

North East Combined Authority

North East Leadership Board

15 September 2015

Meeting held: Committee Room, Civic Centre, Newcastle upon Tyne, NE1 8QH

Present:

Councillor S Henig (Chair)

Councillors G Davey, N Forbes, M Henry, I Malcolm and P Watson and Mayor N Redfearn

10 APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr Woolston and Ms Hall of the North East Local Enterprise Partnership.

11 DECLARATIONS OF INTEREST

There were no declarations of interest.

12 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on 14 July 2015 were approved as a correct record and signed by the Chair.

13 DEVOLUTION UPDATE

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

Members considered the report which provided an update on the work to negotiate devolution of funding, powers and responsibilities to the Combined Authority.

The Chair, on behalf of the Leadership Board, thanked Members, Officers and business partners, including from the North East Local Enterprise Partnership (LEP), for the work to prepare the Statement of Intent. The Chair confirmed that negotiations were underway and these would continue in the following weeks. Members received confirmation of the input from the LEP and the involvement of other partners from the business community in the work on devolution.

RESOLVED – That the report be noted.

14 UPDATES FROM THEMATIC LEADS

(a) Economic Development and Regeneration

Submitted: A 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 the progress of activities under the Economic Development and Regeneration theme. During the ensuing discussion clarification was provided on the prioritisation of potential sectors for the regional Inward Investment function.

RESOLVED – That the report be noted.

(b) Transport

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

Members considered the report which provided an update on the major transport developments and announcements, including in relation to the Transport for the North partnership, Transport Vision for the North East, Local Growth Fund transport schemes, rail, other public transport, sustainable transport, aviation and digital connectivity.

Members thanked T Hughes, the Managing Director (Transport Operations), and his team for the quality of their representation during the cross-examination by the Quality Contract Scheme Board and the Counsel during the recent oral evidence sessions.

RESOLVED – That the report be noted.

15 APPOINTMENT OF INDEPENDENT PERSON

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

Members considered the report which recommended the appointment of Stella Gardner as the Independent Person for the Combined Authority (NECA).

RESOLVED – That:

- Stella Gardner be appointed as the Independent Person for the NECA for a period of 3 years; and
- the payment of an annual fee of £1,000 for undertaking this role on behalf of the NECA be agreed.

16 FINANCIAL MONITORING UPDATE

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

Members considered the report which provided an update on the delivery of the 2015/16 capital programme and the revenue budget for the period up to 31 July 2015. It was noted that the second paragraph of section 2.8 of the report should be inclusive of the following header: "Northumberland County Council Lead Mental Health Trailblazer".

During the consideration of the report Members received an update on the approaches to secure written confirmation of funding for future years from the Department for Communities and Local Government, Department for Business, Innovation and Skills and Treasury. The current position remained that no formal confirmation could be given until after the Spending Review. Members commented on the difficult and unacceptable position in relation to the lack of certainty of funding and the risks this presented for the planned schemes. Members also commented on the importance of continuing to request the Government to follow up on its promises.

RESOLVED – That:

- I. the report be noted;
- II. the information provided about the revenue budget position for 2015/16, which estimated that revenue spending would be within budget for the year, including the use of the NECA reserves to meet additional costs associated with activity relating to the Devolution agenda be noted; and
- III. the information provided about the capital programme for 2015/16 be noted.

17 ANNUAL REPORT AND ACCOUNTS

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

Members considered the report which presented the final accounts for approval and also summarised the findings of the audit. As an update, it was noted that at its meeting on 11 September 2015 the Governance Committee had considered the final accounts. At that meeting the Committee had received a detail presentation and asked questions; and recommended the final accounts to the Leadership Board for approval.

During the ensuing discussion Members received clarification on the position in relation to the sign off of the LEP's grants and loans.

The Chair, on behalf of the Leadership Board, thanked Deloitte for their work. The Chair also thanked officers in constituent authorities and organisations who had been working on preparing the first annual report and accounts for the Combined Authority.

RESOLVED – That:

- I. The report of the External Auditor (Appendix 1) be noted;
- II. The Chief Finance Officer be authorised to sign the Letter of Representation (Appendix 2) on behalf of the Authority;
- III. The final NECA Accounts for 2014/15 (Appendix 3) be approved, taking into account views from the Governance Committee;
- IV. The Chair and Chief Finance Officer be authorised to sign the NECA and Group Accounts;
- V. The Annual Governance Statement (Appendix 4) be approved;
- VI. The Chair and the Head of Paid Service be authorised to sign the Annual Governance Statement; and
- VII. A report be provided on the approval process in relation to the LEP's grants and loans.

18 **EUROPEAN STRUCTURAL AND INVESTMENT FUNDS: SUSTAINABLE URBAN DEVELOPMENT**

Submitted: A joint report of the Chief Executive of South Tyneside Council and the Head of Paid Service of the Combined Authority (previously circulated and copy attached to Official Minutes).

Members considered the report which invited the Leadership Board to undertake the Intermediate Body role for the Sustainable Urban Development element of the European Regional Development Fund.

RESOLVED – That:

- I. Agreement be given in principle that the Leadership Board would undertake the role of the Intermediate Body for the North East Sustainable Urban Development (SUD) Strategy within European Regional Development Fund (ERDF);
- II. The proposals for the governance model and arrangements to fulfil the North East Combined Authority's role as Intermediate Body be agreed in principle;
- III. A further report be provided on the proposed governance arrangements following further clarification from the Department for Communities and Local Government (DCLG) on the allocation of roles and responsibilities in delivering the SUD Strategy prior to final commitment to undertake the role of the Intermediate Body; and
- IV. The SUD Strategy be submitted to the Government before the deadline of 25 September 2015.

19 ENTERPRISE ZONE BID SUBMISSION

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 set out information on the preparation of a bid for additional Enterprise Zones. Members discussed the importance of keeping control over the contents of the submission which could change following rounds of discussions with the Government.

RESOLVED – That:

- I. Approval be given to the proposed enterprise zone package and its consideration by the LEP; and
- II. The Chair and the Head of Paid Service be authorised to agree the final package to be submitted to DCLG following its approval by the LEP Board.

20 LINDISFARNE ROUNDABOUT (PROJECT APPROVALS)

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

Members considered the report which provided information on the proposed revisions to the Lindisfarne Roundabout Strategic Economic Plan transport scheme and sought approval for the revisions.

RESOLVED – That:

- I. Agreement be given in principle to the proposed revision of scope and cost of the Lindisfarne Roundabout Scheme to capitalise on opportunities to support local economic growth and maximise access to and from the regionally significant A19 corridor, subject to final approval of the full business case; and
- II. Agreement be given in principle that the estimated £2.1m shortfall in the revised Lindisfarne Roundabout Scheme would be funded through:-
 - An increased contribution by South Tyneside Council of the local capital funds by £0.48m to a £1m contribution in total; and
 - A Local Growth Fund allocation increased by £1.62m to £5.10m in total, accommodated by the overall regional Local Growth Fund programme management and specifically by corresponding reductions of the Local Growth Fund allocations to future transport schemes promoted by South Tyneside Council (subject to those future transport schemes receiving confirmation of funding from the Government following the forthcoming spending announcements) and subject to approval of the proposed Local Growth Fund reprogramming by the LEP Board.

21 **DATE AND TIME OF NEXT MEETING**

Tuesday, 17 November 2015 at 2pm

22 **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 for the duration of the consideration of agenda item 14 - Enterprise Zone Bid Submission, Additional Information - because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.