

North East Combined Authority, Overview and Scrutiny Committee

10 February 2015

(2.00 - 4.00 pm)

Meeting held: Northumberland County Hall

Present:

Councillor: Wright (Chair)

Councillors: Armstrong, Crute, Daley, Eagle, Glindon, Graham, A Lower, Maxwell, Meling, S Pearson, Snowdon and Tyler

34 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Dillon.

35 DECLARATIONS OF INTEREST

No declarations were made.

36 NOTES OF INQUORATE MEETING HELD ON 9 DECEMBER 2014

The notes of the inquorate meeting held on 9 December 2015 were agreed as a correct record and signed by the Chair.

Matters Arising:-

Minute No. 31: North East Combined Authority Budget 2015/16.

- (i) As requested, issues raised by the Committee in relation to support for 16-18 year olds and concessionary travel and the single fare scheme, had been fed back to the Leadership Board at its meeting on 20 January 2015 as part of the consultation feedback process.
- (ii) Outstanding budget items would be addressed at the next Leadership Board meeting on 17 February 2015.

37 EMPLOYABILITY REPORT (AND ACCOMPANYING NELB REPORT)

Submitted: Report of Thematic Lead for Employability and Inclusion and supporting report to Leadership Board, 20 January 2015 (previously circulated and copy attached to Official Minutes).

Cllr Grant Davey, Thematic Lead for Employability and Inclusion and Janice Rose, Head of Policy and Research, Northumberland County Council were in attendance to brief members on the Employability, Inclusion and Skills priority theme. The Committee was updated on progress across key areas of activity including tackling worklessness; low skills and dependency, youth employment and apprenticeships;

careers advice; the European Social Fund (ESF) and working arrangements with the Local Enterprise Partnership (LEP). The Chair then invited questions and comments from members as detailed below:-

- (i) The Committee requested that a glossary of key terms be developed that was relevant to this priority theme, to support work in this area.
- (ii) The importance of supporting people to find the right job was highlighted and the threat of potential benefit sanctions was noted. Cllr Davey agreed with the need to provide quality jobs to avoid turnover after the minimum 26 week period. He expressed some frustration with current limits on the amount of influence that could be exerted at a local level on this issue and the requirement to work within central Government policy. The Labour Market Intelligence (LMI) mapping exercise would help to identify patterns of behaviour and aid understanding of some of the challenges faced regionally.
- (iii) It was explained that oversight of funding for work on employability and skills rested with the LEP, to be considered on a project by project basis. The LEP had asked authorities to develop an outline Employability and Inclusion (E&I) programme, while it retained the lead on skills. Requests for ESF funding would be considered in the first instance by the LEP before referral at European level. There would therefore be some opportunity for scrutiny of decision making at regional LEP level. Scrutiny arrangements at European level were not yet clear.
- (iv) Members commented on the relationship between Europe and the Local Enterprise Partnerships. The need for effective working in terms of the LEPs relationship with NECA was also highlighted. Members noted the distinct roles of the Combined Authority in setting the Strategic Economic Plan and the LEP as business leaders and stressed the need to avoid delay in progressing projects across the LEP/NECA interface. It was noted that it was hoped that the first tranche of projects would be agreed by July 2015.
- (v) The need to maximise match funding from potential sources, was acknowledged. Members were informed that some initial delay had provided time in which to compile a good set of proposals and to explore options for match funding.
- (vi) The Chair commented on the need to further explore the crucial relationship between the LEP and Leadership Board and hoped that this could be considered at the next meeting, as this would be the last meeting of the 2014/15 municipal year.
- (vii) A member welcomed the focus on apprenticeships but stressed the need for quality placements and also for more vocational apprenticeships for young people with a less academic bias. Cllr Davey agreed, noting that a degree course operated by West Midlands' paramedic service for those who had not followed a traditional academic route provided a useful model that could be developed and shared with employers. The Chair commented that there was also a lack of quality apprenticeships for those leaving school from sixth form.
- (viii) A query was raised as to how the annual target for apprenticeships would be tracked to check quality and distribution. The need was highlighted for reliable public transport to access work (particularly in rural areas), together with ensuring that apprenticeships matched regional skill requirements. Cllr Davey acknowledged these points and referred to a NECA/LEP funded project to promote STEM subjects in colleges and also to work underway with sixth forms. In terms of quality assurance, a programme operated by

Northumberland County Council to provide craft apprenticeships on social housing schemes was noted.

Members were informed that a report would be presented to the Leadership Board on the first phase of the Apprenticeship Hub. This would show that it was proving difficult to meet overall targets due to the current national framework and there was a need for discussion with Government to try to remove barriers. Data from the Apprenticeship phase of the LMI indicated that a reasonable mix was being achieved across niche growth sectors but total numbers were an issue. With regard to public transport access, Cllr Davey commented that there was not significant unemployment in rural areas with key unemployment pressures tending to be in the South East of Northumberland.

- (ix) In response to a query, the Committee was updated on work being undertaken to re-locate Army service families returning from overseas to Albermarle Barracks. It was confirmed that the mental health implications of re-settlement were recognised and work was underway to tackle issues such as housing, unemployment, social inclusion etc.
- (x) A brief overview was provided of the Mental Health Trailblazer initiative, targeted at those unemployed for 26 to 39 weeks with low level mental health issues. In response to a query, it was confirmed that in developing the programme there had been liaison with organisations such as Mindful Employer. A committee member commented that mental health issues in the work place sometimes originated in young people during their school years and the importance of the pre-employment period for young people should be recognised.
- (xi) The need for more local control over apprenticeship and training provision was highlighted. Cllr Davey commented that some of the longer established Combined Authorities had made good progress in developing closer working with DWP. This had been very beneficial and had led to the co-location of benefits staff and Job Centre Plus services in Local Authority buildings. Discussion was ongoing with Government to enable NECA to also proceed down this route, to try to overcome some of the barriers to greater local devolvement around training and apprenticeships.
- (xii) It was confirmed that local employers were very supportive of the LMI work and were keen to be involved. It was hoped to bring all relevant parties on board to ensure local training for locally available jobs.
- (xiii) As well as the quality and sustainability of jobs, ensuring opportunities for progression was also an important consideration.
- (xiv) Cllr Davey noted that the programme of bi-monthly meetings with A Hodgson, Skills Lead at the LEP was informal but was proving to be very useful and informative.
- (xv) A member noted the number of parties involved in this area of work and sought clarification on where responsibility lay for oversight of performance. The Committee was informed that NECA was obliged to demonstrate its' performance against targets, to the LEP. There was also a role for Overview and Scrutiny around this work, particularly in identifying barriers to progress.

RESOLVED – That the report be received and Committee members comments fed into the development of work around this issue.

38 EUROPEAN STRUCTURAL AND INVESTMENT FUNDS (ESIF) REPORT

Submitted: Report of the Monitoring Officer (previously circulated and Copy attached to Official Minutes).

Sarah McMillan, Strategy and Innovation Manager, South Tyneside Council gave a presentation (copy attached to Official Minutes) on the EU Structural and Investment Fund (ESIF) 2014-20, which comprised a notional allocation of £470m to the region over a seven year period. Members were provided with an overview of the background context and strategic alignment with the Strategic Economic Plan; the four funds comprising the ESIF; the basis of allocation by fund, by area and EU local objectives; routes of delivery; and governance arrangements.

The Chair then invited questions from members and the following key issues were raised in discussion:-

- (i) A member highlighted that financial pressures would impact on the ability of authorities to match fund and noted implications for partner expectations e.g. in the community and voluntary sector. He also queried the potential impact on ESIF of any decision by the UK to leave the European Union. S McMillan commented that she was unable to comment on this latter point. She acknowledged however that match funding was a key issue and managing partner expectations would be important.
- (ii) Members expressed disappointment at the anticipated decision to designate Local Sub Committees as advisory rather than decision making and some concern was expressed as to how the LEP would assure itself that the region received its fair share of funding. In response it was explained that allocations were made in accordance with a prescribed formula. The North East was noted to have done well in the initial allocation and the key was now for partners to develop strong projects to ensure that this notional allocation was secured for the region.
- (iii) S McMillan noted that clarity was awaited on the exact remit of the Local Sub Committee and it was anticipated that LEP Chairs would be receiving a letter from ministers setting out the terms of reference. It was however expected that the sub committees would be advisory rather than decision making and would be tasked with advising Managing Authorities on which projects should be supported.
- (iv) Responding to a query from a member, it was confirmed that it was not yet clear whether funds would be allocated according to where jobs were created or based on the areas from which those taking up jobs came. Detailed eligibility criteria would set out these arrangements.
- (v) It was confirmed that partners and outside agencies which provided training would be able to tap into funding but would have to match fund.
- (vi) A member referred to section 3 of the report detailing proposals for Technical Assistance and commented that there appeared to be some concern that this funding may not be used correctly. Members were informed that this money was to support project development but further information was awaited on the exact arrangements. It was noted that as ESIF was a national programme and may be used by central Government to fund its own programmes, it would be important to ensure that proposals did not duplicate work at national level, as they would be unlikely to be supported.

- (vii) A member stressed the need to ensure that the LEP and NECA fully considered requirements for Technical Assistance funding when developing its joint programme management structure and also asked that the Committee's concern over the downgrading of the Local Sub Committee to an advisory role, be raised with appropriate bodies.
- (viii) In response to a query, the likely scope for Community Led Local Delivery (CLLD) was noted.
- (ix) The ESIF programme would be delivered over a six year period but it was expected that initially at least, projects would run for two to three years. There would be a mid-programme review to provide an opportunity to take account of any significant economic/social change.
- (x) It was confirmed that there were no proposals at present on which elements of ESIF may be commissioned. Whilst there might be scope for some commissioning of specific elements of delivery, the vast majority of projects would be open to organisations to come forward with plans on how the projects should be delivered.
- (xi) A member highlighted that the Committee was expected to monitor the programme (section 5 refers) and queried what reporting and monitoring arrangements were in place to support this process. It was explained that governance arrangements for the whole programme were being developed and specific monitoring arrangements would be clarified. There would be regular reporting and the Committee would need to consider how it would use this information.
- (xii) It was confirmed that community and voluntary sector representatives had been involved in developing the Social Inclusion element of the ESIF programme. It was also hoped that there would be scope to work with the Big Lottery to develop possible match funding arrangements. It was too early to comment on how arrangements were working and this may be an issue to revisit in due course.

There being no further questions the Chair thanked S McMillan for the helpful presentation.

RESOLVED – That

- (i) The report and presentation be received and members comments noted;
- (ii) The Combined Authority and North East Local Enterprise Partnership should fully consider the opportunities and requirements of Technical Assistance funding when developing the joint programme management structure; and
- (iii) The Combined Authority emphasise that the Local Sub Committee should have its strategic role and responsibilities explicitly set out to ensure effective decision making on local funding.

39 FORWARD PLAN AND WORK PROGRAMME REPORT

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

The Committee considered the North East Combined Authority (NECA) Forward Plan in relation to the development of its own work programme and the following comments were raised:-

- (i) The Chair referred members to information on the NECA website relating to development of a devolution prospectus for the North East.
- (ii) It was agreed that a running list would be developed of outstanding actions and requests made by the Committee.
- (iii) It was noted that there were a number of issues on the work programme which it had not yet been possible to address including the establishment of a policy review for the coming municipal year.
- (iv) It was proposed that the last meeting of the current municipal year on 24 March 2015, be used to focus on progress around the Transport priority theme and that the NECA lead member for Transport and Director General of Nexus should be invited to the meeting.
- (v) The importance of ensuring a safe and efficient public transport system was noted. Reference was made to recent reliability problems with Metro services and a member commented that system performance and investment may be areas for review.
- (vi) Members noted that it would be timely to receive a briefing on the NECA/North East Local Enterprise Partnership (NELEP) vision for devolution in the North East. Members proposed that P Woolston, Chair of the NELEP, be invited to meet with Committee members before the end of the current municipal year, to share views on the way forward and the developing relationship between the Combined Authority and LEP.
- (vii) In discussion it was agreed that following the start of the 2015/16 municipal year, arrangements be made for the Chair and Vice Chair to visit Manchester to meet with representatives from the Greater Manchester Combined Authority Scrutiny Committee.

RESOLVED – That

- (i) A running list be developed of outstanding actions and requests made by the Committee, to enable progress to be monitored;
- (ii) Consideration be given to establishing a policy review on one of the transport issues in the work programme, for the coming municipal year;
- (iii) The NECA lead member for transport and the Director General of Nexus be invited to the next meeting on 24 March 2015;
- (iv) That the Chair of the NELEP, be invited to meet with Committee members in an informal session prior to the start of the next formal meeting on 24 March 2015; and
- (v) Following the start of the 2015/16 municipal year, arrangements be made for the Committee Chair and Vice Chair to visit Manchester to meet with representatives from the Greater Manchester Combined Authority Scrutiny Committee.

40 DATES AND TIME OF NEXT MEETING

3.00 pm - Tuesday 24 March 2015, Civic Centre, Newcastle upon Tyne

An informal discussion would take place at 2pm with the Chair of the North East LEP.