

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

9 December 2014

(3.00 - 4.00pm)

Meeting held: Newcastle Civic Centre

### **Present:**

Councillor: Wright (Chair)

Councillors: Dillon, Eagle, Glindon, Graham, A Lower, Maxwell, S Pearson and Snowdon

### **28 APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Daley and Meling.

### **29 DECLARATIONS OF INTEREST**

The Vice Chair, Councillor Eagle, declared an interest as an employee of Nexus.

### **30 MINUTES OF PREVIOUS MEETING HELD ON 15 OCTOBER 2014**

The minutes of the last meeting of the Committee to be considered as an agenda item at the next meeting (10 February 2015).

### **31 NORTH EAST COMBINED AUTHORITY BUDGET 2015/16**

Submitted: Report of the Chief Finance Officer to provide information about the content of the draft budget for the Combined Authority for 2015/16 (previously circulated and copy attached to the official minutes).

A copy of the Draft Budget Report to the NECA Leadership Board on 21<sup>st</sup> October had previously been circulated to Overview and Scrutiny Committee members for consideration (and a further copy was attached to this report). Also attached were the transport related Revenue Budget and Capital Programme reports which would be considered by the Transport North East Committee at a meeting on 4<sup>th</sup> December.

It was recommended that the Overview and Scrutiny Committee consider the reports on the developing draft budget for 2015/16, receive a verbal briefing from the Chief Finance Officer and agree any comments or points it would wish to make to the Leadership Board as part of the budget consultation process.

The comments of Overview and Scrutiny Committee would be taken into account as part of the consultation process and reflected in the budget report to the NECA Leadership Board on 20<sup>th</sup> January 2015.

The Chair invited comments and questions from Members as detailed below:-

- In response to a question about how the 2.5% top slice for the Local Enterprise Partnership (LEP) would be monitored, the Chief Finance Officer advised that in the current year there was a 4% top slice of some transport capital grants used to cover costs to manage the programme and that this principle would be continued. There would be a lot of monitoring activity and transparency would be provided. Work was underway to ensure that there would be compliance with the assurance requirements when this was made available from the government.
- With regard to Enterprise Zones, estimates on growth had been provided when these were first agreed: DTZ had refreshed this work to arrive at the latest estimates. The DTZ report commissioned by the LEP indicated that targets had been exceeded so far, that there was a potential for surplus and that the growth had to be delivered to retain this.
- A member requested that consideration be given to extending concessionary travel to 16 year olds not in employment, education or training as this aligns budget decisions to the policy direction of the CA. Officers advised that the Quality Contract Scheme would not be finalised for some time but a fairer scheme for this age group would be considered. There were also some Metro specific measures being considered for this group. It was noted that recent Metro fare increases had been below inflation.
- The Chair asked about differentials between the 7 authorities and if a single concessionary fare scheme was a possibility.
- The Chief Finance Officer confirmed that any decision regarding discretionary add-ons and concessionary travel would have associated cost implications and pressures on individual local authorities so would require a decision to be taken at political level. The creation of the Combined Authority (CA) had brought together one primarily urban and two significantly rural transport authorities and this was unique across the country. A balance was needed between moving forward quickly and the different geographies of constituent member authorities. If a concessionary fare scheme across the entire area was to be looked at some very careful choices would need to be considered.
- The Chair asked about the role of Overview and Scrutiny in relation to supporting the Combined Authority to maximise funding support to the north east. Andrew Lewis (Newcastle City Council Assistant Chief Executive) advised that the CA was the first opportunity to bring disparate sources of funding together and this created opportunities for the Overview and Scrutiny Committee. The government had suggested that there would be another round of Local Growth Fund (LGF) bids although the scope would be limited. A devolution settlement would provide a much more stable bidding structure with decisions being taken locally by the Leadership Board; Overview and Scrutiny would have a greater role in holding this to account.
- The Chief Finance Officer advised that some of the activity of the CA had an element of risk and that Overview and Scrutiny had a role to ensure appropriate balance. A potential for savings had been identified on Treasury Management and Overview and Scrutiny, and Governance Committee, could

challenge propositions as they came forward. The CA had to have capacity to deliver and to demonstrate to government that it could deliver. This challenge would strengthen the hand of the CA in terms of bidding opportunities as they arose.

- The Committee offered congratulations to officers for securing the third highest LGF award and demonstrating excellent partnership working. The Chief Finance Officer informed members that most of that accolade went to staff in the local authorities and the LEP and that it was important that councils maintained capacity to continue regarding economic development and transport for future bids.

**RESOLVED** – That Overview and Scrutiny Committee agree to accept the report and requested that support for 16-18 year olds and the comments about concessionary travel and a single fare scheme (securing it going forward and the implications) be fed back to the Leadership Board.

## 32 **FORWARD PLAN AND OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME**

Submitted: Report of the Monitoring Officer to provide Members with an opportunity to consider the items on the Forward Plan for the current 28 day period (previously circulated and copy attached to the official minutes).

It was recommended that the Scrutiny Committee consider the Forward Plan in relation to the development of the Committee's Work Programme also attached to the report.

The Scrutiny Officer informed Members that 10<sup>th</sup> February was the date of the next scheduled Committee meeting and that it was anticipated that there would be a further meeting before the end of the municipal year.

A draft programme of meeting dates for the new municipal year would be communicated to members in the near future.

**RESOLVED** – That Overview and Scrutiny Committee agree to accept the report.

## 33 **DATES AND TIME OF NEXT MEETING**

2:00pm on Tuesday 10<sup>th</sup> February 2015; venue TBC.