groups with just 60% of the population aged 20-24 in employment compared to the England average of 67%.¹⁸



In the 12 months to June 2020 only 50% of our working age residents with disabilities in the NTCA were in employment, compared to 79% of working age residents with no disabilities. This data does not highlight that employment opportunities for residents with disabilities are often low paid and insecure.

The charity Scope suggests that people with disabilities have been among the hardest hit during the Coronavirus crisis and this looks set to worsen. Job centres and libraries have been closed during the pandemic. With some support systems unavailable, people with disabilities have faced multiple barriers in finding employment, education or training.

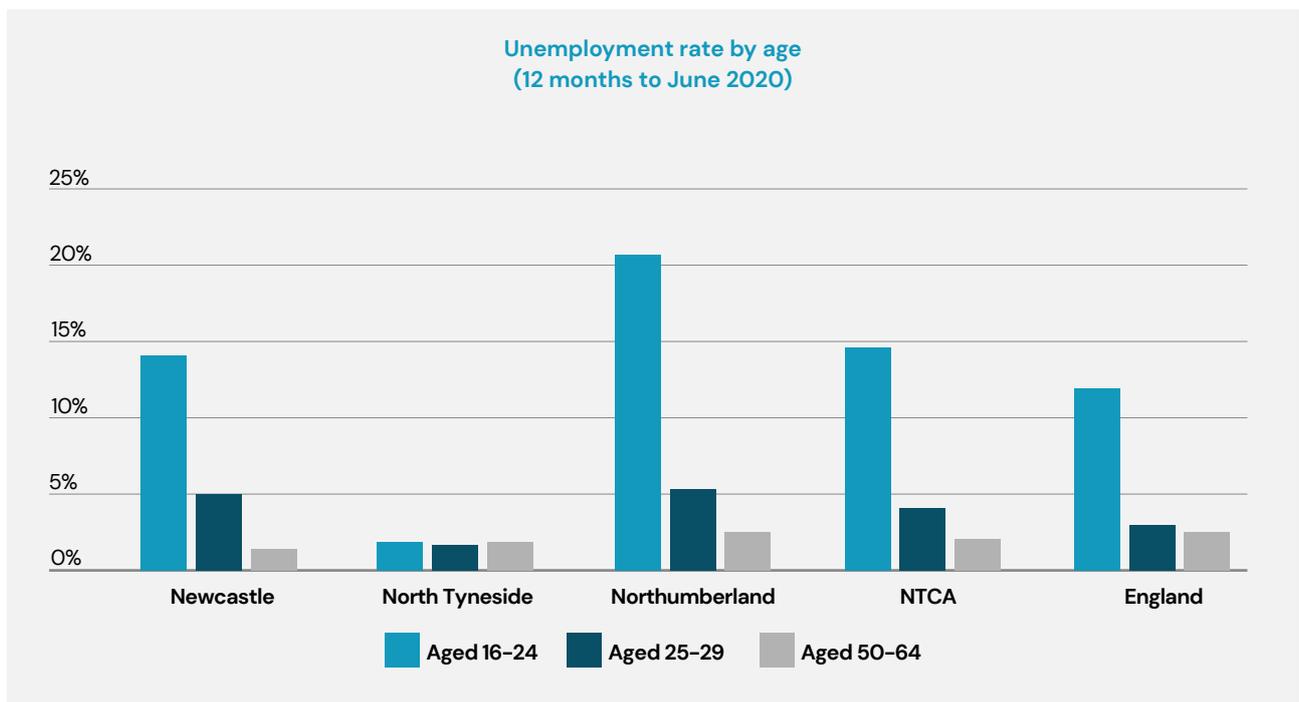
It is essential that our skills system supports all our residents including those with disabilities who face the most disadvantages to learning and work. Our skills programmes need be accessible and inclusive if we are to close the disability employment gap.

¹⁸ ONS Annual Population Survey

Unemployment rate

In the 12 months to June 2020 the unemployment rate in NTCA was **5.1%**, with the North East region having the highest unemployment rate across England at **5.6%**.

Unemployment amongst young people in NTCA is considerably high and **15% of those aged 16-24 were unemployed** in this period compared to 12% in England.

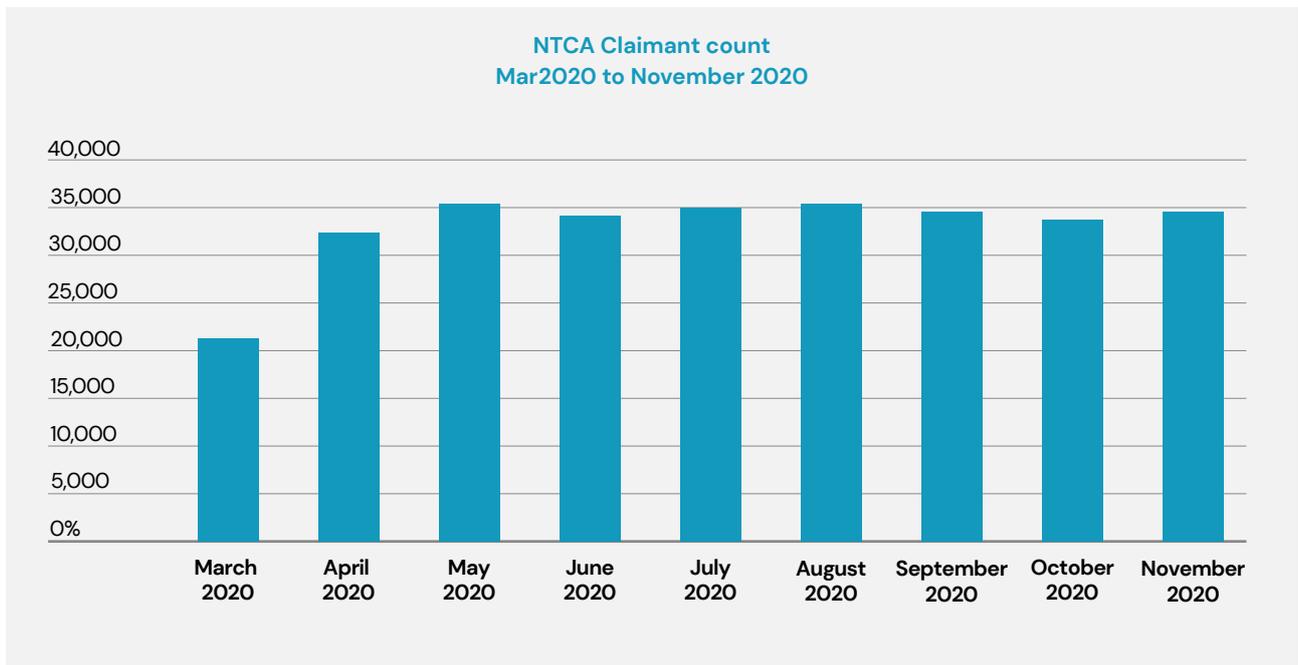


Covid-19 has widened social inequalities in our region. In addition to high unemployment rates among our young people, analysis shows that women are at greater risk of unemployment. This is the same for those with no or low qualifications who are twice as likely to work in sectors most impacted by the crisis, compared to those with a degree level qualification.

Claimant count

The region has already seen a large increase of people claiming unemployment benefits. In the period between March and November 2020 the claimant count increased by 13,910 or 67% to 34,815.¹⁹

The biggest increase took place between March and April as the first restrictions introduced as a result of Covid-19 led to a sharp rise in the number of claims for Universal Credit.



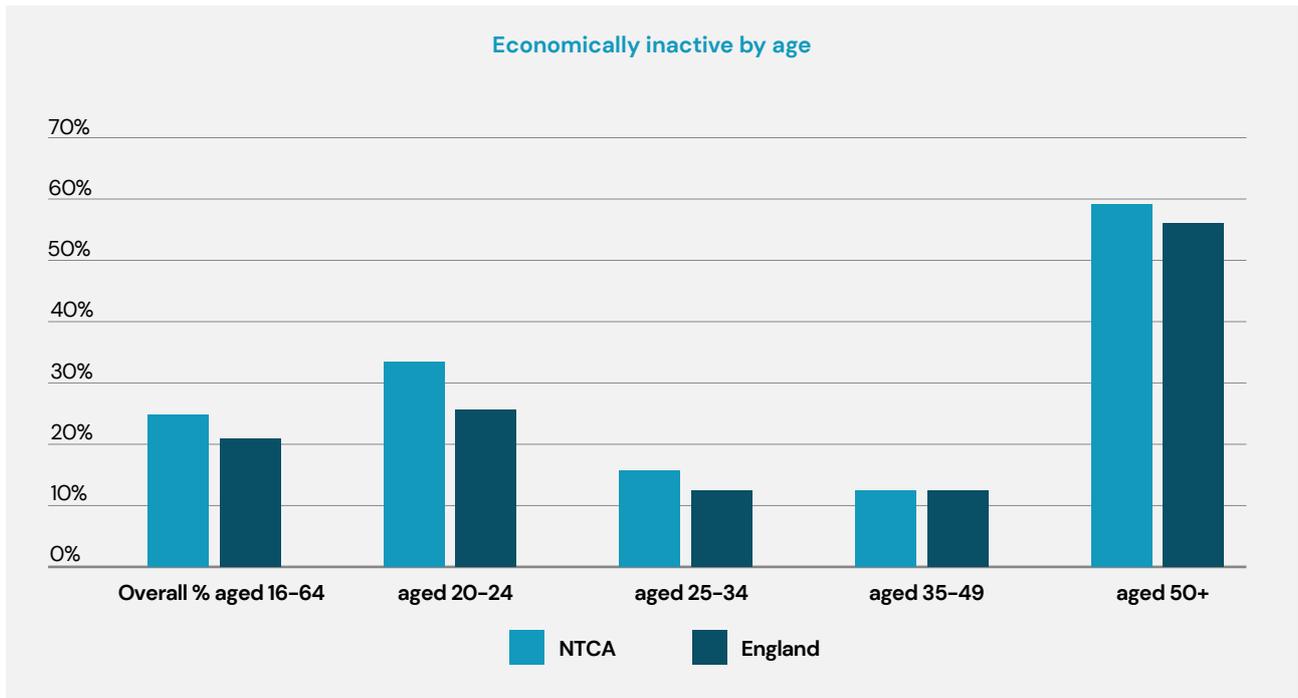
The increase in the number of people claiming unemployment benefit not only reflects the increase in jobless people, but also the large number of people and households whose income has been affected by the crisis.

This has major implications for the focus of skills interventions. Many of the people who have become jobless as a result of the Covid-19 crisis will require support with reskilling in order to get them back into a job.

¹⁹ <https://www.nomisweb.co.uk/reports/lmp/comb/1853882379/report.aspx>

Economic inactivity

Economic inactivity across all age groups in the NTCA area is persistently higher than England rates, particularly in relation to two age groups, with 34% of our 20 to 24 year olds and 59% of over 50s economically inactive.



The Centre for Aging²⁰ suggests that the over 50 age group experiences an ‘unemployment trap’ – meaning they are more likely to be out of work than younger age groups, and once unemployed they struggle more than younger jobseekers to get back into employment.

The report shows that people aged over 50 face a complex range of challenges in returning to work. These include poor health and long-term conditions, caring responsibilities, a lack of suitable and accessible employment opportunities and perceived age bias. This highlights the need to do more to address the many barriers our residents aged over 50 face in returning to work.

Employability and skills support must be tailored to an individual’s own circumstances and respond to the particular barriers that they experience in their local area.

A significant number of all those economically inactive in the NTCA region want a job (28,000, 23%). Understanding the reasons why these residents are not accessing employment is fundamental. We need a much better joined up approach at local level, with employment, skills, health and other forms of support all linked together to provide services that support these residents back to work.

Tapping into the potential of the economically inactive who want to work would bring large gains to NTCA’s economy, not only in terms of productivity and addressing skills shortages but in terms of improving individual wellbeing, reducing inequalities and creating a more inclusive society.

²⁰ Millions of unemployed over 50s struggle more than young people for jobs - Workplace Insight

SECTION 10: THE LONGER-TERM ECONOMIC CHALLENGE

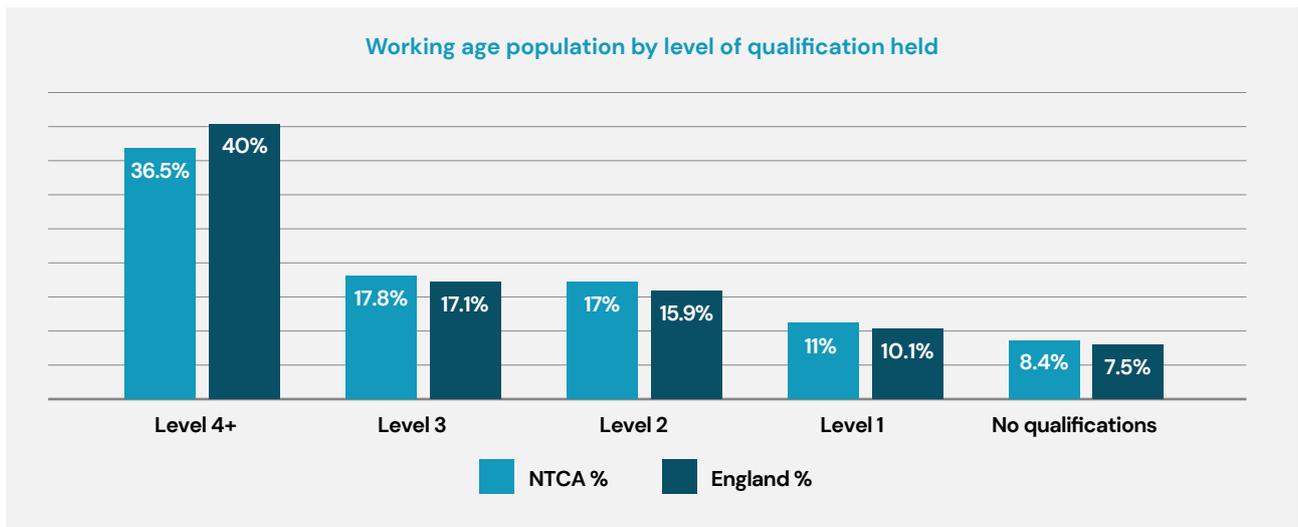


Longer-term, underlying economic challenges post Covid-19 remain important and the skills sector has a key role to play. For example, in meeting demand from employers, supporting progression to the growing number of higher skilled jobs, tackling persistent skill shortages, and ensuring that we are meeting the increasing demand for digital skills.

Skills supply

There are a range of supply side issues that are particularly pertinent to the skills sector. Firstly, there is a significant over-representation of people with low or no qualifications in the NTCA area who are disadvantaged in the labour market.

Over 98,000 people, 19% of the working age population, have qualifications below Level 2.



Alongside this, the region has large numbers of adults who lack basic literacy and numeracy skills. Figures taken from the government’s 2011 Skills Survey illustrate that 17% of the working age population were at Entry 3 or below for literacy skills compared to 12% nationally. For numeracy skills, 31% of the working age population were at Entry 2 or below compared to 24% nationally.

This means that these adults may not be able to understand price labels on pre-packaged food or pay household bills. There is also a direct correlation between low numeracy levels and socioeconomic inequality, with people earning less than £10,000 per year being four times more likely to have inadequate levels of numeracy²¹.

More recent data on literacy and numeracy skills deficits in our region can be found in the latest Employer Skills Survey²². Workplaces with basic skills gaps amongst their employees report a range of costs to their business with efficiency related costs being most common. Employers with basic skills gaps reported an increase in the number of errors made by staff, a constraint on the introduction of new and/or more efficient processes, and/or a reduction in product or output quality.

²¹ 5 million adults lack basic literacy and numeracy skills | JRF

²² <https://www.gov.uk/government/publications/employer-skills-survey-2019-ongoing-results>

Skills shortages

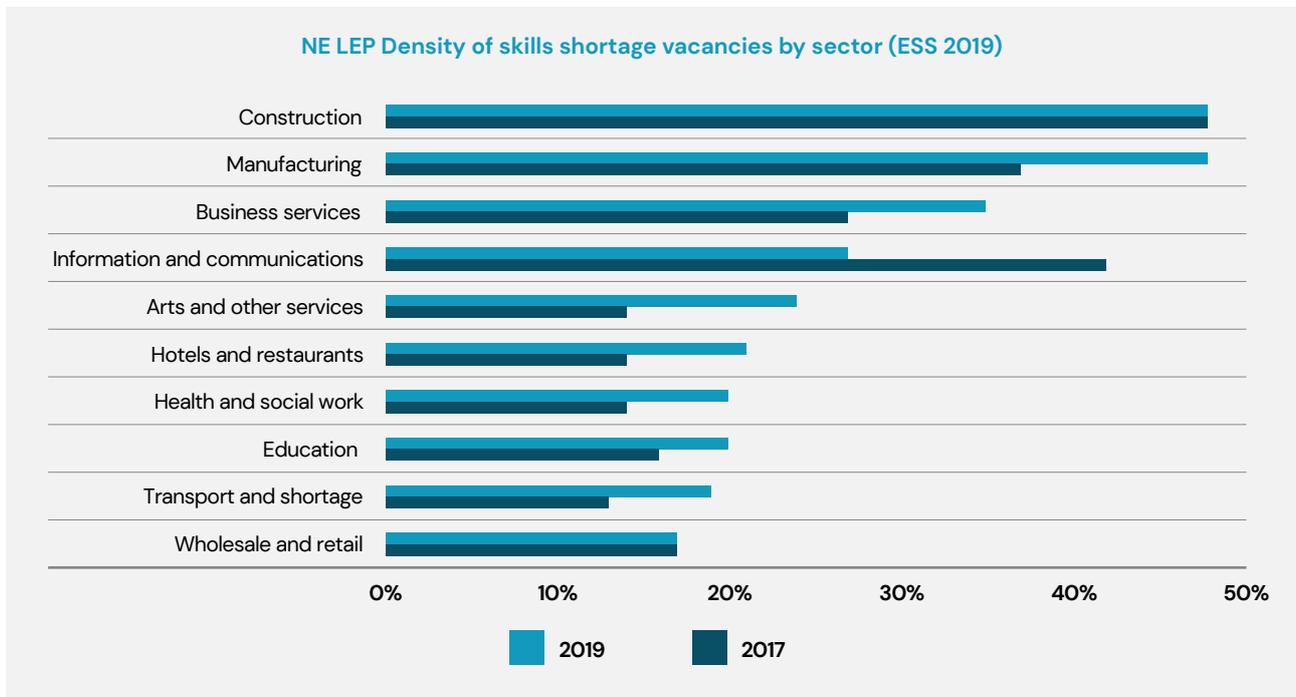
Skills shortages continue to impact on our region’s productivity and success. The Employer Skills Survey (ESS) (DfE 2019)²³ suggests employers in our region are reporting difficulties in filling vacancies. For technical skills roles there is a lack of candidates with appropriate qualifications and experience, while those employers offering vacancies with lower skills requirements report concerns in finding candidates with the right employability and personal skills.

Employers in the North East LEP region cited 30% of vacancies were hard to fill due to a low number of applicants with the required skills and 19% of hard to fill vacancies were due to a lack of appropriate work experience.

The number of skills shortage vacancies (SSVs) varies across sectors. In the North East LEP area, the SSV density, which is the proportion of skills shortage vacancies, was highest in construction and manufacturing (48%), with reported SSVs in manufacturing increasing by 11 percentage points on the 2017 ESS survey.

Increases in SSVs were also reported in elementary occupations such as hotels and restaurants, transport and storage. Overall, these occupations accounted for 46% of SSVs across the North East LEP’s geographical patch.

These findings suggest the need to develop the skills of our residents who may be employed in low paid, low skilled occupations, as well as provide higher-level technical skills to meet skills shortages in our growth and recovery sectors. More needs to be done to ensure individuals in our area are developing the skills required by employers and gaining the valuable work experience employers demand. Truly embedding the connection between education and industry will enable the skills gaps to close.



²³ <https://www.gov.uk/government/publications/employer-skills-survey-2019-employment-and-results>

Skills demand

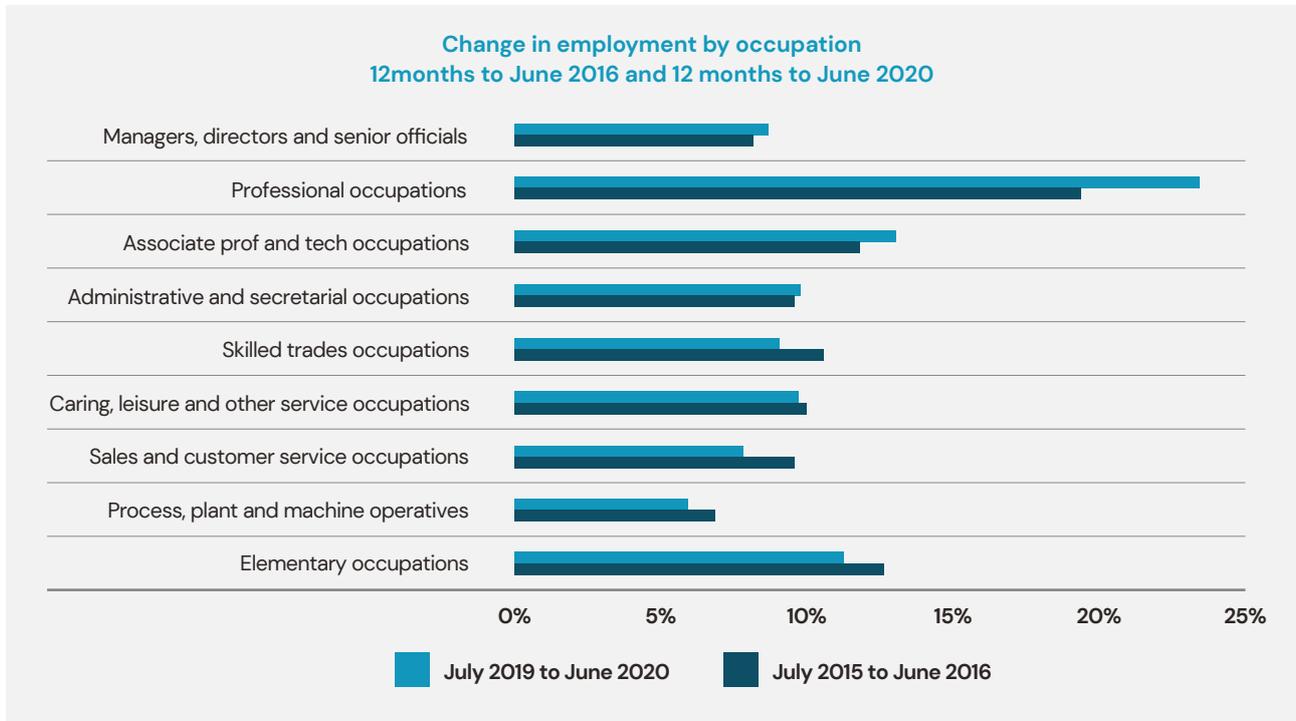
Detailed prospects for labour and skills demand in the medium and longer-term in our region are highly uncertain at the time of writing. We have already seen severe impact on sectors most exposed to the Covid-19 restrictions and changes in consumer behaviour, including hospitality, retail, arts and entertainment. In addition, manufacturing and other sectors are being affected by changes in the pattern of global trade and consumer demand as well as the continued shift to automated processes.

Long before the events of 2020, NTCA’s economy was undergoing a process of structural transformation with significant implications for labour market requirements.

Automation is already placing jobs with a high proportion of routine tasks (such as retail assistants and warehouse workers) at risk and changing the nature of skills valued by employers. These trends will continue to grow at pace for at least the next couple of decades.²⁴

The UK’s exit from the EU is putting pressure on sectors that have tended to employ a relatively high proportion of EU nationals, such as the hospitality and healthcare sectors. The introduction of a new domestic immigration system from 2021 will place greater emphasis on training people already resident in the region to cover staff shortages in these sectors.²⁵

A key feature of labour market demand in the 12 months to June 2020 has been growth in higher-skilled occupations, with management, professional and technical jobs now representing 46% of total employment in our region.



²⁴ Key Cities and New Local. (2019). *Cities in Action 1: Workplace Automation*.
²⁵ Purvis, C. (27 September 2019). 'How will Brexit impact the skills gap?' [55 News online].

Demand for digital skills

Digital skills are becoming near-universal requirements for employment. The move up the career ladder from low to high-skill jobs comes with increased demand for certain digital skills. Specifically, research highlights the importance of both baseline digital skills, such as those required to use productivity software tools, and of skills for more distinct software tools that are critical for job seekers to qualify for middle and high-skill roles.²⁶

To maximise chances of success in the digital economy, job seekers must go beyond baseline digital skills and develop more specific skills. Importantly, these specific digital skills are not solely required in the tech sector but are in demand across all sectors of the economy.

This may include digital tools for designers; computer-aided design for engineers and manufacturing workers; customer relationship management software for sales and marketing professionals; and computer programming and networking for IT professionals. These specific digital skills are required in 28% of low-skill jobs, 56% of middle-skill jobs, and 68% of high-skill jobs.

It is also important to recognise the generic skills that are useful across a variety of occupations and occur across many sectors. Examples are leadership, project planning and building effective relationships. These are also known as soft skills or transferrable skills.

Deprivation

Pockets of acute deprivation are also linked to a lack of skills. Across the region, 16% of Lower Super Output Areas (LSOAs) are within the 10% most deprived in England. Relative levels of deprivation have got worse between 2015 & 2019.²⁷

The proportion of LSOAs within the 10% most deprived in England varies significantly by Local Authority with all three seeing relative levels increase.

LSOAs in the most deprived 10% of areas nationally IMD 2019, and relative change since the 2015 index

| | Index of multiple deprivation 2019 | | Index of multiple deprivation 2015 | | Percentage point change from 2015 index |
|-----------------------|------------------------------------|---------|------------------------------------|---------|---|
| | Number | Percent | Number | Percent | Index |
| Newcastle | 45 | 25.7% | 39 | 22.3% | 3.4% |
| North Tyneside | 12 | 9.2% | 9 | 6.9% | 2.3% |
| Northumberland | 23 | 11.7% | 14 | 7.1% | 4.6% |
| NTCA | 80 | 15.9% | 62 | 12.3% | 3.6% |

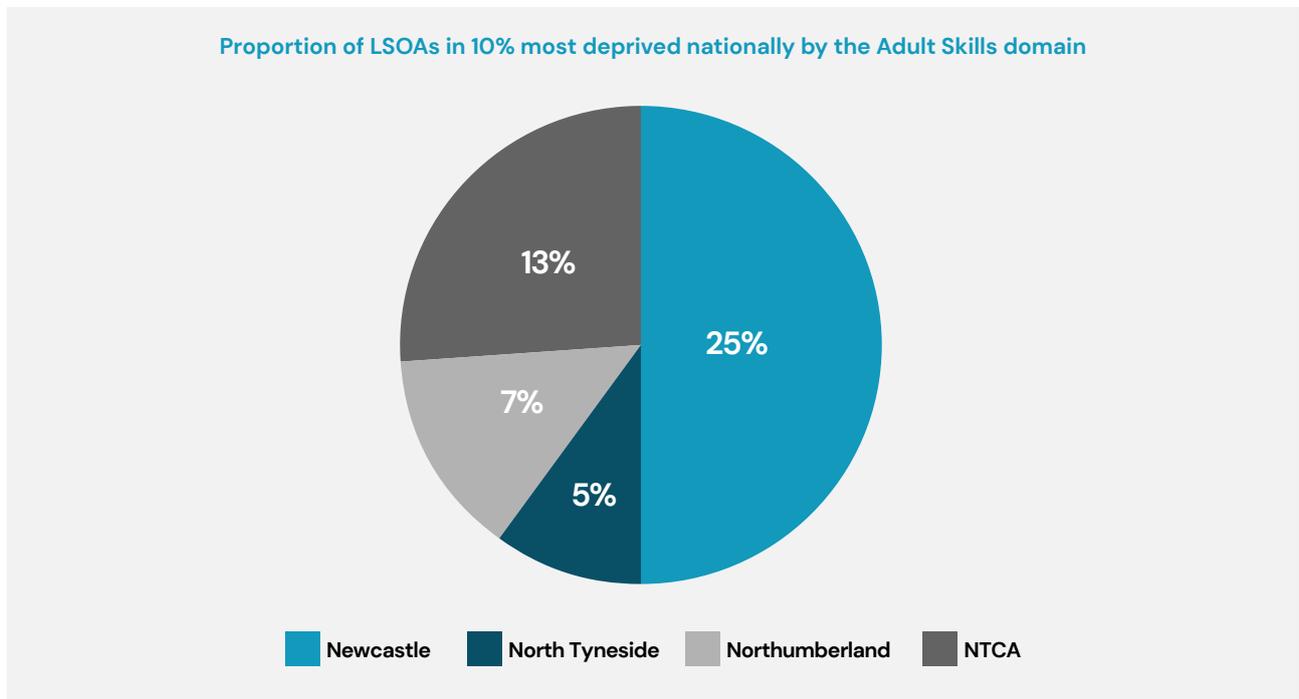
²⁶ [No Longer Optional: Employer Demand for Digital Skills | UK \(burning-glass.com\)](https://www.burning-glass.com)

²⁷ <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

Deprivation and adult skills

Adult skills is a sub-domain that makes up the Index of Multiple Deprivation 2019 (IMD 2019). This domain measures the lack of attainment and skills in the local population and the proportion of working-age adults who cannot speak English or cannot speak English well.

63 (12.5%) of LSOAs are amongst the 10% most deprived in England in terms of adult skills. This proportion rises to 25% in Newcastle with 44 LSOAs in the most deprived decile nationally in terms of adult skills deprivation. Our most deprived LSOAs are concentrated along the river in Walker, Byker, Benwell, Scotswood and Elswick.



Identifying areas where skills deprivation is high and understanding the challenges communities in these areas face will help to influence the type of intervention that is required. It also emphasises the importance of targeted outreach provision.

Low pay

There is a large disparity between rates of pay among the highest and lowest earners in the NTCA area. In 2019 23% of the workforce were earning less than the ‘real’ living wage²⁸. Gross full time median average earnings are £551 per week, which is £38 per week below the England average of £589.²⁹

Women are disproportionately represented in groups of lower level earners. The gross full time median average earnings for males in 2020 is £579 compared to £509 for females.

Closing the gender pay gap must sit at the heart of our approach to supporting a more productive and inclusive local economy.



In-work poverty

According to the Joseph Rowntree Foundation’s state of the nation report on poverty in the UK³⁰, poverty has risen for children and pensioners over the last five years. In the North East 500,000 people, including 150,000 children live in poverty. The majority of them are likely to live in households where at least one person is working.

Work alone does not guarantee a route out of poverty; work quality is also crucial. Low wages, insecure work, poor opportunities for training and progression, and contracts that do not offer enough hours of work to make a living all contribute to in-work poverty.³¹ Workers need greater security, better training and opportunities to progress, particularly in part-time jobs.

In-work poverty must be seen as a critical issue for our economy and given high priority by our skills sector which has an important role to play in ensuring residents are supported to progress in work and secure higher incomes through improved skills.

²⁸ What is the real Living Wage? | Living Wage Foundation

²⁹ ONS Annual survey of hours and earnings November 2020

³⁰ <https://www.jrf.org.uk/report/uk-poverty-2019-20>

³¹ Poverty and Inequality Commission 2018

SECTION 11: OUR RESPONSE – ENABLING RAPID SKILLS AND JOB TRANSITION



It is unclear how rapidly the economy will rebound post-virus. This will be crucially dependant on the behaviour of the virus itself, the duration and severity of social distancing and isolation measures – and the ability of government to mitigate impacts on businesses and their employees.

However, we have the opportunity to build the recovery from the pandemic around the existing economic strengths of the region, as detailed in this strategic plan. The impact of the Covid-19 crisis makes it even more important that we co-ordinate skills interventions and refocus priorities to ensure that they support the recovery – so that those out of work can retrain, we can support higher quality and more productive work, and employers and workers can meet future skills needs.

NTCA impact

Despite the volatile and challenging economic conditions, the NTCA investments are making a positive difference to the lives of many of our residents. We are:

- Investing in new employability and skills programmes and pilots that deliver through communities and removing barriers for residents accessing employment, education and training.
- Reshaping the delivery of Adult Education provision to better equip our residents with the skills needed to access good work and to progress.
- Supporting residents to become digitally connected, removing barriers to participation and equipping residents for the future of learning and work.
- Helping to inspire more young people to develop skills and pursue science, technology, engineering and maths related careers through our STEM and Digital Skills projects.
- Supporting skills in our growth and recovery sectors through our Digital Growth and Innovation Programme and unlocking the potential of a green economy through our Green Skills Fund.
- Prioritising the provision of quality apprenticeships. This includes an Apprenticeship Hub which provides useful resources, links and signposting and a service to match potential apprentices to apprenticeship vacancies tailored to actual opportunities and growth sectors.
- Building on the NTCA/DWP Framework Agreement with a delivery plan focused on a joined-up approach to drive the better coordination of employment, skills and health services across the North of Tyne area in order to increase the number of residents moving into work.

Good Work Pledge

A key element of an inclusive economy is ensuring that our residents have access to work, but also to 'Good Work' that provides among other things security, skills, progression opportunities, a decent standard of living and promotes health and well-being.

The North of Tyne Combined Authority has been working with employers and other key stakeholders to develop the Good Work Pledge, which enables employers to understand the key elements of 'Good Work', what they can do to achieve this for their employees and what support is available to help them get there. More details about the NTCA Good Work Pledge can be found on the NTCA website here: [Good Work Pledge - NTCA](https://www.northoftyne-ca.gov.uk/good-work-pledge) (northoftyne-ca.gov.uk)

Youth Employment Partnership

Helping children and young people to fulfil their potential is a key ambition for NTCA. They deserve the best start in life.

However, we know that for some young people this is not happening, and that there is a concern from both an economic and welfare perspective. Prior to the Covid-19 crisis, we recognised this key issue and were committed to making the system work better for young people.

Our concept is that Youth Employment Partnerships will coordinate and maximise existing capacity in the system for the benefit of young people. NTCA's Youth Hub approach will ensure:

- That additional provision is provided to young people where there are gaps in the existing support framework.
- That additional capacity is provided at a local level, including through the voluntary sector, to improve the engagement of young people in existing services, increase reach into communities and maximise existing capacity.
- An improved understanding of need and a better ability to meet demand for support, which in turn will maximise investment in NTCA wide programmes such as Kickstart and AEB.
- That insight and intelligence are gathered that will help NTCA advocate to government on the needs of young people, and the investment required to support an improved system wide response in the medium to long-term.

The significant and recent rise in youth unemployment will result in a surge in demand for employability and skills services. As such, we cannot afford waste or duplication of effort within the existing system. Every interaction must count and every organisation has a role to play – where gaps are identified we must work collaboratively to address them. Key to this will be ensuring all stakeholders are clear on how they can add the most value, driving forward the better coordination of employment support, skills provision and advice.

NTCA has allocated funding to support the development of Youth Employment Partnerships throughout 2021. This will be matched with funding available through DWP's Flexible Support Fund.

SECTION 12: SUPPORTING NATIONAL POLICY FOR RECOVERY



The government has taken unprecedented action to slow the spread of the virus, save lives and protect the NHS's ability to cope. Alongside this, the government provided immediate support on a scale unmatched in recent history to keep people in work, protect their incomes and support businesses.

On 8 July 2020, the government announced its 'Plan for Jobs' policy which included additional Adult Education Budget (AEB) funding as part of the wider Covid-19 skills recovery response to scale up Apprenticeships, Traineeships and to support people looking for a job.

We are supporting the government's priority of getting people back into work, an apprenticeship or traineeship and have implemented the following measures.

Additional AEB investment

We rapidly deployed additional AEB funding for the provision of:

- High value courses to help 19 year olds who were planning to leave education in 2020 and found themselves struggling to get a job or apprenticeship.
- Sector-based work academy placements to provide short bursts of training to get unemployed residents back into work.

A collaborative approach between NTCA, DWP and employers was implemented to co-develop sector-based work academy programmes in sectors with actual job vacancies in our area.

NTCA will continue to ensure the AEB provides access to quality work experience and job outcomes for our unemployed and economically inactive residents. The sector-based work academy model provides an approach to funding work experience through AEB. During 2021 we will assess and evaluate the success and impact of this model to help inform future AEB funding options for 2022 and beyond.

Kickstart

The Kickstart scheme is a £2 billion fund to create high-quality six month work placements for young people. It was launched in September 2020 with the first placements available nationally from November 2020.

Funding is available for employers to cover the relevant National Minimum Wage for 25 hours a week, plus the associated employer National Insurance contributions and employer minimum automatic enrolment contributions.

NTCA are a 'Gateway' organisation for the government's Kickstart programme. This is an important aspect of NTCA's overall approach to tackling youth unemployment – providing significant potential for high quality paid placements in an otherwise difficult labour market. Our strategic approach to Youth Employment Partnerships has ensured that existing quality support is wrapped around Kickstart placements, to ensure young people are supported to prepare for and succeed on these.

The Skills Toolkit

The government's Skills Toolkit, launched in the first lockdown to boost digital skills and numeracy, is excellent and merits sustained promotion through our networks and stakeholders.³² The new platform gives people access to free, high-quality digital and numeracy courses to help build up their skills, progress in work and boost their job prospects.

Lifetime Skills Guarantee

At the end of September 2020, the Prime Minister and Secretary of State for Education set out their vision for a 'lifetime skills guarantee'. Adults without an A-Level or equivalent qualification will be offered a free, Level 3 fully-funded college course – providing them with skills valued by employers, and the opportunity to study at a time and location that suits them.

This offer will be available from April 2021 and paid for through £95m of the National Skills Fund. It will support the immediate economic recovery and future skills needs by boosting the supply of skills that employers require.

NTCA is responsible for delivering the Level 3 entitlement in our region through a delegated allocation of funding from the Department of Education.

We will work with our AEB Grant providers and Contract for Service providers to ensure that this funding supports our unemployed residents to gain Level 3 qualifications in sectors where there is employer demand and skills shortages. We will also ensure it provides opportunities for employed residents to 'upskill' or 'reskill'. This will ensure a more resilient workforce in this challenging economic environment.

Digital Bootcamps

A commitment has been made by government to provide an additional £8m for Digital Skills Bootcamps, with a planned national roll-out from April 2021. The model is for employers to come together with providers and produce a 12-week bootcamp for a specific sector. NTCA are working with the Department for Education to ensure providers are supported to provide this offer across the North of Tyne.

We are working closely with national and local stakeholders to ensure these government funds, along with the planned UK Shared Prosperity Fund, align to create a comprehensive skills offer truly focussed on local needs and challenges, tackling inequality and disadvantage while driving prosperity and opportunity in the NTCA.

³² <https://theskillstoolkit.campaign.gov.uk/>

SECTION 13: THE AEB OVERVIEW



In August 2020 the North of Tyne Combined Authority took control of a £23 million Adult Education Budget (AEB), secured as part of the devolution deal.

Our ambition is that the AEB will deliver a high-quality skills provision which leads to positive outcomes for individuals and provides clear progression pathways for our residents to access the local labour market and future economic development opportunities.

The devolved AEB is enabling us to:

- Deliver a step-change to improve basic, generic and transferable skills.
- Break new ground in a collaborative strategic partnership working with an absolute focus on 'place'.
- Deliver a more responsive, accessible adult skills offer for residents and employers.
- Establish protocols for joint working across all post-16 skills activity, bringing together planning, funding and regulation, regardless of whether funding is devolved or not.

Having control of the devolved AEB is allowing NTCA to match the skills and training on offer to the jobs available now and in the future across Newcastle, Northumberland and North Tyneside.

We have worked hard to begin to shape delivery of adult education towards what our communities and businesses need, working closely with all relevant providers and stakeholders. The impact of Covid-19 is being closely monitored and we have already implemented plans to ensure that the investment will support our region's recovery.

During the first year of the devolved AEB we have:

Awarded grants and contracts to 29 adult education providers – Devolution of the AEB has allowed us to move from a system of numerous providers working in competition, to fewer providers more actively engaged in local collaboration, and with common agreement to address local need.

Secured delivery plans to unlock 37,500 learning opportunities – These opportunities will enable residents to gain qualifications, progress through their learning journey at different levels and access employment opportunities. Provision is also focused on upskilling employed residents in lower skilled, lower paid jobs to enable achievement of skills such as English, maths and digital, together with the higher-level vocational training required by employers.

Aligned the geographical spread of provision to travel to learn patterns – Devolved AEB aligns with travel to learn patterns in NTCA to ensure that residents in rural parts of Northumberland and North Tyneside have access to local provision.

Rebalanced the proportion of low-level provision – Prior to devolution AEB delivered a significant proportion of enrolments below Level 2. Devolution has enabled us to work with providers to address the balance of low-level non-technical provision to ensure that there are more progression opportunities to valued provision at Level 2 and above.

The devolved AEB continues to prioritise funding for:

- Those aged 24+ who are unemployed if one or more of the following apply: Employment and Support Allowance; Universal Credit; Jobseekers Allowance including those receiving National Insurance Credits Only.
- English for speakers of other languages (ESOL) if unemployed, co-funded if employed.
- Learning aims up to and including Level 2 if the resident is unemployed and has already achieved a First Full Level 2 or above.
- Low wage eligibility providing full funding for adults who earn less than the 'real' living wage*. The aim is to help increase adult education participation and lift social mobility barriers to learning for those who would not otherwise engage due to course fees being unaffordable. It will also support those who are in low paid employment and are wanting to further progress in work and their chosen career.

Statutory entitlements

As part of the AEB, we fund statutory entitlements. These entitlements include:

- Those aged 19 to 23 to be fully funded if they study for a first qualification at Level 2 or Level 3.
- Those aged 19+, who have not previously attained a GCSE Grade C or Grade 4, or higher in English language and mathematics, to be fully funded if studying GCSE English language or mathematics or one of the stepping-stone qualifications.
- Information technology ('digital') skills, up to and including Level 1, for individuals aged 19 and over, who have digital skills assessed at below Level 1.



* The 'Real Living Wage' promoted by the Living Wage Foundation is £9.50 per hour across the UK and £10.35 per hour in London (Nov 2020)

SECTION 14: AEB STRATEGIC APPROACH



Maintaining stability

Devolution of AEB provides an opportunity to make commissioning decisions on an area focused and forward-looking basis. Our ambition is to improve the impact of AEB in the NTCA area and we will continue our approach to strategic relationship building and partnership working to develop localised, flexible, high quality provision that responds to the needs of our residents and employers.

We will maintain stability in the system in the following ways:

- We will continue to monitor the effectiveness of all providers against their delivery plans and support flexibilities where possible to maintain delivery throughout the Covid-19 crisis and into recovery.
- We will respond flexibly and rapidly to address emerging needs and changes to the labour market.
- We will continue to fund the statutory requirements which provide adults with skills that are core to their employability and personal development.
- We will work with our provider base to understand the barriers to learning and employment that our residents face and support the development of programmes which meet individual and employer needs across the NTCA area.

We will monitor the effectiveness of all providers against their delivery plans and the alignment to our skills strategy. As outlined above, responding flexibly and rapidly will allow us to address emerging needs and changes to the labour market. We will utilise data analysis, performance management, growth opportunities and future procurement rounds to continually evaluate and align the AEB funding allocation against strategic priorities and local needs.

Strengthening collaboration

The North of Tyne Combined Authority has built extensive collaborative partnerships with colleges, universities, training providers, employers, community organisations and local authorities to develop programmes that tackle skills gaps and address disadvantage across and within the districts. The devolved AEB allows us to build on these relationships and improve the impact of the funding spent in the NTCA area.

In terms of strategic planning for AEB we will continue to build strong links across stakeholders and providers and drive collaborative working. This will include developing local supply chains to ensure provision is more responsive to individual and business needs.

Community learning

NTCA recognises the value and positive impact that community learning can have on our residents' health and well-being. Recovery from the Covid-19 crisis will require outreach into disadvantaged communities, wrap around support to re-engage our residents, build confidence and breakdown barriers to work.

We will continue to invest in community learning activity that has the primary aim of engaging hard to reach residents, providing basic skills and progression to further learning and/or work. Key target groups for this are hidden NEETs, the long-term unemployed and the economically inactive with significant barriers to work, such as physical or mental health conditions. This delivery should add value to, rather than duplicate, other services targeting these cohorts.

Subcontracting

NTCA is committed to widening participation, supporting the most vulnerable and engaging in new and emerging markets to meet the regional and local economic development agenda.

Subcontracting and collaborative partnerships have an important role to play in AEB. They allow smaller providers offering niche provision to access funding and to benefit from economies of scale, while enabling residents to access provision in locations and via delivery models which best suit their needs.

NTCA require AEB providers to outline plans for subcontracting arrangements in advance of being awarded funding with a clear rationale demonstrating how these would add value, with approval required for any in-year changes.

Online learning

NTCA recognises the value of online learning for some residents, in that it offers flexibility and accessibility to learning around work and home life. Flexibilities are also important in terms of the pace of study and as such, online learning has a key role to play in the delivery of adult skills and training that can lead to career advancements, development and attainment.

In response to Covid-19, our AEB providers have been remarkable in rising to the challenge of providing online learning. They have found innovative and creative ways to engage and, after years of trying to nudge educators into using technology, made a gargantuan shift.

NTCA will work with providers to build on the online learning opportunities available, making these even more accessible post Covid-19, particularly in our rural areas.

We will closely monitor this learning activity in order to evaluate how it is meeting the strategic and economic needs of NTCA, residents and employers. The advantages of this method must be balanced alongside resident needs in terms of support and access to equipment – i.e. digital capabilities and resources.



Career pathways

Our ambition of a high-quality skills provision which leads to positive outcomes for individuals to access the local labour market and future economic development opportunities must be underpinned by strong Careers Information, Advice and Guidance (CIAG) that has clear local relevance and skills opportunities that have clear line of sight to a job.

NTCA residents have access to CIAG through our AEB providers and a range of other skills and employability services, as well as individualised advice on training and careers through the National Careers Service (NCS).

We also welcome the additional support the government recently announced in its Plan for Jobs to ensure more people will get tailored support to help them to find work. People in the Intensive Work Search group on Universal Credit will benefit from a significant expansion of support offered through the Department for Work and Pensions (DWP) Jobcentres, including doubling the number of work coaches and additional intensive support to those who have been unemployed for at least three months.

NTCA will establish strong links with stakeholders involved in the delivery of CIAG services. We support a collaborative approach to ensure residents benefit from advice and guidance that is based on local analysis of skills demand and provides a better understanding of the career pathways arising from local economic trends.

Testing new flexibilities and innovation

NTCA will make use of the flexibilities afforded by devolution of the AEB in relation to its funding rules, rates and eligibility criteria to ensure funding can be targeted to where it is needed most. We will make provision for pilot activity and ‘test and learn’ projects which will include (but are not limited to):

- Units and modules of Level 3 or 4 qualifications, which support progression to higher levels skills in areas with gaps.
- Qualifications / certification desired by local employers which are not approved on the Hub.
- Flexible delivery models which reflect changing attitudes and modes of learning.
- Innovative programmes to support social enterprise.
- Programmes to support small business resilience and growth.

SECTION 15: AEB COMMISSIONING PRINCIPLES



We want to ensure that a greater focus on the economic and social outcomes is secured through the devolved AEB rather than just the outputs in terms of qualifications delivered. This underpins our commissioning approach to secure provision which is increasingly focused on outcome; such as securing employment, progressing to higher levels of learning and progressing in employment.

We will continue to work closely with providers to ensure a high-quality adult skills offer is available which focuses on achieving outcomes directly linked to local skills needs, helping residents to improve their quality of life and ensuring that North of Tyne employers can access residents with the skills their businesses need to grow and thrive.

We will maintain effective, high trust relationships with AEB providers to deliver positive long-term impact for North of Tyne residents. We will continue to expect providers to develop a place-based curriculum offer and wrap-around support with a clear focus on progression.

Our core set of commissioning principles will:

- Support the core conditions contained within the AEB devolution deal.
- Take into account the various needs of our residents in different local communities within the NTCA.
- Support ongoing engagement with a range of stakeholders, building upon current relationships and developing new relationships.
- Put outcomes for residents at the heart of the approach to commissioning.
- Map the fullest practical range of providers with a view to understanding their current and potential to delivering our strategic ambitions.
- Invest in the capacity of the provider base, particularly those working with hard-to-reach groups.
- Ensure contracting processes are transparent and fair, facilitating the involvement of the broadest range of suppliers, including sub-contracting and consortia building, where appropriate.
- Enable longer-term contracts and grant allocations as ways of achieving efficiency and effectiveness.
- Seek feedback from residents, communities, employers and providers to inform the commissioning process to ensure it continues to meet local needs.

SECTION 16: THE WIDER SKILLS SYSTEM



We are clear that the devolved AEB is a cornerstone of investment in the skills system and has a significant role in providing skills that are essential to a successful and sustainable economy in the NTCA area.

Our commissioning will consider AEB delivery alongside the wider investment in the skills system which continues to be managed by the Department for Education and Education and Skills Funding Agency: Careers Services, Apprenticeships, Adult Learner Loans, Traineeships and T Levels.

Apprenticeships

Apprenticeships are an integral part of the government's Plan for Jobs policy with increased incentives for employers to take on apprentices (£2000 for under 25, £1500 over 25 year olds).

The Apprenticeship system is built around the concept of employers in the driving seat, however as a result of Covid-19 this has fundamentally fallen apart, with declining participation across our region and employers no longer taking on staff.

Re-booting the apprenticeship offer will be fundamental to our economic recovery. We need to ensure that mechanisms are in place to support apprenticeship opportunities for our young people and recruit locally. Our challenge will be to maintain a provider base to support training and assessment while also aligning opportunities for apprentices in the sectors that are more likely to bounce back quickly: Product Development, Engineering, Technology and Healthcare.

We have a role to play in maximising the Apprenticeship Levy in our region and as part of this Strategic Skills Plan, we will build on our Apprenticeship Hub, supporting a joined-up approach across our providers and employers and matchmaking potential apprentices to apprenticeship vacancies.

Traineeships

The government announced an extra £20m for providers to support the Traineeship programme with employer incentive payments of £1000 for employers offering traineeship work placements in 2020/21.

We must consider the role of traineeships in our economic recovery. A recent report by the Learning & Work Institute 'Traineeships – A Framework for Local Growth'³³ suggests that combined authorities and other local strategic stakeholders have a key role to play in shaping the growth and delivery of traineeships in response to local priorities.

A key aspect of strengthening traineeship provision and promoting growth is the integration of programmes with wider local economic and labour market priorities. A range of local stakeholders need to work together to enable traineeships to flourish. We will consult with key local stakeholders in their development of plans for traineeships not only to secure their support, but also because they are likely to have insights and wider relationships that can help to inform and strengthen the Traineeship programme.

We will facilitate engagement and consultation through existing channels such as provider network meetings, or through specially commissioned activities. Employer engagement will also be vital to ensure that provision meets the needs of the local labour market and that high-quality work placements can be provided for trainees.

³³ <https://www.learningandwork.org.uk/wp-content/uploads/2021/02/Growth-Report-Executive-Summary-V1.pdf>

T Levels

T Levels are new Level 3, two year courses for young people aged 16–19 that combine classroom learning with on the job learning in industrial placements.

It's more important than ever that colleges and industry work together to help our young people gain the skills needed to work in sectors which will support our economic recovery.

Our aim is to improve the dialogue and collaboration between providers and employers, promoting the roll out of T Levels alongside other related vocational qualifications and creating entry points for our young people to develop their skills and work-based training.

Our 'Youth Employment Partnership' will provide access to information and digital support on the opportunities available for our young people and help them make informed decisions about their future.

Further Education Reform

The government published its Skills for Jobs White Paper on Further Education Reform in January 2021. The document sets a number of key measures to reform the post-16 education sector which include:

- Business groups, including Chambers of Commerce working with further education colleges and other providers to develop new Local Skills Improvement Plans (LSIP) to shape technical skills provision so it meets labour market needs.
- Investment in higher level technical qualifications that provide an alternative to a university degree.
- Giving employers a central role in designing almost all technical courses by 2030.
- Implementation of the Lifetime Skills Guarantee to support adults to achieve their first full Level 3 qualification from April 2021.
- Continue to grow and improve apprenticeships.
- Improve traineeships to better support young people to transition to apprenticeships and employment.
- Continue to support participation in English, maths and digital to meet employers' needs.
- Continue to roll out T Levels.
- Implement a flexible Lifelong Loan Entitlement from 2025.
- Investment in the further education workforce.

We welcome the government's commitment to put skills at the heart of its recovery plans and look forward to working collaboratively with government colleagues to influence the shape of the skills reforms announced in the White Paper.

The Combined Authority has a clear strategic leadership role with regard to the local skills system and ensuring that skills investment is driven by local employer needs and the current and future profile of labour market opportunities.

We will continue to lobby for devolvement of central budgets for skills that will help to align provision with our region's economic and social priorities and we will build on our existing partnership and networks, working closely with the Department for Education, the Department for Work and Pensions and other stakeholders to deliver positive long-term impact for NTCA residents.

SECTION 17: NEXT STEPS



We know this skills plan is ambitious and challenging to deliver at a time of significant change and unprecedented uncertainty. It is a plan that puts resilience, ambition and employability at the heart of what we're doing to support a strong and inclusive economy.

The priorities we have set out in this plan will require input from many partners to deliver. Working together across NTCA, constituent local authorities, the North East LEP, employers, colleges, training providers, universities, and the voluntary, community and social enterprise (VSCE) sector, we have made great progress but there is more to be done.

We recognise that our economic landscape is likely to change and we will need to be flexible to adapt to that change. We have put in place the fundamentals of skills devolution and are co-creating investable propositions in back-to-work services that are proving what close collaboration with central government can do. We intend to build on our approach of creating close collaborations to test, trial and co-develop projects and programmes that add value and secure positive outcomes for our residents.

To support the aspirations of our residents, employers, and our local economy we need a collaborative model of skills provision. This means local skills providers and employers working in partnership to deliver on skills needs analysis, collaborating to make the most of specialist strengths and sharing resources where appropriate.

We also need to be realistic about the challenges we face and our baseline position and focus on areas that will add value and maximise the impact of skills initiatives. Specifically, we need to construct a skills system that is joined up so that the efforts of employers, colleges, training providers, local commissioners and the VSCE sector can fully complement each other.

It is essential that we continue to maximise the funding we receive and ensure that the skills infrastructure is more closely aligned to our high employment and growth sectors and that those currently in the education system are being equipped with the skills and attributes that employers require.

We also need to support our employers to recognise their role and responsibility in developing the skills of both their current and future workforce by clearly articulating the skills they require both now and into the future.

With a clear focus on our challenges and strong partnerships we can co-ordinate action to strengthen labour market performance. By leveraging demand from key growth sectors, driving improvements in English, maths and digital core skills, cultivating the enterprise of our residents and improving employment rates, NTCA can become an inclusive, high skill, high productivity and high earnings economy.

Subject: Mayoral Ambassadors Review
Report of: Interim Monitoring Officer and Director of Policy and Performance
Portfolio: All

Report Summary

This report presents to Cabinet a review of the first full year of the Mayoral Ambassador role for the voluntary, community and social enterprise sector and proposes an alternative way of working for the Business Ambassador role.

Recommendations

Cabinet is recommended to:

1. Agree to extend Robin Fry's term of office as the Mayoral Ambassador for the Voluntary, Community and Social Enterprise (VCSE) sector for a further year until the NTCA Annual Meeting in June 2022; and
2. Agree the proposed changes to the appointment of a Mayoral Ambassador for Business as set out in part 1.3.

1. Background Information, Proposals and Timetable for Implementation

1.1 Role of Mayoral Ambassador

1.1.1 The North of Tyne Devolution Deal included a commitment to appoint a Mayoral Ambassador for Business to strengthen the working arrangements between the North of Tyne Combined Authority (NTCA), the North East Local Enterprise Partnership (North East LEP) and the private sector. This is reflected in Part 2.2 of NTCA's Constitution, which also contains provision for the appointment of further Mayoral Ambassadors representing other sectors.

1.1.2 In June 2019 Cabinet agreed to create a Mayoral Ambassador for the VCSE sector and began the process of establishing the role and duties of the Mayoral Ambassador and a suitable appointment process.

1.1.3 At its meeting on 17 December 2019, Cabinet agreed the following model for each role:

- i. The Mayoral Ambassador will, in conjunction with the Mayor, convene a stakeholder group of individuals who can represent the diversity of organisations/businesses in the North of Tyne area.
- ii. The stakeholder group will:
 - meet approximately monthly to twice-monthly;
 - have a small core membership, with the flexibility to include other members on an ad-hoc basis, depending on the issues under discussion; and
 - support the Mayoral Ambassador in his/her role and provide a direct communication channel between the relevant sector (i.e. the business or VCSE sector) and the Mayor and NTCA.
- iii. With the support of the stakeholder group, the Mayoral Ambassador will then:
 - co-chair the stakeholder group with the Mayor;
 - act as a sounding board for the Mayor to get opinions and feedback from the sector on ideas, projects and policies that are in the early stages of consideration;

- serve as a conduit to feedback ideas, concerns and questions from the sector, in a collaborative and helpful manner;
- convey information on the work of the Mayor and NTCA to the sector and act as an advocate and contact for the Mayor and NTCA; and
- attend Cabinet meetings as a non-voting observer.

1.1.4 Cabinet also agreed to amend the term of office for each Mayoral Ambassador from the whole duration of the elected mayor's term of office to an annual basis, with a provision to potentially serve multiple years.

1.1.5 At that meeting Cabinet agreed the appointment of Robin Fry, Chief Executive of North Tyneside charity VODA, as the Mayoral Ambassador for the Voluntary, Community and Social Enterprise (VCSE) sector until the Annual Meeting of Cabinet in June 2021. Further engagement and consultation work was required with the business community regarding the Mayoral Ambassador for Business role and no appointment was made at the time.

1.2 **Mayoral Ambassador for VCSE**

1.2.1 The Mayor, on behalf of Cabinet, has expressed his thanks to Robin Fry for a successful first term as Mayoral Ambassador. Notable achievements have included expert advice on key NTCA policies and programmes such as community hubs and the poverty truth commission, and constructive feedback on our approaches to engagement and co-design, improving our organisational practice. Robin, supported by a wider network of sector colleagues, has also been instrumental in ensuring the experience of voluntary organisations, and the people they serve, has been shared effectively with NTCA during the pandemic. This has had a direct impact on work such as our regional recovery plan.

1.2.2 Robin's appointment as VCSE Ambassador in December 2019 was supported by the other members of NTCA's VCSE Stakeholder Engagement Group. In consultation with the Mayor as co-chair, the group would support the extension of Robin's term for a further year. As a new role within a relatively new organisational structure which is working well, it is felt that a degree of continuity in the post-holder would be beneficial for both the sector and NTCA.

1.3 **Mayoral Ambassador for Business**

1.3.1 The level of engagement and consultation between the Combined Authority and the business community has intensified since the UK outbreak of the coronavirus pandemic in March 2020, when the country was placed into lockdown. NTCA and business representatives and organisations collaborated on the development of a response and recovery to this public health and economic crisis.

1.3.2 During this time, working relationships between the Mayor, businesses and business organisations and the North East LEP have developed further and are working well. Regular meetings and discussions take place with the CBI, NE Chamber of Commerce and Federation of Small Businesses.

1.3.3 The Mayor would like to continue developing this collaborative and inclusive approach. Rather than appoint one individual as a Mayoral Ambassador for Business, it is proposed to build on and formalise the current engagement with the sector through a quarterly series of Mayor's Business Stakeholder Meetings. It is considered that these meetings, together with the fact that the private-sector North East LEP Chair is a (non-voting) member of Cabinet, should ensure that the business sector's perspective is taken into full account in NTCA's decision-making processes and help NTCA to understand and work with a broader range of businesses and their representatives by size, type and sector.

2. Potential Impact on Objectives

The VCSE Mayoral Ambassador will continue to assist the Mayor and NTCA in its work with the sector to assist to deliver the Combined Authority's vision, policies and priorities. The changes to the Business Ambassador role will enhance and strengthen the working arrangements between the NTCA, North East LEP and the private sector to allow that sector to do the same.

3. Key Risks

There are no specific risks relating to this report.

4. Financial and Other Resources Implications

There are no financial implications arising directly from this report.

5. Legal Implications

The Interim Monitoring Officer is a party to this report. The changes outlined above to the Mayoral Ambassador for Business will entail some consequential changes to the Constitution.

6. Equalities Implications

The NTCA is mindful of its duty under the Public Sector Equality Duty and through its work with the VCSE and Business sectors will continue to promote policies and decision making which eliminates discrimination, harassment and victimisation; advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it; and also considers the implications for people from different socio-economic backgrounds/low pay as a protected characteristic.

7. Inclusive Economy Implications

There are no direct inclusive economy implications arising from the proposals in the report itself, however the collaborations and relationships built through the VCSE Mayoral Ambassador and the Mayor's Business Stakeholder Meetings will ensure that the NTCA Inclusive Economy ambitions are understood within those sectors. Representatives from both those sectors are also members of the NTCA Inclusive Economy Board.

8. Climate Change Implications

There are limited climate change implications to this report, however the regular meetings with representatives from the VCSE and business sectors will offer NTCA the opportunity to continue its collaboration and inform the Clean Growth economic opportunity for the NTCA post-COVID-19 recovery. This is one of the key climate change priorities of the Combined Authority.

9. Consultation and Engagement

As set out above, the proposals for how these roles will operate have been developed in consultation between the Mayor and organisations from the relevant sectors.

10. Appendices

None

11. Background Papers

[Mayoral Ambassadors for Business and the Voluntary, Community and Social Enterprise Sector Report to Cabinet 17 December 2019](#)

12. Contact Officers

John Softly, Interim Monitoring Officer
john.softly@northoftyne-ca.gov.uk

Rob Hamilton, Chief Economist
rob.hamilton@northoftyne-ca.gov.uk

Rhiannon Bearne, Inclusive Economy Adviser
rhiannon.bearne@northoftyne-ca.gov.uk

13. Glossary

CBI Confederation of British Industry

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank