



Leadership Board

Annual Meeting

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

AGENDA

| | Page No |
|---|----------------|
| 1. Apologies for Absence | |
| 2. Membership of the Leadership Board | 1 - 8 |
| 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 held on 19 April 2016 | 9 - 12 |
| 5. Minutes of the Extraordinary Meeting held on 17 May 2016 | 13 - 16 |
| 6. Announcements from the Chair and/or the Head of Paid Service | |
| 7. Appointment of Committees, Agreement of Membership and Appointment of Chairs and Vice-Chairs | 17 - 28 |
| 8. Programme of Meetings | 29 - 34 |
| 9. The Governance Review and Scheme for the proposed Mayoral Combined Authority | |

Members are requested to note the intention to circulate the above report

on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985

10. **Local Growth Fund - Update** **35 - 42**
11. **Date and Time of Next Meeting**
Tuesday, 19 July 2016 at 2pm at Northumberland County Council, County Hall, Morpeth.
12. **Exclusion of Press and Public**
Under section 100A and Schedule 12A Local Government Act 1972 because exempt information is likely to be disclosed and the public interest test against disclosure is satisfied.
13. **Confidential Minutes of the Previous Meeting held on 19 April 2016** **43 - 44**
14. **Confidential Minutes of the Extraordinary Meeting held on 17 May 2016** **45 - 46**
15. **Local Growth Fund - Update** **47 - 72**

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

To All Members

North East Combined Authority

Leadership Board

DATE: 21 June 2016

SUBJECT: Membership of the Leadership Board

REPORT OF: Monitoring Officer

EXECUTIVE SUMMARY

The purpose of this report is to invite the Leadership Board to:

- a) Confirm its membership for the municipal year 2016/17;
- b) Appoint its Chair and Vice-Chairs for the municipal year 2016/17;
- c) Re-appoint the Thematic Leads for the municipal year 2016/17 for the following Thematic Lead Areas: (i) Economic Development and Regeneration, (ii) Employability and Inclusion and (iii) Transport; and
- d) Appoint two representatives from the North East Local Enterprise Partnership (LEP) to the Leadership Board as a non-voting Member and a Substitute Member for the municipal year 2016/17.

RECOMMENDATIONS

It is recommended that:

- i. The membership of the Leadership Board for the municipal year 2016/17 be confirmed as set out in Appendix A;
- ii. The Leadership Board appoints its Chair and Vice-Chairs for the municipal year 2016/17;
- iii. The Leadership Board appoints Mr Andrew Hodgson as the non-voting Member of the Leadership Board representing the North East Local Enterprise Partnership during the municipal year 2016/17;
- iv. The Leadership Board appoints Ms Gillian Hall as the Substitute Member for the Member of the Leadership Board who represents the North East Local Enterprise Partnership during the municipal year 2016/17; and
- v. The Leadership Board re-appoints the existing Thematic Leads for the following Thematic Lead Areas: (i) Economic Development and Regeneration, (ii) Employability and Inclusion and (iii) Transport for the municipal year 2016/17.

North East Combined Authority

Leadership Board

1 Background Information

Confirmation of the Membership of the Leadership Board

- 1.1 Under the Constitution of the North East Combined Authority (the Authority), the Leadership Board is the decision-making body of the Authority subject to any delegated authority that it has given to other decision making bodies or chief officers.
- 1.2 Each of the constituent local authorities is required to appoint its Leader or Elected Mayor to be a Member of the Leadership Board and another Member to act in the absence of the appointed Member as their substitute. The appointments of the constituent authorities to the Leadership Board for the municipal year 2016/17 have been received and are set out in Appendix A.
- 1.3 The Leadership Board is required to confirm its membership for the municipal year 2016/17.

Appointment of Chairs and Vice-Chairs of the Leadership Board

- 1.4 The Leadership Board is required to appoint its Chair and Vice-Chairs from amongst its Members.

Appointment of a Member and a Substitute Member from LEP

- 1.5 The LEP is required to nominate one Member as a non-voting Member of the Leadership Board and another Member as that Member's Substitute Member. The LEP nominations have been received and these are set out in Appendix A. The Leadership Board is required to appoint those nominated by the LEP.

Appointment of Thematic Leads

- 1.6 The Thematic Lead Areas were created by the Leadership Board to enable the functions of the Authority to be undertaken more effectively. The Leadership Board is invited to agree to continue with the existing Thematic Lead Areas and re-appoint the Thematic Leads for the municipal year 2016/17 as follows:
 - Economic Development and Regeneration – Councillor Paul Watson;
 - Employability and Inclusion – Councillor Grant Davey; and
 - Transport (this Thematic Lead Area also covers Digital Connectivity) – Councillor Nick Forbes.

North East Combined Authority

Leadership Board

2 Proposals

- 2.1 The Leadership Board is invited to agree the recommendations set out above to enable the Authority to operate effectively and in accordance with the Order and the Authority's Constitution.

3 Next Steps

- 3.1 The appointments, once made, will enable the representatives of the LEP to participate as Members of the Leadership Board and enable the Thematic Leads to undertake the roles as identified in the Constitution.

4 Potential Impact on Objectives

- 4.1 The appointments will enable the Authority to properly discharge its functions.

5 Finance and Other Resources

- 5.1 There are no specific financial implications arising from these recommendations.

6 Legal

- 6.1 The Authority is required to confirm its membership in accordance with the Order that established the Authority and the Authority's Constitution. The Leadership Board is required each municipal year to appoint its Chair and Vice-Chair(s) at the annual meeting of the Authority. It is also required under the terms of the Constitution to designate the Thematic Leads and to appoint or confirm the membership of committees as set out in Part 4.1 of the Constitution.

7 Other Considerations

7.1 Consultation/Community Engagement

The proposals contained within the report have been subject to consideration by the Leaders and the Elected Mayor at appropriate points during the period leading up to the annual meeting of the Authority.

7.2 Human Rights

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

North East Combined Authority

Leadership Board

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

8.1 The Durham, Gateshead, Newcastle Upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Order 2014

The Constitution of the North East Combined Authority

9 Links to the Local Transport Plans

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

10 Appendices

Appendix A – North East Leadership Board – Membership 2015/16

11 Contact Officers

11.1 Vivienne Geary, Monitoring Officer, E-mail: viv.geary@northtyneside.gov.uk Tel: 0191 643 5339

Victoria Miller, Democratic Services Officer, E-mail:
victoria.miller@newcastle.gov.uk Tel: 0191 211 5118

12 Sign off

- Head of Paid Service ✓

North East Combined Authority

Leadership Board

- Monitoring Officer ✓
- Chief Finance Officer ✓

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North East Combined Authority

Leadership Board

Appendix A

Leadership Board

Membership

Municipal Year 2016/17

Membership: 8 (one Member from each constituent local authority and one non-voting Member from the North East Local Enterprise Partnership).

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| Authority/Body | Member | Substitute Member |
|--|--------------------------|------------------------------|
| Durham | Councillor Simon Henig | Councillor Alan Napier |
| Gateshead | Councillor Martin Gannon | Councillor Catherine Donovan |
| Newcastle upon Tyne | Councillor Nick Forbes | Councillor Joyce McCarty |
| North Tyneside | Mayor Norma Redfearn | Councillor Bruce Pickard |
| Northumberland | Councillor Grant Davey | Councillor Dave Ledger |
| South Tyneside | Councillor Iain Malcolm | Councillor Alan Kerr |
| Sunderland | Councillor Paul Watson | Councillor Henry Trueman |
| North East Local Enterprise Partnership (non-voting) | Mr Andrew Hodgson | Ms Gillian Hall |

Thematic Lead Areas and Thematic Leads:

- **Economic Development and Regeneration** – Councillor Paul Watson
- **Employability and Inclusion** – Councillor Grant Davey.
- **Transport** – Councillor Forbes

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North East Combined Authority

Leadership Board

19 April 2016

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

Present:

Councillor S Henig (Chair)

Councillors N Forbes, M Henry, D Ledger, I Malcolm, B Pickard and P Watson and Ms G Hall

56 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor G Davey, Mayor N Redfearn and Mr Hodgson.

57 DECLARATIONS OF INTEREST

There were no declarations of interest.

58 MINUTES OF THE PREVIOUS MEETING HELD ON 19 JANUARY 2016

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

59 MINUTES OF THE EXTRAORDINARY MEETING HELD ON 24 MARCH 2016

The minutes of the extraordinary meeting held on 24 March 2016 subject to the inclusion of Ms G Hall in the list of Members Present at the Meeting were approved as a correct record and signed by the Chair.

60 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 progress of key developments within the Economic Development and Regeneration theme of the Combined Authority. The report was introduced by the Thematic Lead.

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 of key developments within the Employability and Inclusion theme of the Combined Authority. The report was introduced by the Thematic Lead.

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 progress of key developments within the Transport theme of the Combined Authority. The report was introduced by the Thematic Lead.

RESOLVED – That the report be noted.

61 FINANCIAL UPDATE AND TREASURY MANAGEMENT ANNUAL REVIEW

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

Members considered the report which:

- set out the latest position with regard to Capital Expenditure in 2015/16;
- provided an update on key elements of the capital programme for 2016/17 to 2018/19, including a revised Metro Asset renewal Programme;
- provided an update on revenue spending in 2015/16 and the carry-over of the devolution workstream budget agreed last year to fund continuing activity in 2016/17; and
- provided an annual review of the Treasury Management activity in 2015/16.

RESOLVED – That:

- i. The latest information about capital spending in 2015/16 set out in section 2.1 be noted and the revised spending profile for the Northern Access Corridor Phase 2 scheme, which would increase the level of spending in 2015/16 from £3.0m to £3.68m, as described in section 2.2, be approved;
- ii. The updated capital programme for 2016/17 in respect of the Metro Asset Renewal Programme set out in section 3 be agreed;
- iii. The latest information in relation to the revenue budget be noted and the carry-over of the balance of the £500,000 budget that had been established to fund devolution workstreams to fund activity in the new year, as set out in section 5.3, be agreed;

- iv. The underwriting of Mental Health Trailblazer costs by NECA as set out in section 5.4 be agreed; and
- v. The information about the Annual Review of Treasury Management Activity in 2015/16 be noted and the changes to the investment counterparties set out in section 6 be agreed.

62 **DATE AND TIME OF NEXT MEETING**

Friday, 13 May 2016 at 3pm at North Tyneside Council (extraordinary meeting)

Tuesday, 21 June 2016 at 2pm at Gateshead Council (annual meeting)

63 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That by virtue of paragraph 3 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 9 and 10 (Implementing the North East JEREMIE 2 Fund and Tyne Pedestrian and Cyclist Tunnels: Tender Report) because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.

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North East Combined Authority

Leadership Board (Extraordinary Meeting)

17 May 2016

Meeting held: County Hall, Durham, DH1 5UQ

Present:

Councillor S Henig (Chair)

Councillors N Forbes, M Henry, D Ledger, I Malcolm and P Watson, Mayor N Redfearn and Mr A Hodgson

66 APOLOGIES FOR ABSENCE

There were no apologies for absence received.

67 DECLARATIONS OF INTEREST

There were no declarations of interest.

68 DEVELOPMENT OF THE METRO AND LOCAL RAIL STRATEGY

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

Members considered the report which set out information on the development of the new Metro and Local Rail Strategy and sought endorsement of the proposed objectives.

During the ensuing discussion, it was noted that the strategy was a long-term piece of work, which was at its early stages, and there would be many opportunities for engagement on various matters arising in due course, including in the context of the proposed devolution deal.

RESOLVED – That:

- I. The contents of the report be noted; and
- II. The objectives proposed for the Metro and Local Rail Strategy described in section 2.1 of the report be endorsed.

69 NORTH EAST COMBINED AUTHORITY - THE DEVOLUTION AGREEMENT

Submitted:

- i. A report of the Head of Paid Service (previously circulated and copy attached to Official Minutes);

- ii. North East Combined Authority – The Devolution Agreement Supplementary Report 1 (with the Chair’s permission, due to the timetables involved circulated at the meeting and copy attached to Official Minutes);
- iii. Replacement Recommendations for the following document: North East Combined Authority – The Devolution Agreement Supplementary Report 1 (with the Chair’s permission, due to the timetables involved circulated at the meeting and copy attached to Official Minutes); and
- iv. North East Combined Authority – The Devolution Agreement Supplementary Report 2 (with the Chair’s permission, due to the timetables involved circulated at the meeting and copy attached to Official Minutes).

Members considered the report, and the supplementary reports, which set out information received from the government on the proposed devolution deal and sought their agreement of associated recommendations.

The ensuing discussion included the following points:

- The good progress achieved;
- The importance of further, urgent negotiations with the government to secure answers to ensure a deal that achieved the best for the region and addresses its needs;
- The importance of right powers and responsibilities for the region;
- The importance of a deal that did not disadvantage the region;
- The importance of highways funding;
- The importance of all constituent local authorities joining devolution;
- The position of Gateshead Council who supported the principle of devolution but was not content with the proposals as they currently were and would continue the dialogue on this;
- The positive dialogue and relationships with the business community, in particular through the North East Local Enterprise Partnership;
- The high volume of work that was still required to be undertaken.

DECISION

Members then voted on the recommendations, as follows:

In favour:

Councillor S Henig (Durham County Council)
 Councillor N Forbes (Newcastle City Council)
 Mayor N Redfearn (North Tyneside Council)
 Councillor G Davey (Northumberland County Council)
 Councillor I Malcolm (South Tyneside Council)
 Councillor P Watson (Sunderland City Council).

Against:

Councillor M Henry (Gateshead Council).

RESOLVED – That:

- i. The contents of the report, the outstanding issues identified by the Leadership Board relating to the proposed Devolution Agreement in March, the responses by the government and the subsequent progress made be noted.
- ii. The proposed Devolution Agreement be endorsed and agreement be given to the establishment of the North East Combined Authority as a Mayoral Combined Authority.
- iii. Delegated authority be given 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 to enable the formal establishment of the Mayoral Combined Authority to proceed.
- iv. Delegated authority be given 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.
- v. The Leadership Board confirmed that the initial term of office for the Mayor of the North East Combined Authority would 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).
- vi. The proposals as set out in paragraph 25 of the report in respect of highways maintenance and incentive funding be agreed.
- vii. The Leadership Board noted that all constituent authorities and the Mayoral Combined Authority would 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.

70 **DATE AND TIME OF NEXT MEETING**

Tuesday, 21 June 2016 at 2pm (Annual Meeting).

71 **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 for the duration of the consideration of agenda item 7 (New Tyne Crossing – Update Report) because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.

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North East Combined Authority

Leadership Board

DATE: 21 June 2016

SUBJECT: Appointment of Committees, Agreement of Membership and Appointment of Chairs and Vice-Chairs

REPORT OF: Monitoring Officer

EXECUTIVE SUMMARY

This report seeks agreement to the continued establishment of the committees of the North East Combined Authority (NECA) and appointment of Members, Chairs and Vice-Chairs. The report also provides information on the appointment of the External Auditor.

RECOMMENDATIONS

It is recommended that the Leadership Board:

- i. Appoints committees as set out in Appendix A;
- ii. Accepts the nominations for the membership of the committees, which have been received from the constituent authorities, as set out in Appendix A;
- iii. Appoints Chairs and Vice-Chairs of the committees for the municipal year 2016/17 or agrees to delegate the appointment to the relevant committees where appropriate, as set out in paragraphs 1.6 to 1.9;
- iv. Agrees to allow Substitute Members for the Overview and Scrutiny Committee, as set out in paragraph 1.5; and
- v. Notes the position in relation to the continued appointment of Mazars as the External Auditor of the NECA for 2016/17.

North East Combined Authority

Leadership Board

1 Background Information

- 1.1 The Combined Authority was 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 Order 2014 (“the Order”) which came into force on 15 April 2014.
- 1.2 Under the provisions of the Order, the Authority is required to have an Overview and Scrutiny Committee. Other than that committee, the NECA is free to establish other committees or sub-committees as it considers appropriate.
- 1.3 In addition to the Leadership Board, the decision-making body of NECA, the NECA established the following committees:
- Transport North East Committee (TNEC), a joint committee
 - Transport North East (Tyne and Wear) Sub-Committee (TWSC), a sub-committee of TNEC consisting of the Tyne and Wear Members
 - Governance Committee, a committee to discharge responsibilities in relation to matters concerning standards, risk management and audit
 - Economic Development and Regeneration Advisory Board (EDRAB), a joint committee to advise the Leadership Board on matters arising in relation to economic development and regeneration
 - Overview and Scrutiny Committee.

The full terms of reference of the above committees are set out in the Authority’s Constitution.

It is proposed that the same committees should be re-appointed for the municipal year 2016/17.

- 1.4 The nominations for the membership of the committees of NECA for the municipal year 2016/17, including substitute members where appropriate, have been received and are set out in Appendix A.
- 1.5 It has recently been proposed that the Overview and Scrutiny Committee should 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. Should the Leadership Board agree to this approach, nominations will be sought from the constituent local authorities and reported to a future meeting.

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Leadership Board

Chairs and Vice-Chairs of Committees

- 1.6 The Thematic Lead for Transport fulfils the role of Chair of TNEC.
- 1.7 The three Vice-Chairs of TNEC are the portfolio holders with responsibilities for transport from the constituent local authorities from (i) Durham, (ii) Northumberland and (iii) Tyne and Wear. In the previous years, the Leadership Board delegated the responsibility for the appointment of the Vice-Chair of TNEC from the Tyne and Wear constituent authorities to TNEC. The Vice-Chair of TNEC representing Tyne and Wear undertakes the role of Chair of the TWSC. It is open to the Leadership Board to adopt the same approach for the forthcoming municipal year and delegate responsibility to TNEC to appoint its third Vice-Chair from the Tyne and Wear constituent authorities and that Vice-Chair will then take the role of the Chair of TWSC. The Leadership Board may also choose to delegate responsibility to the TNEC to appoint the Vice-Chair of TWSC.
- 1.8 The Thematic Lead for Economic Development and Regeneration fulfils the role of Chair of EDRAB.
- 1.9 The Chair and Vice-Chair of the Governance Committee are Independent Members, namely Mr Mark Scrimshaw and Mr George Clark respectively, with their current term of office valid until June 2018.
- 1.10 In the past, save where the designation of Members of the NECA (such as a Thematic Lead or portfolio holder for transport within the County Councils) identified such Members as fulfilling a specific role, the Leadership Board delegated the appointment of Chair and/or Vice-Chair roles to the committee in question. It is open to the Leadership Board to continue with this approach, including in relation to the Overview and Scrutiny Committee.

Independent person

- 1.11 The Independent Person for the NECA is Ms Stella Gardner, with the current term of office valid until September 2018.

External Auditor

- 1.12 The NECA is required to have an external auditor. The Audit Commission had appointed Mazars as the External Auditor of NECA for 2015/16 and this appointment will continue in 2016/17.

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Leadership Board

2 Proposals

- 2.1 The Leadership Board is requested to agree the recommendations set out above to enable the Authority to operate in accordance with the Order and as set out in the Authority's Constitution. The Leadership Board is also required to make appointments to committees as set out in Appendix A.

3 Next Steps

- 3.1 Meetings of the committees will be called in accordance with the programme of meetings as set out elsewhere on the agenda.
- 3.2 The appointments, once made, will enable Members to attend meetings and take part in the business of the appropriate committees to which they have been appointed.

4 Potential Impact on Objectives

- 4.1 The appointments to the committees as referred to in this report will enable the Authority to properly discharge its functions.

5 Finance and Other Resources

- 5.1 The provision of the support arrangements for the Authority is contained within the existing financial resources available to the Authority. Any allowances paid to Members from the constituent authorities in attending a committee will be a matter for each of the constituent authorities and their respective remuneration panels.

NECA is responsible for the fees paid to the co-opted Independent Members of the Governance Committee. The co-opted Independent Members of the Governance Committee receive an annual fee of £2,000 for undertaking the role of Chair and £1,000 for the role of Vice-Chair, with the fees being paid in monthly instalments. This is within the existing budget.

NECA is also responsible for the fees paid to the Independent Person. The annual fee for undertaking this role is £1,000. This is within the existing budget.

6 Legal

- 6.1 The Authority is required to make arrangements to enable relevant decision-making responsibilities, overview and scrutiny arrangements and associate functions to be fulfilled. These responsibilities arise under The Local

North East Combined Authority

Leadership Board

Government Act 1972, in addition to various aspects of finance and audit legislation and the Localism Act 2011, as well as the provisions of the Order creating the Authority. The proposals set out in the report comply with these requirements.

In addition, the arrangement for the appointment of an External Auditor is in accordance with the Audit Commission Act 1998.

7 Other Considerations

7.1 Consultation/Community Engagement

The proposals contained within the report have been subject to consideration by the Leaders and Elected Mayor at appropriate points during the period leading up to the creation of the Authority and during the first years of its operation.

7.2 Human Rights

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

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

8.1 The Durham, Gateshead, Newcastle Upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Order 2014;

The Constitution of the North East Combined Authority; and

North East Combined Authority

Leadership Board

Reports to, and the Minutes of, the annual meetings of the Leadership Board in the previous municipal years.

9 Links to the Local Transport Plans

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

10 Appendices

10.1 Appendix A – Membership 2015/16

11 Contact Officers

11.1 Vivienne Geary, Monitoring Officer, Tel. 0191 643 5339
Victoria Miller, Democratic Services Officer, Tel. 0191 211 5118

12 Sign off

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

North East Combined Authority

Leadership Board

Appendix A

Membership of Committees, Municipal Year 2016/17

(A) Leadership Board

Membership: 8 (one Leader/Elected Mayor from each constituent local authority and a non-voting North East Local Enterprise Partnership Member).

| Authority/Body | Member | Substitute Member |
|--|--------------------------|------------------------------|
| Durham | Councillor Simon Henig | Councillor Alan Napier |
| Gateshead | Councillor Martin Gannon | Councillor Catherine Donovan |
| Newcastle upon Tyne | Councillor Nick Forbes | Councillor Joyce McCarty |
| North Tyneside | Mayor Norma Redfearn | Councillor Bruce Pickard |
| Northumberland | Councillor Grant Davey | Councillor Dave Ledger |
| South Tyneside | Councillor Iain Malcolm | Councillor Alan Kerr |
| Sunderland | Councillor Paul Watson | Councillor Henry Trueman |
| North East Local Enterprise Partnership (non-voting) | Mr Andrew Hodgson | Ms Gillian Hall |

Thematic Lead Areas:

Economic Development and Regeneration – Councillor Paul Watson;
Employability and Inclusion – Councillor Grant Davey; and
Transport – Councillor Nick Forbes.

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(B) Transport North East Committee (TNEC)

Membership: 14 (two Members from each constituent local authority).

| Authority | Member | Substitute Member |
|---------------------|---|---------------------------|
| Durham | Councillor Neil Foster (Transport Portfolio holder, Durham) | Councillor Joy Allen |
| | Councillor Eddie Tomlinson | |
| Gateshead | Councillor Malcolm Brain (Transport Portfolio holder, Gateshead) | Councillor Liz Twist |
| | Councillor Stuart Green | |
| Newcastle upon Tyne | Councillor Nick Forbes | Councillor Ged Bell |
| | Councillor Joyce McCarty | |
| North Tyneside | Councillor John Harrison (Transport Portfolio holder, North Tyneside) | Councillor Tommy Mulvenna |
| | Councillor Muriel Green | |
| Northumberland | Councillor Allan Hepple (Transport Portfolio holder, Northumberland) | Councillor Lynne Grimshaw |
| | Councillor A Sambrook | |
| South Tyneside | Councillor Allan West (Transport Portfolio holder, South Tyneside) | Councillor Iain Malcolm |
| | Councillor Gladys Hobson | |
| Sunderland | Councillor Michael Mordey (Transport Portfolio holder, Sunderland) | Councillor Paul Watson |
| | Councillor Mel Speding | |

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(C) Transport North East (Tyne and Wear) Sub-committee (TWSC)

Membership: 5 (one Member from each Tyne and Wear local authority).

| Authority | Member | Substitute Member |
|---------------------|---------------------------|--------------------------|
| Gateshead | Councillor Malcolm Brain | Councillor Liz Twist |
| Newcastle upon Tyne | Councillor Joyce McCarty | Councillor Ged Bell |
| North Tyneside | Councillor John Harrison | Councillor Muriel Green |
| South Tyneside | Councillor Gladys Hobson | Councillor Allan West |
| Sunderland | Councillor Michael Mordey | Councillor Paul Watson |

North East Combined Authority

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(D) Economic Development and Regeneration Advisory Board (EDRAB)

Membership: 7 (one Member from each constituent local authority) and 1 non-voting Member from the North East Local Enterprise Partnership (NELEP) and also Co-opted Members representing the following organisations (one from each organisation): the North East Chamber of Commerce (NECC), Confederation of British Industry (CBI), Federation of Small Business (FSB) and Trade Union Congress (TUC).

| Authority | Member | Substitute Member |
|---|-----------------------------------|----------------------------|
| Durham | Councillor Neil Foster | Councillor Eddie Tomlinson |
| Gateshead | Councillor Gary Haley | Councillor Liz Twist |
| Newcastle upon Tyne | Councillor Ged Bell | Councillor Stephen Powers |
| North Tyneside | Councillor Bruce Pickard | Councillor Brian Burdis |
| Northumberland | Councillor Allan Hepple | Councillor Ian Lindley |
| South Tyneside | Councillor Iain Malcolm | Councillor John Anglin |
| Sunderland | Councillor Paul Watson | Councillor Henry Trueman |
| Also | | |
| Organisation | Non-voting Co-opted Member | |
| North East Local Enterprise Partnership | Ms Gillian Hall | |
| North East Chamber of Commerce | Mr Jonathan Walker | |
| Trade Union Congress | Ms Beth Farhat | |
| Confederation of British Industry | Ms Sarah Glendinning | |
| Federation of Small Business | Mr Simon Hanson | |

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Leadership Board

(E) Governance Committee

Membership: 9 (one Member from each of the seven constituent local authority and two non-voting Co-opted Independent Members who will act as Chair and Vice-Chair) and also 1 Independent Person for the purpose of the standards regime, who could be invited to observe meetings.

| Authority | Member | Substitute Member |
|---|--------------------------|---------------------------------|
| Durham | Councillor Edward Bell | Councillor Kevin Shaw |
| Gateshead | Councillor Helen Hughes | Councillor Michael Hood |
| Newcastle upon Tyne | Councillor Marion Talbot | Councillor John-Paul Stephenson |
| North Tyneside | Councillor Carl Johnson | Councillor Peter Earley |
| Northumberland | Councillor Anne Dale | Councillor Tony Reid |
| South Tyneside | Councillor Gladys Hobson | Councillor Jim Foreman |
| Sunderland | Councillor Henry Trueman | Councillor Mel Speding |
| Non-voting Co-opted Independent Member | | |
| Independent Member | Mr Mark Scrimshaw | |
| Independent Member | Mr George John Clark | |
| Independent Person | | |
| Independent Person | Ms Stella Gardner | |

(F) Governance Sub-Committee

Membership: 3 (any two Members from the voting Members of the Governance Committee and one Co-opted Independent Member).

North East Combined Authority

Leadership Board

(G) Overview and Scrutiny Committee

Membership: 14 (two Members from each constituent local authority, who are not Members of the Leadership Board).

| Authority | Member | |
|---------------------|-----------------------------|--|
| Durham | Councillor Joseph Armstrong | |
| | Councillor Rob Crute | |
| Gateshead | Councillor Pauline Dillon | |
| | Councillor John Eagle | |
| Newcastle upon Tyne | Councillor Sue Pearson | |
| | Councillor Anita Lower | |
| North Tyneside | Councillor Sandra Graham | |
| | Councillor Ray Glindon | |
| Northumberland | Councillor Bernard Pidcock | |
| | Councillor Barry Flux | |
| South Tyneside | Councillor Ernest Gibson | |
| | Councillor Margaret Meling | |
| Sunderland | Councillor Dianne Snowdon | |
| | Councillor Norma Wright | |

North East Combined Authority

Leadership Board

DATE: 21 June 2016
SUBJECT: Programme of Meetings
REPORT OF: Monitoring Officer

EXECUTIVE SUMMARY

The purpose of this report is to invite Members to agree the programme of meetings for the municipal year 2016/17.

In order to discharge its functions effectively, the North East Combined Authority (the Authority) and its committees are advised to meet according to the programme set out in Appendix A. The programme has been developed in consultation with the constituent local authorities.

RECOMMENDATIONS

It is recommended that the Leadership Board agrees the proposed programme of meetings, as set out in Appendix A.

North East Combined Authority

Leadership Board

1 Background Information

- 1.1 The North East Combined Authority's responsibilities for functions in relation to transport, economic development and regeneration and skills are set out in the Authority's Constitution together with details of the committee structure to assist with the discharge those functions effectively.
- 1.2 The proposed programme of meetings was developed taking into consideration a number of aspects, including key areas of work, effective reporting structure, efficiency, consistency and requirements of internal and external audit. The programme of meetings was developed in consultation with the constituent local authorities.

2 Proposals

- 2.1 In order to discharge its functions effectively, the Authority and its committees are advised to meet according to the programme of meetings set out in Appendix A.

3 Next Steps

- 3.1 If agreed, the programme of meetings will be published and shared with Officers and Members.

4 Potential Impact on Objectives

- 4.1 As part of decision-making processes, the Authority is required to have an effective committee structure. Having a programme of meetings will have a positive impact on the Authority's objectives.

5 Finance and Other Resources

- 5.1 The proposed programme of meetings was designed to minimise costs whilst supporting effective governance.

6 Legal

- 6.1 There are no specific legal implications arising from this report.

7 Other Considerations

- 7.1 **Consultation/Community Engagement**

North East Combined Authority

Leadership Board

The programme of meetings was developed in consultation with the constituent local authorities.

7.2 Human Rights

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

7.3 Equalities and Diversity

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

7.4 Risk Management

The proposed programme of meetings is aimed at assisting the Authority with the operation of an effective governance structure. It should, therefore, have a positive effect on the Authority's ability to manage risks.

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

8.1 The North East Combined Authority Constitution

9 Links to the Local Transport Plans

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

10 Appendices

10.1 Appendix A – Proposed Programme of Meetings

11 Contact Officers

11.1 Vivienne Geary, Monitoring Officer E-mail: viv.geary@northtyneside.gov.uk Tel: 0191 643 5339

Victoria Miller, Democratic Services Officer
E-mail: victoria.miller@newcastle.gov.uk Tel: 0191 211 5118

North East Combined Authority

Leadership Board

12 Sign off

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

Appendix A

North East Combined Authority

Programme of scheduled meetings, municipal year 2016/17

| Committee | Date / Time | Jun 2016 | Jul 2016 | Sept 2016 | Oct 2016 | Nov 2016 | Dec 2016 | Jan 2017 | Feb 2017 | Mar 2017 | Apr 2017 | May 2017 | Jun 2017 |
|---|-----------------------------|----------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Leadership Board | Tue 2pm | 21 Ann. | 19 | 20 | | 15 | | 17 | 7* | 21 | | | 20 (Ann.) |
| Economic Development and Regeneration Advisory Board | Tue 10am | | 26 | | 25 | | | 3 | | | 4 | | |
| Governance Committee | Tue 2pm | | 5 | 13 | | | 6 | | | | 4 | | |
| Overview and Scrutiny Committee | Tue 2pm | | 7 Thurs | 27 | | 1 | 14 Wed | | 14 | 28 | | | |
| Transport North East Committee | Thur 2pm | | 15 Fri | | | 3 | | | 9 | | 20 | | |
| Transport North East (Tyne and Wear) Sub-Committee (TWSC) | Thur 2pm or 3pm/ after TNEC | | 15 Fri | 15 | | 3 | | 26 | | | 20 | | |

Notes: * Denotes “a provisional date”.

Venues: Meetings will rotate across various venues of the seven constituent local authorities.

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North East Combined Authority

Leadership Board

DATE: 21 June 2016

SUBJECT: Local Growth Fund - Update

REPORT OF: Head of Paid Service, Chief Finance Officer

EXECUTIVE SUMMARY

This report provides an update on the 2015/16 Local Growth Fund Programme (LGF) performance; the inclusion of new schemes in the LGF programme for 2016/17; and the timetable and process for submitting a bid for Round 3 of the Local Growth Fund. This follows a report to the North East LEP Board on 26th May and information about the LGF Round 3 process provided more recently by DCLG.

The specific projects agreed in principle for inclusion in the LGF programme are included in the confidential report to the North East LEP attached as part of the confidential agenda, as they are subject to a more detailed consideration of their business cases before the level of funding can be confirmed to the projects and all projects can be notified of the outcome of their funding bids.

RECOMMENDATIONS

The Leadership Board is recommended to:-

- (1) Note the good progress made in terms of the delivery of the 2015/16 Local Growth Fund (LGF) Programme and the current position of the 2016/17 LGF programme, summarised in this report and set out in the confidential report on this Agenda;
- (2) Agree the inclusion of up to £22m of additional projects in the Local Growth Fund programme for 2016/17 and future years as overprogramming, to ensure delivery of programme and the full use of the LGF grant in 2016/17, as outlined in section 2 of this report;
- (3) Agree the use of £7.5m LGF grant and up to £14.5m of Devolution funding to underwrite the funding for the new schemes, set out in section 2.3 and 6 of this report;
- (4) 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 complete any legal and grant agreements needed to enable the approved projects to proceed; and
- (5) Note the timetable and process for the development and submission of the Round 3 Local Growth Fund Bid set out in section 3 of this report.

North East Combined Authority

Leadership Board

1 Background Information

- 1.1 The North East Combined Authority is the accountable body for the North East LEP and received the Local Growth Fund grant payment of £53.91m from the Government for 2015/16 in April 2015.
- 1.2 The Government Departments responsible for the Local Growth Fund recognised that it would be difficult to achieve this level of spending in full in 2015/16, due to their late confirmation of scheme funding for future years. They allowed the grant to be applied flexibly in year to maximise the use of the grant and agreed the carry over of any unspent grant into 2016/17.
- 1.3 NECA and NE LEP have previously agreed arrangement to maximise the level of programme activity and spending in 2015/16 to help deliver the objectives of the Strategic Economic Plan for the North East, and to demonstrate a very good level of delivery and performance to Government.
- 1.4 The overall performance in 2015/16 was very good and use of grant was £51.47m which is over 95% of the grant for the year. This means that £2.44m of grant has been carried over to fund activity in 2016/17.
- 1.5 The new LGF grant for 2016/17 of £79.4m was received in April and when added to the grant of £2.44m carried over from the previous year, gives a total LGF grant of £81.88m available to be used to fund spending in 2016/17.
- 1.6 The latest programme total for 2016/17 set out in the LEP Board report is £78.2m. However, given the complexity of the schemes in the programme there is the potential for some further slippage of activity and spending into future years. Previous reports to the Leadership Board have identified the need to include overprogramming of up to 20% in order to ensure delivery of activity and full use of the grant in 2016/17. This is considered important as it demonstrates our ability to deliver large programmes and strengthens our case to Government for higher funding allocations in future years.
- 1.7 It was considered reasonable to introduce overprogramming into the current year's LGF programme and increase the overall programme by up to £22m to around £100m. The exercise that was undertaken to identify potential projects, which included seeking expressions of Interest (EOIs) is set out in the confidential report to the LEP Board, which was agreed and is attached as part of the confidential agenda for this meeting.
- 1.8 The government have announced an opportunity to bid for a share of additional Local Growth funding of £1.8bn over the next five years and this report sets out the process and timetable for the preparation and the submission of the bid. This report includes new information on the timetable that has been received since the report to the LEP was written.

North East Combined Authority

Leadership Board

2 Proposals for Inclusion of Projects in the 2016/17 LGF programme

- 2.1 The LEP agreed to include the twelve high priority projects in the 2016/17 LGF programme that are set out in section 3.4 on page 5 and set out in the LEP Board report. These represent the highest priority projects that can also commence in the current year.
- 2.2 The grant requested by these projects in their Expressions of Interest amounted to £22.015m. A more detailed exercise is being carried out by the LEP to review the more detailed business case for each project and it is expected that the final grant figures to be approved for the package of new projects will be lower than the figures identified in the report.
- 2.3 The unallocated LGF grant of £7.5m will be used to fund the projects and it is proposed that the Devolution single investment pot funding is used to underwrite the funding needed for the balance of these high priority projects, estimated to be up to £14.5m. The approval of the NECA Leadership Board is sought to the potential use of this devolution single pot grant as a way of underwriting the balance of funded needed to enable the full package of projects to be included in the capital programme for 2016/17 and 2017/18.
- 2.4 A more detailed assessment of the grant funding requirement for each projects is being carried out and the results of this will be included in the update report on the 2016/17 Capital Programme to the NECA Leadership Board on 19 July.

3. Process and timetable for the Preparation of Round 3 Local Growth Fund Bid

- 3.1 Section 4 of the attached LEP report set out the process and timetable for developing a competitive bid.
- 3.2 Since the LEP Board meeting the Government has provided more information about the bidding process. The deadline for submission of bids will be 28th July and a very short outline of the bid is to be submitted by 24th June, which will help inform a challenge meeting with each LEP, possibly involving a Minister. The date of this challenge meeting has not yet been confirmed but is expected to be in the week commencing 11 July.
- 3.3 There is a tight timetable to prepare an ambitious and strategic competitive bid over the next two months, guided by the SEP and updated evidence base. The timetable below outlines a planned process for engaging partners. A revised timetable is set out below.

North East Combined Authority

Leadership Board

Proposed Timescale / process

| Date | Engagement and Development Plan |
|--|--|
| 26 th May | North East LEP Board – timeline and process |
| 6 th and 7 th June | Briefings for Skills, Innovation and Business Growth Advisory Boards |
| 21 st June | NECA Leadership Board |
| 24 th June | Submit High Level Outline to DCLG |
| 4 th July | NE LEP/NELB Special (TBC) - Agree Draft Programme Document |
| 11 th – 18 th July | Challenge session / Finalise bid document |
| 19 th July | NELB Update on Bid and Feedback from Government Challenge process |
| By 28 th July | Programme Document submitted |

4 Next Steps

- 4.1 A more detailed assessment of the business cases for the new projects is being carried out and the results of this will be report to the NECA Leadership Board in July.
- 4.2 The LEP is intending to inform the projects of the outcome of the Local Growth Fund Round 1 over-programming bids, subject to the completion of the detailed work on the individual business cases, which should confirm the level of funding to be provided to each project.
- 4.3 Given the urgency of progressing with the projects in the current year it is proposed that officer delegations be granted 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 complete any legal and grant agreements needed to enable the approved projects to proceed.
- 4.4 The preparation of the bid for the Round 3 is underway with NECA. LEOP and officers from the constituent authorities involved in the process. A report will be

North East Combined Authority

Leadership Board

provided to the LEP Board and the NECA Board at a special meeting on 4th July and the Bid will be reported to the NECA Board at its meeting on 19th July.

5 Potential Impact on Objectives

- 5.1 Local Growth Fund projects will contribute to the delivery of the SEP objectives, with individual projects making contributions to economic development, skills and transport objectives.

6 Finance and other resources

- 6.1 It is good practice to identify potential funding sources for all schemes to be included in the programme, including the schemes that provide the over programming in 2016/17. This avoids risk relating to the over commitment of funds available over the life of the programme. It is proposed that £7.5m of unallocated LGF is used to fund the package of projects. The first call to provide the balance of funding that is needed of up to £14.5m, would be to use any future saving or underspend across the whole LGF programme, where projects declare budget underspends or withdraw from the programme. Given the high priority of the proposed schemes, the additional funding would be underwritten from various sources under a single pot approach, including from the Devolution Deal Single Pot budgets in later years, or from LGF round 3 grants.
- 6.3 There may be an opportunity to support some projects from LGF Round 3, depending on prioritised themes, which could amount to up to £5.1m.
- 6.4 The call on Devolution funding to underwrite the programme could therefore be between £9.4m (if £5.1m LGF Round3 grant was used) or up to a £14.5m maximum total figure. This would represent less than 5% of the planned spend in the first five years and less than 2% of the total grant funding available over the 30 year period. It would deliver a quick win from having the devolution fund in terms of additional activity on the ground. The Devolution funding would probably not need to be drawn down until year 3 or 4, after the LGF grant from round 1 had been spent.

7 Legal

- 7.1 The NECA, as Accountable Body for the NELEP, enters into funding agreements with the recipients of Local Growth Funding. The agreements reflect the requirements and obligations of the funding providers including provisions relating to claw back and in particular to those relating to State aid. The recipients of the funding will be required to enter into funding agreements to enable the release of the proposed LGF funding.

North East Combined Authority

Leadership Board

8 Other Considerations

8.1 Consultation / Community Engagement

The proposals deliver the objectives in the Sep that were subject to public consultation. The delivery of specific projects would involve appropriate consultation, for example through the planning process.

8.2 Human Rights

There are no specific implications arising from this report.

8.3 Equalities and Diversity

There are no specific implications arising from this report.

8.4 Risk Management

The inclusion of overprogramming into the 2016/17 programme is a tool to manage and reduce the risk of delivering an appropriate level of LGF programme activity and spending.

Risks will be assessment and arrangements put in place to manage risk on a project by project basis. Each project will have to satisfactorily address issues relating to state aid considerations.

8.5 Crime and Disorder

There are no direct implications arising from this report.

8.6 Environmental and Sustainable

There are no direct implications arising from this report.

9 Background Documents

Confidential report to the LEP Board, attached to this agenda.

10 Links to the Local Transport Plans

Some of the projects to be included in the programme are aimed at improving transport links.

11 Appendices

None

12 Contact Officers

- 12.1 Paul Woods, Chief Finance Officer, NECA
paul.woods@northeastca.gov.uk 07446936840

North East Combined Authority

Leadership Board

13 Sign off

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

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