

30 June 2020

(10.00am - 12.20pm)

The meeting was held virtually and live streamed.

Draft Minutes

Present:

Chair: Cllr G A Roughead

Vice Chair: Cllr L Wright

Councillors: S Dungworth, P Earley, S Graham, M Hall, A Lower, G Stewart, and S Fairlie

57 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the virtual meeting and clarified that the meeting was being held under the Local Authority Coronavirus Regulations 2020 to allow local government formal meetings to proceed on a virtual basis.

58 APOLOGIES

Committee noted that Cllr Paula Holland was now a Cabinet Member for Newcastle City Council and no longer a member of the Overview and Scrutiny Committee. The Chair wished her well in her new position. Cllr Fairlie attended in place of Cllr Holland.

59 DECLARATIONS OF INTEREST

None

60 AGREE THE MINUTES OF THE MEETING HELD ON 10 MARCH 2020

The minutes of the meeting held on 10 March 2020 were agreed as a correct record and 'signed' by the Chair via email after the meeting.

61 COVID-19 NTCA RESPONSE AND RECOVERY PLANS

Submitted: Report of the Director of Economic Growth (previously circulated and a copy attached to the Official Minutes)

Henry Kippin introduced the report the purpose of which was to provide the Committee with an overview of how the North of Tyne Combined Authority is supporting recovery from Covid19 within the region. It outlines the framework that is being used and a number of key initial areas of activity that will be followed up in more depth with the Committee at future meetings.

Members received a presentation covering the following points:

- **Impacts** – what is happening in the North East?
- **Response** – how have we responded as a CA?
- **Recovery** – what does it mean, and how do we plan for it?
- **Proposals** – the basis of a new deal and future investment.

During the presentation H Kippin explained the supportive role of the Combined Authority working with partners and organisations in response to the current crisis.

He emphasised the deep shock to society, economy and public services and the toll on UK businesses, who had been hit the hardest. There was no straightforward recovery and the exit from the crisis will be tentative and phased. Investment in city centres, energy and the automotive sector will change.

Referring to the local impact, committee were informed of survey data highlighting the effect on businesses, 97% of businesses have been directly impacted by Covid-19; 85% of businesses are worried about future income; 44% of businesses indicate supply chain disruption and 35% of businesses are worried about potential closure.

The most vulnerable and disadvantaged that have been hardest hit, those who were 'just about managing' face an uncertain future, 43,000 more people – 35% - were on Universal Credit in the North East LEP area between 12 March & 9 April; 24% of workforce is furloughed; the young are particularly vulnerable and apprenticeships and training schemes are already suffering.

The response so far -- the North of Tyne has contributed towards actions specific to the North of Tyne areas and then supported regional recovery plans. Resources have been unlocked to support local responses; business, communities and place impacts.

The digital divide – Money had been invested in the digital divide for the provision of equipment for marginalised children and adults. The authority has also played a key role in cross regional planning.

Sustaining and accelerating NTCA Programmes – including skills, investment programme and key plans for clean growth recovery.

Convening, collaborating and sharing resources – to support our local authorities at a time of stretched capacity across the board.

Committee was advised on the proposed recovery process and provisional time scales of approximately 6 – 12 months. There will be no quick fix and the authority

will need to adapt to new ways of working; the new normal. Support to businesses/industries will also be part of this work.

H Kippin highlighted key points on how the authority will adapt to new ways of working which included:

- Restoring public confidence whilst in recession and a potential second wave and different demand patterns in health and care.
- Planning for the economic recovery in the region.
- Supporting the tourism economy.

The final slide in the presentation was based on what 'good' will look like for the Combined Authority. The region has previously dealt with shocks very well however, recovery from the pandemic will take longer than in the past. The authority will need to push and fight to secure investment; support and build on the expertise already in the region such as engineering and successfully developing ports; and continue to renew, adapt and innovate.

Further information was provided on Brexit; addressing inequalities (health, race, wealth), skills/education gaps and valuing the people/jobs that got us through crisis; accessing specific funding pots and ensure that the North East leads the national recovery.

H Kippin responded to comments/questions from Members which included:

- A member referred to recent media reports about the number of large employers who are considering switching staff to permanent home working. If this were to happen the large Business Parks in North Tyneside would be directly affected, resulting in empty office space. In response H Kippin agreed with the comment and explained that the position moves week by week. In some sectors home working is successful and efficiencies have been made. Larger companies are starting to rethink office space particularly those occupying office space in expensive high-rise buildings. There was a balance between allowing staff to work from home and the overall impact on Business Parks.
- Reference was made to public transport and the impact of Covid-19. People are wary and are reluctant to use it. This has severe ramifications for everything that has been done to avoid congestion in the City and the campaigns to encourage greater use of public transport. H Kippin was asked what could be done to encourage people back to using public transport and reduce the use of single person car journeys. In responding H Kippin acknowledged that there is the danger of slipping back to increased car use undermining all of the work undertaken to create cleaner cities and towns. The promotion of active travel, cycling and walking is to be welcomed. Sustainable travel becomes an issue as government subsidies are passed directly to the transport operators. Also, cleaner, uncongested towns and cities are pivotal to tackling climate change.
- A further question was asked in relation supporting furlough. The scheme is excellent but is coming to an end and does not differentiate between services.

An example was given of services that have responded quicker and staff have returned to work, such as construction and retail. Services such as the Arts and Hospitality will require extra support as furlough ends. H Kippin was asked if the Combined Authority could provide extra support to local businesses. H Kippin advised Members that the Combined Authority were considering a scheme to subsidise employers to enable new employment or training opportunities: a scheme similar to the Future Jobs Fund.

- A comment was made in relation to the £6m Covid-19 Response Fund and whether a report on the areas of spend will be presented to a future meeting of the committee. In particular the amount of funding provided to school for computers, are they on loan or will people be allowed to keep them; providing broadband connection and what will happen when the funding has stopped; the funding to businesses and the spread across the region and whether it has been successful. It was also suggested that the Combined Authority could open up with the Local Government Association and share experiences/knowledge. In response H Kippin advised that information was already available in respect of the Response Fund; this can be made available at a future meeting. He stressed that collaboration locally regionally and nationally was an important aspect in the recovery process and was working successfully. A request was made for a heat map that will identify who has benefitted from the funding.

At this point Mayor Driscoll updated the Committee on his role specifically during the pandemic. Some of the key points were:

At the start of lockdown, the government had not introduced the furlough scheme, there were limited resources therefore a targeted approach was required. The Mayor held discussions with the constituent local authorities to ascertain there the services that required support and suggested that they come forward with proposals.

Support for digital inclusion was given to staff in care homes, young and vulnerable people.

Regarding transport, government supported national rail companies but not light rail which included the metro system.

The 7 local authorities of the North of Tyne Combined Authority, the North East Combined Authority, the Local Enterprise Partnership and the Universities have worked together to provide support to wherever it is needed to enable the region to survive and move forward. He also advised that the government would shortly make an announcement about further funding.

Mayor Driscoll responded to questions/comments received from members which included:

- Reference was made about the impact of Covid-19 on people and the number of jobs that have disappeared. Mayor Driscoll was asked for his views on what can be done to improve life chances. In response Mayor Driscoll explained that the provision of job opportunities was the remit of the Inclusive Economy Board. Unfortunately, apprenticeships were not always completed, and young people

left their early. Work has been commissioned to investigate the reasons as to why this has happened. Job opportunities could be created through inward investment in for example Off-Shore work and further devolution.

- A follow up question was asked as to whether apprentices have to sign a form committing to completion of the training. Mayor Driscoll advised that the principle of training young people has not changed and is very much the same as in earlier times.
- A question was asked about the large volume of work within local government in general and whether the Combined Authority has the capacity and skills to provide the necessary support to such a large geographical area. Mayor Driscoll commented that the budget position within local authorities is alarming due to providing support and responding to the crisis. The authority and partners were successfully working together to support all businesses. The region has some of the best skilled people to support industry
- A final comment was made about the good working relationship between the Mayor and the three constituent authorities, but it was also stressed that it was important to reach people through improved communications; people need to know what we are doing. The Committee were informed that the Head of Communications was to take up his position the following week.

RESOLVED - that the Overview and Scrutiny Committee noted the contents of the report and endorsed the overall approach being proposed.

62 **MAYORAL UPDATE - FIRST YEAR IN OFFICE**

Mayor Driscoll had previously provided a briefing note, a copy of which was circulated and attached to the Official Minutes.

Mayor Driscoll provided a brief overview on his first year in office highlighting the following points:

Realisation that it would be a difficult year in terms of creating a new organisation, a general election, Brexit and now coping with a global pandemic.

An excellent team are now in place and work extremely well. The Head of Paid Service continues to rotate around the constituent authorities.

Since its inception the authority currently has programmes in place worth £27m. Based on current commitments 2,571 jobs are forecast to be created with 453 already secured. Another 180 jobs have been signed off but at the time of the meeting were still confidential.

In terms of delivery jobs were increasing; vulnerable people including those in abusive relationships are being supported, providing opportunities for economic independence.

Referring to the green economy an environmental policy is now in place which commits the authority to zero emissions. £24m has been committed to green

industrial development; £12 million for offshore renewable energy, £10 million for a Green New Deal Fund to stimulate job in low carbon innovative projects and £2 million for a Green Growth skills programme.

The Adults Education Budget will be devolved on 1 August. Some of the funding will be available to allow people to retrain after Covid-19.

Transport powers and further devolution will bring huge benefits in terms of funding and strategic planning across the network. In the budget on 11th March, Government confirmed that there would be a share of the £4.2 billion transport infrastructure fund available if there was one mayoral combined authority across the Tyne and Wear region.

Mayor Driscoll responded to questions/comments received from members which included:

- Referring to devolution Mayor Driscoll was asked if he had done any work with the Centre for Urban and Regional Development Studies to commission work looking at data to support the North of Tyne's case for further devolution. Mayor Driscoll advised that work is being undertaken but not specifically with the Centre for Urban and Regional Development Studies on what different models of fiscal devolution would work for the North East.
- A comment was made in reference to the position of Deputy Mayor which should not be confused with the role of a Civic Mayor, which is an appointment made on a rotational basis; the need for improved communication to publicise the work of the Combined Authority across the North of Tyne area; the important work undertaken during the pandemic crisis has not been prominent in the media, and the involvement of more people across the whole authority. Responding to the comment Mayor Driscoll explained that the favoured approach is to engage when the North of Tyne has delivered on a project or job creation. He also gave an example of the Greater Manchester Combined Authority which is well known but has been in existence for a relatively long time.
- A member referred to the work of the Inclusive Economy Board and asked Mayor Driscoll if priorities will now change as a result of Covid-19. In response Mayor Driscoll explained that issues pre Covid still remain however the long-term objectives remain the same.
- Mayor Driscoll responded to a question regarding progress with the Community Bank and when it will come into being explaining that discussions have taken place as to the preferred model; a report will be presented to a future meeting of the Cabinet. Market research is required, and, he emphasised that it will not be a Community Bank of the North of Tyne Combined Authority, it will be a people's bank. As to when it will come into existence Mayor Driscoll explained that this was dependent on Covid-19 and the Bank of England, but not for at least 18 months.
- Reference was made to Green Growth and whether Covid-19 has halted the progression of a Citizens Assembly and, on - line engagement used by local authorities, community groups and town halls. Mayor Driscoll was asked if he

was considering a different model of the Citizens Assembly to maybe engage with smaller groups which would enable more productive discussions followed by a face to face meeting with the entire Assembly whilst practising Social Distancing. In response Mayor Driscoll stated that the officers are looking at the possibility of using a digital democracy provider, people who are expert in live discussions. However, this does have problems when government advice is constantly changing. Mayor Driscoll was also asked if he was still considering a meeting of the Citizens Assembly or a variance of the group sometime this year. Mayor Driscoll advised that this was still the plan although this could change due to such an unpredictable virus.

- A Member referred to Adult Education and asked what procurement proposals were in place to deliver on-line learning signpost people to on-line resources. Mayor Driscoll stated that the education team have continued to discuss what can be provided using on-line resources but acknowledged that there are courses/training that are impossible to deliver, for example hairdressing.
- A final question was asked in reference to carbon neutral jobs and whether Mayor Driscoll could improve the poor performance of the area. In responding Mayor Driscoll referred to the north bank of the Tyne which is a significant manufacturing base currently working in the gas and oil sector.

At this point Mayor Driscoll updated the Committee on a government announcement stating that £25m funding is to be available to the North of Tyne for housing delivery on brown field sites. The funding had not been available to all Combined Authorities.

Mayor Driscoll ended his briefing by expressing his appreciation of how well the Overview and Scrutiny Committee have worked over the last year.

The Chair thanked Mayor Driscoll for his attendance at Committee.

63 **NORTH EAST LEP GOVERNANCE**

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

John Softly presented the report which set out NTCA's role as accountable body to the North East Local Enterprise Partnership (North East LEP) and highlighted 2 key points:

The North East LEP is not a legal entity itself and therefore requires an Accountable Body to allow it to employ staff, enter into contracts and budget/funding arrangements. The North of Tyne Combined Authority has now taken on the role of Accountable Body.

The LEP retains responsibility for decision making and its strategic direction and operational arrangements. The Combined Authority must satisfy itself that the legality and financial probity of any decisions which it implements on behalf of the North East LEP. With regards to decisions made by the LEP, NTCA itself will have to ensure that those actions are authorised through its own decision-making structure. Given that the scope of NTCA's decision-making in this regard is

essentially restricted to the assurance role set out in the preceding paragraph in the report, such decisions have been delegated to the Head of Paid Services.

There will be a quarterly report to Cabinet about the work of the North East LEP. This report will also be reported to the Overview and Scrutiny Committee.

At this point Helen Golightly, Chief Executive of the North East LEP gave a brief overview of how the LEP operates. Its key roles are to:

- a) Develop and have oversight of evidence-based regional economic strategies and plans. There are 38 LEP's nationally with regional locations. One of the key roles of the LEP is the development of evidence based economic plans brought together by partner organisations.
- b) Provide economic leadership, co-ordination and influence - in and for the North East
- c) Secure funding for investment. To provide funding for the economic strategies and partner priorities.
- d) Take action through programmes of delivery. The North East Strategic Economic Plan covers a 10-year period from 2014 – 2024.

Attention was drawn to the North East LEP Governance and decision-making slide. H Golightly explained that the membership was both public and private; 9 members from the private sector, 6 from the public sector, 2 from higher/further education and 1 from the Voluntary and Community Sector, making 18 members in total. There are also 4 sub boards which reflect the 4 out of the 5 programmes within the Economic Plan. The boards cover the following areas: Innovation, Business Growth, Skills Advisory Panel and Investment. The boards are all advisory with the exception of the Investment board which has some authority to make decisions.

There is a scheme of delegations in place in respect of operational delivery; this applies to officers only.

The final slide showed the relationship between the LEP Board and the North of Tyne Combined Authority. The North East LEP is responsible for decision-making in terms of its strategies, programmes and priorities.

H Golightly responded to questions/comments received from members which included:

- The makeup of the LEP Board – female/male gender balance. In response H Golightly explained that in 2018 new central government guidelines were introduced with various points that all LEP's had to adhere to. The Board could not be more than 20 members; it could not be more than a third public sector and a minimum of one third female representation. There was also one BME representative and one SME representative. The individual Boards consist of members with various specialisms. Clarification was provided regarding local authority members who are appointed on the position they

hold in their constituent authority The Committee were advised that full details were available on the North East LEP website.

- A comment was made that the last review of LEPS nationally showed a large underspend and H Golightly was asked how the North East LEP had used their underspend and, were the funds used to support Covid-19. H Golightly explained that the reviews are carried out on an annual basis with government ministers. The purpose of the reviews is to discuss performance in relation to spend the North East LEP was only 1 of 2 in the exceptional category. In terms of the Local Growth Fund the North East LEP ensures that all of the allocation is spent. At the outset of the Pandemic the Board met and agreed to ring fence £5m towards Covid-19 activity.

RESOLVED that the Overview and Scrutiny Committee:

- i) Noted the contents of the report
- ii) Agreed the proposed method of scrutiny for the North East LEP as set out in paragraph 3 of the report.

64 **AGREEMENT OF WORK PROGRAMME 2020/21**

Submitted: Report of the Policy and Scrutiny Officer (previously circulated and a copy attached to the Official Minutes).

Elizabeth Kerr presented the report and thanked everyone for attending the workshops. The report provided members with the opportunity to agree the initial work programme for the 2020/21 municipal year.

The work programme is flexible and is likely to change throughout the year to respond to Covid-19 matters as they arise, and make any recommendations considered appropriate.

A brief discussion ensued relating to the North East Local Enterprise Partnership (North East LEP) and the timing of reports to Committee following a comment from a Committee Member that the Overview and Scrutiny should see reports before Cabinet. The Interim Monitoring Officer John Softly advised Members that he would check the dates of the North East LEP Board meetings as it was necessary to ensure that information when provided to Cabinet and Overview and Scrutiny Committee was not out of date. John Softly to notify the Policy and Scrutiny Officer of the next date for Committee to receive an update on the North East LEP.

RESOLVED: that the Overview and Scrutiny Committee approved the proposed work programme for 2020/21.

65 **DATE AND TIME OF NEXT MEETING**

13 October 2020 at 10.00am