

North East Combined Authority, Leadership Board

5 February 2019

(2.00 - 2.40 pm)

Meeting held Committee Room, Gateshead Civic Centre, Regent Street, Gateshead, NE8 1HH

Present:

Councillor : I Malcolm(Chair)

Councillors: M Gannon, G Miller and C Marshall

21 APOLOGIES FOR ABSENCE (MEMBERS)

Apologies for absence were received from Cllr Henig.

22 DECLARATIONS OF INTEREST

None.

23 MINUTES OF THE PREVIOUS MEETING HELD ON 4 DECEMBER 2018

The minutes of the previous meeting were approved as a correct record.

24 DESIGNATION OF THEMATIC (PORTFOLIO) LEADS FOR THE MUNICIPAL YEAR 2018/19

Submitted: report of the Monitoring Officer (previously circulated and copy attached to the official minutes).

Members noted the report, which recommended portfolio themes for the North East Combined Authority and invited the appointment of members for each thematic area.

RESOLVED – that:

- i. Thematic (portfolio) areas be agreed.
- ii. Cllr Simon Henig be appointed as the lead for Finance and Skills and Employment.
- iii. Cllr Graham Miller be appointed as the lead for Economic Development and Digital.
- iv. Cllr Martin Gannon be appointed as the lead for Transport.

- v. Approval given to the establishment of a further theme (portfolio) for Culture and Tourism.

25 DESIGNATION OF STATUTORY OFFICERS

Submitted: report of the Head of Paid Service (previously circulated and copy attached to the official minutes).

M Harding declared an interest in the matter to be discussed, as a proposed appointee.

Members noted the report, which confirmed the appointment of the Statutory Officers and Deputy Statutory Officers for the North East Combined Authority from 1 April 2019.

RESOLVED – That:

- i. Martin Swales be appointed to the role of Head of Paid Service.
- ii. Patrick Melia remains appointed to the role of Deputy Head of Paid Service.
- iii. Terry Collins be appointed to the role of Deputy Head of Paid Service.
- iv. Sheena Ramsey be appointed to the role of Lead Chief Executive for Transport.
- v. John Hewitt be appointed to the role of Resources Lead (including Chief Finance Officer/Section 73 Officer responsibilities).
- vi. Paul Darby be appointed to the position of Deputy Resources Lead.
- vii. Mike Harding be appointed to the role of Monitoring Officer.
- viii. Nicola Robason be appointed to the role of Deputy Monitoring Officer.

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

Submitted: Report of the Managing Director, Transport North East (previously circulated and copy attached to the official minutes).

Members noted the report, which provided a progress update on the development of the Transport for the North (TfN) Plan and requested endorsement of the plan for approval at TfN's Board on 7 February 2019.

In discussion, members highlighted the economic evidence supporting the plan. Reference was also made to the North East response submitted to the consultation on the next phase of HS2 and support from the ANEC authorities for an upgrade of the East Coast Mainline.

RESOLVED – That the Leadership Board endorse the plan in order that it can be approved by TfN's Leadership Board on 7 February 2019.

27 BUDGET 2019/20

Submitted: report of the Head of Paid Service and Chief Finance Officer (previously circulated and copy attached to the official minutes).

Members noted the report, which set out the NECA Revenue Budget for 2019/20 for approval and the decisions made by the North East Joint Transport Committee (JTC) in respect of the Transport revenue budget and the Transport Levies for 2019/20; recommending that the levies be issued to the constituent authorities in NECA in accordance with the decisions of the JTC.

Members noted an amendment to the recommendations of the report at section xii, in respect of the £20,000 contribution made by the seven authorities in the LEP area.

A letter from the North East Chamber of Commerce in response to the budget proposals, was tabled as appendix E to the report.

RESOLVED – That the Leadership Board receive the report and:

- i. Note the budget position for 2018/19 set out in sections 1.5 to 1.10 of the report.
- ii. Note the decision taken by the North East Joint Transport Committee (JTC) about the transport budget and levies for 2019/20 as set out in sections 1.14 and Appendix A of the report.
- iii. Unanimously agree to issue the following Transport Levies for 2019/20 in accordance with that decision:
 - a. Durham County Council £15,561,536
 - b. Gateshead Council £10,949,433
 - c. South Tyneside Council £8,089,866
 - d. Sunderland City Council £14,997,206
- iv. Note that the North of Tyne Combined Authority will issue the Transport Levies to Newcastle City Council (£16,002,955), North Tyneside Council (£11,060,540) and Northumberland County Council (£6,104,370) that have been agreed by the JTC and will pass the levy income from Newcastle City Council and North Tyneside Council to NECA as the accountable body for the JTC in order to meet costs relating to the Tyne and Wear area.
- v. Unanimously agree to make arrangements to administer payment of a transport revenue grant of £15,551,536 to Durham County Council for the delivery of transport services, as agreed by the JTC.
- vi. Unanimously agree to make arrangements to administer payment of a transport revenue grant to Nexus for the delivery of transport services in Tyne and Wear of £55,666,667 as outlined in section 2.8 of Appendix A of the report, subject to the receipt of Levy income in respect of Newcastle City Council and North Tyneside Council.
- vii. Unanimously agree to hold £3,333,333 of the Tyne and Wear Levy income in the earmarked account for the Metro fleet replacement programme, in line with the JTC decision.
- viii. Note that the North of Tyne Combined Authority will issue the Transport Grant to Northumberland County 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.
- ix. Note and approve the creation of a post of Managing Director, Transport North East and the deletion of the post Managing Director, Transport Operations from the NECA staffing establishment in accordance with the

resolution of the JTC on 22 January 2019, as described in section 1.17 of the report.

- x. Unanimously agree to contribute a contribution to fund the North East LEP core capacity costs of £250,000 as match funding to secure a £250,000 government grant, paid for by an equal contribution of £35,714.29 from each of the seven councils in the North East LEP area, as part of the funding of an estimated budget of £3m, as summarised in sections 1.18 to 1.22 of the report and set out in more detail in the report to the North East LEP Board, attached at Appendix B.
- xi. Unanimously agree to continue the budget contribution of £140,000 towards inward investment activity carried out by the Invest North East England team (INEE), which is paid for by an equal contribution of £20,000 from each of the seven councils in the North East LEP area, as set out in sections 1.23; and contributions from the North East LEP to a total budget for this activity of £460,000, as set out in Appendix C of the report.
- xii. Unanimously agree a net budget in respect of the accountable body role for the JTC in 2019/20 of £70,000 (in line with the estimated cost in 2018/19), with the costs being met by equal contributions of £10,000 from the seven local authorities represented on the JTC, as set out in section 1.26 of the report.
- xiii. Unanimously agree a net budget in respect of the Accountable Body costs of the North East LEP in 2019/20 of £70,000 (broadly in line with the estimated cost in 2018/19), with the costs continuing to be met by an equal contribution of £10,000 from the seven local authorities in the North East LEP area, as set out in section 1.26, with the contributions being made to the Accountable Body for the North East LEP.
- xiv. Unanimously agree a net budget for the corporate costs of the NECA of up to £91,428, paid for by an equal contribution of £21,857 from each of the four councils in NECA, as set out in section 1.27 to 1.29 of the report.
- xv. Unanimously agree the Treasury Management and Investment Strategy and the statement on the Minimum Revenue Provision for borrowing for 2019/20 as described in sections 1.33 to 1.35 and attached at Appendix D of the report.
- xvi. Note the section on the level of reserves set out in section 1.30 to 1.32 of the report and note that the Chief Finance Officer considers that the level of reserves that may be available after the closedown of the 2018/19 accounts, could be relatively low and in need of review at that point, taking into account the level of reserve at that time and any new information available about the financial risks facing NECA and arrangements for managing those financial risks.

28 **CAPITAL PROGRAMME 2019/20 AND TREASURY MANAGEMENT POLICY AND STRATEGY 2019/20**

Submitted: report of the Chief Finance Officer (previously circulated and copy attached to the official minutes).

Members noted the report, which set out the NECA capital programme for 2019/20 for consideration.

RESOLVED – That the Leadership Board:

- i. Approve the latest position in respect of the 2018/19 capital programme, set out in section 2.1 of the report.
- ii. Approve the proposed initial capital programme for 2019/20 which amounts to £142.320m, including over-programming, as set out in section 2.2 of the report.

29 **DATE AND TIME OF NEXT MEETING**

Tuesday 5 March 2019 at 2pm at Durham County Council.

30 **EXCLUSION OF PRESS AND PUBLIC**

By virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, the press and public were excluded from the remainder of the meeting for the duration of consideration of agenda item 11 (confidential minutes) and item 12 (project approvals update report), because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.