

## **North East Combined Authority, Overview and Scrutiny Committee**

14 December 2016

(2.00pm - 4.15 pm)

Meeting held Gateshead Civic Centre

### **Present:**

Councillors: Armstrong, Crute, Dillon, Eagle, Flux, Glindon, Graham, A Lower, Meling, Pidcock, Snowdon and Wright

### **26 APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Gibson and Pearson.

### **27 DECLARATIONS OF INTEREST**

Councillor Eagle declared an interest as an employee of Nexus and informed Committee that dispensation had been granted for him to take part in discussions of transport related items but he would not be involved in any aspects of decision making.

### **28 MINUTES OF THE PREVIOUS MEETING HELD ON 1 NOVEMBER 2016**

The minutes of the previous meeting held on 1 November 2016 were approved as a correct record and signed by the Chair.

### **29 TRANSPORT THEMATIC LEAD UPDATE REPORT**

Submitted:

- i. A report of the Thematic Lead for Transport to seek the views of the Overview and Scrutiny Committee on the most recent developments and announcements within the key theme of transport (previously circulated and copy attached to the Official Minutes).
- ii. Autumn Budget Statement – update note (with the Chair’s permission, due to the timetables involved, circulated at the meeting and copy attached to Official Minutes)

Councillor Forbes (Thematic Lead for Transport) introduced the report which provided an update on the most recent developments and announcements within the key theme of transport including the Transport Manifesto and Plan, Transport for the North, Rail, Public Transport, Aviation, Freight Transport and the Go Smarter programme for 2016-17.

## Comments, questions and points raised by members

- Could the proposed 'cut offs' of the East Coast Main Line north of York have any effect on Durham and Darlington stations?

Councillor Forbes advised that the intent is to connect to the East Coast Mainline just south of Darlington and so there should be no effect on Durham or Darlington stations.

- In response to a question over the status of the plan to expand Heathrow and a possible legal challenge against it, Councillor Forbes advised that although Government have declared that they are in favour of the plans there is some controversy and a final decision has been postponed until 2017. NECA is continuing to lobby for the expansion of Heathrow as it offers the best chance to safeguard the future of flights from Newcastle Airport and to enable further services to be introduced.
- Has there been any discussion at Leadership level about piloting of driverless cars?

Cllr Forbes advised that piloting of driverless cars was taking place in Milton Keynes as the roads there are built on a grid pattern allowing for easier testing. NECA is focussing on development of electric vehicles and the ambition is to be recognised as a leader in that field.

- A concern was raised about whether the right sort of schemes were being put forward for Large Local Major Scheme funding and what had been achieved in the region. Councillor Forbes advised that four schemes had been put forward by NECA, of which three were bids for feasibility funding.
- Local Improvements funding was intended for large schemes and the funding would come from the Highways England.
- A concern was raised about whether NECA has schemes ready that could be submitted for other funding as and when details are announced. Councillor Forbes advised that each of the constituent local authorities have schemes that are ready to go and could be put forward for funding when the opportunity arises. Two bids are to be submitted for funding from the Office for Low Emission Vehicles, including one joint bid with Stagecoach for Low Emission Buses.
- In response to a question about whether NECA might receive any funding for Smart Ticketing, Councillor Forbes advised that this would be welcomed. Key challenges in this area include negotiating with bus providers to become part of a larger scheme, and the development of a 'touch in and touch out' system.
- A concern was raised about the current issues with the Southern Rail franchise, and whether NECA might end up in a similar arrangement. Councillor Forbes advised that the only franchise for which NECA is currently

responsible is the Metro. Discussions are ongoing about the responsibility that Transport for the North may take on with regards to franchising.

- A concern was raised about whether funding for dualling of the A69 may be under threat as a result of the announcement to dual the A66 and that this may threaten activity at the Port of Tyne, Councillor Forbes advised that NECA recognise the A69 as an important strategic route, particularly in terms of the East to West connection, and that this has been highlighted to Ministers. NECA's pitch to Government was that both roads needed to be dualled. There are some safety concerns on the A66. It is important that pressure is maintained on Government to deliver both of these schemes, and also to push for improvements to the A1 as connectivity with Scotland is likely to become increasingly important.
- It was suggested that there are currently a number of bus operators competing for profit and that the aim should be for NECA to own and operate the network instead. Councillor Forbes advised that there are differing profit margins amongst bus operators. One of the outcomes of the Quality Contract Scheme, had it been successful, would have been to re-invest profits into the network which is particularly important in order to maintain rural subsidised routes. Some firms do re-invest in the region, but not all which is an issue when they are receiving public subsidies. The aim should be to develop routes that serve people better and to demonstrate that every pound is spent in the best interest of the public. NECA has lobbied for the ability for local authorities to establish their own transport companies not to be excluded in the forthcoming Buses Bill and this seems to have been successful.
- A comment was made that the current competitive arrangement has a knock on effect on people's lives and on the economy, and NECA should be stating this more explicitly and fighting harder against it.
- Councillor Forbes stated that he shared the concern and had been frustrated by the Quality Contract Scheme process.
- In response to a query about membership of the task and finish group on Concessionary Ticketing, Councillor Forbes confirmed that although it is a sub-group of the Transport North East Committee membership is not restricted to TNEC members. The group will be tasked with looking at young people's concessionary travel, and also at concerns raised by the Women Against State Pension Inequality campaign.

The Chair advised that the Committee had been asked to nominate a representative to sit on the task and finish group. Councillor Eagle was duly moved and seconded for this role.

- A concern was raised that the bid for ULEV funding for charging points disproportionately benefits wealthier residents as they are the ones who can afford to invest in electric vehicles. In response Councillor Forbes acknowledged the point, and pointed out that new technology often starts out being quite expensive but reduces in cost as it develops and becomes more widespread. He also advised that there is a lot of research capacity with the

universities to consider how rural areas can benefit from investment in electric vehicles as well as city centres.

- In response to a query about timescales for re-opening of the Leamside Line for freight, and to whether this was also being considered as part of the Metro expansion plans, Councillor Forbes advised that it is not yet marked as a potential passenger route due to issues associated with an existing bridge, but that funding would be required to carry out the necessary feasibility work and so there is not yet a set timetable.
- Clarification was sought as to whether the A1290 is the access road for Nissan. This was subsequently confirmed.
- It was highlighted that the effect that cuts to services and increased fares have had on young people is stark, and there have been many missed opportunities to help young people to reach their potential. Bus fares have risen consistently and are disproportionately higher for young people, creating a barrier to employment and education. It was suggested that NECA could be looking to see what can be done to make a difference.
- In response to a query about how quickly technology could be enabled to allow for a daily price cap on contactless payments for public transport, as currently exists in London and for the Pop Card in the North East, Councillor Forbes advised that it would largely depend on getting funding from Government, and buy in from the operators to one system as there is a reluctance currently to share information. It may also require further legislation from Government, and establishing Transport for the North as a statutory body would help in lobbying for this.
- In response to a query about progress with HS2, Councillor Forbes advised that Government have reaffirmed their commitment to both HS2 and to the 'Y' shaped network north of Birmingham. The route up from Leeds through the North East has not yet been determined and will probably be decided in 2017. HS2 is not really about speed of journeys to London but about capacity and better connections across the North which would open up job opportunities to North East residents without requiring them to move out of the region. Councillor Forbes is the NECA representative on the TFN Board and also sits on the Rail North Board.

**RESOLVED:** That –

- i. The Transport Thematic Lead Update Report be received for comment and for information.
- ii. Committee agreed to appoint Councillor Eagle as its representative on the Concessionary Ticketing task and finish group.

## 30 **TRANSPORT MANIFESTO AND PLAN FOR THE NORTH EAST**

Submitted: Report of the Lead Chief Executive for Transport to inform the Committee of the final version of the Transport Manifesto for the North East

incorporating consultation feedback, and the next steps for the Transport Plan (previously circulated and copy attached to the Official Minutes).

Ian Coe (Principal Transport Planner) presented the report and highlighted progress to date with the Transport Manifesto, and next steps in developing the Transport Plan.

### **Comments, questions and points raised by members**

- A concern was raised about taxis being prevented from using bus lanes in some parts of the North East, and about how this conflicts with plans to integrate taxis into the wider public transport network as proposed in the Manifesto.

In response Ian Coe advised that there would need to be a consensus between all of the constituent authorities about the objective of bus lanes, and suggested that taxi licensing and highways officers should be tasked with considering the issue in more detail.

The Chair suggested that this should be a committee recommendation.

- A concern was raised about the role of the car and how this fits into NECA's plans for a more integrated transport system. It was suggested that it is unrealistic to think that car ownership will reduce in future and that using public transport is not always an option. More consideration should be given to how different modes of transport connect into each other.

In response Ian Coe advised that concerns about the role that cars have to play had been reflected in the consultation feedback, and that there had been some conflicting views on the matter. There is a need to strike a balance between these points of view in the final plan.

- A concern was raised that the Transport Manifesto does not set out how the objectives will be achieved.

In response Ian Coe advised that the Manifesto is the precursor to the Transport Plan and was not intended to set out details of how objectives will be achieved but to set out the issues that need to be resolved. Committee will be consulted on the Transport Plan and this consultation activity will take place after the local elections on 4 May 2017.

[Councillor Lower left the meeting at this point.]

### **RESOLVED:** That –

- i. The report be received for comment and for information.
- ii. Committee to be consulted on the detailed Transport Plan and on inclusion of different modes of transport.

- iii. Taxi licensing and highways officers to be tasked with considering a consensus approach to use of bus lanes by taxis.

## 31 NORTH EAST COMBINED AUTHORITY BUDGET 2017/18

Submitted: Report of the Chief Finance Officer to seek views of the Overview and Scrutiny Committee on proposals for the 2017/18 budget, as part of its consultation process.

Paul Woods (Chief Finance Officer) presented the report which sought the views of the Committee on proposals for the 2017/18 NECA budget.

### Comments, questions and points raised by members

- A question was asked with regard to how decisions about cuts to transport services would be decided, and whether it would be an officer or a member decision.

In response Paul Woods advised that detailed discussions would take place with members on any proposed cuts, and that this would take place within the committee structure through the Tyne and Wear Sub-Committee / Durham / Northumberland, Transport North East Committee and Leadership Board. Because there are no specific service reductions proposed within the 2017/18 budget there is no need for additional consultation at this point.

- A concern was raised about the amount of time that committee had to scrutinise the budget proposals.

The Chair commented that it is vital members read the reports and prepare questions in advance of the meeting, and also advised that committee could put additional questions in writing if there is not sufficient time for discussion during the meeting.

The Chair invited any suggestions on how better to facilitate the process in future, and proposed a recommendation that next year committee has more time set aside to consider budget proposals.

Paul Woods confirmed that he would be happy to respond to written questions.

- In response to a comment about the Government's austerity programme and how it seems to have disappeared except for local government and welfare, Paul Woods advised austerity has not ended. The recent Autumn Statement seems to have extended the timetable for the budget being brought into balance but this has not resulted in any increase to local government funding. There have been some recent discussions about allowing an increase in the council tax precept for social care funding.

[Councillor Meling left the meeting at this point, following which the meeting became inquorate.]

- Clarification was sought about how Nexus propose to fill the gap in their budget through efficiencies, following the use of reserves for the same purpose last year.

Paul Woods advised that the strategy used by Nexus is to identify potential budget pressures over the next year and to address them by identifying efficiencies or allocating reserves. Nexus did not have to use the reserves last year so they are able to use that to cushion service reductions and to allow more time for consideration of and consultation on proposed reductions.

- A concern was raised that although committee have previously been advised that the Metro is self-sufficient, there may be a need to cut services as a result of pressure from concessionary fare costs.

Paul Woods advised that NECA will make a contribution of £3m to Metro next year, in relation to the cost of discretionary concessionary fare for the elderly. Funding for the statutory concessionary travel scheme is being cut nationally and this will have to be offset by cuts made elsewhere. There will be an opportunity for NECA to respond to the consultation on the Revenue Support Grant and any comments from the Overview and Scrutiny Committee will be incorporated into that.

**RESOLVED** – That:

- i. The report be received for comment and for information.
- ii. Committee's comments to be taken into account on consultation of the Revenue Support Grant.
- iii. The committee's work programme for 2017/18 should allow more time to consider the budget proposals.

**32 POLICY REVIEW: TRANSPORT RELATED BARRIERS TO EDUCATION, EMPLOYMENT AND TRAINING**

Submitted: Report of the Monitoring Officer considering the conclusions of a policy review on transport related barriers to employment, education and training (previously circulated and copy attached to the Official Minutes).

Karen Brown (Scrutiny Officer) presented the report which focussed on transport and the provision of access to employment, training and education, and reflected the outcome of the Call for Evidence. Committee were advised that changes and additions could be made to the recommendations proposed within the report.

Recommendations made by the committee will go to the Transport North East Committee to be incorporated into the Transport Plan for the North East, and then on to the Leadership Board.

## Comments, questions and points raised by members

- The Chair observed that as the meeting was now inquorate Committee could not formally endorse any recommendations.

In response, Karen Brown suggested that the draft recommendations could be taken to the TNEC on 9 February for comment, and then brought back to Committee for formal endorsement on 14 February. This was agreed.

- It was suggested that better use could be made of planning regulations within the NECA area to facilitate easier travel across longer distances and to and from residential areas.
- It was highlighted that the Marmot Review ('Fair Society Healthy Lives') advised that businesses should be set up in accessible locations, it was suggested that this could be reflected in the final report.
- A concern was raised that there is an unfairness in the current fare structure caused by lack of competition between operators, and that this has a particular impact on young people.

[Councillor Graham left the meeting at this point.]

### **IT WAS AGREED:** That –

- i. Draft recommendations were informally agreed and should be taken to the TNEC for comment on 9 February, then brought back to committee for formal endorsement on 14 February.
- ii. That the report included additional comments for businesses to be set up in accessible locations.

## 33 **FORWARD PLAN & SCRUTINY WORK PROGRAMME**

Submitted: Report of the Monitoring Officer on the Forward Plan and scrutiny work programme for 2016/17 (previously circulated and copy attached the Official Minutes).

Viv Geary (Monitoring Officer) presented the report which provided committee with the opportunity to consider the items on the Forward Plan for the current 28 day period and to endorse the Scrutiny Annual Work Programme for 2016/17.

Committee were advised that the Cities and Local Government Devolution Act 2016 enhanced the role of scrutiny in Combined Authorities, and that although NECA is not proceeding in becoming a Mayoral Combined Authority it is still subject to the new legislation pertaining to call in and political balance. From 8 May 2017 NECA must have its own scrutiny officer in place, and the Chair of the Overview and Scrutiny Committee must come from a different political party from the Combined Authority's majority party.



It was proposed that a working group of the committee be established to meet in January to consider options and to identify a preferred approach, and to report back to Committee on 14 February. Committee's recommendations would then be taken to the Leadership Board in March before being incorporated into the NECA Constitution.

The Chair requested that the date for the working group should be put into diaries as soon as possible, and it was suggested that an invitation to participate be circulated to committee members by email, as a number of people had left the meeting.

**IT WAS AGREED:** That –

- i. Committee accepted the Forward Plan and work programme report.
- ii. A date for the working group to be circulated to all committee members, as soon as possible.

**34 DATE AND TIME OF THE NEXT MEETING**

Tuesday 14 February 2017 at 2:00pm; to take place in Newcastle