

Meeting of Members of the Overview and Scrutiny Committee

15 April 2025
(10.00am)

Meeting held in: The Pandon Room, Civic Centre, Newcastle

Notes

Present: Councillor Colin Ferguson (Chair)
Councillor Les Bowman
Councillor Richard Dodd
Councillor Steve Fairlie
Councillor Charlie Gray
Councillor Chris Lines
Councillor John McCabe
Councillor Claire Rowntree
Councillor Dawn Welsh

The following items of business were discussed by members of the Overview and Scrutiny Committee when there were an insufficient number of members present to conduct a quorate meeting of the Committee. Apologies for absence had been received from Councillors Rob Crute, John Eagle, Jim Montague and Antony Mullen.

1. Previous Meetings

With reference to the notes of the meeting held on 4 March 2025, a member thanked officers for providing clarification regarding the current eligibility and costs associated with the Metro Gold Card and he reiterated his view that all residents living within the North East CA area should be eligible for the Gold Card at the same cost.

2. Overview and Scrutiny Committee Annual Report 2024/25

Members were presented with a draft Annual Report 2024/25. The report documented the role played by the Committee during its first year of operation in reviewing and scrutinising the decisions taken by the North East Mayor and the North East CA Cabinet, monitoring delivering of its programmes and contributing to the development of its policy and strategies. The report incorporated a self-assessment against the 18 key principles of good scrutiny contained in the Scrutiny Protocol for English Institutions Exercising Devolved Powers.

The Scrutiny Protocol stated that the annual report should be published to broadcast the work of the Committee demonstrating how its work influences the Authority's goals, priorities and outcomes. The Protocol also stated that the report should be formally considered by its constituent members. Accordingly, members agreed that the Annual Report be presented to Cabinet at its meeting in June 2024. It was also agreed that the report be referred to the Audit and Standards Committee to provide assurance on how the Committee was performing its functions.

Members discussed how the Committee's work should complement that of the constituent council's scrutiny committees rather than create duplication. To this end, the Chair was willing to meet with council scrutiny committees to discuss how respective work programmes could be interconnected on issues such as the Local Transport Plan and Local Growth Plan.

It was acknowledged that recent meetings of the Committee had been inquorate. Given the importance of devolution to the region and the critical role of the Committee within the Authority's governance arrangements, members highlighted the need for the appointment of a pool of engaged members and substitute members.

3. English Devolution White Paper

Alan Reiss, Director of Operations, met with members to discuss the likely implications of the proposals contained within the English Devolution White Paper. The Paper had been published in December 2024 setting out proposals to widen and deepen devolution across England, providing powers and funding and hardwiring them into the way Government worked. The Government intended to bring forward an English Devolution Bill to deliver its vision as set out in the White Paper. Members asked that they be provided with regular briefings on the development and implementation of the Government's devolution policies outlined in the White Paper.

During members' discussion the following issues were considered in more detail:

- a) It was proposed that strategic authorities would be required to develop a Spatial Development Strategy (SDS). This would provide the North East CA with an opportunity to work with its constituent councils and neighbouring authorities to develop a plan for the delivery of infrastructure across the regional economic geography. The SDS would not replace but would guide the preparation and updating of local plans by local planning authorities.
- b) Strategic authorities would be positioned as convenors of public service reform, bringing together local authorities, public service providers and other stakeholders to drive people-centred services. There were opportunities for the North East CA to work in partnership with other public service providers where their policy objectives aligned. For example, working together to address the broader social determinants of health, moving away from traditional forms of service delivery to a holistic approach, organised around service users. The North East Mayor was currently unable to exercise the functions of the Police and Crime Commissioner and Fire and Rescue Authority because the respective geographies did not align, but this was not a barrier to working in the spirit of what is proposed in the white paper.
- c) The White Paper contained proposals to strengthen the role and functions exercised by Mayors in Mayoral Strategic Authorities. This was because some Mayors had experienced challenges in obtaining the unanimity required among members from constituent councils to agree key strategic decisions. Mayors would also be able to appoint Commissioners to support the delivery of key functions. These appointments were intended to complement not replace the allocation of portfolios to elected members of the Authority. It would be a matter for the Mayor and Cabinet to determine the governance arrangements of the North East CA once the relevant legislation was in place.
- d) The Government was exploring a local public accounts committee model to provide scrutiny of local public spending and match the deeper devolution of powers with a proportionate level of accountability. Members expressed concerns regarding the risk of a local public accounts committee duplicating the work of overview and scrutiny committees and highlighted the need for clarity in its role and responsibilities.
- e) Members explored with officers how the proposals contained in the White Paper may be progressed and shaped by decisions to be taken by Government as part of the Spending Review.

At the conclusion of the discussion members of the Committee asked that, in responding to whatever finally emerges as an enhanced devolution framework, the Mayor, Cabinet and the Authority as a whole continue to give due regard to the voices of its constituent councils. The North East CA was not a typical combined authority as it had a unique and complex economic

geography. Its strength was based on the seven local authorities coming together to address these complex issues. The quality of its work would only be enhanced by allowing constituent councils to continue to represent their own geographies, needs and voices.

3. Creating Real Opportunity: North East Local Growth Plan

Members met with Rob Hamilton, Head of Innovation and Strategy, to examine the Interim Local Growth Plan. The Plan set out the Authority's key priorities for the region, illustrating how it would grow the regional economy and improve living standards. It would help guide future investment decisions and be used in discussions with Government ahead of the Spending Review and the introduction of a single integrated financial settlement in 2026/27. The Plan had been developed in consultation with local authorities, national government, and regional stakeholders and approved by Cabinet for the purposes of consultation with Government and stakeholders. Members of the Committee were invited to comment on the Interim Plan prior to Cabinet approving the final version later in 2025.

Members commented on the following aspects of the plan:

- a) Members welcomed the development of the Local Growth Plan and the Authority's vision for economic growth which would be aligned with the Government's Industrial Strategy. The Plan covered a 10 year period but the Mayor and Cabinet could review and refresh the plan if necessary to respond to changes in the global economic climate.
- b) The Plan stated that if the North East were to grow at the same projected rate as the fastest growing G7 economy today the economy would be £13.1bn larger by 2033. This aspiration was linked to the Government's national target. Members queried whether this was the limit of the Authority's aspirations or whether activity should be focussed on closing the gap in performance compared to other regions in England.
- c) Members highlighted the need to create long term sustainable high value jobs to tackle the underlying structural problems in the local economy. There were opportunities to create these types of jobs in the offshore, electric vehicle and creative industries.
- d) Further work was to be undertaken with members of the Authority in determining objectives, performance indicators and targets. Members commented that clear, measurable and time-based objectives were required so that outputs and outcomes could be monitored. Each business case for investment would identify measures and performance would be tracked, publicly reported and open to scrutiny. It was suggested that comparative metrics be adopted as they would mitigate against the impact of global factors beyond the control of the Authority.
- e) The Plan identified £14bn of current investment opportunities, which included up to £10bn investment in a data centre campus in Cambois, Northumberland.
- f) Members asked for further evidence of the £14bn turnover and 48,000 jobs in the defence and space industries based in the region and the expected growth in the UK defence sector by over next five years to £87bn.
- g) The Plan stated that economic inactivity in the North East was high and rising and that by reducing inactivity linked to ill health to national levels would mean 45,000 more economically active people in the North East. Members referred to the increasing levels of obesity and other health issues among children which were likely to lead to increased levels of inactivity in working age people in the future. The underpinning determinants of ill health among children required attention by the Authority working with its partners as part of the public service reform agenda. It was suggested that this topic should form part of the Committee's future work programme.
- h) The Plan included a section on supporting growth within the foundational economy. Members expressed an interest in examining this aspect of the Plan in more detail as part of its future work programme.
- i) Global supply chains were being reshaped by rising trade protectionism and members explored with officers the likely effects of US trade tariffs for the region and the opportunities to grow exports to new markets particularly in the offshore and pharmaceutical sectors.

The Chair thanked officers for presenting details of the Local Growth Plan and asked that members' observations as set out above be given consideration in preparing the final version.