

North East Combined Authority

Leadership Board

17 January 2017

Meeting held Committee Room, North Tyneside Council, Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY

Present:

Councillor: P Watson (Chair)

Councillors G Davey, N Forbes, M Gannon, S Henig and I Malcolm and Mayor N Redfearn

80 APOLOGIES FOR ABSENCE (MEMBERS)

Mr A Hodgson.

81 DECLARATIONS OF INTEREST

There were no declarations of interest.

82 MINUTES OF THE PREVIOUS MEETING HELD ON 15 NOVEMBER 2016

The minutes of the previous meeting held on 15 November 2016 were approved as a correct record and signed by the Chair.

83 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.

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 the latest progress made in delivering the Employability and Inclusion and Skills themes of the Strategic Economic Plan.

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 the progress made towards delivering the Transport Manifesto commitments.

RESOLVED – That the report be noted.

84 LOCAL GROWTH FUND - PROJECT APPROVALS

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 a summary of changes to the Local Growth Fund (LGF) Programme in 2016/17, outlined proposals to maximise the use of the LGF Grant, provided an update on the LGF Assurance Framework and sought approvals with regard to specific transport projects.

RESOLVED – That:

- i. The reasons for change to the 2016/17 LGF Programme since the last report in November be noted;
- ii. The use of £5m of LGF Grant to temporarily fund other projects within the capital programme, outlined in section 2.7, subject to the approval by the LEP Board, with the displaced funding returned to the LGF Programme in future years, be agreed.
- iii. Agreement be given to the extension of the “1st stage” Grant Funding Agreement for an additional £900k LGF grant (hence totalling £2.5m) for South Shields Transport Hub for further development and enabling works and in accordance with specific funding conditions as set out in paragraphs 2.1 and 2.2 of the report.
- iv. Agreement be given to the adjustment of the total LGF allocation to the “The Arches” project from £5.21m to £7.00m in accordance with the rationale set out in paragraphs 2.3 and 2.4 of the report, subject to subsequent approval by the North East Local Enterprise Partnership Board on 26th January 2017, and proceeding with a “1st stage” Grant Funding Agreement for £650k LGF for development and enabling works.
- v. Agreement be given to proceeding with a “1st-stage” Grant Funding Agreement for the release of LGF for £175k for the North Bank of Tyne project for design and consultancy fees, based on production of a robust outline business case.

- vi. Subject to the support of the North East Local Enterprise Partnership Board to the LGF funding changes to the transport projects referred to in recommendations 3, 4 and 5 above, delegated authority be given to the Head of Paid Service in consultation with the Chief Finance Officer and the Monitoring Officer to take all appropriate steps to implement the changes to the LGF Programme and subsequently the Monitoring Officer be authorised to negotiate and complete the associated funding agreements and all other relevant legal documentation.

85 BUDGET 2017/18 AND TRANSPORT LEVIES

Submitted:

- (i) A joint report of the Head of Paid Service and Chief Finance Officer (previously circulated and copy attached to Official Minutes); and
- (ii) A supplementary report of the Head of Paid Service and Chief Finance Officer (previously circulated and copy attached to Official Minutes).

Members considered the report, and the supplementary report, which invited them to consider and approve the 2017/18 revenue budget and transport levies for the North East Combined Authority (NECA).

In discussion, in relation to the letter from the North East England Chamber of Commerce, as set out in the supplementary report, Councillor I Malcolm requested to be put on record that South Tyneside Council had not voted against devolution.

The Chair asked Members to note that the proposed budget was a holding, flexible budget that could be amended should this be required in future.

RESOLVED – That:

- i. A transport net revenue budget for 2017/18 of £84.74m as set out in section 4 of the report be agreed;
- ii. The following Transport Levies for 2017/18 be agreed:

a. Durham County Council	£15,482,424
b. Northumberland County Council	£6,221,740
c. Tyne and Wear Councils (detailed in table 6)	£63,040,000
- iii. A transport revenue grant to Durham County Council for the delivery of transport services of £15,477,424, as outlined in section 4.4, be agreed;
- iv. A transport revenue grant to Northumberland County Council for the delivery of transport services of £6,216,740, as outlined in section 4.5, be agreed;
- v. A transport revenue grant to Nexus for the delivery of transport services in Tyne and Wear of £60,890,000 as outlined in section 4.6 be agreed;
- vi. The continuation of funding for the regional Transport Team as set out in section 4.9 be agreed;

- vii. The funding arrangement for the Tyne and Wear Urban Transport Management Centre (UTMC) set out in section 4.10 be agreed;
- viii. A budget for the corporate costs of the NECA of up to £362,000, with a continuation of the contribution of £300,000 paid for by an equal contribution of £42,857 from each of the seven councils in NECA, as set out in section 5, be agreed;
- ix. Agreement be given to the continuation of a contribution to fund the North East LEP core capacity costs of £250,000 as match funding to secure a £250,000 Government grant, paid for by an equal contribution of £35,714.29 from each of the councils in the NECA, as part of an estimated budget of £2.9m, as set out in section 6;
- x. The continuation of the budget contribution of £140,000 towards inward investment activity, paid for by an equal contribution of £20,000 from each of the seven councils in NECA, as set out in section 7, contributing to a total budget for this area of activity of £460,000, be agreed;
- xi. A budget of £50,000, funded from interest earned, to provide support for Skills and EDRAB portfolio activity, as set out in section 8 and 9, be agreed;
- xii. The Leadership Board noted that the Treasury Management and Investment Strategy and the statement on Minimum Revenue Provision for borrowed capital expenditure for 2017/18 were set out in the report on the Capital Programme, set out elsewhere on the agenda; and
- xiii. Agreement be given to holding the level of reserves set out in section 10.1. The Leadership Board noted that the Chief Finance Officer considered this level of reserves to be satisfactory, given the information currently available about the arrangements for managing financial risks facing the NECA.

86

CAPITAL PROGRAMME 2017/18 AND TREASURY MANAGEMENT AND INVESTMENT STRATEGY

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 forecast capital outturn position for 2016/17 of £123.5m and sought approval for the initial 2017/18 capital programme of £148.9m. The report also sought approval for the Treasury Management and Investment Policy and Strategy for 2017/18 and the Minimum Revenue Provision Statement for 2017/18.

RESOLVED – That:

- i. The latest position in respect of the 2016/17 capital programme, set out in section 2, be noted;

- ii. The proposed approach to maximising LGF capital spending in 2016/17, set out in section 2.5 of the report, which would be subject to approval by the North East Local Enterprise Partnership (NELEP) Board be agreed;
- iii. The proposed initial capital programme for 2017/18, which amounted to £148.9m, as set out in section 3, be approved;
- iv. The Treasury Management Strategy for 2017/18 (including the Borrowing and Investment Strategies) and the Prudential Indicators as set out in Appendix C be approved; and
- v. The Minimum Revenue Provision Statement for 2017/18 as set out in Appendix D be approved.

87 **ECONOMIC DEVELOPMENT AND REGENERATION ADVISORY BOARD - APPOINTMENT OF SECOND VICE CHAIR**

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

Members considered the report which invited them to agree the introduction of a second Vice-Chair for the Economic Development and Regeneration Advisory Board, with such a role specifically held by a business member of the Advisory Board. The report also sought approval for relevant amendments to the Constitution.

RESOLVED – That:

- i. The introduction of a second Vice-Chair appointed from the business representative co-optees on the Economic Development and Regeneration Advisory Board be agreed; and
- ii. The amendment of the Constitution as set out in the report at paragraph 1.3 be agreed; and
- iii. The appointment of the second Vice-Chair for the remainder of the current municipal year be delegated to the Economic Development and Regeneration Advisory Board.

88 **DATE AND TIME OF NEXT MEETING**

Tuesday, 21 March 2017 at 2pm at Northumberland County Council.

89 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That by virtue of paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972 press and public be excluded from the remainder of the meeting during the consideration of agenda item 11 (Confidential Minutes of the Previous Meeting held on 15 November 2016) because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.

90 **CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING HELD ON 15
NOVEMBER 2016**

The confidential minutes of the previous meeting held on 15 November 2016 were approved as a correct record and signed by the Chair.