

North of Tyne Combined Authority, Overview and Scrutiny Committee

Tuesday 10 October 2023 at 1.00 pm

Meeting to be held: Collingwood Room, Civic Centre, Newcastle upon Tyne, NE1 8Q

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AGENDA

	Page No
1. Welcome and Introductions	
2. Apologies	
3. Declarations of Interest	
4. Agree the minutes of the meeting held on 11 July 2023	1 - 6
5. 2023/24 Quarter 1 Budget Monitor Report	7 - 18
In attendance: Janice Gillespie, Director of Finance	
Attached: Report and appendix	
6. 2024/25 Budget and Corporate Plan Process	19 - 22
In attendance: Janice Gillespie, Director of Finance	
Attached: Report	

7. **North of Tyne Combined Authority Review** **23 - 24**

In attendance: Beverley Walkden, Interim Communications Officer

Attached: Report

8. **North East Devolution Update** **25 - 30**

In attendance: George Mansbridge, Strategic Economic Regional Adviser

Attached: Report

9. **Date and time of next meeting**

1pm on Tuesday 5 December 2023 at North Tyneside Council, Cobalt Business Park, The Quadrant, The Silverlink North, NE27 0BY

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North of Tyne Combined Authority, Overview and Scrutiny Committee

11 July 2023

(1.00 - 2.00pm)

Meeting held: Armstrong Stephenson Room, Civic Centre, Newcastle upon Tyne, NE1 8QH

Draft Minutes

Present:

Chair: Councillor B Flux

Councillors C Ball, B Flux, J Harrison, L Marshall, J Montague, G Stone and L Wright

1 ELECTION OF CHAIR AND VICE CHAIR FOR THE 2023/24 MUNICIPAL YEAR

Elizabeth Kerr, Principal Governance and Scrutiny Manager (NTCA), opened the meeting. She confirmed that the Chair had to be drawn from a different political party to that of the Elected Mayor.

Councillor Flux was nominated and seconded for the position of Chair.
Councillor Wright was nominated and seconded for the position of Vice Chair.

RESOLVED that -

- (i) Councillor Flux was duly appointed Chair of the Overview and Scrutiny Committee for the Municipal Year 2023/24; and
- (ii) Councillor Wright was duly appointed Vice Chair for the Municipal Year 2023/24.

2 WELCOME AND INTRODUCTIONS

Councillor Flux welcomed everyone to the meeting.

3 APOLOGIES

Apologies for absence were received from Cllr Seymour and Cllr Fairlie (Cllr Shatwell in attendance as substitute).

4 **DECLARATIONS OF INTEREST**

None.

5 **AGREE THE MINUTES OF THE MEETING HELD ON 14 MARCH 2023**

The Overview and Scrutiny Committee agreed the minutes of the meeting held on 14 March 2023.

6 **DEVOLUTION UPDATE**

Henry Kippin (Chief Executive, NTCA and Interim Chief Executive of NEMCA) gave a presentation to the Overview and Scrutiny Committee which covered a recap on the Deal, Governance, Decisions and Timeline, Transition to NEMCA and the next steps. A copy of the presentation was attached to the minutes for information.

Since the signing of the Deal a public consultation had taken place on the governance functions within the deal. The results had now been submitted to the Secretary of State in preparation of the Legal Order. The constituent authorities would be asked to approve, in principle, the Legal Order to be laid in Parliament for debate; this process would allow the election to happen in May 2024.

The LA7 leaders had taken on interim portfolios to develop the policy work. The Deal provided for a mayor and cabinet model to ensure decisions were taken collectively and would continue to work in collaboration with partners and stakeholders. The Deal itself, however, was only the starting point and it was expected that a 'trailblazer deal' would follow to deepen some of the powers and resources.

Although there was a lot of preparation work going on around the new authority with political oversight, the NTCA and NECA would continue to deliver their priorities for the year ahead.

During the ensuing discussion and in response to questions, it was noted that:

- In terms of what difference the NEMCA would make to improve transport in the region, to an extent this was set out in the North East Transport Plan. This included better access to transport, joint ticketing, the extension of some of the transport infrastructure and pushing to more sustainable bus services. The basic answer to the question was the combination of new powers and more funding. It was confirmed that Metro funding was ringfenced but still needed to be addressed through national funding sources.
- Regarding any potential influence over the bus operators, this was a question for the political team over time through the portfolio; there were a number of models to understanding bus funding and governance with both legal and commercial implications.
- It was recognised that communications and identity were a really important thing for the NEMCA to get right in terms of the actual identity, the brand and how it projected itself but also the timing of this. It would be inappropriate to come out with an identity and a brand now given that the organisation did not legally exist; in the interim the existing organisations would need to work

smartly over the next year to make sure that where priorities were coming through they reflected the collaboration of the seven and talk publicly about the collaboration that had created any outcomes or projects on a case by case basis.

- On the trailblazer deal there was a line in the Devolution Deal which committed the government to discussions with this region during this year with a view to trailblazing provisions being agreed to come forward as early as possible after the creation of NEMCA. It was also known that phase one of trailblazer negotiations with the West Midlands and Greater Manchester now provided a template; the Secretary of State for Levelling Up, Housing and Communities, Michael Gove, at the LGA Conference, had said he was now turning attention to working with the other mayoral combined authorities.
- In relation to the operating model of the new mayoral combined authority, the job for the team supporting the transition was to deliver a mayoral combined authority that was fit for purpose to deliver the devolution deal. The constituent parts would be a mix of some of the organisations that had been delivering within the region at the moment, principally NECA and NTCA. The important thing was the delivery of the devolution deal. Henry Kippin said his job was to present a target operating model that was explicitly about using public money well to deliver the deal.
- All devolution deals had a form of finances and powers, such as adult education. In this deal on the Investment Fund there was new money coming into the region which was quite substantial. There were other areas in the deal which set out policy intent. No combined authority could work alone and the NEMCA would be as collaborative as possible.
- Dr. Kippin said the team was always looking for lessons from other combined authorities whether positive or negative about the journey towards devolution. A more sustainable model was a more collaborative model – this needed to feel like everyone’s combined authority, it was about the whole region.

The Chair thanked Henry Kippin for the very helpful update.

7 **NTCA ANNUAL REPORT AND CORPORATE PLAN**

Committee received a report and presentation from Henry Kippin which set out the NTCA’s Annual Report 2022, endorsed by Cabinet at its March meeting, detailing the Authority’s achievements and the work of the Mayor and Cabinet over the last year and also the Corporate Plan 2023/24 endorsed at the Annual Meeting in June.

The Corporate Plan this year was deliberately for one year and talked about following through on the strategic commitments and recapped on the funding.

During the ensuing discussion and in response to questions, it was noted that:

- The judgement at this point in the cycle was a one year plan was appropriate as the NTCA could not set out the outcomes and delivery priorities for NEMCA. Looking back over the last two/three years setting out this work, the year three worked tracked well with what was said three years ago.
- The staff were really excited about the transition. The foreword emphasised making sure that the team built on the strong legacy, to make sure people were supported and continuing with collaborative approach.

- Janice Gillespie commented that there was a risk that the external auditors would not like the one year plan but there was a strong narrative which described why this approach had been taken. Also the budget and financial plan gave a steer of the commitments the authority had already made. There were a number of projects and programmes which would continue in the new combined authority.
- The Housing and Land Board and the outcomes the Board was committed to delivering, in particular discharging the brownfield funding from government, were on target. The broader long term target needed to be considered in the round; a strategic housing pipeline and programme would be developed for the LA7 and a context where the government would be refreshing the housing mandate so some of the targets might change.
- The NTCA was not a planning authority and could not second guess housing policy decisions of local authorities. Its role was to apply specific funding to support the acceleration of those plans where it could and in line with the strategic principals of the combined authority.

The Chair made reference to perception issues and housing numbers recently announced in Cambridgeshire and thanked Henry Kippin for the report.

RESOLVED – That the North of Tyne Combined Authority Annual Report 2022 and Corporate Plan 2023/24 be received and committee members comments noted.

8 **2022/23 BUDGET OUTTURN REPORT**

Janice Gillespie (Director of Finance) presented the report to inform Overview and Scrutiny Committee of the provisional 2022-2023 outturn position of the North of Tyne Combined Authority (NTCA) including the Corporate Fund, Investment Fund, Adult Education Budget, and Brownfield Housing Fund. The outturn position would be subject to external audit as part of the Audit of the 2022-23 Statutory Accounts and therefore the figures in the report would remain provision until the completion of the accounts.

The North of Tyne Combined Authority became the Accountable Body for the North East LEP (Local Enterprise Partnership) and Invest North East England (INEE) from 1 April 2020. This report also included the 2022/2023 Outturn position for the North East LEP and Invest North East England in addition to reporting on the Accountable Body Budget.

RESOLVED – That the Overview and Scrutiny Committee noted the report on the 2022-23 NTCA provisional outturn position, including the North East LEP and Invest North East England 2022-23 outturn including the North East LEP and Invest North East England 2023-24 budget which would presented to Cabinet on 6 June 2023.

9 **AGREEMENT OF WORK PROGRAMME 2023/24**

Committee received a report from Elizabeth Kerr which set out the Overview and Scrutiny Committee's provisional work programme for the 2023-24 municipal year.

The Committee was asked to agree the provisional work programme for the year ahead, noting that it could change throughout the year to respond to matters as they

arose. In doing so, the Committee was invited to make any recommendations considered appropriate.

During the ensuing discussion it was noted that:

- Officers would look to bring information on the Adult Lifelong Learning programme to a future meeting.
- As Committee received a report on housing at its last meeting, the report would be circulated to the new members by email.
- Information on the work being undertaken to examine the achievements and lessons learned from the work of NTCA since 2018 would be submitted to the October meeting of the committee to give it the opportunity to steer the direction of that piece of work.
- Information on the progress of work by NTCA would continue to be shared via the regular briefings emailed to all committee members.

RESOLVED – That the Committee agreed the provisional work programme for the year ahead subject to the comments above, noting that it could change to respond to matters as they arose.

10 **DATE AND TIME OF NEXT MEETING**

Tuesday 10 October 2023 at 1:00pm at Newcastle Civic Centre.

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Title: 2023/24 Quarter 1 NTCA Budget Monitor Report 

Report of: Director of Finance

Report Summary

The purpose of this report is to present the first quarter budget monitoring report on the 2023/24 NTCA financial position to the Overview and Scrutiny Committee. The report brings together the forecast financial position for both the Corporate, Investment Fund, Brownfield Housing Fund and Adult Education budget and provides an indication of the potential position of the Combined Authority on 31 March 2023. It also sets out the potential position on the reserves at the year end.

Recommendation

The Overview and Scrutiny Committee is invited to review the report on the 2023/24 Q1 NTCA Budget Monitor Report which was presented to Cabinet on 25 July 2023.

A. Context

1. Background Information, Proposals and Timetable for Implementation

- 1.1 Cabinet approved the 2022/23 Budget on 31 January 2023. Included in that Budget was the estimated expenditure across the year for both the Corporate Budget, Investment Fund, Brownfield Housing Fund, and the Adult Education Budget.
- 1.2 The 2023/24 Q1 budget monitor reflects the continued development of the Combined Authority in terms of the establishment of the authority's staffing structure, and the systems required to support the delivery and monitoring of projects and programmes aligned with its vision based on current information and trajectory of delivery of programmes and projects.
- 1.3 The North of Tyne Combined Authority enters year 6 of delivery after successfully passing the first five-year gateway review securing ongoing funding for continued and increased delivery, £136.6m has been contracted to date. Since the budget for 2023/24 budget was approved, the Combined Authority has been awarded regional capital monies (£15.350m) from the Department of Levelling up Housing and Communities for three specific schemes. Creative Growth Programme is another new area of delivery the Combined Authority are acting as accountable body for the North East seven local authorities. UK SPF continues to gain momentum alongside Multiply and Rural England Prosperity Fund. Adult Education Devolved Budget alongside Bootcamp funding continues to deliver against the NTCA's Strategic Skills Plan targeting a number of priority sectors i.e., tech and digital, green growth and energy, health and ageing and longevity to help meet skills shortages in the area.
- 1.4 The 2023/24 Q1 NTCA Budget Monitor Report, including the Mid-year Treasury Management position will be taken to Cabinet on 28 November 2023, and will follow on to Overview and Scrutiny Committee on 5 December 2023.

B. Impact on NTCA Objectives

1. The North of Tyne Combined Authority Vision document sets out the strategic objectives of the Authority. The 2023/24 budget position against which the budget is monitored against

demonstrates the Authority has properly discharged its functions and assisted in delivering the Authority's vision, policies, and priorities.

C. Equalities implications

1. The Overview and Scrutiny Committee is mindful of its duty under the Public Sector Equality Duty and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision eliminates discrimination, harassment and victimisation; advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it; and also considers the implications for people from different socio-economic backgrounds/low pay as a protected characteristic. An equalities impact assessment has not been undertaken because as there are no direct equalities impact to consider in light of this report.

D. Inclusive Economy and Wellbeing implications

1. The Overview and Scrutiny Committee is mindful of NTCA's inclusive economy ambitions and the five characteristics of an inclusive economy: participation; equity; growth; stability and sustainability and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision has taken these fully into account. NTCA's Wellbeing Framework sets out ten social, economic, environmental, and democratic outcomes to improve the wellbeing of everyone living in the North of Tyne now and in the future. The NTCA, LEP and INEE outturn and budget reports provide transparency and assurance that public funds allocated to the region have been used appropriately in line with the vision and of the NTCA and Strategic Economic Plan of the LEP.

E. Climate Change implications

1. The Overview and Scrutiny Committee is mindful that NTCA's and the three constituent Local Authorities have declared a Climate Emergency and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision has taken climate change fully into account. There are no direct considerations in relation to climate change arising from these specific finance reports other than reporting on the budget and expenditure in relation to climate change projects.

F. Consultation and engagement

1. The creation of the North of Tyne Combined Authority has been subject to significant and regional consultation. The 2023/24 budget was subject to wide consultation across the North of Tyne Region. The constituent authorities have been consulted directly on the production of the outturn statement.

G. Appendices

Appendix 1: 2023/24 Q1 NTCA Budget Monitor Report

H. Background papers

31 January 2023 2023-2027 Final Budget Proposals

I. Contact officer(s)

Janice Gillespie, NTCA Director of Finance janice.gillespie@northoftyne-ca.gov.uk

J. Glossary

NTCA North of Tyne Combined Authority



Title: NTCA Q1 2023-24 Budget Monitor
Report of: Director of Finance
Portfolio: All

Report Summary

This report is the first quarter monitoring report to Cabinet on the 2023/24 financial position. The report brings together the forecast financial position for the Corporate budget, Investment Fund, Brownfield Housing Fund, UK Social Prosperity Fund (UK SPF), Adult Education Budget (AEB), Bootcamps.

Recommendations

The Cabinet is recommended to note the 2023/24 forecast budget monitor position for the Combined Authority as set out in Section 2. Corporate Budget, Section 3 Investment Fund (including capital spend), Section 4 UK Social Prosperity Fund (UKSPF) including Rural England Prosperity Fund and Multiply, Section 5 Brownfield Housing Fund, Section 6 AEB, Section 7 Bootcamps and Section 8 Reserves position.

Context

1. Introduction

- 1.1 Cabinet approved the 2023/24 budget on 31 January 2024. Included in that budget was the estimated expenditure across the year for the Corporate Budget, Investment Fund, Brownfield Housing Fund, UKSF, Adult Education Budget and Bootcamps.
- 1.2 The 2023/24 Q1 budget monitor reflects the continued development of the Combined Authority in terms of the establishment of the authority's staffing structure, and the systems required to support the delivery and monitoring of projects and programmes aligned with its vision based on current information and trajectory of delivery of programmes and projects.
- 1.3 The North of Tyne Combined Authority enters year 6 of delivery after successfully passing the first five-year gateway review securing ongoing funding for continued and increased delivery, £136.6m has been contracted to date. Since the budget for 2023/24 budget was approved, the Combined Authority has been awarded regional capital monies (£15.350m) from the Department of Levelling up Housing and Communities for three specific schemes. Creative Growth Programme is another new area of delivery the Combined Authority are acting as accountable body for the North East seven local authorities. UK SPF continues to gain momentum alongside Multiply and Rural England Prosperity Fund. Adult Education Devolved Budget alongside Bootcamp funding continues to deliver against the NTCA's Strategic Skills Plan targeting a number of priority sectors i.e., tech and digital, green growth and energy, health and ageing and longevity to help meet skills shortages in the area.

2. Corporate Budget

- 2.1 The Corporate Budget is set at a net zero position covering the costs associated with the capacity required to deliver across all portfolios.
- 2.2 Table 1 overleaf reflects the 2023/24 forecast position across the key income and expenditure heads within the Corporate Budget head.
- 2.3 Gross expenditure is anticipated to exceed budget by £0.316m at this point in the new financial year, £0.302m of this is in relation to an increase in employee expenditure. There are now 93 staff

directly employed by the Combined Authority, reflecting the increase in delivery on new areas of externally funded activity such as Net Zero North East, Energy Hub and Accelerator and Power to Change and supporting North East Devolution Transition. Other costs include the accommodation budget (£0.350m), costs are anticipated to exceed budget by £0.014m as the reduced lease costs received in the first two years comes to an end. The accommodation budget has previously reflected an underspend against budget (2022/23 outturn £0.265m).

Table 1: Q1 2023/24 Corporate Budget Monitor

	2023/24	20223/24 Q1 Spend	Forecast	Variance
	£m	£m	£m	£m
Expenditure				
Staffing	4.786	1.042	5.084	0.299
Mayor's Office	0.288	0.058	0.291	0.003
Other Costs	2.078	0.520	2.092	0.014
Contribution to Reserves	0.500	0.500	0.500	0.000
Transport Levy	30.561	7.640	30.561	0.000
SLAs	0.271	0.068	0.271	0.000
Total Expenditure	38.483	9.828	38.799	0.316
Income				
Grant Income	(7.211)	(2.038)	(7.527)	(0.316)
Constituent Authority Contributions	(0.111)	0.000	(0.111)	0.000
Contribution from Reserves	(0.600)	(0.150)	(0.600)	0.000
Transport Levy	(30.561)	(7.640)	(30.561)	0.000
Total Income	(38.483)	(9.828)	(38.799)	(0.316)
Net Position (Inc)/Exp	0.000	0.000	0.000	0.000

- 2.4 Gross income reflects an increase in other contributions (£0.266m) relating to Net Zero North East, Energy Hub and Energy Accelerator activity and increase in Investment Fund Workstream activity (£0.050m). Bootcamp Wave 4 grant income (£9.230m) has been confirmed awarded since the 2023/24 was approved, providing an increased top slice of £0.839m compared to the £0.675m estimate assumed in the budget.

3. Investment Fund

- 3.1 Delivery of the Investment Fund continues, with £136.582m of contracted spend and over 148 projects approved since the launch of the Combined Authority, providing direct support to residents, promoting business growth and investing in our communities. These projects are on track to create 5,235 jobs, with the first 1,716 new jobs created and 1,810 jobs safeguarded.
- 3.2 Table 2 overleaf reflects the Investment Fund by Portfolio in line with the Corporate Plan and shows spend to date and forecast spend by the end of the financial year 2023/24 against the original Investment Fund allocation.

Table 2: Investment Fund Spend to Date and Forecast Spend at 31/3/2024

	IF Allocation £m	Spend to Date £m	Forecast Spend 31/3/2024 £m
Clean Energy, and Connectivity	7,245	4,080	7,232
Culture, Creative and Rural	18,683	6,182	13,589
Education, Inclusion and Skills	16,604	6,565	13,516
Green New Deal and Connectivity	9,000	382	8,430
Housing, Land and Development	23,455	2,479	15,755
Jobs, Innovation and Growth	47,478	18,403	29,347
Social Economy and Communities	2,117	1,766	1,892
Investment and Resources	10,000	10,000	12,000
Total	134,582	49,857	101,761

- 3.3 Table 2 illustrates the significant progress made in decisions and actions to deliver the overall Investment Fund programme since the establishment of the Combined Authority with contracted committed spend of £136.582m (£12m relates to the corporate contribution). Although financial performance in terms of spend to the end of 30 June 2023 is £50.357m the forecast spend position by the end of the financial year reflects a substantial increase. This reflects many projects coming into their final year of delivery against the original set of allocations.
- 3.4 Included in the budget is a provision for Technical Support, this is a requirement of the Assurance Framework that Investment Fund proposals are subject to external independent testing. Any unspent budget provision for this support has been transferred to a specific reserve at the year end to support the delivery of this programme of work in future years.
- 3.5 The Investment Fund includes the spend on capital schemes, Table 3 below lists these projects.

Table 3: Capital Schemes within the Investment Fund

	2023/24 £m	2024/25 £m
North Shields Fish Quay	0.242	
CCZ – North Tyneside	0.657	
Energy Central Learning Hub (ECLH)	1.000	
Northumberland Line Newsham Bridge	5.000	
Berwick CCZ	0.100	
North Bank of the Tyne EZ Phase 1	0.317	
North Bank of the Tyne EZ Phase 2	1.000	2.444
Bates Clean Energy Terminal	0.113	
Clean Energy Park, Howdon Yard and Quay	0.038	
Technology Development Centre	1.000	1.000
NEP1 Battle Wharf	0.741	
Neptune & Swans Energy Parks Enabling Work	0.141	
Total	10.349	3.444

3.6 In addition to the above capital schemes funded from the NTCA Investment Fund, £15.350m of capital funding was provided by DLUHC in March 2023 for spend within 2022/2023 however, slippage into 2023/2024 was allowed due to the late receipt of the notification of funding, all schemes will be complete by 2023/24 Qrt.2. Table 4 shows the three schemes identified for this additional capital spend.

Table 4: £15.350m Capital Funding

Capital Project	Allocation £m	Spend to Date £m	Spend to Qrt.2 2023/24 £m
Port of Tyne -Tyne Clean Energy Park	8.000	6.414	8.000
Sunderland City Council – Sunderland Studio Development	5.500	2.119	5.500
North Tyneside Council – North Shields Town Square	1.850	0.308	1.850
	15.350	8.841	15.350

3.7 Creative Growth Programme

Department for Digital Culture Media and Sport (DCMS) launched its Create Growth Programme in June 2022, reflecting the fact that ‘creative industries’ is one of the fastest growing sectors of the UK economy. Six successful local area partnerships were awarded approximately £1.275m in grant funding to deliver targeted business support to high growth potential creative businesses. The Northeast Create Growth Programme (CGP), convened by the NTCA, is one of the six successful partnerships.

North East Create Growth Programme is designed to support 100 creative businesses with high-growth potential, between the seed and scaling stages, from across County Durham, Gateshead, South Tyneside, Sunderland, Newcastle, North Tyneside and Northumberland with the support and the investment they need to grow their business and turn their innovative creative ideas into the leading creative businesses of the future. Four key target sectors of growth have been identified: IT/Software and computer services (with a focus on CreaTech; Gaming, AR/VR and E-sports), Design/Designer Fashion, Publishing, and Film and TV.

Funding was confirmed to North of Tyne Combined Authority acting as Accountable Body for the seven north east local authorities for financial year 2022/23 of £425,000, this was carried forward on the balance sheet to match spend in 2023/24. Funding for £425,000 based on performance will be allocated for the financial year 2023/24 and 2024/25.

DCMS Create Growth Programme - North East	2022/23 £m	2023/2024 £m	2024/25 £m	Total Programme £m
Marketing and Events	-	0.029	0.019	0.048
Delivery Programme	-	0.465	0.419	0.883
Project Delivery and Staff Overheads	-	0.193	0.151	0.344
Total Budgeted Expenditure	-	0.687	0.588	1.275
Funding	(0.425)	(0.425)	(0.425)	(1.275)

4. UK Social Prosperity Fund (UK SPF)

- 4.1 The UK Shared Prosperity Fund (UKSPF or the Fund) is a central pillar of the UK government's Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025. The intention of the fund is to invest in domestic priorities and targeting funding where it is needed most: building pride in place, supporting high quality skills training, supporting pay, employment and productivity growth and increasing life chances. The table includes the Rural England Prosperity Fund (REPF) a £110m top-up to the UKSPF allocated to eligible rural authorities to support activities that specifically address the challenges rural communities face. North of Tyne was allocated £3.044m capital funding specifically targeted at Northumberland, but recognising the important connection between our rural, coastal and urban economies. which has now been approved.
- 4.2 Table 5 below reflects the spend to date in 2022/23 and the committed spend to date for 2023/24, in advance of further projects included in the Investment Fund update to Cabinet in the agenda today.

Table 5: UK Social Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF) Profile to 2023/24

UKSPF Investment Priorities	Total Allocation		2022/23 Spend to Date		2023/24 Committed Spend to Date	
	Revenue £m	Capital £m	Revenue £m	Capital £m	Revenue £m	Capital £m
Community and Place	11.137	4.115	1.407	0.155	2.809	0.818
Supporting Businesses	13.814	4.528	-	-	3.777	-
People and Skills	11.609	-	-	-	3.184	-
Rural England Prosperity Fund	-	3.044	-	-	-	0.500
Administration Top-Slice (4%)	1.522	0.359	0.241	-	-	-
Total UKSPF and Rural England Prosperity Fund	38.082	12.046	1.648	0.155	9.770	1.318

- 4.3 Multiply Funding is a separate funding stream that forms part of UKSPF overall programme and is aimed at boosting funding for adult numeracy enabling local areas to deliver more innovative approaches to reach more people. The funding profile and committed spend to date is shown below in Table 6.

Table 6: Multiply UKSPF Spend Profile

UKSPF Multiply	Total Allocation	2022/23 Spend	2023/24 Committed Spend to Date
Multiply Programme	3.715	1.089	1.296
Administration top slice (10%)	0.413	0.125	0.114
Total UKSPF Multiply	4.128	1.214	1.410

5. Brownfield Housing Fund (BFH)

- 5.1 The Brownfield Housing Fund (BHF) was the first housing allocation for the North of Tyne Combined Authority. The funding is intended to support the development of at least 2000 new homes, by remediating and revitalising brownfield sites across the North of Tyne area. The Brownfield fund is part of a broader housing programme and pipeline of sites, shaping a strategic delivery approach to supporting housing and economic recovery.
- 5.2 An extension to BHF was announced in the Levelling Up White Paper. Mayoral Combined Authorities (MCAs) were awarded £120 million nationally, to be allocated to each MCA based on population. NTCA was awarded £7.96 million, bringing the total amount of BHF funding to £31.820 million.
- 5.3 In terms of approvals to date, NTCA have approved 11 schemes with a total commitment of £23.227m, with a further 4 projects currently going through appraisal valued at £9.264m. These schemes are forecasting the creation of 2133 housing units with the extended pipeline accounting for 2422, this is set against the DLUHC target of 1500. Forecast private sector leverage for the contracted projects stands at £115.95m.
- 5.4 Table 6 shows the projected programme with current allocation of funds.

Table 6: Projected programme with current allocation of Brownfield Housing Fund

	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	Total
	£m	£m	£m	£m	£m	£m
Initial Funding Profile	4.854	8.100	6.700	3.100	1.100	23.854
Extended Funding Profile	0.000	0.000	4.753	2.674	0.524	7.951
Combined Funding Profile	4.854	8.100	11.453	5.774	1.624	31.805
Projected spend as of 30/06/2023	0.636	3.228	1.046	16.417	8.669	31.277
Actual spend as of 30/06/2023	0.636	3.228	1.046	0.059		5.000

- 5.5 Overall good progress is being made with the NTCA's Brownfield Housing Programme. The programme is expected to over deliver in terms of outputs and deliver good value for money, with expenditure profiles expected to be completed by March 2025 in line with government's expectations.
- 5.6 Actual project expenditure was broadly in line with projected expenditure in 2020/2021 and 2021/2022, however, fell below projection in 2022/2023. Schemes delivering early in the programme were selected due to their high level of shovel readiness. Extensive work has been undertaken to progress less well-developed schemes. This is time consuming and consequently a lag between schemes being added to the pipeline and developing to the point they begin to draw down Brownfield Housing Grant funding. Actual expenditure is expected to increase significantly during 2023/2024 and into the final year 2024-25 as a number of pipeline schemes begin on site works.
- 6. Adult Education Budget (AEB)**
- 6.1 As part of the devolution deal the Adult Education Budget was devolved to the authority with an effective start date of August 2020. This provided the Authority with significant new powers and

responsibilities in delivering both Mayoral and Cabinet priorities alongside the national skills agenda and priorities.

- 6.2 NTCA's devolved AEB Budget for the period 1 April 2023 to 31 March 2024 is £24.535m. Additional £1.233m for the delegated Free Courses for Jobs (FCFJ) Offer has been awarded for this financial year bringing the total AEB Budget for 2023/24 to £25.768m.
- 6.3 Under delivery in previous years has meant that a proportion of unallocated funds were held in reserve at the end of 2022/23 due to under delivery as a result of the Covid Pandemic. Providers have been working hard to increase participation and are reporting an increased confidence from learners and employers. This has resulted in an increased uptake in learning opportunities.
- 6.4 In recognising the increased uptake in learning opportunities a delegated decision was taken in May to increase the value of 7 AEB Grant Agreements where providers were able to demonstrate increased demand and forecasted over-delivery by the end of the 2022-23 academic year (AY). The financial implications of this are set out in Table 7 below, alongside the AEB financial update and the FCFJ financial update. The AEB budget includes a 3% top slice allocation to fund corporate related activity allocation.

Table 7: AEB and FCFJ 2023/24 Spend Profile including Growth Allocations

Table 7 below reflects the AEB and the Free Courses for Jobs funding for 2023/24 financial	2023/24 AEB Financial Year		
	2023/24 Allocation	2023/24 Spend to Date	2023/24 FY Forecast
	£	£	£
AEB	23.823	5.956	23.823
FCFJ	1.233	0.308	1.233
Corporate top slice	0.712	0.178	0.712
Growth Allocations	3.603	0.901	3.603
Total	28.139	7.035	28.139
2023/24 AEB and FCFJ Funding	(24.536)	(6.134)	(24.536)
AEB Funding Reserve	(3.603)	(0.901)	(3.603)
Total Funding	(28.139)	(7.035)	(28.139)
Net Funding Position	0.000	0.000	0.000

- 6.5 Providers AEB delivery plans are monitored at quarterly performance management meetings throughout the year. AEB Devolution features as a strategic risk on the NTCA Strategic Risk Register. In addition, at a project level, appropriate risk management processes are in place to identify and mitigate risks, with escalation requirements embedded.

7. Skills Bootcamps

- 7.1 NTCA received a grant funding agreement directly from the Department for Education (DfE) for a total of £5.531m to support the delivery of Skills Bootcamps in the NTCA region. For 2023/24 NTCA were allocated £10.530m for Bootcamp Wave 4. This is a significant investment in our region and has the potential to deliver new opportunities to generations of adult who may have been previously left behind. The funding for Bootcamps is allocated on an annual basis and not guaranteed on an ongoing basis, however, NTCA have been allocated £10.530m for Bootcamp Wave 4 in relation to 2023/2024.
- 7.2 Table 8 overleaf shows the remaining financial position on Wave 3 Bootcamps, 50% of the funding plus the 10% top slice was provided upfront (£3.017m) from DfE in 2022/23, of this there is a remaining balance to be delivered against of £1.206m. Bootcamp Wave 4 funding will be provided 50% upfront plus the top slice funding of 10% with the remaining amounts to be claimed in arrears

as claims are paid out. It is anticipated that all Bootcamp Funding will be spent in full by the end of financial year 2023/24.

7.3 Table 8: Skills Bootcamps 2023/24 Budget Monitor

	2023/24 Budget	2023/24 Q1 Spend	2023/24 Forecast	Variance
	£m	£m	£m	£m
Bootcamp Wave 3 remaining balance	1.206	0.243	1.206	0
Bootcamp Wave 4	9.477	0.466	9.477	0
Bootcamp Wave 4 top slice	1.053	1.053	1.053	0
Total Expenditure	11.736	1.762	11.736	0
Bootcamp Wave 3 Funding	(1.206)	(0.243)	(1.206)	0
Bootcamp Wave 4 Funding	(10.530)	(1.519)	(10.530)	0
Total Income	(11.736)	(1.762)	(11.736)	0

8. Reserves Position

8.1 The forecast position on reserves held on 31 March 2023/24 are detailed below in Table 9.

Table 9: NTCA Reserves forecast position at 31 March 2023/24

NTCA Reserves			
	Opening Balance 2023/24	Movement to and from Reserves	Balance on Reserves at 31/03/2024
	£m	£m	£m
Strategic Reserve	(0.200)	0.000	(0.200)
Investment Fund Reserve	(48.196)	29.615	(18.581)
Election Fund Reserve	(1.850)	(0.500)	(2.350)
Adult Education Budget Grant	(8.760)	3.603	(5.157)
Skills Bootcamps Wave 2	(0.015)	0.015	0.000
Department of Levelling Up Housing & Communities Capital Grant	(12.302)	12.302	0.000
Create Growth Programme	(0.425)	0.425	0.000
United Kingdom Social Prosperity Fund	(3.950)	3.950	0.000
Strategic Capacity Reserve	(1.252)	0.000	(1.252)
Bootcamp Wave 3	(1.134)	1.134	0.000
Net Zero North East England	(0.151)	0.151	0.000
Brownfield Housing Fund	(12.726)	9.388	(3.338)
Reserves less than £0.100m	(0.247)	0.247	0.000
Total Reserves	(91.208)	60.330	30.878

8.2 Based on the forecast position at Q1 the position on the Investment Fund Reserves will decrease to £18.581m based on the current trajectory on the Investment Fund. The level of the Investment Fund Reserve reflects Investment Fund monies received to date of £120.000m.

8.3 Prior years unallocated Adult Education Budget funds of (£3.603m), will be allocated to providers demonstrating over delivery. Department of Levelling up Capital Grant received late in March 2023 will all be drawn down by quarter 2. Create Growth Programme will also spend the full allocation in 2023/24 and should receive another tranche of £0.425m to meet expenditure. Other grant reserves held less than £0.100m total £0.247m and relate to Preparing to Exit EU grant (£0.051m), Multiply

(£0.033m), Defra Grant funding (£0.085m), DCIA Grant (£0.026m), Redmond Review funding in relation to external audit (£0.026m) and Bootcamp Wave 2 (£0.014m) and a small reserve in relation to Project Management System maintenance reserve (£0.009m). The Strategic Reserve continues to be maintained at £0.200m in line with the Reserves and Balances

B. Impact on NTCA Objectives

1. The North of Tyne Combined Authority Vision document sets out the strategic objectives of the Authority. The 2022/23 budget position against which the budget is monitored against demonstrates the Authority has properly discharged its functions and assisted in delivering the Authority's vision, policies, and priorities.

C. Key risks

1. There are no specific risks relating to this report.

D. Financial and other resources implications

1. This report sets out the financial and resource implications which have arisen during quarter 1 of 2023/24.
2. The Mayor and Cabinet need to have due regard to the Director of Finance's advice in relation to the levels of reserves and balances in accordance with the Authority's Reserves and Balances Policy.

E. Legal implications

1. The Combined Authority has a legal obligation under the Local Government Act 2003 to have regard to the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice; the Chartered Institute of Public Finance and Accountancy's Prudential Code: Capital Finance in Local Authorities and the Department of Levelling up Communities and Housing Statutory Guidance on Local Government Investments.
2. The Combined Authority is required to agree a balanced budget annually and to monitor performance against that budget throughout the year. The Combined Authority must also make provision for an adequate level of un-earmarked reserves. It is also required to ensure that good financial governance arrangements are in place.

F. Equalities implications

1. There are no direct equalities implications arising out of the recommendations in this report.

G. Inclusive Economy and Wellbeing implications

1. There are no direct inclusive economy implications arising from the recommendations in this report.

H. Climate Change implications

1. There are no direct climate change implications arising out of the recommendations in this report

I. Consultation and engagement

1. The creation of the North of Tyne Combined Authority has been subject to significant and regional consultation. The 2023/24 budget was subject to wide consultation across the North of Tyne Region. The constituent authorities have been consulted directly on the production of the 2023/24 Budget and 2022/23 Outturn statement.

J. Appendices

None

K. Background papers

31 January 2023 NTCA Budget Report

L. Contact officer(s)

Janice Gillespie, Director of Finance Janice.gillespie@northoftyne-ca.gov.uk

M. Glossary

AEB	Adult Education Budget
NTCA	North of Tyne Combined Authority
Core-UKSPF	UK Shared Prosperity Fund
DCMS	Department of Culture Media and Sport

N. Sign-off

1) Cabinet Member Yes	2) Director/SMT Yes	3) Chief Finance Officer: Yes	4) Monitoring Officer: Yes	5) Chief Executive: Yes
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Report Summary

The purpose of this report is to advise the Committee of the proposed approach and timetable for the preparation of the 2024-25 Budget and Corporate Plan for the proposed North East Mayoral Combined Authority (NEMCA).

Recommendations

The Overview and Scrutiny Committee is recommended to note the report and consider any requirements in advance of its examination of proposals in relation to the NEMCA corporate budget and associated plans.

1. Background

- 1.1. The proposed devolution deal provides £4.2 billion of investment into the region over 30 years, including a £1.4bn investment fund alongside significant funding for skills, transport, education and skills, housing, and regeneration. This will enable investment into projects which reflect local needs and opportunities, making a real difference for our residents, communities, and the local economy.
- 1.2. To deliver the deal there is a need to be ready with a single corporate plan and budget for the period May 2024 through to March 2025. Subject to the necessary Orders being laid, the deal provides a framework for the development of the initial budgets and financial plans for the new authority, however until the new authority comes into existence, the current decision-making arrangements apply.
- 1.3. Current intentions are that a single plan and budget will be prepared and considered across the current decision-makers (NECA, NTCA and JTC) in a manner that fits current arrangements and can be seen as a combined budget in May 2024.

2. Approach

- 2.1. Initial proposals in relation to the NEMCA corporate budget, and associated plans across all Portfolio's and early priority areas for NEMCA will be produced for consideration by the Leaders and Mayor of the LA7 Authorities as the Combined Authority Steering Group (CASG) during September.
- 2.2. It will be important to consider the development of the budget proposal alongside the Corporate Plan and Investment Plan and take these three documents together as part of the Budget and Financial Planning process.
- 2.2. The Joint Transport Committee considered the Budget Process the financial context for the Transport Levies at its meeting held on 19 September 2023. Outline proposals and accompanying information for the Transport Levies will be considered by CASG in October 2023.

- 2.3. The NECA Leadership Board are responsible for considering the funding necessary to discharge the transport functions of NECA and make proposals for the funding of this considering the JTC's proposals or decisions in relation to the levies and the wider transport budget.
- 2.4. Proposals from the JTC in relation to levies and the distribution of those levies to the Constituent Authorities and the Combined Authorities will be considered by the CASG and then the NECA Leadership Board (and the NTCA Cabinet for information) in November / December 2023, when the NEMCA draft budget proposals are considered.
- 2.5. The draft budget proposals will then be referred to the NTCA, NECA, and Joint Transport Overview and Scrutiny Committees for consideration in October (JTC) December (NTCA and NECA). The Overview and Scrutiny Committees may wish to arrange a joint informal workshop to consider the proposals in detail.
- 2.6. CASG and NECA Leadership Board and NTCA Cabinet will then refine the proposals in accordance with the updated forecasts from the Portfolio Workstreams and the recommendations and decisions made by the JTC and ensure there has been effective engagement with the relevant Overview and Scrutiny Committees.
- 2.7. It is the responsibility of the Leaders and Elected Mayors and relevant officers to ensure that the Overview and Scrutiny Committees have sufficient background information to enable it to evaluate the proposals against that background information.
- 2.8. A period of budget consultation will be undertaken during November and December. The intention being to build on engagement events being delivered over the period in advance of the NEMCA being established and the consultation that was undertaken on the Devolution Deal – which provides a framework for the financial planning and budget proposals.
- 2.9. NECA Leadership Board and NTCA Cabinet will consider the decisions and any recommendations made by the Overview and Scrutiny committees and respond accordingly.
- 2.10 Once the consultation process has been completed, the outcome will be reported to CASG and the NECA Leadership Board / NTCA Cabinet as part of the final draft budgets in late January 2024.

The Table below provides a headline summary of key milestones and dates associated with the Budget and Financial Plan process.

DATE	EVENT/MEETING	ACTION
Over the course of September and October	(Combined Authority Steering Group) CASG and /CEXs	Initial proposals in relation to the NEMCA corporate plan and budget, and the Investment Plan – comprising the portfolio plans for investment, and the early priorities for NEMCA will be produced for consideration over September and Early October
21 November 2023	Joint Transport Committee	Consider and agree draft transport budget/levy for consultation.

28 November 2023	Cabinet Meeting NECA and NTCA	NECA Leadership Board and NTCA Cabinet consider and agree the draft Budget and Financial, Corporate and Investment Plans for the NEMCA.
29 November 2023	Consultation and Engagement events	Budget consultation events begin
December 2023	NTCA, (5 th) NECA (14 th) and JTC (14 th) Overview and Scrutiny Committee	Receive and consider the NEMCA's draft Budget and Financial Plan
16 January 2024	Budget Scrutiny Workshop	To consider in detail the budget proposals following completion of the public consultation.
16 January 2024	Joint Transport Committee	Approve Transport Revenue Budget and Transport Levies.
23 January 2024 (note 1)	NECA Leadership Board	NECA Leadership Board formally issue Transport Levy agreed by JTC, and agree the 2024-25 NEMCA Budget and Financial Corporate and Investment Plans
30 January 2024(note1)	NTCA Cabinet	NTCA Cabinet meets to agree formally agree the 2024-25 NEMCA Budget and Financial, Corporate and Investment Plans.
May/June 2024	NEMCA Mayor and Cabinet	Approval 2024-25 NEMCA Budget, Financial, Corporate and Investment Plans

Note 1 consideration is being given to meetings being on the same date.

A. Impact on NTCA Objectives

1. The North East Devolution deal builds on the policies and priorities developed and delivered by the North of Tyne Combined Authority. With a continued focus on those key priorities across a wider devolution geography.

B. Equalities implications

1. The Overview and Scrutiny Committee is mindful of its duty under the Public Sector Equality Duty and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision eliminates discrimination, harassment and victimisation; advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it; and also considers the implications for people from different socio-economic backgrounds/low pay as a protected characteristic. An equalities impact assessment of the NEMCA Budget and Corporate Plan will be undertaken as part of the development process.

C. Inclusive Economy and Wellbeing implications

1. The Overview and Scrutiny Committee is mindful of NTCA's inclusive economy ambitions and the five characteristics of an inclusive economy: participation; equity; growth; stability and sustainability and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision has

taken these fully into account. NTCA's Wellbeing Framework sets out ten social, economic, environmental, and democratic outcomes to improve the wellbeing of everyone living in the North of Tyne now and in the future. The NEMCA policy priorities fully expects to continue the approaches to an inclusive economy and a well-being framework for consideration by the committee.

D. Climate Change implications

1. The Overview and Scrutiny Committee is mindful that NTCA's and the three constituent Local Authorities have declared a Climate Emergency and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision has taken climate change fully into account. The North East Devolution deal continues to focus on the requirements to act in respect of the climate emergency forming an outcome to be addressed as part of the Corporate Plan and Budget.

E. Consultation and engagement

1. To date the Leaders and Mayor and Chief Executives of the LA7 and the Chief Executive of NTCA have led the development of planning for the NEMCA. There has been wide ranging engagement to date across stakeholder groups as part of developing the devolution deal. These have continued over the summer. A wide range of Officer groups such as Economic Directors, Finance Directors, Education and Skills leads continue to be engaged in developing the corporate plan and budget.

F. Appendices

None

G. Background papers

[North East Devolution Deal](#)

H. Contact officer(s)

Janice Gillespie, Director of Finance North of Tyne Combined Authority- email Janice.gillespie@northoftyne-ca.gov.uk

I. Glossary

NEMCA	North East Mayoral Combined Authority
NECA	North East Combined Authority
NTCA	North of Tyne Combined Authority
JTC	Joint Transport Committee
CASG	Combined Authority Steering Group



Title: North of Tyne Combined Authority Review

Report of: Senior Governance Officer

Report Summary

The purpose of this report is to introduce the background and purpose of a scrutiny exercise to consider and help shape the scope of a review of the Authority's impact.

Recommendations

The Overview and Scrutiny Committee is invited to:

- a) consider the proposed approach to the review; and
- b) provide feedback on the proposed approach to the programme and suggest areas of work for inclusion in the review.

A. Context

1. Wrap Up Programme

- 1.1 As part of the transition to the North East Mayoral Combined Authority (NEMCA), and in line with the regular North of Tyne Combined Authority (NTCA) annual report cycle, the Authority will curate a summary of its work to date which celebrates its success, sets out its learning and creates a record of our existence, a 'wrap-up programme'. The programme will culminate with the publication of a wrap up report featuring a selection of the Authority's delivery priorities together with supplementary thematic reports looking across projects, programmes and delivery mechanisms to consider how innovation, inclusivity and net zero have been embedded.
- 1.2 At today's meeting Committee will be presented with an overview of the programme, the methodology to be used, including the extent to which external rigour will be applied, and to provide an indication of those areas to be included in the review.
- 1.3 The Committee will be invited to provide feedback on the proposed approach to the programme and to suggest areas of work for inclusion in the review.

B. Impact on NTCA Objectives

1. The wrap-up programme will be structured to reflect the delivery priorities contained within the Authority's Corporate Plan.

C. Equalities implications

1. The Committee should be mindful of the Authority's Public Sector Equality Duty. In considering the wrap up programme it may wish to examine the outcome of any equalities impact assessments undertaken and/or how the Authority has sought to eliminate discrimination, harassment and victimisation; advance equality of opportunity and fostered good relations.

D. Inclusive Economy and Wellbeing implications

1. The Committee should be mindful of NTCA's inclusive economy ambitions and the five characteristics of an inclusive economy: participation; equity; growth; stability and sustainability. NTCA's Wellbeing Framework sets out ten social, economic, environmental, and democratic outcomes to improve the wellbeing of everyone living in the North of Tyne now and in the future. When examining this matter members may wish to consider the extent to which these factors will be taken fully into account as part of the programme.

E. Climate Change implications

1. The Committee should note that NTCA and its three constituent Local Authorities have declared a Climate Emergency and when undertaking scrutiny of a particular topic looks to see that any policy/event/decision has taken climate change fully into account.

F. Consultation and engagement

1. Details of the proposed consultation and engagement will be presented at the meeting.

G. Appendices

None.

H. Background papers

The following background documents have been used in the preparation of this report:

- Overview and Scrutiny Work Programme 2023-24
- Wrap Up Programme Request Summary

I. Contact officer(s)

Michael Robson, Senior Governance Officer, Email: Michael.robson@northoftyne-ca.gov.uk
Tel: 0191 277 7242

J. Glossary

NTCA – North of Tyne Combined Authority
NEMCA – North East Mayoral Combined Authority

Title: North East Devolution Update
Report of: Strategic Economic Regional Adviser

Report Summary

The purpose of this report is to provide Members of the Overview and Scrutiny Committee with an update on the latest position associated with the “minded to” North East Devolution Deal and more specifically the creation of the North East Mayoral Combined Authority (NEMCA).

The report provides an update on statutory and local democratic processes that are required to be followed in advance of the proposed Mayoral elections scheduled for 2 May 2024, alongside an outline of the ongoing activity to bring together the five organisations that will form the new NEMCA.

Finally, the report will provide a brief commentary on the development of portfolio plans and the arrangements for driving the deployment of the additional £17.4 million Brownfield Land Fund investment in the South of Tyne that was announced as part of the wider devolution deal.

Recommendations

The Overview and Scrutiny Committee is recommended to note the content of this report.

A. Context

1. The North East Devolution Deal

- 1.1 The six North Local Authority Leaders, the Elected Mayor of North Tyneside and the Secretary of State formally signed the North East Devolution Deal in January 2023 kickstarting a prescribed process of ratification by all parties and the necessary statutory processes and parliamentary approvals of the secondary legislation necessary to implement the provisions set out in the Deal.
- 1.2 The Deal itself recognised the extensive collaborative work and serious leadership by the seven Local Authorities across the region during Covid when substantive economic recovery plans were developed that were the product of extensive engagement and collaboration with business, academia, the community and voluntary sector and with the people of the North East. These recovery plans together with comprehensive proposals for investment in transport across the region, formed the foundations for the discussions about devolution that followed and the various provisions within the Deal.
- 1.3 The Deal itself is significant and adds considerable value, in terms of additional powers and resources to that currently in place across the region. It builds on the successful track record of the Joint Transport Committee (JTC) that operates across the seven Local Authority geography and provides the framework for the integration of those five organisations (North of Tyne Combined Authority, North East Combined Authority, North East Local Enterprise Partnership, Invest North East England and Transport North East) that together will form the NEMCA.

1.4 Significant work is now underway to manage the transition to the NEMCA, overseen and led by the Leaders and North Tyneside Elected Mayor supported by the seven Local Authority Chief Executives and the North of Tyne Combined Authority Chief Executive. This activity is taking place across three key themes:

Operational Transition	Policy Development	Early Priorities
<ul style="list-style-type: none"> • Legal & Governance • People & HR • Finance • Comms • Systems & process • Org Transition • Target Op Model 	<ul style="list-style-type: none"> • Economy • Edu, Skills & Inclusion • Transport • Housing & Land • Culture, C, T & S • Rural & Environment • Finance & Investment • Cross cutting areas eg PSR & health inequalities 	<ul style="list-style-type: none"> • Adult Education • Brownfield Land Fund • Early Capital • Green Superport • Trailblazer • Transport projects • Investment Plan • Investment Zone

2. Operational Transition

2.1 The establishment of the NEMCA in May 2024 will see the establishment of a new organisation that forms from the five organisations listed in paragraph 1.3 of this report. These organisations operate across varying geographies and are continuing to deliver a broad range of investment and support programmes many of which are contracted and funded beyond May 2024. It is therefore important, in these instances, that those programmes continue to be delivered and arrangements will be put in pace for this through the proposed NEMCA Corporate Plan and Assurance Framework.

2.2 An important principle of the transition to NEMCA will be that it will be greater than the sum of its parts and the integration process will allow for much greater cross portfolio working and opportunities for greater synergies and mutual support. There are also opportunities to scale up existing programmes that are performing well and achieving positive impacts to a wider North East geography; subject, of course, to the agreed Assurance Framework processes.

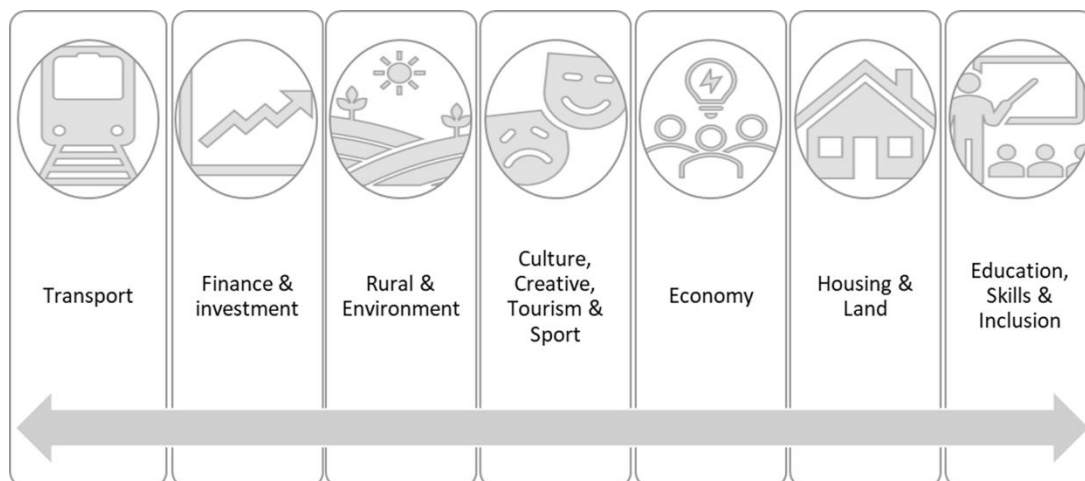
2.3 Arrangements for the transfer of staff to NEMCA from those five organisations will need to be fully compliant with the appropriate legislation; in particular, the Transfer of Undertakings (Protection of Employment) Regulations as amended in 2014.

3. Policy Development

3.1 Another key raft of activity relates to the development of policy objectives for NEMCA to drive forward and implement the provisions of the Deal following the election of the Mayor and formation of the Cabinet.

3.2 The Deal itself naturally falls into seven portfolio areas and each area is in the process of developing Portfolio Plans that set out the processes needs to manage transition, hit the ground running in May 2024 and provided a baseline position for strategic policy development in the short, medium and long term.

3.3 The Portfolios cover the following:



3.4 There are also a number of cross-cutting themes that run through all of the portfolios including, the Region's commitment to decarbonisation, inclusive growth and health and wellbeing.

3.5 Work is continuing for each portfolio led by a Leader from a constituent Local Authority, to develop Portfolio Plans and priorities and produce a clear implementation plan, all to be encapsulated in a draft NEMCA Corporate Plan and Investment Strategy.

4. Early Priorities – Brownfield Land Fund

4.1 The Devolution Deal also set out a number of investments into the Region that have been allocated in advance of the establishment of NEMCA and election of the Mayor. These included £17.4M Brownfield Land Fund (Capital) and £475,000 related capacity funding (Revenue). The Capital was specifically allotted to the four Local Authorities south of the Tyne as they had not previously been eligible for Brownfield funding allocated to NTCA.

4.2 The funding allocation came with some very challenging timescales namely that the funding had to be spent by March 2025. Members of the Committee will be aware of how challenging such timescales are given the experience of their own Brownfield programmes.

4.3 This funding was allocated to NTCA as the accountable body [in the absence of NEMCA] to administer in line with the adopted Assurance Framework.

4.4 A call for proposals was issued to the four eligible Local Authorities and were subjected to independent due diligence and a robust assessment, which included fit with the Brownfield Housing Fund criteria, the emerging strategic priorities of NEMCA and deliverability by March 2025, in line with the funding requirements.

4.5 Following the independent evaluation, it was recommended that eight schemes progress to the next stage namely the preparation of a full HM Treasury compliant business case. The decision to select these submissions to progress to the next stage was made using the NTCA's Scheme of Delegation. This was then reported to Cabinet on 26 September 2023 as part of the Investment Fund and Funding Approvals Update. This advised Cabinet of the 8 brownfield land projects that were added to the pipeline with a total investment of £17.8M.

4.6 The report to Cabinet also advised that contractual risks will be managed through the phasing of legal agreements, which when taking into account ongoing project development and appraisal activities, is expected to occur, in most cases, around or after the time that the funding will be released by Government to NTCA. If projects must defray funds or make contractual commitments earlier than the point that the Statutory Instrument to create the NEMCA is laid, the point at which

funding is guaranteed by Government, then case by case agreements will be sought between NTCA and the applicant as to how this risk is managed.

- 4.6 The relevant Local Authorities have been advised of the outcome of the independent assessment process and those successful have also been awarded £15,000 funding per scheme from the Revenue fund to support business case development.

B. Impact on NTCA Objectives

- 1.1 The contents of this report refer specifically to the ongoing work to manage the transition to the new North East Mayoral Combined Authority from May 2024. The establishment of this new body will be underpinned by its own Corporate Plan and strategic objectives that will be formally confirmed at an early meeting of the new Cabinet.
- 1.2 Significant efforts have been made to ensure that the work to oversee the transition does not impact the ongoing activities and business of the five constituent organisations that continue to deliver services and investment to meet their key objectives. These mitigation measures include the creation of additional capacity to support the transition process.

C. Equalities implications

- 1.1 All five constituent organisations actively strive to narrow inequalities and promote diversity in accordance with their obligations under the Public Sector Equality Duty. An equalities impact assessment for the development of the NEMCA Corporate Plan has not yet been completed but will be undertaken at the appropriate time.

D. Inclusive Economy and Wellbeing implications

- 1.1 A commitment to strive towards an inclusive and fair economy that addresses economic and social inequalities is a key feature of the Devolution Deal and as well as being one of those cross-cutting themes that join all the portfolio areas together, has a specific focus in the Education, Skills and Inclusion Portfolio.

E. Climate Change implications

- 1.1 The Overview and Scrutiny Committee is mindful that NTCA's and the three constituent Local Authorities have declared a Climate Emergency. In fact, the four Local Authorities south of the River Tyne together with the North East Combined Authority has also made such a Declaration.
- 1.2 The Devolution Deal has therefore recognised the importance that the seven constituent authorities has placed on reducing carbon and promoting an ultra-low carbon economy.

F. Consultation and engagement

- 1.1 This report is presented to Overview and Scrutiny Committee for information however in developing the emerging plans for each portfolio area a truly inclusive approach has been adopted that includes widespread stakeholder engagement and consultation.

G. Appendices

None

H. Background papers

None

I. Contact officer(s)

George Mansbridge, Strategic Economic Regional Adviser
george.mansbridge@northoftyne-ca.gov.uk

J. Glossary

NEMCA	North East Mayoral Combined Authority
NECA	North East Combined Authority
NTCA	North of Tyne Combined Authority
NELEP	North East Local Enterprise Partnership
RTT	Regional Transport Team
TNE	Transport North East
JTC	Joint Transport Committee

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