

North of Tyne Combined Authority, Overview and Scrutiny Committee

Tuesday 11 July 2023 at 1.00 pm

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

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Presentation at the meeting

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In attendance: Dr Henry Kippin, NTCA Chief Executive

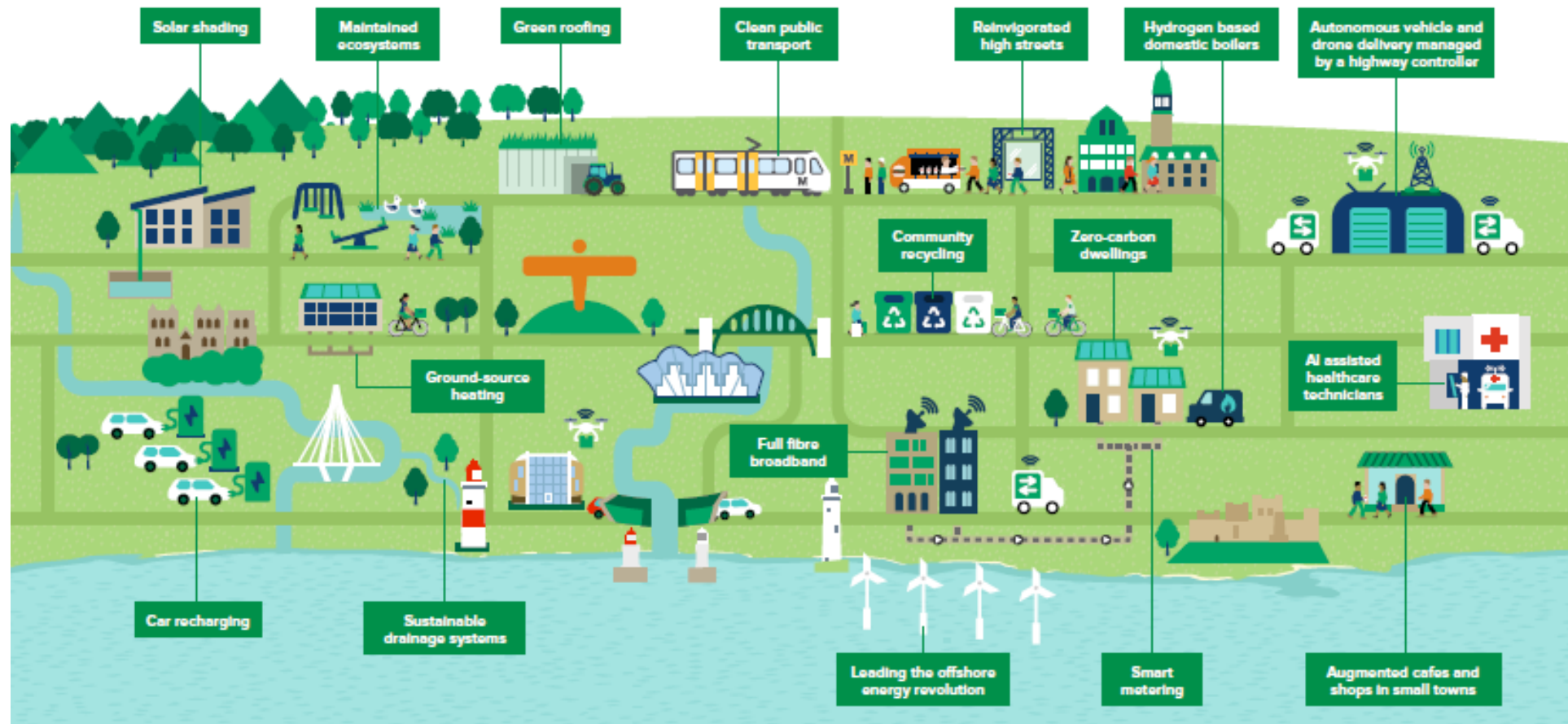
Presentation

Contact Officer: Helen Delap
Tel: 0191 2115121
Email: h.delap@newcastle.gov.uk

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North East Devolution

Presentation to NTCA O&S 10.07.23



This update covers:

1. Recap on the Deal
2. Governance, Decisions & Timeline
3. Transition to NEMCA
4. Next Steps

The North East Devolution Deal - green, inclusive, ambitious

1. Transport

A c£900m initial package of strategic investment in bus, metro, active travel and infra with full powers to oversee integrated transport and better connectivity for our communities and businesses

2. Economy and Investment Fund

A scaled up fund underpinned by an investment plan driving inclusive economic growth, net zero and addressing inequalities - £48m per year for LA7 which is £1.4bn over the deal lifetime – with substantial leverage effect

3. Skills, Education and Inclusion

Scaling up devolved skills package (to around £60m p.a.), strong collaboration around education and continuing focus on inclusion, careers & employability by scaling up current progress – plus early wins on Skills Bootcamps

4. Housing, Land and Digital Infrastructure

Full housing powers & expansion of brownfield funding (over £60m) to support place-based regen and get more sustainable housing & digital infrastructure built – all in collaboration with local authorities

5. Clean Energy and Net Zero

Measures to unlock potential and increased investment in our major industries, businesses and infra to support clean energy & net zero transition – including a unique 'Green Superport' model

6. Rural Economy and Sustainability

Clear focus on rural growth and stewardship, including a specific rural investment plan and focus on food security, biodiversity and nature gain

7. Culture, Tourism and Place

Scale-up of cross-regional activity and endorsement of major NE opportunities – eg Screen partnership, Quays, sport, major events, strong cultural partnership with DCMS and build on outcomes of DMO review

8. Business Growth and Inward Investment

Provisions to join-up regional assets to strengthen investment potential and work with LEP Board to integrate 'role and functions' of the LEP in line with the LEP Review

9. Health and Public Service Reform

Including measures to drive innovation in prevention, healthy housing, social care collaboration, Future Public Services Commission and Prevention Fund

10. Trailblazer Negotiations and Future Funding

Allowing us to 'fast track' the new CA into further powers and investment... and maximise future funding to the region

How does it work? – governance, decision making and powers

1. 'Mayor and Cabinet' model

With decisions made through collaboration, underpinned by cross-party political dialogue and cross-regional officer support.

2. Powers down from government, not up from local authorities

This is a core principle of the deal – which draws down new investment and powers, but ensures 'no decision about us without us' for constituent authorities.

3. Investments framed by a long-term plan

Which would ensure that regional investment achieves the biggest possible impact, and that each LA area will see the benefits through different projects and programmes.

4. Distributed leadership

Through a set of policy portfolios overseen by Leaders as portfolio holders, underpinned in many cases by statutory boards or committees – e.g. Housing & Land; Inclusive Economy, etc. Transport would build on the JTC.

5. An agile MCA team that adds capability and works through collaboration

Putting the region in a strong position to work together on shared strategic priorities – e.g. Northumberland Line; Leamside Line; workforce collaboration, etc

6. Clear dialogue with government and collaboration with other MCAs

Through the 'M10' group and regular ministerial and Whitehall dialogue – giving the possibility of stronger collective voice for the NE on areas like investment, climate, etc

7. The Deal itself is a starting point

Giving us the opportunity to scale up private sector investment in the region, draw in more funding and devolved powers over time, and bring together cross-regional assets in a consolidated way

8. Making it work for each area

Opportunities for better skills, more jobs, new homes, more integrated transport and support for climate transition and public services

What will be included in the Trailblazer negotiations?

Policy Area	Our Proposition	What could this mean?
Skills	Pre-19 skills devolution; devolution of careers support and co-commissioning of future employment support	Gives the region more control and funding to shape skills and help people into jobs and careers
Investment	Commitment to create a 'levelling up zone' built around our Green Superport and riverside growth proposals	Gives us additional incentives to support growth and investment in our port and riverside sites – with substantial jobs benefits to the Blyth, Tyne and Wear
Education	Government backing for an education improvement package centred around School Readiness, SEND and Alternative Provision	Gives us more levers to support our children through school, and deal with the social and economic cost of exclusions and poor provision
Transport	More influence over rail in the region through an Integrated Rail Board. Powers to pilot a regional EV Charging approach. Further recognition of the Leamside Line as a priority	Gives us more influence over national rail policy in the region and future franchising – plus a louder voice across Transport for the North
Fiscal and Financial Innovation	Pilot of Land Value Capture and long-term certainty on business rates	Gives us the ability to raise money through land value uplift as a result of public investment – giving us an additional funding stream beyond our core funding
Housing	Govt commitment to help raise standards in the private rented sector, and support to pilot the Housing First model of homelessness support	Gives us funding and influence to create a better working housing market and support those with the most complex needs who are rough sleeping
Digital Inclusion	Pilot of a Digital Community Hub programme to enable joined up digital services at a community level	Gives us the ability to move faster to improve services to the public within community settings
Funding Consolidation	Bringing together funding streams into a 'single pot' alongside appropriate accountability	Gives us much more flexibility over funding and the ability to cross-invest and borrow

Governance – update & next steps

- All LA7 Councils have now endorsed consultation results, submitted to SoS & approved next steps
- Two Combined Authority AGMs on 6th June – endorsed the above and consent to abolition in order to create NEMCA
- Letter to SoS has been submitted which outlines the above
- Govt legal team now prepares the legal order with support from the region – next Cabinet decisions in Autumn
- Prep for a May 2024 election and legal formation of NEMCA

Devo work programme - update

Operational Transition

- Legal & Governance
- OD & HR
- Finance
- Comms
- Systems & process
- Org Transition
- Target Operating Model

Policy Development

- Economy
- Edu, Skills & Inclusion
- Transport
- Housing & Land
- Culture, C, T & S
- Rural & Environment
- Finance & Investment
- Cross cutting areas eg PSR & health inequalities

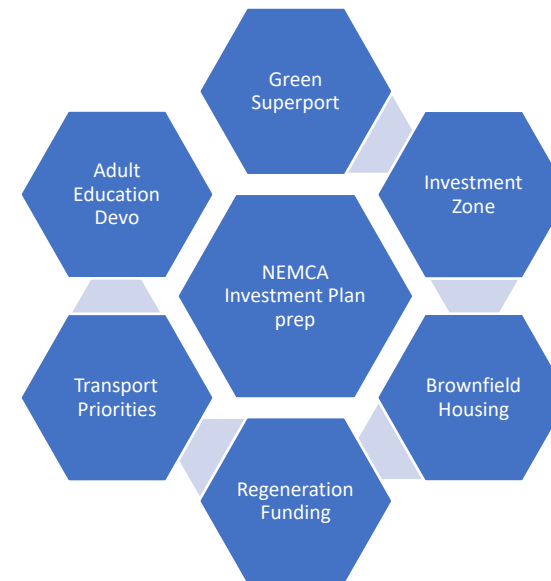
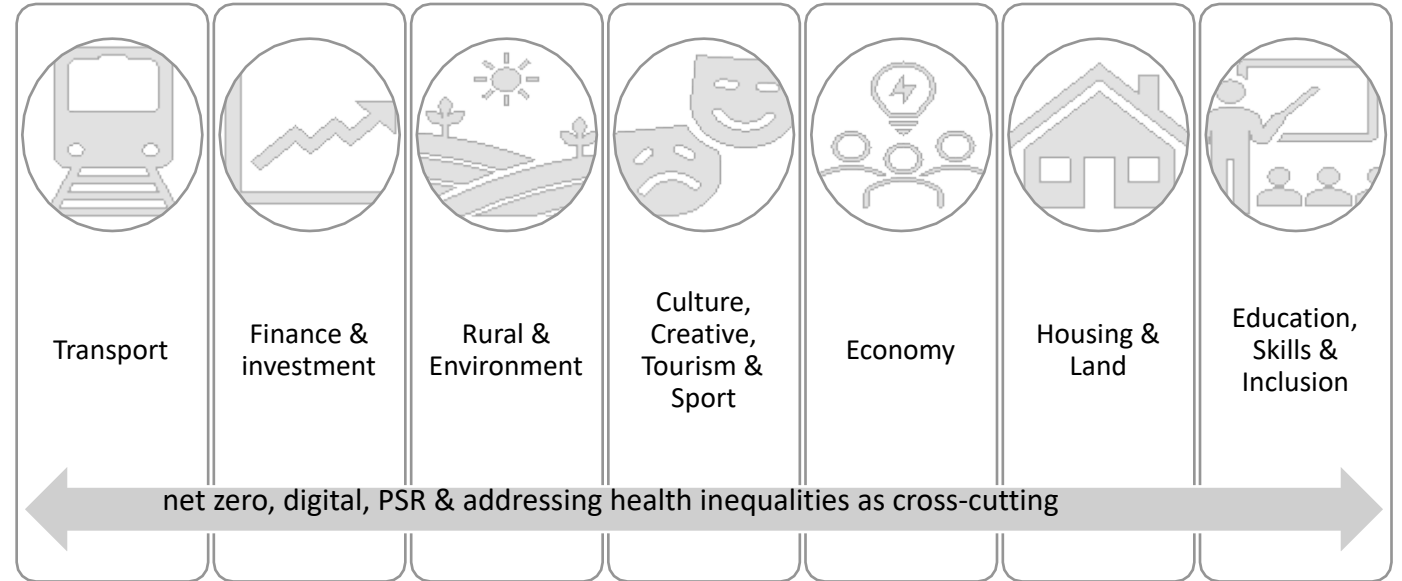
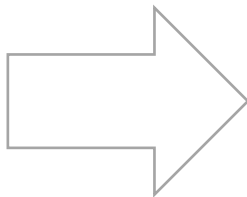
Early Priorities

- Adult Education
- Brownfield Land Fund
- Early Capital
- Green Superport
- Trailblazer
- Transport projects
- Investment Plan
- Investment Zone

Ongoing political, stakeholder, investor and Whitehall engagement. Strong collaboration across workstreams and across places ... and BAU management of existing organisations

Investment streams that support 7 interim portfolios and early delivery priorities...

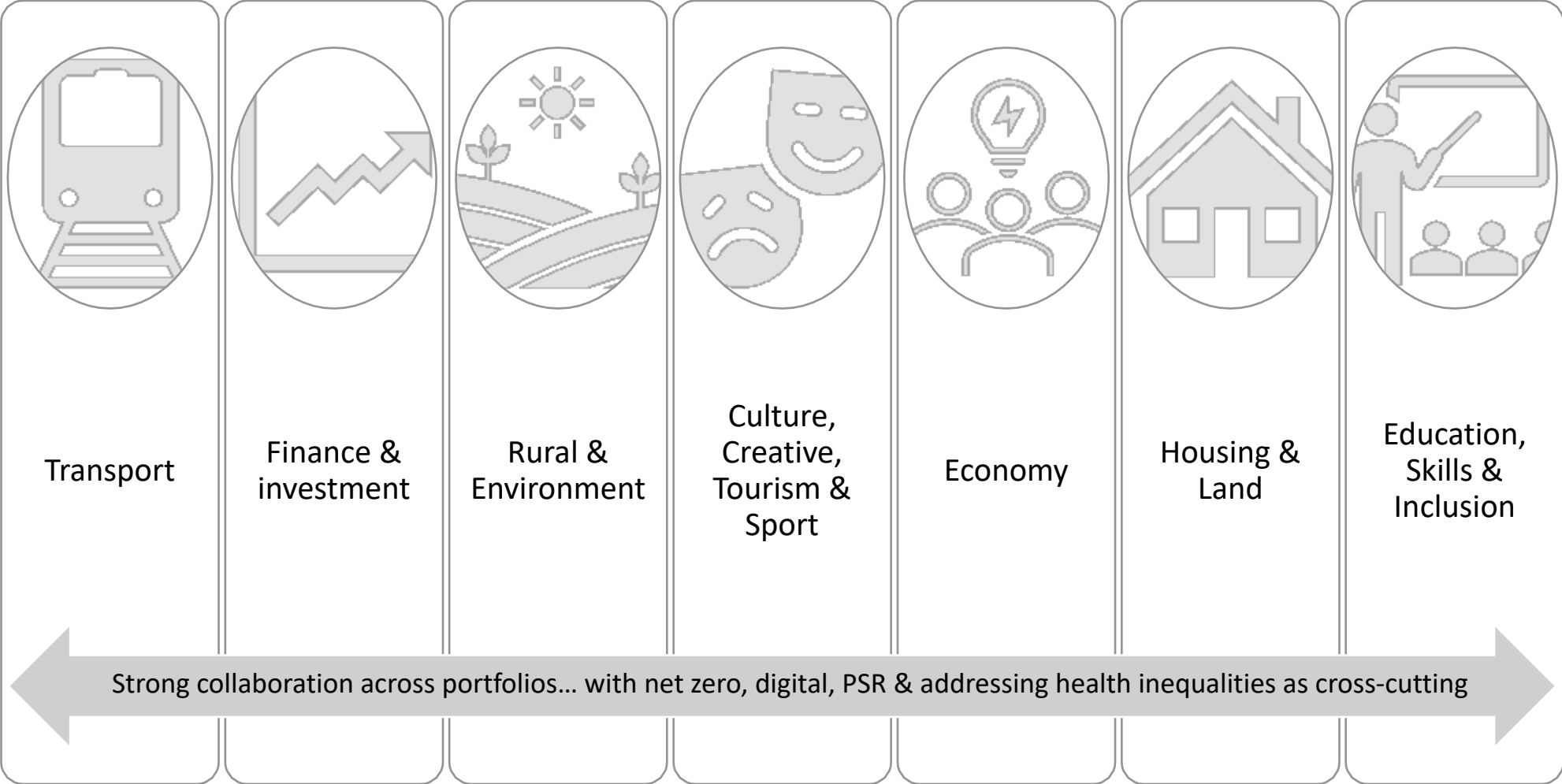
Funding Stream	Amount
Investment Fund	£1.4bn
Skills / AEB	c£1.8bn
Transport	Over £900m
Housing and place based regeneration	£69m
Mayoral Capacity Fund	c£30m
Other Funding Streams	Various
TOTAL	c£4.2bn



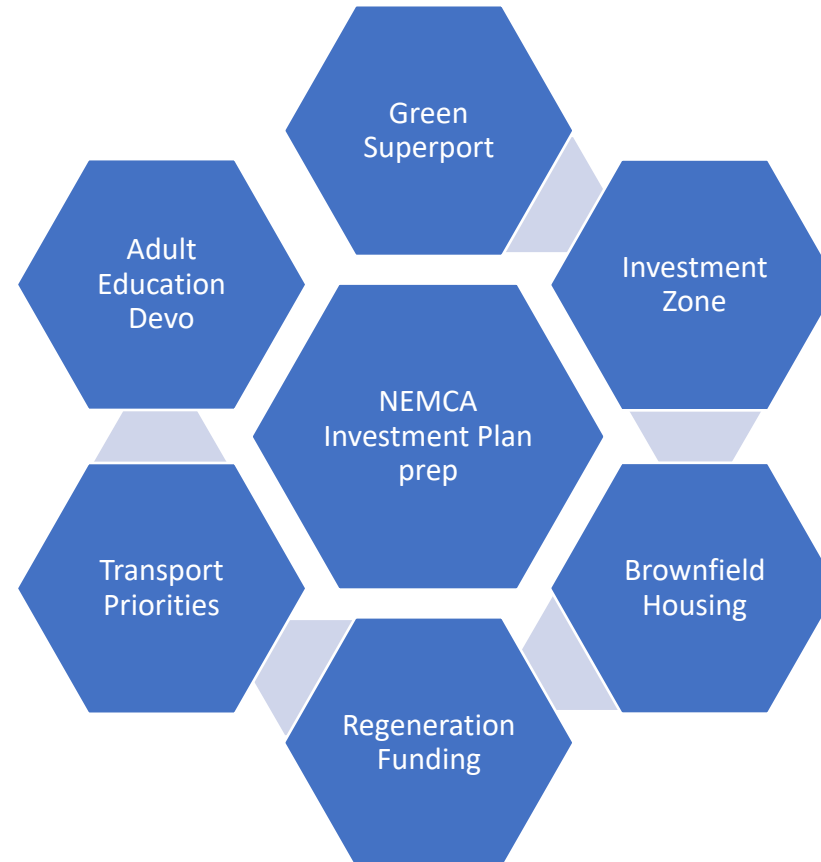
Operational Transition – latest progress

- **Governance & Legal** – governance, decision-making & structure for NEMCA – using the Deal and Scheme
- **People & HR** – ‘target operating model’ inc proposed senior staff structure
- **Finance** – budget parameters, principles and clarity across existing orgs
- **‘Nuts & Bolts’** – mobilising systems, processes, place... getting it right for day 1
- **Comms** – developing an ‘identity’, citizen & stakeholder engagement – plus a lot of internal comms
- **Resourcing the transition** – interim team in place, working collaboratively

Interim Portfolios – ensuring the region is ready to deliver the Deal



Examples of **early priorities** – delivered collaboratively



Questions to consider...

- **Vision** – how do we support economic and social innovation that has a long-term impact?
- **Investment** – how do we get maximum return for the region and its places... and where can we best focus resources?
- **Voice** – what has held us back... what could we do better?
Where can we ‘speak with one voice’?
- **Convening** – big ongoing role for the new CA to strengthen collaboration... how can we best do that?
- **Accountability** – ensuring NEMCA is well functioning with appropriate overview & scrutiny – and adapting to new national priorities e.g. accountability framework & OFLOG

