

UK Shared Prosperity Fund (UKSPF)

North of Tyne Investment Plan Summary

1. Introduction

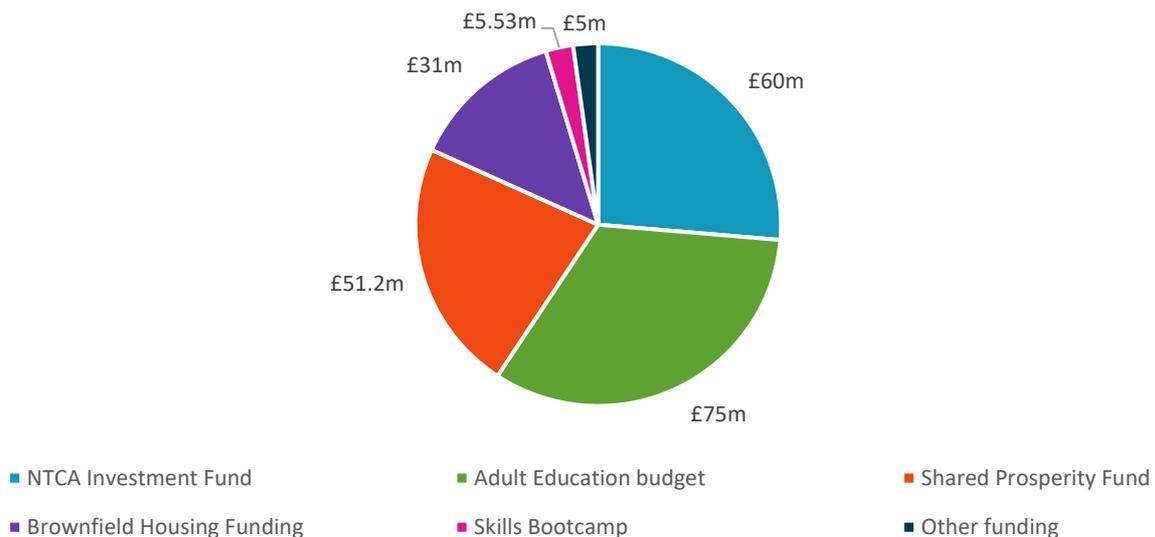
The North of Tyne Combined Authority (NTCA) is a strong cross-party, cross-regional collaboration led by a mayor and cabinet working hard to create inclusive, sustainable growth through devolution. Covering the areas of Newcastle, North Tyneside, and Northumberland our focus is to drive jobs, inclusion, new homes, the net zero transition, and positive economic change in our region.

As well as continuing our established successful approaches to investing in inclusive growth, we are committed to supporting new and sustainable ways of working as our economy and communities recover from the pandemic and address the cost-of-living crisis.

The UK Shared Prosperity Fund (UKSPF) is an important part of our plans, complementing a range of other initiatives including our devolved Investment Fund, skills programmes, and housing funds.

Over the next three years to 2024/25, NTCA will invest a total of **£227.7m** towards achieving inclusive economic growth in the North of Tyne area.

Total NTCA Investment (2022/23 to 2024/25)



This document describes our proposals for investing UKSPF resources in the North of Tyne area, based on our Investment Plan submitted recently to Government. We look forward to working with partners to maximise the benefits of the fund for our people, businesses and communities.

2. What is the Shared Prosperity Fund?

National policy

The UKSPF will invest in economic growth and regeneration in the regions of the United Kingdom (UK), replacing the previous European Structural and Investment Funds. The UKSPF will begin funding projects during 2022/23 while all current European funded programmes will end by 2023.

To help realise their Levelling Up aims, Government has set out that the UKSPF should invest to achieve the following objectives:

- Boost productivity, pay, jobs and living standards
- Spread opportunities and improve public services
- Restore a sense of community, local pride and belonging
- Empower local leaders and communities

Opportunities for the North of Tyne

£51.2m¹

Total UKSPF funding allocated to the North of Tyne area, to be invested over three years from 2022/23 to 2024/25, supporting projects across three Investment Priorities...



Communities and Place



**Supporting Local
Businesses**



People and Skills

¹ Including £47.1m core SPF funding plus £4.1m for the Multiply programme which will improve adult maths skills

3. How will the UKSPF support our ambitions for the North of Tyne?

The Government's UKSPF investment priorities are closely attuned to our vision for the North of Tyne area:

Our Vision - 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.

We will use the UKSPF alongside other existing funds and programmes to maximise the total investment we are able to make in achieving our vision and delivering our priorities for the North of Tyne area.

We have undertaken detailed research and data analysis to understand the key challenges and opportunities facing our people, businesses, and communities. We also held a series of events between April and June 2022 where we consulted more than 600 stakeholders from the business community, the Voluntary, Community and Social Enterprise (VCSE) sector, the education and skills sector, rural representatives, trade unions, the NHS, and local and national Government.

Our research and consultations have helped us identify the issues that are important to our people, businesses, and communities and have led the way in identifying our UKSPF investment priorities.

4. Our investment priorities and approach

The extra resources will be focused on delivering already established investment priorities:

Jobs, Innovation and Growth	Clean Energy and Connectivity	Education, Inclusion and Skills
Social Economy and Communities	Housing, Land and Development	Culture, Creative and Rural

UKSPF investment will, alongside our other funds and programmes, enable us to:

- Maximise the benefits of our **Economic Growth Corridors** (the Northumberland Line; the Arc of Energy Innovation between Blyth and the Tyne; and our Urban Core), creating more opportunities for residents, businesses and communities.
- Grow businesses in our **key sectors** (clean energy, digital, health & life sciences, professional services, culture and tourism), creating new high-quality jobs, supporting innovation, and boosting productivity.
- Build an **inclusive economy**, ensuring all our residents benefit from economic growth and prosperity by investing in skills and access to good quality jobs, supported by our Good Work Pledge.
- Deliver sustainable growth by accelerating the **net zero transition** in our economy and communities.
- Invest in our **rural economy and communities** recognising the opportunities presented by our unique environment and land assets, as well as the specific challenges facing rural areas.

Our approach to the UKSPF will be guided by the following investment principles:

- Focusing on our priorities, so we make a visible difference for businesses, places, and residents.
- Investing alongside existing funds and programmes (e.g. Investment Fund, Adult Education Budget), adding value, maximising efficiency, and achieving the best possible impact.
- Collaborating with partners to address key opportunities and challenges facing the wider North East region (e.g. business innovation, net zero transition).
- Maximising the impact of UKSPF funded activities and projects for businesses, residents, and communities.
- Investing in long-term growth opportunities as well as addressing current challenges (e.g. cost of living).

We will allocate UKSPF resources to **nine programmes** across **three investment priorities**, aligned with Government guidance and supporting the **Multiply Programme**, and based on our established priorities and the issues identified by our research and stakeholder consultations.



Investment Priority 1: Community and Place

Challenges and opportunities in the North of Tyne

- Addressing high levels of inequality and deprivation within and between communities, which are well above national averages, focusing on the most deprived areas. This includes tackling inequalities in income, employment, health, crime, education, and child poverty.
- Investing in communities located within our Economic Growth Corridors where new jobs are being created and major investment is being attracted, ensuring local people and businesses benefit from the opportunities.
- Investing in local places and sectors hardest hit by the pandemic including our high streets and town centres in urban and rural areas, and our local culture, tourism, and hospitality sectors.
- Building the capacity of local communities and the voluntary, VSCE sector to address challenges and opportunities in local places.
- Supporting households in our most deprived communities at risk of fuel poverty to improve energy efficiency, reduce energy costs and reduce emissions.

Programmes	Activities
Regeneration of our Places	Investing in improving our towns, high streets, and rural centres; growing our local culture and tourism sector including events; and festivals and destination marketing.
Community Partnerships and Programmes	Creating Local Community Partnerships in each local authority area to identify local priorities and deliver long-term place investment plans, building capacity in urban and rural communities to deliver change and promoting inclusive growth investing in community-based initiatives supporting local groups and organisation to tackle regeneration issues.
Energy Efficiency and Lower Energy Costs	Providing a one-stop-shop for energy efficiency and retrofit advice and support, helping households to reduce energy costs and emissions.

Benefits and outcomes

Who will benefit?	What difference will the UKSPF make?
Deprived communities and places, supporting residents, households, businesses, and VCSE organisations to capitalise on local economic opportunities and address challenges, strengthening communities and building prosperity and pride in place.	<ul style="list-style-type: none"> ▪ Boost vibrancy, footfall and spending in town centres and high streets, and improve quality of place ▪ Grow the local culture and tourism sector, attracting spending and creating jobs in local communities ▪ Deliver inclusive growth in urban and rural communities ▪ Build capacity in communities to address local issues and increase social action ▪ Reduce energy usage, carbon emissions and support the net zero transition



Investment Priority 2: Supporting Local Business

Challenges and opportunities in the North of Tyne

- Low investment in research and development (R&D) by small and medium enterprises (SMEs) and some large businesses (well below the England average) contributing directly to long-term poor productivity performance of the North of Tyne, and constraining opportunities to enter new markets and grow export income.
- Opportunities to accelerate growth, boost productivity and create high value jobs through innovation in our key sectors (clean energy, digital, health & life sciences, professional services, and culture and tourism), building on our established innovation assets (leading universities, Government-funded innovation Catapults and National Innovation Centres) and areas of expertise.
- Low business density and business start-up levels, acting as a drag on competition and private sector growth, investment in business scale-up and start-up is vital.
- Supply-side barriers constraining business growth, including difficulties in recruiting skilled staff, and challenges in accessing investment finance.
- Growing businesses in sectors where the North of Tyne can lead the net zero transition (e.g. offshore wind, electric vehicles).
- A significant rural business base which faces a unique set of challenges (e.g. distance from markets), as well as opportunities (e.g. using the natural environment to reduce carbon emissions).
- Social challenges which present an opportunity to start and grow more social enterprises to support community-led solutions.
- Rising energy costs for businesses and households (which are holding back growth and profitability) with a need to further invest in reducing carbon emissions.

Programmes	Activities
Raising innovation levels to boost productivity in key sectors	Connecting businesses with collaborative innovation opportunities at our universities, catapults, and major investments; accelerating innovation in our key sectors; encouraging SMEs to become innovation active; providing brokerage and signposting to innovation advice and investment.
Start-up, social enterprise, and rural businesses	Supporting business start-ups, social enterprise growth, incubators and co-working spaces, rural business growth and addressing specific rural challenges and opportunities – as well as place-based enterprise support targeting communities and high streets.
Business growth and improved energy efficiency	Supporting business growth accelerators, scale-up programmes and access to finance for growth; facilitating growth of business clusters and supply chains in our key sectors; providing brokerage and signposting to business growth advice and investment; providing energy efficiency and carbon reduction advice and support.

Benefits and outcomes

Who will benefit?	What difference will the UKSPF make?
Businesses with potential to innovate and grow in our key sectors, firms with growth and scale-up potential, and start-ups, social enterprises, and rural businesses	<ul style="list-style-type: none"> ▪ Boost private sector R&D investment and innovation activity ▪ Improve long-run productivity ▪ Enhance economic resilience by supporting businesses to diversify into new markets, supply chains, and geographies ▪ Grow the business base in urban and rural areas, including existing businesses, start-ups, and social enterprise, creating new jobs and increasing prosperity ▪ Improve energy efficiency for SMEs, reduce carbon emissions and support the net zero transition



Investment Priority 3: People and Skills

Challenges and opportunities in the North of Tyne

- High levels of economic inactivity and unemployment, especially among young people, reducing overall workforce productivity and economic prosperity.
- In-work poverty and deprivation, due to more low wage, low skilled, insecure work in the area.
- Low skills and qualification levels in the workforce, including lack of basic and technical skills, limiting opportunities for people to progress into better paid, higher skilled, more secure work.
- Growing recruitment and skills shortages for businesses across many sectors, as the labour market struggles to recover from the pandemic and more people leave the full-time workforce.
- Changing nature of jobs and employers' skills requirements, driven by growing use of digital technologies, automation of some basic job roles (e.g. retail, distribution), and higher skilled job opportunities growing faster than low skilled occupations.
- Growth in well paid jobs in key sectors for people with the right skills, including digital, clean energy, and professional services, alongside a high volume of vacancies in established sectors such as construction, transport, health and care, hospitality and tourism, retail, and distribution.
- Opportunities for people of all ages to train / re-train in 'green skills' to take up jobs in growing low carbon industries, ensuring the net zero transition supports inclusive economic growth.

Programmes	Activities
Employment support to out-of-work, including wrap-around support	Encouraging and supporting economically inactive residents, including those facing multiple barriers to employment, to use support services and progress towards work; intensive support from key workers to address barriers to work; inclusion and employment support for those with poor mental health.
Basic skills support for those furthest from the labour market	Funding the provision of one-to-one and small group basic skills and ESOL support; basic skills training (digital, English, maths (via the Multiply programme) ² , and life /career skills; matching basic skills learners with work placements, volunteering, and mentoring.
Skills to progress in work and address business needs	Supporting people to retain jobs and make progress in work (e.g. by increasing hours and pay); supporting people working in low paid, low skilled jobs and to develop their skills and progress their careers. Training for people to develop 'green skills' needed to take up jobs in growing low carbon industries and transitioning from high carbon to low carbon jobs; raising awareness of green economy job opportunities.

Benefits and outcomes

Who will benefit?	What difference will the UKSPF make?
Unemployed people; economically inactive; those with poor basic skills, poor mental health, low paid, low skilled, insecure jobs; people interested in low carbon industries	<ul style="list-style-type: none"> ▪ More economically inactive people receiving employment support and progressing into jobs ▪ More people with better basic skills for work ▪ More people with improved skills to retain jobs and make career progress ▪ More people in better paid, secure jobs ▪ More people with 'green skills' progressing into low carbon jobs and awareness of career opportunities in low carbon industries

² The NTCA is also responsible for local delivery of the UK-wide Multiply programme, which will support adults to improve their maths skills.



Multiply Programme

Challenges and opportunities in the North of Tyne

- Large numbers of adults who lack basic numeracy skills which are crucial for life and work, business success, and economic growth. Community based Multiply activity will provide practical and social support to help adults to persist with learning. This may include support with childcare, transport and travel assistance, and support from other agencies for more vulnerable learner groups if needed, to remove barriers faced to engagement with learning.
- Over 25% of children in the North of Tyne living in poverty (37% with housing costs taken into account). More than half of those children are in working households. The Multiply programme provides the opportunity to deliver Family Learning activities to help families manage their money, signposting to welfare advice and increasing numeracy skills to support parents/carers into employment or to progress in work.
- Workplaces with basic skills gaps amongst employees resulting in a range of costs for businesses including increases in errors made by staff, a constraint on the introduction of new and /or more efficient processes and reduction in product or output quality. Employers across the region will be invited to participate in the Multiply programme, with a priority focus on those that have a high proportion of lower-paid employees with families.
- Participation in basic skills has fallen across the NTCA region with participation in Maths & English decreasing by 52% between 2011 and 2019. Our aim for Multiply activity is to provide informal, flexible engagement activities to address falling rates of participation and increase residents' confidence to progress to more formal mainstream activity funded through the devolved Adult Education Budget.

Multiply Themes	Activities
Community Engagement	Innovative, collaboratively designed numeracy skills that are related to participants everyday lives will be delivered through taster sessions and short courses providing progression through to formal numeracy qualifications. Delivery under this theme will also include longer interventions for individuals with 1 to 1 wrap around support to address barriers to learning and increase confidence to take the first steps to more formal skills training provided through AEB and/or wider skills offers through the UKSPF People & Skills theme.
Family Learning	Numeracy skills will be embedded into innovative Family Learning activities to support work being done to address poverty and exclusion in our region. Investment in these activities will support existing programmes which include NTCA's Child Poverty Prevention Programme and Education Improvement Programme.
Numeracy Skills for the Workplace	Numeracy skills for the workplace will be delivered through key partners currently engaged with employers who recognise the need to offer numeracy skills to employees in order to improve confidence, address workplace skills gaps and address in-work poverty.

Benefits and outcomes

Who will benefit?

Unemployed people; economically inactive; those with poor basic skills; parents/carers; employers, people in low paid jobs

What difference will Multiply make?

- Increased number of informal adult numeracy activity through the Multiply programme
- Increased participation in basic skills provision
- More people with better numeracy skills for work
- Increase in referral to 'upskill' courses
- More people undertaking formal numeracy qualifications

5. How the UKSPF will be spent and what it will deliver

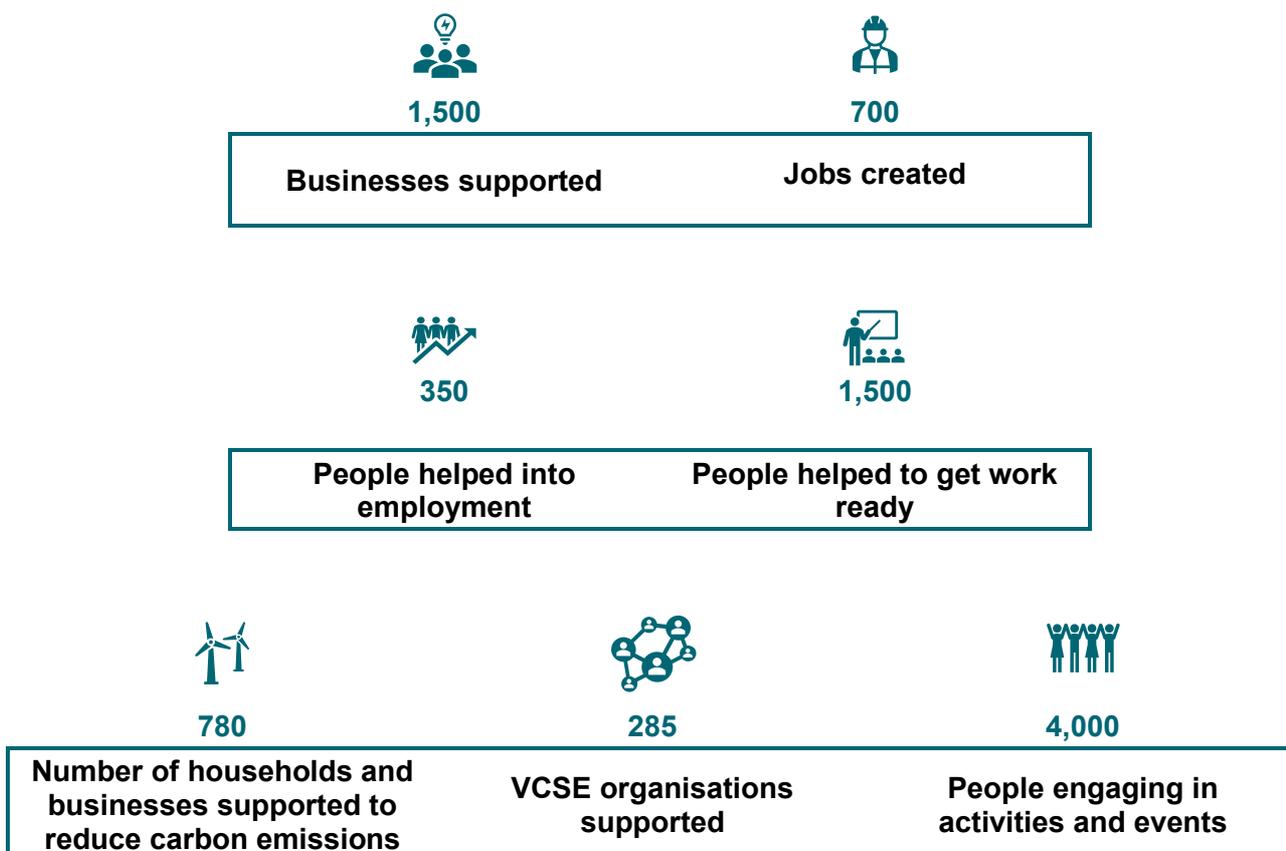
UKSPF Funding in the North of Tyne area

The £51.2m UKSPF allocation is mainly revenue funding, although it does include capital funding of around £8m. UKSPF funding will be invested in the North of Tyne area as follows³:

	(£m)	2022/23	2023/24	2024/25	Total
Community and Place		£2,286,000	£4,300,000	£9,300,000	£15,886,000
Supporting Businesses		£3,428,206	£4,094,213	£11,583,808	£19,106,227
People and Skills		-	£3,034,200	£9,058,634	£12,092,834
Total Core UKSPF		£5,714,206	£11,428,413	£29,942,442	£47,085,061
Multiply Programme		£1,248,185	£1,440,211	£1,440,211	£4,128,607
Total with Multiply		£6,962,389	£12,868,624	£31,382,653	£51,213,668

Outputs and outcomes

The UKSPF investment will deliver the following outputs and outcomes in the North of Tyne area:



³ Government's guidance is that the People and Skills component should largely start in 2024/25, although we have brought forward activity into 2023/24 for VCSE organisations where provision would otherwise be at risk, in line with this guidance.

Managing UKSPF funding

NTCA is the lead authority for the UKSPF in the North of Tyne area, accountable to the Department for Levelling Up, Housing and Communities who are the lead department for UK Government.

We will be responsible for: managing the UKSPF funding received from Government; allocating the funding to projects and delivery partners (based on the priorities described in the Investment Plan submitted to DLUHC); managing and monitoring successful project delivery against objectives and targets; reporting progress to Government and regional partners; and ensuring the funding is used in accordance with public spending guidelines and regulations.

Decisions on the allocation of UKSPF funding to projects will be made by the NTCA Cabinet based on our established assurance framework, as agreed with Government as part of our devolution deal.

A Strategic Partnership Group has been set up to advise NTCA on the delivery and management of the UKSPF Investment Plan, including representation from the NTCA constituent Local Authorities, Members of Parliament, the business community, VCSE sector, education and skills organisations, and other public and private sector partners.

Collaborating with our North East Partners

We have developed our Investment Plan in close discussion with the other UKSPF lead authorities in the North East (the Local Authorities in Gateshead, South Tyneside, Sunderland, and County Durham) to ensure there is a coordinated approach to addressing the common opportunities and challenges facing the wider region.

Where it is appropriate and will improve the efficiency and impact of UKSPF investment on NTCA's objectives, we will also collaborate as we move into implementation with these other lead authorities; these areas are likely to include culture and tourism; business energy efficiency; the transition to a low carbon economy; and some business and innovation support.

6. Next steps

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- Our Investment Plan was submitted to Government in July, and we are expecting to receive approval in October 2022.
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- Further details about the process and timescales for accessing UKSPF funding in the North of Tyne area will be published on the NTCA website in due course.
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- If you have a general enquiry, you can email us on ukspf@northoftyne-ca.gov.uk
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