



North East Combined Authority, Overview and Scrutiny Committee

Thursday 7 July 2016 at 2.00pm

Meeting to be held at Durham County Hall

www.northeastca.gov.uk

AGENDA

| | Page No |
|---|----------------|
| 1. Apologies for Absence | |
| 2. Appointment of Chair & Vice-Chair | 1 - 4 |
| 3. Declarations of Interest | |
| Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this. | |
| 4. Minutes of the Previous Meeting | 5 - 12 |
| 5. Devolution Agreement, Governance Review & Scheme for the proposed Mayoral Authority | 13 - 50 |
| 6. Forward Plan and Work Programme | 51 - 80 |
| 7. Date and time of the next meeting | |
| 7 July 2016 (Durham) | |
| 27 September 2016(Sunderland) | |
| 1 November 2016 | |
| 14 December 2016 (Gateshead) | |
| 14 February 2017 | |
| 28 March 2017 | |

Contact Officer: Brenda Joyce Tel: 0191 2116144 E-mail: Brenda.joyce@newcastle.gov.uk

To All Members

This page is intentionally left blank

North East Combined Authority

Overview and Scrutiny Committee

DATE: 7th July 2016

SUBJECT: Appointment of Chair and Vice-Chair

REPORT OF: Monitoring Officer

EXECUTIVE SUMMARY

The purpose of this report is to invite the Committee to appoint its Chair and Vice-Chair for the Municipal Year 2016/17.

RECOMMENDATIONS

It is recommended that the Committee appoints a Chair and Vice-Chair for the Municipal Year 2016/17.

North East Combined Authority

Overview and Scrutiny Committee

1. Background Information

- 1.1 The North East Combined Authority (NECA) is created pursuant to the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA 2009) and by the Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Authority Order 2014 ('the Order') which came into force on 15 April 2014.
- 1.2 The NECA is required to have an Overview and Scrutiny Committee and has appointed the Overview and Scrutiny Committee comprising of two Members from each of the Constituent Authorities with 14 Members of the Committee in total.
- 1.3 The Leadership Board appointed the membership of the Overview and Scrutiny Committee at its annual meeting on 21st June 2016. The Leadership Board also agreed for the Scrutiny Committee to have provision for Substitute Members, which is in line with the approach currently applied to other committees of the Authority. It is proposed that one Substitute Member is appointed per each authority.
- 1.4 The Leadership Board has previously agreed that the appointment of Chair and Vice-Chair should be delegated to the Scrutiny Committee.

2. Proposal

- 2.1 The Scrutiny Committee is invited to appoint its Chair and Vice-Chair for the Municipal Year 2016/17.

3. Next Steps

- 3.1 Information on the appointment of the Committee's Chair and Vice-Chair will be made available to all interested parties and published on the North East Combined Authority's website.
- 3.2 The provision for Substitute Members with one Substitute Member to be appointed per each authority, as agreed at the annual meeting of the Leadership Board, will be pursued with nominations sought from the constituent local authorities and submitted to the Leadership Board for confirmation.

4. Potential Impact on Objectives

- 4.1 This appointment will assist the Scrutiny Committee to discharge its functions.

North East Combined Authority

Overview and Scrutiny Committee

5. Finance and other resources

5.1 There are no direct financial or resource implications for the NECA in relation to the appointment of the Chair and Vice-Chair of the Committee

6. Legal

6.1 The appointment of Chair and Vice Chair of the Committee complies with the requirements under the Constitution of the NECA.

7. Other Considerations

7.1 Consultation / Community Engagement

The proposal set out in this report is the result of the decision of the Leadership Board which includes representatives of the seven constituent Councils.

7.2 Human Rights

There are no human rights implications identified at this stage.

7.3 Equalities and Diversity

There are no specific equality and diversity implications arising from this report.

7.4 Risk Management

There are no specific risk management implications arising from this report.

7.5 Crime and Disorder

There are no specific crime and disorder implications arising from this report.

7.6 Environment and Sustainability

There are no specific environment and sustainability implications arising from this report.

8. Background Documents

- The Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Authority Constitution;
- The report to the 21st June 2016 meeting of the North East Leadership Board titled "Appointment of Committees, Agreement of Membership and Appointment of Chairs and Vice-Chairs";

North East Combined Authority

Overview and Scrutiny Committee

- Draft minutes of the 21st June 2016 meeting of the North East Leadership Board.

9. Links to Plans in the Policy Framework

9.1 This report has no direct links to plans in the Policy Framework.

10. Appendices

There are no appendices to this report

11. Contact Officers

Vivienne Geary, Monitoring Officer.

E-mail address: Viv.Geary@northtynside.gov.uk Tel: 0191 643 5339

Karen Brown, Scrutiny Officer karen.brown@sunderland.gov.uk

12. Sign Off

Monitoring Officer ✓

Head of Paid Service ✓

Chief Finance Officer ✓

North East Combined Authority

Overview and Scrutiny Committee

22 March 2016

Meeting held: Newcastle City Library, Charles Avison Building, 33 New Bridge Street West, Newcastle upon Tyne, NE1 8AX

Present:

Councillor: Wright (Chair)

Councillors: Crute, Dillon, Eagle, Flux, Glendon, Graham, A Lower, Maxwell, Pidcock and Snowdon

WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting and introductions were made.

The Chair commented on the tragic events in Brussels and offered condolences on behalf of the committee. The Chair also paid tribute to the personnel of emergency services.

42 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors J Armstrong, M Meling and S Pearson.

43 **DECLARATIONS OF INTEREST**

Councillor Eagle stated that he had been granted dispensation by the Governance Committee to participate in the Overview and Scrutiny Committee's discussions and decision-making in relation to Nexus.

44 **MINUTES OF PREVIOUS MEETING HELD ON 9 FEBRUARY 2016**

The minutes of the previous meeting held on 9 February 2016 were approved as a correct record and signed by the Chair.

Matters Arising

(a) Forward Plan & Work Programme

(Minute 40 refers)

Members noted that there was a regional group that looked at the role of public transport employees in assisting other agencies to protect children and young people from sexual exploitation. There was training available on this subject and a request had been made if the training could be extended to the staff of Metro.

45 UPDATE ON METRO PERFORMANCE

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

Members considered the report which provided an update on the operational performance of Metro.

Members welcomed M Tarry and R Fairy of Network Rail, who welcomed the opportunity to engage with the committee and apologised for the incidents with the Metro system in December and January, acknowledging their understanding of the inconvenience caused to passengers.

Members made comments and asked questions of M Tarry and R Fairy, particularly with regard to the disruptions to the Metro services in December and January. During this process, the following was noted:

- Members queried the adequacy of investment into the Metro infrastructure by Network Rail. In response, it was noted that the provision was considered adequate and there had been an additional £2.4 million of investment by Network Rail into the enhancement of the existing system.
- Members pointed out that one of the key issues with the failure of the Metro system was poor communication with customers. Members queried how Network Rail communicated with customers. In response it was confirmed that the approach set out in section 6.7 of the Network Rail submission appended to the report remained unchanged. Network Rail was committed to work to address the issue.
- Members queried the position with the availability of staff and equipment that were necessary for dealing with incidents on the Metro system. In response, it was noted that due to the nature of the incident in December it had taken a specialist team and specialist equipment to resolve the issue.

Members queried the Network Rail awareness, organisation, ability and knowledge in relation to the Tyne and Wear Metro system. Members also queried the lack of investment in the infrastructure, including equipment. In response, Network Rail offered apologies for the specific incident in December and explained the particulars of the system and the sourcing of the equipment. Members also noted how Network Rail was working jointly with Nexus to resolve the December incident. Members also noted information on the future planning and commitments for the periods leading up to 2019 and beyond, as set out in the report and then outlined verbally in more detail by R Fairy.

- Members noted that a draft consultation document on the East Coast Main Line routes would be published later this year. Members also noted that Network Rail worked closely with the Department for Transport, Transport for North and other partners and stakeholders on future planning.

- It was noted that the possibility of reopening the Ashington, Blyth and Tyne railway was being considered and would be subject to discussions in due course.
- Members also noted the current position and aspirations in relation to High Speed Rail 2 but commented on the lack of progress.
- Members commented on the difficulty for the public to understand issues with the Metro services, including the ownership of the responsibility for specific faults, without good communication being in place. Members also commented on their role to voice concerns of residents and gave examples of the difficulties that passengers had faced as a result of disruptions to the Metro services. Members also commented on the unfortunate way the incidents had been handled and the unfair blaming of Nexus by the media for the failures that had not been their fault. In response, Network Rail representatives offered apologies.
- Members commented that they hoped that lessons had been learned and asked for assurances. In response, the representatives of Network Rail referred to the good performance of Network Rail, particularly in the current year, and explained that Network Rail would continue to analyse the system to ensure it worked effectively. The representatives also offered to attend a future meeting if required by the committee.
- Members also commented on the importance of the Thematic Lead for Transport attending a meeting of the committee. In response, it was noted that the Thematic Lead had been invited to the meeting but due to the diary commitments could not attend on this occasion and was represented by Councillor J Harrison, the Chair of the Transport North East (Tyne and Wear) Sub-Committee. Members welcomed Councillor J Harrison to the meeting.
- Members commented on the complexity of transport matters and suggested that consideration should be given to providing training for members.

RESOLVED – That:

- I. The report be noted;
- II. Representatives of Network Rail be invited to a future meeting; and
- III. The Thematic Lead for Transport be invited to a future meeting.

46 **TRANSPORT THEMATIC LEAD**

Submitted: A report of the Thematic Lead for Transport (previously circulated and copy attached to Official Minutes).

Members considered the report which provided information on major transport developments and announcements since 17 November 2015. Members welcomed Councillor J Harrison, the Chair of the Transport North East (Tyne and Wear) Sub-

Committee, who introduced the report on behalf of the Thematic Lead for Transport and provided updates, including in relation to the following developments:

- Transitional arrangements for the Local Sustainable Transport Fund
- Air Passenger Duty
- High Speed Rail
- Transport for the North
- Highway improvements
- Northern Transport Strategy 2016
- Trans-Pennine Express franchise
- Driverless cars
- Transport Manifesto for the North East

During the ensuing discussion, it was noted that:

- Discussions with Rail North included capacity issues on Durham Coast Line and East Coast Main Line as well as possibilities in relation to the Ashington, Blyth and Tyne railway.
- Members noted information on the new Northern Connect services on the East Coast Main Line and the role of journey times in decisions on the number and locations of stops.
- A Member commented on the importance of a new station in east Durham.
- A Member spoke about the importance of smarter planning to ensure an effective flow of traffic. A Member also spoke about the importance of being realistic when planning routes to ensure that measures and interventions did not cause traffic congestion. A Member asked that more consideration should be given to motorists. A Member also commented on the importance of local authorities working together and having a joint approach to planning in relation to roads and transport. In response, it was noted that it was important to continue to work to address these issues as part of one transport policy, and whilst the Authority needed to continue to work to invest into the strategic routes, it was also necessary to continue to work on the modal shift.
- In response to a Member's comments on the performance of DB Regio Tyne and Wear who operated Metro on behalf of Nexus, it was noted that the Authority was committed to continuing to work to drive improvements.
- It was confirmed that the Overview and Scrutiny Committee would have a role in discussions about the future concessions for operating Metro.
- A Member commented on the relatively low levels of responses to the consultation on the Transport Manifesto for the North East and suggested that more publicity was needed, including adverts on public transport and leaflets in community centres. The Chair commented on the importance of good communication with the public and ensuring that the public had access to the consultation document via a variety of methods. In response, it was noted that these suggestions were helpful. It was also noted that, in addition

to the on-line consultation, there had been a number of events held for the public and the closing date had been extended.

- Members noted the composition and role of Transport for the North, a new statutory entity for the wider region. It was noted that the Authority would have a voice on strategic issues on transport.
- Members discussed the issue of pressures on the Authority's ability to support concessionary travel which was a statutory requirement. It was noted that this matter was being monitored on a continuing basis. It was also noted that Nexus had been requested to set up a review and identify and suggest priorities in relation to the non-statutory element of concessionary travel that was currently provided by the Authority.
- A Member commented on the diversity of the region and the importance of provision of a range of transport solutions to address the different needs of the region.
- It was noted that the Pop card was only available on some bus services but Nexus were working on a wider rolling out of the smart card.
- The Chair commented on the different levels of investment in transport in the South and in the North.

RESOLVED – That:

- I. The report be noted;
- II. Representatives of Nexus be invited to a future meeting;
- III. The Authority explores all opportunities to raise the profile of its public consultations on transport; and
- IV. A document setting out priorities and the action plan for delivery in relation to the Transport Manifesto for the North East be provided to a future meeting.

47 FORWARD PLAN & SCRUTINY WORK PROGRAMME

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

Members considered the report which provided an opportunity to consider items on the Forward Plan and review the updated Annual Work Programme for the current municipal year.

RESOLVED – That:

- I. the report be noted; and

- II. in the light of the current municipal year coming to an end and potential changes in the membership of the committee, an update be brought to the next meeting.

At this point the meeting became inquorate.

48 DEVOLUTION UPDATE

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

Members considered the report which provided information on the current position in relation to the devolution proposals for the region. The report was introduced by the Monitoring Officer. Members also welcomed Councillor S Henig, the Chair of the Leadership Board, who provided an overview of the position to date.

Members asked questions. During this session, the following was noted:

- Members noted the number of events held and the type of stakeholders involved, including local authorities, trade unions and voluntary groups, as part of the consultation process on devolution. Members also noted the position with regard to the consultation process at Durham County Council. A Member commented on the low level of responses from Northumberland.
- Whilst it was confirmed that a constituent local authority had recently expressed a view to not be part of the agreement, it was noted that no decisions had been made at this point in time.
- Members noted that there had been an unfair criticism of the proposals by the media.
- Members also noted the successful example of Manchester.
- Members noted that more engagement was needed from the government on the proposed devolution and “the asks” that the Authority had put forward.
- Members noted the benefits of joint working between local authorities and other public services, such as the NHS, particularly in the current climate of austerity.
- Members discussed the issue of risks. It was noted that the government was keen to transfer a lot of responsibility on the Combined Authority.
- Members also discussed the issue of uncertainty and the lack of a precedent in relation to a Mayoral Combined Authority in the region. In response it was confirmed that the Authority was approaching this matter with caution. Whilst there was a framework available, there were currently no details available. These were being awaited, although it was not clear at this point in time if the government had worked out the detail. The Monitoring Officer explained the process with regard to the framework, the orders and the scheme. It was

noted that whilst there were uncertainties and challenges, a fuller picture would emerge in due course.

- Members queried the powers of the proposed Mayor and commented on the level of responsibility of the role and the importance of a democratic approach to decision-making.
- Members commented on the importance of certainty in relation to funding.
- Members discussed the uncertainties and quickness in relation to timescales. It was noted that the Authority was pressing the government to ensure the timescales did not slip. In referring to the quickness of the process, including elections in 2017, Members queried whether the process was rushed.
- Members queried the impact of the region's ability to retain business rates.
- It was confirmed that there was no impact envisaged on the role of the Police and Crime Commissioner.
- The Chair expressed concern about the uncertainties and the lack of answers from the government and thanked Councillor Henig and the Monitoring Officer for their representations.

RESOLVED – That:

- I. the report be noted; and
- II. the devolution item should remain a standing item on agendas for future meetings.

CHAIR'S COMMENTS

The Chair thanked everyone for their work and support during this municipal year. The Chair thanked the Vice-Chair for his support.

49 **DATES AND TIME OF NEXT MEETING**

The dates and times of future meetings would be confirmed at the annual meeting on 21 June.

This page is intentionally left blank

North East Combined Authority

Overview and Scrutiny Committee

Date: 7th July 2016

Subject: NORTH EAST COMBINED AUTHORITY – THE DEVOLUTION AGREEMENT, GOVERNANCE REVIEW AND SCHEME FOR THE PROPOSED MAYORAL COMBINED AUTHORITY

Report of: INTERIM HEAD OF PAID SERVICE

Executive Summary

The purpose of this report is to provide the Scrutiny Committee with the current position in relation to the devolution agreement, governance review and scheme for the proposed mayoral combined authority.

Recommendations

It is recommended that the Scrutiny Committee discusses the progress on the devolution agreement for NECA, including the governance review and scheme for the proposed mayoral combined authority.

North East Combined Authority

Overview and Scrutiny Committee

1. Background Information

- 1.1 On 23rd October 2015 the NECA Leadership Board signed a proposed Devolution Agreement with the Chancellor of the Exchequer and Commercial Secretary setting out the proposed transfer of significant powers for employment and skills, transport, housing, planning, business support and investment from Central Government to NECA. The proposed Agreement also paves the way for further devolution in the future and for the reform of public services including health and social care.
- 1.2 Since the proposed Agreement was signed in 2015 there have been continuing discussions with Government on detailed implementation of a devolution deal. This report provides the current position and the attached appendices include information on a number of the outstanding issues (see Appendix 1 Leadership Board report 17th May for further detail).

2. Legislative Process & Governance Review

- 2.1 Changes to the powers and responsibilities of the NECA and the introduction of an elected Mayor can only proceed with the agreement of the Constituent Authorities, (subject to the provisions contained in the 2016 Act where there may be one or more non-consenting Authorities) and NECA. Ministerial consent is also required.
- 2.2 The creation of a Mayoral NECA and devolution of new powers and responsibilities requires new secondary legislation in the form of Orders. Two Orders are currently envisaged, one to provide for an elected Mayor for the NECA and their initial term of office, Order 1, and a further Order devolving new responsibilities to the NECA, and allocating specific decision making responsibilities to the Mayor. Any responsibility which is not specifically allocated to the Mayor remains the responsibility of the Leadership Board which would be renamed the “Cabinet”.
- 2.3 A draft order setting out the arrangements for the election of a Mayor in May 2017 is currently proceeding through the Parliamentary process. Emerging generic draft Orders that apply to all Mayoral Combined Authorities are also being consulted on and will provide for appropriate arrangements to be in place in relation to Overview and Scrutiny and Audit. (see Appendix 2 Leadership Board report 21st June for further detail)
- 2.4 Scrutiny Committee members held an informal consultation workshop on 26th April to discuss the emerging generic draft Orders that apply to all Mayoral Combined Authorities as they relate to Overview and Scrutiny.

3. Next Steps

- 3.1 The Leadership Board endorsed the Governance Review at its meeting on 4th July 2016. The Scheme will be subject to extensive public consultation for a period of 6 weeks from 8th July. A summary of the consultation responses will be forwarded to DCLG at the conclusion of the consultation exercise.

North East Combined Authority

Overview and Scrutiny Committee

- 3.2 Provided the appropriate consents to the making of the Order is forthcoming, it is anticipated that the Order will be laid before Parliament in the autumn with a view to the Order being made by the end of 2016 or early 2017.

4. Potential Impact on Objectives

- 4.1 The proposed agreement provides for the transfer of significant powers for employment and skills, transport, housing, planning, business support and investment from central government to the North East in order to deliver the funding and responsibilities that are required to accelerate the area's economic growth.

5. Finance and Other Resources

- 5.1 The Devolution Agreement will bring considerable additional resources from 2016/17 onwards to the NECA area. These additional resources will be administered by the NECA rather than the individual local authorities. The use of these resources will be determined by the Leadership Board following consultation.

6. Legal

- 6.1 The Cities and Local Government Devolution Bill will amend the Local Democracy, Economic Development and Construction Act 2009 by introducing new sections 107A and 107B in to the 2009 Act.
- 6.2 Section 107A gives the Secretary of State the power to provide for the election of a Mayor for a Combined Authority area by making an appropriate Order. The Mayor will be elected by the local government electors across the whole of the NECA area.
- 6.3 Section 107B sets out the requirements that have to be met before an Order providing for the election of a Mayor for a combined authority area can be made. In the case of existing Combined Authority areas, such as NECA, it is proposed that the consent of NECA and at least two Constituent Authorities is required.

7. Other Considerations

7.1 Consultation/Community Engagement

A series of meetings with local and regional stakeholders has taken place to raise awareness of the proposed agreement, discuss the detailed proposals and to find out more about what devolution could mean for the area. Extensive consultation is planned to take place on the draft Scheme.

7.2 Human Rights

North East Combined Authority

Overview and Scrutiny Committee

There are no specific issues arising directly from this report.

7.3 Equalities and Diversity

There are no specific issues arising directly from this report.

7.4 Risk Management

The risks associated with devolved powers and funding streams will be assessed and reported to the Leadership Board as part of the report seeking formal endorsement to proceed to the next stage of the process with Government.

7.5 Crime and Disorder

There are no specific issues arising directly from this report.

7.6 Environment and Sustainability

There are no specific issues arising directly from this report.

8. Background Documents

- Report to NECA Leadership Board – ‘Developing a Devolution Prospectus for the North East Combined Authority’ – 20 January 2015
- Report to NECA Leadership Board – ‘Developing a Devolution Prospectus for the North East Combined Authority – update on stakeholder engagement – 16 June 2015
- Report to NECA Leadership Board – ‘Devolution Update’ – 15 September 2015
- Report to NECA Leadership Board – ‘Devolution Update’ – 17 November 2015

9. Links to plans and policy framework

- 9.1 This report will support delivery of each of the Combined Authority themes and “More and Better Jobs”, A Strategic Economic Plan for the North East.

10. Contact Officers

Adam Wilkinson, Interim Head of Paid Service, North East Combined Authority adamwilkinson@northeastca.gov.uk (0191) 643 6402

11. Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓

North East Combined Authority

Overview and Scrutiny Committee

- Chief Finance Officer ✓

12. List of Appendices

- (i) Appendix 1 – North East Combined Authority – The Devolution Agreement 17th May 2016
- (ii) Appendix 2 – The Governance Review and Scheme for the proposed Mayoral Combined Authority 21st June 2016

This page is intentionally left blank



Leadership Board

Tuesday 17th May 2016

County Hall, Durham, DH1 5UQ

www.northeastca.gov.uk

SUPPLEMENTAL AGENDA No.2

| | Page No |
|--|----------------|
| With the Chair's permission, due to the timetables involved the following documents were circulated at the meeting | |
| 4. North East Combined Authority - The Devolution Agreement | 1 - 22 |
| Supplementary Report 1 and Supplementary Report 2 | |

Contact Officer: Victoria Miller Tel: 0191 211 5118 E-mail: victoria.miller@northeastca.gov.uk

To All Members

This page is intentionally left blank

North East Combined Authority

Leadership Board

DATE: 17 May 2016

SUBJECT: North East Combined Authority – The Devolution Agreement Supplementary Report 1

REPORT OF: Head of Paid Service

EXECUTIVE SUMMARY

Since the Proposed Agreement was signed in October 2015 there have been continuing discussions with Government on detailed implementation of a devolution deal. Following the 24th March Leadership Board report which identified a number of outstanding issues with the Proposed Agreement, the Head of Paid Service has sought further clarification or commitment from Government. This report sets out the information received from Government.

RECOMMENDATIONS

The Leadership Board is recommended to:

- (1) Note the content of the report, the outstanding issues identified by the Leadership Board relating to the proposed Devolution Agreement in March and the responses by Government and subsequent progress made.
- (2) Endorse the proposed Devolution Agreement and agree to the establishment of the North East Combined Authority as a Mayoral Combined Authority.
- (3) Delegate authority to the Head of Paid Service in consultation with the Chair of the North East Combined Authority, the Monitoring Officer and Chief Finance Officer to consent to the Order creating the Mayoral Combined Authority and all other relevant matters to enable the formal establishment of the Mayoral Combined Authority to proceed.
- (4) Delegate authority to the Head of Paid Service in consultation with the Monitoring Officer and Chief Finance Officer to complete the Governance Review and the preparation of a governance Scheme for consideration at the next meeting of the Leadership Board.
- (5) Confirm that the initial term of office for the Mayor of the North East Combined Authority will be for a period of 3 years from 4 May 2017 with subsequent terms of office being for 4 years in accordance with the Local Democracy, Economic Development and Construction Act 2009 (as amended).

North East Combined Authority

Leadership Board

- (6) Agree the proposals as set out in paragraph 25 of the report in respect of highways maintenance and incentive funding
- (7) Note all Constituent Authorities and the Mayoral Combined Authority will be required to consent to the second order for the devolution of powers and responsibilities in accordance with the Devolution Agreement of the 23rd October 2015 to proceed.

North East Combined Authority

Leadership Board

Section 1: Background Information

1. On the 24th March 2016, the Leadership Board received a report and supplementary report on the Proposed Agreement which highlighted the key components of the Proposed Agreement, the progress made in clarifying elements necessary for implementing the Proposed Agreement and the areas where further clarity were required.
2. The Leadership Board confirmed their continued support for devolution and support for the Proposed Agreement entered into on 23rd October 2015 but noted the outstanding issues including those referred to in the main report and the supplementary report which required further clarification and commitment by Government. The Head of Paid Service was authorised to secure this from Government and this report updates the Leadership Board on the progress made.

Section 2: The Proposed Agreement

3. The Proposed Agreement was signed by the Leadership Board, the Chancellor of the Exchequer and the Commercial Secretary to the Treasury on 23 October 2015. Similar Agreements have also been signed by Greater Manchester, Sheffield City Region, Liverpool City Region, the Tees Valley, West Midlands, Greater Lincolnshire, East Anglia and the West of England.
4. Overall, the North East Proposed Agreement sits within the national context of other emerging deals and is well positioned in comparison with similar content across a number of themes. Only Manchester and West Midlands have more coverage, but these are specialist themes such as Police Services, Fire and Rescue Services, and Energy and Environment.
5. The Proposed Agreement provides for important devolution of powers to the North East, enabling the region to join up policies in ways previously not possible, ensuring that transport, infrastructure, skills, employment support, housing and health policies all work together to improve opportunities for the people of the region. It also opens the door to further devolution in future.
6. Key benefits of the Devolution Agreement could include
 - Long-term certainty provided by five year grant allocations and a thirty-year revenue funding allocation to the investment fund amounting to up to £900m of cash grants, which could enable investment of up to £1,800m, enabling the region to invest across priorities according to local needs rather than being constrained by ring-fences determined in Whitehall and 'stop-start' annual funding processes.
 - Fiscal devolution which includes an opportunity for business rates supplement to fund critical infrastructure.
 - Local influence over adult skills, DWP employment support programmes, distribution of ESIF funding, UKTI activity in the region and regional transport investment.

North East Combined Authority

Leadership Board

- Over the next five years the Devolution Agreement would enable local control of circa £1,517 million. This includes £1,042 million of existing funding in the NECA area where the NECA could have greater devolved local control and flexibility over these funds and £475 million of new funding over the next five years. It is estimated that £229 million of this new money is directly related to the Proposed Agreement and would unlikely be received without the deal.
 - Access to regulatory powers to support housing, neighbourhood and health outcomes.
 - Opportunity to shape North East Health and Social care integration ahead of National programme.
 - Opportunity to progress transformational infrastructure projects.
 - The opportunity to create a fully integrated transport system, bringing together responsibilities for rail, local highways, metro, buses and ferries. This would include a consolidated local transport budget, integration of the metro with rail services, long-term investment in the metro system, and the opportunity to deliver a new approach to bus services through powers in the forthcoming Buses Bill.
 - Devolution of business support, and greater responsibility for securing inward investment in the region.
 - Establishment of a North East Land Board to identify land for new homes and to improve the quality of existing housing in the North East.
 - Increasing the region's ability to join up economic initiatives, through new responsibilities for skills training for young people, supporting those needing employment, improving transport services and infrastructure and helping the region build more homes.
 - The option for Government and the Combined Authority to consider further opportunities for devolution over time.
7. Throughout the negotiation process, Ministers have made it clear that devolution is conditional on the creation of an Elected Mayor for the NECA area. They have argued that a transfer of responsibilities would only be appropriate if the public could hold an individual elected person accountable for the exercise of those responsibilities. The Leaders have expressed opposition to this precondition, arguing that devolution should not depend on a particular model of governance imposed from the Government. Nevertheless, in the interests of securing the region's proposals for devolution, and as a basis for future devolution opportunities, the NECA Leadership Board has kept an open position on this issue during the negotiations with Government and has sought to establish a model for an Elected Mayor that includes appropriate checks and balances.
8. The current proposals respect the North East's specific circumstances. The "embedded mayor" model set out in the Agreement ensures significant control for local leaders, an acknowledgement that the "metro mayor" approach adopted in largely urban combined authority areas is not appropriate for the NECA geography.

North East Combined Authority

Leadership Board

9. If the region chooses not to adopt the Mayoral Combined Authority, the NECA would expect the loss of £30 million a year investment funding, putting in jeopardy £1.5 billion in additional investment over 30 years. The NECA would also lose multiyear certainty on local growth and transport funding, reducing the region's ability to plan for the long-term therefore putting the region at a competitive disadvantage compared to the areas to have adopted mayoral combined authorities. The NECA would also lose the ability to vire funding between devolved programmes, and return to the status quo of decisions on LGF, the future of local transport and employment and skills dominated by Whitehall. Importantly the NECA would also lose out on the opportunities for further devolution of powers, responsibilities and resources.

Section 3: Outstanding issues and the Clarification Received

10. Since the Proposed Agreement was signed in October 2015 there have been continuing discussions with Government on detailed implementation of a devolution deal. Following the 24th March Leadership Board report which identified a number of outstanding issues with the Proposed Agreement, the Heads of Paid Service has sought further clarification or commitment from Government.

The key outstanding issues

11. The outstanding matters as highlighted by the 24th March Leadership Board report were:
 - The Proposed Agreement establishes the principle of a single five-year programme allocation of LGF, to form part of the flexible North East Investment Fund. The region has proposed a five-year programme allocation of LGF to Government, and awaits clarification on how Government intends to fulfil this commitment.
 - A lack of certainty on £30 million a year funding over all 30 years and the 5-year gateway tests which is needed if the NECA is to create a substantial investment fund. Although Government have provided some reassurance on the gateway process, uncertainties remain which need to be clarified. Specifically, confirmation is sought that where longer term borrowing is undertaken to support infrastructure and economic development initiatives, which have met both Government and the NECA's rigorous assurance and appraisal processes, that the 5-year gateway review process should not be able to reduce the level of funding received.
 - The Proposed Agreement commits to providing a single devolved transport fund covering 'all highways and sustainable travel budgets'. The confirmation of £273 million in devolved, flexible local highways funding for the region announced alongside the budget is positive, but

North East Combined Authority

Leadership Board

confirmation on how Government plans to devolve sustainable travel funding to the region is still outstanding.

- We are seeking the Government's commitment to build a "rural proofing" element into the prioritisation and allocation of the Investment Fund to ensure that rural areas are not left behind and receive an equitable share of funding to promote sustainable economic growth
- In line with Proposed Agreement, confirmation is needed that the approach to Human Capital will be as agreed with Lord O'Neill and specifically that the ABR process should not commence until the commission led by the Lord O'Neill Board is established.
- The Proposed Agreement sets out commitments that future funding outcomes would ensure the North East is not disadvantaged in relation to the fiscal freedoms granted to the Scottish Government and that the North East does not suffer disproportionately from future reductions in funding through a fair funding settlement. This is an outstanding issue.
- The Prime Minister committed during the 2015 general election campaign to protecting Newcastle Airport from the impacts of devolution of Air Passenger Duty to Scotland. The proposed Agreement commits Government to addressing this issue. This has become increasingly urgent since the Scottish Government's recent publication of a document setting out its detailed plans for implementation of a 50% cut to APD at Scottish Airports with effect from 2018. The lack of an announcement in the March 2016 Budget is a concern and confirmation on how this issue is to be addressed by Government remains outstanding.

Clarification and Commitment secured on the Devolution Agreement

Local Growth Fund

12. Ministers have confirmed that this round of Local Growth Fund will be competitive, with the money going to those areas that bring forward the most ambitious proposals. Government suggest that with a Mayoral Combined Authority, the North East will be at an advantage compared to some areas. As a Mayoral Combined Authority, NECA/NELEP would be able to submit a programme level proposition, providing the ability to bring forward dynamic proposals that align with the wider investment strategy through the new Single Pot for the North East. The bid for the next round of LGF is due in July 2016. Plans for the programme bid are in development and it is currently proposed to submit an ambitious bid for up to £150m of LGF funding, including a strong bid for Local Sustainable Transport projects of c £30m.
13. In regards to the £2 billion of Local Growth Fund monies which are being allocated through the Homes and Community's Agency (HCA)' Home Building Fund, the NECA has sought Government commitment to the North East

North East Combined Authority

Leadership Board

preparing, in collaboration with private sector developers and the HCA, a 5 year programme to utilise these funds in the area. The Government have clarified that once the prospectus is launched, the HCA will engage on the mechanism of the fund with the NECA and developers.

Investment Fund

14. The Government has committed to a thirty-year investment fund with NECA and recognise the ambition of the plans to maximise its impact. The Government have confirmed that the level of funding would not be reduced subject to NECA's investments meeting both Government and the NECA's rigorous assurance and appraisal processes. Funding will be subject to Government's gateway review every five years as described in the deal, however clarification has been received that the early gateway 'reviews' will recognise that the local and national economic impact of the Investment Fund may not yet be observable. As a result, the Panel will use appropriate metrics at each gateway, such as whether investments are being delivered on time and to budget. The panel will have to take into account NECA's specific approach to implementing the investment fund in the North East. This is an improvement of the previous position where input measure were to be applied to only the first review and measures that input measure will be used to measure performance for the first 15 years, reducing risk of the gateway process.
15. Government has provided the assurance requested on the matter and it is worth noting that the NECA is not the only combined authority that would be receiving an investment fund as part of their Devolution Agreement. In addition, the first year tranche of monies for the investment fund will be available to CAs in the 2016/17 financial years pending ratification of their Agreement.
16. Our proposals for the Investment fund include ambitious plans to enable additional 'investment activity' over the life of the programme in particular in the first fifteen of the programme. This significant investment activity, estimated to be worth up to £900m, would create considerable additional opportunities to provide access to finance for business growth and economic development across the region. This would help create thousands of additional jobs in the early years of the programme, increasing and accelerating the contribution to job creation and growth that the infrastructure works themselves would bring in the medium to long term. Details of these 'investment' programmes and project pipelines are currently being developed and will be brought forward later this financial year for consideration and approval by NECA.

North East Combined Authority

Leadership Board

Sustainable Travel Funding

17. Government have confirmed that they have placed the £500m of capital for the Access Fund within the competitive element of the Local Growth Fund. Government are expecting the North East's forthcoming LGF proposal to include a package of sustainable transport measures building on the good track record to date. The NECA has already set out a proposal for a devolved sustainable transport allocation for the North East. . It remains our position that this should form part of our single pot arrangements, and we will maintain this position while also including capital investment proposals alongside our LGF proposals, which also making a separate request for revenue funding from the Government budget that sits outside of the LGF programme.

Rural Proofing

18. The Government appreciate that rural areas and communities are important for NECA considering the wide and different geography of the area. Confirmation has been received that the decisions on the prioritisation of spending from the Investment Fund will be North East decisions, supported by the Assurance Framework.

'Skills' Area Based Review (ABR) Process

19. BIS have agreed to push back the North East's Area Based Review to wave 4 which is September 2016.

Large Scale Transport Infrastructure Projects

20. Productive discussions have been held with DfT on the two specific transport infrastructure projects mentioned in the Proposed Agreement and DfT have confirmed an outline timetable for both Ashington, Blyth and Tyne Line and investment in the Metro.

Air Passenger Duty

21. Government agree that the North East has legitimate concerns about the potential impacts of air passenger duty devolution to Scotland on airports in the North East and have confirmed that a formal response will shortly be published to the discussion paper published last year. The Government believe that there are possible solutions that would avoid State aid or other restrictions. However, there remain real uncertainties as to the scale of impacts, not least due to decisions that remain to be made by the incoming Scottish government after their elections in May. Treasury officials are in regular discussions with Newcastle Airport on the airport's congestion charge proposal and will continue this dialogue on how to implement the preferred solution.

Fair Funding

North East Combined Authority

Leadership Board

22. In regards to fair funding the Government have provided the following commitments:
- Local Authorities have been provided with summaries and figures for Revenue Support Grant, Transitional Grant and Rural Services Delivery Grant allocations for the multi-year settlement offer, and the Government has committed to providing the amounts that have already been set out in that settlement.
 - Looking to the future and the introduction of 100% Business Rates Retention, Government have provided assurance that there will be redistribution between councils so that areas have funding adjusted where they currently collect less in local taxes.
 - The Fair Funding Review will consider the appropriate funding needs of different types of areas and assurances have been received that the Government intends to fully engage with the North East on this, and places great value on specific circumstances being recognised and accommodated.
 - The consultation on the New Homes Bonus closed on 15 March and responses are currently being considered. Government have confirmed they will consider the impact on all parts of the country carefully where they implement the reforms.

Section 4: Other Issues

23. The devolution proposals included the devolution of a single transport pot to be controlled by the mayor, with an allocation of £273.4m over the next 5 years. In announcing the elements of the Single Pot it became clear that that a significant element of this funding was the current Highway capital maintenance funding with the opportunity to secure the maximum amount of incentive funding over the next five years. This would guarantee the highest level of incentive funding worth almost £20m, of which up to £8m would be additional funding, based on the current performance levels.
24. The highway allocations are based on national formula and reflect the backlog maintenance requirements of roads including the roads in the larger rural areas of the region. For this reason, the allocation to Durham and Northumberland are significantly higher than simple measures such as population. There was a significant perceived risk and concern that this funding could be redirected by being included in the Single Pot. In order to secure the agreement to progress with the devolution agreement, a solution to give confidence to the rural areas of the combined authority has had to be found.
25. It is therefore proposed that NECA agree the current planned geographic distribution of the highways maintenance and incentive funding over the next five years that is shown in the table below and that the issue is reflected in the Governance Review and draft Scheme, which would require any proposal to change this allocation once a mayor is elected to be subject to the approval of

North East Combined Authority

Leadership Board

the authorities affected by the change. In addition, the Single Pot letter, received from Government on the 17th May, highlights that the consolidated local transport budget controlled by the Mayor but recognises that the Cabinet will be able to amend the Mayor's annual budget if 2/3 of the members agree to do so.

| Highways Maintenance (Including Incentive Funding at the Highest Level) | | | | | | |
|---|---------|---------|---------|---------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2016/21 |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Durham | 11,557 | 11,556 | 11,556 | 11,556 | 11,556 | 57,781 |
| Gateshead | 2,663 | 2,663 | 2,663 | 2,663 | 2,663 | 13,315 |
| Newcastle | 2,639 | 2,639 | 2,639 | 2,639 | 2,639 | 13,195 |
| North Tyneside | 2,195 | 2,195 | 2,195 | 2,195 | 2,195 | 10,975 |
| Northumberland | 16,959 | 16,959 | 16,959 | 16,959 | 16,959 | 84,795 |
| South Tyneside | 1,506 | 1,506 | 1,506 | 1,506 | 1,506 | 7,530 |
| Sunderland | 3,214 | 3,214 | 3,214 | 3,214 | 3,214 | 16,070 |
| NECA | 40,733 | 40,732 | 40,732 | 40,732 | 40,732 | 203,661 |

26. The early approval of this Highway Capital allocation for the next five years would give additional certainty and provide significant advantages in terms of effective and efficient delivery of the programme, enabling schemes to be delivered earlier that would otherwise be the case. It would represent a significant benefit flowing early from the devolution agreement decision.

Section 5: Further Devolution

27. The Proposed Agreement sets the framework for ongoing dialogue with Government to transfer more power and resources from Whitehall to the North East. Once the current Proposed Agreement is ratified the Combined Authority and Government can start to progress further opportunities for devolution moving forward. Some of the opportunities open to the North East include but are not limited to:
- Business cases for the relocation of significant government functions from London to the North East;
 - Devolution of funding and assets held by central government which could be devolved to support faster housing and regeneration;
 - Devolution of climate change initiatives, support for investment in energy efficiency and technological development;
 - Measures to implement the Prime Minister's commitment to protect Newcastle Airport from the impact of devolution of Air Passenger Duty to Scotland;
 - Opportunities for joint initiatives between the North East and Scotland, in areas such as tourism, culture, transport and industrial collaboration.
 - Proposals for an appropriate relationship between the functions of a Mayor and future role of the Police and Crime Commissioners, including in relation to fire services, to be developed, subject to local

North East Combined Authority

Leadership Board

consent and a business case developed jointly by PCCs and council leaders, and in consultation with the Fire and Rescue Authorities.

28. The Proposed Agreement also sets out a commitment for the NECA and the NHS to jointly establish a Commission for Health and Social Care Integration, to establish the scope and basis for integration, deeper collaboration and devolution across the NECA area, in order to improve outcomes and reduce health inequalities. The Commission is established, a public call for evidence will be published imminently and the Commission is due to report back in September 2016.
29. County Durham is in a unique position within the NECA regarding the police, fire and health and social care as the geographical footprint of these services extends beyond the NECA. Any proposed devolution in these areas will be subject to consent of Durham County Council (and all other Constituent Authorities) and the NECA Leadership Board. Such devolution proposals would be supported by the inclusion of appropriate safeguards in decision-making to protect the interests of Durham County Council or other Constituent Authorities in a minority voting position in decision making.

Section 6: Next Steps

30. Clarification has been sought from Government on the outstanding issues outlined in the 24th March Leadership Board report. Following meetings with Government representatives and correspondence, a response has been secured for each issue.
31. Conferring the specific NECA and Mayoral powers will be subject to Orders, all of which will require the consent of all of the constituent authorities and of the NECA Leadership Board. Advice from DCLG has indicated the following timetable
 - Order 1 to deal with the creation of a Mayoral Authority and the initial term of the Elected Mayor. Order 1 will need to be laid in May 2016 and implemented by 4 November 2016. It is recommended that the initial term of office for an elected Mayor be for a period of 3 years. This enables subsequent Mayoral elections to continue to coincide with local elections in the NECA area, particularly the Tyne and Wear Authorities, and so continue to be cost effective but will avoid a recurrence of a Mayoral election for the North Tyneside elected Mayor and a regional Mayor coinciding. In addition the initial 3 year term avoids the future coincidence of all-out elections in the County Council areas and the election of a regional Mayor. Further, as part of the proposed Devolution Agreement NECA has been invited to develop a joint business case with Police and Crime Commissioners in consultation with Fire and Rescue Services, regarding their future relationship and role with NECA. The 3 year initial term provides for the synchronisation of future elections of PCCs and the NECA Mayor pending the development and outcome of the proposed business case.

North East Combined Authority

Leadership Board

- Order 2 to address issues relating to the devolution of powers and responsibilities to NECA. Order 2 requires a Governance Review and the development of Scheme which will be consulted on for a minimum of six weeks. Consultation on the Scheme would have to commence in early July following completion of the Governance review. Order 2 will need to be laid in October and will need to be in place by the end of December 2016.
 - In addition, there will be a number of generic Orders developed which cover all Combined Authorities and Government will be consulting on this during 2016
32. One Constituent Authority has to date indicated a desire not to participate in a Mayoral Combined Authority and as such is likely to be classified as a Non Consenting Authority (NCA). If this position is maintained by the NCA, and the Leadership Board and (at least 2 of) the remaining Constituent Authorities decide to proceed with the creation of the Mayoral Authority, at the point at which DCLG seeks formal consent from the Constituent Authorities and NECA to the making of Order 1, which creates the Mayoral Authority, and consent from the NCA is not forthcoming, the Secretary of State will be prompted to make an Exclusion Order to remove the NCA from NECA and so changing the NECA boundaries.

Section 7: Potential Impact on Objectives

33. The ratification of the Proposed Agreement will mean that the decisions relating to the powers devolved to the NECA will be made in the North East by the NECA rather than in London and will therefore have a significant impact on the way in which the NECA will meet its objectives.

Section 8: Finance and Other Resources

34. If approved, the Proposed Agreement will bring additional resources from 2016/17 onwards to the NECA area, which could increase significantly in 2018/19 and future years with the devolution of skills and other funding. These additional resources will be administered by the NECA and the use of these resources will be determined by the NECA Cabinet, which would include the Elected Mayor.
35. The devolution of additional flexibility and the ability to take decisions locally about the allocation of existing and new resources is also a notable benefit of devolution. The intention is to maximise the benefits of flexibility through the operation of a Single Pot. Flexibilities such as wider borrowing powers if secured would give real benefits in terms of accelerating capital investment and creating opportunities to achieve savings in revenue financing costs, which could be used to increase the level of investment in the NECA area.

North East Combined Authority

Leadership Board

36. The following table provides an update on Potential Funding over the next Five Years.

Table 1 : Summary of Potential Funding over the next Five Years

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Total 2016-21 |
|--|------------|------------|------------|------------|------------|---------------|
| Proposed Single Pot | £m | £m | £m | £m | £m | £m |
| Local Growth Fund (current) | 79 | 32 | 24 | 17 | 15 | 167 |
| Integrated Transport | 14 | 14 | 14 | 14 | 14 | 70 |
| Highway Maintenance | 41 | 40 | 41 | 40 | 41 | 203 |
| New Investment Fund grant | 30 | 30 | 30 | 30 | 30 | 150 |
| Sub Total | 164 | 116 | 109 | 101 | 100 | 590 |
| Other Funding announced | | | | | | |
| Metro Capital (current) | 31 | 30 | 23 | 18 | 18 | 120 |
| Metro Revenue Rail Grant | 25 | 25 | 25 | 25* | 25* | 125 |
| Enterprise Zone (new capital investment funded by business rates) | 2 | 15 | 25 | 25 | 21 | 88 |
| Sub Total | 58 | 70 | 73 | 68 | 64 | 333 |
| Other Potential Funding | | | | | | |
| 100% Business rates Growth Retention – new revenue | - | 1 | 1 | 2 | - | 4 |
| Bus Services Operator Grant | - | - | 28 | 28 | 28 | 84 |
| LGF next round - estimated share of £1.8bn inc LSTF | - | 15 | 25 | 55 | 55 | 150 |
| LSTF Programme Bid | - | 6 | 7 | 10 | 10 | 33 |
| LGF, Major Highways - estimated share of £0.45bn | - | 2 | 2 | 2 | 2 | 8 |
| Devolved Skills Funding | - | - | 80 | 80 | 80 | 240 |
| Metro Capital funding for replacement cars and development of extensions | - | - | * | * | * | * |
| Mayors Supplementary Business Rates (new revenue to fund investment) | - | - | 25 | 25 | 25 | 75 |
| TOTAL of figures shown | 222 | 210 | 350 | 371 | 364 | 1,517 |

*While funding lines have been agreed in principle, figures in the other potential funding section or marked with an * are uncertain at this point.

37. The total of £1,517 million shown above includes £1,042 million of existing funding in the NECA area where the NECA could have greater devolved local control and flexibility over these funds and £475 million of new funding over the next five years. It is estimated that £229 million of this new money is directly related to the Proposed Agreement and would unlikely to be received

North East Combined Authority

Leadership Board

without the deal. Only the core annual revenue grant of £30 million a year for the Investment Fund and an annual estimate for supplementary business rates of £25 million is included above. The actual level of new capital investment over this first five period could be increased significantly by the use of borrowing powers, potentially by over £200 million in this first period.

38. Information about the funding is set out in the body of this report. In some cases discussions are continuing to confirm the details of the proposals and to seek confirmation of additional flexibilities such as borrowing powers. Discussion about additional funding, such as new investment for Metro Cars and extensions will take longer to be concluded. Positive discussions about giving NECA similar flexible borrowing powers to other councils, in order to increase the efficiency of our single pot investment activity are continuing.
39. It is important for the region to have a strong voice to help secure the principle of fair funding. While there has been some improvement in the fairness of some of the funding decisions this year, other decisions do not support this principle. It is therefore important to continue take advantage of the opportunity to discuss 'fair funding' with the Secretary of State and the Chancellor of the Exchequer, potentially working in concert with other areas of the country, including other combined authorities in the Northern Powerhouse.
40. In terms of the revenue budget for 2016/17, the budget could increase by the £30 million Investment fund revenue grant. This would be used to fund the costs of implementing the devolution proposals and a combination of capital infrastructure works as well as investment in finance for business and economic development projects aimed an increasing the number of jobs and boosting economic growth in the region. Details about how this could be used will be reported for approval to future meetings of the NECA Leadership Board.

Section 9: Legal

41. Decisions relating to the implementation of the Proposed Agreement are executive decisions and therefore the responsibility of Cabinet of each Constituent Authority and of the NECA Leadership Board.
42. The Local Democracy, Economic Development and Construction Act 2009 (as amended), enables the creation of Mayoral Combined Authorities. A key principle of the legislation is that changes to the powers and responsibilities of the NECA and the introduction of an elected Mayor can only proceed with the agreement of the Constituent Authorities, (subject to the provisions contained in the 2016 Act where there may be one or more non-consenting Authorities) and NECA. Ministerial consent is also required.
43. The creation of a Mayoral NECA and devolution of new powers and responsibilities requires new secondary legislation in the form of Orders. Two Orders are currently envisaged, one to provide for an elected Mayor for the

North East Combined Authority

Leadership Board

NECA and their initial term of office, Order 1, and a further Order devolving new responsibilities to the NECA, and allocating specific decision making responsibilities to the Mayor. Any responsibility which is not specifically allocated to the Mayor remains the responsibility of the Leadership Board which would be renamed the “Cabinet”.

44. Where a Constituent Authority of NECA fails to consent to the creation of the Mayoral Combined Authority they will become a non-consenting Constituent Authority. In such a case a further Order will be made by the Secretary of State removing that Authority from the NECA. That Order will designate the non-consenting Authority as a Local Transport Authority and transfer relevant transport responsibilities to that Authority from NECA.
45. The DCLG have advised that the legislation is proposed to be created in two phases, Order 1 must be in place by 4 November 2016 at the latest and that the Parliamentary processes would be commenced with a view to Order 1 being laid before Parliament in mid-May. Subsequent Order(s), that require additional public consultation before being made must be laid in October and in place by the end of this year.
46. The Proposed Agreement provides that the Mayor will be the Chair of the Cabinet but the Mayor will not have a casting vote. Decisions taken by the NECA Cabinet and decisions that are the responsibility of the Mayor are to be subject to “Call in” by the Overview and Scrutiny Committee, which would be a new power for that Committee. Where a Mayor is not supportive of decision taken by the NECA Cabinet they will also have the power to ask for such a decision to be reconsidered but, if reconfirmed, the matter will proceed without Mayoral support.
47. Decisions in relation to the responsibilities of the NECA (Cabinet) may, like now, be taken by Committees, sub Committees and Officers if delegated. A Mayor would also have the option to delegate their decision making responsibilities.
48. The responsibilities of the Mayor not otherwise funded through government grants or contributions by Constituent Authorities, will be funded through a precept, subject to the agreement by the constituent authorities and the NECA to the necessary secondary legislation. The budget proposed by the Mayor for their responsibilities may be changed with the agreement of 2/3 of the Constituent Authorities’ Leaders/Elected Mayor on the Cabinet. The budget for the remaining responsibilities of the NECA will be funded in accordance with the current arrangements through by government grants, Constituent Authority contributions and appropriate levies.
49. Not only will the Cabinet have the power to change the Mayor’s budget proposals where 2/3 of the Constituent Authorities’ Cabinet representatives agree to do so but the Mayor’s plans and strategies will also be subject to change if the requisite 2/3 majority is achieved.

North East Combined Authority

Leadership Board

Section 10: Other Considerations

Consultation/Community Engagement

50. Consultation on devolution proposals has been carried out both by NECA and by the Constituent Authorities. Full details were included in the last report to the NECA Leadership Board, dated 24 March.

Human Rights

There are no specific human rights implications arising from this report.

Equalities and Diversity

There are no specific equality and diversity implications arising from this report.

Risk Management

51. The risks, issues and dependencies associated with the Devolution programme are actively identified, analysed and managed by the NECA programme management team. The NECA is the owner of the strategic risk register for Devolution and will ensure that all key risks are aligned with the Constituent Authority strategic risk registers.
52. The identification and analysis of risks is an ongoing process that is undertaken with the various stakeholder groups and the LA7 working groups that have been established to deliver the specific themes of the Devolution Deal. The NECA programme will report on key risks and mitigating actions as part of the fortnightly status reporting to the CEX Group which operates as the Programme Board.

Crime and Disorder

There are no specific crime and disorder implications arising from this report.

Environment and Sustainability

There are no specific environment and sustainability implications arising from this report.

Section 11 Background Documents

The Cities and Local Government Devolution Act 2016
The Constituent Authorities Cabinet Reports

Section 12 Links to the Local Transport Plans

North East Combined Authority

Leadership Board

Should a non-consenting Constituent Authority emerge it will become a Local Transport Authority and will need to establish its own Local Transport Plan and Concessionary Travel Scheme.

Section 13 Appendices

None

Section 14 Contact Officers

Adam Wilkinson, Interim Head of Paid Service (North East Combined Authority)

adam.wilkinson@northeastca.gov.uk 0191 6435689

Vivienne Geary, Interim Monitoring Officer (North East Combined Authority)

viv.geary@northtyneside.gov.uk 0191 643 5339

Paul Woods, Interim Chief Finance Officer (North East Combined Authority)

Paul.woods@northeastca.gov.uk 07446 936840

Section 15 Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓

This page is intentionally left blank

North East Combined Authority

Leadership Board

DATE: 17 May 2016

SUBJECT: North East Combined Authority – Devolution Agreement
Supplementary Report 2

REPORT OF: Head of Paid Service

EXECUTIVE SUMMARY

The Leadership Board have received a report setting out the current position regarding the Proposed Devolution Agreement (the Proposed Agreement) signed on the 23rd October 2015 with Government. The report set out the feedback received from Government on the outstanding issues identified the 24th March Leadership Board Report.

This supplementary report updates the Leadership Board on the outcome of the relevant Constituent Authorities' Cabinet meetings.

RECOMMENDATIONS

The Leadership Board is recommended to note the content of this report and refer to the recommendations in the main supplementary report.

North East Combined Authority

Leadership Board

Section 1: Background Information

1. The Leadership Board received a report setting out the current position regarding the Proposed Devolution Agreement (the Proposed Agreement) signed on the 23rd October 2015 with Government. The report set out the feedback received from Government on the outstanding issues identified the 24th March Leadership Board Report.
2. This supplementary report updates the Leadership Board on the outcome of the Constituent Authorities' Cabinet meetings.

Section 2: Local Authority Decisions

3. Prior to the 24th March Leadership Board Report, Newcastle Council agreed in March to ratify to the proposed agreement and agree to a Mayoral Combined Authority, North Tyneside confirmed the Authority's support but noted that the outstanding issues referred to in the report required clarification and Northumberland County Council was minded to agree pending clarification on the outstanding issues. Gateshead Council, whilst supporting the principle of devolution, did not endorse the Devolution Agreement and did not consent to the Authority being part of a Mayoral Combined Authority. Durham, South Tyneside and Sunderland councils decided to defer the decision.
4. Following the clarification that the North East Combined Authority received from Government, the section below summarises the decisions taken in May 2016 by the Cabinets of Durham, Northumberland, South Tyneside and Sunderland councils in relation to the proposed Devolution Agreement. The decisions of Newcastle, and Gateshead councils remain those agreed in March 2016 and in the light of the clarifications received and referred to in the main supplementary report North Tyneside Council has agreed to support the creation of the Mayoral Combined Authority.
 - Durham County Council - Cabinet have agreed to move to the next stage of the process by consenting to the making of an order creating a mayoral authority. A number of conditions were highlighted in regards to the devolution of powers and the laying of the second, more detailed order which will be based on the draft Scheme. These conditions include confirmation that there will not be a mayoral veto; that constituent authorities will not be disadvantaged by provisions for majority voting; that County Durham will not be disadvantaged by the Government's proposals on transport and highways funding; and that continued commitment to devolution is based on a commitment to fair funding being achieved through ongoing dialogue with Government.
 - Northumberland County Council – Cabinet have endorsed proposals for North East devolution after receiving government assurances on

North East Combined Authority

Leadership Board

support for rural areas and the need to help grow the county's economy.

- South Tyneside Council – Cabinet have endorsed the Proposed Agreement and agreed to the establishment of the North East Combined Authority as a Mayoral Combined Authority. Continued commitment to devolution is based on the content of the Second Order being satisfactory to South Tyneside, and a commitment by Government to fair funding through ongoing dialogue.
- Sunderland City Council – Cabinet support the proposals set out in the Devolution Agreement and agree to the making of an Order creating a Mayoral Combined Authority for the North East. Before Cabinet agree to devolution of powers and the laying of a second Order setting out the functions of the Mayoral Combined Authority, it will have to be satisfied that the content of the Order was sufficient to deliver the Devolution Agreement and that it did not disadvantage the City of Sunderland and its residents.

Section 5: Potential Impact on Objectives

These are referred to in the main supplementary report.

Section 6: Finance and Other Resources

These are referred to in the main supplementary report.

Section 7: Legal

These are referred to in the main supplementary report.

Section 8: Other Considerations

Consultation/Community Engagement

These are referred to in the main supplementary report.

Human Rights

There are no specific human rights implications arising from this report.

Equalities and Diversity

There are no specific equality and diversity implications arising from this report.

Risk Management

These are referred to in the main supplementary report.

North East Combined Authority

Leadership Board

Crime and Disorder

There are no specific crime and disorder implications arising from this report.

Environment and Sustainability

There are no specific environment and sustainability implications arising from this report.

Section 10 Background Documents

The Cities and Local Government Devolution Act 2016
The Constituent Authorities Cabinet Reports

Section 11 Links to the Local Transport Plans

This report has no direct links to the Local Transport Plans.

Section 12: Appendices

Section 13: Contact Officers

Adam Wilkinson, Interim Head of Paid Service (North East Combined Authority)

adam.wilkinson@northeastca.gov.uk 0191 6435689

Vivienne Geary, Interim Monitoring Officer (North East Combined Authority)

viv.geary@northtyneside.gov.uk 0191 643 5339

Paul Woods, Chief Finance Officer (North East Combined Authority)

Paul.woods@northeastca.gov.uk 07446 936840

Section 14: Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓



Leadership Board

Tuesday 21st June 2016 at 2.00 pm

Meeting to be held at Durham County Cricket Club, Chester-Le-Street, DH3 3QR

www.northeastca.gov.uk

SUPPLEMENTAL AGENDA

| | Page No |
|--|----------------|
| 9. The Governance Review and Scheme for the proposed Mayoral Combined Authority | 1 - 6 |

Contact Officer: Victoria Miller Tel: 0191 211 5118 E-mail: victoria.miller@northeastca.gov.uk

To All Members

This page is intentionally left blank

North East Combined Authority

Leadership Board

DATE: 21 June 2016

SUBJECT: The Governance Review and Scheme for the proposed Mayoral Combined Authority

REPORT OF: Head of Paid Service

EXECUTIVE SUMMARY

The purpose of this report is to update the Leadership Board on the progress so far in developing the Governance Review and Draft Scheme and outline the proposals for consultation and the next steps in the process.

RECOMMENDATIONS

It is recommended that:

- i. The Leadership Board consider the contents of this report.
- ii. Note that the Governance Review and draft Scheme will be submitted to the Leadership Board on 4 July for approval prior to submission to the Secretary of State.
- iii. Endorse the consultation approach for the Governance Review and Scheme set out in this report.

1 Background Information

- 1.1 Following the Leadership Board and Constituent Authorities decision in May 2016 to agree to the establishment of the North East Combined Authority as a Mayoral Combined Authority, a draft Order to make provision for the election of a Mayor for the NECA area is currently proceeding through the Parliamentary process including scrutiny by a Joint Committee. This Order will set out the arrangements for the election of the Mayor in May 2017.
- 1.2 Section 113 of the Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”) as amended by the Cities and Local Government Devolution Act 2016 (“the 2016 Act”) enables the Secretary of State by Order to make changes in relation to the functions exercised by an existing Combined Authority. Such changes can be made where the Combined Authority has prepared and published a Scheme following a Governance Review and that review concludes that the conferring of the additional functions set out in the Scheme would be likely to improve the exercise of the statutory functions in NECA’s area.

North East Combined Authority

Leadership Board

- 1.5 Emerging generic draft Orders that apply to all Mayoral Combined Authorities are also being consulted on and will provide for appropriate arrangements to be in place in relation to Overview and Scrutiny and Audit.
- 1.6 Other regulatory and legislative amendments that need to be made to ensure that NECA's Devolution Agreement can be achieved are being progressed. The Bus Services Bill which is now before Parliament if enacted will provide that a decision on whether or not a Mayoral Combined Authority should make a bus franchising scheme is a function exercised only by the Mayor. That legislation will also deal with the issue of Smart and Integrated ticketing.

2. Progress

- 2.1 The Governance Review is being undertaken on the clear understanding that it is not intended to take any powers or functions away from the Constituent Authorities but about drawing down powers from central government or its agencies. The Governance Review and draft Scheme will include the functions to be exercised by NECA, the governance arrangements and how additional powers and functions given to NECA would be likely to improve the exercise of statutory functions in the NECA area. The draft documents as they stand have been developed in consultation with constituent authorities and comments that have been received so far have all been incorporated
- 2.2 It should be noted that not all aspects of NECA's Devolution Agreement require legislative change to implement. So for instance the creation of a NECA Investment Fund and the North East Land Board can be achieved without a requirement for a change in legislation.
- 2.3 To date one Constituent Authority has not been in the position to consent to the making of the order to create the Mayoral Combined Authority. In the event that there is a Non Consenting Authority, the secretary of State must exclude that authority from NECA. To ensure the potential for the exclusion of an authority is appropriately considered, the Governance Review and Scheme must address the possibility and the impact of the removal of the authority on the powers and responsibilities sought. The full extent of the impact of a NCA is still being considered and a clear position is now emerging on the NCA between Government, NECA and the constituent authorities. Once this information is available it will be incorporated in the current drafts of the Governance Review and Scheme before the documents are considered by the Leadership Board at their meeting on the 4th July.
- 2.4 It is important to note that the Order that will confer the powers and functions on NECA as set out in the Scheme can only be made by the Secretary of State if the Leadership Board and each Constituent Authority consent to such an Order.

North East Combined Authority

Leadership Board

3 Consultation Approach

- 3.1 It is a requirement that a public consultation be undertaken where additional functions are to be conferred on NECA.
- 3.2 The consultation is intended to seek views from the public and stakeholders on the additional functions proposed to be conferred on NECA as set out in the Scheme. The consultation will be led by NECA in conjunction with the constituent local authorities. Every resident, business and stakeholder in the NECA area will have the opportunity to respond if they wish to do so.
- 3.3 The consultation documents will be available through the NECA website and printed copies will be made available in key public buildings including libraries. Consultees will be able to submit their feedback through the NECA website, email and by letter.
- 3.4 The consultation approach will also include focused activity to raise awareness of the consultation including:
- pro-active media releases and pro-active engagement of regional and local media throughout the consultation;
 - regional stakeholder engagement;
 - specific consultation section on the NECA website;
 - content on constituent authority websites;
 - social media activity using NECA and partner channels; and
 - NECA and constituent authority staff communication
- 3.5 A toolkit will be developed to ensure that all constituent authority communications teams have draft content for websites, social media, printed publicity and staff messaging. Constituent authorities will be able to run local stakeholder events if they choose to and a consistent framework will be provided for running the events and capturing the consultation responses.

4 Next Steps

- 4.1 If the Leadership Board endorses the conclusion of the Governance Review and approves the Scheme at the Leadership Board on the 4th July 2016, the Scheme will be published and forwarded to the Department for Communities and Local Government (DCLG). The Scheme must be received by DCLG during the week commencing 4 July 2016.
- 4.2 The Scheme will be subject to extensive public consultation for a period of 6 weeks commencing on the 8th July. A summary of the consultation responses will be forwarded to DCLG at the conclusion of the consultation exercise.
- 4.3 If the Secretary of State considers that making an Order conferring the powers on NECA set out in the Scheme is likely to improve the exercise of the statutory functions in the area, and having regard to securing effective and convenient local government then provided the consent of the Leadership

North East Combined Authority

Leadership Board

Board and each of the Constituent Authorities is forthcoming an Order can be made.

- 4.4 Provided the appropriate consents to the making of the Order is forthcoming, it is anticipated that the Order will be laid before Parliament in the Autumn with a view to the Order being made by the end 2016 or early 2017.

5 Potential Impact on Objectives

- 5.1 If the Leadership Board endorses the findings of the Governance Review and approves the Scheme on the 4th July 2016, the Leadership Board will have started the process of devolving powers from central government to the North East of England and for those powers to be exercised by those democratically elected by the people of the North East. This will have a positive impact on the objectives of NECA.

6 Finance and Other Resources

- 6.1 The financial implications of the devolution deal itself were set out in the previous report on the Devolution Agreement agreed by the Leadership Board at its meeting on 17th May 2016.

7 Legal

- 7.1 As part of NECA's Devolution Agreement, additional powers and responsibilities are to be conferred on NECA by central government.
- 7.2 As part of that process, a Governance Review has to be undertaken under Section 111 of the Local Democracy, Economic Development and Construction Act 2009 ("the 2009 Act") to review how NECA currently exercises its powers and to ascertain if there can be an improvement in this regard by having the further powers conferred on it as set out in the Devolution Agreement.
- 7.3 The 2009 Act is enabling legislation and any powers conferred on a Combined Authority under the Act can only be achieved by way of Order. Those Orders cannot be made without the consent of the Constituent Authorities and the Leadership Board.

8 Other Considerations

8.1 Consultation/Community Engagement

It is a legal requirement that public consultation be undertaken in most cases where additional functions are to be conferred on a Combined Authority. The consultation will relate to the proposals contained in the Scheme. If the Leadership Board approve the Scheme then public consultation will be

North East Combined Authority

Leadership Board

launched on the 8th July 2016 and will run for a six week period to 19th August 2016. The proposed consultation timetable has been developed to ensure alignment with the Order making process.

Once the consultation period is concluded, NECA is obliged to provide the Secretary of State with a summary of the consultation responses. The Secretary of State must be satisfied that no further consultation is required.

8.2 Human Rights

There are no specific human rights implications arising from this report.

8.3 Equalities and Diversity

There are no equalities and diversity implications arising from this report.

8.4 Risk Management

There are no specific risk management implications arising from this report.

8.5 Crime and Disorder

There are no specific crime and disorder implications arising from this report.

8.6 Environment and Sustainability

There are no specific environment and sustainability implications arising from this report.

9 Background Documents

- The NECA Devolution Agreement
- Leadership Board report 17th May - North East Combined Authority – The Devolution Agreement

10 Links to the Local Transport Plans

10.1 There are no links to the Local Transport Plan in relation to this report.

11 Appendices

None.

12 Contact Officers

12.1 Adam Wilkinson, Head of Paid Service
E-mail: adam.wilkinson@northeastca.gov.uk Tel: 0191 643 5689

North East Combined Authority

Leadership Board

13 Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓

North East Combined Authority

Overview and Scrutiny Committee

Date: 7th July 2016

Subject: Forward Plan & Scrutiny Work Programme

Report of: Monitoring Officer

Executive summary

The purpose of this report is to provide Members with an opportunity to consider the items on the Forward Plan for the current 28 day period and to endorse the Scrutiny Annual Work Programme for 2016/17.

Recommendations

It is recommended that the Overview and Scrutiny Committee considers the Forward Plan in relation to the development of the Committee's Work Programme and endorses the draft Work Programme for 2016/17.

North East Combined Authority

Overview and Scrutiny Committee

1. Background Information

- 1.1 The Forward Plan is a document which lists the decisions that the North East Combined Authority committees intend to take in the coming months. The Forward Plan contains specific information relating to each decision, including the date the decision will be made, a brief explanation of the topic, the consultation to be undertaken, and contact details of the author.
- 1.2 Details of each decision are usually included on the Forward Plan 28 days before the report is considered and any decision is taken.

2. Role of Overview and Scrutiny

- 2.1 One of the main functions of this Committee is the review and scrutiny of decisions made by the North East Leadership Board (NELB), the Transport North East Committee (TNEC), Transport North East (Tyne and Wear) Sub-Committee (TWSC) and Nexus. Durham County Council (DCC) and Northumberland County Council (NCC) are also subject to overview and scrutiny in relation to transport functions delegated to them, as is the North East Local Enterprise Partnership (NELEP) to the extent of the NECA's role as its accountable body. One of the ways this can be achieved is by considering the forthcoming decisions of those various decision making bodies
- 2.2 In considering items in the Forward Plan, the Scrutiny Committee should determine whether scrutiny can add value in relation to the decision being made.
- 2.3 To this end, the current Forward Plan is attached marked Appendix 1.

3. Annual Work Programme

- 3.1 The Scrutiny Committee's draft Annual Work Programme is attached as Appendix 2.
- 3.2 The work programme has been compiled to allow the Scrutiny Committee to have an overview of all performance, decision-taking and developments within the NECA, as well as being focused and flexible to allow for new issues and recognising the capacity of the scrutiny committee to respond in a timely way to emerging developments throughout the year.

North East Combined Authority

Overview and Scrutiny Committee

3.3 The NECA Scrutiny Committee obtains work programme items from the following sources:

- a) Items submitted by Members of the Committee (and including items referred by other members of the combined authority)
- b) The Budget and Policy Framework
- c) The Forward Plan
- d) The three Thematic Leads
- e) Evidence for any policy review work

4. Policy Review – Transport Related Barriers to Employment

4.1 The Scrutiny Committee is continuing to gather evidence for a policy review of transport related barriers to education, employment and training. The review will contribute to the North East Transport Plan which in turn will contribute to the delivery of “More and Better Jobs”, the Strategic Economic Plan.

5. Next Steps

5.1 In considering the Forward Plan, Members are asked to consider those issues where the Scrutiny Committee could make a contribution and add value.

5.2 If the Scrutiny Committee determines to review or scrutinise a decision notified in the Forward Plan, a meeting of the Committee will be arranged to allow scrutiny members to carry out their role in a timely way.

5.3 The draft work programme will be refreshed and updated at each meeting of the scrutiny committee throughout the year.

6. Potential Impact on Objectives

6.1 Development of a work programme and review and scrutiny of decisions in the Forward Plan will contribute towards the development and implementation of the policy framework of the NECA, Nexus and NELEP as well as providing appropriate challenge to decisions taken.

7. Finance and Other Resources

7.1 No financial or other resource implications are identified at this stage. The financial impact of any proposals or recommendations should be taken into account and any significant implications should be reflected in any considerations and comments made by the Scrutiny Committee.

8. Legal

8.1 There are no specific legal implications arising from these recommendations.

North East Combined Authority

Overview and Scrutiny Committee

9. Other Considerations

9.1 Consultation/Community Engagement

Not applicable

9.2 Human Rights

There are no specific human rights implications arising from this report.

9.3 Equalities and Diversity

Not applicable

9.4 Risk Management

Not applicable

9.5 Crime and Disorder

Not applicable

9.6 Environment and Sustainability

Not applicable

10. Background Documents

10.1 None

11. Links to the Local Transport Plans

11.1 None

12. Appendices

12.1 Forward Plan - Appendix 1
Work Programme - Appendix 2

13. Contact Officers

13.1 Karen Brown, Scrutiny Officer, karen.brown@sunderland.gov.uk

Sign off

- Head of Paid Service

North East Combined Authority

Overview and Scrutiny Committee

- Monitoring Officer
- Chief Finance Officer

14. Glossary

Forward Plan – list of decisions to be taken in the next 28 days

Work Programme – schedule of reports to be taken over the year

This page is intentionally left blank



Forward Plan of Decisions

Published 27 June 2016 *

Page 57

The Forward Plan for the North East Combined Authority (NECA) is prepared and published by the Monitoring Officer for the purpose of giving the 28 days notice of decisions that are planned to be taken by the NECA, its committees or a Chief Officer, which impact on the key areas of the NECA, namely Transport, Economic Development, Regeneration, Skills and Inclusion.

Unless otherwise indicated, if you require any further information or wish to make representations about any of the matters contained in the Forward Plan, please contact the appropriate officer as detailed against each entry at least 7 days before the meeting.

***The most recent entries are referred to as “NEW”. Updated entries are referred to as “Updated”.**

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|--|------------------------------------|------------------|---|-----------------|--|-----------------------------|--|
| A. North East Leadership Board (Leadership Board) | | | | | | | |
| A 1. | 4 July 2016 (extraordinary) | Leadership Board | Let's Grow Fund Confidential item, business information. The report will be exempt from the publication by virtue of paragraph 3 of Part 1 of Schedule 12A of The Local Government Act 1972 | Corporate issue | The consultation process will involve all constituent local authorities. | Held by the Contact Officer | Paul Woods Chief Finance Officer North East Combined Authority 07446936840 paul.woods@north-eastca.gov.uk |
| A 2. | 4 July 2016 (extraordinary) | Leadership Board | Appointment of Vice-Chairs of the Leadership Board, Appointment of Thematic Lead Areas and Appointment of Thematic Leads | Corporate issue | The consultation process will involve all constituent local authorities. | Constitution. | Vivienne Geary Monitoring Officer viv.geary@northtyn-eseid.gov.uk |
| A 3. | 4 July 2016 (extraordinary) | Leadership Board | The Governance Review and Scheme for the proposed Mayoral Combined Authority | Corporate issue | The consultation process will involve all constituent local authorities | Held by the Contact Officer | Adam Wilkinson Head of Paid Service adam.wilkinson@northeastca.gov.uk |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|------------------|------------------------------------|------------------|--|-----------------|---|-----------------------------|---|
| | | | Report for approval | | | | |
| A 4. | 4 July 2016 (extraordinary) | Leadership Board | Local Growth Fund Report for approval Confidential item, business information. The report will be exempt from the publication by virtue of paragraph 3 of Part 1 of Schedule 12A of The Local Government Act 1972 | Corporate issue | The consultation process will involve all constituent local authorities | Held by the Contact Officer | Paul Woods Chief Finance Officer North East Combined Authority 07446936840 paul.woods@north-eastca.gov.uk |
| A 5. | 19 July 2016 | Leadership Board | Update reports on the following: <ul style="list-style-type: none"> • Economic Development and Regeneration; • Employability and Inclusion; and • Transport and Digital Connectivity | All | To be confirmed | Held by the Contact Officer | Economic Development and Regeneration: Beverley Poulter Lead Policy Officer Sunderland City Council 0191 561 1150 beverley.poulter@sunderland.gov.uk |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|------------------|------------------|------------------|--|-----------------|----------------------------------|-----------------------------|---|
| | | | | | | | <p>Employability and Inclusion: Janice Rose Economic and Inclusion Policy Manager Northumberland County Council 01670 624747 janice.rose@northumberland.gov.uk</p> <p>Transport: Mark Wilson Head of Transport Policy 0191 211 5679 mark.wilson@newcastle.gov.uk</p> |
| A 6. | 19 July 2016 | Leadership Board | Approval to submit a proposal for Transport for the North to become a statutory body Report for information | Transport | To be confirmed | Held by the Contact Officer | <p>Andrew Lewis Chair of the NECA Transport Officers Group Andrew.Lewis@newcastle.gov.uk</p> |
| A 7. | 19 July 2016 | Leadership Board | Finance Update - Outturn 2015/16 | Corporate issue | Any, where necessary | Held by the Contact Officer | <p>Paul Woods Chief Finance</p> |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|------------------|------------------|------------------|---|-----------------|--|-----------------------------|--|
| | | | This will be a report for information providing an update on the outturn against the revenue budget and capital programme 2015/16. | | | | Officer North East Combined Authority 07446936840 paul.woods@north-eastca.gov.uk |
| A 8. | 19 July 2016 | Leadership Board | Finance Update – 2016/17 Revenue Budget and Capital Programme This will be a report for information providing an update on expenditure against the 2016/17 Revenue Budget and Capital Programme. | Corporate issue | Any, where necessary | Held by the Contact Officer | Paul Woods Chief Finance Officer North East Combined Authority 07446936840 paul.woods@north-eastca.gov.uk |
| A 9. | 19 July 2016 | Leadership Board | Development of the Metro and Local Rail Systems' | Transport | The report has been prepared through Nexus' internal reporting arrangements. | Held by the Contact Officer | Tobyn Hughes Managing Director (Transport Operations) 0191 203 3246 tobyn.hughes@nexus.org.uk |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|---|------------------|----------------|---|------------------|---|-----------------------------------|--|
| B. Transport North East Committee (TNEC) | | | | | | | |
| B 1. | 15 July 2016 | TNEC | Devolution Update | Corporate matter | The consultation process will involve all constituent local authorities | Held by the Contact Officer | Adam Wilkinson Head of Paid Service adam.wilkinson@northeastca.gov.uk |
| B 2. | 15 July 2016 | TNEC | Transport Vision for the North East (Transport Manifesto for the North East) Report for approval | Transport | Wide public consultation will take place following publication of the Transport Vision | Held by the Contact Officer | Mark Wilson Head of Transport Policy 0191 211 5679 Mark.Wilson@newcastle.gov.uk |
| B 3. | 15 July 2016 | TNEC | Capital Programme Monitoring Report This report provides the Transport North East Committee with a progress update in relation to delivery of the transport related capital programme. This is a requirement of the NECA | Corporate issue | Consultation on the capital programme with Treasurers and Chief Executives, and capital programme agreed by Leaders in April. | NECA Budget and Capital Programme | Eleanor Goodman Principal Accountant 0191 277 7518 eleanor.goodman@newcastle.gov.uk |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|------------------|------------------|----------------|---|-----------------|---|--|--|
| | | | constitution and is a function delegated to TNEC. | | | | |
| B 4. | 15 July 2016 | TNEC | <p>Revenue Budget Monitoring Report</p> <p>This report provides the Transport North East Committee with a progress update in relation to how the transport related budgets for the delivery agencies are being managed. This is a requirement of the NECA constitution and is a function delegated to TNEC.</p> | Corporate issue | Consultation on the budget with Treasurers and Chief Executives, and budget agreed by Leaders. | NECA Budget and Capital Programme | <p>Eleanor Goodman Principal Accountant 0191 277 7518 eleanor.goodman@newcastle.gov.uk</p> |
| B 5. | 15 July 2016 | TNEC | <p>Go Smarter (across the North East) - Sustainable Travel Transition Year Funding 2016-17</p> <p>This report will provide information about</p> | Transport | Consultation was carried out with officers from across the NECA area in developing the 2016-17 Go Smarter funding | A copy of the Sustainable Travel Transition Year funding bid can be found at http://www.nort | George Mansbridge Head of Development Services South Tyneside Council and |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|------------------|------------------|----------------|--|---------------|---|--|--|
| | | | NECA's successful Sustainable Travel Transition Year funding bid for 2016-17 and the activities to be delivered across the region up to March 2017 | | bid | heastca.gov.uk/sites/default/files/file_attachments/Sustainable%20Travel%20Transition%20Year%20Revenue%20Competition%202016-17%20-%20NECA%20Application%20Form.pdf | Chair of NECA's Sustainable Transport Group 0191 424 7566 george.mansbridge@southtyneside.gov.uk |
| B 6. | 15 July 2016 | TNEC | Update on The Bus Services Bill To provide an update on the Bus Services Bill | Transport | The report has been prepared through Nexus' internal reporting arrangements | Held by the Contact Officer | Tobyn Hughes Managing Director (Transport Operations) 0191 203 3246 tobyn.hughes@nexus.org.uk |
| B 7. | 15 July 2016 | TNEC | Large Local Major Schemes Fund To provide an update on the transport schemes in this region that the North East | Transport | Consultation has taken place with all of the local authorities within NECA | Held by the Contact Officer | Mark Wilson Head of Transport Policy 0191 2115679 mark.wilson@north-eastca.gov.uk |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|------------------|------------------|----------------|--|---------------|---|-----------------------------|---|
| | | | Local Enterprise Partnership will be submitting for funding through the Department for Transport's Large Local Major Schemes Fund | | | | |
| B 8. | 15 July 2016 | TNEC | <p>Heavy Rail Update</p> <p>This report will provide an update on issues and developments relating to the heavy rail network in the region</p> | Transport | No consultation required | Held by the Contact Officer | <p>Tobyn Hughes Managing Director (Transport Operations) 0191 203 3246 tobyn.hughes@nexus.org.uk</p> |
| B 9. | 15 July 2016 | TNEC | <p>Metro Fleet and Infrastructure Renewal</p> <p>To provide an update on the progress of the Business Cases for the replacement of the Metrocar fleet and programme of essential renewals as part of the</p> | Transport | The report has been prepared through Nexus' internal reporting arrangements | Held by the Contact Officer | <p>Tobyn Hughes Managing Director (Transport Operations) 0191 203 3246 tobyn.hughes@nexus.org.uk</p> |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|------------------|--|----------------|---|---------------|----------------------------------|--|---|
| | | | Metrofutures programme. | | | | |
| B 10. | 15 July 2016 and all future meetings | TNEC | Transport for the North – an update on the programme to improve the transport network in Northern England Report for information | Transport | To be confirmed | The Northern Powerhouse: One Agenda, One Economy, One North: document published at https://www.gov.uk/government/publications/northern-transport-strategy | Mark Wilson Head of Transport Policy 0191 211 5679 Mark.Wilson@newcastle.gov.uk |
| B 11. | 15 July 2016 and any relevant future meeting | TNEC | Transport Project Approvals (report for approval). This is a standing item, which will include the approval of any funding or contractual arrangement that may be necessary from NECA for projects to proceed. This involves | Transport | To be confirmed | Held by the Contact Officer | Paul Woods Chief Finance Officer North East Combined Authority 07446936840 paul.woods@north-eastca.gov.uk And Mark Wilson |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|------------------|--------------------------|----------------|--|---------------|--|--|--|
| | | | projects where funding has previously been approved by the Local Transport Body and where the approval may also be necessary from TNEC, on behalf of NECA in its role as accountable body. | | | | Head of Transport Policy 0191 211 5679 Mark.Wilson@newcastle.gov.uk |
| B 12. | 20 April 2017 (annually) | TNEC | Discharge of Transport Functions by Durham County Council. The report provides an update on the discharge of delegated functions at Durham County Council. | Transport | The report refers to the discharge of delegated functions by officers in Durham County Council in consultation with the relevant cabinet portfolio holder. | The North East Combined Authority Constitution The North East Combined Authority Deed of Operation dated the 29 th April 2014. | Adrian J White Head of Transport and Contract Services Durham County Council 03000 267455 adrian.white@durham.gov.uk |
| B 13. | 20 April 2017 (annually) | TNEC | Discharge of Transport Functions by Northumberland County Council. The report provides an update on the | Transport | To be confirmed | Held by the Contact Officer | Stuart McNaughton Principal Transport Policy Officer Northumberland County Council 01670 624 104 |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|---|--|----------------|--|---------------|----------------------------------|-----------------------------|--|
| | | | discharge of delegated functions at Northumberland County Council. | | | | stuart.mcnaughton@northumberland.gov.uk |
| C. Transport North East (Tyne and Wear) Sub-Committee (TWSC) | | | | | | | |
| C 1. | 15 July 2016 and then at every meeting | TWSC | <p>Tyne Tunnel Update (confidential report) The report will provide an update for Members on the operation and management of the Tyne Tunnel</p> <p>The report will be exempt from the publication by virtue of paragraphs 3 and 5 of Part 1 of Schedule 12A of The Local Government Act 1972</p> | Transport | To be confirmed | Held by the Contact Officer | <p>Michael Murphy Engineer to the Tyne</p> <p>0191 211 5950 michael.murphy@newcastle.gov.uk</p> |
| C 2. | 15 July 2016 and all future meetings | TWSC | Monitoring Nexus' Performance and Metro Performance Update | Transport | To be confirmed | Held by the Contact Officer | Tobyn Hughes Managing Director (Transport Operations) |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|------------------|--------------------------------------|----------------|---|---------------|---|-----------------------------|--|
| | | | <p>The purpose of these reports is to advise TWSC of Nexus corporate performance in respect of service and project delivery such that the Sub-Committee exercises the monitoring and oversight functions in respect of Nexus activities delegated to it from the NECA Leadership Board.</p> <p>The report also reports on the measures in place to improve Metro performance.</p> | | | | 0191 203 3246 tobyn.hughes@nexus.org.uk |
| C 3. | 15 July 2016 and all future meetings | TWSC | <p>Nexus Strategic Risks</p> <p>The purpose of this report is to provide an update to TWSC of the strategic risks identified by Nexus for the year.</p> | Transport | The report has been prepared through Nexus internal reporting arrangements. | Held by the Contact Officer | Tobyn Hughes Managing Director (Transport Operations) 0191 203 3246 tobyn.hughes@nexus.org.uk |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|--------------------------------|----------------------|----------------------|--|-----------------|---|-----------------------------|--|
| C 4. | 15 July 2016 and all | TWSC | Metro Transition Update To provide an update on Metro Transition. | Transport | The report has been prepared through Nexus internal reporting arrangements. | Held by the Contact Officer | Tobyn Hughes Managing Director (Transport Operations) 0191 203 3246 tobyn.hughes@nexus.org.uk |
| C 5. | 15 July 2016 | TWSC | Great North Run Update To provide an update to Members on the preparation being carried out for Metro services on Great North Run Day 2016. | Transport | The report has been prepared through Nexus internal reporting arrangements. | Held by the Contact Officer | Tobyn Hughes Managing Director (Transport Operations) 0191 203 3246 tobyn.hughes@nexus.org.uk |
| D. Governance Committee | | | | | | | |
| D 1. | 5 July 2016 | Governance Committee | External Audit Progress Update This report provides an update for information on the work of Mazars, | Corporate issue | Consultation with the Statutory Officers and the Governance Committee | Held by the Contact Officer | Eleanor Goodman Principal Accountant 0191 277 7518 eleanor.goodman@northeastca.gov.uk |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|------------------|------------------|----------------------|--|---|--|--|--|
| | | | the External Auditors to the Combined Authority. | | Chair. | | |
| D 2. | 5 July 2016 | Governance Committee | 2015/16 Outturn and Key Financial Statements This report provides an update for information on outturn position for 2015/16 and the draft Key Financial Statements. | Corporate issue | Consultation with the Statutory Officers and the Governance Committee Chair. | Held by the Contact Officer | Eleanor Goodman Principal Accountant 0191 277 7518 eleanor.goodman@northeastca.gov.uk |
| D 3. | 5 July 2016 | Governance Committee | Annual Governance Statement 2015/16 The purpose of this report is to bring the draft Annual Governance Statement to Members to consider its inclusion in the accounts. Members are asked to agree the 2015/16 Annual Governance Statement | The Annual Governance Statement covers all aspects of the Combined Authority's activity | Head of Paid Service, Monitoring Officer and Chief Finance Officer | Guidance on the production of an Annual Governance Statement | Philip Slater Audit, Risk and Insurance Service Manager Newcastle City Council 0191 2116511 philip.slater@newcastle.gov.uk |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|------------------|------------------|----------------------|--|---|--|--|---|
| D 4. | 5 July 2016 | Governance Committee | <p>Strategic Risks & Opportunities Register</p> <p>The purpose of this report is to provide an update on the strategic risk and opportunity register for the Combined Authority.</p> <p>The report is for members information</p> | Risk Management covers all aspects of the Combined Authority's activity | Head of Paid Service, Monitoring Officer and Chief Finance Officer | Risk Management Policy & Strategy | <p>Philip Slater Audit, Risk and Insurance Service Manager Newcastle City Council 0191 2116511 philip.slater@newcastle.gov.uk</p> |
| D 5. | 5 July 2016 | Governance Committee | <p>Internal Audit Annual Report</p> <p>The purpose of this report is:</p> <ul style="list-style-type: none"> • A summary of outcomes from the delivery of the 2015/16 internal audit plan • Information on the implementation of audit recommendations | Internal Audit covers all aspects of the Combined Authority's activity | Head of Paid Service, Monitoring Officer and Chief Finance Officer | Final Internal Audit Reports & Internal Audit Plan | <p>Philip Slater Audit, Risk and Insurance Service Manager Newcastle City Council 0191 2116511 philip.slater@newcastle.gov.uk</p> |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|------------------|------------------|----------------------|--|-----------------|--|----------------------------------|--|
| | | | <ul style="list-style-type: none"> An opinion on the effectiveness of NECA's control environment during 2015/16 A revised 2016/17 internal audit plan. <p>Members are requested to note the internal audit activity to date.</p> | | | | |
| D 6. | 5 July 2016 | Governance Committee | <p>Anti-Fraud & Corruption Policy</p> <p>The purpose of this report is to highlight Governance Committee Members responsibilities</p> <p>The report is for information only</p> | Corporate Issue | Head of Paid Service, Monitoring Officer and Chief Finance Officer | Anti-Fraud and Corruption Policy | Philip Slater Audit, Risk and Insurance Service Manager Newcastle City Council 0191 2116511 philip.slater@newcastle.gov.uk |
| D 7. | 5 July 2016 | Governance Committee | Review of the Effectiveness of the Governance Committee | Corporate Issue | Head of Paid Service, Monitoring Officer and | Held by the Contact Officer | Philip Slater Audit, Risk and Insurance Service Manager |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|---|------------------|----------------|---|-----------------|----------------------------------|------------------------------|---|
| | | | The purpose of this report is to bring a draft assessment document to allow the Committee to carry out a self-assessment of their effectiveness. Members are asked to comment on the template | | Chief Finance Officer | | Newcastle City Council 0191 2116511 philip.slater@newcastle.gov.uk |
| E. Governance Sub-Committee | | | | | | | |
| There are no meetings currently scheduled. | | | | | | | |
| F. Overview and Scrutiny Committee (O&S) | | | | | | | |
| F 1. | 7 July 2016 | O&S | Forward Plan and Work Programme To receive the latest version of the Forward Plan and annual work programme | Corporate issue | To be confirmed | Held by the Contact Officers | Karen Brown Scrutiny Officer 0191 561 1004 Karen.brown@sunderland.gov.uk Representations may be forwarded to the Contact |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|------------------|------------------|----------------|--|-----------------|----------------------------------|------------------------------|---|
| | | | | | | | Officer by 8 March 2016 |
| F 2. | 7 July 2016 | O&S | Appointment of Chair and Vice-Chair To invite the Scrutiny Committee to appoint its Chair and Vice-Chair for the Municipal Year 2016/17 | Corporate issue | | Held by the Contact Officers | Karen Brown Scrutiny Officer 0191 561 1004 Karen.brown@sunderland.gov.uk Representations may be forwarded to the Contact Officer by 8 March 2016 |
| F 3. | 7 July 2016 | O&S | The Governance Review & Scheme for the proposed Mayoral Authority. To be advised of the proposals for the establishment of a Mayoral Authority. | Corporate issue | To be confirmed | Held by the Contact Officers | Karen Brown Scrutiny Officer 0191 561 1004 Karen.brown@sunderland.gov.uk Representations may be forwarded to the Contact Officer by 8 March 2016 |
| F 4. | 7 July 2016 | O&S | North East Combined Authority – the Devolution Agreement The Purpose Of This Report Is To Update | Corporate issue | To be confirmed | Held by the Contact Officers | Karen Brown Scrutiny Officer 0191 561 1004 Karen.brown@sunderland.gov.uk |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|--|------------------|----------------|--|---------------------------------------|---|---|--|
| | | | The Committee On The Current Position In Relation To The Devolution Agreement And Set Out The Activity That Has Taken Place To Date. | | | | Representations may be forwarded to the Contact Officer by 8 March 2016 |
| G. Economic Development and Regeneration Advisory Board (EDRAB) | | | | | | | |
| G 1. NEW | 28 July 2016 | EDRAB | Economic Development and Regeneration – Progress Update Members are requested to receive an update on, and provide views in relation to, progress within the key areas of the Economic Development and Regeneration theme. The update will include progress on the development of the regional Inward Investment function | Economic Development and Regeneration | NECA Elected Members and officers; NELEP Members and officers | North East Strategic Economic Plan - More and Better Jobs | Beverley Poulter Lead Policy Officer Sunderland City Council 0191 561 1150, beverley.poulter@sunderland.gov.uk |

| Reference Number | Date of Decision | Decision Maker | Topic | Thematic area | Consultees /Consultation Process | Background Documents | Contact Officer |
|-------------------------|-------------------------|-----------------------|-------------------------------|----------------------|---|-----------------------------|------------------------|
| | | | and Regional Investment Plan. | | | | |

This page is intentionally left blank

Work Programme 2016/17

| Date | Items | Lead Officer | Informal Briefings / Development Days |
|---|--|-------------------------------------|---------------------------------------|
| 7 th July (Durham) | Appointment of Chair & Vice-Chair | Viv Geary | |
| | The Devolution Agreement , Governance Review & Scheme for the proposed Mayoral Authority | Adam Wilkinson | |
| | Forward Plan & Work Programme | Karen Brown | |
| 27 th September (Sunderland) | Transport Manifesto Feedback & progress on Transport Plan | Ian Coe | |
| | NELEP Strategic Economic Plan (SEP) Progress Review 2014-16 | Helen Golightly | |
| | The Governance Review - progress | VG | |
| | Forward Plan & Work Programme | Karen Brown | |
| 1 st November | Nexus Performance & Metro Performance | Tobyn Hughes | |
| | Growth Fund Performance 2015/16 | Paul Woods | |
| | Financial Monitoring Update – Outturn 2014/15 | Paul Woods | |
| | Forward Plan & Work Programme | KB | |
| 14 th December (Gateshead) | Draft Budget 2017/18 | Paul Woods | |
| | Transport Thematic Lead Update | Councillor Nick Forbes, Lead Member | |
| | Forward Plan & Work Programme | KB | |
| 14 th February | Economic Development & Regeneration Thematic Lead Update | Councillor Paul Watson, Lead Member | |
| | Forward Plan & Work Programme | KB | |
| 28 th March | Employability and Skills Thematic Lead Update | Cllr Grant Davey, Lead Member | |
| | Network Rail | | |
| | Forward Plan & Work Programme | KB | |
| In addition to the schedule items, the following items will be included in the work programme | | | |
| | Impact of EU Referendum | | |
| | | | |
| | | | |

This page is intentionally left blank