

Leadership Board

19 September 2017

(2.05 - 3.05 pm)

Meeting held: Committee Room, Civic Centre, Regent Street, Gateshead, NE8 1HH

APPROVED MINUTES

Present:

Councillor : P Watson (Chair)

Councillors: M Gannon, S Henig, Mr A Hodgson, P Jackson, I Malcolm and
B Pickard

26 APOLOGIES FOR ABSENCE (MEMBERS)

Apologies for absence were received from Councillor N Forbes and Mayor N Redfearn.

27 DECLARATIONS OF INTEREST

There were no declarations of interest.

28 MINUTES OF THE PREVIOUS MEETING HELD ON 18 JULY 2017

The minutes of the previous meeting held on 18 July 2017 were approved as a correct record and signed by the Chair.

29 MINUTES OF THE EXTRAORDINARY MEETING HELD ON 7 AUGUST 2017

The minutes of the extraordinary meeting held on 7 August 2017 were approved as a correct record and signed by the Chair.

30 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 ensuing discussion included the importance of the relationship with

the Department for International Trade and the joint and coordinated working between partners in the region.

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 information on progress in delivering the Employability and Inclusion and Skills themes of the Strategic Economic Plan. The ensuing discussion included matters such as the progress of Generation NE, the young people employment programme, its dependency on the continuation of funding under the European Social Fund and the importance of securing this funding in future, which would be a decision for a relevant management authority.

RESOLVED – That the report be noted.

(c) **Transport and Digital Connectivity**

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 regarding activities in the region that were helping to deliver the key principles of the Transport Manifesto.

Work to Acquire New Rolling Stock for the Tyne and Wear Metro

As an update, it was noted that the consideration of the matter with regard to securing the new rolling stock for the Tyne and Wear Metro was now with the Department for Transport (DfT) ministers and an announcement was hoped for soon.

The ensuing discussion included the following matters:

- the financing options;
- the importance of the government being clear about the preferences of the NECA with regard to financing options;
- the importance of progress in securing the new fleet;
- the importance of increasing the lobbying activity on this matter;
- the importance of encouraging representations by partners in order to strengthen lobbying on behalf of the region; and
- the importance of working jointly on transport matters, including in future.

Members received confirmation from T Hughes, the Managing Director (Transport Operations), that the DfT was aware of grant funding being the preferred financial approach of the NECA. Members also noted his advice with regard to the importance of understanding the detail of both options, which were being worked out and which would be subject to further engagement with the DfT.

Members noted advice from the Chief Finance Officer that the representation to the Chancellor for the 2017 Autumn Budget regarding the need to provide funding for a new fleet of Metrocars could also be made through the North East Local Enterprise Partnership (North East LEP).

Members also noted that the North East LEP had already made a representation to the government with regard to the new Metro fleet and would raise this matter again at a forthcoming meeting with ministers.

Decisions on Bus Routes

The discussion also included the need for elected members to be able to influence decisions on bus routes in order to ensure effective bus links to key services, including medical services, and residential areas. It was noted that this matter was being considered as part of a health care services review in South Tyneside and Sunderland, which was currently underway. Should the review fail to meet residents' needs, this matter would be subject to further discussions.

RESOLVED – That:

- i. The contents of the report be noted; and
- ii. The NECA should make representations to the Chancellor for the 2017 Autumn Budget, regarding the need to provide funding for a new fleet of Metrocars.

31 STATEMENT OF ACCOUNTS 2016/17

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

Members considered the report which presented the Annual Accounts 2016/17, which included the Audit Completion Report. The report was presented by P Woods.

The following amendments to the report were noted:

- Expenditure and Funding Analysis
 - The 2016/17 Net Expenditure in the Comprehensive Income and Expenditure Statement (CIES) figure for the Local Growth Fund should now read £16,307 instead of £17,608; and
 - The 2016/17 Net Expenditure in the CIES figure for North East LEP should now read £3,690 instead of £4,991.
- Non-Financial Performance
 - Transport
 - Tyne and Wear Passenger Transport Executive – Nexus
 - The fifth bullet point should read “Rail passengers in Tyne and Wear made 1.5 million journeys on local services, which was an increase on the 1.3 million journeys in the previous year”.

The findings of the Audit Completion Report were presented by C Waddell of Mazars LLP. The following updates were noted in respect of Significant Findings:

- Management override of control (relevant to single entity and group accounts):
 - Work had been completed and no issues had been identified.
- Revenue recognition in relation to Tyne Tunnel tolls and grant income (relevant to single entity and group accounts):
 - Work was almost completed with only some minor tasks remaining. No issued had been identified.

As an update, it was noted that the Governance Committee had considered the Annual Accounts 2016/17 and made a positive observation with regard to the presentation of the North East Local Enterprise Partnership figures.

Members and the Chief Finance Officer thanked officers of NECA, in particular E Goodman, and Mazars for their work on the Annual Accounts and Audit.

On advice from the Chief Finance Officer, Members noted the challenges associated with the timetable for the production and audit of the Annual Accounts for the next year, which had to be completed two months earlier than this year, and on the staffing changes and the additional capacity required to achieve this.

RESOLVED – That:

- i. The Leadership Board considered the report of the External Auditor (Appendix 1);
- ii. The Chief Finance Officer be authorised to sign the Letter of Representation on behalf of the Authority;
- iii. The final NECA Accounts for 2016/17 (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.

32 BUDGET PROCESS AND TIMETABLE 2018/19

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 2018/19 budget and indicative medium-term financial strategy.

RESOLVED - That:

- i. The 2018/19 Budget process and timetable be agreed; and
- ii. The consultation on the Initial Budget Proposals would commence on their publication on 14 November 2017, and any subsequent amendments made

by the Leadership Board on 21 November 2017 would be incorporated in the Initial Budget Proposals.

33 UPDATE ON PROPOSED AUDITOR APPOINTMENT FROM 2018/19

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

Members considered the report which provided information on the proposed appointment of Mazars LLP as the auditor of NECA for a five year period from 2018/19. No issues were raised with regard to the proposal; and the Chief Finance Officer would respond to the consultation and accept the proposed appointment.

RESOLVED – That the report be noted.

34 AGREEMENT FOR THE PROVISION OF TEMPORARY ACCOMMODATION ACROSS NORTH EAST COMBINED AUTHORITY (NECA)

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

Members considered the report which provided information regarding the proposed agreement for the provision of temporary accommodation across the NECA area in the event of an emergency or major incident.

In welcoming the scheme and the forward planning, Members noted the nature and character of the North East local authorities in their readiness to help each other and previous examples of such work.

RESOLVED – That:

- i. The report be noted; and
- ii. The Leadership Board acknowledged the work that was being undertaken by the seven local authorities within the NECA area to work together under the “Agreement for the provision of temporary accommodation” as set out in appendix 1 of the report.

35 PROJECT APPROVALS - LOCAL GROWTH FUND AND ENTERPRISE ZONE INFRASTRUCTURE APPROVALS

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

Members considered the report which sought approvals in relation to the Local Growth Fund (LGF) programme projects.

The report also provided an update on the Enterprise Zone Infrastructure programme, the timetable for consideration of the approval of business cases and the progress that was being made to develop an overarching legal agreement

between the constituent local authorities in the NECA and the North East Local Enterprise Partnership (North East LEP) area.

The ensuing discussion included the benefit of developing a standardised funding agreement for each Enterprise Zone site to sit below the overarching legal agreement.

RESOLVED - That:

- i. Agreement be given to programme entry for the North East Education Challenge and Ambition Programme and Local Growth Fund (LGF) budget allocation of £750,000 from within the LGF Round 3 Skills, Innovation and Business Growth mini programme budget subject to business case approval by the North East Local Enterprise Partnership (LEP) Board, as set out in section 2.1.2 of the report;
- ii. Agreement be given to a LGF budget award of £948,364 for the Innovation Project Development Fund from the LGF Round 3 skills mini programme allocation subject to the approval of the North East LEP Board, as set out in section 2.2 of the report;
- iii. Agreement be given to a LGF budget award of £2,027,114 for the Incubation Project Development Fund from the LGF Round 3 skills mini programme allocation subject to the approval of the North East LEP Board, as set out in section 2.3 of the report;
- iv. Agreement be given to an LGF Grant Funding Agreement of £7.0m for the South Shields Metro Maintenance, Renewals and Skills Centre, as set out in section 2.4 of the report;
- v. The Leadership Board noted the progress made with the refresh of the Enterprise Zone financial model and the development of an overarching Enterprise Zone funding agreement between the seven constituent councils and NECA as the accountable body for the LEP, and the timetable for the consideration of further Infrastructure approvals by the LEP Board and NECA as set out in section 2.5 of the report; and
- vi. The Monitoring Officer be authorised to finalise and enter into any legal and grant funding documentation required to enable the approved schemes in the report to proceed.

36 HOUSING INFRASTRUCTURE FUND

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

Members considered the report which provided information on the national Housing Infrastructure Fund, sought agreement to progress the development of a NECA proposal for the Forward Funding Element of the fund and sought associated delegated authority for the Head of Paid Service.

RESOLVED – That:

- i. The report be noted;
- ii. The Leadership Board agreed to progress the development of a NECA proposal for the Forward Funding Element of the Housing Infrastructure fund; and
- iii. Delegated authority be given to the Head of Paid Service in consultation with the Chair and Vice-Chairs of the Leadership Board and the Chief Finance Officer to submit an Expression of Interest form to Government on the 28th September 2017.

37 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That press and public be excluded from the remainder of the meeting during the consideration of agenda item 13 (Tyne Tunnels – Update) by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.