

North East Combined Authority

Leadership Board

20 September 2016

Meeting held: Committee Room, Sunderland Civic Centre, Burdon Road, Sunderland, SR2 7SN

Present:

Councillor: P Watson (Chair)

Councillors N Forbes, M Gannon, S Henig and A Kerr, Mayor N Redfearn and Ms G Hall

HEAD OF PAID SERVICE

The Chair welcomed H Golightly to her first meeting as the Head of Paid Service of the North East Combined Authority (NECA), who was also the Chief Operating Officer of the North East Local Enterprise Partnership (NE LEP), welcoming closer links between NECA and NE LEP.

46 **APOLOGIES FOR ABSENCE (MEMBERS)**

Councillor G Davey, Councillor D Ledger, Councillor I Malcolm and Mr A Hodgson.

47 **DECLARATIONS OF INTEREST**

None.

48 **MINUTES OF THE PREVIOUS MEETING HELD ON 19 JULY 2016**

The minutes of the previous meeting held on 19 July 2016 were approved as a correct record and signed by the Chair.

49 **DEVOLUTION UPDATE**

Members received a verbal update from P Melia, the Chief Executive of North Tyneside Council and previously Acting Head of Paid Service. It was noted that whilst the Leadership Board had decided not to proceed with the consultation on the devolution deal and the Secretary of State had consequently expressed that the deal was off the table, and there would not be election of mayor in 2017 due to the timetables involved, discussions between the North East Combined Authority and the government on devolution for the North East should and would continue.

During the ensuing discussion, Members:

- expressed commitment to devolution for the North East;
- commented on the importance of further negotiations;

- noted concern of the business community with regard to the position with the devolution deal, particularly in relation to the impact on funding;
- noted that the timetable for next steps was yet to be confirmed;
- commented on the uncertain long-term position of the £30m of funding that had been proposed as part of the devolution deal;
- commented on the importance of continuing to demonstrate to the government the need for funding for the region notwithstanding the devolution position; and
- noted that the North East Combined Authority, as a statutory body, would continue to be in existence, with its functions and responsibilities, delivering on its priorities.

Councillor M Gannon asked that Gateshead Council's commitment to and passion for devolution for the North East be recorded.

Members also noted that Gateshead Council was dissatisfied with the nature of the government-lead, top-down process and intended to ask the Combined Authority to establish a wider North East communication network consisting of business community, local authorities and other partners in order to have a more powerful voice in negotiating with the government on the North East priorities.

RESOLVED – That the verbal update be noted.

50

UPDATES FROM THEMATIC LEADS

(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 Chair asked that the future report should set out comparison information on the position pre and post the referendum on the UK membership of the European Union, including impact on investment.

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 progress in delivering the Employability, Inclusion and Skills theme of the Strategic Economic Plan.

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 key developments within the Transport theme of the Combined Authority.

Congratulations were offered to Nexus and DB Regio Tyne and Wear for the flawless operation of Metro on the day of the Great North Run and the extensive contingency planning that had been undertaken to prepare for the event.

In discussion, Members noted the importance of HS2 for the North East in providing capacity for freight and passenger transportation, connecting major urban areas and providing a 21 century, fit for purpose railway network; and commented on the slow progress of this area of work by the government. Comments were also made on the importance of understanding priorities for the North East and communicating those well to the public.

RESOLVED – That the report be noted.

51 GO SMARTER 2016-17 - APPOINTMENT OF DELIVERY PROVIDERS

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

Members considered the report which sought their approval to appoint contractors as delivery providers for elements of the 2016-17 Go Smarter programme, following a competitive procurement process.

As an amendment to the information set out in the Executive Summary of the report, it was noted that the proposed providers for the elements of the programme set out below should read as follows:

- “Go Smarter to Work Business Engagement – delivery providers: JMP Consultants Limited and WSP UK Limited; and
- Schools Active Travel Promotion – delivery provider: PWLC Projects LLP.”

RESOLVED – That the appointment of the above contractors to enable Go Smarter activities in schools and workplaces to be progressed be approved.

52 ANNUAL REPORT AND ACCOUNTS

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

Members considered the report which presented the final accounts for approval and summarised the findings of the audit. The report was introduced by P Woods, the Chief Finance Officer. The findings of the audit were introduced by Mr C Waddell of Mazars LLP.

Clarification was received on the following matters:

- timescales with regard to the completion of the two outstanding audit matters;
- audit risks;
- staffing capacity in preparing annual accounts;
- the Authority's reserves; and
- the nature of the Authority's assets.

Thanks were offered to Mazars LLP for their work and also to officers of the Combined Authority who had been working to prepare the final accounts.

The Chair and Chief Finance Officer confirmed that the Authority would respond positively to the Auditor's recommendations.

RESOLVED – That:

- i. The report of the External Auditor (Appendix 1) be noted;
- ii. The Chief Finance Officer be authorised to sign the Letter of Representation on behalf of the Authority;
- iii. The final NECA Accounts for 2015/16 (Appendix 3), taking into account views from the Governance Committee, be approved;
- iv. The Chair of the Leadership Board and the Chief Finance Officer be authorised to sign the NECA and Group Accounts;
- v. The Annual Governance Statement (Appendix 4) be approved; and
- vi. The Chair of the Leadership Board and the Head of Paid Service be authorised to sign the Annual Governance Statement.

53 **DRAFT BUDGET 2017/18 AND TRANSPORT LEVIES - PROCESS AND TIMETABLE**

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

Members considered the report which set out the process and timetable for the preparation, consultation and approval of the 2017/18 budget and indicative medium term financial strategy.

As an update, it was noted that the Transport North East (Tyne and Wear) Sub-Committee at its recent meeting had asked that consideration should be given to developing a 3-year budget; and work was in progress with partners to identify if this was feasible.

In discussion, it was also noted that the work to consult on the 2017/18 budget would include matters such as options around transport levies.

RESOLVED – That:

- i. The detailed budget for 2017/18 be prepared for approval at the Leadership Board's meeting on 17 January 2017;
- ii. The draft budget be presented to the Leadership Board on 15 November 2016 as a basis for consultation on the 2017/18 budget; and
- iii. The intention to present a report to the Combined Authority's next meeting which would provide an update on the 2016/17 Revenue Budget be noted.

54 **GENERATION NE PROGRESS UPDATE**

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

Members considered the report which provided an update on the progress made in the delivery of the Generation NE programme. In discussion, clarification was provided on the position with future funding which might require further consideration.

Members welcomed the achievements of the programme, congratulated officers and partners for their work and asked that consideration be given to publicising this progress.

RESOLVED – That the report and general direction of travel with regard to the Generation NE programme be noted.

55 **NORTH EAST JEREMIE 2 FUND**

Submitted:

(i) A report of the Head of Paid Service, Chief Finance Officer and Monitoring Officer (previously circulated and copy attached to Official Minutes); and

(ii) A supplemental report of the Chief Finance Officer with an updated set of recommendations (previously circulated and copy attached to Official Minutes).

Members considered the report, and the supplemental report with an updated set of recommendations, which sought their agreement to the proposed structure and governance arrangements for the implementation of the JEREMIE 2 Investment Fund and provided an update on the procurement of fund managers for the programme.

Thanks were offered to Mr J Middleton and all those involved in the work to date.

RESOLVED – That:

- i. Agreement be given to the establishment of the Special Purpose Vehicle, as set out in the main report "North East JEREMIE 2 Fund";

- ii. The principles on which the governance of the Special Purpose Vehicle was proposed as set out in the report be agreed, and delegated authority be given to the Head of Paid Service in consultation with the Chief Finance Officer, Monitoring Officer and the Chair of NECA and working with representatives of the Constituent Authorities (as members of the Special Purpose Vehicle) to finalise the Governance arrangements for the Special Purpose Vehicle, including the Articles of Association;
- iii. Agreement be given, subject to a successful European Regional Development Fund application, that the funding received from the Department for Communities and Local Government was passported to the Special Purpose Vehicle;
- iv. The Leadership Board would support the Leaders (or their nominees) of the Constituent Authorities in overseeing the establishment and activity of the Special Purpose Vehicle, and agreement be given that an officer of NECA or its Constituent Authorities might be members of the shadow Special Purpose Vehicle Board, together with the appointment of a suitably experienced Board member as a “key responsible person” to satisfy funder requirements, until the full board of the Special Purpose Vehicle could be appointed; and
- v. The implementation arrangements be delegated to the Head of Paid Service in consultation with the Chief Finance Officer, the Monitoring Officer and the Chair of NECA.

56 **DATE AND TIME OF NEXT MEETING**

Tuesday, 15 November 2016 at 2pm at County Hall, Durham.

57 **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 12, 13, 14 and 15 (Confidential Minutes of the Previous Meeting held on 19 July 2016; Local Growth Fund – Project Approval; Going Ultra Low Electric Vehicles ERDF Bid; and Tyne Tunnels – Update) because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.