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**North East Combined Authority**  
**North East Leadership Board (NELB)**

29 April 2014

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**Present:**

Councillor: Henig (Chair)

Councillors: Davey, Forbes, Hall, Henry, Malcolm, Redfearn and Watson

North East Local Enterprise Partnership: Ms Hall

**IN ATTENDANCE:**

Councillor F Hindle (Gateshead Council)

**CHAIR'S OPENING REMARKS**

The Chair informed the meeting that a request had been received from Councillor Hindle of Gateshead Council to address the Leadership Board. The Chair was minded to agree to this request to promote openness in the Authority's meetings. The proposal was generally endorsed.

**6. APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

**7. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**8. MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 15 April 2014 were approved as a correct record and signed by the Chair.

**9. ADOPTION OF CONSTITUTION, OPERATING AGREEMENT AND SEAL**

**(a) Membership of NELB**

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

Members considered the report which invited them to appoint representatives from the North East Local Enterprise Partnership (the “LEP”) to the North East Leadership Board as a member and substitute member of the Leadership Board. The report also invited members to identify the Thematic Leads for Transport, Economic Development and Regeneration and Employability and Inclusion.

It was noted that formal nomination of the LEP representatives had yet to be received and therefore it was appropriate to defer the appointment of LEP representatives until the formal processes within the LEP had been completed.

**RESOLVED – That:**

- a) The appointment of a representative of the North East Local Enterprise Partnership to the Leadership Board as a member of the Authority, as nominated by the North East Local Enterprise Partnership, be deferred pending the receipt of formal nominations;
- b) The appointment of a representative of the North East Local Enterprise Partnership to the Leadership Board as a substitute member of the Authority, as nominated by the North East Local Enterprise Partnership, be deferred pending the receipt of formal nominations;
- c) The following members of the Leadership Board be the Thematic Leads for Transport, Economic Development and Regeneration and Employability and Employment:

Transport – Councillor Nick Forbes;

Economic Development and Regeneration – Councillor Paul Watson; and

Employability and Inclusion – Councillor Grant Davey.

**(b) Report on Decision Making in the North East Combined Authority**

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 formal decision-making arrangements for the North East Combined Authority (“the Authority”) through the adoption of the Constitution, the Deed of Operation and the Common Seal. The report also provided the formal agreement for the Authority to undertake the role of Accountable Body for the North East Local Enterprise Partnership.

It was noted the Constitution, once adopted, would be subject to a review and a further report submitted to the Leadership Board in October 2014. In addition, other necessary amendments which may arise would be brought to the Leadership Board as and when required. It was also confirmed that a Chair of the Authority must be approved on an annual basis but that the tenure of that office was referred to in the Deed of Operation.

**RESOLVED – That:**

- a) the Constitution annexed at **Appendix 1** of the report be adopted;
- b) the Deed of Operation annexed at **Appendix 2** of the report be entered into;
- c) the Authority would undertake the role of Accountable Body for the North East Local Enterprise Partnership (“the LEP”); and
- d) the Common Seal of the Authority, the facsimile of which had been appended to the report at **Appendix 3**, be adopted.

10. **APPOINTMENT OF COMMITTEE MEMBERSHIP (INCLUDING APPOINTMENT OF CO-OPTED INDEPENDENT MEMBERS OF THE GOVERNANCE COMMITTEE AND APPOINTMENT OF INDEPENDENT PERSON), APPOINTMENT OF CHAIRS AND VICE-CHAIRS AND APPOINTMENT OF EXTERNAL AUDITORS**

Submitted:

- (i) A report of the Monitoring Officer (previously circulated and copy attached to Official Minutes); and
- (ii) A replacement Appendix 1 (with the Chair’s permission, due to the timescales involved circulated at the meeting and copy attached to Official Minutes).

Members considered the report which sought their agreement to the appointment of Members to the Joint Transport Committee known as the Transport North East Committee (TNEC), its Sub-Committee known as the Transport North East (Tyne and Wear) Sub-Committee, and the North East Combined Authority (“the Authority”) Committees, namely, the Overview and Scrutiny Committee and the Governance Committee. The report also invited agreement on the process for the appointment of Chairs and Vice Chairs of those committees and Independent Members of the Governance Committee. The report also requested the Leadership Board to agree the appointment of Deloitte LLP as the External Auditor of the Authority. The report also requested the Leadership Board to agree arrangements to identify an Independent Person as required by the Localism Act 2011 in respect of the Code of Conduct complaints. The report was introduced by V Geary.

It was noted that nominations were now received from Northumberland, as follows:  
 Overview and Scrutiny Committee: Councillors Peter Jackson and Val Tyler;  
 Transport for North East Committee: Councillors Ian Swithenbank and Dave Ledger;  
 and  
 Governance Committee: Councillor Anne Dale.

Councillor Hindle was invited to address the Leadership Board. Councillor Hindle raised the importance of political balance in local democracy and decision-making. In acknowledging those comments, the Chair explained that each constituent Council had been requested to nominate members and each Council was free to make those nominations in the way they considered appropriate.

**RESOLVED – That:**

a) The nominated Constituent Authority Members be appointed to the Transport North East Committee (“the TNEC”), the Transport North East (Tyne and Wear) Sub-Committee (“the TWSC”), Overview and Scrutiny Committee and the Governance Committee as follows:

**Transport for North East Committee (TNEC)  
Membership for the Municipal Year 2014/15**

Durham:

Councillors Neil Foster and Joy Allen

Gateshead:

Councillors John McElroy and Stuart Green

Newcastle upon Tyne:

Councillors Nick Forbes and Joyce McCarty

North Tyneside:

Councillors Frank Lott and Muriel Green

Northumberland:

Councillors Dave Ledger and Ian Swithenbank

South Tyneside:

Councillors James Foreman and Gladys Hobson

Sunderland:

Councillors James Blackburn and Melville Speding

**Transport North East (Tyne and Wear) Sub-committee (TWSC) Membership for  
the Municipal Year 2014/15**

Gateshead: Councillor John McElroy

Newcastle upon Tyne: Councillor Joyce McCarty

North Tyneside: Councillor Frank Lott

South Tyneside: Councillor James Foreman

Sunderland: Councillor James Blackburn

**Governance Committee  
Membership for the Municipal Year 2014/15**

Durham: Councillor Edward Bell

Gateshead: Councillor John Hamilton

Newcastle upon Tyne: Councillor Hilary Franks

North Tyneside: Councillor John O’Shea

Northumberland: Councillor Anne Dale

South Tyneside: Councillor Audrey McMillan

Sunderland: Councillor Henry Trueman

Independent Members: Mr Mark Scrimshaw and Mr George Clark (interim, for a period of 6 months)

Independent Person: To be confirmed (one year appointment)

## **Overview and Scrutiny Committee Membership for the Municipal Year 2014/15**

Durham:

Councillors Joseph Armstrong and Paul Stradling

Gateshead:

Councillors John Eagle and Pauline Dillon

Newcastle upon Tyne:

Councillors Sue Pearson and Anita Lower

North Tyneside:

Councillors Sandra Graham and Ray Glindon

Northumberland:

Councillors Peter Jackson and Val Tyler

South Tyneside:

Councillors Nancy Maxwell and Margaret Meling

Sunderland:

Councillors Richard David Tate and Norma Wright

b) Deloitte LLP ("Deloitte") be appointed on an interim basis as the External Auditor for the Authority;

c) The Thematic Lead for Transport be appointed as Chair of the TNEC. The Members with portfolio responsibility for Transport from Durham and Northumberland County Councils be appointed as Vice-Chairs of the TNEC for the Municipal Year 2014/15. The appointment of a Vice-Chair from the Tyne and Wear Councils for the Municipal Year 2014/15 be delegated to the TNEC.

The appointment of the Chair and the Vice-Chair of the TWSC for the Municipal Year 2014/15 be delegated to the TWSC.

The appointment of the Chair and the Vice-Chair of the Overview and Scrutiny Committee for the Municipal Year 2014/15 be delegated to the Overview and Scrutiny Committee;

d) The Monitoring Officer be authorised in consultation with the Chair and Vice-Chairs of the Authority to undertake an exercise to identify an Independent Person for the Authority and to report to a future meeting of the Leadership Board the appointment of the Independent Person for a period of one year; and

e) Mark Scrimshaw and George Clark be appointed as the Independent Members of the Governance Committee and Chair and Vice-Chair of that Committee respectively on an interim basis for a period of 6 months, and the payment of a fee of £1000 and £500 respectively for fulfilling those roles in that period be agreed.

## **11. PROGRAMME OF MEETINGS**

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 programme of meetings for the Municipal Year 2014/15.

**RESOLVED** – That:

- (i) the proposed programme of meetings, as set out in Appendix A, be noted as an indicative programme of meetings;
- (ii) consideration be given to extending the proposed duration of the TNEC meetings; and
- (iii) dates of meetings be agreed with the Chairs of respective committees.

## 12. **REPORT ON THE 2014/15 BUDGET FOR THE COMBINED AUTHORITY**

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

Members considered the report which invited them to agree the Authority's proposed base budget for 2014/15 and some practical considerations for 2014/15.

It was noted that there would be no impact on the LEP staff as a result of the transfer of responsibilities from LEP to the Combined Authority and that relevant staff would be seconded to the Combined Authority.

**RESOLVED** – That:

1. A base net revenue Budget of £89.73m for 2014/15 as summarised in Table 1 at 6.2, to be adjusted proportionately to reflect the number of days that the Combined Authority would operate in 2014/15, be agreed;
2. A base Capital Programme for 2014/15 of up to £66m as set out in this report, which would be adjusted to reflect the level of anticipated spending after the commencement date in 2014/15, be agreed;
3. The Leadership Board noted that 2014/15 would be a transitional year, and that it was intended to continue most existing SLA agreements, wherever it was reasonable to do so, for the year and that these would be reviewed during the year in time for revised proposals for 2015/16 to be considered in the Autumn of 2014;
4. The Leadership Board noted the information from the various workstreams that could have an impact on the ongoing financial contribution or lead to one off set up costs which would need to be funded on an equal shares basis;
5. The proposal to establish an unearmarked reserve for the Authority amounting to £350,000, made up of a one-off contribution of £50,000 from each member Council, be agreed;
6. The Leadership Board noted the proposed approach to the allocation of corporate costs of the Authority set out in sections 4.3 and 4.4 of the report;

7. The provisional increase in the annual contribution for LA7 Costs of £11,373 to a contribution of £20,000 to the costs of the Combined Authority be agreed;

8. The Leadership Board noted that the Value Added Tax (Refund of Tax) Order 2014 added the Authority to a scheme in the VAT Act 1994 through which VAT may be recovered and the proposals to deal with the accounting and audit implications due to a commencement date later than 1 April 2014.

13. **COMBINED AUTHORITY - NAME AND BRANDING**

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

Members considered the report which sought their views on the proposed options for the name to be used for branding of the Combined Authority and the associated logo following the completion of the statutory process to establish the new body.

**RESOLVED** – That:

- (i) Option 1, referred to in paragraph 2.3 of the report, be adopted as the brand for the Combined Authority; and
- (ii) The logo design identified as the first logo in Appendix 1 be adopted as the brand of the Combined Authority.

14. **COMMON SEAL**

**RESOLVED** – That the Common Seal be affixed to all deeds and documents required for carrying into effect the various decision of the Combined Authority since its last meeting.

15. **DATE AND TIME OF NEXT MEETING**

Tuesday, 15 July 2014 at 2pm. Venue to be confirmed.