

North East Combined Authority

Leadership Board

19 July 2016

Meeting held: Committee Room, Northumberland County Council, County Hall, Morpeth, NE61 2EF

Present:

Councillor P Watson (Chair)

Councillors G Davey, N Forbes, M Gannon, S Henig and I Malcolm and Mayor N Redfearn

22 **APOLOGIES FOR ABSENCE (MEMBERS)**

An apology for absence was received from Mr A Hodgson.

23 **DECLARATIONS OF INTEREST**

There were no declarations of interest during the part of the meeting that was open to the public.

24 **MINUTES OF THE PREVIOUS MEETING HELD ON 21 JUNE 2016**

The minutes of the previous meeting held on 21 June 2016 were approved as a correct record and signed by the Chair.

25 **MINUTES OF THE EXTRAORDINARY MEETING HELD ON 4 JULY 2016**

The minutes of the extraordinary meeting held on 4 July 2016 were approved as a correct record and signed by the Chair.

26 **APPOINTMENT OF THE THEMATIC LEADS OF THE COMBINED AUTHORITY, APPOINTMENT OF VICE CHAIRS OF THE LEADERSHIP BOARD AND NOMINATION OF VICE-CHAIR OF THE NORTH EAST LOCAL ENTERPRISE PARTNERSHIP**

The Leadership Board considered the report which invited the Board to appoint its Vice-Chairs, appoint the Thematic Leads for the thematic areas and to nominate the Chair of the Leadership Board to be the Vice-Chair of the North East Local Enterprise Partnership, all for the municipal year 2016/17.

RESOLVED – That:

- i. Councillor Simon Henig and Mayor Norma Redfearn be appointed as Vice-Chairs of the Leadership Board for the municipal year 2016/17;

- ii. Councillor Iain Malcolm be appointed as the Thematic Lead for Economic Development and Regeneration thematic area for the municipal year 2016/17 and Chair of the Economic Development and Regeneration Advisory Board;
- iii. Councillor Nick Forbes be re-appointed as the Thematic Lead for Transport (and Digital Connectivity) thematic area for the municipal year 2016/17;
- iv. Councillor Grant Davey be re-appointed as the Thematic Lead for Employability and Inclusion thematic area for the municipal year 2016/17; and
- v. Councillor P Watson, the Chair of the Leadership Board be nominated as the Vice-Chair of the North East Local Enterprise Partnership.

27 **DEVOLUTION UPDATE**

Members considered the report which provided an update on the assurances sought from the Government on the provisions of the Devolution Agreement for the North East following the result of the referendum on the UK's membership of the European Union. The report also invited the Leadership Board to consider the next steps.

Members discussed whether the latest letter from the Secretary of State in response to the Authority's request for assurances in relation to the Government's commitment to the terms of the Devolution Agreement of October 2015 should be considered as firm assurances in the light of the changes within the Government. A number of views were expressed.

A Member moved, and this was seconded by another Member, a proposal to amend the recommendations set out in the report to read as at (A) below. During the ensuing discussion Members commenting on the following matters:

- the importance of progressing devolution for the North East;
- the importance of devolution for securing the first tier access to funding;
- risks associated with delaying devolution;
- the importance of the North East having a strong voice and being at the negotiation table through moving forward with the next stages towards devolution;
- the importance of understanding the views of the new Government on devolution;
- the importance of full assurances from the new Government as to the terms of the proposed Devolution Agreement signed in October 2015;
- the importance of the Authority moving forward with its own Scheme;
- the position of Gateshead Council;
- support for devolution from the business sector;
- the promises made as part of the Brexit campaign in relation to honouring previous commitments; and
- the Authority being able to progress with the consultation on the Draft Scheme whilst seeking further assurances from the Government.

The Chair then read out a different set of recommendations, as at (B) below, which were proposed to replace the recommendations set out in the report. Following a deliberation, a Member moved, and this was seconded by another Member, a proposal that the meeting should be adjourned for a short period. The Chair agreed to adjourn the meeting for a short period.

Decision

Once the meeting resumed, Members proceeded to vote on the amendments to the recommendations set out in the report, as proposed and seconded at the meeting.

Proposal A

(A) A Member moved, and this was seconded by another Member, a proposal to amend the recommendations set out in the report to the following:

- i. The contents of the report be noted;
- ii. The heightened importance of devolved funding and powers to the North East as a result of the EU referendum be noted;
- iii. The Governance Review and Scheme be approved and published for consultation;
- iv. Assurances be sought from the Government that the terms of the deal signed on 23 October 2015 continued to be supported by the Government in full;
- v. Further devolution of powers and responsibilities be sought from the Government before the signing of the second Order.

By a majority of 5 to 2 it was **RESOLVED** – That the proposal was not carried.

Proposal B

(B) A Member moved, and this was seconded by another Member, a different proposal to amend the recommendations set out in the report to the following:

- i. The contents of the report be noted;
- ii. The heightened importance of devolved funding and powers to the North East as a result of the EU referendum be noted;
- iii. Assurances be sought from the Government that the terms of the deal signed on 23 October 2015 were supported by the Government in full;
- iv. The Governance Review and Scheme be approved, published and consulted on pursuant to the section 112 of the Local Democracy, Economic Development and Construction Act 2009 subject to receipt and acceptance by the Leadership Board of the assurances from the Government referred to in the recommendation (iii) above;

- v. Preparations be made to negotiate with the Government on the further devolution of funding, powers and responsibilities to the North East prior to the publication of the second order.

By a majority of 5 (with 2 abstentions) it was **RESOLVED** – That the proposal be approved.

The Leadership Board, therefore, **RESOLVED** – That:

- i. The contents of the report be noted;
- ii. The heightened importance of devolved funding and powers to the North East as a result of the EU referendum be noted;
- iii. Assurances be sought from the Government that the terms of the deal signed on 23 October 2015 were supported by the Government in full;
- iv. The Governance Review and Scheme be approved, published and consulted on pursuant to the section 112 of the Local Democracy, Economic Development and Construction Act 2009 subject to receipt and acceptance by the Leadership Board of the assurances from the Government referred to in the recommendation (iii) above;
- v. Preparations be made to negotiate with the Government on the further devolution of funding, powers and responsibilities to the North East prior to the publication of the second order.

28 **UPDATES**

(a) **Economic Development and Regeneration**

Submitted: An update report of the Thematic Lead for Economic Development and Regeneration (previously circulated and copy attached to Official Minutes).

Members considered the report which provided an update on activity and progress under the Economic Development and Regeneration theme of the Combined Authority. The report was introduced by the Chair who highlighted key achievements and congratulated officers on their work in the current challenging environment following the outcome of the referendum on the UK's membership of the European Union.

RESOLVED – That the report be noted.

(b) **Employability and Inclusion**

Submitted: An update report of the Thematic Lead for Employability and Inclusion (previously circulated and copy attached to Official Minutes).

Members considered the report which provided an update on the latest progress made in delivering the Employability and Inclusion (and Skills) themes of the

Strategic Economic Plan (SEP) for the North East. The report was introduced by the Thematic Lead who highlighted key achievements.

RESOLVED – That the report be noted.

(c) **Transport**

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

Members considered the report which provided an update on developments and announcements in relation to transport. The report also included an update on digital connectivity, reflecting its role alongside transport within the Strategic Economic Plan. The report was introduced by the Thematic Lead who highlighted the vast amount of work being undertaken.

RESOLVED – That the report be noted.

29 **APPROVAL TO SUBMIT A PROPOSAL FOR TRANSPORT FOR THE NORTH TO BECOME A STATUTORY BODY**

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

The Leadership Board considered the report which provided information on the Transport for the North's Partnership Board proposals for Transport for the North to become a statutory body. The report also sought the Leadership Board's endorsement of the proposal and associated matters.

RESOLVED – That:

- i. The Leadership Board supports Transport for the North's proposal to become a statutory body with devolved powers and agrees that the proposal would be submitted to central government;
- ii. The Leadership Board agrees, in principle, that, subject to further development of the proposal with central government, the North East Combined Authority should become a full member of the proposed statutory body; and
- iii. The Chief Executive Officer for Transport be authorised, in consultation with the Thematic Lead for Transport, to progress the proposal with a view to a further report being brought to the Leadership Board before NECA makes a final decision to become a full member of the statutory body.

30 **LARGE LOCAL MAJOR SCHEMES FUND**

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

The Leadership Board considered the report which provided a summary of the transport schemes that were proposed to be submitted by the North East Local Enterprise Partnership to the Department for Transport (DfT) for funding from the DfT's Large Local Major Schemes Fund, taking into account further clarification that was awaited from the Department.

RESOLVED – That:

- i. The prior submission of the 'Ashington, Blyth and Tyne Line re-opening' scheme for 'fast track' consideration to the Fund be endorsed;
- ii. The North East Local Enterprise Partnership (LEP) be advised that the 'Sunderland Commercial Links' scheme was considered to be the North East Combined Authority's (NECA) main priority for the LEP's submission to the delivery element of the Fund, as it was the only scheme at the present time in a suitable state to draw down direct capital investment during the funding period, this in addition to the 'fast-track' scheme already submitted;
- iii. If following further discussion with the Department for Transport the opportunity arose, the 'Metrofutures' scheme should be included as an additional proposed scheme to the Fund, but that if not, the development of Metrofutures would be considered as a priority for the NECA and other sources of funding would be sought; and
- iv. Development of improved transport modelling tools should be taken forward by the NECA officers as a priority, and that sources of funding should be identified to achieve this.

31 **DEVELOPMENT OF THE METRO AND LOCAL RAIL SYSTEMS**

Submitted: A report of the Managing Director (Transport Operations) (previously circulated and copy attached to Official Minutes).

The Leadership Board considered the report which sought approval for a new Metro and Local Rail Strategy; summarised the outline business cases for the Metro fleet renewal and associated infrastructure and the continuation of essential renewal of the Metro infrastructure; set out the key features of the draft specification for the new Metro fleet; and considered the broad options for future operating arrangements to deliver the Metro service.

Members welcomed the report, particularly the ambitious nature and the regional and holistic approach with regard to the proposals. The Chair congratulated the Managing Director's (Transport Operations) on this work and asked for thanks to be passed on to his team.

The ensuing discussion included matters such as prioritisation of funding, the long-term nature of the strategy, the benefits of working as a combined authority and the benefits of decision-making being undertaken jointly by the constituent local authorities.

RESOLVED – That:

- i. The proposed Metro and Local Rail Strategy be approved;
- ii. The outline business cases for the replacement of the Metrocar fleet and associated infrastructure, and for the continuation of the programme of essential renewal of the Metro infrastructure, be adopted; and
- iii. Progress towards the development of a specification for the new Metrocars, along with the identification of future operating models, be noted.

32 **FINANCE UPDATE - 2016/17 REVENUE BUDGET AND CAPITAL PROGRAMME**

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

The Leadership Board considered the report which provided an update on the position of the revenue budget and capital programme.

RESOLVED – That:

- i. The update information provided about the revenue budget position for 2016/17 be noted; and
- ii. The update information provided about the capital programme for 2016/17 be noted.

33 **FINANCE UPDATE - OUTTURN 2015/16**

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

The Leadership Board considered the report which set out the outturn position for 2015/16 against the revenue budget and the capital programme.

RESOLVED – That the outturn position on the revenue budget and the capital programme for 2015/16, as set out in this report, be noted.

34 **DATE AND TIME OF NEXT MEETING**

Tuesday, 20 September 2016 at 2pm at Sunderland City Council.

35 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That by virtue of Paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972 press and public be excluded from the remainder of the meeting during the consideration of agenda items 15, 16, 17 and 18 because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.