

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

27 September 2016

(2.00 - 4.00 pm)

Meeting held Sunderland Civic Centre

### **Present:**

Councillor: Wright (Chair)

Councillors: Armstrong, Crute, Eagle, Flux, Graham, Lower, Meling, and Pearson

### **8 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Dillon, Glindon, Pidcock and Snowdon.

### **9 DECLARATIONS OF INTEREST**

None.

At this point the Committee was advised by Louise Watson (Legal Services) that the meeting was inquorate (with nine members present) and that no decisions could be made; however, for the benefit of members present, it was suggested that the meeting would continue to discuss agenda items in an informal way.

Karen Brown (Scrutiny Officer) clarified that, following changes to the NECA Constitution, nominees for substitute members had now been submitted by most of the constituent authorities.

A member commented that conference season was perhaps not the best time to hold meetings.

### **10 MINUTES OF THE PREVIOUS MEETING**

The Committee reviewed the minutes of the previous meeting held on 7 July 2016 and those present agreed their accuracy.

**It was agreed:** that the minutes would formally be approved and signed by the Chair at the next scheduled meeting on 1 November 2016.

## **Matters arising**

The minutes of the previous meeting to be amended to reflect that Councillor Pearson had submitted apologies.

### **11 APPOINTMENT OF CHAIR AND VICE CHAIR**

Submitted: Report of the Monitoring Officer to invite the Committee to appoint its Chair and Vice-Chair for the Municipal Year 2016/17 (previously circulated and copy attached to the official minutes).

Councillor Wright advised that L Watson would present this item.

L Watson stated that as previously noted, the meeting remained inquorate, and a formal resolution could not be passed on this item.

Councillor Armstrong moved, seconded by Councillor Meling that Councillor Wright continue in the chair for the purposes of this meeting.

**It was agreed:** that Councillor Wright would remain in the chair for this meeting and that the report be re-submitted to next business meeting scheduled in November 2016.

### **12 POLICY REVIEW: TRANSPORT RELATED BARRIERS TO EMPLOYMENT: EVIDENCE FROM ARRIVA**

Submitted: Report of the Regional Head of Commercial, Arriva North East (previously circulated and copy attached to the official minutes)

Paul De Santis (Head of Commercial, Arriva) introduced the report which provided evidence for the policy review on transport related barriers to education, employment and training. As Committee was aware, the review would contribute to the Transport Plan for the North East, due to be completed in 2016.

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

- The lack of pre 6:00am bus services was raised; this meant that workers were forced to use cars and therefore exacerbated congestion problems.

P De Santis acknowledged the knock-on effect of this situation. Car use, due to congestion meant the buses could not run on time; if the buses weren't used these services would be taken off. He also said that different patterns of employment existed now and that there were different types of 'industry' eg. business parks. If there was a critical mass of users for a service the bus companies would most certainly consider it.

- A concern about artificially high fares was raised. P De Santis advised that competition was necessary between bus service providers to ensure that fares were not artificially high.

He went on to state that there were several competitive routes in the region including three major routes in Newcastle and North Tyneside as well as several in Durham City and radiating around the city. However, providers only competed where they fully understand the market. Arriva looked for and investigated opportunities for taking forward any possible sustainable opportunities.

- With regard to the news that 2.5% of concessionary passes were fraudulently used, Committee was advised that technology was now in place to identify this. An amnesty period would operate until the end of October after which cards would be withdrawn; all of the bus companies had signed up to this.
- The frequent Newcastle to Morpeth direct bus route was raised. A member asked why, during off peak times, the service could not offer limited provision to the villages near the route to ensure that everyone had the opportunity to use the buses. The lack of services had the knock on effects of forcing people to use cars and disenfranchised young people.

P De Santis advised that as the 15 minute service was proving popular with users, it was unattractive to divert off the route and would also complicate the offer. The service was currently clear and understandable to users, and, with continued usage, sustainable. Evidence from when services had gone into villages illustrated that they were not well used.

- Consulting with potential users was more difficult than with current users. However, to target potential users Arriva would be likely to approach town and parish councils and ask for information to be included in their newsletters.
- In response to a statement that public transport was a service, P De Santis agreed that bus operations was a service but Arriva was also a business. Operators would not exist if they did not make money but also recognised that they had to be responsive to customer needs.
- It would be difficult for Arriva to operate services in South Tyneside and Sunderland as the company did not have a depot in that area. It was likely that other operators would be looking at opportunities to service hospital routes.
- Fuel had to be purchased on contract and in advance by operators and therefore forecourt price drops could not be reflected in fares.
- The position of multi-operator tickets would be taken back and raised with officers by the Durham representative.
- Real Time Information was now available to local authorities and via the Arriva app. Wifi enabled buses allowed users to use their gadgets in transit.

- A member commented that she would like to see more collaborative working between bus companies and that they should all try to inspire loyalty in customers for services.

P De Santis informed members that companies had a legal duty to make services as punctual as possible. Services could get less punctual for various reasons and on occasion certain routes had to be taken out of service.

**It was agreed:** that the Committee receive the evidence from Arriva as part of its programme of evidence gathering to contribute towards the policy review.

## 13 **NORTH EAST LOCAL ENTERPRISE PARTNERSHIP UPDATE**

Submitted: Report of the Chief Operating Officer, North East Local Enterprise Partnership (NELEP) to appraise the Committee on the role, operations and progress of the NELEP (previously circulated and copy attached to the official minutes).

Helen Golightly (NELEP Chief Operating Officer and Interim Head of Paid Service) presented the report which provided information on the Role of the North East LEP, the North East Strategic Economic Plan and the Business Plan 2016 – 2017 and Operations.

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

- The Chair asked that the official minutes record the committees formal thanks to Adam Wilkinson (former Head of Paid Service) for his contribution to the work of the combined authority.
- A question was asked with regard to the review of the Strategic Economic Plan, changes to the national economy and potential risks going forward from Brexit.
- H Golightly's perspective was that the strategy was the strategy and that it should not change. Discussions had taken place at sectoral workshops and it was acknowledged that EU funding changes could be the biggest challenge.
- Although NECA was the accountable body for the NELEP in relation to government funding, the Overview and Scrutiny Committee required further detail about the three advisory groups that fed into the LEP Board
- Membership information and the terms of reference the terms of reference for the advisory groups would be circulated to members.
- Revenue funding in terms of the team was £2m from government, with a small amount from the local authorities and a top slice from capital funding.
- Capital funding was £220m over 5 years allocated via the Local Growth Fund. There was also £55m from the North East Investment Fund and business rate growth income from the enterprise zones.

- All of the £220m capital funds were currently allocated to projects (although the vast majority of the money was pre-allocated by government).
- In terms of loan funding the LEP allocated grants to businesses in a similar way to a bank.
- H Golightly agreed to provide information on the numbers of jobs created and safeguarded by the LEP to scrutiny members.
- Recruitment to the Board and the advisory groups was done via an open recruitment process and advertised through a recruitment agency.

**It was agreed that:** the Committee would be provided with further information on:

- Advisory board membership and terms of reference;
- Numbers of jobs created and safeguarded, and;
- Grant allocations and outcomes.

#### 14 **2017/18 BUDGET PROCESS AND TIMETABLE**

Submitted: Report of the Chief Finance Officer setting out the process and timetable for the preparation, consultation and approval of the 2017/18 budget and indicative medium term financial strategy (previously circulated and copy attached to the official minutes).

The process and timetable was considered by the Leadership Board at its meeting on 20 September, with the Final Budget proposals for 2017/18 to be considered and approved at the Leadership Board meeting on 17 January 2017.

The North East Combined Authority was required by law to set its Transport Levies for 2017/18 by 15 February 2017, and had previously agreed its overall budget in January in order to enable constituent authorities to take the levies and other contributions to the Authority into account in setting their own budgets for 2017/18.

The timetable involved a draft budget report being considered by the Leadership Board at its meeting on 15<sup>th</sup> November, which would then be available for consultation and comment. This was scheduled to be considered by Overview and Scrutiny Committee at its meeting on 14 December 2016.

**It was agreed:** that the Overview and Scrutiny Committee noted the Budget process and timetable and would receive and consider the draft Budget report at its next meeting in December 2016.

#### 15 **NORTH EAST COMBINED AUTHORITY - DEVOLUTION UPDATE**

Submitted: Report of the Interim Head of Paid Service (previously circulated and copy attached to the official minutes) to provide the Scrutiny Committee with the current position in relation to the devolution agreement.

L Watson introduced the report and advised that on the 6 September, after reviewing the additional assurances received from government, the Leadership Board decided not to publish and consult on the Governance Review and Scheme at that stage. The Leadership Board reiterated its support for the principle of devolution, however, was not able to reach a majority decision to proceed with the deal and launch the consultation. Subsequently, on the 8 September the government announced that the deal had been withdrawn and the implementation work being conducted by central government had come to an end.

The proposed agreement provided for the transfer of significant powers from central government to the North East in order to deliver the funding and responsibilities required to accelerate the area's economic growth. These powers and additional resources would now not be transferred to NECA.

Although current devolution talks had been brought to an end, NECA's work in a number of areas would continue, including the work of the Health and Social Care Commission and projects relating to transport, employability and inclusion and economic development and regeneration.

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

- Members considered the correct approach had been adopted and informally endorsed the decision of the Leadership Board as the government had failed to provide the assurances sought for a properly funded devolution deal.
- A report was being prepared for the November meeting of the Leadership Board to provide information on spend to date.
- Much of the work done could still be built on going forward.

**It was agreed:** that at the next meeting Overview and Scrutiny Committee endorse the approach for properly funded real devolution.

## **16 FORWARD PLAN AND SCRUTINY WORK PROGRAMME**

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

**It was agreed:** that Committee agree that the NECA Forward Plan be received and the scrutiny work programme be agreed subject to ratification at the next meeting.

## **17 DATE AND TIME OF THE NEXT MEETING**

Tuesday 1 November 2016 at 2:00pm; venue TBC