

North East Combined Authority

North East Leadership Board

20 January 2015

Meeting held: North Tyneside Council, Quadrant, The Silverlink North, Cobalt Business Park, NE27 0BY

Present:

Councillor: Henig (Chair)

Councillors Davey, Forbes, Henry, Malcolm and Watson and Mayor Redfearn

62 **APOLOGIES FOR ABSENCE**

An apology for absence was received from Mr P Woolston.

63 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

64 **MINUTES OF THE PREVIOUS MEETING HELD ON 21 OCTOBER 2014**

The minutes of the previous meeting held on 21 October 2014 were approved as a correct record and signed by the Chair.

65 **THEMATIC LEAD UPDATE REPORT - ECONOMIC DEVELOPMENT AND REGENERATION**

Submitted: An update report of the Thematic Lead for Economic Development and Regeneration (previously circulated and copy attached to Official Minutes).

Members considered the update report.

RESOLVED – That the report be noted.

66 **THEMATIC LEAD UPDATE REPORT - TRANSPORT**

Submitted: An update report of the Thematic Lead for Transport (previously circulated and copy attached to Official Minutes).

Members considered the update report.

RESOLVED – That the report be noted.

67 **THEMATIC LEAD UPDATE REPORT - EMPLOYABILITY AND INCLUSION**

Submitted: An update report of the Thematic Lead for Employability and Inclusion (previously circulated and copy attached to Official Minutes).

Members considered the report.

RESOLVED – That the report be noted.

68 **DEVELOPING A DEVOLUTION PROSPECTUS FOR THE NORTH EAST COMBINED AUTHORITY**

Submitted: A report of the Head of Paid Service (previously circulated and copy attached to Official Minutes).

Members considered the report which summarised the outline proposals that could form the basis for discussions with the government and other stakeholders on opportunities for securing a substantial devolution of power, funding and responsibilities for the region. The ensuing discussion included matters such as:

- The importance of the devolution agenda;
- The importance of a consultation process that was inclusive of all key partners and stakeholders, including North East Local Enterprise Partnership (NELEP), voluntary groups and opposition parties;
- A suggestion that, at this stage, individual proposals should not be part of the submission to the government, and also the understanding that any individual proposals identified were initial ideas; and
- The importance of further discussions on individual proposals, including as part of discussions to agree policies for the region.

RESOLVED – That the outline proposals be endorsed as the basis for the Combined Authority to engage with the government ministers and other stakeholders, in securing greater devolution of funding, powers and responsibilities.

69 **2015/16 REVENUE BUDGET AND TRANSPORT LEVIES**

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

Members considered the report which set out the 2015/16 Revenue Budget and Transport Levies for the North East Combined Authority (NECA) for consideration and approval. Amongst the matters discussed during the ensuing discussion were the following:

- the sufficiency of the resources allocated for the Authority, including for the performance of statutory duties and the core inward investment activity;
- the consultation process and the responses received;

- the importance of understanding controls around the Authority's grant to Nexus and the reasoning behind the application of the financial regulations of Nexus to the grant it received from the Authority;
- the importance of work to identify opportunities for securing additional funding sources;
- the statutory requirement to agree transport budget and levies by a deadline and the option to develop a plan in relation to any specific areas of concern;
- the level of clarity and transparency of this budget, which was welcome;
- the importance of effective working relationships with NELEP;
- instances where funding had been allocated without a competitive tender process;
- the importance of agreeing a budget that demonstrated value for money; and
- the elements that were included in corporate costs.

Following advice from the Monitoring Officer, Members agreed on a majority basis to consider each recommendation individually.

Members then voted on the individual recommendations.

DECISIONS

Recommendation (a)

- receive the report for consideration and approval.

In favour:

Councillors Henig, Henry, Forbes, Davey and Malcolm and Mayor Redfearn

Against:

Councillor Watson

RESOLVED – That the recommendation (a) was not agreed.

Recommendation (b)

- agree a transport revenue budget for 2015/16 of £89,177,328, as set out in section 5 of the report.

In favour:

Councillors Henig, Henry, Forbes, Davey, Malcolm and Watson and Mayor Redfearn

RESOLVED – That a transport revenue budget for 2015/16 of £89,177,328, as set out in section 5 of the report, be agreed;

Recommendation (c)

- agree the following Transport Levies for 2015/16:

- i. Durham County Council £16,076,449
- ii. Northumberland County Council £5,900,879
- iii. Tyne and Wear Councils (detailed in table 7) £67,200,000

In favour:

Councillors Henig, Henry, Forbes, Davey, Malcolm and Watson and Mayor Redfearn

RESOLVED – That the following Transport Levies for 2015/16 be agreed:

| | | |
|------|--|-------------|
| i. | Durham County Council | £16,076,449 |
| ii. | Northumberland County Council | £5,900,879 |
| iii. | Tyne and Wear Councils (detailed in table 7) | £67,200,000 |

Recommendation (d)

- agree a transport revenue grant to Durham County Council for the delivery of transport services of £16,071,510, as outlined in section 5.5.2.

In favour:

Councillors Henig, Henry, Forbes, Davey, Malcolm and Watson and Mayor Redfearn

RESOLVED – That a transport revenue grant to Durham County Council for the delivery of transport services of £16,071,510, as outlined in section 5.5.2, be agreed.

Recommendation (e)

- agree a transport revenue grant to Northumberland County Council for the delivery of transport services of £5,895,940, as outlined in section 5.5.6.

In favour:

Councillors Henig, Henry, Forbes, Davey, Malcolm and Watson and Mayor Redfearn

RESOLVED – That a transport revenue grant to Northumberland County Council for the delivery of transport services of £5,895,940, as outlined in section 5.5.6, be agreed;

Recommendation (f)

- agree a transport revenue grant to Nexus for the delivery of transport services in Tyne and Wear of £64,500,000, as outlined in section 5.5.13.

In favour:

Councillors Henig, Henry, Forbes, Davey, Malcolm and Mayor Redfearn

Against:

Councillor Watson

RESOLVED – That the recommendation to agree a transport revenue grant to Nexus for the delivery of transport services in Tyne and Wear of £64,500,000, as outlined in section 5.5.13, was not agreed.

Recommendation (g)

- agree to continue an annual contribution to fund the North East LEP core capacity costs of £250,000 as match funding to secure a £250,000 Government grant, paid for by an equal contribution of £35,714.29 from each of the seven councils in the NECA, as set out in section 6.1.

In favour:

Councillors Henig, Henry, Forbes, Davey, Malcolm and Watson and Mayor Redfearn

RESOLVED – That an annual contribution to fund the North East Local Enterprise Partnership core capacity costs of £250,000 as match funding to secure a £250,000 Government grant, paid for by an equal contribution of £35,714.29 from each of the seven councils in the NECA, as set out in section 6.1, be continued.

Recommendation (h), as amended at the meeting

- agree to continue *an initial* base budget of £70,000 for core inward investment activity paid for by an equal contribution of £10,000 from each of the seven councils in NECA, as set out in section 6.7.

In favour:

Councillors Henig, Henry, Forbes, Davey, Malcolm and Mayor Redfearn

Against:

Councillor Watson

RESOLVED – That the recommendation to continue an initial base budget of £70,000 for core inward investment activity paid for by an equal contribution of £10,000 from each of the seven councils in NECA, as set out in section 6.7, was not agreed.

Recommendation (i)

- agree a budget for the corporate costs of the NECA of £300,000, paid for by an equal contribution of £42,857.14 from each of the seven councils in NECA, as set out in section 7.

In favour:

Councillors Henig, Henry, Forbes, Davey, Malcolm and Watson and Mayor Redfearn

RESOLVED – That a budget for the corporate costs of the NECA of £300,000, paid for by an equal contribution of £42,857.14 from each of the seven councils in NECA, as set out in section 7, be agreed.

Recommendation (j)

- agree the Treasury Management and Investment Strategy set out in Appendix F and approve the statement on minimum revenue provision repayments for borrowed capital expenditure for 2015/16 as set out in Appendix G.

In favour:

Councillors Henig, Henry, Forbes, Davey, Malcolm and Watson and Mayor Redfearn

RESOLVED – That the Treasury Management and Investment Strategy set out in Appendix F and approve the statement on minimum revenue provision repayments for borrowed capital expenditure for 2015/16 as set out in Appendix G be agreed.

Recommendation (k)

- agree to hold the level of reserves set out in section 11 and to note that the Chief Finance Officer considered this level of reserves to be satisfactory, given the information currently available about the arrangements for managing financial risks facing the Combined Authority.

In favour:

Councillors Henig, Henry, Forbes, Davey, Malcolm and Watson and Mayor Redfearn

RESOLVED – That agreement be given to holding the level of reserves set out in section 11. The Leadership Board noted that the Chief Finance Officer considered this level of reserve to be satisfactory, given the information currently available about the arrangements for managing financial risks facing the Combined Authority.

Further discussion

It was further noted that a special meeting would be held in February 2015 to consider any key outstanding issues on budget.

70

CAPITAL PROGRAMME 2015/16

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

Members considered the report which outlined the capital programme proposals for 2015/16 and the funding sources identified to deliver the programme, covering a wide range of transport improvements and economic and regeneration initiatives.

Members voted on the recommendations.

In favour:

Councillors Henig, Henry, Forbes, Davey, Malcolm and Watson and Mayor Redfearn

RESOLVED – That the capital programme and its funding as set out in the report be agreed.

71 **APPOINTMENT OF THE MANAGING DIRECTOR (TRANSPORT OPERATIONS) AND CONFIRMATION OF DIRECTOR GENERAL OF THE PASSENGER TRANSPORT EXECUTIVE (NEXUS)**

Submitted: A report of the Head of Paid Service (previously circulated and copy attached to Official Minutes).

Members considered the report which invited them to endorse the appointment of Tobyn Hughes as the Authority's Managing Director (Transport Operations) and to confirm his appointment as the Director General of the Passenger Transport Executive (Nexus).

RESOLVED – That:

- I. the appointment of Tobyn Hughes as the Authority's Managing Director (Transport Operations) be endorsed; and
- II. the appointment of Tobyn Hughes as Director General of the Tyne and Wear Passenger Transport Executive (Nexus) in accordance with Part II of Schedule 5 of the Transport Act 1968 be confirmed.

72 **REVIEW OF THE CONSTITUTION OF THE NORTH EAST COMBINED AUTHORITY**

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

Members considered the report which advised them of the outcome of an interim review of the Constitution that had been undertaken following the first six months of the operation of the North East Combined Authority and invited them to consider and agree the recommended changes.

Amongst the matters discussed during the ensuing discussion were the following:

- the proposals for substitute members for the Transport North East Committee, the Transport North East (Tyne and Wear) Sub-Committee and the Overview and Scrutiny Committee;
- the process and timescales for the implementation of the proposed and future changes; and
- the option to defer the review to a later date.

Members were invited to submit any additional comments to the Monitoring Officer.

Members then voted on the recommendation as set out in the report.

In favour:

Councillors Henig, Henry, Forbes and Davey and Mayor Redfearn

Against:

Councillor Watson

Abstention:

Councillor Malcolm

RESOLVED – That the recommendation that the Leadership Board should consider and agree the recommended changes to the Constitution as set out in the Appendix to the report was not approved.

73 **TEES VALLEY COMBINED AUTHORITY**

Submitted: A report of the Head of Paid Service (previously circulated and copy attached to Official Minutes).

Members considered the report which provided an update on the consultation and overall timescales for the establishment of the Tees Valley Combined Authority and sought Members' approval for the submission of the proposed consultation response.

RESOLVED – That:

- I. the report be noted; and
- II. the consultation response, as set out in Appendix A, be submitted on behalf of the North East Combined Authority.

74 **CONSULTATION RESPONSE TO PROPOSALS TO AMEND THE LEGISLATION RELATING TO COMBINED AUTHORITIES AND ECONOMIC PROSPERITY BOARDS**

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

Members considered the report which invited them to consider and agree the North East Combined Authority's response to a consultation relating to proposed changes to the legislation concerning combined authorities and Economic Prosperity Boards.

RESOLVED – That the consultation response as set out at Appendix 1 be forwarded to the Department for Communities and Local Government.

75 **DATE AND TIME OF NEXT MEETING**

- An additional meeting would be organised in due course.
- The next ordinary meeting would be held on 21 April 2015 at 2pm at Northumberland County Council.
- The Annual Meeting would be held on 16 June 2015 at 2pm at Sunderland City Council.

76 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That by virtue of section 100A and paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 press and public be excluded from the remainder of the meeting during the consideration of agenda items 14 - Confidential Minutes of the Previous Meeting held on 21 October 2014 because exempt information was likely to be disclosed and the public interest test was satisfied.

77 **CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING HELD ON 21 OCTOBER 2014**

The confidential minutes of the previous meeting held on 21 October 2014 were approved as a correct record and signed by the Chair.