

## **Overview and Scrutiny Committee**

11 October 2022

(1.04 - 3.27 pm)

Meeting held: Collingwood Suite, Civic Centre, Newcastle upon Tyne, NE1 8QH

### **Minutes**

#### **Present:**

Chair: C Seymour

Councillors L Bowman, J Harrison, J Kirwin, J Shaw, G Stone and L Wright

Also: Mayor J Driscoll

#### **12 WELCOME AND INTRODUCTIONS**

The Chair welcomed everyone to the meeting and introductions were made.

#### **13 APOLOGIES**

Apologies for absence were received from Councillors J Beynon and S Fairlie.

An apology for absence was also received from R Hamilton, Chief Economist, North of Tyne Combined Authority.

#### **14 DECLARATIONS OF INTEREST**

Councillor G Stone declared an interest in agenda item 8 (Investment Fund Update), specifically the Town and High Streets programme due to professional involvement.

#### **15 AGREE THE MINUTES OF THE MEETING HELD ON 5 JULY 2022**

**RESOLVED** – That the minutes of the meeting held on 5 July 2022 be approved as a correct record and signed by the Chair.

#### **16 MAYOR'S BRIEFING**

Submitted: Mayor's Briefing (previously circulated and copy attached to Official Minutes).

Mayor J Driscoll introduced the briefing paper, highlighting the following matters: the achievements regarding the delivery of programmes and projects; the Combined Authority's approaches to working and the level of innovation achieved; the challenges being incurred and their impact; and the Combined Authority dedication to driving improvements for the region.

In addition to the information on the wide range of projects and programmes that were being progressed by the Combined Authority, the committee also noted the following aspects, as highlighted by Mayor Driscoll:

- the Combined Authority's emphasis on collaborative approach to working;
- the importance of working with the private sector and the role of leverage;
- the wide-ranging geographical inclusion;
- the volume of projects that had been delivered successfully, especially in deprived areas, which were characteristically difficult to achieve progress in;
- the success achieved in the number and quality of the jobs created;
- the collaboration with the Voluntary, Community and Social Enterprise (VCSE) sector;
- the innovative approaches to working with stakeholders;
- the good progress achieved overall;
- the key external challenges affecting the Combined Authority's work;
- the challenges included the extremely short deadlines, including in relation to spending requirements;
- the strengths of a combined authority in having a Mayor; and the role of Mayor Driscoll in discussions with the Government, specifically in lobbying on behalf of the Combined Authority.

Mayor Driscoll then took the opportunity to express thanks to all teams that were involved in the Combined Authority's work to deliver improvements for the region.

Mayor Driscoll welcomed the ongoing engagement with the Overview and Scrutiny Committee and praised the value of the collaborative approach to working.

### **Questions and Answers**

The committee members then asked questions of Mayor Driscoll and Mayor Driscoll provided responses, the summaries of which are set out below.

### **Investment Zones**

The Mayor explained that the Combined Authority could not influence policies of the Government and had to work to overcome challenges that were arising as a result of such policies, including through focusing on the Combined Authority's role and ambition to do the best for the region, whilst continuing discussions with the Government.

Regarding the progress with Investment Zones, the Combined Authority had expressed an interest to the Government and was working with the constituent local authorities to bring forward potential sites.

Whilst understandably there were many risks involved, such as the risk of displacement, the Combined Authority continued its work on Investment Zones to

explore this further; assurance would be sought that there would be no deregulation on environmental protection.

### **Retrofitting**

The Mayor confirmed that the Government position on retrofitting was not ideal; and there were challenges associated with this area of work, including: costs and delivery. Work continued to identify and secure additional sources of funding and appropriately trained and skilled workforce to enable delivery.

### **The progress of delivery of the Local Growth Fund and the role of the Mayor**

The Mayor agreed that there were challenges associated with the lack of certainty and stability of the current environment, including in relation to funding; and this was a UK-wide issue.

Explanation was also offered on various elements of the Mayor's role in supporting the delivery of the programme. The Mayor worked with business community in the region, including Confederation of British Industry and North East England Chamber of Commerce to name a few. The Mayor worked to support and promote wide regional engagement and inward investment.

### **Progress of the Draft Devolution Deal**

The Mayor explained the volume, depth and duration of the work on the latest Draft Devolution Deal, making references to the relevant history and background.

Information was provided on the stages of development of the Draft Deal and the stages of discussions with the Government. References were made to the role of the Government in this matter; the impact of Durham County Council exploring opportunities; the fact that the new Draft Deal was now fully drawn; the confidentiality of the details within the Deal; and the likely timescales involved.

The Mayor gave an overview of the additional powers and funding that the new Draft Devolution Deal could mean for the region, including in relation to public transport, brownfield housing, improving skills and tackling child poverty; and commented on its good quality.

It was noted that the committee would receive more information in due course and most likely at its next meeting.

The next steps for the new Draft Devolution Deal would include submitting it to the proposed constituent local authorities for agreement to commence public consultation and then for the proposed constituent authorities to agree to progress with the deal and a Mayoral election in May 2024.

### **The importance of improvement of bus services in the region**

Whilst the Metro and rail services were crucial for the economic development of the region, and substantial progress had been achieved to improve, sustain and reinstate these services (and the Mayor provided examples), they should be considered in the context of integrated transport and include a variety of measures, including for example "Park and Ride" facilities.

The Mayor confirmed the importance given to improving bus services, and gave an example of such work, including a recent successful bid to the Government, which had resulted in the region receiving more funding than many other areas in the country.

Whilst the Metro had a substantial economic benefit for the region, it was not self-funding. The Mayor briefly explained the challenges involved.

The Mayor confirmed that work continued to improve public transport services across the region, including bus services.

### **The importance of improvement of electric car charging infrastructure in the region**

The Mayor agreed and referred to the importance the Combined Authority placed on the Green New Deal for the region. He also explained that the responsibility for the provision of electric car charging infrastructure sat with individual local authorities.

### **Mayoral Ambassador for the VCSE sector**

It was the Mayor's and the Combined Authority's idea to appoint a Mayoral Ambassador for the VCSE sector; and Mr R Fry had been working in this capacity until recently as he had been successful in applying for a position with the Combined Authority and was now an employee. Ms L Goodwin, the Chief Executive of Connected Voices was now in the role.

### **Financial support for dealing with the impact of the cost of living crisis**

Although it was difficult to forecast full impact, there were many challenges predicted as a result of the cost of living crisis; and these could be particularly acute in rural areas. Information was offered to the committee on relevant projects of the Combined Authority, which covered the wide geography of the region, including rural areas. More detailed information on the Spacehive projects, their purpose, value and location, would be provided in writing.

It was noted that the Combined Authority's child poverty prevention programme was working and making a big difference.

Explanation was also offered on the position with the crowdfunding platform; and the potential changes in thresholds to reflect the impact of the living cost crisis.

### **The impact of the cost of living crisis on the Combined Authority's work**

The Mayor agreed that it was the Government who should be held responsible for their decisions and the resultant impact. Explanation was offered on the strength of the Combined Authority, including: its resilience; the nature of projects and interventions that allowed the Combined Authority to continue to work to tackle poverty; and the Authority's ability to deliver projects fast. Importantly, one of the strengths of the Combined Authority was its focus on co-design, which meant working closely with people of the region to understand their needs. The Authority had a good understanding of the regional poverty profile and the chain reaction involved. And whilst, nationally, poverty was worsening, it was not new, and the Combined Authority was working continuously to devise and implement plans to tackle regional issues.

### **Thanks to the Mayor and the Combined Authority**

The Chair, on behalf of the committee, thanked Mayor Driscoll for the update and for his work and commitment.

The Overview and Scrutiny Committee welcomed the progress achieved and commended the Combined Authority for its work.

## **17 GROWTH PLAN, LEVELLING UP AND DEVOLUTION - PRESENTATION**

H Kippin, the Chief Executive of the Combined Authority, delivered a Power Point presentation (copy attached to Official Minutes) on the current position with the Growth Plan, the Levelling Up agenda and Devolution, outlining key challenges, explaining the Combined Authority's approaches and offering an indication of the next steps.

The Chair, on behalf of the committee, thanked H Kippin for the update and the clear explanation.

## **18 NORTH EAST LOCAL ENTERPRISE PARTNERSHIP UPDATE**

Submitted: A report of the Chief Executive, North East Local Enterprise Partnership (previously circulated and copy attached to Official Minutes).

H Golightly introduced the report which provided an update on the work of the North East Local Enterprise Partnership (LEP), the outcome of the national LEP Review and progress to date of the Annual Delivery Plan for 2022/2023.

In response to a committee member's question, H Golightly agreed that all key stakeholders, including LEP and local authorities, had to do more with less resources; and this position was accepted as standard. The LEP's approach was to work in collaboration with all stakeholders, focusing on how political aspirations could be achieved with the available resources.

Partners were now in the final stage of delivering the Local Growth Fund. And despite some slippage in its delivery, which was due to a variety of reasons relating to the economic and business environment, many outputs had been achieved as planned.

Regarding the progress achieved on Enterprise Zones, this was a complex picture with a variety of levels of success.

In response to a question of how the region would go forward despite the challenges that were affecting the delivery of major projects and perhaps the importance of having realistic expectations within the context of the current environment, H Golightly explained that the region remained ambitious and continued to plan ahead, whilst relying on its capacity, resilience and expertise.

Due to the challenges of the current environment, prioritising was key. Strategies were then developed around priorities. Importance was also given to ensuring everyone was kept informed.

Regarding the impact of the current financial environment on LEP and its wider plans, H Golightly explained that the organisation continued to work to make a difference, whilst operating within revised policies and a revised financial envelope.

A member asked for further information on the commercially sensitive two red statuses in the LEP's Delivery Plan; it was agreed that a response would be provided in writing.

**RESOLVED** – That the report be noted.

## 19 **INVESTMENT FUND UPDATE**

Submitted: A report of the Chief Economist, North of Tyne Combined Authority (previously circulated and copy attached to Official Minutes).

H Kippin, Chief Executive of the North of Tyne Combined Authority (NTCA), introduced the report which provided an overview of progress of the NTCA Investment Fund. It included a case study on the NTCA Towns and High Streets programme and an update on the NTCA Shared Prosperity Fund Investment Plan.

Regarding the committee members' comments about the challenging position of the regional towns and high streets, the need to improve them and the role and value of the Towns and High Streets programme of the Combined Authority, H Kippin gave an overview of the approach used by the Combined Authority as part of the programme. The approach included ensuring a right mix of interventions for an area. This was achieved through the bottom-up approach, whilst also testing and learning; all to ensure a realistic and sustainable result.

A member gave an example of deprivation of a famous town in West Yorkshire and, in comparison, praised the Combined Authority for its work and achievements, especially within the context of tackling deprivation within the North of Tyne region. It was important that this invaluable work continued.

H Kippin agreed with the committee members' comments about the fast-changing environment, the importance of future proofing within the context of the NTCA Towns and High Streets programme and the importance of striking a balance between encouraging people into town centres and minimising their carbon footprint. He reiterated that the Combined Authority was working bottom-up to ensure future proofing and sustainability of the programme, asking questions and co-designing. A member recommended that this approach should continue.

**RESOLVED** – That the progress to date on the Investment Fund be noted.

## 20 **2022/23 NTCA Q1 BUDGET MONITOR REPORT**

Submitted: A report of the Chief Finance Officer, North of Tyne Combined Authority (previously circulated and copy attached to Official Minutes).

J Gillespie introduced first quarter budget monitoring report on the 2022/2023 NTCA financial position. The report brought together the forecasted financial position for 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 2023. The report also set out the potential position on the reserves at the year end. It was noted that the report had been approved by the NTCA Cabinet on 19 July 2022.

**RESOLVED** – That the report be noted.

## 21 **2023-27 NTCA FINANCIAL PLANNING AND BUDGET PROCESS**

Submitted: A report of the Chief Finance Officer, North of Tyne Combined Authority (previously circulated and copy attached to Official Minutes).

J Gillespie introduced the report which provided information on the 2023-2027 Financial Planning and Budget Process. The report outlined the process to be adopted for the Authority's Financial Planning and Budget Process for 2023/24 as part of the proposed framework for the four years 2023/24 to 2026/27.

It was noted that further reports would follow as part of the process of setting the Authority's Budget for the financial year 2023/24. The next report to Cabinet would be available on 22 November 2022; and it would outline the initial Budget Proposals. It would then be brought to the Overview and Scrutiny Committee on 6 December 2022, followed by the Overview and Scrutiny Committee's Budget Workshop on 10 January 2023 to consider in detail the Authority's draft Budget Proposals and make recommendations to Cabinet.

In response to a member's question, J Gillespie confirmed that it was considered to be the best practice to produce a medium-term plan for beyond a twelve-month period. Explanation was also offered on the summary of differences in financial planning for the Combined Authority and constituent local authorities. It was easier for the Combined Authority to plan ahead because it did not rely on elements such as council tax and business rates.

In response to a question relating to the Strategic Reserve figure, J Gillespie explained that the amount reflected the level of risk that the Combined Authority was facing and was considered appropriate. It should be noted that the Combined Authority was in control of its delivery, not at risk of clawback and could recycle. If required, the amount allocated for Strategic Reserve could be amended in future and would be part of the Combined Authority's Treasury Management approach.

Explanation was also provided on the position with borrowing. In response to a member's question, J Gillespie explained that there was scope to borrow and to negotiate the cap on borrowing. Should borrowing be required, the Combined Authority would develop relevant principles, which would be shaped with members, including the Overview and Scrutiny Committee. There were no significant borrowing requirements envisaged for the near future.

Explanation was also provided on the position with lending out.

**RESOLVED** – That the report be noted.

22 **DATE AND TIME OF NEXT MEETING**

Tuesday, 6 December 2022 at 1pm at Newcastle Civic Centre.