

DATE: 3 July 2018

SUBJECT: **North of Tyne Proposals - Consent to Secretary of State's Order
– Authority to Execute Deed of Co-operation**

REPORT OF: Head of Paid Service

EXECUTIVE SUMMARY

The purpose of this report is to invite the Head of Paid Service to authorise the execution of the Deed of Co-operation in the form of Version 12 circulated by South Tyneside Council on Friday 29 June 2018.

A report has been provided to the Head of Paid Service by the Monitoring Officer giving advice about the execution of the Deed.

RECOMMENDATIONS

Having noted the advice of the Monitoring Officer, the Head of Paid Service is recommended to authorise the execution of the Deed of Co-operation.

1. Background

- 1.1 On 20 March 2018 the Leadership Board approved Heads of Terms for a Deed of Co-operation between the Constituent Authorities of NECA and NECA. By this Deed the authorities for the Local Government areas of Newcastle, North Tyneside and Northumberland agreed to bind the New Mayoral Authority for their combined area, once formed.
- 1.2 On 26 April 2018 the Leadership Board approved NECA entering into the Deed of Co-operation on certain conditions and authorised the Head of paid Service, on the advice of the Monitoring Officer, to authorise the execution of the Deed once finalised in accordance with the Heads of Terms.

2. Proposals

- 2.1 Chief Legal Officers have worked together over a number of months to finalise a full Deed of Co-operation addressing the points raised in the Heads of Terms and elaborating on certain provisions.
- 2.2 The Deed sets out a useful framework for how the seven Local Authorities in the current NECA area will work together if and when an order is made by the Secretary of State amending the NECA boundary to allow the creation of a new Combined Authority for the three authority areas north of the Tyne. This Deed includes detailed arrangements addressing the transfer of regional transport, North East Local Enterprise Partnership and Invest North East England functions between the two Combined Authorities once created. The Deed also touches upon responsibilities for liabilities arising and on-going costs.
- 2.3 In some material respects the Deed reflects political rather than commercial considerations in relation to these transfers.

3. Reasons for the Proposals

- 3.1 The Deed reflects the agreement reached between the seven Local Authorities and accordingly the way NECA will be directed by its Leadership Board in relation to future working.

4. Alternative Options Available

- 4.1 It is not believed that there is an alternative to the proposals presented by the seven Constituent Authorities and as reflected in the Deed. Amendments suggested by NECA's Monitoring officer could not be accommodated and the Constituent Authorities are pressing for early completion.

5. Next Steps and Timetable for Implementation

- 5.1 The Constituent Authorities are pressing for early completion. It is anticipated that the Deed will be completed immediately it is signed.

6. Potential Impact on Objectives

6.1 This Deed sets out governance changes which may have an impact on the delivery of objectives during re-organisation.

7. Financial and Other Resources Implications

7.1 The Deed creates financial liability, but this liability will ultimately be met by the seven Constituent Authorities in proportions determined by the Deed.

8. Legal Implications

8.1 This Deed triggers obligations to staff under the transfer of undertakings (Protection of Employment) Regulations. Constituent Authority Chief Executives and Head of paid Service have been advised of this.

9. Key Risks

9.1 The Deed addresses a number of proposed staffing transfers. Any transfer of this nature creates operational risk. In addition, the Deed creates a number of operational and governance changes which will require careful management and oversight to deliver.

10. Equality and Diversity

10.1 None

11. Crime and Disorder

11.1 None

12. Consultation/ Engagement

12.1 This matter has been discussed in detail with Chief Legal Officers, Chief Executives and Leaders on a number of occasions.

13. Other Impacts of the Proposals

13.1 This Deed is required as a prerequisite to consenting to the order to change the NECA boundary and create the New Mayoral Combined Authority.

14. Appendices

14.1 Draft Deed of Co-operation, Version 12, dated 3 July 2018

15. Background Papers

15.1 Please see papers presented to Leadership Board on 20 March and 26 April 2018.

16. Contact Officer(s)

16.1 Name: Peter Judge

Title: Monitoring Officer

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17. Sign Off

- 17.1
- Head of Paid Service: ✓
 - Monitoring Officer: ✓
 - Chief Finance Officer: ✓

18. Glossary

18.1 None