

Overview and Scrutiny Committee

8 October 2019

Approved Minutes

(10.00 - 11.15 am)

Meeting held: The Chamber, Quadrant, North Tyneside Council, 16 The Silverlink North, Cobalt Business Park, Newcastle upon Tyne NE27 0BY

Present:

Chair: Cllr G A Roughead, (Vice Chair) Cllr L Wright

Councillors: S Dungworth, P Earley, S Graham, P Holland, A Lower, Cllr G Stewart and M Thirlaway

10 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting and brief introductions were provided.

11 APOLOGIES

Apologies received from Councillor Hall; Cllr Thirlaway attended as substitute.

12 DECLARATIONS OF INTEREST

Cllr Earley declared an interest in agenda item 7 (Q1 Budget Monitoring) in respect of his prior appointment as a NTCA Cabinet Member and attendance at Cabinet when the budget was agreed.

Cllr Graham declared an interest in agenda item 6 (Good Work Business Pledge) as an employee of Karbon Homes, in respect of information submitted by Karbon Homes to the combined authority during consultation.

13 AGREEMENT OF THE MINUTES OF THE PREVIOUS MEETING HELD ON 2 JULY 2019

The minutes of the previous meeting held on 2 July 2019 were agreed as a correct record and signed by the Chair.

Committee agreed to revise the agenda to discuss items 7 and 8 next.

14 **Q1 BUDGET MONITORING**

Submitted: Report of the Interim Section 73 Officer (previously circulated and a copy attached to the Official Minutes).

J Gillespie introduced the report, which provided a summary of the budget position reported to Cabinet in July. In presentation it was noted that the budget is expected to be on target, with staff recruitment now almost complete. Allocation of the Investment Fund continues with a significant level of ERDF or private match funding achieved.

J Gillespie responded to questions raised by the committee and the following was noted:

Brexit funding was provided by government to increase capacity to develop appropriate plans and a response to future scenarios. Additional funding has also been provided to each local authority. Committee agreed it would be helpful to receive a separate report on the approach to Brexit.

In response to a query about the benefit to the North of Tyne area from NTCA funding provided to the LEP to support Brexit work, J Gillespie confirmed that both combined authorities contribute funding to support projects where there are local opportunities across both combined authority areas.

Committee agreed to receive information on the distribution and priorities of the Adult Education Budget as part of the budget proposals to be presented to the committee in December.

J Gillespie confirmed that approximately 30 staff are currently employed by the combined authority. This includes an office manager, two support assistants and a political advisor within the Mayor's Office. Although not required to, a Pay Policy has recently been published. Technical and policy development advisors have been employed to support the combined authority consider issues such as the approach to inward investment. It is anticipated that the full budget for advisors will be spent.

It was suggested that future budget monitoring reports differentiate between corporate advisors and mayoral advisors.

Committee agreed to receive a staffing structure, including the relationship between the Mayor's Office and other support staff.

In relation to the external audit of the annual accounts, J Gillespie confirmed that the appointed auditors had submitted their resignation late in the year due to a material conflict of interest in respect of the advice they provide to NEXUS. The process to appoint new auditors for 2018/19, and potentially to 2023, will conclude shortly.

RESOLVED that:

- i) Overview and Scrutiny Committee note the report.

- ii) Committee receive a separate report on the NTCA approach to Brexit
- iii) Committee receive information on the distribution and priorities of the Adult Education Budget as part of the budget proposals to be presented to the committee in December.
- iv) Committee recommend that future budget monitoring reports differentiate between corporate advisors and mayoral advisers.
- v) Committee receive a staffing structure, including an outline of the relationship between the Mayor's office and other support staff.
- vi) Committee receive information on what projects may be funded by the North of Tyne contribution to the LEP to support work around Brexit and its impact.

15 **2020/2024 FINANCIAL PLANNING AND BUDGET PROCESS**

Submitted: Report of the Interim Section 73 Officer (previously circulated and a copy attached to the Official Minutes).

J Gillespie introduced the report, highlighting work underway on: the Deed of Cooperation, which will allow NTCA to become the accountable body for the LEP; and the development of a borrowing limit for the combined authority.

J Gillespie responded to questions raised by the committee and the following was noted:

In respect of the 5-yearly gateway-review process, J Gillespie indicated that the format is evolving, and further information can be provided once known.

In respect of the borrowing powers of NTCA, J Gillespie confirmed that existing legislation needs to be amended to provide the combined authority with the option to borrow, even if it is not required currently. The extent of borrowing powers will be agreed by MHCLG. Other combined authorities are in a different position as, for example, they may receive only capital funding or may have transport responsibilities as well and associated borrowing powers.

J Gillespie confirmed that meetings take place with other combined authorities including Section 73 Officers, Monitoring Officers, Mayors and Chief Executives to share best practice.

J Gillespie confirmed that the levies referred to in the report relate to the levies on the constituent authorities only.

Committee noted and agreed the budget setting timetable.

RESOLVED – That:

- i) Overview and Scrutiny Committee note the report
- ii) Committee to receive further information on the 5-yearly gateway-review process, once available.
- iii) The budget setting timetable be agreed

16 **CABINET MEMBER FOR EMPLOYABILITY AND INCLUSION**

Cllr McCarty provided a verbal update on her portfolio, highlighting the following points:

- The combined authority has developed an Inclusive Policy Statement, placing the inclusive economy at the core of its work. This is unique element of its devolution deal.
- The vision is for a dynamic and inclusive economy, that brings together people in the region, improves life chances, creates vibrant communities and a high quality of life.
- Inclusion is about removing barriers that prevent individuals from taking up training or employment opportunities.
- The portfolio supports the 'hotbed of talent' priority and links in closely with Cllr Daley's work on learning and the Education Challenge.
- The ambition is to be an exemplar authority on the delivery of an inclusive economy; closing the gap on earnings, closing the unemployment gap and closing the aspiration and ambition gap. Although unemployment is reducing, there is a need to improve the quality of employment.
- All combined authority spend will aim to address the inclusive economy priority.
- The Working Homes project aims to work with known tenants in council and social housing to support them into work, in response to high levels of unemployment and inactivity. The project will be delivered in partnership with local authorities, housing associations and learning providers.
- The Employability and Skills Project will provide £3million of match funding for bids to the European Social Fund. The aim is to maximise current access to EU funding.
- The Returnships Project aims to support individuals who have been out of work for two years or more, back into work. It is an employer led initiative, including Sage, Accenture, Newcastle Building Society and local carer organisations that can offer genuine learning and work opportunities.
- In respect of the devolution of the Adult Education Budget, the Order which will bring £22.7m into the region, has been debated and agreed by the House of Lords. Devolution will support the core adult education providers to ensure their stability and will look at where resources are spent and good value with a focus on supporting the development of skills in areas required by the North of Tyne area. A number of events have been held with key providers to discuss and promote this work. The government must approve proposals in January 2020 for devolution to commence from August.
- An Inclusive Economy Board, a formal advisory board for Cabinet, will be established shortly.
- A strategy for investment through the Inclusive Economy Investment Fund will be developed, outlining how the authority will engage with partners to spend this resource, to create jobs.
- Further work needs to take place on work progression; understanding what this means.
- There is a need to ensure residents understand what inclusion and employability means for them; and to continue to embed the concept of inclusive growth across the combined authority.
- Evidence will be sought that combined authority resources and the impact of work carried out on inclusive growth, supports the inclusive economy priorities. Cllr McCarty offered to provide a summary of this when available.

The Chair thanked Cllr McCarty for the verbal update and committee agreed that a written summary on future portfolio updates would also be helpful.

Cllr McCarty responded to queries raised by the committee:

Members highlighted concerns about how developments in IT and professional accreditations, such as that of the social care sector which include work-based evidence, can create barriers to returning to work. Cllr McCarty agreed this was an opportunity for the combined authority to work with accreditors and to provide funding for training.

In response to a query about flexibility of the AEB for small providers, training less than 50 people, Cllr McCarty confirmed that the majority of the budget will be with key providers who will be held to account to ensure that the training delivered is in line with skills gaps. However, the budget will be as flexible as possible.

Reference was also made to training in rural areas where there are transport issues and where providers may need travel to learners instead.

Members suggested that transport issues can also occur when travelling across urban areas, creating a barrier to young people and those returning to work to access training.

Cllr McCarty outlined the procurement offer that will be launched during October and the skills document which has been shared with providers and can be shared with the committee if required.

A member highlighted concerns about the ability of smaller employers and the voluntary sector to give staff time off for voluntary work and other development opportunities. Cllr McCarty acknowledged the concern, suggesting that the combined authority may be able to provide support through the good jobs work and that the benefit to employers will include raising their status in the local community.

A member raised a query about the potential to support employers to maintain good standards of work for their employees. In response Cllr McCarty discussed the good working relationship with local infrastructure organisations and steps the combined authority had taken to raise awareness of its plans.

A member expressed a concern about the impact of Brexit on organisations ability to provide staff learning and development. In response Cllr McCarty acknowledged the potential impact and highlighted risk assessments published by Newcastle City Council.

RESOLVED –

- i) That the Overview and Scrutiny Committee note the verbal update.
- ii) That Portfolio Holders be invited to provide a written report for committee.

Submitted: Report of the Employability and Inclusion Portfolio Lead, providing an overview of the Good Work Business Pledge including progress and next steps (previously circulated and a copy attached to the Official Minutes).

Cllr McCarty and L Mills introduced the report and responded to questions raised by the committee:

L Mills confirmed that an event had been held in response to concerns about the balance of consultation responses. As a result, there is now a good spread of responses across different sectors and company sizes.

Cllr McCarty indicated that accreditation will be through independent review, rather than self-assessment and there may be options for bronze, silver and gold awards. Overall the award will need to be achievable for small businesses.

A member highlighted the potential for the pledge to cover areas such as mental health and if the combined authority could support SEND residents into work. Cllr McCarty acknowledged the need to be aware of wider holistic support that could be provided and the potential to consider employers with supported schemes.

A member highlighted the impact that onerous red tape can have on small businesses accessing accreditation schemes. In response Cllr McCarty discussed the opportunity for larger organisations to provide mentoring and the potential for organisations to work collaboratively.

In respect of proposals for incentives to take part, Cllr McCarty suggest that this may be available, but the aim is to for organisations to engage with the programme not just to seek accreditation.

A member discussed the impact of paying the real living wage on organisations in the care sector and the differences in wages and treatment of staff across the sector. In response Cllr McCarty acknowledged the challenge of paying a real living wage, noting the role of local authorities in the care sector and the issues that can arise from the lack of recognition of care qualifications and level of pay. These issues require government intervention and funding and campaigning for proper funding for care will continue.

L Mills agreed to provide a summary of consultation responses.

RESOLVED – that:

- i) Overview and Scrutiny Committee note the report.
- ii) A copy of the responses from the consultation be provided.

18 **DATE AND TIME OF NEXT MEETING**

10 December 2019 at 10:00am at Newcastle Civic Centre.

It was noted that Treasury Management training would be available for members after the meeting.