

North of Tyne Combined Authority, Overview and Scrutiny Committee

10 October 2023

(1.04pm – 2.52pm)

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

Draft Minutes

Present:

Chair: B Flux

Councillors L Bowman, S Fairlie, B Flux, J Harrison, L Marshall and G Stone and M Wilson

11 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting and asked for introductions.

12 APOLOGIES

Apologies for absence were received from Cllr Montague (Cllr Wilson in attendance as substitute) Cllr Ball (Cllr Bowman in attendance as substitute) Cllr Seymour (Cllr Hardy in attendance as substitute and Cllr Wright

13 DECLARATIONS OF INTEREST

None

14 AGREE THE MINUTES OF THE MEETING HELD ON 11 JULY 2023

RESOLVED – that the minutes of the meeting held on 11 July 2023 be agreed as a correct record and signed by the Chair.

15 2023/24 QUARTER 1 BUDGET MONITOR REPORT

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

J Gillespie (Director of Finance) presented the report to inform Overview and Scrutiny Committee of the first quarter budget monitoring report on the 2023/24 NTCA financial position. The report brought together the forecasted financial position for both the Corporate, Investment Fund, Brownfield Housing Fund and Adult Education budget and provided an indication of the potential position of the combined authority on 31 March 2024. It also set out the potential position on the reserves at the year end.

In presenting the report J Gillespie highlighted the following key points:

- The report had been approved by the NTCA Cabinet on 25 July 2023.
- The reporting line would need to be altered as the NTCA year-end would move to 6 May 2024, when the new North East Combined Authority will be created, but at the moment the overall position was forecast to March 2024.

Questions were then invited and in discussions with Members, it was noted that:

- i. There would be a balance sheet on 6 May 2024 which would transition across to the new combined authority and delivery would continue.
- ii. In terms of the investment fund, there were a range of projects and programmes which had commitments and grant agreements in place that went beyond the end of the current financial year and the programmes would continue to be delivered in the early stages of the new combined authority.
- iii. Regarding any additional contributions that may be needed to the transport levy, discussions would be needed at the Tyne and Wear Transport Committee in November and those discussions were for the LA7 authorities.
- iv. There were a range of projects and programmes that would naturally come to an end, these would be monitored, and information would be collated on outputs and outcomes associated with them.
- v. There would be a period of uncertainty for some programmes but discussions around that would be a part of developing the portfolio plans in areas of delivery that would be in scope in the new combined authority.
- vi. There was an appraisal process to be followed for brownfield housing which would determine if a project presented best value and that included the unit cost in terms of investment per anticipated housing delivered. The appraisal process was in line with what central government expected them to deliver against.
- vii. In 2021 there had been a low level of delivery as funding had come late in the financial year but 2021/22 had saw a significant amount of spend which had then fell back again in 2022/23. This showed an illustration of the early shovel ready schemes.
- viii. What could be seen across the current financial year and in to 2024/25 was less shovel ready and potentially more difficult sites which would still have to present best value.
- ix. Distribution of sites would be across the North of Tyne region and would vary in size and amount to be delivered. A report could be produced to share with committee where the sites were.
- x. There was a reasonable level of private sector investment against a relatively small level of public sector investment, and it represented good value.

RESOLVED – that the Overview and Scrutiny Committee note the 2023/24 Quarter 1 Budget Monitor report.

16 **2024/25 BUDGET AND CORPORATE PLAN PROCESS**

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

J Gillespie (Director of Finance) presented the report to advise Overview and Scrutiny 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).

In presenting the report J Gillespie highlighted the following key points: -

- An approach needed to be set out to develop what would be a shadow budget for the new combined authority. This was under the assumption that everything would continue in terms of the order being laid and that there was an initial budget in place for 7 May 2024 that would allow the new combined authority to operate.
- Both NTCA and NECA would receive consolidated reports of what the draft budget of NEMCA would look like.
- The intention would be that the first reports would go to both NTCA and NECA Cabinet in late November 2023 and scrutiny and the budget engagement process would begin, with a view to the final report being shared, following consultation, towards the end of January 2024.
- The Leadership Board and the NTCA Cabinet were currently scheduled for different dates, but it was hoped that these could be aligned.
- Officers were looking to bring the scrutiny groups together to look at the overall combined budget.

Committee were invited to review the proposed approach and timetable, ask any questions for clarification and to make comments as to its requirement to effectively scrutinise the proposals at its meeting on 5 December 2023 and the budget workshop to be held on 16 January 2023. In discussions with Members, it was noted that:

- i. It was difficult to anticipate what the budget would be but that was inevitable in the transition between authorities.
- ii. Portfolio plan areas were being developed which would build on the devolution deal.
- iii. It was expected that a corporate plan would go to Overview and Scrutiny committee which would set out key highlights and key deliverables in the first twelve months of the new combined authority and committee would be taken through the corporate plan and how the budget would flow from that. A workshop would take place to run through the corporate plan, to understand where the budget would come from that and to set out the early priority areas.
- iv. 29 November was the start of the consultation process, and it would take place with various sectors as the devolution deal progressed to the order of

being developed. That would build on consultation that had already taken place.

- v. The consultation period would be open for as long as possible up to the date that the Leadership Board and NTCA Cabinet meet.
- vi. It was a challenge to engage with the public, but a mechanism would be found to do it. This was not expected to be face to face.
- vii. The issue of the transport levy coming up was noted and it would be an issue for Local Authorities in terms of regional transport budgets and the budgets of NEXUS.

RESOLVED – that the Overview and Scrutiny Committee note the 2024/25 Budget and Corporate Plan Process report.

17 **NORTH OF TYNE COMBINED AUTHORITY REVIEW**

Submitted: Report of the Senior Governance Officer (previously circulated and copy attached to Official Minutes)

B Walkden (Interim Communications Officer) gave a presentation to the Overview and Scrutiny Committee which covered an overview of the programme, the methodology to be used and an indication of areas which would be included in the review. A copy of the presentation was attached to the Official Minutes for information.

Committee were invited to consider the approach to the review, provide feedback on the proposed review and suggest areas of work for inclusion in the review. In discussions with Members, it was noted that:

- i. The report would be balanced but it would focus on the success of the NTCA and how people's lives had changed through policy making and improvements. Lessons learned would also be highlighted.
- ii. An evaluation of what the authority had delivered and how performance had compared to targets that had been set would be useful to see.
- iii. A glossy publicity campaign would not be desired.
- iv. B Walkden's role was to look impartially at the report, and she would work with others to ensure it was a collaborative piece of work.
- v. Contact details of committee members had been requested and there was a questionnaire for them to complete.
- vi. B Walkden's role had been commissioned by the authority.
- vii. The report would be simple, and the case studies would demonstrate why the NTCA had been set up and what it had achieved.
- viii. It was important to humanise the report and it would be useful to capture stories on video and for these to be shared.
- ix. Devolution was a good thing, but the idea had to be sold to the public and the report was an opportunity to push the case for greater devolution without needing to brand it around a particular corporate entity.
- x. Details of the budget allocated for the commissioning of the review,

NTCAs specification for the review and the remit and role of the interim communications officer appointed would be confirmed in writing.

RESOLVED – that the Overview and Scrutiny Committee note the North of Tyne Combined Authority Review report and presentation.

18 **NORTH EAST DEVOLUTION UPDATE**

Submitted: Report of the Strategic Economic Regional Adviser (previously circulated and copy attached to Official Minutes)

G Mansbridge (Strategic Economic Regional Adviser) presented the report to update Overview and Scrutiny Committee on the creation of the North East Mayoral Combined Authority (NEMCA)

In presenting the report G Mansbridge highlighted the following key points: -

- The deal fell in to seven main portfolio areas and portfolio plans were being developed.
- When creating the new transport strategy and plan, thought had to be given about improving the quality of life for people in the North East.
- The Authority would develop an economic strategy for the North East and the qualities of all five organisations had to be built on.
- It was important that investment was made in areas where the private sector had demonstrated they were not able to invest.
- Regarding the skills agenda, it was important to build on the additional resources that would be available.
- In terms of moving forward, there were three areas of activity: operational transition, policy development and early priorities.
- A joint bid had been submitted which, if successful, would provide a significant amount of funding to invest in the next wave of skills bootcamps.
- The devolution deal was being used as a central reference point in terms of how to move forward.
- There had been a commitment in the devolution deal to provide £17.4m in advance of the establishment of the new combined authority to fund additional investment in brownfield land. The government had given a deadline for having the funds deployed and spent by March 2025 which was a challenging timeline.
- Another commitment in the devolution deal had been a strategic place partnership to ensure the type of homes built were what were needed in the region.

Questions were then invited and in discussions with Members, it was noted that:

- i. In terms of the new authority and where it would be located, that decision had not been made but hybrid working arrangements gave more options.
- ii. The issue of digital roll out appeared prominently in the devolution deal and creating a connected rural economy was important.
- iii. With regard to housing, for the vast majority of homes that would be in the North East in 20 years' time, it was important to think about

- thermal comfort and the green deal.
- iv. Regarding brownfield land, as well as £17.4m capital, £170k revenue funding had also been awarded to support delivery. Some of the additional funding would be used for site investigations.
 - v. The housing crisis could not be resolved in a year. There was a link between economic growth and housing but there would always be a need for affordable homes.
 - vi. A quality control scheme to bring the busses into public control would be a matter for the Mayor and Cabinet to decide on. It would not be a quick process but if it was the route the Mayor and Cabinet wanted to take, it would be an important priority.
 - vii. The new combined authority would have a full suite of scrutiny provision and committees. A robust set of scrutiny arrangements had to be in place and plans had been made on that basis.
 - viii. There could be an opportunity through the budget setting process to bring Members together with colleagues south of the river which would provide an opportunity to begin to plan work programmes and approaches to scrutiny beyond May 2024.

RESOLVED – that the Overview and Scrutiny Committee note the North East Devolution update report.

19 **DATE AND TIME OF NEXT MEETING**

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