

North East Combined Authority

Leadership Board

24 March 2016

Meeting held: Committee Room, Durham County Hall, Durham, DH1 5UQ

Present:

Councillor S Henig (Chair)

Mrs G Hall, Councillors G Davey, N Forbes, M Gannon, I Malcolm and P Watson and Mayor N Redfearn

47 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor M Henry and Mr A Hodgson.

48 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

49 **MEMBERSHIP OF THE LEADERSHIP BOARD - APPOINTMENT OF THE LEP REPRESENTATIVE**

Submitted: A report of the Monitoring Officer (previously circulated and copy attached to Official Minutes).

Members considered the report which invited appointment of Mr Andrew Hodgson, the Chair of the North East Local Enterprise Partnership (LEP) and the LEP-nominated representative on the Leadership Board, as a non-voting member of the Leadership Board for the remainder of the municipal year 2015/16.

RESOLVED – That Mr Andrew Hodgson be appointed as the non-voting Member of the Leadership Board for the remainder of the municipal year 2015/16, representing the North East Local Enterprise Partnership.

50 **LOCAL GROWTH FUND - PROJECT APPROVALS**

Submitted: A joint report of the Chief Executive Officer for Transport, Head of Paid Service and Chief Finance Officer (previously circulated and copy attached to Official Minutes).

Members considered the report which provided information on progress of five specific Local Growth Fund (LGF) projects and sought approval of actions in relation to the management of the LGF programme.

RESOLVED – That:

- a) the use of the LGF grant to fund Enterprise Zone schemes in order to maximise the use of the LGF grant in the current year be used as set out in section 3.1 be agreed;
- b) the allocations of LGF be increased by £2.5m (to £9.4m) for the South Shields Transport Hub and by £1.05m (to £6.15m) for Lindisfarne Roundabout, funded by a redirection of the grant for the Testos Roundabout/Boldon Business Park project of £3.55m, as described in section 3.2 and 3.3 of the report; and the full approval of the Lindisfarne Roundabout project based on the receipt of a final compliant business case be agreed;
- c) the release of £3m of LGF grant for advance works and matched project construction works for the Northern Access Corridor Phase 2, as set out in section 3.4, be agreed;
- d) spending on the Sunderland Central Business District LGF project be brought forward from future years, with £1.592m to be included in the 2015/16 programme and £9.208m to be included in the 2016/17 programme, as described in section 3.5;
- e) the proposal to maximise the use of Regional Growth Fund grant in 2015/16, as set out in section 3.6, be agreed.
- f) the actions being taken to manage the funding gaps on other priority projects set out in section 4 be noted; and
- g) the Monitoring Officer be authorised to enter into amended funding agreements, as appropriate, in accordance with the recommendations above.

51 **TYNE TUNNELS TOLLS 2016/17**

Submitted: A joint report of the Chief Executive Officer for Transport and Chief Finance Officer (previously circulated and copy attached to Official Minutes).

Members considered the report which sought formal confirmation of the information that was necessary to be provided to the Department for Transport for continuing the 10% discount for the Tyne Tunnels permit holders. The report also confirmed that the toll increase for heavy goods vehicles (HGVs) (class 3 vehicles) would be 10p rather than the 20p previously reported and that the implementation of the increase would take place after the permission from the Secretary of State for Transport had been received.

RESOLVED – That:

- i. the increase in tolls for cars (class 2 vehicles) from £1.60 to £1.70 and for HGVs (class 3 vehicles) from £3.20 to £3.30 to take effect from Sunday 22 May 2016, as set out in section 2.1 of the report, be approved;
- ii. the continuation of the 10% discount for permit holders as set out in section 2.1 of the report, be approved; and

- iii. the Monitoring Officer be authorised to publish the relevant notices and submit the necessary documentation to the Secretary of State, as prescribed in the River Tyne (Tunnels) (Modification) Order 2011.

52 **TYNE AND WEAR BUS STRATEGY - NEXT STEPS**

Submitted: A joint report of the Chief Executive Officer for Transport and Managing Director (Transport Operations) (previously circulated and copy attached to Official Minutes).

Members considered the report which sought approval of the next steps in relation to the delivery of the Bus Strategy.

Following the ensuing discussion, it was:

RESOLVED – That:

- i. Officers be instructed to develop options to deliver the Bus Strategy in light of the options available when the new legislation was enacted; and these options be submitted to a future meeting; and
- ii. Nexus' analysis of the QCS Board's opinion be noted; and the QCS process be brought to an end.

53 **METRO OPERATIONS 2017 TO 2019**

Submitted: A joint report of the Chief Executive Officer for Transport and Managing Director (Transport Operations) (previously circulated and copy attached to Official Minutes).

Members considered the report which sought endorsement of the proposed course of action in relation to the concession to operate the Tyne and Wear Metro following the expiration of the current contract on 31 March 2017.

Following the ensuing discussion, it was:

RESOLVED – That:

- i. Nexus should plan to manage the Metro as an in-house operation for the period from 1 April 2017 to 31 March 2019;
- ii. Nexus' intention to allow the current Metro Concession with DB Regio Tyne and Wear Limited (DBTW) to expire on 31 March 2017 be endorsed;
- iii. The Leadership Board noted that Nexus has secured confirmation from the Department for Transport that revenue funding for Metro would be unaffected by this move, for the period April 2017 to March 2019;
- iv. The Leadership Board noted that Nexus and DBTW had agreed an investment package to secure improvements in fleet performance and

customer service until the expiry of the current contract on 31 March 2017;
and

- v. A further report identifying options for 2019 onwards be submitted in the summer of this year.

54 THE DEVOLUTION AGREEMENT

Submitted:

(i) A report of the Head of Paid Service (previously circulated and copy attached to Official Minutes); and

(ii) A supplementary report (with the Chair's permission, due to the timetables involved circulated at the meeting and copy attached to Official Minutes).

Members considered the report and also the supplementary report which was circulated at the meeting because it included updated information following the meeting of the Cabinet of South Tyneside Council that was held earlier today, which set out the current position regarding the proposed devolution agreement, including the outcome of the constituent authorities' Cabinet meetings, and set out recommendations in regard to the next steps.

Following the ensuing discussion which included Members' views on the following matters:

- the principle of devolution;
- scrutiny arrangements;
- the importance of a meaningful devolution;
- the extent of the consultation process in the region;
- the impact on the region of the devolved powers to Scotland regarding the Air Passenger Duty;
- uncertainties with regard to the Local Growth Fund;
- the impact of the recently announced position with regard to the local authorities' ability to retain business rates;
- the importance of recognition of challenges of rural areas and the importance of an equitable share of funding for rural areas;
- the reduced and reducing budgets of the local authorities;
- the importance of fiscal devolution and a fair financial settlement; and
- the need for further negotiations with the government, and the importance of being at the negotiation table, to achieve clarification, assurances and better conditions within the proposed deal, it was:

RESOLVED – That:

- i. The contents of the report, the outcome of the consultation undertaken and the financial implications of the Devolution deal as set out in the North East Combined Authority Devolution Agreement entered into on 23 October 2015 (the "Proposed Agreement") and the governance arrangements as outlined in the report be noted;

- ii. The Leadership Board's continued support for devolution and support for the Proposed Agreement entered into on 23rd October 2015 be confirmed, but the Leadership Board noted the outstanding issues, including those referred to in the main report (paragraph 68) and matters raised in section 2 of the supplementary report, required further clarification and commitment by Government;
- iii. The Head of Paid Service be authorised to secure appropriate clarification and commitment from the Government on the outstanding issues referred to in Recommendation (2) above; and
- iv. An extraordinary meeting of the Leadership Board be convened during the week commencing 9 May 2016 to consider the further information received in relation to the outstanding issues referred to in Recommendations (2) and (3) above [from Government] and to consider the next steps.

55 DATE AND TIME OF NEXT ORDINARY MEETING

Tuesday, 19 April 2016 at 2pm.