

Leadership Board

21 November 2017

(2.00 - 2.20 pm)

Meeting held: Committee Room, Town Hall, Westoe Road, South Shields, NE33 2RL

APPROVED MINUTES

Present:

Councillor : Mayor N Redfearn(Chair)

Councillors: N Forbes, M Gannon, Mr A Hodgson, P Jackson, I Malcolm and
H Trueman

North East Local Mr A Hodgson
Enterprise
Partnership
Member:

40 APOLOGIES FOR ABSENCE (MEMBERS)

An apology for absence was received from Councillor S Henig.

41 APPOINTMENT OF CHAIR FOR THE PURPOSE OF THE MEETING

RESOLVED – That Mayor N Redfearn be appointed as Chair for the purpose of the meeting.

42 DECLARATIONS OF INTEREST

There were no declarations of interest.

43 MINUTES OF THE PREVIOUS MEETING HELD ON 19 SEPTEMBER 2017

The minutes of the previous meeting held on 19 September 2017 were approved as a correct record and signed by the Chair.

44 THE APPOINTMENT OF THE INDEPENDENT VICE-CHAIR OF THE OVERVIEW AND SCRUTINY COMMITTEE

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

Members considered the report which recommended appointment of the Independent Vice-Chair of the Overview and Scrutiny Committee of the North East Combined Authority, following the recent recruitment and selection exercise.

RESOLVED – That Mr Simon Hart be appointed as the Independent Vice-Chair of the Overview and Scrutiny Committee for an initial term of 3 years.

45 **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 welcomed the report.

RESOLVED – That:

- i. The report be noted; and
- ii. The Leadership Board agreed to the key messages, as set out in the report and endorsed by the Economic Development and Regeneration Advisory Board, to inform the UK Shared Prosperity Fund development.

(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 the latest progress made in delivering the Employability and Inclusion and Skills themes of the Strategic Economic Plan. The Chair welcomed the report.

RESOLVED – That:

- i. the report be noted; and
- ii. the Leadership Board noted the intention to respond to the Department for Work and Pensions (DWP) with regard to both their action to vary the contract and the process of decision-making on locally delivered programmes to meet strategic priorities as referred to in section 1.13 of the report.

(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 that were helping to deliver the key principles of the Transport Manifesto.

The Thematic Lead for Transport asked that thanks be recorded to Councillor Marshall for his work in representing NECA on Transport for the North and Rail North. Thanks were also offered to all constituent local authorities.

As an update, it was noted that an announcement was expected from the government on the new Metro fleet, possibly as part of the Autumn Budget 2017. The Chair referred to the impact of transport on jobs and productivity and expressed hope that the government would appreciate this important relationship.

Also as an update, it was noted that, at its meeting earlier today, the Transport North East (Tyne and Wear) Sub-Committee had agreed the new approach to the Metro and Ferry ticketing.

The Chair welcomed the report.

RESOLVED – That the report be noted.

46 **DRAFT BUDGET 2018/19 AND TRANSPORT LEVIES**

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

Members considered the report which set out the key budget issues, principles and proposals that were likely to be included in the 2018/19 budget report for the North East Combined Authority.

As an update on the consultation process to date, it was noted that, at its meeting earlier today, the Transport North East (Tyne and Wear) Sub-Committee had considered the proposed draft transport budget for Tyne and Wear and the proposals with regard to the tolls for the Tyne Tunnels.

RESOLVED – That:

- i. The report be noted;
- ii. The budget approach of setting out a detailed revenue budget for 2018/19 as another transitional year, while the future role and responsibilities of NECA were clarified, be agreed. This would take into account the need to meet the statutory responsibilities of NECA that would continue in 2018/19 as well as the need to achieve savings to help constituent authorities deal with reductions in their transport funding as part of continuing Government austerity measures. Indicative transport budgets would be set out over a three year period, where it was possible to do so;
- iii. The following proposals for the basis of consultation about the NECA 2018/19 Revenue Budget be agreed:
 - a. The Transport Budget for Tyne and Wear was indicatively proposed to be set at £61.800m which was a further reduction of £1.240m

(1.97%) compared with the budget for 2017/18. The budget savings needed to deliver this were expected to be made in 2018/19 without any significant impact on transport services, through efficiencies and temporary use of Nexus reserves.

- b. The indicative Transport Budget and Levy for the Durham County Council area was expected to be £15.690m, which was a small net increase of £0.208m (1.3%). No significant reductions in services were envisaged for 2018/19.
 - c. The indicative Transport Budget and Levy for the Northumberland County Council area was expected to be £6.199m, which was a small net decrease of £0.023m. No significant reductions in services were envisaged for 2018/19.
 - d. The £250k contribution towards the North East LEP, which was required to match fund government grant, was proposed to be continued in 2018/19.
 - e. NECA would need to maintain sufficient capacity to meet its statutory requirements. It was proposed that the level of corporate contributions from the constituent authorities was maintained at £300k.
 - f. The contribution to the Invest North East England team was subject to discussion with constituent councils and the North East LEP. The current council contributions of £140k were proposed to be maintained for 2018/19, as part of an overall budget of at least £461k.
 - g. The North East LEP budget was being prepared to reflect its responsibilities and the estimated available resources for 2018/19. A draft budget had been prepared and more detailed information would be included in the January Leadership Board report.
 - h. NECA would need to set out a balanced budget for 2018/19, maintaining a sufficient but minimal level of reserves to managed risk and would set out a treasury management strategy for borrowing and lending which would comply with the Prudential Code.
- iv. The following be agreed in relation to the tolls on the Tyne Tunnels:
- a. The increase in tolls for class 3 vehicles from £3.30 to £3.40 to take effect during February 2018, as set out in sections 2.1.17 to 2.1.20 of the report, with tolls for class 2 vehicles (cars) being maintained at £1.70 be agreed;
 - b. The continuation of the 10% discount for permit holders as set out in section 2.1.20 of the report be approved; and

- c. The Monitoring Officer be authorised to publish the relevant notices and submit the necessary documentation to the Secretary of State, as prescribed in the River Tyne (Tunnels) (Modification) Order 2011.
- v. This report, which had already been circulated to start a two months budget consultation period, be updated to reflect any changes agreed at this meeting and be re-circulated as part of the budget consultation.

47 **TREASURY MANAGEMENT 2017/18 MID-YEAR REVIEW**

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

Members considered the report which provided a summary of the treasury management activity during 2017/18, which was in line with the original budget for the year and no changes were proposed as part of this mid-year review.

RESOLVED – That:

- i. the investment criteria and limits set out in section 2.10 be noted; and
- ii. the updated 2017/18 prudential indicators set out in section 2.11 be noted.

48 **ENTERPRISE ZONE IMPLEMENTATION UPDATE**

Submitted: A joint 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 their approval to enter into an overarching Business Rate Growth Income (BRGI) Agreement as the accountable body for the North East Local Enterprise Partnership (North East LEP).

RESOLVED – That:

- i. Agreement be given to entering into the overarching Enterprise Zone Pooled Business Rate Income Agreement in the form approved by the Monitoring Officer, having consulted the Chief Finance Officer and the Head of Paid Service. The Agreement would be with its seven constituent authorities, and NECA would enter into the agreement in its capacity as the accountable body for the North East LEP. The agreement would not be entered into without the prior approval of the North East LEP Board; and
- ii. Agreement be given to arranging the use of NECA's internal funds or external borrowing where it was necessary to repay the LEP's North East Investment Fund (NEIF) or the Local Growth Fund (LGF) in respect of Round 1 funding agreements set out in section 8.1 of the report, where it was requested to do so by the constituent authority and where it had the legal power to do so.

49 **PROJECT APPROVALS – INTERNATIONAL ADVANCED MANUFACTURING PARK (IAMP) AND GATESHEAD QUAYS**

RESOLVED – That agreement be given to consideration later at the meeting of a **replacement and**, by reasons set out in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act, **now confidential report** titled “Project Approvals – International Advanced Manufacturing Park (IAMP)” on the grounds of urgency due to the timetabled involved, following the exclusion of press and public.

50 **DATE AND TIME OF NEXT MEETING**

Tuesday, 16 January 2018 at 2pm.

51 **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 for the remainder of the meeting during the consideration of agenda items 13 (Confidential Minutes of the Previous Meeting held on 19 September 2017) and 14 (Project Approvals – International Advanced Manufacturing Park (IAMP)) because exempt information was likely to be disclosed and the public test against the disclosure was satisfied.