

North East Combined Authority, Leadership Board

5 November 2019

(2.00pm – 2.20pm)

Meeting held at Durham County Hall, Durham, DH1 5UL

Present:

Councillors: I Malcolm (Chair), S Henig, G Miller

Officers: Sheena Ramsey (Chief Executive, Gateshead), Martin Swales (Chief Executive, South Tyneside), Terry Collins (Chief Executive, Durham) John Hewitt (Chief Finance Officer NECA), Vince Taylor (Assistant Director of Economic Policy), Nicola Robason (Deputy Monitoring Officer), Gavin Armstrong (Policy and Scrutiny Officer), Jonathan Lunness (Strategy and Democratic Services Assistant)

1. APOLOGIES OF ABSENCE

Apologies for absence were received from Councillor M Gannon and Patrick Melia.

2. DECLARATIONS OF INTERESTS

None.

3. MINUTES OF THE MEETING HELD ON 3 SEPTEMBER 2019

The minutes of the previous meeting held on 3 September 2019 were approved as a correct record.

4. ANNOUNCEMENTS FROM THE CHAIR

The Chair noted that the North East Combined Authority is a statutory body and therefore Members must follow the period of purdah due to the upcoming General Election, to be observed from 7 November 2019 until 12 December 2019.

5. CHAIR THEMATIC LEAD UPDATE

Submitted: Report of the Chair of the NECA Leadership Board (previously circulated and copy attached to the official minutes).

Members considered the report which provided an update on activities within the Chair's portfolio. The core activities of NECA are driven forward by the three strategic themes, the Chair's portfolio ensures that the Combined Authority is well positioned inter-regionally, nationally and internationally to influence policy, lever external investment and create jobs for local people.

The Chair noted that the Leaders of each constituent authority have spoken with the Minister for the Northern Powerhouse, Jake Berry MP. Discussions included emerging issues for NECA and the North East region, as well as possible opportunities for further devolution.

The Chair updated Members on the ongoing discussions with the Mayor of the North of Tyne Combined Authority (NTCA). These discussions have been positive and further meetings have been scheduled to consider initiatives that can be worked on across the seven local authorities. The possibility of a joint meeting between NECA and NTCA has been discussed.

Members were updated on the relationship between NECA and Built Environment Networking (BE), a leading provider of networking and development insight events across the UK. BE is to hold a North East Development Conference on 8 January 2020, which the Leadership Board noted. NECA has been asked by BE to have a strong involvement in the programme, and to consider suitable speakers for various panels. The conference will enable NECA to engage with the wider business community.

The Chair updated Members on the Climate Emergency and noted that Members have agreed a form of words for a Motion declaring a Climate Emergency which the Board were to further consider under Item 10 on the Agenda. The Chair urged Members to consider supporting the motion.

RESOLVED – That the update be noted.

6. ECONOMIC DEVELOPMENT AND DIGITAL THEMATIC PORTFOLIO UPDATE

Submitted: Report of the Thematic Lead of Economic Development and Digital (previously circulated and copy attached to the official minutes).

Members considered the report which provided an update on activities within the Economic Development and Digital Theme. Members noted the ongoing success of Invest North East England (INEE), including securing key inward investment in the NECA area. Across the region to date this year, there have been 38 inward investment projects with the creation of 1153 jobs.

OCO Global recently commenced a new contract and has built on the work of the previous contract and secured meetings with various investors interested in the North East.

Members noted INEE's presence at events across the region, including the MIPIM UK Summit in October 2019 and Northern Exposure. Additionally, INEE sponsored and exhibited at the North East Automotive Alliance Expo, where they pitched to a Polish automotive delegation and highlighted the North East as a potential business location.

Work remains ongoing to secure investment into the region and Members noted that due to the upcoming election government emphasis and policy may change. It was highlighted that the ongoing development of the Local Investment Strategy provides a good foundation based on evidence and so regardless of potential changes in government, the work will not be wasted.

Updates were provided on the European Structural and Investment Fund, the European Regional Development Fund, the European Social Fund and the Strength in Places Fund. Members noted this loss of funding from the European Union. It was highlighted that European Regional Development Fund projects must be completed by 2023 and as yet there are no plans for replacement funding. The Thematic Lead asked members to note that there had been a good discussion at the last Economic Development and Digital Advisory Board meeting held 24 September 2019 regarding the impact of the loss of funding on the skills agenda.

The report highlighted that work continues at a local level on readiness and preparation work for Brexit.

The Chair thanked the Thematic Lead for his work and the update.

RESOLVED – That the update be noted.

7. TRANSPORT THEMATIC PORTFOLIO UPDATE

Submitted: Report of the Thematic Lead for Transport (previously circulated and copy attached to the official minutes).

Members considered the report which provided an update on activity and progress under the Transport theme of the Combined Authority. It was highlighted that there is lots of work going on in this portfolio with good progress, including on the Transport Strategy which works on the seven local authority footprint. Furthermore, Members noted that there are wider conversations ongoing with other Combined Authorities and regions, including Tees Valley, North Yorkshire and Cumbria. Members noted the importance of these conversations, particularly regarding rail.

The North East's Tranche 2 Transforming Cities Fund bid was noted by Members which will be submitted to Government by the end of November. Members noted the inclusion of Metro track dualling in South Tyneside which is crucial to improving the whole network. The Government is due to make a decision on the bids towards the end of the financial year.

RESOLVED – That the update be noted.

8. DRAFT BUDGET PROPOSALS AND TIMETABLE

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

Details of the proposed process and timetable for the preparation, consultation and approval of the 2020/21 budget was presented together with an indicative three-year medium-term financial strategy/plan strategy for the North East Combined Authority. The proposals also fulfil NECA's role as the accountable body for the JTC and the North East LEP for the year 2019/20.

Members noted that this report and proposals are only draft at this stage. Members also noted Appendix 1, which includes the Budget Timetable for 2020/21. Appendix 2, which contained information on the North East LEP budget was noted, including the fact that Enterprise Zone Business Rates Growth Income surplus has not been required to date (para 1.4, p. 47). Appendix 3 outlined the Budget Proposals for 2020/21 of the Joint Transport Committee. Members noted the proposals for transport levies.

The Leadership Board is expected to formally agree budget proposals at the Leadership Board Meeting to be held 4 February 2020.

RESOLVED – That:

- i. The report be noted.
- ii. The Budget position for 2019/20 be noted as set out in section 1.3 of the report.
- iii. The Budget Setting timetable be noted as set out in section 1.1 and Appendix 1 of the report.
- iv. The following proposals for consultation on the NECA 2020/21 Revenue Budget be agreed:
 - a. The current £250,000 contribution towards the North East Local Enterprise Partnership (North East LEP), funded by an equal contribution of £35,714.29 from the seven councils in the North East LEP area, which is required to match fund government grant, is continued in 2020/21;
 - b. The contribution to the Invest North East England (INEE) team of £20,000 per local authority is continued subject to discussion with constituent councils and the North East LEP. The current council contributions of £140,000, an equal contribution of £20,000 from the seven councils in the North East LEP area, is proposed to be continued in 2020/21;
 - c. The contribution from the NECA constituent authorities to NECA corporate costs of £22,857 per council is continued in 2020/21;
 - d. The £70,000 contribution towards the costs of the Joint Transport Committee Accountable Body role is continued in 2020/21 through an equal contribution of £10,000 from the seven local authority members of the North East Joint Transport Committee; and
 - e. The £70,000 contribution towards the costs of the North East LEP Accountable Body role be continued in 2020/21, through an equal contribution of £10,000 from the seven local authorities in the North East LEP area.

9. ADJUSTMENT TO COMMITTEE MEMBERSHIP

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

The report proposed a change to the membership of the NECA Overview and Scrutiny Committee. It was recommended that Cllr Richard Manchester is to replace Cllr Tanya Tucker on the NECA Overview and Scrutiny Committee as representative for Durham County Council.

RESOLVED – That the change to membership be approved.

10. MOTION RECEIVED UNDER RULES OF PROCEDURE 1.1

Proposed: Motion on Climate Change Emergency

The North East Combined Authority recognises:

- 1.1 The recent 2018 Intergovernmental Panel on Climate Change (IPCC) report states that we have just 11 years to act if global temperature rises are to be kept to 1.5 degree Celsius. Failing to meet this target would subject us to catastrophic social and ecological impacts, which worsen for every degree of warming.
- 1.2 Climate change is a global issue which affects everyone including the people across the NECA region.
- 1.3 The foresight and leadership already shown by the NECA constituent Councils when it comes to addressing the issue of Climate Change and welcomes the strong commitments and positive actions in their respective climate emergency declarations.
- 1.4 That a vast amount of work is taking place across the NECA area and the strong commitment to clean and inclusive economic growth.

In recognition of the seriousness of the global climate emergency, the North East Combined Authority resolves to:

- i. Declare a “Climate Emergency”.
- ii. Fully support all four NECA constituent authorities in working towards their ambitious carbon reduction targets.
- iii. Establishing a task and finish group to identify what additional resources and legislation would be required to support the local authorities work to reduce carbon emissions across the NECA footprint.
- iv. Receive an annual update report on progress towards emissions targets within the NECA constituent authority areas

and data relating to reduction of carbon emissions across the NECA footprint.

- v. Maximise all funding opportunities to support carbon emission reductions.
- vi. Facilitate the sharing of best practice across the NECA area.
- vii. Work with NECA constituent authorities to help prioritise carbon reduction measures that will have the greatest impact while bringing in added benefits such as environmental improvements and economic growth.
- viii. Work collaboratively with the North East Local Enterprise Partnership to promote carbon reduction across the business community and within future iterations of the Strategic Economic Plan and the Local Industrial Strategy.
- ix. Ensure all future NECA Leadership Board reports comment on the impact any decision will have on the climate emergency agenda

Proposer: Councillor I Malcolm

During discussion, it was recognised that climate change is an issue which affects residents and businesses in the community and region. Members noted there was a public duty to take action in this area for social, economic and ecological reasons. The Chair thanked councils and authorities who had already acted in this area, by setting ambitious targets and declaring climate emergencies. It was noted that by NECA declaring a climate emergency, significant collective regional weight would be added. Members noted that reducing carbon emissions and working together to optimise efforts to combat climate change are important.

It was noted by Members that all constituent councils of NECA have already declared climate emergencies. Members recognised the important of working together in this area. Members highlighted the fact that this was the first motion NECA has ever considered, which demonstrates the importance and seriousness of the issue.

The motion was carried.

11. DATE AND TIME OF NEXT MEETING

Tuesday 10 December 2019 at 2pm.