



Overview and Scrutiny Committee

Thursday 20 December 2018 at 10.00 am

Meeting to be held: Committee Room, Town Hall, Westoe Road, South Shields, NE33 2RL

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AGENDA

Page No

1. **Apologies for Absence**
2. **Declarations of Interest**

Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.
3. **Minutes of Previous Meetings**
 - (a) **Minutes of meeting held on 15 March 2018** 1 - 6
 - (b) **Notes of inquorate meeting held on 16 July 2018** 7 - 14
 - (c) **Minutes of meeting held on 20 September 2018** 15 - 20
4. **Governance Changes and Overview and Scrutiny Arrangements** 21 - 36
5. **Budget Proposals 2019/20** 37 - 68
6. **NECA Forward Plan and Scrutiny Work Programme** 69 - 90
7. **Date and Time of the Next Meeting**

Tuesday 14 March 2019 at 10.00am

8. Exclusion of Press and Public

Under section 100A and Schedule 12A Local Government Act 1972 because exempt information is likely to be disclosed and the public interest test against disclosure is satisfied.

9. Confidential Minutes of Previous Meetings

- | | | |
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| (a) | Confidential minutes of meeting held 15 March 2018 | 91 - 92 |
| (b) | Confidential minutes of meeting held 20 September 2018 | 93 - 94 |

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To All Members

Overview and Scrutiny Committee

DRAFT MINUTES TO BE APPROVED

15 March 2018

(10.00 am - 12.30 pm)

Meeting held County Hall, Durham, County Durham, DH1 5UL

Present:

Independent Members: D Taylor-Gooby (Chair) S Hart (Vice-Chair)

Councillors: R Crute, J Eagle, N Weatherley, S Graham, R Dodd, B Flux,
J Amar, W Flynn, N Wright, D Snowdon, M Clarke and G Stone

32 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Patterson (Durham), Glindon (North Tyneside) and Lower (Newcastle).

33 DECLARATIONS OF INTEREST

Councillor Eagle declared an interest as an employee of Nexus and informed Committee that dispensation had been granted for him to take part in discussions of transport related items but he would not be voting in decision making.

34 MINUTES OF 13 SEPTEMBER 2017

The minutes of the meeting held on 13 September 2017 were agreed as a correct record and signed by the Chair.

35 NOTES OF INQUORATE MEETING 14 DECEMBER 2017

The notes of the inquorate meeting held on 14 December 2017 were confirmed as a correct record.

36 NOTES OF INQUORATE MEETING 5 FEBRUARY 2018

The notes of the inquorate meeting held on 5 February 2018 were confirmed as a correct record.

Matters arising

Minute 30 – NECA Forward Plan and Work Programme

Peter Judge (Monitoring Officer) and Helen Golightly (Head of Paid Service) provided an update on recent developments with the North of Tyne Devolution proposals.

The Committee were advised that the consultation period had ended and that the majority of respondents had been in favour of the creation of a North of Tyne Mayoral Combined Authority. A first draft of the Order to create the new Combined Authority had been received – slightly later than anticipated – and had been reviewed by officers, with a report going to the Leadership Board on 20 March 2018. A number of amendments to the draft Order had been proposed by officers. An extraordinary meeting of the Leadership Board would be required once the amended Order was received - it was anticipated that this may need to be held during the pre-election period, but legal officers had reviewed the situation and were satisfied that a decision over whether or not to proceed could be taken during that time. If the Leadership Board agreed to proceed it was proposed that the Order would commence at the beginning of a financial quarter, meaning either 1 July 2018 or 1 October 2018.

In discussion the following points were raised.

- Concerns were raised about the questions used in the consultation – both in terms of the wording, which Members felt only allowed for a positive response, and the lack of a question about having a Mayor – and it was queried whether the questions had been written by Government.

Officers advised that they believed the questions to have been written by the North of Tyne authorities, but that Government had been given an opportunity to comment upon them. Members requested that clarity be sought on this point and it was agreed that officers would write to the North of Tyne Authorities to seek confirmation on who had drafted the questions used in the consultation, and what involvement Government had had in the process.

- It was noted that other areas were making progress in establishing Mayoral combined authorities, including one to cover the whole of Yorkshire, and that failure to agree on a way forward within NECA may result in the interests of the region being held back.
- A Member queried whether there may be constitutional issues going forward for non-Mayoral combined authorities. Officers advised that current legislation was neutral in terms of Mayoral and non-Mayoral combined authorities.

RESOLVED: That officers would write to the North of Tyne authorities to seek clarification on who had drafted the questions used in the consultation, and what involvement Government had had in the process.

37 THEMATIC LEAD UPDATE REPORT FOR EMPLOYABILITY AND INCLUSION

Submitted: Report of Thematic Lead for Employability and Skills and Skills Director North East LEP (previously circulated and copy attached to the Official Minutes).

Councillor Jackson (Thematic Lead for Employability and Skills) introduced the report which provided an update on progress being made in delivering the Employability and Inclusion and Skills themes of the Strategic Economic Plan (SEP) for the North East. Councillor Jackson advised the Committee that the North East economy continued to be characterised by low pay and low skill employment, and that in order to improve living standards it would be necessary to increase productivity which in turn meant increasing skills levels. Major employers were keen to move into the region, or to expand within the region, but in order to do so they needed to have access to a highly skilled workforce.

Ryan Gibson (Facilitator for the Career Benchmarks Pilot) gave a presentation providing members with an overview and update on the Skills programme and the five areas of focus in addressing Skills Challenges.

In response to comments, questions and points raised by Members the following was noted:

1. There were two benchmarks within the North East Ambition programme that were focussed on meaningful encounters with employers and workplaces, and the Enterprise Advisors programme provided an additional link to employers. Work had been taking place to recruit employers to work with schools, and officers had found that employers were very keen to engage. The involvement of senior staff within schools was considered to be vital to the success of the programme as it had been shown to rapidly increase the rate of progress. It was advised that the 'Careers Leader' within schools should always be a senior staff member.
2. In response to a question from members about provision for young people who were not academically inclined, officers advised that the pilot for the North East Ambition Programme had involved a pupil referral unit and special needs schools. Relationships were established with colleges that allowed these students to see a clear path to progression, and there had been a reduction in the number of young people not in education, employment or training (NEET) which could be partially attributed to this. Regular contact with employers and provision of training was also considered to be important.
3. The 'Bring it On' exhibition held at the Stadium of Light in 2017, which had been interactive and had showcased opportunities for young people in engineering, had been a big success. It has been partially funded by the LEP and a second event was to be held at the Beacon of Light in October 2018. Other sectors were interested in replicating the 'Bring it On' approach.
4. Whilst it was not possible to make changes to the national curriculum, it may be possible to influence what was taught in classrooms in terms of skill development and project based learning.

5. In response to concerns about European Social Fund (ESF) funding coming to an end and queries as to what risk mitigation was to be put in place, officers advised that ESF was not the only source of funding and that resources and expertise could be pooled. Government had promised that EU funding would be replaced but details around this had not yet been announced. It was proposed that a case should be made for the North East to have control over its share of funding.
6. There was no commitment made by employers to providing for employment for young people through the North East Ambition programme, only to provision of support and guidance. It was suggested that a guaranteed interview would be a fantastic outcome and a great next step to aim for.
7. One of the benchmarks within the North East Ambition programme related to tackling gender stereotyping and activities took place within schools to challenge stereotypes. An event was to take place for young women to meet females already working in engineering and science.

RESOLVED – That the Overview and Scrutiny Committee noted the contents of the report.

38 **DURHAM YOUTH EMPLOYMENT INITIATIVE**

Submitted: Report of Strategic Lead: Progression and Learning Durham County Council (previously circulated and copy attached to the Official Minutes).

Linda Bailey (Strategic Lead Progression and Learning, Durham County Council) presented the report which provided members with information about the DurhamWorks Youth Employment Initiative (YEI) Programme.

In response to comments, questions and points raised by Members the following was noted:

1. Members expressed concern about the lack of desire from some young people to engage in further activities to develop employability skills and asked what could be done to address this.

Officers advised that the most disadvantaged young people had been targeted for this programme, and that many of them had previously been mandated by the Job Centre which had resulted in them developing a negative view of 'employability skills', and that it could be challenging to persuade them of the potential benefits. It helped if young people were able to clearly see the end results and were offered activities which were less formal in nature and/or helped them to develop work-related skills.

2. Information was collected about the number of young people who had gained employment, but progression would not be reported until the end of the programme as officers did not want to give up on anyone in the meantime. The service was individualised and based on need.

3. If and when funding for the programme ended the branding would remain, and the collaborative working relationships and networks established through the programme would continue.
4. National evaluation would take place six months after completion of the programme, and this could be used to compare results with other YEI areas. However it would take at least a year after the end of the initiative to understand the full outcome. The programme is being evaluated at a local level on a quarterly basis and this evaluation is looking at all aspects of the model and its' delivery. Once the programme ends, it is intended that a review of the younger cohort would take place within 6-12 months.

RESOLVED – That:

- i. The report be received and comments noted.
- ii. Further progress reports on the delivery of the DurhamWorks Programme to be brought to future meetings of the Committee, as appropriate.

39 **NECA DECISION MAKING PROTOCOL**

Submitted: Report of Monitoring Officer and Policy and Scrutiny Officer (previously circulated and copy attached to the Official Minutes).

Nicola Laverick (Policy and Scrutiny Officer) and Peter Judge (Monitoring Officer) presented the report which outlined the Decision Making Protocol for the Overview and Scrutiny Committee. Nicola reminded members that this item had previously been discussed by the Committee and had been shared with members and Scrutiny Officers from the constituent authorities for comment, and drew attention to the summary of feedback received in paragraph 1.6.

RESOLVED – That:

- i. The comments received from Scrutiny Officers regarding the protocol be noted.
- ii. The draft Decision Making Protocol be agreed and Leadership Board invited to consent to the Protocol.
- iii. The Monitoring Officer and Policy and Scrutiny Officer be instructed to implement the Protocol and to provide advice and guidance to officers regarding the Protocol and the required standards.

40 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 press and public be excluded from the meeting during the consideration of agenda item 8 (Tyne Pedestrian and Cyclist Tunnels) because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.

42 NECA FORWARD PLAN AND SCRUTINY WORK PROGRAMME

Submitted: Report of Monitoring Officer and Policy and Scrutiny Officer (previously circulated and copy attached to the Official Minutes).

Nicola Laverick (Policy and Scrutiny Officer) presented the report which provided Members with an opportunity to consider the items on the Forward Plan for the current 28 day period and discuss items for the Work Programme for 2018/19.

In response to comments, questions and points raised by members the following was noted:

1. Members asked to have a report brought back to Committee on all major projects being carried out by or on behalf of the NECA so that members could identify any they may wish to add to their work programme for more detailed consideration.
2. Members requested that they receive details about the joint arrangements for governance and delivery of transport functions between the NECA and the NTCA going forward.

RESOLVED – That:

- i. A report be brought back to the next meeting detailing all of the major projects being carried out by or on behalf of the NECA.
- ii. The Committee to receive details about the joint arrangements for governance and delivery of transport functions between the NECA and the NTCA going forward as they become available.

43 DATE AND TIME OF THE NEXT MEETING

Provisional date (subject to confirmation at the Annual Meeting):

Monday 16 July 2018 at 10.00am.

Overview and Scrutiny Committee

DRAFT MINUTES TO BE APPROVED

16 July 2018

(10.02 - 11.58 am)

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

Present:

Independent Members: D Taylor-Gooby (Chair) S Hart (Vice-Chair)

Councillors: J Eagle, S Graham, R Dodd, G Kilgour, D Snowdon, P Hunt and A Ellison

1 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Crute (Durham), Patterson (Durham), Lower (Newcastle), Glindon (North Tyneside) and Flynn (South Tyneside).

The Chair confirmed that the meeting was not quorate and that any decisions taken would therefore be ratified at the next meeting.

2 DECLARATIONS OF INTEREST

Councillor Eagle declared an interest as an employee of Nexus and informed Committee that dispensation had been granted for him to take part in discussions of transport related items but that he would not be voting in decision making.

3 MINUTES OF THE PREVIOUS MEETING HELD ON 15 MARCH 2018

The Committee reviewed the minutes of the previous meeting held on 15 March 2018 and those present agreed their accuracy.

RECOMMENDED – That the minutes be formally approved at the next meeting of the Committee.

Matters arising:

Minute 36 – Minutes of Inquorate Meeting 5 February 2018

Helen Golightly, Head of Paid Service, gave a verbal update on recent developments with North of Tyne Devolution proposals.

The Committee were advised that the Leadership Board had met on 26 April to consider a report on devolution and had approved recommendations to enable and allow the three North of Tyne authorities to set up a Mayoral Combined Authority, to

amend the boundaries of NECA so as to remove the North of Tyne local authority areas, and to set up Joint Transport Committee. Since then a Deed of Cooperation had been developed and signed by all seven authorities. Within the previous few days an updated draft of the Order had been released by Government, and once all seven authorities were comfortable with it the Secretary of State would be notified and formal consent to the Order given. The aim was for this to take place before the summer parliamentary recess. Set up of the new arrangements was likely to take place in September, but this could not be confirmed. Until such time as the new Order came into effect the Committee would continue as usual.

4 **THEMATIC LEAD UPDATE REPORT FOR ECONOMIC DEVELOPMENT AND REGENERATION**

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

Councillor Iain Malcolm (Thematic Lead for Economic Development and Regeneration) introduced the report which provided an update on the work of the Economic Development and Regeneration Advisory Board (EDRAB) over the 2017/18 municipal year and an overview of the Department of International Trade activities delivered by the North East England Chamber of Commerce (NEECC). The report also provided an updated on the work of Invest North East England (INEE) and the Committee were advised that there was a commitment to keep this going after the creation of the North of Tyne Combined Authority.

Julie Underwood (International Trade Director, North East England Chamber of Commerce) presented an update on the delivery Department for International Trade (DTI) activities by the NEECC, including the delivery structure and activities and examples of export wins by local authority areas.

Guy Currey (Director, Invest North East England) presented an update on inward investment activities and an overview of the model of operation used by INEE.

In response to comments, questions and points raised by Members the following was noted:

- In response to questions from Members about the accuracy of job creation figures, officers advised that business parks were planned with a certain floorspace capacity in mind which in turn informed the projected figures for job creation within them. The approach taken by INEE in calculating job creation from inward investment project wins was to take figures directly from companies' announcements as to the numbers created over the next three-year period. This was in line with Department of International Trade methodology. It was not an exact science and there could be no certainty on the exact number of jobs created. It was highlighted that money from the public purse did not go to fund new business parks if they were just displacing jobs from elsewhere, it was a requirement that there must be new jobs created and robust evidence of this had to be provided. Retail figures were not included.

- It was important to engage with young people before the age of 16 in order to steer education and career choices, and within South Tyneside universities and colleges were engaging with primary and secondary schools around this. It was suggested that the success of this approach should be monitored and considered for wider implementation in the region.
- The USA was the number one export market for the North East, followed closely by Germany. The major exports to the USA were goods and services. Overall, 62% of goods exported from the region went to the EU. It was highlighted that Nissan exports were not included in the figures quoted as they were covered by data published by HMRC.
- The UK Shared Prosperity Fund would be an important source of funding for the region going forward and lobbying around allocation would continue with Government and with regional MPs. There was the possibility of a Cabinet meeting being held in the region later in the month and this would provide an additional opportunity. A Government consultation was expected in the Autumn, and it would continue to be a key issue on EDRAB's work programme over the following year. It was noted that it was not yet possible to predict the final outcome of Brexit, but that there would be opportunities as well as challenges and it was important to be open-minded about this.

Members queried whether the region should be aiming for more in terms of what it got back from the EU in light of the trade deficit. Councillor Malcolm advised that it was always wise to ask for more but that there was no guarantee the Government would listen. It was also highlighted that while North East exports were currently higher than imports the gap was closing, and that this presented a challenge in terms of negotiations. The Committee were advised that cross-party support for the negotiations would be welcomed.

- The original Strategic Economic Plan (SEP) target for jobs was to create an additional 100,000 jobs, 60 per cent of which would be 'better' jobs. Those targets were reviewed in 2016/17. Given the uncertainty around Brexit it was decided not to change the target for job creation, but the target for 'better' jobs was increased to 70 per cent.
- The biggest challenge to productivity in the region was the skills gap. Businesses looking to relocate needed to have confidence that the right skills were available to meet their needs. It was also important to make sure that transport connectivity was in place to enable people to get to where the jobs were, as was happening with the International Advanced Manufacturing Park (IAMP). Employers based on the IAMP would also be encouraged to offer skills training in local areas, demonstrating to job seekers that there were opportunities available to them. The Committee were advised that the four business opportunity areas outlined in the SEP were chosen specifically because of their potential to help close the productivity gap.
- Members expressed concern that a reduction in the number of skilled people migrating to the UK could result in the North East losing talented people to London to replace them. Officers advised that there were a large number of

people studying in the region and that it was important to try to retain those graduates. The region was already able to offer high quality living conditions, but also needed to have high level jobs for graduates to move into.

RECOMMENDED – That the Overview and Scrutiny Committee noted the contents of the report.

5 **DIGITAL CONNECTIVITY UPDATE REPORT**

Submitted: Report of Chair NECA Digital Leads (previously circulated and copy attached to Official Minutes).

Steve Smith (Chair of the NECA Digital Leads Group) presented the report which provided an update on the Digital Connectivity workstream including work to increase the availability of superfast broadband as part of the BDUK national programme and work to ensure that the region was well placed to be able to access future digital connectivity such as full fibre, 5G and the Internet of Things.

The Committee were advised that there were difficulties in achieving full coverage of superfast broadband in the region. In part this was due to cost, as there was a cap on the level of public subsidy permitted in areas that fell outside of the national State Aid umbrella. There were also issues with the installation of full fibre connections, recommended by Government as the best long-term solution, as it was very difficult to retrofit and developers could not be forced to install full fibre connection in new developments at the construction stage.

A number of bids were in development for the next wave of the Department for Digital, Culture, Media and Sport (DCMS) Local Full Fibre Networks (LFFN) funding, and local authorities were sharing thinking on this in order to ensure that the bids submitted from within the NECA area were complementary.

Alan Welby (Innovation Director, North East LEP) gave an update on development, testing and future rollout of 5G infrastructure.

In response to comments, questions and points raised by Members the following was noted:

- Officers were not able to advise on the figures for full fibre connection in new developments within specific local authorities, as they only had access to the regional figure. As a region the North East had the lowest level of full fibre infrastructure installed in new developments in 2017.
- Members queried why there was reluctance from developers to provide full fibre connectivity in new homes. Officers advised that an example of a reason given by a developer was that having a box with flashing lights in the living room would spoil the look of the home and be off-putting to buyers. Homes could be retrofitted but the cost of this was in the region of £8-£30 per house. Many developers thought this too expensive and refused to bear the cost.
- Lobbying was taking place to make changes to the National Planning Policy Framework to make it a condition that full fibre broadband was installed at the

construction phase – Government needed to have clear evidence of the need to make it a condition within the Framework and there had been pushback from developers on the importance of broadband connection compared to water, gas and electricity. In the meantime a lot of work was taking place to explore what could be done through regional local plans.

- For rural areas where fibre connections could prove to be very difficult and expensive to install there had been some success with deployment of satellite or wireless connections. The drawbacks of this were that while 4G connections could be fast they were short range, and that it was not seen as being an equitable product as the cost per month was much higher than for a fibre connection.
- In response to a question about conversion from superfast to ultrafast broadband, officers advised that Full Fibre to Cabinet (FFTC) solutions could be easily converted and could be done on a wholly commercial basis by the operator but would be short range and only properties within 300-350 metres of the cabinet would benefit. In order to change to a Full Fibre to Premises (FFTP) connection there would be significant additional cost and logistical difficulties as new cabling would need to be installed all the way to each individual property.
- Members expressed concern that isolated communities often housed some of the most vulnerable residents and that it was worrying that their ability to connect to superfast broadband seemed to rely on the whim of a developer. Officers advised that any support the Committee could provide in lobbying developers to provide connection would be welcomed.
- Members highlighted that lack of connectivity or poor connectivity would be detrimental to economic development.
- 5G would be a step-change in terms of multi-channel, ultra-fast mobile and wireless technology which would be able to handle data quicker and with faster reaction times and could transform how people interact. It would enable machine to machine communication which would in turn allow technology such as automated cars to operate. It would also be a secure way of transferring information. NECA was making a bid for funding under the DCMS 5G Testbeds and Trials programme.

Members queried whether 5G could be used to provide assistive technology for the frail and elderly. Officers advised that there were opportunities using 5G to develop and install machines that could monitor and assist and could alert the authorities to any abnormalities in a person's daily routine.

RECOMMENDED – That the Overview and Scrutiny Committee noted the contents of the report.

6 **NECA FORWARD PLAN AND SCRUTINY WORK PROGRAMME**

Submitted: Report of Monitoring Officer and Policy and Scrutiny Officer (previously circulated and copy attached to Official Minutes).

Nicola Laverick (Policy and Scrutiny Officer) presented the report which provided Members with an opportunity to consider the items on the Forward Plan for the current 28 day period and discuss items for the Work Programme for 2018/2019.

The Committee's attention was also drawn to a review of the 2017-2018 work programme and of decision making over the previous 12 months. Members were advised that there had been a large number of late requests for items to be added to the Forward Plan, and in order to address this the procedures for amendment and addition to the Forward Plan had been tightened and a Notice of General Exception established in accordance with the Decision Making Protocol.

The Committee were advised that the Decision Making Protocol had been approved by the Leadership Board and that training was to be provided for officers to ensure that it was understood.

In response to comments, questions and points raised by members the following was noted:

- It was highlighted that the work of the Committee should be driven by its Members, and as such Members were encouraged to submit any suggestions for additions to the work programme.
- Members agreed that they would like to look more closely at the issue of digital connectivity, particularly for social housing. It was agreed that this should be added to the work programme and a more in-depth report requested, and that Members should also review the position within their own local authorities in advance of further discussion by the Committee.

RECOMMENDED – That:

- i. The Forward Plan, Work Programme 2018/2019 and NECA Decision Making Annual Report be received and comments noted.
- ii. The changes made to the Decision Making Protocol that was approved by the North East Leadership Board on 19 June 2018 be noted.
 - i. A review of Digital Connectivity, with a particular focus on social housing, be added to the work programme at an appropriate time and a more in depth report requested to support this.
 - iii. Members to review their own authorities position with regards to Digital Connectivity in advance of further discussion by the Committee.

7 DATE AND TIME OF THE NEXT MEETING

Thursday 20 September 2018 at 10.00am.

8 EXCLUSION OF PRESS AND PUBLIC

RESOLVED – That by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 press and public be excluded from the meeting during the consideration of agenda item 9 (Confidential minutes of the previous meeting held on 15 March 2018) because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.

9 CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING HELD ON 15 MARCH 2018

It was agreed that a review of the accuracy of the confidential minutes and discussion of any matters arising should be deferred to the next quorate meeting of the Committee.

RECOMMENDED – That the confidential minutes of the previous meeting be considered at the next quorate meeting of the Committee.

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Overview and Scrutiny Committee

DRAFT MINUTES TO BE APPROVED

20 September 2018

(10.06 am - 12.06 pm)

Meeting held Committee Room, Gateshead Civic Centre, Regent Street, Gateshead, NE8 1HH

Present:

Independent Members: D Taylor-Gooby (Chair) S Hart (Vice-Chair)

Councillors: J Eagle, R Glindon, S Graham, G Kilgour, D Snowdon, P Hunt, M Clarke, G Stone and A Ellison

10 APOLOGIES FOR ABSENCE

Apologies were received from Cllrs Crute (Durham), Patterson (Durham), Lower (Newcastle) and Flynn (South Tyneside).

The Chair confirmed that the meeting was not quorate and that any decisions taken would therefore be ratified at the next meeting.

11 DECLARATIONS OF INTEREST

Councillor Eagle declared an interest as an employee of Nexus and informed Committee that dispensation had been granted for him to take part in discussions of transport related items but that he would not be voting in decision making.

12 MINUTES OF MEETING HELD ON 15 MARCH 2018

The Committee reviewed the minutes of the previous meeting held on 15 March 2018 and those present agreed their accuracy.

RECOMMENDED – That the minutes be formally approved at the next meeting of the Committee.

13 NOTES OF INQUORATE MEETING HELD ON 16 JULY 2018

The Committee reviewed the notes of the inquorate meeting held on 16 July 2018 and those present agreed their accuracy subject to the following amendment: That Councillor Glindon be recorded as having submitted his apologies for the meeting.

RECOMMENDED – That the notes be formally approved at the next meeting of the Committee.

14 **MONITORING NEXUS' PERFORMANCE**

Submitted: Report of Managing Director Transport Operations (previously circulated and copy attached to Official Minutes).

Tobyn Hughes (Managing Director Transport Operations) presented the report which provided a summary review of Nexus' performance against its Corporate Business Plan targets and objectives for 2017/18.

Officers advised that whilst there were continuing challenges in maintaining the ageing Metro fleet there had also been significant improvements in performance within recent months as reflected in the performance against key objectives outlined in paragraph 1.2 of the report.

Attention was drawn to the notable aspects set out in paragraph 1.3 of the report and the following key points were highlighted. The names of the companies bidding to deliver the new Metro fleet were now known. Metro Operations had been successfully handed back to Nexus – it was a transitional process, but significant progress had been made and it was proving to be beneficial in delivering a more integrated public transport service to passengers as all staff were now working to the same objectives. Uptake of the Pop Blue card had been very good with 4,000 card holders currently. Work was underway to target marketing of the card at the next generation of sixth formers and college students. Development of the Learning Centre in South Shields provided an opportunity to change the organisations approach to learning and development. It also allowed an opportunity to use the new shed to operate early morning trains from South Shields without first having to bring them over the river from Gosforth, which would be of major benefit to customers and to the economy. It was anticipated that the new Metro and bus Interchange in South Shields would transform the passenger experience, especially on Great North Run day.

In discussion the following key points were noted.

- The Killingworth Road Bridge Renewal and Highway Improvement Scheme had provided a good opportunity to refurbish the Metro bridge and to remove a pinch point for traffic underneath the bridge. The work to replace the bridge had gone well and was completed on time, which marked the end of Nexus' involvement. The work to widen the road below was the responsibility of Newcastle City Council as the highways authority. Newcastle City Council had advised that gas works were ongoing and were anticipated to be completed by the end of October. It was expected that the road could then be reopened by the first quarter of 2019.
- There were 90 Metro cars in the current fleet. The intention was to replace these with 42 new longer cars, however these would be more reliable and would require much less maintenance and so there would be no need to have as many spares.

- The old Metro trains had no significant financial value due to their condition, the fact that they were bespoke to the Metro system and could not be used elsewhere, and because component parts were expensive to replace. Some of the old trains were earmarked to be given to heritage organisations, and it was anticipated that there may be bids made by museums for others. The remainder were likely to go for scrap. The winner of the bid to produce the new trains would be responsible for maintenance of the current fleet until it was replaced, and so would have made the final decision about what would happen to the remaining old trains.
- There was a 'drop dead date' by which the new trains were required to be delivered. It would be for the successful bidder to determine the speed of introduction of the new trains up to that point, although they would be incentivised to do so as quickly as possible.
- There had been a lot of feedback from members about wanting to ensure that the local labour market was exploited to produce the new Metro trains. It was not possible to specify that the trains must be built in the region, however bidders were required to demonstrate that they would work with the local supply chain and also that they would minimise their carbon footprint, which should reduce shipping of parts from other countries and increase local opportunities.
- Defibrillators had been installed at Haymarket, Monument and Gateshead Metro stations, and the aspiration was to have them installed in as many stations as possible. The defibrillators needed to be regularly checked and maintained – Nexus were exploring the option of local community groups taking on responsibility for this and welcomed any offers of support in this regard. It was suggested that the construction of the new interchange in South Shields provided an ideal opportunity to install one there.
- The Pop Card could now be used to pay for journeys made using the Metro, ferry and bus network. A scheme was being developed by Transport for the North (TfN) to introduce contactless payment on public transport across the whole of the North, and work on this was ongoing. Nexus were making efforts to keep up to date with new technology and were currently working with local and multinational firms to embed the Pop card on smartphones. This was in the process of being trialled with a limited initial roll-out planned for the new year.
- The levy received by Nexus from local authorities had been under significant pressure, being either reduced or frozen each year, since 2012. As a result, there had been an agreed strategy for Nexus to use reserves to plug the gap and to keep frontline services operating. Work had been carried out to try to reduce the budget pressures, including a review of procurement and a staffing restructure. This, in conjunction with a recent pension re-evaluation, meant that it had been possible to protect frontline services without the need to use reserves.
- Following the failure to proceed with the Quality Contract Scheme no new bus strategy had been agreed, although work had been undertaken to

develop one. There would be an opportunity once new governance structures were in place to review and refresh all transport policies. There had not yet been a need to withdraw any of the secured bus services, but the decline in passenger numbers had accelerated and so the need to act had increased.

- The Managing Director Transport Operations had regular one to one's with the Portfolio holder for Transport and Digital Connectivity, providing an opportunity to keep the Portfolio holder informed and for them to be able to advise and guide how matters were progressed.
- Nexus was required by legislation to have a Director General and at least three non-elected Board members, and to have a section 151 officer. It was overseen by the NECA, which held the responsibilities that previously fell to the Integrated Transport Authority (ITA). Political accountability was required, and this function was carried out by the Transport North East (Tyne and Wear) Sub-Committee on behalf of the NECA although some matters were reserved for consideration by the Leadership Board. Some functions were delegated to the Senior Leadership Team by the Leadership Board or by the Local Transport Act. Nexus was independently audited. It no longer had an Executive Board as this was dissolved upon the creation of the NECA.
- The measurement of punctuality used by Nexus for the Metro was different to that used by Network Rail and so it was not possible to directly compare the two.
- Go North East and Stagecoach both offered a £1 single ticket for young people, and the Pop Blue card could be used to pay for that. However, there was no daily cap on bus fees as there was for Metro fees.

The Chair congratulated Nexus officers on their efforts and thanked them for the report.

RECOMMENDED – That the report be received and comments noted.

[Councillor Hunt left the meeting at this point]

15 **NECA FORWARD PLAN AND SCRUTINY WORK PROGRAMME**

Submitted: Report of Monitoring Officer and Policy and Scrutiny Officer (previously circulated and copy attached to Official Minutes).

Nicola Laverick (Policy and Scrutiny Officer) presented the report which provided Members with an opportunity to consider the items on the Forward Plan for the current 28-day period, to discuss items for the work Programme for 2018/19 and to review items considered as part of the NECA Decision Making process.

Officers advised that there had been positive feedback about the Decision Making Protocol and that it seemed to be working well. An update was provided on requests for decisions to be made using the Special Urgency and General Exception provisions since the last meeting.

Members were informed that the Centre for Public Scrutiny (CfPS) had been commissioned to draft parts of new statutory guidance on overview and scrutiny in local government that was to be published by the Government in December 2018. CfPS were seeking feedback on the content of the guidance in advance of this. Officers advised that this would be dealt with by each local authority individually and that it was not believed that NECA could add any value over and above what had already been submitted to the process.

In discussion the following key points were noted.

- It was felt that a seminar session for Members on new governance arrangements would be helpful.
- Members expressed an interest in holding a workshop or half-day session to look in more detail at various elements of the work carried out by Nexus.

The Chair expressed his thanks to the officers who supported the Overview and Scrutiny Committee, which he felt was operating effectively.

RECOMMENDED – That the Forward Plan and Work Programme for 2018/19 be received and comments noted.

16 **DATE AND TIME OF THE NEXT MEETING**

Thursday 20 December 2018 at 10.00am.

17 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – that by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 press and public be excluded from the meeting during the consideration of agenda items 8 and 9 (Confidential minutes of meeting held on 15 March 2018 and Major Projects Report) because exempt information was likely to be disclosed and the public interest test against disclosure was satisfied.

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Overview and Scrutiny Committee

Date: 20 December 2018

Subject: Governance Changes and Overview and Scrutiny arrangements

Report of: Monitoring Officer and Policy and Scrutiny Officer

Executive Summary

The purpose of this report is to provide an update regarding the recent Governance Changes and provide opportunity for the Committee to discuss the Overview and Scrutiny arrangements moving forward.

Recommendations

The Overview and Scrutiny Committee is recommended to:

- i. Note the governance changes and arrangements for the NECA Overview and Scrutiny Committee;
- ii. Note the update provided to the NECA website regarding special notice provisions;
- iii. Comment on the proposed approach on the development and draft of an Overview and Scrutiny Report template.

Overview and Scrutiny Committee

1. Background Information

- 1.1 NECA was established by the Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyne and Sunderland Combined Authority Order 2014 (SI 2014/1012 as amended by the Second Order) (the **Order**), and came into existence on 15 April 2014 as the Combined Authority for the LA7 area.
- 1.2 The boundaries of NECA were changed on the second day of November 2018 by the Newcastle upon Tyne, North Tyneside and Northumberland Combined Authority (Establishment and Functions) Order 2018 (the **Second Order**) to cover only the Local Authorities of Durham, Gateshead, South Tyneside and Sunderland. These are now the Constituent Councils of NECA.
- 1.3 On 13 November 2018, a report was taken to the inaugural meeting of the NECA Leadership Board when agreement was confirmed for the continued establishment of the committees of NECA, including their current Chairs and Vice Chairs.
- 1.4 NECA's Constitution, also confirmed at the meeting in November, stipulates that the below arrangements would continue (in compliance with the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 (the Overview and Scrutiny Order)):
 - The agreed process for Call-in of decisions and the Decision Making Protocol;
 - An Overview and Scrutiny Committee reflecting the political balance across the NECA area;
 - Independent persons to act as the Chair and Vice Chair of the Overview and Scrutiny Committee; and
 - Appointment of a Scrutiny Officer for the Combined Authority who is not employed by a constituent authority.

Overview and Scrutiny Arrangements

Role and functions

- 1.5 Part 3.4 of the NECA Constitution, details the role and functions of the Overview and Scrutiny Committee, and specifies that it can:
 - Review and scrutinise the decisions made, or other action taken by, the Leadership Board in connection with the discharge of its functions.

Review or scrutinise a decision made in connection with the discharge of any functions which are the responsibility of the Leadership Board which have not been implemented and recommend that the decision be reconsidered by the Leadership Board.

- Work closely with the Overview and Scrutiny Committee of the Joint Transport Committee to ensure effective and joined up scrutiny

Overview and Scrutiny Committee

arrangements.

- Make reports or recommendations to the Leadership Board on the discharge of these functions.
- Review and scrutinise the Leadership Board's initial and final proposals in respect of plans and strategies falling within the Budget and Policy Framework, in accordance with the Budget and Policy Framework Rules of Procedure (see part 4.4)
- Establish a Call-in Sub-Committee to exercise call-in powers and consider decisions taken but not implemented (See Rule 22 of the Overview and Scrutiny Procedure Rules for information about the process for calling-in decisions).
- Investigate matters of strategic importance to residents of the Constituent Authorities and make reports with evidence based recommendations to the Leadership Board.
- Review the performance of the Leadership Board against objectives within the Combined Area's Strategy.
- Facilitate the exchange of information about the work of the Leadership Board and the Joint Transport Committee and to share information and outcomes from reviews.
- The role of these arrangements in relation to the Delivery Agencies will include:-
 - Review and scrutiny of the Nexus delivery of transport services against the Local Transport Plan and to make recommendations for improvement and/or changes; and
 - Obtaining explanations from Nexus regarding its delivery of transport services.

To establish working groups to consider any matter.

- 1.6 The Overview and Scrutiny Committee can examine any decision of the Combined Authority – be that by the principal decision making body or a committee or officer holding delegated authority. The Scrutiny occurs in public and ensures democratic and public accountability.
- 1.7 The NECA Overview and Scrutiny Committee can continue to explore matters that are of regional importance and have an impact on decision making, including Transport related matters and supporting the joint working of the Strategic

Overview and Scrutiny Committee

Economic Plan with the North East LEP.

- 1.8 It is important that the NECA Overview and Scrutiny Committee works closely with the newly established Joint Transport Committee Overview and Scrutiny Committee to ensure that Forward Planning of items and discussion remains focused, and to avoid any duplication, ensuring decision making can continue to be effective within the Combined Authority.
- 1.9 As an overview to this Committee, and for information, a paper is being taken to the Joint Transport Committee on the 18th December 2018 regarding the process of the appointment of Independent Chair and Vice Chair of the Joint Transport Committee, Overview and Scrutiny Committee.

Overview and Scrutiny Report Template

- 1.9 At the previous meeting of the NECA Overview and Scrutiny Committee, Committee Members noted that reports could be more focused to ensure that the best decision making outcomes are achieved.
- 1.10 Since the last Committee, a revised format for the Committee report template (Appendix 1) has been designed by NECA Officers, for discussion and consideration by Members.
- 1.11 The template has been designed to give clarity on a few points that Members have previously asked to be addressed:
- The purpose of the report – this is now clearly shown at the front in the type of item section
 - Guiding Principles for Scrutiny Members – this is a new section for comment and consideration that will support members' reading of each report

The revised template also introduces two new sections that are not included on other Committee report templates but cover areas that Overview and Scrutiny Committee members often ask Officers to consider:

- Key issues and challenges
 - Principles of Decision Making
- 1.12 The report template has also been developed to include guidance notes for Officers as a method of supporting them and allowing Scrutiny Members to add value to the reports that are brought forward.

Special Notice and Urgency Provisions

- 1.13 At the July 2018 Committee, an annual report was tabled regarding the number of special notices, urgent decisions and other types of decisions that had been taken within the previous municipal year.

Overview and Scrutiny Committee

- 1.14 To ensure greater transparency around decisions that are made under the Special Notice procedures, a section on the NECA website now details all of these notices and can be found at:

<https://northeastca.gov.uk/decision-making/forward-plan/special-notice-and-urgency-provisions/>

- 1.15 The next Annual Report on Decision Making, including use of these notices, will be brought to the Overview and Scrutiny Committee in July 2019.

Joint Transport Committee – Overview and Scrutiny Committee

2. Proposals

- 2.1 Committee Members are asked to note the governance changes that have been detailed in this report and to comment on the draft Overview and Scrutiny Report Template.

3. Reasons for the Proposals

- 3.1 The changes proposed to the Scrutiny Report Template are being put forward to both continue to support the effective decision making principles of the Combined Authority, and to seek to develop this further by creating an effective reporting tool that will support both Members and Officers in their roles.

4. Alternative Options Available

- 4.1 Members may choose to agree, comment upon or amend the proposed Report Template that is being put forward.

5. Next Steps and Timetable for Implementation

- 5.1 It is proposed that once the Template has been agreed it will be used by Officers for all future reports to Overview and Scrutiny Committee.

6. Potential Impact on Objectives

- 6.1 The changes support the principles of effective decision making and ensure good governance across the Combined Authority.

7. Financial and Other Resources Implications

- 7.1 There are no known financial implications arising from the contents of this report.

8. Legal Implications

- 8.1 There are no known legal implications arising from the contents of this report.

Overview and Scrutiny Committee

9. Key Risks

9.1 There are no known key risks as a result of this report.

10. Equality and Diversity

10.1 There are no known Equality and Diversity implications as a result of this report.

11. Crime and Disorder

11.1 There are no known crime and disorder implications as a result of this report.

12. Consultation/Engagement

12.1 Consultation has taken place with Scrutiny Officers regarding the reports that are brought to the Overview and Scrutiny Committee. These are also discussed with the Chair and Vice Chair and Statutory Officers of the Combined Authority.

13. Other Impact of the Proposals

13.1 There are no other known impacts on the proposals. It is intended that the changes proposed will support both Officers and Members to continue to have effective decision making and scrutiny function in place.

14. Appendices

14.1 Appendix 1 – Draft Overview and Scrutiny Report Template

15. Background Papers

15.1 None.

16. Contact Officers

16.1 Peter Judge, Monitoring Officer, peter.judge@northeastca.gov.uk 07342069371
Nicola Laverick, Policy and Scrutiny Officer, nicola.laverick@northeastca.gov.uk
07342 069 369

17. Sign off

- 17.1
- Head of Paid Service: ✓
 - Monitoring Officer: ✓
 - Chief Finance Officer: ✓

Overview and Scrutiny Committee

18. Glossary

18.1 NECA – North East Combined Authority

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Overview and Scrutiny Committee

Officer Report Guidance

Please remove these guidance pages before submitting the report for sign-off

Accessibility

Reports should be written in plain, clear English, in full sentences, avoiding the use of subject-related or other jargon. When using abbreviations or acronyms, the full name should be written in full the first time a reference is made, followed by the abbreviation in brackets, e.g. “the Department for Transport (DfT)”. Where you refer to a document in the report, use the same document title consistently throughout the report.

Font

Please use Arial 12. When copying and pasting text from other documents, please ensure that text is also in Arial 12.

Titles

Please avoid underlining titles or sentences, using uppercase or italic for titles and overusing italic.

Before Submission

Before submitting the report for sign-off please remove all guidance notes (in red text).

Before submitting the final report for publication please remove “Draft”, any watermarks and any track changes.

Formatting

The report template uses tables to aid formatting. Please use the “View Table Gridlines” setting in the document to view the rows and columns (Home – Borders – View Gridlines). Please work within the gridlines and do not amend them. New rows can be added as required.

Confidentiality

If the report is confidential you must identify and insert the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 (below) on the report front page.

Paragraph 1

Information relating to any individual.

Paragraph 2

Information which is likely to reveal the identity of an individual.

Paragraph 3

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Paragraph 4

Information relating to any consultations or negotiations, or contemplated consultations or negotiations, with trades unions and/or employees.

Overview and Scrutiny Committee

Paragraph 5

Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

Paragraph 6

Information which reveals that the authority proposes:

- a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
- b) to make an order or direction under any enactment.

Paragraph 7

Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Overview and Scrutiny Committee

Date:

Subject: xxx This is the title of the report, as on the Forward Plan

Report of: xxx Designation, e.g. Head of Paid Service, Chief Finance Officer, Monitoring Officer

Type of Item xxx Please identify from the list below and insert relevant text:

- Review of Existing Policy
- Development of New Policy
- Performance Management (including Financial)
- Briefing (including potential areas of Scrutiny)
- Consultation
- Referral from xxx (e.g. Leadership Board / other NECA committee)

If the report is confidential, please state the following:

Confidential – Not for publication by virtue of paragraph(s) xxx of Part 1 of Schedule 12A of the Local Government Act 1972, Information xxx

Please insert the relevant paragraph and the reason for confidentiality from the list on the report guidance page

Purpose of the report

Please provide a brief summary of the subject and explain why the report is being brought to the Overview and Scrutiny Committee – e.g. did the Committee request it, is it part of a consultation process, has it been referred to Scrutiny by another NECA committee?

The purpose of this report is to xxx

Recommendations

Please list all of the actions that the Committee is recommended to take.

Recommendations should be clearly stated and should identify responsibility for progressing any proposed actions. Where there are two or more recommendations in a report, the recommendations should be numbered. For consistency, please use Roman numeric style: i, ii, iii, iv, v.

The Overview and Scrutiny Committee is recommended to xxx

Overview and Scrutiny Committee

Guiding Principles for Scrutiny Members:

This section should not be changed and is designed to provide guidance to Scrutiny Members.

The following key guiding principles have been agreed by the Overview and Scrutiny Committee for its members to be mindful of when reviewing reports and preparing for meetings.

Overview and Scrutiny members should:

1. Consider any added value that Scrutiny can bring to the matter;
2. Seek to promote effective discussion and give full and proper consideration to the information set out in the report;
3. Give consideration to the impact that the matter has on individuals in the community and across the North East Combined Authority;
4. Focus on the efficiency and effectiveness of the proposals, next steps and any potential changes;
5. Give consideration to any risks that may occur as a result of the proposals; and
6. Focus on any performance management or quality assurance issues arising from the report.

Overview and Scrutiny Committee

1. Background Information and current context

This section should provide full background information relevant to the subject of the report along with an explanation of the current position and should clarify whether any other NECA Committee or Board has already been presented with the same information and/or asked to make any related decisions.

To assist understanding and promote clarity the information in this section should be of an appropriate level of detail, set out in a logical sequence and arranged in structured, numbered paragraphs, with sub-headings used where appropriate. Where information is relevant but is lengthy or contained in a separate document this should be included in an appendix or appendices.

1.1 xxxx

2. Key Issues and challenges

This section should draw out any key issues and/or challenges related to the subject of the report, specify who it affects (e.g. is it NECA wide, does it only affect a specific community or group?), and highlight any action that is already being taken to address it.

2.1 xxxx

3. Principles of decision making

This section should describe how the decisions that have been taken to date have been undertaken in accordance with NECA's principles of decision making. It should detail any gateway points or reviews undertaken, who has been involved with the decisions.

3.1 xxxx

4. Potential Impact on Objectives

In this section an explanation should be given as to any relationship between the subject of the report and the Combined Authority's policies and priorities as identified in the Strategic Economic Plan and Local Transport Plan.

If there is a negative impact an explanation should be provided of any action being taken to address this.

4.1 xxxx

5. Financial and Other Resources Implications

This section should identify all known financial implications, with advice/input from the Chief Finance Officer or their nominee. The financial implications should include reference to the relevant year(s) to which they relate and refer to both the costs and sources of funding as applicable. The early involvement of the Chief Finance

Overview and Scrutiny Committee

Officer or their nominee in the report-writing process will save time during the sign-off process.

Consideration should also be given to any implications in respect of Human Resources and ICT. Relevant officers should be contacted to clarify any such implications.

Please note, sign off by the Chief Finance Officer or their nominee is required before the report can be published.

5.1 xxxx

6. Legal Implications

This section should identify all known legal implications, with advice/input from the Monitoring Officer or their nominee. Early involvement of Legal Services in the report writing process to identify the possible legal implications is recommended; this will save time during the sign-off process. Legal Services will advise on the final wording of this section.

Please note, sign-off by the Monitoring Officer or their nominee is required before the report can be published.

7.1 xxxx

7. Equality and Diversity

This section should specify any equality and diversity implications arising from the issues covered in the report and explain how these will be addressed. Please ensure you have secured appropriate guidance on this from your local authority.

8.1 xxxx

8. Crime and Disorder

This section should specify any crime and disorder implications arising from the issues covered in the report and explain how these will be addressed. Please ensure you have secured appropriate guidance on this from your local authority.

8.1 Xxxx

9. Other Impacts

This section should identify any other impacts arising from the issues covered in the report. Please set out the important environmental, economic and any other impact and make use of any evidence to support this. Consider what implications the issues covered might have for partners.

Overview and Scrutiny Committee

9.1 xxxx

10. Next Steps

This section should provide information about what is to happen next, including timelines and key dates e.g.: consultation with members, stakeholders or the public; decision making by Leadership Board or by another NECA Committee or Board; submission of documents to Government etc.

It should consider if the Scrutiny Committee can add any value, or provide further support or consultation regarding any further work that is to be undertaken.

10.1 xxxx

11. Appendices

All appendices referenced within the report should be listed here.

11.1 xxxx

12. Background Papers

Please list any and all background documents which disclose any facts or matters on which the report or an important part of the report is based, and which have been relied upon to material extent in preparing the report. Please provide electronic links to the documents.

12.1 xxxx

13. Contact Officers

Insert the name, title, e-mail address and telephone number of the report author and any other key officer(s) who have written/contributed to the report.

13.1 Name
Designation
E-mail xxx
Tel: xxx

14. Sign off

This is a checklist. This section must be completed to confirm that the report has been fully signed off by the Statutory Officers before submission to the decision maker(s).

Overview and Scrutiny Committee

Please copy and paste this symbol to identify that the sign-off had been completed
✓ (Example: Monitoring Officer ✓)

Please note the report will not be accepted for publication without this section being completed and “Draft” removed.

It is the responsibility of the report author to lead the report through various stages of consultation and submit the final, signed off and fully formatted version to the relevant Democratic Services Officer for publication by the deadline provided.

- 14.1
- Head of Paid Service:
 - Monitoring Officer:
 - Chief Finance Officer:

15. Glossary

Please provide a glossary in respect of any abbreviations used in the report – e.g. DfT, TfN, HMRC – or any technical terms with which an ordinary member of the public may not be familiar.

- 15.1 xxxx

Overview and Scrutiny Committee

Date: 20 December 2018

Subject: Budget Proposals 2019/20

Report of: Chief Finance Officer

Executive Summary

The purpose of this report is to seek the views of the North East Combined Authority (NECA) Overview and Scrutiny Committee on proposals for the setting of the 2019/20 NECA budget, as part of its consultation process. A summary report on the Draft 2019/20 Budget was presented to the NECA Leadership Board on 13 November and a report on the 2019/20 Budget and Transport Levies was presented to the Joint Transport Committee (JTC) on 20 November; both of these reports are attached here as appendices.

The views of the Overview and Scrutiny Committee will be taken in to account in the development of the detailed budget report and reported to the JTC and the NECA Leadership Board when they set the budget and Transport Levies for 2019/20 in January and February 2019.

Recommendations

The Overview and Scrutiny Committee is recommended to receive the report for information and provide comment for consideration as part of the consultation process.

Overview and Scrutiny Committee

1. Background Information

- 1.1 The purpose of this report is to seek the views of the Audit and Standards Committee on proposals for the 2019/20 NECA budget, as part of its consultation process. The summary report on the Draft Budget presented to the Leadership Board on 13 November, covering all aspects of the NECA budget and the report on the Draft Budget and Transport Levies presented to the JTC on 20 November are attached as appendices.

2. Proposals

- 2.1 The budget proposals for 2019/20 as they currently stand for both Transport and non-Transport activities are set out in the reports attached as appendices.

- 2.2 Key proposals (set out in detail in Appendix 1) presented to the NECA Leadership Board on 13 November include:

- a) The current £250,000 contribution towards the North East Local Enterprise Partnership (North East LEP), funded by an equal contribution of £35,714.29 from the seven councils in the North East LEP area, which is required to match fund government grant, is proposed to be continued in 2019/20;
- b) NECA will need to maintain sufficient capacity to meet its statutory requirements. The budget will be developed and presented to the Leadership Board in detail in February 2019 once key decisions are made by the constituent authorities to enable its preparation;
- c) The contribution to the Invest North East England (INEE) team is subject to discussions with constituent councils and the North East LEP. The current council contributions of £140,000, £20,000 from each council in the North East LEP area is proposed to be continued for 2019/20;
- d) The North East LEP budget is being prepared to reflect its responsibilities and the estimated available resources for 2019/20 and more detailed information will be included in the February 2019 Leadership Board report.

- 2.3 Key proposals (set out in detail in Appendix 2) presented to the JTC on 20 November include:

- a) The 2019/20 net Transport Budget and Levy for Tyne and Wear is indicatively proposed to be set at £61.1m, which is a further reduction of £0.7m compared with the budget and levy for 2018/19. The budget savings needed to deliver this are expected to be made by Nexus in 2019/20 without significant impact on transport services, through efficiencies and temporary use of Nexus reserves.
- b) The indicative Transport Budget and Levy for the Durham County Council area is expected to be £15.557m, which is a small reduction of £0.140m

Overview and Scrutiny Committee

compared to 2018/19. At this point no significant reduction in services is envisaged.

- c) The indicative Transport Budget and Levy for the Northumberland County Council area is expected to be £6.119m, which is a small reduction of £0.032m compared to 2018/19. At this point no significant reduction in services is envisaged.
- d) The Tyne Tunnels Tolls are proposed to be increased to keep pace with inflation and the increase in the shadow toll payable to the concessionaire TT2, in line with the concession contract and the agreed approach to the funding of the Tyne Tunnels.

3. Reasons for the Proposals

- 3.1 As part of the process for setting its budget, NECA must ensure appropriate and effective consultation takes place with all Members and other stakeholders on the content of the Budget. This includes consultation with the Overview and Scrutiny Committee and this report provides an opportunity for such consultation to take place.

4. Alternative Options Available

- 4.1 This report is for information only, with no decision required.

5. Next Steps and Timetable for Implementation

- 5.1 Comments made as part of the consultation process will be taken into account in the development of the final, detailed budget proposals for 2019/20 which will be presented to the JTC and the NECA Leadership Board for approval in January and February 2019.

6. Potential Impact on Objectives

- 6.1 Impacts on objectives are set out in the individual reports contained as appendices.

7. Financial and Other Resources Implications

- 7.1 The financial and other resource implications are set out in detail in the individual reports contained as appendices.

Overview and Scrutiny Committee

8. Legal Implications

8.1 There are no legal implications arising from this report.

9. Key Risks

9.1 There are no specific risk management implications arising from this report.

10. Equality and Diversity

10.1 There are no equality and diversity implications arising from this report.

11. Crime and Disorder

11.1 There are no crime and disorder implications arising from this report.

12. Consultation/Engagement

12.1 The budget is subject to a period of consultation which includes this committee as well as other committees of NECA and the Joint Transport Committee, officer groups and the North East England Chamber of Commerce.

13. Other Impact of the Proposals

13.1 There are no other impacts arising from this report which is for information.

14. Appendices

14.1 Appendix 1: Budget and 2019/20 Budget Setting Process (report to NECA Leadership Board, 13 November 2018)

Appendix 2: Transport Budget and Levies (report to JTC, 20 November 2018)

15. Background Papers

15.1 None

16. Contact Officers

16.1 Eleanor Goodman, Principal Accountant, eleanor.goodman@northeastca.gov.uk, 0191 277 7518

17. Sign off

- 17.1
- Head of Paid Service: ✓
 - Monitoring Officer: ✓
 - Chief Finance Officer: ✓

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Leadership Board

Date: 13 November 2018

Subject: Budget and 2019/20 Budget Setting Process

Report of: Head of Paid Service and Chief Finance Officer

Executive Summary

The purpose of this report is to outline the NECA Budget for 2018/19; the budget setting process for 2019/20 and the elements that are likely to be in the 2019/20 budget, which will be included as part of the budget consultation for 2019/20. As part of this is the acknowledgement of the change in the process from previous years in light of the creation of the Joint Transport Committee.

Recommendations

The Leadership Board is recommended to:

- i. Receive this report for consideration and comment;
- ii. Note the Budget position for 2018/19 set out in section 1.5;
- iii. Approve the 2019/20 Budget Setting Process and Timetable, set out in sections 1.8 to 1.14, which is an exception to the normal budget setting timetable set out in the Constitution;
- iv. Agree the following proposals for the basis of consultation about the NECA 2019/20 Revenue Budget;
 - a. The current £250,000 contribution towards the North East Local Enterprise Partnership (North East LEP), funded by an equal contribution of £35,714.29 from the seven councils in the North East LEP area, which is required to match fund government grant, is proposed to be continued in 2019/20;
 - b. NECA will need to maintain sufficient capacity to meet its statutory requirements. The budget will be developed and presented to the Leadership Board in detail in February 2019 once key decisions are made by the constituent authorities to enable its preparation;
 - c. The contribution to the Invest North East England (INEE) team is subject to discussion with constituent councils and the North East LEP. The current council contributions of £140,000, £20,000 from each council is proposed to be continued for 2019/20, as outlined in section 2.2;

Leadership Board

- d. The North East LEP budget is being prepared to reflect its responsibilities and the estimated available resources for 2019/20 and more detailed information will be included in the February Leadership Board report.

- v. Agree that the information in this report will be incorporated with information relating to the Transport Budget to be considered and agreed by the new Joint Transport Committee as part of a two-month budget consultation process. The report on the 2019/20 Transport Budget proposals to the Joint Transport Committee will be circulated on a supplemental agenda as Appendix 1.

Leadership Board

1. Background Information

Revised Budget Process

- 1.1 Previously, all aspects of the Budget were agreed by the NECA Leadership Board. The new arrangements set out in the NECA and NoTCA Orders require decisions about the Transport Revenue Budget and Levies and the Transport Capital Programme to be determined by the new Joint Transport Committee. The transport functions and assets still rest with each Combined Authority but can only be exercised or deployed through the Joint Transport Committee. Accordingly, the Joint Transport Committee is an integral part of the decision-making in relation to the budget of each Combined Authority. In future the Leadership Board will take the decisions about the non-transport elements of its budget and incorporate the transport elements in its budget, in accordance with the decisions of the Joint Transport Committee. NECA is currently the accountable body for the North East LEP and, it is anticipated, this will continue for a few months until the North East LEP agrees which organisation will be its accountable body in the future. Until the change comes into effect, NECA will continue to be accountable for the North East LEP budget and to report on it.
- 1.2 The issues for consideration by the restructured NECA Leadership Board are therefore contributions from councils to support the North East LEP, contributions from councils to support the INEE team, contributions from councils to the Corporate costs of the reshaped NECA and the Non-Transport Capital Programme.
- 1.3 As the accountable body for the North East LEP at the time when decisions relating to the 2019/20 Budget must be taken, the NECA budget report will include information about the funds available to the North East LEP and its proposed budget for 2019/20, which will be agreed by the North East LEP Board. The budget will need to reflect decisions about the level of government grant available to support North East LEP costs as well as the guidance and resource requirements needed to meet grant conditions.
- 1.4 In terms of the budget process, consultation will begin by the accountable body producing a draft budget and consultation timetable. This will first be shared with the Leadership Board, including assumptions as to the transport budget and outline proposals in relation to levies and tolls in respect to this. The outline transport proposals will then be considered by the Joint Transport Committee. Consultation will continue until the Joint Transport Committee determines the budget, tolls and levies. In doing this, the Joint Transport Committee will be directly exercising the transport functions of each Combined Authority and, in effect, the Joint Transport Committee's decisions can be immediately enacted by the relevant Combined Authority. The decisions of the Joint Transport Committee will be incorporated into the final budget proposals for the Combined Authority which will be signed off by the Leadership Board. The process

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described will, in accordance with past practice, be commenced with the Joint Transport Committee no less than two months before the calculations of the transport levies need to be finalised.

Budget for 2018/19

- 1.5 The transport budget and transport levies for 2018/19 that were agreed in January 2018 will continue as originally agreed for the remainder of the year.
- 1.6 The contributions from each authority in 2018/19 towards the cost of the North East LEP Team and the Inward Investment Team that were agreed in January 2018, will also continue for the year: -
- a contribution of £35,714.29 from each constituent council to provide a £250,000 match funding contribution to fund North East LEP core activity in 2018/19; and
 - a contribution of £20,000 from each constituent council to provide a £140,000 local authority contribution towards the budget of the Inward Investment Team budget of £460,000, approved in January 2018.
- 1.7 In terms of the contribution from each authority of £42,857 to fund the corporate costs of NECA in 2018/19, it is proposed that this contribution from each of the seven councils continue to be paid for the year. This contribution helps cover the accountable body costs of the North East LEP and helps to fund the accountable body costs of Transport, which will continue to be funded by all seven councils. The corporate costs of the reconstituted NECA will be met by the four remaining members. It is intended that costs of each of the activities over the next four months will be identified together with any additional devolution costs to be met by the authorities leaving NECA, in accordance with the Deed of Co-operation. The costs attributable to authorities for the year will be calculated as part of the closure of the 2018/19 accounts, which will be subject to external audit and any refunds due to the councils leaving NECA will be made at that point.

The 2019/20 Budget Setting Process and Timetable

- 1.8 In terms of the timetable for the budget setting meetings, there are three stages.
- Draft Budget proposals will be considered by the decision making bodies in November, the two Combined Authority Leadership Boards and the Joint Transport Committee, which will be the start of a Budget Consultation Process. This year the timetable means that the draft transport proposals will be reported directly to the inaugural meeting of the Joint Transport Committee on 20 November and the report to that committee will be circulated on a supplemental agenda as Appendix 1;

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- A two month budget consultation process, which will involve meetings of the NECA Audit and Standards Committee on 4 December; the NECA Overview and Scrutiny Committee on 20 December; (and will involve the JTC Audit Committee and JTC Overview and Scrutiny Committee), the North East of England Chamber of Commerce and other stakeholders, and an opportunity for consideration by constituent councils; and
- A formal budget approval process with Transport Budgets, Levies and Capital Programmes being agreed by the North East Joint Transport Committee, expected to be at a meeting of the JTC and non-Transport budgets and the issuing of the Transport Levies being agreed by the Leadership Boards of the Combined Authorities in January / February 2019.

- 1.9 As the accountable body for Transport, NECA will produce the draft Transport budget and Levy proposals for consideration and agreement as a basis for consultation by the Joint Transport Committee (JTC) at an inaugural meeting on 20th November 2018. NECA has undertaken initial technical briefings and discussions on the budget proposals with officers from the constituent councils. This will result in the draft transport budget proposals for consideration by the Joint Transport Committee.
- 1.10 This report sets out information about the small number of non-transport budget proposals that will form part of the draft Budget for NECA, to form the basis of consultation.
- 1.11 The agreement of the proposals set out in this report will be included with information about the Transport Budget and Levy proposals for consultation. The Constitution of NECA requires an early consultation on budget proposals, giving at least two months for the consultation process to be completed. The circulation of this report will start the consultation process, which will include consideration of the budget report by the NECA Overview and Scrutiny Committee on 20th December, NECA Audit and Standards Committee on 4th December, the constituent councils, consideration by the North East LEP and a consultation with the North East England Chamber of Commerce and other stakeholders (and will also involve the JTC Audit Committee and JTC Overview and Scrutiny Committee).
- 1.12 The NECA and NoTCA Orders require the decisions about the setting of the Transport Revenue Budget, the Transport Levy and the Capital Programme to be made by the JTC. The date of the JTC transport budget/levy decision making meeting in January is likely to be on 22 January. The NECA Leadership Board could agree the non-transport aspects of the Budget at a meeting in January or February. Two possible dates are under consideration – 15th January or 5th February 2019. A meeting on 5th February is a preferred date as

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it would also be able to receive information about the Transport Budgets and Levy agreed by the Joint Transport Committee. The NECA Leadership Board would then formally issue the Transport Levies to its constituent authorities.

- 1.13 The extent of public consultation will depend on and be proportionate to the impact on the public of the proposals to be considered in order to balance the need for public consultation and the need to deliver value for money for the use of public funds. As the proposals that are currently expected to be considered for 2019/20 are unlikely to have a significant adverse impact on the public the consultation is proposed to be light touch, with information available on the web site and through the consultation arrangements of the constituent councils. The views of Overview and Scrutiny Committee will be sought on the adequacy of the proposed public consultation arrangements.
- 1.14 The Budget process set out above varies from the process set out in section 3 of the NECA Constitution, which is included in a separate report on this agenda, due to the shortened budget timetable resulting from the timing of the Governance changes being made to the organisation this year. That section of the Constitution requires a further consideration of the final proposals by Overview and Scrutiny Committee after the consultation period ends, giving an additional opportunity for Overview and Scrutiny Committee to comment on the proposals before they are approval by the Joint Transport Committee and the Leadership Board. There is currently no formal meeting of Overview and Scrutiny Committee in the meeting programme in January to enable this to happen and the timetable currently envisaged would not enable papers to be produced in time for this process to be completed. Given that it is not envisaged that the public impact of the budget proposals will be significant, it is proposed that this issue to considered by Overview and Scrutiny Committee at their next meeting on 20 December, with an option of a Special Meeting to be arranged, if they so wish, or as a minimum an opportunity for the Chair and Vice Chair of the committee to make additional comments about the final proposals and for these to be reported to and taken into account by the Joint Transport Committee and the Leadership Board when they decide the budget at their meetings in January and February. The NECA Leadership Board is recommended to agree the revised budget process as an exception to the process set out in the Constitution. The Joint Transport Committee will also be asked to agree the revised budget process in this year's exceptional circumstances.

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2. Proposals

Budget Proposals for 2019/20

North East LEP Capacity

- 2.1 The North East LEP core team is part funded from a Government contribution of £500,000 which is required to be matched by £250,000 local authority contributions. It is proposed that the current match funding contribution of £250,000 will continue to be provided in 2019/20 by the seven North East councils contributing £35,714.29 each. Part of the North East LEP costs of managing the Local Growth Fund (LGF) programme are funded by a top slice from the LGF grant for this purpose, with other activities being funded by additional external grants. The North East LEP budget is being prepared to take into account the latest estimates of this and other external grant funding which supports North East LEP activity. The total North East LEP operational budget in 2018/19 is around £3m. An update on the revised estimate of the overall North East LEP Budget for 2018/19 and the estimate for 2019/20 will be reported to the NECA Leadership Board budget meeting in February for information and comment.

Inward Investment

- 2.2 In recent years the INEE team has been established to help coordinate inward investment activity across the NECA area. The team consists of three people and has a gross budget of £460,000 funded in part from a contribution of £20,000 from each local authority within the North East LEP area, matched by £140,000 funding from the North East LEP, other one-off funds and contributions from Enterprise Zone surpluses for activity supporting and promoting Enterprise Zones. Options for the level of activity and funding for 2019/20 are currently being discussed with the constituent councils and the North East LEP and a specific proposal will be included in the February report on detailed budget proposals for 2019/20. At this stage it is recommended that the contribution of £20,000 per council be continued for 2019/20.

NECA Corporate Costs

- 2.3 The NECA budget for Corporate costs is required to support corporate operational costs, including costs relating to the Head of Paid Service; Monitoring Officer and legal costs; Chief Finance Officer and finance and accounting costs; support for the Scrutiny and Policy functions of NECA; administration and coordination.
- 2.4 Where costs are attributable to particular areas of thematic activity, for example Transport, these will be reported to the JTC for approval and will be charged to the Transport budgets to be met from the Transport levies. Once it is clear when

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the transfer of the North East LEP accountable body is to take place, the costs associated with this will be identified to be funded by all seven councils.

- 2.5 It is important that sufficient central Corporate capacity is available to enable NECA to fulfil its statutory and corporate functions as a legal entity effectively. A NECA Corporate budget will be developed and costed once key decisions are made by the remaining constituent authorities. At this point there is insufficient information available to enable this contribution to be determined. The current level of contribution of £42,857 will be taken into account in developing the new budget. It is therefore intended that the costs will be identified and the corporate contribution from the four remaining constituent authority members of NECA will be assessed and calculated in time for them to be reported for consideration and approval at the Budget meeting of the Leadership Board in February 2019.
- 2.6 It is good practice for all organisations to develop a Medium Term Financial Strategy (MTFS) and it would be preferable to develop the 2019/20 budget for NECA in the context of as much information as possible over a three to five year period. However, the transitional position of NECA itself has not made this possible in recent years and this continues to be the case for 2019/20, although operational areas of the Transport budgets such as Nexus and the Tyne Tunnels are planned across a longer period.

Reserves and Contingencies

- 2.7 The Corporate reserve of NECA was originally set at a relatively low level of £350,000, which was created by a contribution of £50,000 from each local authority. As at 1 April 2018, the reserve totalled £311,000, which was considered a prudent level to enable NECA to manage financial risks. An updated estimate of this corporate reserve will be reported to the Budget meeting in February 2019. The local authorities leaving NECA will be entitled to a refund of an equal share of this reserve and this will be taken into account in the assessment of any refund due for 2019/20 as part of the completion of the 2019/20 accounts.
- 2.8 Once there is greater clarity about what the activities of the reconstituted NECA are to be in 2019/20, an assessment of risk can be undertaken and a recommendation can be made about the level of reserves that should be held for the year, which will need to be part of the Budget report to the Leadership Board when the budget for the year is set.
- 2.9 Separate reserves are held for Tyne and Wear Transport activity, the Tyne Tunnels and Nexus, which are available to manage financial risks relating to these specific areas of activity. These decisions will be taken by Nexus and the Joint Transport Committee.

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- 2.10 An update of the Treasury Management Policy and Strategy will be considered by the Audit and Standards Committee on 5 December and then reported to the Joint Transport Committee and the Leadership Boards in January and February 2019. Currently all of the NECA External Borrowing relates to historic Tyne and Wear Transport activities. While the Joint Transport Committee has an advisory role in connection with the borrowing limits relating to transport, the Treasury Management arrangements are managed by NECA as the accountable body for the Joint Transport Committee and are approved by the two Combined Authorities. A proportion of the outstanding balance of the loans and investments (based on the share of Tyne and Wear population in each combined authority areas) will be shown in the balance sheets of the two Combined Authorities. It may be necessary for the individual loan agreements with lenders to be amended to reflect the new arrangement for the share of liabilities between the two Combined Authorities. A summary of the estimated Loan outstanding at the date of the change in governance is set out in Table 1 below.

Table 1: Transport (Tyne and Wear) Outstanding Debt, and Capital Financing Requirement at 2nd November 2018

	Principal	Interest Due	Total	NECA Share	NoTCA Share
	£000	£000	£000	£000	£000
Capital Financing Requirement	193,665		193,665	107,883	85,782
Actual External Debt	167,333	2,274	169,607	94,482	75,125

3. Reasons for the Proposals

- 3.1 NECA is required to consult on its budget proposals two months before it sets its budget in February 2019.

4. Alternative Options Available

- 4.1 The Leadership Board are recommended to agree the proposals set out in this report or suggest amendments or alternative proposals to be considered as part of the budget consultation process.

5. Next Steps and Timetable for Implementation

- 5.1 The budget proposals will be consulted upon with constituent councils, Overview and Scrutiny Committee, Audit and Standards Committee, the JTC Overview and Scrutiny Committee once formed and the JTC Audit Committee

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once formed and with the North East England Chamber of Commerce. Other stakeholders will also have the opportunity to comment.

5.2 The draft North East LEP Budget will be developed and considered by the North East LEP Board and will be reported for information to the NECA Leadership Board in February 2019.

5.3 Detailed budget proposals will be developed and responses to consultation will be taken into account in preparing the more detailed report to the February Leadership Board.

6. Potential Impact on Objectives

6.1 The budget proposals aim to help achieve the objectives of NECA and the Strategic Economic Plan.

7. Financial and Other Resources Implications

7.1 The financial and other resource implications are summarised in this report where they are known. Further details which are developed as part of the budget development and consultation process will be identified in the budget report to the February 2019 Leadership Board meeting.

8. Legal Implications

8.1 If agreed, the process described at [1.8] above will be incorporated into the Budget and Policy Framework Rules of Procedure of the NECA Constitution. At least 2 months before the transport revenue budget and levy are required to be finalised, the accountable body for transport will produce outline proposals to the Joint Transport Committee. It is anticipated that wider budget proposal papers will need to be developed for the Leadership Board. The timetable will also allow NECA's Overview and Scrutiny Committee and the JTC's Overview and Scrutiny Committee to, after considering the consultation proposals and timetable, make appropriate recommendations to the Leadership Board and the Joint Transport Committee respectively.

8.2 The JTC must approve the transport budget, levies and tolls unanimously. The Leadership Board must approve the final overall budget proposals unanimously (incorporating the budget approved by the JTC).

8.3 It is important to recognise that the transport budgets will be held by the accountable Combined Authority. The transport assets and liabilities are jointly owned by the two Combined Authorities and will be included in their accounts at the start and end of the accounting period. The Joint Transport Committee exercises functions held by the two Combined Authorities and, can accordingly direct how those functions are properly exercised. The JTC

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is the final decision-making body in relation to these transport matters and no further decision or authority is required to implement its decisions on behalf of the two Combined Authorities.

9. Key Risks

- 9.1 Appropriate risk management arrangements will be put in place and reported as part of the budget report in February. Key issues to consider will be the level of reserves held and the borrowing and lending criteria applied by the Authority.

10. Equality and Diversity

- 10.1 There are no equality and diversity implications directly arising from this report.

11. Crime and Disorder

- 11.1 There are no crime and disorder implications directly arising from this report.

12. Consultation/Engagement

- 12.1 The NECA Constitution requires that consultation on its budget proposals be undertaken at least two months prior to the budget being agreed. It is proposed that the 2019/20 base budget proposals be consulted upon alongside the Transport Budget proposals to be determined by the JTC on 20 November to start a consultation process, which will include the Overview and Scrutiny Committee, Audit and Standards Committee, constituent councils and the NEE✓CC. The extent of public consultation will be proportionate to the impact that the proposals would have on services to the public. At this stage no significant service implications are expected. Proposals will be published on the NECA web site for comment and included in any budget consultation undertaken by constituent authorities.
- 12.2 The North East LEP will be considering and developing its budget from November to January, with a final Budget being agreed at its meeting in March 2019. Draft budget proposals will be published in the report to the NECA Leadership Board in January and on the North East LEP's website and any comments received on those proposals will be taken into account by the LEP Board when it sets its budget in March.

13. Other Impact of the Proposals

- 13.1 There are no other impacts arising from this report.

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14. Appendices

- 14.1 Appendix 1 : 2019/20 Transport Budget and levies Report to the Joint Transport Committee on 20 November 2018

15. Background Papers

- 15.1 NECA Constitution – published on this agenda

16. Contact Officers

- 16.1 Paul Woods, Chief Finance Officer, paul.woods@northeastca.gov.uk, 07446936840

17. Sign off

- 17.1
- Head of Paid Service: ✓
 - Monitoring Officer: ✓
 - Chief Finance Officer: ✓

North East Joint Transport Committee

Date: 20 November 2018
Subject: Transport Budget and Levies
Report of: Chief Finance Officer

Executive Summary

The purpose of this report is to set out a summary of the proposed draft Transport revenue budget and levies for 2019/20, and provides an update on the transport revenue budget position in the current year.

Recommendations

The Joint Transport Committee is recommended to: -

- i. Receive this report for consideration and comment;
- ii. Note the position of the current year 2018/19 Transport Budget and Levies, as set out in sections 2.1, 2.2, and 2.3 of this report;
- iii. Agree the following proposals for the basis of consultation about the 2019/20 Transport Revenue Budget:
 - a. The 2019/20 net Transport Budget and levy for Tyne and Wear is indicatively proposed to be set at £61.1m which is a further reduction of £0.7m compared with the budget and levy for 2018/19. The budget savings needed to deliver this are expected to be made by Nexus in 2019/20 without significant impact on transport services, through efficiencies and temporary use of Nexus reserves.
 - b. The indicative Transport Budget and Levy for the Durham County Council area is expected to be £15.557m, which is a small reduction of £0.140m, compared to 2018/19. At this point no significant reduction in services is envisaged.
 - c. The indicative Transport Budget and Levy for the Northumberland County Council area is expected to be £6.119m, which is a small reduction of £0.032m

compared to 2018/19. At this point no significant reduction in services is envisaged.

- d. That the Tyne Tunnel Tolls are proposed to be increased to keep pace with inflation and the increase in the shadow toll payable to the concessionaire TT2, in line with the concession contract and the agreed approach to the funding of the Tyne Tunnels, as set out in section 2.5.5.
- iv. Note that the budget proposals for Transport will be subject to a consultation process of two months, including reports to the Audit and Standards and Oversight and Scrutiny Committees and to the North East England Chamber of Commerce; as well as being available for comment on the web site and through individual councils' budget consultation processes, as considered necessary.
 - v. Note the intention to consider and approve the Transport Revenue Budget and to set the Transport Levies for 2019/20 at a meeting in January (potentially 22 January) after taking into account any comments received on the proposals for 2019/20.

1. Background Information

1.1 This report sets out a summary of the proposed draft Transport revenue budget and levies for 2019/20, and an update on the revenue position in the current year.

1.2 The Transport budget for 2018/19 was agreed by the NECA Leadership Board at its meeting on 16 January 2018, when total transport levies of £83.648m were set.

2. Proposals

2.1 Transport Revenue Budgets 2018/19 Forecast and 2019/20 Proposals

2.1.1 As the Transport levies and revenue grants are normally fixed for the year there is no change in Levies payable and minimal change in the NECA revenue budget itself. Any surplus or deficit against the budgets for the three main delivery agencies (Durham County Council, Northumberland County Council and Nexus) is retained or managed within the reserves of that organisation. The significant change is a £3.333m reduction in the grant payable to Nexus later in the year, with £3.333m being paid instead to a Metro Fleet Replacement Reserve as a second year contribution towards the match funding contribution that is required by the Department for Transport.

Table 1: 2018/19 Transport Levies and Grants

	2018/19 Original Budget	2018/19 Forecast	Spend to date Oct 2018
	£000	£000	£000
Total Transport Levies	(83,648)	(83,648)	(41,824)
Grant to Durham	15,692	15,692	7,846
Grant to Northumberland	6,146	6,146	3,073
Grant to Nexus	59,700	56,367	29,850
Contribution to Metro Fleet Replacement Reserve		3,333	0
Retained Transport Levy Budget	2,110	2,108	879
Contribution (to)/from NECA Transport reserves	-	(2)	(176)

2.1.2 The overall total proposed net revenue budget for Transport in 2019/20 is £82.776m. This represents a net cash reduction of £0.872m (1.04%) on the budget for 2018/19 agreed by the NECA Leadership Board in January 2018. Information about the draft budget and the levies for each of the three areas covered by the Joint Transport Committee (JTC) are summarised in the table below and set out in more detail in the following sections.

Table 2: Summary of proposed transport budgets and levies 2019/20

Area	Transport Levy	Change from 2018/19
	£000	£000
Durham	15,557	(140)
Northumberland	6,119	(32)
Tyne and Wear	61,100	(700)
Total	82,776	(872)

2.2 Durham County Council

2.2.1 The budget and levy for public passenger transport activity in County Durham is expected to be in the region of £15.557m for 2019/20. This compares with a levy for 2018/19 of £15.697m.

Table 3: Draft Durham Transport Budget and Levy 2019/20

	2018/19 Original Budget	2018/19 Forecast	2019/20 Proposed Budget
	£000	£000	£000
Concessionary Fares	11,940	11,940	12,059
Subsidised Services	2,850	2,553	2,558
Bus Stations	144	152	163
Bus Shelters	19	27	19
Passenger Transport Information	89	85	90
Staffing	650	650	663
Share of NECA Transport Costs	5	5	5
Net Expenditure	15,697	15,412	15,557

2.2.2 For 2018/19 an underspend of £0.285m is forecast, which will be retained by Durham County Council at the year-end. The main reasons for the projected underspend are as follows:

1. Subsidised Services - £297k under budget – this relates mainly to medium term financial plan savings made early following changes to the procurement of bus services.
2. Bus Stations - £8k over budget – this results from increased Repairs and Maintenance and vandalism.
3. Bus Shelters – £8k over budget – this results from increased repairs and maintenance.

2.2.3 Durham Council is currently developing its 2019/20 budget proposals, but some draft figures are set in the table above. At the current time, net budgets are proposed to be largely in line with the current year, with no significant adverse impact on services anticipated at this point.

2.3 Northumberland County Council

2.3.1 The proposed budget and levy for public transport activity in Northumberland is £6.119m for 2019/20. This compares with a budget of £6.151m for 2018/19. The budget and levy for 2018/19 and 2019/20 is summarised in the table below. :

2.3.2 *Table 4: Draft Northumberland Transport Budget and Levy 2019/20*

	2018/19 Original Budget	2018/19 Forecast	2019/20 Proposed Budget
	£000	£000	£000
Concessionary Fares	4,722	4,720	4,690
Subsidised Services	1,230	1,230	1,230
Bus Stations	23	23	23
Passenger Transport Information	25	27	25
Staffing	145	145	145
Share of NECA Transport Costs	5	5	5
Net Expenditure	6,151	6,151	6,119

2.3.3 The main areas of expenditure operated by Northumberland are:

i) Concessionary Fares – Although claims from operators are received monthly all adjustments are being reimbursed with an accurate overall rate. It is currently forecast that Concessionary Fares will break-even in 2018/19.

ii) Subsidised Bus Services – The Council supports a range of socially necessary bus services, mainly in the rural North and West areas of the County but also some in the more urban South East. It is forecast that the Council will break-even at the end of the financial year. No new routes are currently being proposed to be added to the network.

The Council is currently drafting and assessing its 2019/20 budget proposals so figures remain draft at this stage. The final medium term financial plan and budget proposals will be subject to consultation and therefore the budget may be subject to further amendments. At the current time, budgets are proposed to be largely in line with the current year with no significant changes.

2.4 Tyne and Wear

2.4.1 The distribution of the levy within Tyne and Wear is based on population, in accordance with the Transport Levying Bodies Regulations. The amounts levied on each individual authority will reflect the midyear population estimate for 2017 as well as the reduction in the overall total. The proposed levy for 2019/20 for each of the Tyne and Wear councils is shown below:

2.4.2

Table 5: Distribution of Proposed Tyne and Wear Transport Levy

	2018/19 Levy	Proposed 2019/20 Levy	Proposed Reduction
	£000	£000	£000
Gateshead	11,037	10,949	(88)
Newcastle	16,232	16,003	(229)
North Tyneside	11,131	11,061	(70)
South Tyneside	8,181	8,090	(91)
Sunderland	15,219	14,997	(222)
Total	61,800	61,100	(700)

The proposed levy is based on discussions with councils and represents a reduction of £0.700m compared with 2018/19. It takes into account the fact that savings are being delivered in the Nexus budget in the current year and the pressures on councils' budgets. A levy reduction of this scale for 2019/20 was envisaged previously in 2017 and can be achieved without service reductions being needed in the next two years, through use of efficiency savings and Nexus reserves.

2.4.3

Tyne and Wear Levy Budget – Nexus

The budget proposal for Nexus for 2019/20 will be discussed in more detail by the Tyne and Wear Sub Committee. At its January 2018 meeting, the Leadership Board agreed that Nexus could run a budget deficit of up to £1.934m in 2018/19, which would be funded by using its reserves. In the Revenue Budget Monitoring Report presented to the NECA's Transport North East Committee on 11 October 2018, Nexus reported that it had made a permanent reduction to its base budget requirement and it was now reporting a £1.200m surplus for 2018/19.

2.4.4 The adjustments to Nexus' base budget for 2018/19 are shown in the table below.

Table 6: Adjustments to Nexus budget 2018/19

	£m	£m
Base budget deficit 2018/19		1.934
Budget Savings		
- Concessionary travel	(0.830)	
- Metro fare income	(0.800)	
- High voltage power	(0.500)	
- Secured services	(0.310)	
- Investment income	(0.080)	
- Scholars income	(0.200)	
- Employees	(0.300)	
- Other	(0.257)	(3.277)
Budget Pressures		
- Commission income	0.060	
- Inflationary adjustments	0.058	
- Departure charges	0.025	0.143
Revised base budget surplus 2018/19		(1.200)

2.4.5 The proposed reduction in the Tyne and Wear transport levy of £0.7m in 2019/20 will mean that the grant made available to Nexus in 2019/20 from the Joint Transport Committee will reduce by £0.7m. Notwithstanding this, because of Nexus' improved financial position in 2018/19, it will be able to maintain frontline services during 2019/20. As in previous years, it will be necessary to plan on the basis that Nexus will need to utilise reserves in order to prepare a balanced budget. In so doing, and without any improvement in its funding from April 2021, Nexus will need to work through the Sub-Committee (and the Joint Transport Committee) in regards possible service reductions during 2020/21.

2.4.6 Against a background of medium term financial uncertainty, but with the proposed objectives of its corporate plan for 2019/20 in mind, Nexus has considered its spending plans for 2019/20, assuming its budget is being set at 'stand-still' i.e. if it were to maintain service outcomes.

2.4.7 The budget proposal is based on estimates that have a degree of uncertainty in respect of some of Nexus' largest areas of expenditure. In particular:

- a. Nexus is currently in consultation with its four recognised Trades Unions (TUs) concerning pay awards for April 2018 and April 2019. Nexus' offer is the subject of a ballot at this time and the outcome is uncertain. However the 'gap' between the TUs pay claim and that which Nexus have offered (which is broadly in line with the local government settlement) is circa £0.500m in 2018/19 and £1.0m in 2019/20.
- b. Whilst Metro fare revenue collected to the end of period 6 in 2018/19 is £0.800m above the budget set in January 2018, we are continuing to see a

reduction in the sales by third parties, most notably Network Ticketing Limited. If fare revenues worsen during the remainder of the year, this will have a knock-on effect in future years. In addition, the Metro fares review scheduled to come into effect in January 2019 will be considered by Tyne and Wear Sub Committee on 21 November, which will consider and agree an approach based upon another report contained elsewhere on today's agenda.

- c. The estimate for High Voltage Power is based on intelligence provided by the specialist team at NEPO who assist Nexus in its procurement of this commodity. Previous estimates have proven to be conservative due to better prices being obtained and delays in the implementation of the governments' Electricity Market Reform agenda.
- d. Whilst the majority of the secured bus services budget is subject to contract price inflation, an element of the budget is dependent on contract renewals and the vagaries of tender returns being different to the previous contractual price.

At its February 2016 meeting, the Tyne and Wear Sub-Committee established the strategic objective that Nexus should be able to balance its revenue budget without placing reliance on its revenue reserves by 2019/20 (minute 65/2016 refers). However, at that time it was anticipated that Nexus' budget deficit would have grown to £7.0m by 2017/18. Through efficiency savings and by redirecting expenditure into priority areas, Nexus has successfully managed and averted this significant budget risk. It is therefore in a position to use reserves again in 2019/20 as a means of protecting services.

For the third year a contribution of £3.333m will be made to the Metro Fleet Renewal reserve, increasing the reserve to £10m to help to achieve the £25m match funding requirement.

Tyne and Wear Levy Transport Budget (non-Nexus)

- 2.4.8 This budget primarily relates to activity inherited from the former Tyne and Wear ITA along with central transport activity. The vast majority of the budget relates to financing charges on historic debt. Additionally, there is budget provision to meet the costs of support services and governance, external audit fees and a repayment to the Tyne Tunnels for use of reserves in 2013/14 to pay off the pension deficit.
- 2.4.9 At this point no saving in the £2.1m Tyne and Wear (non-Nexus) Transport budget has been identified, as the majority of the costs relate to capital financing and are largely fixed. Any saving is likely to be marginal and will not be known until the position and costs of a new Transport Officer post and the support needed for the new Joint Transport Committee and the Tyne and Wear Sub Committee is known.

Table 7: Tyne and Wear Transport Budget (non-Nexus)

	2018/19 Original Budget	2018/19 Forecast	2019/20 Proposed Budget
	£000	£000	£000
Support Services/Staffing	220	220	220
Administration and Governance	42	40	40
Financing Charges	1,798	1,795	1,785
Transport Joint Committee	50	50	50
Total Expenditure	2,110	2,108	2,095
Contribution from Levies*	(2,110)	(2,110)	(2,110)

2.5 Tyne Tunnels

2.5.1 The Tyne Tunnels are accounted for as a ring-fenced account within the NECA budget, meaning that all costs relating to the tunnels are wholly funded from the tolls and Tyne Tunnels reserves, with no call on the levy or government funding.

2.5.2 Table 8: Tyne Tunnels Budget 2018/19 and 2019/20

	2018/19 Original Budget	2018/19 Forecast	2019/20 Proposed Budget
	£000	£000	£000
Tolls Income	(25,970)	(26,730)	(28,090)
Contract payments to TT2	19,480	20,298	21,197
Employees	33	-	-
Pensions	54	50	52
Support Services	80	95	95
Supplies & Services	45	45	45
Financing Charges	6,579	6,594	6,966
Interest/Other Income	(50)	(50)	(50)
Repayment from TWITA for temporary use of reserves	(240)	(240)	(240)
(Surplus)/Deficit on Tyne Tunnels revenue account met from reserves	11	62	(25)

2.5.3 The forecast outturn position for 2018/19 is for a small deficit of £62k, which will be met from Tyne Tunnels reserves. The forecast for tolls income is slightly higher than the original budget, taking into effect the increase in the toll on HGV Class 3 vehicles, which came into effect in March 2018. This is offset by an increase in the

contract payments to TT2 whose “shadow toll” payment is due to increase by 10p in line with RPI inflation to £1.90 per vehicle from 1 January 2019. Traffic levels continue to be lower than previously experienced, which has been the case since commencement of the Silverlink works in August 2016.

- 2.5.4 The original budget for 2018/19 included provision for employee costs relating to the contract monitoring officer role. During 2018/19 this post has been vacant, with support provided instead by officers from Newcastle City Council and the support services forecast has been updated accordingly. It is assumed that this arrangement will continue into 2019/20.
- 2.5.5 The 2019/20 budget figures shown in Table 8 above assumes an increase in tolls for both Class 2 and Class 3 vehicles in line with inflation as measured by the Retail Price index. It is proposed that the toll for Class 2 Vehicles (cars and light goods vehicles) be increased by 10p from £1.70 to £1.80 and that the toll for Class 3 vehicles (Heavy Goods Vehicles) be increased by 20p from £3.40 to £3.60 in spring 2019. This is being discussed in greater detail with the Tyne and Wear Sub Committee.
- 2.5.6 The increase in toll income in 2019/20 as a result of the increase in tolls is estimated to be £1.56m. Without an increase in tolls the Tyne Tunnels account would operate at a deficit of £1.54m, next year which would be unsustainable over the life of the concession.
- 2.5.7 In terms of the formal process for the increase in Tolls, a decision to increase tolls will be taken by the Tyne and Wear Sub Committee in January. NECA as the Host Combined Authority for Transport will implement the proposed increase. This will involve advertising the proposed increase in at least one local newspaper and notifying the Department of Transport. Once notified, the Department has 21 days to determine whether to make the order and, if so, the order will be made 28 days before it comes into effect. A decision on the specific date for implementation will be taken in conjunction with TT2 Ltd, taking into account operational considerations.
- 2.5.8 While the traffic through the Tunnels is likely to increase next year, once the Silverlink junction road work have been completed, there will also be some impact from the planned road works at Testos roundabout. While any increase in traffic will increase toll income this will result in an increase in the contract payments to TT2. Given the current uncertainty around the increase in traffic flow the original budget will be based on current traffic levels with the increase evidenced in summer 2019 being reflected in the revised estimate this time next year.

2.6 **Regional Transport Team**

- 2.6.1 The Regional Transport Team budget is to support the Joint Transport Committee and North East LEP as a whole, on a seven authority basis. The budget includes salary costs and the items required to ensure a functional central resource across the JTC area including the development of the Transport Manifesto and Transport Plan and various research projects where value can be added at a regional level including modelling works, major schemes bid development, including Transforming Cities fund, the Freight Quality Partnership and other research studies. During the year the team has also taken on the role of providing support to the Consortium of East Coast Main Line Authorities (ECMA), the costs of which

are partly met through a recharge to other member authorities. A summary of the revenue budget for 2018/19 and proposal for 2019/20 is set out in the table below.

Table 9: Regional Transport Team Budget 2018/19 and 2019/20

	2018/19 Original Budget	2018/19 Forecast	2019/20 Proposed Budget
	£000	£000	£000
Expenditure			
Staffing	516	406	531
LTP4 Development	50	11	50
Research and Grant Bid Development (including Transforming Cities Fund)	199	175	200
Miscellaneous	6	5	6
Go Smarter Legacy (Bid/Match Funding)	200	200	-
Total Expenditure	971	797	787
Funded by:			
LTP Integrated Transport Block	(500)	(500)	(500)
LGF Programme Management	(150)	(97)	(150)
Go Smarter Legacy Funding	(200)	(200)	-
Carried forward balances from 2017/18	(121)	-	(137)
Total Funding	(971)	(797)	(787)

2.7 Transforming Cities Fund

During October, NECA was announced as one of ten shortlisted areas to progress to the next stage of bidding for the government's £840m Transforming Cities Fund. The Budget 2018 announced additional money for the Fund, increasing the amount of the fund that we can bid into by £440m to £1,280m. An additional two areas would be allowed to bid for this fund, increasing the number of bidding areas to 12.

NECA will be working with DfT to develop plans which, if successful, will be used to tackle congestion and improve transport connections across the region.

There is a need to identify revenue resources to support the bidding process and initial project design costs, which may include the use of revenue budget savings in 2018/19, and this will be included in the budget report to the January meeting of the JTC.

2.8 Treasury Management - Borrowing

Currently all external borrowing held by NECA relates to historic Tyne and Wear Transport activities, and the financing of the borrowing debt is met from the Tyne and Wear levy and the Tyne Tunnels budgets and is included within the proposals set out above. While the JTC has an advisory role in connection with the borrowing limits relating to transport, the Treasury Management arrangements are managed by NECA as the accountable body for the JTC and are approved by the two Combined Authorities. A proportion of the outstanding balance of the loans and investments (based on the share of Tyne and Wear population in each combined authority area) will be shown in the balance sheets of the two Combined Authorities. A summary of the actual loans outstanding at the date of the change in governance is set out in the table below, which is less than the approved capital financing requirement:

Table 10: Historic Borrowing and the current Capital Financing Requirement

	Principal	Interest Due	Total	NECA Share	NoTCA Share
	£000	£000	£000	£000	£000
Capital Financing Requirement	193,665		193,665	107,883	85,782
Actual External Debt	167,333	2,274	169,607	94,482	75,125

3. Reasons for the Proposals

- 3.1 The proposals are presented here to inform the JTC of work on the preparation of the 2019/20 Transport Budget and to begin the two month consultation process.

4. Alternative Options Available

- 4.1 The JTC are recommended to agree the proposals set out in this report or suggest amendments or alternative proposals to be considered as part of the budget consultation process.

5. Next Steps and Timetable for Implementation

- 5.1 The Transport budget proposals will be consulted upon with constituent councils, Overview and Scrutiny Committee, Audit and Standards Committee and with the North East England Chamber of Commerce. Detailed budget proposals will be developed and responses to consultation will be taken into account in preparing the more detailed report to the January JTC meeting.
- 5.2 Under the new governance arrangements the Transport Budget and levies are to be set by the Joint Transport Committee (JTC) based on a unanimous decision. The Transport levy determined by the JTC will be formally issued by the two Combined Authorities. This needs to be done before the Statutory deadline of 15th February 2019.

6. Potential Impact on Objectives

- 6.1 The budget presented in this report is set to achieve the Transport policy

objectives of the Authority.

7. Financial and Other Resources Implications

7.1 The financial and other resource implications are summarised in this report where they are known. Further details which are developed as part of the budget development and consultation process will be identified in the budget report to the January 2019 Joint Transport Committee.

8. Legal Implications

8.1 The JTC must approve the transport budget, levies and tolls unanimously. The Leadership Board must approve the final overall budget proposals unanimously (incorporating the budget approved by the JTC).

9. Key Risks

9.1 Appropriate risk management arrangements are put in place in each budget area by the delivery agencies responsible. Reserves are maintained to help manage financial risk to the authority.

10. Equality and Diversity

10.1 There are no equality and diversity implications arising from this report.

11. Crime and Disorder

11.1 There are no crime and disorder implications arising from this report.

12. Consultation/Engagement

12.1 The NECA Constitution requires that consultation on its budget proposals be undertaken at least two months prior to the budget being agreed. It is proposed that the 2019/20 Transport budget proposals be consulted upon including with the Overview and Scrutiny Committee, Audit and Standards Committee, constituent councils and the NEECC. The extent of public consultation will be proportionate to the impact that the proposals would have on services to the public. At this stage no significant service implications are expected.

13. Other Impact of the Proposals

13.1 There are no other impacts arising from this report.

14. Appendices

14.1 None

15. Background Papers

15.1 NECA Leadership Board Budget 2018/19 and Transport Levies report 16 January 2018

<https://northeastca.gov.uk/wp-content/uploads/2018/03/Leadership-Board-16-January-2018-Agenda-Pack.pdf>

16. Contact Officers

16.1 Paul Woods, Chief Finance Officer, paul.woods@northeastca.gov.uk,
07446936840

17. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

Overview and Scrutiny Committee

Date: 20 December 2018

Subject: Forward Plan and Scrutiny Work Programme

Report of: Monitoring Officer and Policy and Scrutiny Officer

Executive Summary

The purpose of this report is to provide Members with an opportunity to consider the items on the Forward Plan for the current 28-day period and discuss items for the Work Programme for 2019 and into 2020.

Recommendations

The Overview and Scrutiny Committee is recommended to:

- i. Review the current Forward Plan and consider which items they may wish to examine in more detail;
- ii. Suggest any items for the Work Programme for 2019/2020 that members would wish to explore in more detail, either at the Committee or via a 'deep dive' or working group;

Overview and Scrutiny Committee

1. Background Information

- 1.1 The Forward Plan is a document which NECA is required to maintain under the Combined Authorities (Overview and Scrutiny, Access to Information and Audit Committees) Order 2017. The Forward Plan is published on NECA's website and lists the decisions that the North East Combined Authority intends to take in the coming months and must include all decisions to be made in the next 28 days. The Forward Plan template contains specific information relating to each decision, including the date the decision will be made, a brief explanation of the topic, the consultation to be undertaken, and contact details of the author. The Forward Plan template has recently been updated and includes further information including if the decision is a 'Key Decision' and if an item will be discussed in private.
- 1.2 Details of each decision are included on the Forward Plan 28 days before the report is considered and any decision is taken. This supports the transparency of decision making within the Combined Authority and allows members of the public to see the items that will be discussed. There are special procedures for circumstances where publication for the full 28 clear day period is impractical or where there is special urgency. Both of these procedures involve the Chair of the Overview and Scrutiny Committee and would be reported to the committee at the next meeting.

Role of Overview and Scrutiny

- 1.3 The Overview and Scrutiny Committee examine any decisions of the Authority – be that by the principal decision-making body or a committee or officer holding delegated authority. This Scrutiny occurs in public and ensures democratic and public accountability.
- 1.4 One of the main functions of this Committee is the review and scrutiny of decisions 'Key Decisions' made by the Leadership Board and Officers of the Combined Authority. The relevant regulations set out a test for what should be considered a Key Decision – being those which are most significant in financial or other terms. This is explained in the Decision-Making Protocol adopted by the Committee on the 15 March 2018. At the inaugural meeting of the NECA Leadership Board on the 13 November, following the governance changes it was agreed that the Decision Making Protocol would remain in place:
- <https://northeastca.gov.uk/wp-content/uploads/2018/08/NECA-Decision-Making-Protocol.pdf>
- 1.5 It is NECA's practice to include formal decisions on the forward plan to maximise the opportunity for review and scrutiny. In considering items in the Forward Plan, the Overview and Scrutiny Committee should determine which areas scrutiny can add most value to in relation to the decisions being made.

Overview and Scrutiny Committee

- 1.6 The Forward Plan at the date this paper was issued is attached marked as Appendix 1. The up to date forward plan is always published at <https://www.northeastca.gov.uk/committee-meetings/forward-plan>.

Update on Requests for Special Urgency / General Exception

- 1.7 In accordance with the Decision Making Protocol, it was agreed by Members that the request of any Short Notice Procedure that involved the Chair of the Overview and Scrutiny Committee would be reported at the next Committee. The table below shows the number of requests made since the last meeting was held:

Type of Short Notice Procedure	Number of Requests since previous Committee
Requests for Special Urgency	0
Request for General Exception	2

- 1.8 The table above reflects that two general exceptions notices have been published since the last Committee and have been published on the NECA website as below links:

General Exception: Dispensations Under the Localism Act:

<https://northeastca.gov.uk/wp-content/uploads/2018/11/Notice-General-Exception-19-November-2018-Dispensations-under-the-Localism-Act-2011.pdf>

General Exception: Appointment of NECA representatives on Transport for the North Board and Transport for the North Overview and Scrutiny Committee

Approval of additional delegations to the North East Joint Transport Committee; and Approval of the Joint Transport Committee Standing Orders.

<https://northeastca.gov.uk/wp-content/uploads/2018/11/Notice-of-General-Exception-22-November-2018-Appointments-Additional-Delegations-and-Standing-Orders-1.pdf>

- 1.9 Although there are two notices of general exception, there are a total of four items. Each notice met the requirements of the short notice procedure and the correct use of the Decision Making Protocol was followed.

Annual Work Programme - Update

- 1.10 The most recent version of the work programme has been compiled to allow the Overview and Scrutiny Committee the opportunity to consider items that they have requested.

Overview and Scrutiny Committee

1.11 The work programme is also designed to give an overview of all performance, decision-taking and developments within the NECA, as well as being focused and flexible to allow for new issues and recognising the capacity of the scrutiny committee to respond in a timely way to emerging developments throughout the year. The Plan allows the Committee to take a longer term view than the Forward Plan, adding a longer term perspective to the Committee's work. Advantages of a longer term perspective is the opportunity to gain a deeper understanding of matters and to allow for more constructive engagement and scrutiny.

1.12 Members are also invited to comment and give consideration to any additional items they would wish to consider on their Work Programme or those decisions where they can add value.

NECA Workshop

1.13 Members noted at the last meeting that a workshop focusing on the transport issues, governance and a general update on other related matters would be useful. It was noted that a workshop with other NECA Committee members may be useful to ensure everyone was briefed on matters of regional importance.

Update of Decision Making Protocol

1.14 Following the recent governance changes the Decision Making Protocol agreed by the Committee may need some update to reflect the changes and include the Joint Transport Committee, Overview and Scrutiny Committee. A review of this will be undertaken by Officers and brought to the March 2019 Committee for consideration.

2. Proposals

2.1 Committee members are invited to review the Forward Plan for the current 28-day period – giving consideration to any items they may wish to examine in more detail – and to suggest any items for addition to the Annual Work Programme for 2018/19.

3. Reasons for the Proposals

3.1 To provide an opportunity for Committee members to input on any additional items as part of continued planning for the Work Programme for 2019/20.

4. Alternative Options Available

4.1 Option 1 – The Overview and Scrutiny Committee may review Forward Plan and suggest additional items for the Work Programme.

Option 2 – The Overview and Scrutiny Committee may choose not to review the Forward Plan or consider any additional items for the Work Programme.

Option 1 is the recommended option.

Overview and Scrutiny Committee

5. Next Steps and Timetable for Implementation

- 5.1 In considering the Forward Plan, Members are asked to consider those issues where the Scrutiny Committee could make a contribution and add value.
- 5.2 If the Overview and Scrutiny Committee determines to review or scrutinise a decision notified in the Forward Plan, a meeting of the Committee will be arranged to allow scrutiny members to carry out their role in a timely way.
- 5.3 The work programme will be refreshed and updated at each meeting of the Committee throughout the year.

6. Potential Impact on Objectives

- 6.1 Development of a work programme and review and scrutiny of decisions in the Forward Plan will contribute towards the development and implementation of the policy framework of the NECA, Nexus and the North East LEP as well as providing appropriate challenge to decisions taken.

7. Financial and Other Resources Implications

- 7.1 No financial or other resource implications are identified at this stage.

8. Legal Implications

- 8.1 There are no specific legal implications arising from these recommendations.

9. Key Risks

- 9.1 There are no key risks associated with the recommendations made in this report.

10. Equality and Diversity

- 10.1 There are no specific equality and diversity implications arising from this report.

11. Crime and Disorder

- 11.1 There are no crime and disorder implications arising from this report.

12. Consultation/Engagement

- 12.1 On-going consultation takes place with Officers and Scrutiny Members across the NECA in regard to the items for the Annual Work Programme as Appendix 2.

13. Other Impact of the Proposals

Overview and Scrutiny Committee

- 13.1 The proposals consider the wider impact and take into account the Principles of Decision Making as set out in the NECA Constitution. They allow Members consideration of the items on the Forward Plan and allow them the opportunity to have an overview of all performance, decision making and developments across NECA.

14. Appendices

- 14.1 Appendix 1 – Forward Plan
Appendix 2 – Annual Work Programme

15. Background Papers

- 15.1 None.

16. Contact Officers

- 16.1 Peter Judge, Monitoring Officer
Email: peter.judge@northeastca.gov.uk
Telephone Number: 07342069371

Nicola Laverick, Policy and Scrutiny Officer
Email: nicola.laverick@northeastca.gov.uk
Telephone Number: 07342 069 369

17. Sign off

- 17.1
- Head of Paid Service: ✓
 - Monitoring Officer: ✓
 - Chief Finance Officer: ✓

18. Glossary

- 18.1 NECA - North East Combined Authority
North East LEP - North East Local Enterprise Partnership



Forward Plan of Decisions

Published 7 December 2018 *

The Forward Plan for the North East Combined Authority (NECA) is prepared and published by the Monitoring Officer for the purpose of;

- A. Giving 28 days' notice of key decisions that are planned to be taken by the NECA, its Boards, Committees or Chief Officers
- B. Complete transparency about decisions - the Plan also includes an overview of non-key decisions to be taken by the Combined Authority or its Chief Officers

Unless otherwise indicated, if you require any further information or wish to make representations about any of the matters contained in the Forward Plan please contact the appropriate officer as detailed against each entry at least 7 days before the meeting.

***The most recent entries are referred to as “NEW”. Updated entries are referred to as “Updated”. Items withdrawn since the last publication are referred to as “Withdrawn”, and following that will be removed altogether.**

Further information about the Forward Plan and NECA Decision Making can be found in 'The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017' and the NECA Overview and Scrutiny Committee's Decision Making Protocol which can be found at <http://northeastca.gov.uk/wp-content/uploads/2018/08/NECA-Decision-Making-Protocol.pdf>

Reference Number and Thematic Area	Decision expected to be made on or within 60 days of	Decision Type: Key or Non-Key	Decision Maker	Details of Decision to be taken	Additional Documents for consideration	Contact Officer	Decision to be made in Public or Private (and relevant category of exemption)
NECA Committees							
Leadership Board							
LB 3 (a)	15 January 2019	Non-Key	Leadership Board	Designation of Thematic Leads for the Municipal Year 2018/19 Members are invited to designate Thematic Leads for Transport and Digital Connectivity, Employability and Inclusion and Economic Development and Regeneration for the 2018/19 municipal year.	None	Peter Judge Monitoring Officer 07342 069 371 peter.judge@north-eastca.gov.uk	Public
Audit and Standards Committee							
AS 4 (a) Corporate Issue	2 April 2019 (Standing Item)	Non-Key	Audit and Standards Committee	Internal Audit Progress Report Members are requested to note the internal audit activity to date.	Final Internal Audit Reports & Internal Audit Plan	Philip Slater Audit, Risk and Insurance Service Manager 0191 2116511 Philip.slater@newcastle.gov.uk	Public
AS 4 (b) Corporate Issue	2 April 2019 (Standing Item)	Non-Key	Audit and Standards Committee	External Audit Progress Update This report provides an update for information on the work of Mazars, the External Auditors to the Combined Authority.	None	Jim Dafter External Audit Senior Manager, Mazars jim.dafter@mazars.co.uk	Public

Reference Number and Thematic Area	Decision expected to be made on or within 60 days of	Decision Type: Key or Non-Key	Decision Maker	Details of Decision to be taken	Additional Documents for consideration	Contact Officer	Decision to be made in Public or Private (and relevant category of exemption)
						Eleanor Goodman Principal Accountant 0191 277 7518 eleanor.goodman@northeastca.gov.uk	
AS 4 (c) Corporate Issue	2 April 2018 (Standing Item)	Non-Key	Audit and Standards Committee	Strategic Risks and Opportunities Register The report is for Governance Committee member's information	Risk Management Strategy	Philip Slater Audit, Risk and Insurance Service Manager 0191 2116511 Philip.slater@newcastle.gov.uk	Public
Audit and Standards Sub-Committee							
There are no meetings currently scheduled							
Overview and Scrutiny Committee							
OS 3 (a) Corporate Issue	20 December 2018 (Standing Item)	Non-Key	Overview and Scrutiny Committee	NECA Forward Plan and Scrutiny Work Programme To receive the latest version of the Forward Plan and annual work programme.	Held by the Contact Officer	Nicola Laverick Policy and Scrutiny Officer 07342069369 nicola.laverick@northeastca.gov.uk	Public
OS 3 (b) Corporate Issue	20 December 2018	Non-Key	Overview and Scrutiny Committee	Budget Proposals 2019/20 To consider the report outlining the budget proposals and timetable for the Combined Authority, for consultation	None	Nicola Laverick Policy and Scrutiny Officer 07342069369	Public

Reference Number and Thematic Area	Decision expected to be made on or within 60 days of	Decision Type: Key or Non-Key	Decision Maker	Details of Decision to be taken	Additional Documents for consideration	Contact Officer	Decision to be made in Public or Private (and relevant category of exemption)
				with the Overview and Scrutiny Committee.		nicola.laverick@northeastca.gov.uk Peter Judge Monitoring Officer 07342 069 371 peter.judge@northeastca.gov.uk	
OS 3 (c) Corporate Issue	20 December 2018	Non-Key	Overview and Scrutiny Committee	Governance Changes and Overview and Scrutiny arrangements Report for information to the Committee outlining the recent governance changes and exploring Overview and Scrutiny arrangements.	None	Nicola Laverick Policy and Scrutiny Officer 07342069369 nicola.laverick@northeastca.gov.uk Peter Judge Monitoring Officer 07342 069 371 peter.judge@northeastca.gov.uk	Public
Economic Development and Regeneration Advisory Board (EDRAB)							
ED 1 (a) Economic Development and Regeneration	29 January 2019 (Standing Item)	Non-Key	EDRAB	Economic Development and Regeneration – Progress Update Members are requested to receive an update on, and provide views in relation to, progress within the key areas of the Economic Development and Regeneration theme. The update will include progress on the development of	North East Strategic Economic Plan - More and Better Jobs	Sarah McMillan Corporate Lead Economic Strategy and Skills 0191 424 7948 sarah.mcmillan@southtyneside.gov.uk	Public

Reference Number and Thematic Area	Decision expected to be made on or within 60 days of	Decision Type: Key or Non-Key	Decision Maker	Details of Decision to be taken	Additional Documents for consideration	Contact Officer	Decision to be made in Public or Private (and relevant category of exemption)
				the regional Inward Investment function and Regional Investment Plan.			
North East Joint Transport Committees							
North East Joint Transport Committee (JTC)							
JTC 2 (a)	18 December 2018	Key	JTC	Appointment to Transport for the North's Rail North Committee The Joint Transport Committee are asked to agree the nomination of one Member and one Substitute Member for the Rail North Committee.	None	Peter Judge Monitoring Officer 07342 069 371 Peter.judge@north-eastca.gov.uk	Public
JTC 2 (b)	18 December 2018	Non-Key	JTC	Joint Transport Committee Standing Orders and Delegations The purpose of this report is to confirm to Members that the Joint Transport Committee's Standing Orders presented to the Committee at its meeting on the 20 November 2018 have been approved by both the North of Tyne Combined Authority (NTCA) and the North East Combined Authority (NECA) and accordingly formed the Standing Orders. Subsequently, additional functions have been delegated by the Combined Authorities to the Joint Transport Committee.	None	Peter Judge Monitoring Officer 07342 069 371 Peter.judge@north-eastca.gov.uk	Public

Reference Number and Thematic Area	Decision expected to be made on or within 60 days of	Decision Type: Key or Non-Key	Decision Maker	Details of Decision to be taken	Additional Documents for consideration	Contact Officer	Decision to be made in Public or Private (and relevant category of exemption)
JTC 2 (c)	18 December 2018	Key	JTC	<p>Appointment of the Chair and Vice Chair for the Joint Transport Committee, Tyne and Wear Sub Committee and appointment process of the Independent Chair(s) and Vice Chair(s) for the Audit Committee and the Overview and Scrutiny Committee.</p> <p>This report seeks agreement to the appointment of the Chair and Vice Chair for the Tyne and Wear Sub Committee for the Municipal Year 2018/19.</p> <p>It also invites members to comment on the appointment process for the Independent Chair and Vice Chair of the Joint Transport Committee, Overview and Scrutiny Committee and the Joint Transport Committee, Audit Committee.</p>	None	Peter Judge Monitoring Officer 07342 069 371 Peter.judge@northeastca.gov.uk	Public
JTC 2 (d)	18 December 2018	Non-Key	JTC	<p>Transforming Cities Fund Tranche 1 Update</p> <p>Members are asked to note the update in regards to the Transforming Cities Fund and to enable NECA to enact the delegated authority for Head of Paid Service to grant approval to submit the application for Tranche 1 (2018/19).</p>	NECA EOI submission https://northeastca.gov.uk/what-we-do/transport/	Tobyn Hughes Managing Director Transport Operations (0191) 2033246 tobyn.hughes@nexus.org.uk	Public
JTC 2 (e)	18 December 2018	Non-Key	JTC	<p>Regional Transport Update</p> <p>Members are asked to note the contents of the report, detailing an update on the latest transport issues in the region.</p>	None	Tobyn Hughes Managing Director Transport Operations (0191) 2033246	Public

Reference Number and Thematic Area	Decision expected to be made on or within 60 days of	Decision Type: Key or Non-Key	Decision Maker	Details of Decision to be taken	Additional Documents for consideration	Contact Officer	Decision to be made in Public or Private (and relevant category of exemption)
						tobyn.hughes@nex.us.org.uk	
JTC 2 (f)	18 December 2018	Non-Key	JTC	Office of Low Emission's Ultra Low Emission Taxi Infrastructure scheme A paper for information on the regional bid to the Office of Low Emission's Ultra Low Emission Taxi Infrastructure scheme	OLEV Bid together with Appendices	Tobyn Hughes Managing Director Transport Operations (0191) 2033246 tobyn.hughes@nex.us.org.uk	Public
North East Joint Transport Committee Tyne and Wear Sub-Committee (TWSC)							
JTC TW 3 (a)	31 January 2019	Non-Key	TWSC	Nexus Corporate Plan and Budget Preparation 2019/20 To set out and seek agreement to the corporate planning and budget approach for Nexus for the 2019/20 budget and indicative medium term financial strategy.	None	Tobyn Hughes Managing Director Transport Operations (0191) 2033246 tobyn.hughes@nex.us.org.uk	Public
NEW JTC TW 3 (b)	31 January 2019 (Standing Item)	Non-Key	TWSC	Tyne Tunnels Update To provide members with an update on issues relating to the Tyne Tunnel	None	Tobyn Hughes Managing Director Transport Operations (0191) 2033246 tobyn.hughes@nex.us.org.uk	Public
NEW JTC TW 3 (c)	31 January 2019	Non-Key	TWSC	Monitoring Nexus' Performance and Metro Performance Update	None	Tobyn Hughes Managing Director Transport	Public

Reference Number and Thematic Area	Decision expected to be made on or within 60 days of	Decision Type: Key or Non-Key	Decision Maker	Details of Decision to be taken	Additional Documents for consideration	Contact Officer	Decision to be made in Public or Private (and relevant category of exemption)
	(Standing Item)			To provide members with an update on Nexus' corporate performance for 2018/19 including Metro performance.		Operations (0191) 2033246 tobyn.hughes@nex.us.org.uk	
NEW JTC TW 3 (d)	31 January 2019 (Standing Item)	Non-Key	TWSC	Nexus' Corporate Risks 2018/19 To provide members with an update on the corporate risks identified by Nexus for 2018/19 including any mitigating actions put in place.	None	Tobyn Hughes Managing Director Transport Operations (0191) 2033246 tobyn.hughes@nex.us.org.uk	Public
North East Joint Transport Committee Overview and Scrutiny Committee (JTC Overview and Scrutiny Committee)							
JTC OS 1 (a)	20 December 2018	Non-Key	JTC Overview and Scrutiny Committee	Budget Proposals 2019/20 Report outlining the budget proposals and timetable for the Joint Transport Committee's budget and transport levy, for consultation with the Joint Transport Committee's Overview and Scrutiny Committee.	None	Nicola Laverick Policy and Scrutiny Officer 07342 069 369 nicola.laverick@northeastca.gov.uk Peter Judge Monitoring Officer 07342 069 371 peter.judge@northeastca.gov.uk	Public
JTC OS 1 (b)	20 December 2018	Non-Key	JTC Overview and Scrutiny Committee	Governance Changes and Overview and Scrutiny arrangements Report for information to the Committee outlining the recent governance.	None	Nicola Laverick Policy and Scrutiny Officer 07342069369	Public

Reference Number and Thematic Area	Decision expected to be made on or within 60 days of	Decision Type: Key or Non-Key	Decision Maker	Details of Decision to be taken	Additional Documents for consideration	Contact Officer	Decision to be made in Public or Private (and relevant category of exemption)
				changes and exploring Overview and Scrutiny arrangements.		nicola.laverick@northeastca.gov.uk Peter Judge Monitoring Officer 07342 069 371 peter.judge@northeastca.gov.uk	
JTC OS 1 (c)	20 December 2018 (Standing Item)	Non-Key	JTC Overview and Scrutiny Committee	North East Joint Transport Committee Forward Plan and Scrutiny Work Programme To receive the latest version of the Forward Plan and annual work programme.	Held by the Contact Officer	Nicola Laverick Policy and Scrutiny Officer 07342069369 nicola.laverick@northeastca.gov.uk	Public
North East Joint Transport Committee Audit Committee (JTC Audit Committee)							
JTC AC 1 (a)	19 December 2018	Non-Key	JTC Audit Committee	Budget Proposals 2019/20 Report outlining the budget proposals and timetable for the Joint Transport Committee's budget and transport levy, for consultation with the Joint Transport Committee's Audit Committee	None	Eleanor Goodman Principal Accountant 0191 277 7518 eleanor.goodman@northeastca.gov.uk	Public
JTC AC 1 (b)	19 December 2018 (Standing Item)	Non-Key	JTC Audit Committee	Internal Audit Progress Report The report is for Member's information.	NECA Internal Audit Plan	Philip Slater Audit, Risk and Insurance Service Manager 0191 2116511 Philip.slater@newcastle.gov.uk	Public

Reference Number and Thematic Area	Decision expected to be made on or within 60 days of	Decision Type: Key or Non-Key	Decision Maker	Details of Decision to be taken	Additional Documents for consideration	Contact Officer	Decision to be made in Public or Private (and relevant category of exemption)
JTC AC 1 (c)	19 December 2018 (Standing Item)	Non-Key	JTC Audit Committee	Strategic Risk Register The report is for Member's information.	NECA Strategic Risk Register	Philip Slater Audit, Risk and Insurance Service Manager 0191 2116511 Philip.slater@newcastle.gov.uk	Public
JTC AC 1 (d)	19 December 2018	Non-Key	JTC Audit Committee	Joint Transport Committee, Audit Committee & Governance Changes The report is provided for information as an overview regarding governance changes.	Joint Transport Committee, Standing Orders	Peter Judge Monitoring Officer 07342 069 371 peter.judge@north-eastca.gov.uk	Public
Officer Delegated Decisions							
DD 94 Transport and Digital Connectivity	15 November 2018	Non-Key	Head of Paid Service	Sunderland Electric Vehicle Filling Station- Minor Variation to the Electric Vehicle Charging Units. The Head of Paid Service in consultation with the Monitoring Officer and Chief Finance Officer is recommended to approve an additional payment of £32,100 in order to install two 175kW chargers which would replace two of the 50kW chargers.	Minute number 13 Delegated decisions: a)"Smarter Travel, Smarter Cities" proposed European Regional Development Fund bid and b) Go Ultra Low North East programme. North East Leadership Board- 19th June 2018	Kim Farrage Senior Specialist Transport Planner 0191 2778971 Kim.farrage@north-eastca.gov.uk	Private – the report will contain “exempt” information which falls within paragraph 3 of part 1 of schedule 12A to the Local Government Act 1972)

Reference Number and Thematic Area	Decision expected to be made on or within 60 days of	Decision Type: Key or Non-Key	Decision Maker	Details of Decision to be taken	Additional Documents for consideration	Contact Officer	Decision to be made in Public or Private (and relevant category of exemption)
DD 95 Economic Development and Regeneration	9 November 2018	Non-Key	Monitoring Officer	Incubator Support Fund: Innovation Zone To agree to the financial and legal matters associated with any North East LEP decision to award a grant from the Incubator Support Fund application relating to the Innovation Zone	Confidential LEP Delegated Decision report Confidential project business case and supporting documents Confidential project appraisal report	Ben McLaughlin Programme Support Officer 0191 3387446 ben.mclaughlin@nelep.co.uk	Private – the report will contain “exempt” information which falls within paragraph 3 of part 1 of schedule 12A to the Local Government Act 1972)
DD 96 Economic Development and Regeneration	7 December 2018	Key	Head of Paid Service in consultation with the Monitoring Officer and Chief Finance Officer	Port of Tyne - Tyne Dock Enterprise Zone preparatory work Decision to award up to £250,000 to the Port of Tyne to undertake feasibility and preparatory works on the Tyne Dock Enterprise Zone site as part of the delegated decision scheme established on the 21 st March 2017.	Information on the Enterprise Zone sites can be found at https://www.nelep.co.uk/funding/enterprise-zones/	James Davies Programme Manager 0191 338 7430 James.davies@nelep.co.uk	Private – the report will contain “exempt” information which falls within paragraph 3 of part 1 of schedule 12A to the Local Government Act 1972)
DD 97 Economic Development	30 November 2018	Non-Key	Monitoring Officer	Incubator Support Fund: Innovation Northumbria Incubator	<ul style="list-style-type: none"> Confidential LEP Delegated Decision report Confidential project 	Ben McLaughlin Programme Support Officer	Private – the report will contain

Reference Number and Thematic Area	Decision expected to be made on or within 60 days of	Decision Type: Key or Non-Key	Decision Maker	Details of Decision to be taken	Additional Documents for consideration	Contact Officer	Decision to be made in Public or Private (and relevant category of exemption)
and Regeneration				To agree to the financial and legal matters associated with any North East LEP decision to award a grant from the Incubator Support Fund application relating to the Innovation Northumbria Incubator.	<ul style="list-style-type: none"> business case and supporting documents Confidential project appraisal report 	0191 3387446 ben.mclaughlin@nlelep.co.uk	"exempt" information which falls within paragraph 3 of part 1 of schedule 12A to the Local Government Act 1972)
DD 99 Economic Development and Regeneration	3 December 2018	Non-Key	Monitoring Officer	<p>Innovation Project Development Fund: International Centre for Connected Construction (IC3)</p> <p>To agree to the financial and legal matters associated with any North East LEP decision to award a grant from the Incubator Support Fund application relating to the Innovation Northumbria Incubator.</p>	<ul style="list-style-type: none"> Confidential LEP Delegated Decision report Confidential project business case and supporting documents Confidential project appraisal report 	Ben McLaughlin Programme Support Officer 0191 3387446 ben.mclaughlin@nlelep.co.uk	Private – the report will contain "exempt" information which falls within paragraph 3 of part 1 of schedule 12A to the Local Government Act 1972)
DD 100 Economic Development and Regeneration	5 December 2018	Non-Key	Monitoring Officer	<p>Innovation Project Development Fund: Stephenson Challenge – ROCKET Feasibility and Development Stage project</p> <p>To agree to the financial and legal matters associated with any North East LEP decision to award a grant from the</p>	<ul style="list-style-type: none"> Confidential LEP Delegated Decision report Confidential project business case and supporting documents Confidential project 	Ben McLaughlin Programme Support Officer 0191 3387446 ben.mclaughlin@nlelep.co.uk	Private – the report will contain "exempt" information which falls within

Reference Number and Thematic Area	Decision expected to be made on or within 60 days of	Decision Type: Key or Non-Key	Decision Maker	Details of Decision to be taken	Additional Documents for consideration	Contact Officer	Decision to be made in Public or Private (and relevant category of exemption)
				Innovation Project Development Fund application relating to the Stephenson Challenge – ROCKET Feasibility and Development Stage project.	appraisal report		paragraph 3 of part 1 of schedule 12A to the Local Government Act 1972)
DD 101 Transport and Digital Connectivity	18 December 2018	Non-Key	Head of Paid Service, in consultation with the Monitoring Officer and Chief Finance Officer	Approval of Office of Low Emission's Ultra Low Emission Taxi Infrastructure scheme A delegated decision to approve the regional bid to the Office for Low Emission Taxi Infrastructure scheme.	OLEV Bid together with Appendices	Tobyn Hughes Managing Director Transport Operations (0191) 2033246 tobyn.hughes@nexus.org.uk	Private – the report will contain “exempt” information which falls within paragraph 3 of part 1 of schedule 12A to the Local Government Act 1972)
DD 102 Transport and Digital Connectivity	21 December 2018	Non-Key	Head of Paid Service	Transforming Cities Fund Approval is requested for the Head of Paid Service, in consultation with the Chief Finance Officer and the Monitoring Officer, to sign-off and approve submission of the regional Transforming Cities Fund bid, due for submission on 4 th January 2019	None	Tobyn Hughes Managing Director Transport Operations (0191) 2033246 tobyn.hughes@nexus.org.uk	Public

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Overview and Scrutiny Work Programme 2018/2019
December 2018 – March 2019

Standing Items for each Committee Meeting:

- Declaration of Interest
- Minutes of Previous Meeting
- NECA Forward Plan and Work Programme Report

Source of work programme and items of importance:

The Overview and Scrutiny Committee obtains work programme items from the following sources:

- Items submitted by Members of the Committee (and including items referred by other members of the Combined Authority);
- Suggestions from Nicola Laverick, Policy and Scrutiny Officer or NECA Chief Officers; Helen Golightly, Peter Judge and Paul Woods
- The Budget and Policy Framework; Transport Plan and Strategic Economic Plan
- The Forward Plan;
- The Thematic Leads;
- Evidence for any policy review work of relevance to NECA

Planned items:

Items	Reason for item	Lead Officer
Committee: 20 December 2018 – 10am: South Tyneside Council		
NECA Budget Proposals	Yearly update	Paul Woods
Governance Changes and Overview and Scrutiny Arrangements	Requested by Members at workshop early in 2018	Peter Judge, Nicola Laverick
Committee: 14 March 2019 – 10am: Sunderland Council		
Work Programme Planning 2019 - 2020	Yearly review of committee work programme and consider items for further scrutiny	Peter Judge and Policy & Scrutiny Officer
Review of Decisions and Decision Making Protocol	Review of decision making following governance changes	Peter Judge and Policy and Scrutiny Officer
Strategic Economic Plan	Yearly update	Helen Golightly
Digital Connectivity Update	Members previously had an update in July 2018 and agreed to receive a report in the future to keep a focus on the work programme	To be confirmed

Items for future consideration (2019-2020)

Item	Lead Officer
Fair Funding	Paul Woods
Tyne Pedestrian Tunnel Update	Alastair Swan
Impact of Brexit on the North East	To be confirmed
NECA's economic initiatives	To be confirmed
Environmental Plan and the impact on the region	To be confirmed
Local Industrial Strategy and the Industrial Strategy	Helen Golightly / Richard Baker

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