

North East Combined Authority, Overview and Scrutiny Committee

13 September 2017

(1.30 - 3.00 pm)

Meeting held North Tyneside Council, Quadrant, The Silverlink, Cobalt Business Park, Tyne & Wear, NE27 0BY

Present:

Chair : D Taylor-Gooby

Councillors: A Patterson, R Crute, J Eagle, A Lower, R Glindon, S Graham,
R Dodd, Flux, J Amar, W Flynn, D Snowdon and S Green

8 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Weatherley (Gateshead) and Councillor Wright (Sunderland).

9 DECLARATIONS OF INTEREST

Councillor Eagle declared an interest as an employee of Nexus and informed Committee that dispensation had been granted for him to take part in discussions of transport related items but he would not be voting in decision making.

10 MINUTES OF THE PREVIOUS MEETING

RESOLVED: The minutes of the previous meeting held on 10 July 2017 were agreed as a correct record subject to checking the following information; Apologies were believed to have been given by Councillor Flux (and not Councillor Flynn as stated).

Matters arising

Nicola Laverick (Policy and Scrutiny Officer) provided an update on the vice chair position. The post was currently being advertised and standard recruitment procedures would be followed. It was anticipated that interviews would possibly take place at the end of September.

11 NORTH EAST STRATEGIC ECONOMIC PLAN

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

Richard Baker (NELEP Head of Strategy and Policy) presented the report which provided an update on the North East Strategic Economic Plan. The Plan had been refreshed and relaunched by the North East Local Enterprise Partnership (LEP) in conjunction with the North East Combined Authority.

The refreshed SEP, published in March 2017, set out how recent successes could be built on and continue to create more and better jobs for the region. The SEP was jointly endorsed and delivered by the North East Local Enterprise Partnership (North East LEP) and the North East Combined Authority (NECA) and brought together a number of key partners behind the vision of 'more and better jobs'.

Six programmes detailed how the SEP would be delivered in a partnership approach:

- Innovation
- Business Growth and access to finance
- Skills
- Employability and Inclusion
- Economic Assets and Infrastructure
- Connectivity

There was a focus on four areas of opportunity - the sectors where it was believed would have the greatest impact on productivity and growth:

- Digital
- Advanced manufacturing
- Health and Life Science
- Subsea, Offshore and Energy

Comments, questions and points raised by members

- A Member asked how a 70% increase in better jobs would be possible in the current economic climate.

Richard Baker advised that a key focus of the plan was on professional and technical jobs via promoting demand and working with the education sector to supply skills. The skills programme was trying to match supply of labour in the region to demand in the economy. The plan set the long term strategic direction and NELEP was working with businesses and schools to prepare students for jobs.

- The rural areas of Northumberland and Durham were raised; these had seen a massive decline in local/traditional industries and the 'local economy' was disappearing.

Issues specific to rural areas were recognised and the plan detailed specific actions such as in the energy sector. The Netpark site was given as an example

of innovation. The Business Growth Programme also included support to rural enterprise and provided a focus for growth.

There were four live Enterprise Zones in the NECA area including Berwick. The LEP was working closely with Northumberland County Council; as the issues were recognised in the SEP it was anticipated that funding would follow.

- The issue of connectivity with the local planning system was raised.

The LEP would act as a co-ordinating body and was not responsible for delivery of every aspect of the plan. All seven local authorities had agreed to align their Local Development Frameworks with the plan.

- With regard to digital connectivity this would be developed through the availability of superfast broadband and the development of 5G. Innovative exploration was taking place with the European Space Agency around the 5G platform.
- The SEP was aligned with the national strategy to deliver other sources of funding. The LEP also worked with bordering regions to maximise economic growth and was engaged with the Northern Powerhouse and Transport for the North.
- The potential problems of Air Passenger Duty was an important issue as all seven local authorities were shareholders in Newcastle Airport. Significant discussions were ongoing and representations had been made for the last 3-4 years.
- This issue of a shortage of NHS consultants was raised. Although the LEP endorsed improvement to the NHS, and Health Quest was identified as one of four areas of opportunity that could improve the performance of the economy, it did not have a role in recruitment.
- The job growth increase of 6.6% over the past two years broadly described growth in a number of areas including advanced manufacturing, digital/technical sectors and continued growth in public sector employment.
- A state of the region report would be prepared annually to illustrate the growth.
- The data source used relied on for targets did include apprenticeships.
- Decommissioning of gas and oil rigs offered opportunities as well as challenges. The offshore renewables agenda was a key area and there were potential opportunities including wind and tidal technologies.
- Investment in the Metro stock going forward was raised and transport improvements for rural areas.

The Chief Finance Officer stated that it was widely recognised that the NECA area had limited investment compared to other areas. The Leaders and Nexus had been working hard on transport issues. The strategic case for replacement of the Metro fleet had been accepted nationally at officer level although there was no detail on the nature of the funding. It was hoped that there would be news on this in the next few months. Nexus was also looking at Metro extension and the Blyth/Ashington/Tyne link also offered opportunities to improve transport links.

- It was stated that a PFI route could hinder future technical development.

The Chief Finance Officer agreed that PFI had delivered bad projects but others had been successful such as the new Tyne Crossing. Many different issues would be taken into consideration on the drafting of the potential contract including issues of flexibility; the contract would be for purchase and maintenance of the Metro fleet.

RESOLVED: That the Overview and Scrutiny Committee noted the content of the report.

12 **NECA BUDGET PROCESS AND TIMETABLE 2018/19**

Submitted: Report of the Chief Finance Officer setting out the process and timetable for the preparation, consultation and approval of the 2018/19 budget and indicative medium term financial strategy (previously circulated and copy attached to the official minutes).

NECA was required to set its budget and Transport Levies in its area for 2018/19 before 15 February 2018. It is currently planned that the NECA Leadership Board will agree these at its meeting on 16 January 2018.

To achieve this, Transport levies must be considered by the Tyne and Wear Transport Sub-Committee and in Durham and Northumberland by mid-December 2017.

All comments received during the consultation period would be fed into the process.

Members considered if a further meeting would be required to consider the draft budget proposals or whether to extend the time frame of the next meeting on 14 December. The Chief Finance Officer would brief the Chair and highlight if anything unexpected had arisen during the consultation process.

RESOLVED: That the Overview and Scrutiny Committee noted the budget process and timetable and that the draft budget would be circulated on 14 November.

Members also agreed that a decision as to whether an additional meeting was required would be taken at the discretion of the Chair. If another meeting was not necessary the Overview and Scrutiny Committee would receive and consider the draft budget report at its next meeting on 14 December 2016.

13 **FORWARD PLAN AND WORK PROGRAMME**

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

Nicola Laverick (Policy and Scrutiny Officer) introduced the report which provided 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 2017/18.

Comments, questions and points raised by members

- A Member commented that the work programme was heavily weighted towards transport to the exclusion of other areas of NECA responsibility.

The Scrutiny Officer agreed that other policy areas could be considered, based on Member input, and plotted against the regular areas of workload.

- Members requested that a forceful line be taken with all of the thematic leads to present to Overview and Scrutiny Committee at least once per year. The Chair agreed to write to the thematic leads on behalf of the Committee.
- Following a request for more information regarding a possible North of Tyne combined authority and the position of NECA, Paul Woods (Chief Finance Officer) agreed to ask Helen Golightly (Head of Paid Service) to provide an update for the next meeting.
- A Member requested information on the refurbishment of the Tyne Pedestrian Tunnel. The Chief Finance Officer informed Committee that the NECA Transport North East (Tyne and Wear) Sub-Committee received regular updates on the project and it was anticipated the tunnel would open in spring 2018. A short update would be provided for the next meeting.
- Members agreed that an update on health and wealth be built back into the work programme. The Chair suggested inviting a health expert to a future meeting.
- The Scrutiny Officer advised that the delegated decision process had gone through a review and refresh of procedures.

RESOLVED: That Committee agreed the Forward Plan and endorsed the work programme for 2017/18.

14 DATE AND TIME OF THE NEXT MEETING

10:00am on Thursday 14 December 2017

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