

Title: UKSPF Socially Trading Peer-to-Peer Support - NEEAL
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Portfolio: Economy and Finance and Investment

Report Summary

The purpose of this report is to approve a UK Shared Prosperity Fund (UKSPF) funding award to North East Enterprise Agencies Ltd (NEEAL) to deliver a programme of Peer-to-Peer support to Socially Trading Organisations (STOs) in line with the UKSPF Investment Plan approved by Government and the Implementation Plan originally agreed by the North of Tyne Combined Authority (NTCA) Technical Officer Group and Investment Panel.

In 2022, the North of Tyne Combined Authority (NTCA) as a designated 'lead authority' was allocated funding of £47.1m for 'core-UKSPF' and £4.1m for the 'Multiply' adult numeracy programme, until March 2025 and covering the areas of Newcastle, North Tyneside and Northumberland. NTCA was also allocated £3,043,546 of Rural England Prosperity Fund. The UKSPF programme is being delivered in line with the Investment Plan agreed by Government.

In September 2022, the NTCA Cabinet delegated responsibility to the Chief Executive in consultation with the Director of Finance and Investment and relevant Cabinet Members to approve the commissioning approach and subsequent grant agreements and/or contracts associated with the Shared Prosperity Fund (minute 34 Resolution 5). In May 2024, the North East Combined Authority (North East CA) Cabinet agreed that 'the formal decisions which the former North East Combined Authority and the former North of Tyne Combined Authority made be treated as decisions of the Authority.' (Cabinet meeting 7 May 2024, Minute no C6/5/24 (4)).

The NTCA established a Dynamic Purchasing System (DPS) for the delivery of Local Business Support Services within the North East area. The DPS is divided into six categories (each referred to as a **Lot**) as described in North East CA's (as the now accountable body for UKSPF) Invitation to Participate in the DPS. This project (**Socially Trading Peer-to-Peer Support**) is issued under **Lot 2** of the DPS.

This paper sets out the decisions relating to a requirement subsequently commissioned through this DPS, specifically:

- A contract between NEEAL and North East CA to deliver Peer-to-Peer Support across the Newcastle, North Tyneside and Northumberland areas. The North East CA contract in respect of this project will be for a value of £300,000 of UKSPF funding (all revenue).

Recommendations

The Chief Executive, in consultation with the Director of Finance, the Mayor and relevant Cabinet Member (s) and in accordance with the scheme of delegation, is recommended to approve the following funding award, and authorise entry into required agreements to facilitate approvals, as set out in this report:

A total of £300,000 of UKSPF funding to be awarded to North East Enterprise Agencies Ltd (NEEAL) for the delivery of the project set out in the summary.

To authorise the Chief Finance Officer and Monitoring Officer to prepare the necessary documentation and enter into contract with the lead applicant (NEEAL).

1. Context - Background Information, Proposals and Timetable for Implementation

The UK Shared Prosperity Fund (UKSPF) will invest in economic growth and regeneration in the regions of the United Kingdom (UK), replacing the previous European Structural and Investment Funds (ESIF).

The UKSPF Delivery Plan for the Northumberland, North Tyneside and Newcastle area sets out a more inclusive area and is built on three key aims:

- Creating a more social and inclusive economy - one which promotes wellbeing across all communities by ensuring wealth is retained locally and distributed more equitably.
- Addressing inequality and poverty, enabling our residents to access opportunities at every stage of their lives.
- Driving better coordination of education, skills, employment, and health activities to help more people move into good work, and progress in work.

A key aspect of delivering a more inclusive economy is the support and development of alternative models of service delivery, business and community ownership – including but not limited to social enterprise and cooperative structures. Services commissioned as a result of this procurement will support our overall ambitions.

- **Activity within this report relates to the Supporting Local Business investment priority of UKSPF.** The UKSPF Investment Plan for Newcastle, Northumberland and North Tyneside set out 3 programmes of activity relating to the Supporting Local Business theme. UKSPF's supporting local business investment priority enables places to fund interventions that support local businesses to thrive. Through delivery of this contract, the supplier will be creating jobs and boosting community cohesion, through investments that build on existing industries and institutions, and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.

It should be noted that in response to early consultation and market engagement in development of the UKSPF Investment Plan, where it was recognised that there were opportunities to drive greater value for money through cross authority collaboration, some UKSPF Lead Accountable Bodies in the region have undertaken a collaborative commissioning exercise where there are similar requirements and objectives. In this instance, the North East CA has solely undertaken procurement for Socially Trading Peer-to-Peer Support, therefore all funding values, outputs and results relate only to the contract between the North East CA and the respective provider and the provider is contractually bound to deliver this in the North East CA area.

The following project, delivered by NEEAL, is recommended for approval for UKSPF funding by the Chief Executive following consultation with all the relevant parties set out in the delegation from Cabinet in September 2022.

1.1 UKSPF North East Enterprise Agencies Ltd (DPS Lot 2) – NEEAL

The former North of Tyne Combined Authority (now the North East Combined Authority) established a Dynamic Purchasing System for the delivery of Local Business Support Services within the North East area. North East CA subsequently issued an ITT which invited bids for the delivery of objectives including:

- increasing the number and quality of social enterprises operating in the area (all variants and legal structures);
- increasing the growth of existing enterprises including through the scaling or export of their products and services;

- activities to develop the 'social economy' including through the development of markets and commissioning approaches to be more 'social enterprise friendly'; and
- increasing the level of patient investment accessed by social enterprises.

This contract is issued under Lot 2 of the DPS. The successful bidder, NEEAL, was selected following the assessment process published in the Invitation to Tender and will enter into a contract with North East CA (£300,000).

The bid from NEEAL was one of two submissions, the other being from Newcastle University/SFEDI. The successful bidder scored 95.7% and demonstrated that they will deliver both immediate benefit and also a legacy beyond the end of delivery, through enabling the development of partnership working, facilitating communication and collaboration between local STOs and key people at local and regional level, providing a vehicle to provide North East CA with views from the local level to feed into local strategic developments and to lobby on behalf of the sector to feed into future programme development..

This contract is awarded to North East Enterprise Agency Ltd (NEEAL) as the lead for a group of economic operators, comprising NEEAL itself, North East Business and Innovation Centre (the BIC), Project North East (PNE), Junction Point CIC (Junction Point) and School for Social Entrepreneurs (SSE).

The project will:

- Provide a menu of structured and semi-structured learning experiences, drawing on peer-to-peer models, but offering a range of different experiences.
- Deliver one to one peer mentoring support of STOs through brokered technical experts, being themselves experienced social entrepreneurs.
- Provide structured and semi-structured peer group support through Action Learning.
- Enable networks of local champions and mentors.
- Create a social enterprise community, building on the Social Enterprise UK (SEUK) Social Enterprise Places programme, where NEEAL will seek to create the country's first Social Enterprise Mayoral Combined Authority across the North East CA geography.

The project will begin in July 2023, fully funded through UKSPF with a total funding value of £300,000, all revenue. The funding comprises a maximum service fee of 60% (£180,000) and milestone-based payments of 40% (£120,000) paid on successful completion of outputs and outcomes throughout the contract.

1.2 Next Steps

A contract will be put in place with the supplier for the activity to be delivered in Newcastle, Northumberland and North Tyneside, and project will commence delivery.

2. Potential Impact on Objectives

- 2.1** All activity outlined in the report will contribute to the delivery of the outcomes of UKSPF Investment Plan which has been approved by Cabinet and by UK Government.

3. Key Risks

- 3.1** The risks associated with the delivery of the project outlined in the report are actively managed at several levels. Strategic risks associated with the delivery of the UKSPF programme are managed through the maintenance of a Risk Register and monitoring by the North East CA's UKSPF Programme Board. Risks at a project level are managed by the project sponsor and as a part of the regular claims and monitoring activity undertaken by the Programme Assurance Team. A risk register will be submitted by NEEAL prior to commencement of the contract.

4. Financial and Other Resources Implications

- 4.1 As a result of this report £300,000 UKSPF funding will be awarded to NEEAL. UKSPF Funding will be allocated to the appropriate investment priority and intervention within the UKSPF Investment Plan and monitored in delivery in the usual manner; funding will be defrayed against the following profile:

Funding Profile	2024/25	Total
UKSPF Revenue	£300,000	£300,000
Total	£300,000	£300,000

4.2 Approvals to Date

The overall UKSPF allocation from Government for NTCA was £47,085,061. If this project were approved, this would leave £3,734,494 remaining overall UKSPF uncontracted (£1,488,173 of which would remain uncontracted under the local business theme). These figures take account of the 4% top slice for administrative costs.

The table below shows the UKSPF allocations approved to date (not including the amount requested in this report):

Theme – Delivery Plan	Allocation minus 4% top slice	Approved	Remaining (of allocation minus top slice)
Communities and Place	15,250,560	£13,368,236	£1,882,324
Local Business	18,341,978	£16,553,805	£1,788,173
People and Skills	11,609,121	£11,245,124	£363,997
Total	£45,201,659	£41,167,165	£4,034,494

NTCA was also allocated £3,043,546 Rural England Prosperity Fund and this is fully contracted.

5. Legal Implications

- 5.1 The comments of the Monitoring Officer have been incorporated into the body of the report.

6. Equalities Implications

- 6.1 An Equalities Impact Assessment has been undertaken for UKSPF and the implications of this will be considered in the project mobilisation and delivery stage.

7. Inclusive Economy Implications

- 7.1 The project included in this paper contribute to the delivery of the inclusive economy objectives of the North East CA. The project has submitted detailed responses to the Inclusive Economy case within the proposals and have been appraised.

NEEAL is fully supportive of driving social value through their activities and can readily identify ways in which they do so using the levers of this programme.

Building Capacity in the Social Economy: This is at the heart of this programme, the intention of which is to not only deliver the outputs and outcomes required through the ITT, but also to create and catalyse a lasting legacy of social enterprise places throughout the North East.

Supporting local employment: NEEAL consists of regenerative organisations and employs primarily local people. This can be maximised using other local programmes and NEEAL will continue to promote these. NE BIC and PNE are members of the North East Combined Authority Good Work Pledge, and NEEAL's staff, who are seconded from NE-BIC, similarly work to that standard.

Embedding fair employment practices: NEEAL will proactively ensure that clients understand the business benefits of embedding fair employment practices and will promote the adoption of the Good Work Pledge with STOs, through the work with STOs to support and enhance the business's leadership development. All of NEEAL's members are living wage employers.

Supporting small, local and third-sector supply chains: It is NEEAL's practice as consortium members to buy locally and ethically as their default position, including through this programme and will encourage the businesses supported to do likewise.

Promoting ethical sourcing practices: It is important to NEEAL that they work with other organisations who share their ethos and values and will promote this philosophy – and its business and societal benefits – to the businesses supported and encourage them to do so through their supply chains. One example of this is the promotion of the B Corp model, with its implicit understanding that the economy benefits from an inclusive, equitable, regenerative economic system. NEEAL recognise that businesses adopting these standards (with or without formal accreditation) are a force for good and will promote them as part of this programme and more widely.

8. Climate Change Implications

- 8.1** The project included in this paper contributes to the delivery of the climate change objectives of the North East CA. Projects have submitted information within their proposals and have been appraised.

NEEAL adopt the principles of a circular economy, working to the principles of repair/reuse/recycle. They use Zoom/Teams where appropriate to minimise travel and plan routes to reduce congestion and maximise efficiencies. Again, these are not only environmental benefits, but sound business practices and as such NEEAL will ensure that they include discussion and consideration of these principles with businesses as they are supported through the programme.

NEEAL will align with the four pillars of sustainability: human (maintain and improve the human capital within our society by enabling learning and development), social, economic and environmental which is embedded through all delivery whether it that is via case studies of the STOs or direct awareness through session delivery.

9. Consultation and Engagement

- 9.1** Significant consultation was undertaken in the original development of the NTCA UKSPF Investment plan, which included several stakeholder events and the establishment of a strategic stakeholder group. Further engagement will be undertaken with external stakeholders, local residents and businesses as the proposals move into delivery.

Further consultation with Local Authorities will be necessary to ensure the contract meets the need of local communities and offers a complementary, aligned provision. A forum of business support providers has been created to ensure complementarity, reporting of outputs, seamless provision and identify gaps in provision.

10. Appendices

10.1 There is one appendix to this paper which sets out a summary of the proposal to be funded.

11. Background Papers

11.1 None

12. Contact Officers

12.1 Chris Walker, Project Manager
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13. Glossary

DPS	Dynamic Purchasing System
North East BIC	North East Business and Innovation Centre
North East CA	North East Combined Authority
NTCA	North of Tyne Combined Authority
NoT	North of Tyne
NE	North East
NEEAL	North East Enterprise Agencies Ltd
MFA	Minimum Financial Assistance
REPF	Rural England Prosperity Fund
SEUK	Social Enterprise UK
SME	Small and Medium-Sized Enterprise
STO	Socially Trading Organisation
UKSPF	United Kingdom Shared Prosperity Fund
UK	United Kingdom

14. Sign-off

1) Portfolio holder: Yes	2) Director/Head of Service: Yes	3) Director of Finance and Investment Yes	4) Monitoring Officer: Yes
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Appendix 1: Project Summary UKSPF Socially Trading Peer-to-Peer Support – NEEAL

Project Summary

The project seeks to capitalise on the Combined Authority's aim of delivering a more inclusive economy through the support and development of alternative models of service delivery, business and community ownership – including but not limited to social enterprise and cooperative structures. The project will help to support our overall ambitions, and the delivery of objectives including: increasing the number and quality of social enterprises operating in the area (all variants and legal structures); increase the growth of existing enterprises including through the scaling or export of their products and services; activities to develop the 'social economy' including through the development of markets and commissioning approaches to be more 'social enterprise friendly'; and, increase the level of patient investment accessed by social enterprises.

The bid from NEEAL was one of two submissions, the other being from Newcastle University/SFEDI. The successful bidder scored 95.7% and demonstrated that they will deliver both immediate benefit and also a legacy beyond the end of delivery, through enabling the development of partnership working, facilitating communication and collaboration between local STOs and key people at local and regional level, providing a vehicle to provide North East CA with views from the local level to feed into local strategic developments and to lobby on behalf of the sector to feed into future programme development..

The delivery model is predicated on the current Business With Purpose programme which NEEAL is delivering for North East CA and which has clear synergies with this proposal. It is built around constituent elements which, together with evaluation and management include:

- **Sharing with Purpose** – which delivers one to one peer mentoring support of STOs through brokered technical experts, being themselves experienced social entrepreneurs
- **Learning with Purpose** – which provides structured and semi-structured peer group support through Action Learning
- **Championing with Purpose** – which enables networks of local champions and mentors.

Collectively, NEEAL believe that this offer will deliver both immediate benefit and also a legacy beyond the end of delivery, through enabling the development of partnership working, facilitating communication and collaboration between local STOs and key people at local and regional level, providing a vehicle to provide North East CA with views from the local level to feed into local strategic developments and to lobby on behalf of the sector to feed into future programme development.

These core elements provide the basis of the delivery model, supplemented with a compliance management and marketing function and an externally provided, longitudinal evaluation which run through the three core elements.

Sharing with Purpose

Drawing on their current knowledge and engagement with the market, both through the delivery of Business with Purpose, and through NEEAL's consortium members' individual relationships with the sector, NEEAL intend to identify and recruit a number of STOs who have specific expertise which will be of benefit to others in the sector, and pre-accredit them as mentors, who will then be offered to the sector on a funded basis. In order to achieve this accreditation, NEEAL intend to spot purchase provision from *Yes We Can Community CIC*, who will provide training to potential mentors through the creation of a basic peer mentoring framework and handbook to support the programme, based on Julie Starr's Mentoring Map and EMCC (European Mentoring and Coaching Council) foundation level mentoring competencies. This will include providing support around the process of matching mentors to mentees, a series of Mentoring Well half-day training sessions for peer mentors, followed by a series of Mentoring Well check in and reflect, 90-minute online sessions.

Mentors will be paid for this work at a standard day rate of £400/day and NEEAL have based the tender on the assumption that some £40,000 of the service fee will be utilised directly in payment to mentors, as well as meeting the cost of *Yes We Can's* services. However, the legacy which this will provide, not only in the form of additional sectoral knowledge, but also in the form of STOs with increased mentoring skills and capacity, is worth the investment.

Junction Point is a social enterprise operating across the North East and further afield, and which has an extensive network. It has delivered programmes of support to social enterprises across the North East, which, in the last year alone, have supported over 390 existing and potential social entrepreneurs. Their Managing Director, Kate Duffy, has worked at both a grassroots and international development level building capacity within charities, social enterprises, purpose-led businesses and communities since 2009. By way of example, they organised Social Enterprise Day 2023 celebrations at Northern Stage which was attended by 80 people, and which is growing each year; their 'Getting Grant Ready' half day workshops have been delivered to 67 participants across Newcastle, Gateshead, South Tyneside, North Tyneside and Northumberland with a further 40 people accessing their 'Paddling With Purpose' event where they showcased local wellbeing social enterprises and charities by putting on a 'pamper' day for local changemakers. Although proud of their north east roots, their work has no geographical limitations, with wide ranging networks such as the Newcastle Social Enterprise Network, of which they are a founding member, and the North East British Library Experts in Residence, of which Junction Point provide social enterprise expertise.

SSE has a national reach. In 2022/23 alone, SSE supported 1,321 leaders of social change and distributed £3.2 Million in development grants to social enterprises. This support reaches people of all ages, and from all walks of life. In 2022/23 89% of their participants had lived experience of the issue they were seeking to address, 16% had a disability or were neuro divergent, and 52% had caring responsibilities.

As this section demonstrates, the consortium has a huge access to social enterprises in the region and beyond, and is thus well placed to identify potential mentors who can best meet the needs of the mentee client group which this programme will support, ensuring that they have access to a national talent pool of paid support which is simultaneously sympathetic to their culture and ethos whilst providing professional level mentoring to the equivalent available in a commercial environment.

Mentor companies will not be "counted" as part of the outcome and output framework.

Learning with Purpose

NEEAL intend to provide a menu of structured and semi-structured learning experiences, drawing on peer-to-peer models, but offering a range of different experiences. Only STOs from Newcastle, North Tyneside and Northumberland who participate in any of this activity will be "counted" as part of the outputs and outcome framework. Their exact nature will in part be determined by the demands of the market, but NEEAL will deliver:

- Structured learning programmes comprising project visits and networking events, using an action learning model – learning by doing.
- Visits and events based around common interests from groups of STOs.

Championing with Purpose

The purpose here would be to create a social enterprise community, building on the Social Enterprise UK (SEUK) Social Enterprise Places programme, where NEEAL would seek to create the country's first Social Enterprise Mayoral Combined Authority across the North East CA geography.

Social Enterprise Places are recognised hotspots of social enterprise activity where social businesses work together to make their area a fairer, greener and more inclusive place to live and do businesses, supporting the growth, productivity and visibility of the social enterprise community. Plymouth became the first recognised Place in 2013, sparking a growing movement of over forty Places nationwide including

Newcastle, Durham, Gateshead and Sunderland. Several consortia members led these Places bids: (Kate Duffy – Junction Point Newcastle, Kevin Marquis – NEBIC Sunderland and Dr Michelle Booth – NEBIC Gateshead). Moving forward SEUK has developed a formal accreditation programme with three of the original forty recognised places gaining accreditation to date. To apply for accreditation each Place must create a three-year plan for the future of social enterprise in their area. These plans are peer assessed and must contain a series of specific aims and ambitions to support and sustain the structure and function of the Place as well as detailed plans and actions to boost the social enterprise community. Plans respond to the characteristics of each place creating a place-based ecosystem for support.

The overall vision for the programme is to facilitate and support the creation of an (ultimately) accredited region working closely with social entrepreneurs and wider stakeholders (e.g combined/local authorities, private sector, universities) to co-create plans through research (e.g. interviews, focus groups) and design thinking sprints. These plans will collectively champion the development of regional social enterprise ecosystem and individually respond to the unique place-based characteristics of each of the seven local authority areas of the North East CA recognising the differing needs of our communities, for example the rural nature of Northumberland and the urban-core of Newcastle.

The content of the plans will be sector led and bespoke to each context. Plans are likely to include a mixture of events and activities, networks and campaigns as well as opportunities for peer-to-peer exchange and cross-sector/cross-geography learning. Pilot activity through Learning with Purpose above has been designed to lead into and inform these sector plans.

Themes within plans will typically include:

- **Sector Development Support:** To help social enterprises develop their business and professional capacity to manage and grow their social ventures. This could include, for example programmes to grow markets for social enterprises through engaging with the wider private and public sectors, through meet the buyer events, peer exchange and share and learn events, and exploring financing and investment opportunities, including social investment and community share offers.
- **Awareness Raising Activities:** to raise awareness of social enterprise through showcasing and animation activities, place-based work with grass roots communities and working within schools and universities to provide social enterprise education. Participation in national events such as Social Enterprise Day and Small Business Saturday would also help to raise the profile and move social businesses from the margins to the mainstream in business. These could also include raising awareness within the public sector and with the procurement teams of larger companies/institutions (also with reference to social value)
- **Culture & Networks:** Development of social enterprise communities through physical and online networks, recognising the geography of the region and the logistics of specific places (e.g rural nature of Durham and Northumberland). Networks will bring the sector and wider partners together to promote collaboration and spark new ideas. Networks will promote a local culture of social entrepreneurship and create a local movement through visibility of numbers.

Project Deliverables

Measure	Forecast by applicant
Outputs	
Number of enterprises receiving non-financial support (E24)	90
Outcomes	
Number of businesses engaged in new knowledge transfer activities (E24)	30
Number of businesses introducing new to the firm products or technologies (E24)	60

Project Finances and Budget Implications

The table below shows the funding split across financial years.

NORTH EAST CA Funding	2022/23	2023/24	2024/25	Total
North East CA UKSPF Revenue			£300,000	£300,000
Total North East CA			£300,000	£300,000

Tender assessment and Contractual Conditions

The tender submission was rated overall Green by an appraisal completed by North East CA and North Tyneside Council's procurement department. Two bids were received; NEEAL were identified as the preferred supplier, receiving a score of 95.7%.

Question	Weighting	Score available	NEEAL Score	% Score award	Newcastle University Score	% Score award
Delivery Model	30%	10	10	30%	8	24%
Project Management & Delivery Team	30%	10	10	30%	10	30%
Social Value	20%	10	8	16%	8	16%
Total Cost	20%	10	10	19.73%	10	20%
Total Score	100%	40	38	95.73%	36	90%

The following precedent conditions will be discharged prior to issue of the contract:

- A full breakdown of staffing arrangements with percentage of time allocated to this contract will be required
- A risk register is to be provided.