

North of Tyne Combined Authority, Cabinet

5 February 2019

Meeting held: Mansion House, Fernwood Road, Newcastle upon Tyne, NE2 1TJ

Draft Minutes

Present:

Mayor N Redfearn (Chair)

Councillors W Daley, P Earley, N Forbes, Mr A Hodgson, P Jackson, J McCarty and B Pickard and Mr A Hodgson (part of meeting)

20 APOLOGIES FOR ABSENCE

There were no apologies for absence received.

Councillor N Forbes withdrew from the meeting for the duration of the consideration of agenda item 6 (Mayoral Allowance).

21 DECLARATIONS OF INTEREST

Councillor N Forbes declared a personal interest in agenda item 6 (Mayoral Allowance).

22 MINUTES OF PREVIOUS MEETING

The minutes of the previous meeting held on 4 December 2018 were approved as a correct record and signed by the Chair.

23 INVESTMENT FUND UPDATE

Submitted: A report of the Interim Director of Inclusive Economy (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report which (i) provided an update on the progress of projects that had been agreed at the Cabinet meeting on the 8 November 2018; (ii) summarised other activity underway, which was progressing the objectives set out in the Authority's Vision and Devolution Deal; and (iii) sought related approvals. It was noted that a further update would be provided for the March 2019 meeting.

Members welcomed the report and particularly the following:

- the progress achieved in delivering the Authority's Vision;
- the shape of the Investment Fund and the approach to its use;
- the projects being brought forward;
- the Inward Investment Grant Fund as a game-changer for attracting new business to the area;
- the development of a commissioning call relating to inspiring STEM subjects, an intervention that aimed to create the leaders of tomorrow and lead to more and better jobs, which was a result of strategic thinking and the North of Tyne Combined Authority (NTCA) working together; and
- the establishment of NTCA, which enabled these developments.

Members thanked Officers for their work and the progress achieved.

RESOLVED – That:

- i. The proposal to create an Inward Investment Grant Fund with an initial budget of £1m per annum be approved;
- ii. The Acting Head of Paid Service, in consultation with the Interim Mayor and the Chief Finance Officer, be authorised to approve the detailed criteria and full business case required for the implementation of the Inward Investment Grant Fund;
- iii. The high-level criteria set out in paragraph 1.2 of the report for the Business Case Development Fund be approved;
- iv. The proposal to consider supporting bids that made progress through the Future High Street Fund bidding process be approved; and
- v. The proposed commissions outlined in paragraph 1.4 of the report be approved.

24 NTCA INVESTMENT FUND UPDATE - SUPPLEMENTAL BREXIT UPDATE

Submitted: A report of the Interim Director of Inclusive Economy (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report which provided an update on Brexit preparations by the Authority, highlighted the role of the Authority as a champion for business and trade in the area and proposed additional actions that the Authority could take to help to provide Brexit resilience.

Members welcomed the report. Amongst the matters highlighted by Members in discussion, were the following:

- The timely establishment of the Authority for enabling a stronger voice for the purposes of lobbying the government and being able to help to provide resilience for the challenges associated with Brexit, particularly in terms of supporting the business sector.

- Whilst there was no clear plan or direction from the government, it was known that this area of the UK would be subject to a higher adverse impact. In that context, the importance of attracting new resources to help to provide Brexit resilience and have proposals to support businesses in a practical way was clear.
- The role of export for the economy of the area.
- The importance of identifying opportunities for the area as part of Brexit, including a potential opportunity to create a custom-free trading area (free port area).

RESOLVED – That:

- The action plan as set out in section 2 of the report be approved; and
- The Acting Head of Paid Service be authorised, in consultation with the Interim Mayor, relevant Portfolio Holders and the Chief Finance Officer, to undertake the necessary steps to deliver the action plan and explore any further actions needed as the Government's plans for Brexit further materialise.

25 **2019-2022 FINANCIAL PLAN AND BUDGET**

Submitted: A report of the Chief Finance Officer (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report which outlined the proposed budget for the Authority for 2019/20 and the medium-term financial plan for the period 2019/20 to 2021/2 and sought approval for the proposed budget to form a basis of consultation in advance of the final agreement at the 12 March 2019 meeting.

The report also set out that the Joint Transport Committee had determined the 2019/20 Transport Levies, which funded local and regional transport across the North of Tyne and North East Combined Authorities' areas.

RESOLVED – That the Cabinet:

- Agreed the Draft Corporate Budget for 2019/20, including the allocation from devolved funds to form the basis of consultation ending 4 March; and agreed that an updated version would be presented to the Cabinet on 12 March 2019;
- Agreed the Draft Investment Fund as set out in paragraph 1.4 of the report to form the basis of consultation ending 4 March; and that an updated version would be presented to the Cabinet on 12 March 2019;
- Noted the Transport Prudential Indicators and MRP Policy as set out in Appendix C;
- Noted the decision taken by the North East Joint Transport Committee (JTC) with regard to the Transport Budget and Levies for 2019/20 as referenced in

paragraph 1.5 of the report and Appendix A, and issued the following levies in accordance with that decision:

- a. Newcastle City Council £16,002,955
 - b. North Tyneside Council £11,060,540
 - c. Northumberland County Council £6,104,370
- v. Noted that the Authority would transfer the levy income from Newcastle City Council and North Tyneside Council to the North East Combined Authority (NECA) as the accountable body for the JTC in order to meet costs relating to the Tyne and Wear area;
 - vi. Noted that the Authority would make arrangements to administer payment of a transport revenue grant of £6,094,370 to Northumberland County Council for the delivery of transport services, as agreed by the JTC;
 - vii. Noted that the Authority would issue the Transport Grant to Northumberland Country Council (£6,094,370) and make a £10,000 contribution to NECA in respect of Northumberland County Council's contribution to the costs of the JTC;
 - viii. Agreed the Treasury Management Strategy 2019/20 as described in paragraph 1.6 and attached at Appendix B;
 - ix. Agreed to hold the level of reserves set out in paragraph 1.11 of the report and noted that the Chief Finance Officer continued to keep the level of reserves under review as the Authority developed and new information became available about the financial risks facing the Authority's arrangements for managing those risks; and
 - x. Agreed that the independent Auditor Panel which had been previously established to advise on the appointment of a Local Auditor to Newcastle City Council, North Tyneside Council and Northumberland County Council was approved to act as the independent Auditor Panel on behalf of the North of Tyne Combined Authority.

26 **MAYORAL ALLOWANCE**

Submitted: A report of the Interim Monitoring Officer (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report which invited it to consider the recommendations of an Independent Remuneration Panel (the Panel) and determine the allowance which would be payable to the Elected Mayor of the Combined Authority.

Mr J Anderson, the Chair of the Panel, presented the Panel's recommendations (as set out in Appendix A of the report). In responding to a question from a Member, Mr Anderson confirmed that the Panel was independent and that the recommendations were based on the evidence assessed by the Panel.

The Chair thanked Mr Anderson and the Panel for the work undertaken.

RESOLVED – That:

- i. The recommendations of the Independent Remuneration Panel regarding the amount of the Elected Mayor's allowance be noted;
- ii. An allowance of £65,000 be payable to the Elected Mayor of the North of Tyne Combined Authority; and
- iii. The allowance of the North of Tyne Combined Authority Mayor be reviewed by the Independent Remuneration Panel in one year's time, with a recommendation to be reported back to the Combined Authority's Cabinet at the appropriate time.

27 GOVERNANCE UPDATE

Submitted: A report of the Interim Monitoring Officer (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report which provided an update on the development of the NTCA's constitutional arrangements and recommended appointment of (i) a member and a substitute member to the Cabinet as nominated by the North East Local Enterprise Partnership, (ii) an independent co-opted member to chair the Audit and Standards Committee, and (iii) an independent person for the purposes of the standards regime.

It was noted that, although the intention had been to recruit two independent persons for the purposes of the standards regime, only one application had been received. The only candidate had been successful and was recommended for appointment. The capacity in relation to the standards regime would be monitored and, if required, reviewed.

RESOLVED – That:

- i. Andrew Hodgson be appointed as the Cabinet member nominated by the North East Local Enterprise Partnership (NELEP) and Mark Thompson be appointed as a substitute Cabinet member nominated by the NELEP;
- ii. Douglas Ross be appointed as the Independent Chair of the Audit and Standards Committee; and
- iii. Eric Richards be appointed as the Independent Person for the purposes of the standards regime.

28 TRANSPORT FOR THE NORTH (TFN) UPDATE (OVERVIEW OF THE STRATEGIC TRANSPORT PLAN)

Submitted: A report of the Managing Director Transport North East (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report which set out information on the progress that was being made to develop the Transport for the North (TfN) Strategic Transport

Plan (the Plan) and sought the Cabinet's endorsement in advance of the consideration of the Plan at the TfN's Board on the 7th February 2019.

Councillor N Forbes introduced the report. It was noted that the Plan incorporated all points flagged up by the region, and that the next stages would include work with national bodies to make sure the region's priorities were lodged long-term in their investment plans.

The Chair welcomed the report. In discussion, she referred to the long-term lack of funding for the region and commented on the importance of investment in transport, which would support other economic plans for the area.

A Member commented on the importance of dualling the whole of the A1, improving the capacity of the East Coast Main Line and progressing the Northumberland, North Tyneside and Newcastle passenger rail line.

RESOLVED – That the TfN Strategic Transport Plan be endorsed in advance of it being considered by TfN's Board on the 7th February 2019.

29 **DATE AND TIME OF NEXT MEETING**

Tuesday, 12 March 2019 at 2pm.