



north east combined authority

**North East Combined Authority, Overview and Scrutiny Committee**

Tuesday 14th February, 2017 at 2.00 pm

Meeting to be held at Newcastle Civic Centre

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## AGENDA

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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 the previous meeting held on 14 December 2016** 1 - 10
4. **Economic Development and Regeneration Thematic Lead Update** 11 - 34
5. **NELEP Local Growth Fund Programme** 35 - 46
6. **Rules and Procedure for the Overview and Scrutiny Committee** 47 - 70
7. **Policy Review: Transport Related Barriers to Education, Employment and Training** 71 - 84
8. **Forward Plan and Scrutiny Work Programme** 85 - 92
9. **Date and Time of the Next Meeting**

2.00pm on 28 March 2017

Contact Officer: Janet Howard Tel: (0191) 211 5048 E-mail: [janet.howard@newcastle.gov.uk](mailto:janet.howard@newcastle.gov.uk)

**To All Members**

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## **North East Combined Authority, Overview and Scrutiny Committee**

14 December 2016

(2.00pm - 4.15 pm)

Meeting held Gateshead Civic Centre

### **Present:**

Councillors: Armstrong, Crute, Dillon, Eagle, Flux, Glindon, Graham, A Lower, Meling, Pidcock, Snowdon and Wright

### **26 APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Gibson and Pearson.

### **27 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 involved in any aspects of decision making.

### **28 MINUTES OF THE PREVIOUS MEETING HELD ON 1 NOVEMBER 2016**

The minutes of the previous meeting held on 1 November 2016 were approved as a correct record and signed by the Chair.

### **29 TRANSPORT THEMATIC LEAD UPDATE REPORT**

Submitted:

- i. A report of the Thematic Lead for Transport to seek the views of the Overview and Scrutiny Committee on the most recent developments and announcements within the key theme of transport (previously circulated and copy attached to the Official Minutes).
- ii. Autumn Budget Statement – update note (with the Chair’s permission, due to the timetables involved, circulated at the meeting and copy attached to Official Minutes)

Councillor Forbes (Thematic Lead for Transport) introduced the report which provided an update on the most recent developments and announcements within the key theme of transport including the Transport Manifesto and Plan, Transport for the North, Rail, Public Transport, Aviation, Freight Transport and the Go Smarter programme for 2016-17.

## Comments, questions and points raised by members

- Could the proposed 'cut offs' of the East Coast Main Line north of York have any effect on Durham and Darlington stations?

Councillor Forbes advised that the intent is to connect to the East Coast Mainline just south of Darlington and so there should be no effect on Durham or Darlington stations.

- In response to a question over the status of the plan to expand Heathrow and a possible legal challenge against it, Councillor Forbes advised that although Government have declared that they are in favour of the plans there is some controversy and a final decision has been postponed until 2017. NECA is continuing to lobby for the expansion of Heathrow as it offers the best chance to safeguard the future of flights from Newcastle Airport and to enable further services to be introduced.
- Has there been any discussion at Leadership level about piloting of driverless cars?

Cllr Forbes advised that piloting of driverless cars was taking place in Milton Keynes as the roads there are built on a grid pattern allowing for easier testing. NECA is focussing on development of electric vehicles and the ambition is to be recognised as a leader in that field.

- A concern was raised about whether the right sort of schemes were being put forward for Large Local Major Scheme funding and what had been achieved in the region. Councillor Forbes advised that four schemes had been put forward by NECA, of which three were bids for feasibility funding.
- Local Improvements funding was intended for large schemes and the funding would come from the Highways England.
- A concern was raised about whether NECA has schemes ready that could be submitted for other funding as and when details are announced. Councillor Forbes advised that each of the constituent local authorities have schemes that are ready to go and could be put forward for funding when the opportunity arises. Two bids are to be submitted for funding from the Office for Low Emission Vehicles, including one joint bid with Stagecoach for Low Emission Buses.
- In response to a question about whether NECA might receive any funding for Smart Ticketing, Councillor Forbes advised that this would be welcomed. Key challenges in this area include negotiating with bus providers to become part of a larger scheme, and the development of a 'touch in and touch out' system.
- A concern was raised about the current issues with the Southern Rail franchise, and whether NECA might end up in a similar arrangement. Councillor Forbes advised that the only franchise for which NECA is currently

responsible is the Metro. Discussions are ongoing about the responsibility that Transport for the North may take on with regards to franchising.

- A concern was raised about whether funding for dualling of the A69 may be under threat as a result of the announcement to dual the A66 and that this may threaten activity at the Port of Tyne, Councillor Forbes advised that NECA recognise the A69 as an important strategic route, particularly in terms of the East to West connection, and that this has been highlighted to Ministers. NECA's pitch to Government was that both roads needed to be dualled. There are some safety concerns on the A66. It is important that pressure is maintained on Government to deliver both of these schemes, and also to push for improvements to the A1 as connectivity with Scotland is likely to become increasingly important.
- It was suggested that there are currently a number of bus operators competing for profit and that the aim should be for NECA to own and operate the network instead. Councillor Forbes advised that there are differing profit margins amongst bus operators. One of the outcomes of the Quality Contract Scheme, had it been successful, would have been to re-invest profits into the network which is particularly important in order to maintain rural subsidised routes. Some firms do re-invest in the region, but not all which is an issue when they are receiving public subsidies. The aim should be to develop routes that serve people better and to demonstrate that every pound is spent in the best interest of the public. NECA has lobbied for the ability for local authorities to establish their own transport companies not to be excluded in the forthcoming Buses Bill and this seems to have been successful.
- A comment was made that the current competitive arrangement has a knock on effect on people's lives and on the economy, and NECA should be stating this more explicitly and fighting harder against it.
- Councillor Forbes stated that he shared the concern and had been frustrated by the Quality Contract Scheme process.
- In response to a query about membership of the task and finish group on Concessionary Ticketing, Councillor Forbes confirmed that although it is a sub-group of the Transport North East Committee membership is not restricted to TNEC members. The group will be tasked with looking at young people's concessionary travel, and also at concerns raised by the Women Against State Pension Inequality campaign.

The Chair advised that the Committee had been asked to nominate a representative to sit on the task and finish group. Councillor Eagle was duly moved and seconded for this role.

- A concern was raised that the bid for ULEV funding for charging points disproportionately benefits wealthier residents as they are the ones who can afford to invest in electric vehicles. In response Councillor Forbes acknowledged the point, and pointed out that new technology often starts out being quite expensive but reduces in cost as it develops and becomes more widespread. He also advised that there is a lot of research capacity with the

universities to consider how rural areas can benefit from investment in electric vehicles as well as city centres.

- In response to a query about timescales for re-opening of the Leamside Line for freight, and to whether this was also being considered as part of the Metro expansion plans, Councillor Forbes advised that it is not yet marked as a potential passenger route due to issues associated with an existing bridge, but that funding would be required to carry out the necessary feasibility work and so there is not yet a set timetable.
- Clarification was sought as to whether the A1290 is the access road for Nissan. This was subsequently confirmed.
- It was highlighted that the effect that cuts to services and increased fares have had on young people is stark, and there have been many missed opportunities to help young people to reach their potential. Bus fares have risen consistently and are disproportionately higher for young people, creating a barrier to employment and education. It was suggested that NECA could be looking to see what can be done to make a difference.
- In response to a query about how quickly technology could be enabled to allow for a daily price cap on contactless payments for public transport, as currently exists in London and for the Pop Card in the North East, Councillor Forbes advised that it would largely depend on getting funding from Government, and buy in from the operators to one system as there is a reluctance currently to share information. It may also require further legislation from Government, and establishing Transport for the North as a statutory body would help in lobbying for this.
- In response to a query about progress with HS2, Councillor Forbes advised that Government have reaffirmed their commitment to both HS2 and to the 'Y' shaped network north of Birmingham. The route up from Leeds through the North East has not yet been determined and will probably be decided in 2017. HS2 is not really about speed of journeys to London but about capacity and better connections across the North which would open up job opportunities to North East residents without requiring them to move out of the region. Councillor Forbes is the NECA representative on the TFN Board and also sits on the Rail North Board.

**RESOLVED:** That –

- i. The Transport Thematic Lead Update Report be received for comment and for information.
- ii. Committee agreed to appoint Councillor Eagle as its representative on the Concessionary Ticketing task and finish group.

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## **TRANSPORT MANIFESTO AND PLAN FOR THE NORTH EAST**

Submitted: Report of the Lead Chief Executive for Transport to inform the Committee of the final version of the Transport Manifesto for the North East

incorporating consultation feedback, and the next steps for the Transport Plan (previously circulated and copy attached to the Official Minutes).

Ian Coe (Principal Transport Planner) presented the report and highlighted progress to date with the Transport Manifesto, and next steps in developing the Transport Plan.

### **Comments, questions and points raised by members**

- A concern was raised about taxis being prevented from using bus lanes in some parts of the North East, and about how this conflicts with plans to integrate taxis into the wider public transport network as proposed in the Manifesto.

In response Ian Coe advised that there would need to be a consensus between all of the constituent authorities about the objective of bus lanes, and suggested that taxi licensing and highways officers should be tasked with considering the issue in more detail.

The Chair suggested that this should be a committee recommendation.

- A concern was raised about the role of the car and how this fits into NECA's plans for a more integrated transport system. It was suggested that it is unrealistic to think that car ownership will reduce in future and that using public transport is not always an option. More consideration should be given to how different modes of transport connect into each other.

In response Ian Coe advised that concerns about the role that cars have to play had been reflected in the consultation feedback, and that there had been some conflicting views on the matter. There is a need to strike a balance between these points of view in the final plan.

- A concern was raised that the Transport Manifesto does not set out how the objectives will be achieved.

In response Ian Coe advised that the Manifesto is the precursor to the Transport Plan and was not intended to set out details of how objectives will be achieved but to set out the issues that need to be resolved. Committee will be consulted on the Transport Plan and this consultation activity will take place after the local elections on 4 May 2017.

[Councillor Lower left the meeting at this point.]

**RESOLVED:** That –

- i. The report be received for comment and for information.
- ii. Committee to be consulted on the detailed Transport Plan and on inclusion of different modes of transport.

- iii. Taxi licensing and highways officers to be tasked with considering a consensus approach to use of bus lanes by taxis.

## 31 NORTH EAST COMBINED AUTHORITY BUDGET 2017/18

Submitted: Report of the Chief Finance Officer to seek views of the Overview and Scrutiny Committee on proposals for the 2017/18 budget, as part of its consultation process.

Paul Woods (Chief Finance Officer) presented the report which sought the views of the Committee on proposals for the 2017/18 NECA budget.

### **Comments, questions and points raised by members**

- A question was asked with regard to how decisions about cuts to transport services would be decided, and whether it would be an officer or a member decision.

In response Paul Woods advised that detailed discussions would take place with members on any proposed cuts, and that this would take place within the committee structure through the Tyne and Wear Sub-Committee / Durham / Northumberland, Transport North East Committee and Leadership Board. Because there are no specific service reductions proposed within the 2017/18 budget there is no need for additional consultation at this point.

- A concern was raised about the amount of time that committee had to scrutinise the budget proposals.

The Chair commented that it is vital members read the reports and prepare questions in advance of the meeting, and also advised that committee could put additional questions in writing if there is not sufficient time for discussion during the meeting.

The Chair invited any suggestions on how better to facilitate the process in future, and proposed a recommendation that next year committee has more time set aside to consider budget proposals.

Paul Woods confirmed that he would be happy to respond to written questions.

- In response to a comment about the Government's austerity programme and how it seems to have disappeared except for local government and welfare, Paul Woods advised austerity has not ended. The recent Autumn Statement seems to have extended the timetable for the budget being brought into balance but this has not resulted in any increase to local government funding. There have been some recent discussions about allowing an increase in the council tax precept for social care funding.

[Councillor Meling left the meeting at this point, following which the meeting became inquorate.]



- Clarification was sought about how Nexus propose to fill the gap in their budget through efficiencies, following the use of reserves for the same purpose last year.

Paul Woods advised that the strategy used by Nexus is to identify potential budget pressures over the next year and to address them by identifying efficiencies or allocating reserves. Nexus did not have to use the reserves last year so they are able to use that to cushion service reductions and to allow more time for consideration of and consultation on proposed reductions.

- A concern was raised that although committee have previously been advised that the Metro is self-sufficient, there may be a need to cut services as a result of pressure from concessionary fare costs.

Paul Woods advised that NECA will make a contribution of £3m to Metro next year, in relation to the cost of discretionary concessionary fare for the elderly. Funding for the statutory concessionary travel scheme is being cut nationally and this will have to be offset by cuts made elsewhere. There will be an opportunity for NECA to respond to the consultation on the Revenue Support Grant and any comments from the Overview and Scrutiny Committee will be incorporated into that.

**RESOLVED** – That:

- i. The report be received for comment and for information.
- ii. Committee's comments to be taken into account on consultation of the Revenue Support Grant.
- iii. The committee's work programme for 2017/18 should allow more time to consider the budget proposals.

**32 POLICY REVIEW: TRANSPORT RELATED BARRIERS TO EDUCATION, EMPLOYMENT AND TRAINING**

Submitted: Report of the Monitoring Officer considering the conclusions of a policy review on transport related barriers to employment, education and training (previously circulated and copy attached to the Official Minutes).

Karen Brown (Scrutiny Officer) presented the report which focussed on transport and the provision of access to employment, training and education, and reflected the outcome of the Call for Evidence. Committee were advised that changes and additions could be made to the recommendations proposed within the report.

Recommendations made by the committee will go to the Transport North East Committee to be incorporated into the Transport Plan for the North East, and then on to the Leadership Board.

### Comments, questions and points raised by members

- The Chair observed that as the meeting was now inquorate Committee could not formally endorse any recommendations.

In response, Karen Brown suggested that the draft recommendations could be taken to the TNEC on 9 February for comment, and then brought back to Committee for formal endorsement on 14 February. This was agreed.

- It was suggested that better use could be made of planning regulations within the NECA area to facilitate easier travel across longer distances and to and from residential areas.
- It was highlighted that the Marmot Review ('Fair Society Healthy Lives') advised that businesses should be set up in accessible locations, it was suggested that this could be reflected in the final report.
- A concern was raised that there is an unfairness in the current fare structure caused by lack of competition between operators, and that this has a particular impact on young people.

[Councillor Graham left the meeting at this point.]

#### **IT WAS AGREED:** That –

- i. Draft recommendations were informally agreed and should be taken to the TNEC for comment on 9 February, then brought back to committee for formal endorsement on 14 February.
- ii. That the report included additional comments for businesses to be set up in accessible locations.

### 33 **FORWARD PLAN & SCRUTINY WORK PROGRAMME**

Submitted: Report of the Monitoring Officer on the Forward Plan and scrutiny work programme for 2016/17 (previously circulated and copy attached the Official Minutes).

Viv Geary (Monitoring Officer) presented the report which provided committee with the opportunity to consider the items on the Forward Plan for the current 28 day period and to endorse the Scrutiny Annual Work Programme for 2016/17.

Committee were advised that the Cities and Local Government Devolution Act 2016 enhanced the role of scrutiny in Combined Authorities, and that although NECA is not proceeding in becoming a Mayoral Combined Authority it is still subject to the new legislation pertaining to call in and political balance. From 8 May 2017 NECA must have its own scrutiny officer in place, and the Chair of the Overview and Scrutiny Committee must come from a different political party from the Combined Authority's majority party.

It was proposed that a working group of the committee be established to meet in January to consider options and to identify a preferred approach, and to report back to Committee on 14 February. Committee's recommendations would then be taken to the Leadership Board in March before being incorporated into the NECA Constitution.

The Chair requested that the date for the working group should be put into diaries as soon as possible, and it was suggested that an invitation to participate be circulated to committee members by email, as a number of people had left the meeting.

**IT WAS AGREED:** That –

- i. Committee accepted the Forward Plan and work programme report.
- ii. A date for the working group to be circulated to all committee members, as soon as possible.

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

Tuesday 14 February 2017 at 2:00pm; to take place in Newcastle

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## North East Combined Authority

### Economic Development and Regeneration Advisory Board

**DATE:** 15 February 2017

**SUBJECT:** Economic Development and Regeneration – Progress Update

**REPORT OF:** Economic Development and Regeneration Thematic Lead

#### **EXECUTIVE SUMMARY**

The purpose of this report is to provide Members with a progress update for the key areas within the Economic Development and Regeneration theme.

#### **RECOMMENDATIONS**

The Advisory Board is requested to receive progress updates and provide views on the development of the regional inward investment function and Regional Investment Pipeline.

# North East Combined Authority

## Economic Development and Regeneration Advisory Board

### 1 Executive Summary

1.1 The purpose of this report is to provide Members with a progress update for the key areas within the Economic Development and Regeneration theme.

1.2 The Advisory Board is requested to receive progress updates and provide views on the development of the regional inward investment function and Regional Investment Pipeline.

### 2.0 Inward Investment

#### 2.1 Inward Investment 2016/17 (Quarters 1, 2 and 3) Successes

In the first three quarters of this financial year (April-December 2016), in total there were 64 inward investments into the NECA area which will lead to the creation of 5,530 jobs. This contrasts with the full four-quarter year in 2015/16 of 107 inward investments leading to 3,368 jobs. The North East has seen a number of very large job-creating investments this year in comparison to more, smaller investments last year.

This year's successes to date are made up of:

##### a) Foreign Direct Investment

There were 44 investments leading to the creation of 3611 new jobs, and many thousands safeguarded (mainly from Nissan as a result of the Qashqai and X-Trail announcement). Investors included:

- Teleperformance (Call centre outsourcer)
- Accenture (Software ICT)
- Janus international (Manufacturing)
- Unipress (Automotive)
- Sitel (Outsourcing)
- Convergys (Outsourcing)
- Nissan (Automotive)
- Faurecia (Automotive)
- Smulders Projects (Energy)
- Accord Healthcare (Life Sciences)
- JDR Cables (Energy)

##### b) Investments by UK-owned Companies from Outside of the Region

There were 20 investments leading to the creation of 1,919 jobs. Companies announcing investments included:

- ResQ (Contact Centre)
- Estover Energy (Energy)
- Fermeda (Life Sciences)
- Amicus ITS (IT Support)

# North East Combined Authority

## Economic Development and Regeneration Advisory Board

- Lhasa (Digital)
- Vardags (FPBS)

### Q1-3 2016/17 Successes by sector

Sector	FDI	UK Owned from Outside Region	Totals	Total Jobs created (three years)
Digital Creative	1	3	4	217
Software/ICT	4	2	6	616
Financial & Professional Business Services (FPBS)	8	10	18	2947
Energy	4	1	5	530
Life Sciences	2	1	3	121
Automotive	6	0	6	784
Other Advanced Manufacturing	19	3	22	315
<b>Total</b>	<b>44</b>	<b>20</b>	<b>64</b>	<b>5530</b>

## 2.2 Enquiries

Enquiry levels have been encouraging towards the end of the year with enquiries coming through to the INEE team both through the new website and by an increasing number of DIT leads. This comes on the back of a very quiet period spanning a number of months, due in part to the effect of Brexit. Recent figures provided by DIT show that this pattern of new enquiries dipping dramatically last year matched the national picture.

Current enquiries on the INEE pipeline include both UK and foreign owned enquiries in a number of sectors from life sciences, software, contact centres, automotive and other advanced manufacturing. Recent visits to the region hosted by INEE have included companies engaged in digital media, life sciences, agritech and financial and professional business services.

## 2.3 Invest North East England Website/proactive work

One way in which the INEE team is planning to increase the size and quality of its investment enquiry pipeline is by becoming a proactive service, actively generating new investment enquiries. A key element of this new approach is the launch of the new INEE website, which launched at the end of October 2016. To complement the website launch, an associated social media campaign is taking place, aimed at generating enquiries from key sectors.

The web site is currently being enhanced with an improved property search function and a new regional 'Soft Landing' package to be launched shortly.

To back up the website, a number of promotional brochures are being produced to provide hard copies (also available electronically) for investors/events etc.

The INEE team is currently procuring a lead generation contractor. It is planned for the contract to commence in early February 2017. The contractor will provide in-market representation for North East England in London and the South East. The focus of the contract is twofold:

- Actively generate new leads for the NE, with a particular focus on software/digital, and financial, professional and business services.
- Work with key London-based intermediaries (e.g. property agents, solicitors, accountants etc.) to ensure they understand the NE offer to companies so they will consider the area for current and future client requirements.

### 2.4 **MIPIM UK**

INEE had a coordinated stand presence at the UK's largest property investment event, MIPIM UK, which was held in London on 19-21 October. Six private sector partner sponsors attended from the North East along with representatives from NECA's constituent local authorities. As part of the event, there was a business showcase event held with a private/public sector panel discussing key recent property deals and new opportunities available to investors in North East England.

The evaluation report compiled from feedback from the attendees is attached for information.

### 2.5 **Business Grants**

Since the abolition of One North East in 2012, agencies in the North East seeking to offer grants to secure mobile investment have had four options open to them, all supported by Regional Growth Fund. This included the Let's Grow Fund, the Northumberland Business Grant Fund, national RGF bidding rounds, and Exceptional Regional Growth Fund (ERGF). In the 5 year period since mid-2011, these sources of RGF combined provided grant funding to business investment projects in the NECA area totalling £152m, an average of £30m pa. This includes grants for inward investment and strategic re-investment projects, as well as for indigenous SMEs. However, these important sources of funding are no longer available.

There is no further national RGF funding (or similar) on the horizon following closure of the programme in Autumn 2015. The Let's Grow fund has now spent or committed its full allocation, while the Northumberland Business Grant Fund closed in 2015. Finally, there is no longer a ring-fenced budget for ERGF, and this tool is now reserved for highly exceptional projects creating a minimum of 1,000 jobs, so the likelihood of ERGF being used to support an investment in the NECA area is low.



A business case was prepared by INEE in the Summer of 2016 with the aim of developing a new grant fund for inward investment projects based on allocations of LGF3 and Devolution deal funding. This is no longer an option.

The lack of any regional grant scheme is becoming a growing concern, particularly as many of the potential inward investors the INEE team are talking to are stating that financial incentives are a key requirement to get on longlists. The North East in this respect does not compare favourably with many other areas including Scotland, Wales and Tees Valley all of which have grant schemes in place.

The INEE team is working with local authorities, the NELEP and others to try to find a solution to this and the Advisory Board will be provided with updates in due course.

### **3.0 Regional Investment Plan / Project Pipeline**

The Economic Development and Regeneration theme has the lead responsibility for coordinating efforts to enhance the region's important economic assets and to develop new ones that will promote growth.

A pipeline of both employment sites and housing sites was developed to underpin this approach. This pipeline informed the North East Local Enterprise Partnerships (NELEP) submission to round 3 of the Local Growth Fund.

The Chancellor's Autumn Statement announced that Local Enterprise Partnerships in the North of England would be allocated £556 million.

Following this, in January 2017 £49.7m Local Growth Fund was awarded to the North East Local Enterprise Partnership. The majority of this funding is to be allocated to the International Advanced Manufacturing Park (IAMP) scheme in Sunderland/South Tyneside, which will secure 5,200 jobs for the North East economy by 2025.

The LEP Board will allocate the remaining resource.

### **4.0 Potential Impact on Objectives**

The information contained in this report and any views put forward by the Advisory Board, will support the NECA in meeting its objectives.

### **5.0 Finance and Other Resources**

There are no specific resource implications arising from this item.

# North East Combined Authority

## Economic Development and Regeneration Advisory Board

### **6.0 Legal**

There are no specific legal implications arising from this item.

### **7.0 Other Considerations**

#### **7.1 Consultation/Community Engagement**

There are no issues arising from this item for consultation.

#### **7.2 Human Rights**

There are no specific human rights implications arising from this item.

#### **7.3 Equalities and Diversity**

There are no specific equalities and diversity implications arising from this item.

#### **7.4 Risk Management**

There are no specific risk implications arising from this item.

#### **7.5 Crime and Disorder**

There are no specific crime and disorder implications arising from this item.

#### **7.6 Environment and Sustainability**

There are no specific environment and sustainability implications arising from this item.

### **8.0 Background Documents**

North East Strategic Economic Plan – More and Better Jobs

### **9.0 Links to Plans in the Policy Framework**

This item links to the Strategic Economic Plan and other plans in the Policy Framework.

### **10.0 Appendices**

There are no appendices

# North East Combined Authority

## Economic Development and Regeneration Advisory Board

### 11.0 Contact Officers

Guy Currey, [guy.currey@northeastca.gov.uk](mailto:guy.currey@northeastca.gov.uk), 07825 430315;  
John Scott, [john.scott@southtyneside.gov.uk](mailto:john.scott@southtyneside.gov.uk), (0191) 424 6250

### 12.0 Sign off

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

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**Invest North East England**  
**MIPIM UK 19<sup>th</sup> – 21<sup>st</sup> Oct 2016**

**Overview**

MIPIM UK took place at Olympia, London between 19<sup>th</sup> – 21<sup>st</sup> October 2016 and Invest North East England (INEE) attended with seven Local Authorities plus six private sector partners:

- Citrus Durham
- Carillion-Arlington
- Hanro Group
- Broadoak Asset Management (Quorum Business Park)
- Siglion
- Ward Hadaway

The **INEE stand** (27m<sup>2</sup>) was located in the central walk-way at Olympia and accommodated two meeting areas, an informal break area, storage space plus tea/coffee making facilities. During the three day event, INEE hosted a business showcase panel and a drinks reception.

The **business showcase panel**, held on Wed 19<sup>th</sup> Oct, was entitled 'North East England Works for Investors – The Deals and the Opportunities'. It centred on recent property investment deals that had been struck in North East England, why North East England is an attractive place for investors and developers to consider new projects, and the considerable appetite and support available from the region's public sector. Panel Members were Pete Gladwell, Head of Public Sector Partnerships, Legal & General; Patrick Going, Managing Director, Marick Real Estate Ltd; Irene Lucas, CBE, Chief Executive Sunderland City Council and Tom Warburton, Director of Investment and Development, Newcastle City Council.

A **drinks reception** was held on the stand on Thurs 20<sup>th</sup> Oct, where examples of regionally produced drinks were served. The suppliers for 2016 were Poetic License distillery, Fentimans Botanical Brewery, Sunderland's CBL and Maxim Brewery.

To support the North East offer, INEE produced a **Development Opportunities Brochure** which showcased key development and investment sites in North East England. The brochure included city centre, out of town and Enterprise Zone developments to illustrate the diverse investment sites on offer in the region.

In addition to the Development Opportunity Brochure, the INEE team produced marketing collateral to enhance and promote the key events, hosted by INEE:

- A5 Flyer for Business Showcase and Drinks Reception (this was also produced as a HTML version)
- Press Release (released 11.10.2016)
- E-mail footer and pictures for Social Media
- Branded INEE Cups for hot drinks on the stand

- Branded name badges for delegates
- USB sticks loaded with brochure
- INEE team updated the MIPIM Database with projects / development sites
- INEE team launched their improved website (18.10.2016) which features a section for MIPIM (<https://investnortheastengland.co.uk/development-opportunities/>)

### **Feedback from partners following MIPIM**

#### **Lead Generation / Return on Investment**

Feedback from Partners as to the **value of MIPIM** and what they achieved:

- Partners have confirmed that there were significant enquiries / leads made on key sites and contacts made with potential new business partners/clients
- The event was used successfully to raise the profile of the company / development opportunity
- Relationship building was positive both within the NE delegation and with national players
- Intelligence sourcing – attendance at the programme of business showcase events and conference events and seminars were very useful
- Used the event as a platform to arrange meeting outside of MIPIM
- The event was useful to raise the profile of the region working collaboratively, public and private partnership
- From an inward investment perspective (the remit of INEE), MIPIM is unlikely to deliver significant leads for end users/relocating companies. However, two possible leads were made and are being followed up (in addition to the many property/investment leads which will be taken forward by Las/private sector).

#### **Specific Feedback relating to INEE stand / events**

##### **Stand**

<p><b>Positives:</b></p> <ul style="list-style-type: none"> <li>• Good position at Olympia and captured footfall</li> <li>• Stand design and brochure were good quality and liked by majority</li> <li>• Private partners were happy with the size of the logos on the stand</li> <li>• The open sides of the stands made it feel welcoming</li> <li>• Layout worked well with the correct level of seating / meeting areas</li> <li>• Size of the stand was good, for the</li> </ul>	<p><b>Negatives:</b></p> <ul style="list-style-type: none"> <li>• Would like to see more images (rolling images) or the use of videos</li> <li>• Look at an improved meeting space area for future years – chairs not stools, higher tables</li> </ul> <p><b>Recommendations:</b></p> <ul style="list-style-type: none"> <li>• What may add value is an approach with DIT / Northern Powerhouse – The ‘London Corner’ added weight so possibly enter discussions with DIT over a NPH corridor</li> </ul>
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<p>amount of delegates (if this changes in future years the size of the stand will need to be addressed)</p> <ul style="list-style-type: none"> <li>• Tea/coffee making facilities were good and the branded cups worked well (would do again, with two machines)</li> </ul>	<ul style="list-style-type: none"> <li>• Use of images / videos</li> <li>• Think of an innovative strategy on how the NE can demonstrate our strengths and create a buzz for the region, utilising the stand. For example, having a VR demo for people to try of one of our NE-developed games is something a little unique and hopefully draws in further interest and engagement</li> <li>• To avoid overcrowding on the stand (by partners), a formal rota may help by having one LA rep on stand with the INEE team, at any one time</li> </ul>
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### Development Opportunities Brochure

<p><b>Positives:</b></p> <ul style="list-style-type: none"> <li>• Well received by partners and delegates</li> <li>• Good level of content and image driven (good quality images helped)</li> </ul>	<p><b>Negatives:</b></p>
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### Business Showcase

<p><b>Positives:</b></p> <ul style="list-style-type: none"> <li>• Key Note speakers were very knowledgeable and engaging</li> <li>• The discussion was excellent and really promoted the NE in very positive manner</li> <li>• The topic was interesting and relevant to MIPIM audience (and examples used were recent)</li> </ul>	<p><b>Negatives:</b></p> <ul style="list-style-type: none"> <li>• The PA system (or lack of initially for a few minutes) at the business showcase event was very disappointing (this was a ReedMidem mistake)</li> <li>• Little footfall to the event</li> <li>• The attendance at the business showcase seemed very NE centric</li> <li>• Limited promotion prior to event meant it was poorly attended (it was in the conference programme and some leaflets were distributed)</li> </ul> <p><b>Recommendations:</b></p> <ul style="list-style-type: none"> <li>• Additional promotion for future years - look at a different approach to promote the event <u>before</u> MIPIM (i.e. e-mail campaign, more social, mail drop)</li> <li>• E-mail delegates prior event (via NE delegates targeting key people / full mail drop) – this may incur additional costs from ReedMidem to acquire full delegate</li> </ul>
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	<p>list</p> <ul style="list-style-type: none"> <li>• Enhanced proactive in targeting other delegates, handing out leaflets following seminars and drawing attention to the stand/showcase event</li> <li>• Using a 'celebrity' host (cost incurred)</li> <li>• Research earlier the possibility of a suitable strategic event which is part of the wider programme and therefore promoted widely to all participants including listed in show programme (this would incur further cost)</li> </ul>
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### Drinks Reception

<p><b>Positives:</b></p> <ul style="list-style-type: none"> <li>• Overall very positive comments from all</li> <li>• Highlight for many of the delegates</li> <li>• Was well attended with a good mix of private and public sector attendees, with lots 'out of region'</li> <li>• The event was a good opportunity for networking, relationship building</li> </ul>	<p><b>Negatives:</b></p> <ul style="list-style-type: none"> <li>• Drinks were delivered late to the stand (only just arrived in time)</li> <li>• Security guards were overly surly on departure – although the event did go on longer than expected!</li> </ul> <p><b>Recommendations:</b></p> <ul style="list-style-type: none"> <li>• Delegates to be more proactive in inviting people to the drinks reception</li> <li>• Possibly look at hosting another on stand event – it was noted that there was a 'lull' around the lunchtimes so possibly look at sandwiches / afternoon tea on the stand as a new way of networking</li> <li>• Enhanced proactive in targeting other delegates, handing out leaflets following seminars and even walking around with samples of the gin (from drinks reception) to draw attention and a wider audience to the stand.</li> </ul>
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### **Additional Observations from MIPIM**

- As with previous years, those attendees who spent time researching leads prior to MIPIM, using the database to organise meetings and networking prior to the event,



and being proactive when down in London tend to get most out of MIPIM. Feedback from private partners who used the database to segment the delegate list found it of great value.

- INEE stand and delegation worked well in terms of collaboration between all the Local Authorities and the private sector partners - providing a good networking and relationship building opportunity too

**Negatives:**

- A lot of residential enquiries (particularly Student Housing) and a lot of sales and marketing companies
- PR – Government Ministers failed to visit the stand (were scheduled for both days)

## **Initial Discussions for 2017 MIPIM UK Planning**

MIPIM 2017 will take place in the larger hall at Olympia, INEE have expressed an interest in exhibiting at the event (non-committal at this stage, as budgets need to be secured)

If INEE was to exhibit and take a lead for 2017, some high level discussion points need to be addressed at the initial planning stage

### **1. Size / Space of the stand**

- For the number of partners INEE had this year, the space/size of the stand was adequate
- This may need to be reduced / increased depending on the delegation numbers for future years

### **2. Private Sector Partnership**

- Two of this year's private sector partners have already expressed a strong interest in joining INEE next year at MIPIM UK.
- INEE would seek to secure more partners for future years and engaging with possible partners earlier on in 2017

### **3. Pre-Networking**

- Delegates wishing to get the most out of MIPIM need to use the database and pre-network prior to the event in order to set up meetings and contacts

### **4. Business Showcase Event**

- The topic and the key note speakers worked well and we would look to have a similar topic at next year's event. We need to consider
  - More sophisticated approach to promotion of event prior to MIPIM
  - More proactive at conference handing flyers and engaging with wider audience to attract to Business Showcase
  - Discussion over paying extra for a 45 minute slot (with this added promotion at MIPIM)

## Press and Social Media Coverage:

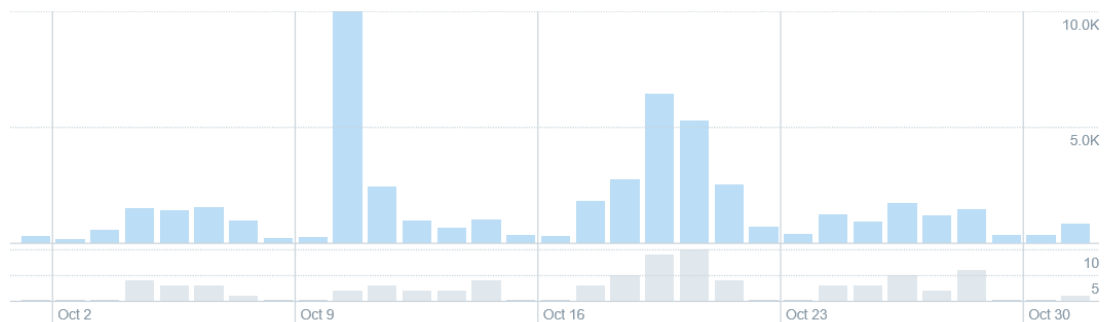
### Press Release:

- Featured in the Journal / Evening Chronicle
- Invest North East England
- Make it Sunderland
- Invest North Tyneside
- Invest South Tyneside

### Social Media:

- Social media activity before and during MIPIM UK saw an increase in impressions (46.1K in October 2016 – 20k more than Sept 2016)
- Top tweets and engagements focussed around private sector partners
- Gained 62 new followers during October

Your Tweets earned **46.1K impressions** over this **31 day** period



### Website:

- To support MIPIM, INEE and our marketing consultants launched the improved website which features a section for MIPIM UK (<https://investnortheastengland.co.uk/development-opportunities/>)
- The new INEE website was launched on 18/10/2016 which saw a spike in activity, however throughout MIPIM sessions were constant at around 50 sessions per day

Audience Overview

Oct 18, 2016 - Oct 21, 2016

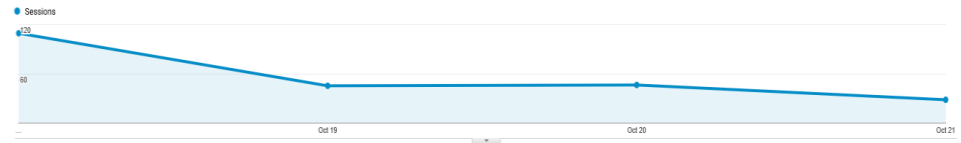
Email Export Add to Dashboard Share

All Users 100.00% Sessions + Add Segment

Overview

Sessions vs. Select a metric

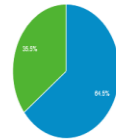
Hourly Day Week Month



Sessions: 228 Users: 171 Pageviews: 714 Pages / Session: 3.13 Avg. Session Duration: 00:03:33 Bounce Rate: 50.44%

% New Sessions: 64.47%

New Visitor Returning Visitor



**Appendix 1 – INEE Stand**



**Appendix 2- Press release (11.10.2016)**

**INVEST NORTH EAST ENGLAND SHOWCASES REGION TO THE UK'S PROPERTY SECTOR**



Representatives from the North East Combined Authority's (NECA) seven local authorities, Invest North East England, and the region's property and business sectors are showcasing the North East to domestic and overseas investors next week.

They are attending MIPIM UK, the UK's largest exhibition for property professionals that begins on Wednesday 19 and runs to Friday 21 October at London's Olympia.

The exhibition provides opportunities for the region to make connections with major overseas and UK investors and developers, and illustrate the wide range of North East development opportunities.

In the last two years, Invest North East England, together with its seven NECA partners and the UK Government, has helped to attract 204 inward investments into the North East from both foreign and UK-owned businesses and leading to the creation of 9,500 jobs.

MIPIM plays a key part in showcasing the region's strengths and opportunities to potential investors

Guy Currey from Invest North East England (INEE), which has organised and is leading the delegation, said: "This is one of the biggest events in the property industry's calendar so it's important that we take the opportunity to represent the North East and let people know why the region is such an attractive place for investors and developers to base their projects.

"We have a strong tradition in our region of public and private sector collaboration, and it pays off."

Invest North East England will be joined at the event by property developers Broadoak Asset Management, Carillion-Arlington, Citrus Durham, Hanro Group and Siglion, law firm Ward Hadaway, and representatives from the region's local authorities.

Neil Robson, Partner and Head of Property at Ward Hadaway who will be attending with fellow Property Partners Lesley Fairclough and Alex Cox, said: "North East England has a lot to shout about when it comes to the property sector and we are very proud to be able to add our voice to this at MIPIM UK.

"We work with a wide range of private and public sector clients in helping to deliver developments across the region so we recognise this is an excellent opportunity to spread the word about the North East's capabilities to a national and international audience."

North East sites being highlighted to potential investors include the Milburngate development in Durham, Newcastle's Quorum Business Park, projects in Gateshead, Northumberland and North Tyneside, plus South Tyneside and Sunderland's International Advanced Manufacturing Park (IAMP) project.

Speakers from companies including Legal & General and Marick Real Estate will also talk about why they chose to invest in the North East.

Other investment sites being highlighted at MIPIM include:

- County Durham: Durham City Park and Integra 61
- Gateshead: Gateshead Central and Baltic Business Quarter
- Newcastle: East Pilgrim Street and Newcastle International Airport Business Park
- Northumberland: Energy Central in Blyth, and Wansbeck Business Park
- North Tyneside: Indigo Park and Swans
- South Tyneside: Tyne Dock Enterprise Park and Holborn Riverside Office Quarter.
- Sunderland: Vaux and the Port of Sunderland

More than 5,000 people are expected to attend this year's MIPIM which provides a marketplace for British and international investors to meet and discuss forthcoming projects and opportunities.

"During the three days, we'll be hosting a Business Showcase event which will focus on some of the significant property investments and new opportunities here in North East England.

"Our sector strengths coupled with extremely strong support from the region's public and private sector, means we are particularly well placed to cater to investors and developers interested in advanced manufacturing, life sciences, energy, business services and IT / digital opportunities," added Guy.

Investors will be invited to discuss opportunities with the regional delegation throughout the event and at a drinks reception where examples of regionally produced drinks will be provided by Poetic License distillery, Fentimans Botanical Brewery, Sunderland's CBL and Maxim Brewery.

Councillor Paul Watson, Chair of NECA, said: “Inward investment plays an important role in supporting the growth of the North East economy. MIPIM offers an unrivalled opportunity to get in front of leading investors and developers and highlight what we have to offer as a region.

“It’s good to see Invest North East England leading a strong delegation that all focused on the same end goal of more economic growth.”

Invest North East England is the first point of contact for companies looking to invest in the region, and co-ordinates investment enquiries on behalf of the North East local authorities to ensure businesses have access to real-time information. It supports investors with a range of practical relocation support, including advice on availability of land and property, information on the regional economy and workforce, HR support and access to finance.

MIPIM UK is at London’s Olympia from Wednesday 19 to Friday 21 October. Invest North East England will be at stand F30. More details are available on investment opportunities in the North East are available at [www.investnortheastengland.co.uk](http://www.investnortheastengland.co.uk).



# **Business Showcase Event**

## **Wednesday 19th October - 13:30**

BUSINESS SHOWCASE ROOM

### **NORTH EAST ENGLAND WORKS FOR INVESTORS - THE DEALS AND THE OPPORTUNITIES**

Join our discussion and find out about **recent property investment deals** that have been struck in North East England and why North East England is an attractive place for **investors and developers to consider new projects.**

Panel Members:

Pete Gladwell, Head of Public Sector Partnerships, Legal & General  
Patrick Going, Managing Director, Marick Real Estate  
Irene Lucas, CBE, Chief Executive, Sunderland City Council  
Tom Warburton, Director of Investment and Development, Newcastle City Council

**invest** | **north east  
england**

# Drinks Reception

**Thursday 20th October - 16:00-18:00**

INVEST NORTH EAST ENGLAND STAND - F30

You are invited to join us and our partners at a drinks reception on our stand (F30) for an informal discussion about **development opportunities in North East England** and sample some of our locally produced beverages.



Drinks supplied by



**MAXIM**  
BREWERY



**cbl**  
CASSINO BRANDS

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england

**Appendix 4 – E-Footers**

**Invest North East England Footer:**

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We are exhibiting at **MIPIM UK**,  
19 - 21st October at Olympia, London.

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england

**COME AND VISIT US AND  
OUR PARTNERS ON STAND F30**



**Partner Footer:**

We are exhibiting at **mipim UK**,  
**19-21st October** at Olympia, London.

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Come and visit us on the  
Invest North East England stand - **F30**



### **Appendix 5 – Final Budget (excl. VAT)**

Space at MIPIM	27 m <sup>2</sup>	£15,930.00
Stand / Brochure / Project Management	Stand Production, Construction and Delivery	£13,000.00
	Stand Extras (i.e. fridge, furniture)	
	Brochure production and fulfilment	
	Project Management	
	Courier to London for extra stock and return	
Corkage	Corkage and delivery of drinks to stand (drinks provided free by suppliers)	£462.00
Extra tickets for sponsors (over and above stand allocation)	x6	£1,320.00
Contingency (set at £2,000)	Extras through Creo Communications: - INEE branded Cups and stirrers (£248.58) - Tea/Coffee and Cold Drinks (£198.57) - Name badges x 31 (£136.85) - A5 Flyers, additional art work and tent card (£129.87) - Business Card Holder, Sweet Tray, Collection Box (£40.00)	£753.87
Additional Marketing	Steve Brock Photography for Press Release	£81.00
	<b>Total</b>	<b>£31,546.87</b>
Sponsorship (£2,000 each)	6 x £2,000	(£12,000.00)
<b>Total Cost to INEE</b>		<b>£19,546.87</b>

*\*\* does not include INEE accommodation, travel staff time incurred in organising the event*

## North East Combined Authority

### Overview and Scrutiny Committee

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**Date:** 14<sup>th</sup> February 2017  
**Subject:** North East LEP Local Growth Fund Programme  
**Report of:** Head of Paid Service

#### **Executive Summary**

At its meeting on 1<sup>st</sup> November 2016 the Committee requested a further report outlining progress on economic indicators that apply to the North East LEPs Local Growth Fund (LGF) including specifically, further information on employment benefits. A presentation will accompany this report to help illustrate the type of investment projects that are being supported and their associated performance measures and targets.

#### **Recommendations**

The Overview and Scrutiny Committee is invited to comment on the content of the report and presentation.

# North East Combined Authority

## Overview and Scrutiny Committee

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### 1. Introduction - North East Growth Deal: Local Growth Fund 2015 – 2021

1.1 The LGF Programme currently has a budget £220.4m to help support the delivery of the North East Strategic Economic Plan 2014-2024. It is a six year capital funding programme commencing in 2015/16 and is currently approaching the end of its second financial year. Following Government announcements on LGF Round 3 allocations on 23<sup>rd</sup> January 2017 a further £49.7m will be added to this programme.

1.2 Table 1 below provides a programme overview, showing how current projects are broadly categorised under the Strategic Economic Plan investment themes. Of the 48 projects currently in the Programme, 32 are now fully approved and 8 more have received stage 1 'development funding' to help prepare robust business cases. Not all contracted projects have started work on site. Four major projects are now physically and financially completed. The completed projects are:

1. Tynemet College - New engineering 'STEM' and Innovation Centre, Wallsend.
2. Port of Blyth - Development of new offshore training and research centre, South Harbour, Blyth.
3. South Tyneside College - Refurbishment of Marine and Offshore learning facilities, South Shields
4. Houghall College - Development of new and refurbished facilities for land based industries supporting the rural economy, Durham City.

1.3 Two of the 48 'projects' are in themselves 'mini programmes'. These are the Local Sustainable Transport Fund - currently supporting 10 projects e.g. cycle schemes and urban traffic management systems, and the North East Rural Growth Network Programme that is currently supporting more than 20 business growth and rural economic infrastructure projects.

**Table 1 : Summary of LGF project approvals by SEP theme**

Number of LGF Programme projects					
SEP Theme	Skills	Innovation	Economic Assets	Transport	Total
Number of projects	7	8	11	22	48
Number approved	7	7 (+1 staged)	9	9 (+7 staged)	32 (+8 staged)

# North East Combined Authority

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In regards to performance outputs achieved to date ( see 2.6 and Appendix 2) these reflect the nature of those projects that have completed so far i.e. most outputs relate to skills projects or in the case jobs outputs the majority have come through smaller scale rural development projects delivered under the Rural Growth Network programme.

### 1.4 What performance measures do we use?

Nationally, the Local Growth Fund supports a wide spectrum of activity and therefore Government has adopted a range of performance indicators to capture the impact of all LGF investments. Each LEP is required to report progress to Government every quarter on the indicators that are relevant to their local programme and specific project investments.

A summary of key performance indicators (KPIs) is set out in appendix 1. These are national indicators plus a couple of locally added employment related indicators that reflect the focus of the North East Strategic Economic Plan.

This 'key Performance Indicator' list is a menu from which prospective projects chose those that are most relevant and set targets against them in their business cases. All project business cases are subject to appraisal including a 'business cost ratio' assessment to consider value for money. Once approved by the LEP Board, the project KPIs and targets are set out in grant funding agreements and monitored. Monitoring occurs on a quarterly period for most projects and can be up to 10 years, depending on the nature of the investment.

Performance information is currently available up until the third quarter of 2016/17 for the majority of projects. In addition to submitting quarterly monitoring information, projects are required annually to provide detailed information including on employment details such as wage rates.

### 1.5 Employment Performance Measures

The employment impact of LGF investments are assessed using the following measures:

**Direct jobs** – these are jobs created by the organisation directly receiving grant support. Given the nature of the LGF programme investments we forecast relatively few jobs in this category. We have some already reported in e.g. completed College schemes, though most are and will continue to come through the RGN rural business grant scheme.

**Indirect Jobs** – fall into two types. Firstly, there are jobs accommodated e.g. in a building or on an employment site that has directly received LGF funding e.g. jobs in businesses that take up occupancy in a business incubation centre or receive support from a specialist LGF innovation support facility. Secondly, jobs created on an employment site benefitting from essential offsite investment e.g. LGF funding to improve offsite highway or electricity supplies to a strategic employment site. Where such investment helps unlock the development of employment sites we will monitor follow-on investment and jobs.

# North East Combined Authority

## Overview and Scrutiny Committee

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**Construction jobs** – This is not a national LGF programme indicator. Locally we have adopted this indicator but rather than burden each project in collecting construction job details from contractors, we have adopted a formulae based approach. Based on research into construction industry job impacts, we apply a ratio of 13.2 jobs for every £1m in construction expenditure. This provides an estimate of construction job impacts. By definition, construction jobs are transient and are therefore excluded from any assessment of permanent job impacts.

**Jobs safeguarded** - These may be recorded where, without investment, there is evidence that existing jobs will be lost in specific businesses.

**Deadweight, displacement and multiplier employment effects.** To assess these types of impacts projects will normally conduct surveys or apply 'benchmarks' to assess the wider employment impact of their project on the local economy. Project evaluation plans are expected to assess both positive multiplier effects and negative effects e.g. deadweight and displacement of employment elsewhere in the North East LEP area.

### 1.6 Project and Programme Evaluation

Each project is required to prepare and submit an evaluation plan to the North East LEP. In the majority of cases these will involve interim evaluations in addition to a final evaluation report which will often be 3 or more years after physical completion.

At a LGF Programme level we will conduct a broader evaluation exercise, including information collected from individual project monitoring and evaluation studies, in order to assess the wider impact of LGF investments and contribution towards the Strategic Economic Plan objectives.

### 1.7 Measuring 'More and Better Jobs'



# North East Combined Authority

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The North East SEP has set a target to help attract 100,000 'more and better jobs' by 2024/25. 'Better jobs' can be measured in a number of ways e.g. salary levels, qualifications or job types. The data shown in Table 2 provides an analysis of jobs reported so far based on current information. The standard occupational classification (SOC) is a way of monitoring changes job types e.g. administrative, technical, managerial etc. Jobs requiring a minimum NVQ qualification at level 3 or above are considered 'better jobs'. Current information on salary bands is patchy and will not be fully available until after the end of quarter 4 2016/17.

**Table 2: Direct and indirect jobs analysis by SOC and NVQ Level**

	Jobs created	%	SOC better	%	Level 3+	%
County Durham	33	53.2%	18	54.5%	19	57.6%
Gateshead	10	16.1%	3	30.0%	7	70.0%
Newcastle	0	0.0%	0	0.0%	0	0.0%
North Tyneside	6	9.7%	6	100.0%	6	100.0%
Northumberland	12	19.4%	8	66.7%	9	75.0%
South Tyneside	1	1.6%	1	100.0%	1	100.0%
Sunderland	0	0	0	0.0%	0	0.0%
<b>Total</b>	<b>62</b>		<b>36</b>	<b>58.1%</b>	<b>42</b>	<b>67.7%</b>

Overall, 67% of jobs to date require a minimum of NVQ Level 3 and 58% fall into what can be considered 'better job' types. This compares with an ambition in the SEP for 60% of all new jobs to be 'better jobs'.

### 1.8 Employment geography and the labour market

The Committee has requested a breakdown of jobs achieved so far by local authority area. Table 3 shows to date that the Programme has 62 direct and indirect jobs reported with most of these located in rural areas having been supported through Rural Growth Network funded projects. Construction jobs are more evenly spread reflecting where development work is underway, whilst apprenticeship places are linked to the 2 College schemes in North and South Tyneside that opened their new facilities during 2016.

The regular monitoring of jobs by local authority area is not currently planned. Jobs are monitored at the North East level i.e. approximating to the natural economic functional area. Jobs growth in one local authority area does not necessarily result in jobs for local residents. In particular, workers in higher paid, higher skilled jobs are more so likely to reside in rural local authorities and commute to occupy higher paid jobs located in the urban core.

Commuting patterns over the past 30 years have increasingly shown people travel greater distances between their place of residence and work place. The accompanying presentation will illustrate the extent of commuting into and out of two selected local authority areas.

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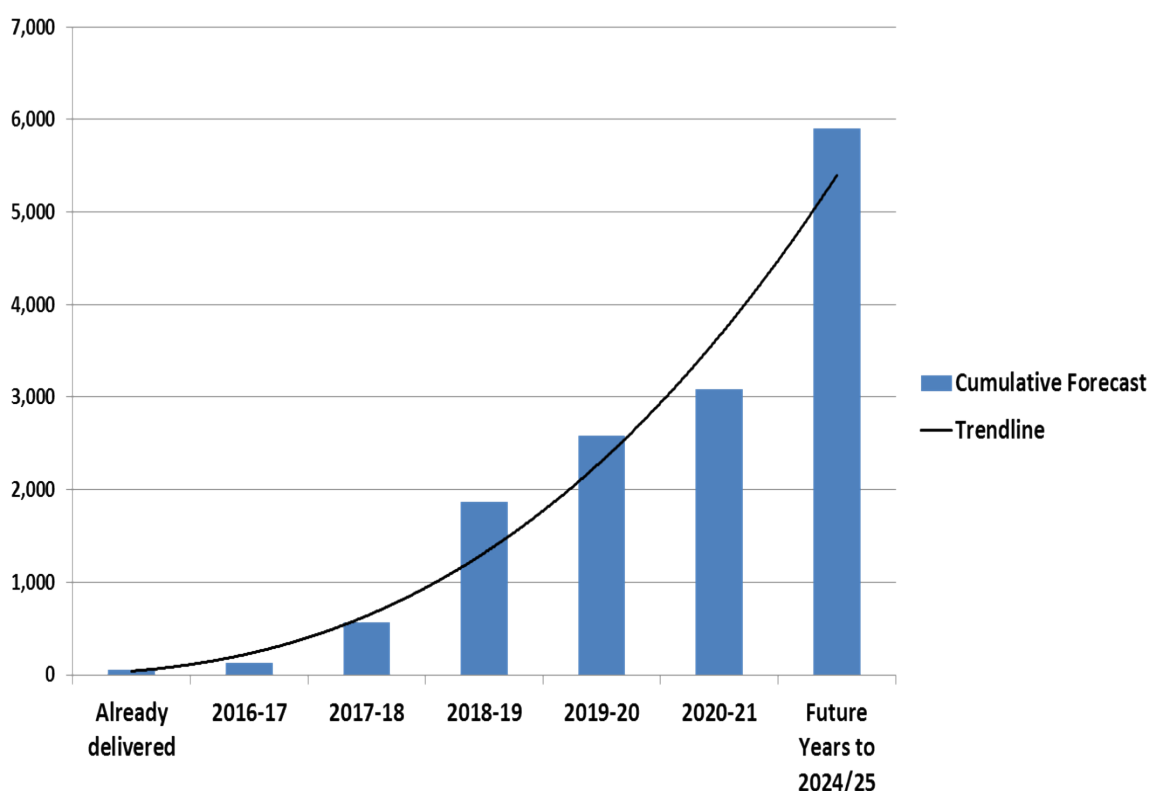
**Table 3 : All job types by local authority area**

	Direct	Indirect	Apprenticeships	Construction Jobs	Total
County Durham	4	29	0	32	65
Gateshead	0	10	0	0	10
Newcastle	0	0	0	14	14
North Tyneside	6	0	45	27	78
Northumberland	0	12	0	0	12
South Tyneside	1	0	0	31	32
Sunderland	0	0	0	30	30
<b>Total</b>	<b>11</b>	<b>51</b>	<b>45</b>	<b>134</b>	<b>241</b>

### 1.9 When are jobs forecast to be achieved?

Collectively, contracted projects in the LGF programme are forecasting over 5,800 jobs with a further 400-500 estimated in pipeline projects. Whether and when these jobs come to fruition depends on many factors. The current jobs profile from contracted projects is illustrated in Figure 1. This shows that most jobs are expected towards the back end of the LGF Programme and beyond. In the first 3 -4 years of the LGF programme most projects are in their 'build period' creating the infrastructure and conditions to be able to subsequently compete for and attract new business investment and jobs.

**Figure 1 : Current forecast job profile**



# North East Combined Authority

## Overview and Scrutiny Committee

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### 1.10 Key Performance Indicators – Progress to date against Profiles

Some of the key lifetime performance indicators and targets are show below

**Table 4: Selected KPI Forecast outcomes by 2024/25 (including pipeline projects)**

KPI name	Total
Jobs	<b>6,283</b>
Commercial Floorspace Constructed (m2)	<b>234,000</b>
Follow-on Investment at Site (£)	<b>255m</b>
Total Length of Newly Built Roads (m)	<b>5,900</b>
Learning space refurbished (m2)	<b>7,500</b>

Almost half the LGF budget is allocated towards transport projects which have their own set of KPIs. To date there have been limited transport KPI benefits reported reflecting the fact that most major transport projects are not yet programmed to commence or are at an early stage of construction. In contrast early progress and achievement has been made with skills related KPIs – See Appendix 2.

Major innovation and economic infrastructure type projects, similar to transport schemes, also require a long lead in time and their full economic benefits are not often realised until many years after completion.

The cumulative forecast jobs target for 2016/17 of 168 is likely to be circa 35-40% under achieved, largely due to common delays in projects completing across the programme as a whole. Appendix 2 provides the latest actual KPI figures against forecasts to 31<sup>st</sup> March 2017.

## 2. Potential Impact on Objectives

2.1 There are no impacts on NECA's objectives arising from this report.

## 3. Finance and Other Resources

The North East LEP LGF Programme continues to be managed within the budget set by NECA for 2016/17 and the assurance framework for the LGF programme.

## 4. Legal

All new LGF projects are appraised prior to contract in relation to compliance with relevant legislation including procurement regulations and European regulations in regards to State aid.

## 5. Other Considerations

# North East Combined Authority

## Overview and Scrutiny Committee

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### 5.1 Consultation/Community Engagement

All LGF projects are required to undertake appropriate consultation prior to business cases being finalised.

### 5.2 Human Rights

There are no specific human rights implications arising from this report.

### 5.3 Equalities and Diversity

There are no specific equalities and diversity implications arising from this report.

### 5.4 Risk Management

Programme risks are managed as part of the North East LEP Assurance Framework.

### 5.5 Crime and Disorder

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

### 5.6 Environment and Sustainability

There are no specific environment and sustainability implications arising from this report.

## 6. Background Documents

- 6.1 Funding progress reports to the North East LEP Board in May 2016, September 2016 and January 2017.

## 7. Appendices

- 7.1 Summary of LGF programme KPI measure indicators Appendix 1  
KPI's achieved to date against forecasts by 31/3/2017 Appendix 2

## 8. Contact Officers

Ray Browning Programme Manager [ray.browning@nelep.co.uk](mailto:ray.browning@nelep.co.uk)

## 9. Sign off

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

# North East Combined Authority

## Overview and Scrutiny Committee

### Appendix 1: Summary of LGF Programme Key Performance Indicators

Indicator name	Description
A) Gross Jobs connected to the intervention <b>a) on direct employment sites</b>	Permanent paid full time equivalent jobs that locate on an employment site or building that has been created or improved with LGF investment. Includes: <ul style="list-style-type: none"> <li>- Employment in new incubation hubs or managed workspace (both operational management posts and posts in occupying businesses)</li> <li>- Employment in bespoke developments by companies developing serviced plots on employment sites</li> <li>- Employment in FE space - additional to that which previously existed.</li> </ul>
B) Gross Jobs connected to the intervention <b>b) on 'Impact Sites'</b>	These are sites that have not directly benefitted from LGF investment but where LGF investment has demonstrably helped unlock development sites and improved their competitiveness. Includes : <ul style="list-style-type: none"> <li>- Off-site utility infrastructure investment</li> <li>- Off- site transport improvements that can plausibly improve the competitiveness of the site</li> <li>- Packaged land deals that enable associated sites to be developed.</li> </ul>
a) Direct Jobs Safeguarded	An existing permanent job which is at risk of being lost at the time of the LGF intervention. At risk is defined as being forecast to be lost within 1 year had it not been for the intervention
b) Indirect jobs safeguarded.	This is often not easy to define and difficult to evidence. Where an LGF intervention has removed risks / barriers to the performance of existing businesses that otherwise would potentially have lost jobs then this may be considered.
a) Number of established businesses accommodated	Count of the number of businesses (all sizes) that are attracted to and locate on a direct employment site or an impact site. Information should be collected from the business on establishment / entry.
b) Number of new businesses trading from the North East LEP area accommodated	Record those businesses that are new to the North East LEP area either / or those : <ul style="list-style-type: none"> <li>- Moving in to the North East LEP area from outside – a relocation or new branch.</li> <li>- New businesses - trading for under 3 years from date of entry.</li> </ul>
Area of site reclaimed, (re)developed or assembled	Area of land directly improved by the project that is now suitable for commercial development where previously it was unattractive to commercial developers. Reclaimed: making the land fit for use by removing physical constraints to development or improving the land for hard end use; providing services to open it up for development, e.g. provision of utilities or service roads.
Follow on investment at site	For both direct employment and impact sites. Capture the amount of public, private or third sector investment following financial completion of the LGF project. Does not include in-kind contributions.
Commercial floorspace constructed	For both direct employment sites and "impact" sites, the area and class of commercial floorspace completed. "Impact" sites are defined as for jobs created above. Floor areas should be measured in accordance with the RICS Code of measuring practice (6th edition) 2007. A building should be classified as completed once it is on the non-domestic rating list.

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Commercial floorspace refurbished	For project sites, the area and class of refurbished commercial floorspace. Floor areas should be measured in accordance with the RICS Code of measuring practice (6th edition) 2007.
Commercial floorspace occupied	For commercial buildings constructed/refurbished identify the amount net lettable area that is currently occupied by commercial tenants.
Number of enterprises receiving non-financial support	Number of SMEs receiving support (inc advice and training) with the intention of improving performance (i.e. reduce costs, increase turnover/profit, innovation, exporting). Value of the support should be a minimum of £1,000, calculated at Gross Grant Equivalent (see ERDF guidance) or a minimum of 2 days of consulting advice.
Number of enterprises assisted to cooperate with research entities/institutions	The number of treated SMEs working jointly with research entities after assistance has been given. Should be counted up to 3 years following support. Knowledge transfer is about transferring good ideas, research results and skills between the knowledge base and business to enable innovative new products and services to be developed
Number of enterprises supported to introduce new to the market products	The number of treated SMEs that successfully introduce a new-to-market product after assistance has been given. Product should be available for commercial purchase. Should be counted up to 3 years following support.
Number of enterprises supported to introduce new to the firm products	The number of treated SMEs that successfully introduce a new-to-firm product after assistance has been given. Product should be available for commercial purchase Should be counted up to 3 years following support.
New build training/learning floorspace	The amount of "new build" training/learning floorspace constructed. Figures to be provided following completion.
Refurbished training/learning facilities	The amount of new training/learning floorspace refurbished to improve building condition and/or fitness for purpose. For FE colleges, this should be by estate grading. Figures to be provided following completion.
Number of apprenticeship/traineeship opportunities created	Provide details on the level and number of opportunities created by course/subject
Number of level 3 qualifications created	List or qualification title
Number of higher education opportunities created	Record expansion in places in existing courses, number of new places on new courses delivered from sites that have benefitted from LGF.
Total length of resurfaced roads (km)	Length of road for which maintenance works have been completed
Total length of newly built roads (km)	Length of road for which works have been completed and now open for public use
Total length of new cycle ways (km)	Length of cycle way for which works have been completed and now open for public use

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Type of infrastructure	Identify what has been constructed as a result of the project - utilise units where appropriate e.g. length of cycle path New road; Resurfaced road; New lane; Roundabout; Other junction; Bus station; Cycle lane
Type of service improvement	Identify the nature of service improvement as a result of the intervention e.g. improved bus service
<b>KPI's below to be collected for all Transport projects involving more than £5m public funding and where these metrics and the collection points are relevant to the intervention:</b>	
Average daily traffic and by peak/non-peak periods	Average daily traffic by direction; AM, Inter- and PM peak hour traffic flows by direction
Average AM and PM peak journey time per mile on focus corridors (journey time measurement)	Average AM and PM peak journey time per mile on key routes
Average AM and PM peak journey time on focus corridors (journey time measurement)	Average AM and PM peak journey time on key routes
Day-to-day travel time variability	Standard deviation of AM and PM peak hour journey time
Average annual CO2 emissions	Average annual CO2 emissions
Accident rate	Number of accidents and accident rate by severity and class of road
Casualty rate	Number of casualties and casualty rate by severity and class of road user
Nitrogen Oxide and particulate emissions	NO <sub>x</sub> emissions in tonnes per year; PM10 concentrations per year
Traffic noise levels at receptor locations	Traffic noise levels at receptor locations
Annual average daily and peak hour passenger boardings	Annual average daily passenger boardings; AM, inter- and PM peak hour passenger boardings
Bus/light rail travel time by peak period	AM and PM peak bus/light rail travel time
Mode share	AM and PM peak proportion of trips for different travel modes
Pedestrians counts on new/existing routes	Pedestrians counts on new/existing routes
Cycle journeys on new/existing routes	Cycle journeys on new/existing routes
Households with access to specific sites by mode within threshold times	Households with access to specific sites within 20/40 minutes using public transport/walking, car and cycle

# **North East Combined Authority**

## **Overview and Scrutiny Committee**

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### **Appendix 2 : Latest LGF Programme KPI Information**



## North East Combined Authority

### Overview and Scrutiny Committee

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**Date:** 14<sup>th</sup> February 2017

**Subject:** Rules and Procedure for the Overview and Scrutiny Committee

**Report of:** Monitoring Officer

#### **Executive Summary**

The purpose of this report is to consult with scrutiny members on the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2016. The Order will come into force in May 2017 and relates to both Mayoral Combined Authorities and Non-Mayoral Combined Authorities and so has implications for the NECA Scrutiny Committee.

#### **Recommendations**

New governance arrangements are required for the NECA Scrutiny Committee. Scrutiny Members have been consulted on the proposals at a working group and this report is presented for endorsement of the preferred options which will be submitted to the Leadership Board.

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## Overview and Scrutiny Committee

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### 1. Background

- 1.1 NECA is required by the Order establishing it in 2014 to have an Overview and Scrutiny Committee (the Committee) but the provisions of this Order will be superseded by the new 2016 Order. Although many of the requirements in the Order are already in place in NECA some material changes will be required including:
- Call in of decisions
  - Overview and Scrutiny Committees (and Audit Committees) reflecting regional political balance
  - The Chair either to be an independent person or to be a member who is not from the majority political party
  - A Scrutiny Officer to be appointed but they must not be employed by a Constituent Authority.
- 1.2 The new Order introduces a far stronger scrutiny role within both Combined Authorities and Mayoral Combined Authorities. The key implications and options for consideration are set out below.

### 2. Current position

- 2.1 On 29 April 2014 the NECA established the Overview and Scrutiny Committee, as it was obliged to do under the Order establishing NECA. The committee currently comprises of two Members from each of the Constituent Authorities and therefore has 14 Members of the Committee. Its quorum is 10 and the membership is based on the political balance that prevails at each of the constituent authorities at the time of the appointment of the Members to the Committee.
- 2.2 The Committee works to an annual work programme and has been active reviewing and scrutinising the decisions of the Leadership Board, the Committees and Sub-Committees of NECA and Nexus and has held inquiries, produced reports and made recommendations.

### 3. Proposals for local provisions

- 3.1 On 19<sup>th</sup> January 2017, a working group of the Committee met to discuss the requirements and any options. This report includes the recommendations from the working group for endorsement by the Committee.

#### Composition of the Scrutiny Committee

- 3.2 The NECA area currently consists of seven constituent authorities and therefore, the minimum number of members of the Committee is 14 (with each authority having two members). The majority of members will be constituent local authority councillors. In addition, each local authority has appointed one substitute member.

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## Overview and Scrutiny Committee

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- 3.3 Councillors are nominated by their constituent authorities in accordance with the political balance requirements and appointment is made by the Leadership Board annually. In addition, the co-option of other members with appropriate or relevant experience may supplement the Committee membership.
- 3.4 The Committee has operated with this composition since 2014 (with the more recent addition of substitute members). In the light of provisions in the Order which strengthen the role of scrutiny, members were asked if they wished to consider if the current composition should be reviewed.
- 3.5 As an alternative to the nomination of two members by each constituent authority, the working group was asked to consider if it wanted to increase the number of members of the Committee, however the members felt that the current size of the committee was appropriate.
- 3.6 The working group proposed that a larger committee could be unwieldy and would not necessarily contribute towards achieving a quorum therefore it was proposed to retain the current arrangements for two scrutiny members per local authority (with the existing addition of one substitute member per authority).
- 3.7 It was noted that the quorum would remain the same with at least 2/3 of the total number of members of the Committee being required to be present for the Committee to be quorate, i.e. 10 of 14 members.

### Political Balance

- 3.8 Appointments to the Committee currently reflect the political balance applying to each Constituent Authority. The 2016 Order requires that the appointment of members to the Committee must so far as reasonably practicable reflect the political balance prevailing regionally.
- 3.9 The determination of political balance on the Committee would require calculating the numbers of seats held by each political party on each council within the Combined Authority area. Seats on the Committee would then be allocated in proportion to the total number of seats held by each political party across the entire area.
- 3.10 Based on the current number of seats held by each political party within the Combined Authority area, the allocation on a NECA-wide basis would provide 10 of the 14 seats on the Committee to the group with the majority overall.
- 3.11 There will be occasions when a precise mathematical allocation cannot be implemented. On such occasions, the Monitoring Officer will work with the Committee and constituent authorities to agree a satisfactory arrangement in

# North East Combined Authority

## Overview and Scrutiny Committee

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the interests of the NECA as a whole. The objective in those circumstances is to have overall regard to the principles of proportionality

- 3.12 As is currently the case, each member of the Committee will have one vote, and no member will have a casting vote. It will also remain the case that any question to be decided by the Committee will be decided by simple majority vote and a tied vote will mean that the matter is not carried.
- 3.13 The working group noted the requirements for political balance which would be based on regional proportionality rather than appointment by each constituent authority according to their own political balance. Members commented that the current selection of individual member representatives from each local authority was with each of the Leaders and a regional approach to proportionality would also require a regional selection approach.

### Appointment of Chair and Vice-Chair

- 3.14 Currently, the appointment of the Chair is delegated by the Leadership Board to the Committee who appoints the Chair and Vice-Chair.
- 3.15 The 2016 Order will make it necessary for the Chair of the Committee to be either an “independent person” or an “appropriate person”.
- 3.16 An independent person may not be a member or officer of NECA, a Constituent Authority or parish council or have held such a position within the five years of the appointment as Chair neither may they be a relative or close friend of a member or officer. An “appropriate person” is a member who is not in the majority party across the Constituent Authorities.
- 3.17 For the option of an appropriate person, this means that the Chair must not be of the same party that has the majority of members on the Committee, or where two or more parties have the same number of members, any of those parties.
- 3.18 There is no provision in the Order for a Vice-Chair however, for the NECA Scrutiny Committee it is considered prudent to plan for occasions when the Chair may be unavailable and both The Chair and Vice-Chair will be appointed under the preferred option.
- 3.19 The working group felt that these requirements were more appropriate for a Mayoral Combined Authority and that the Scrutiny Committee, having demonstrated its independence, should not have this requirement imposed upon it. The Chair noted that there was strong opposition to this requirement and suggested that the report to the Leadership Board should note that the Committee felt they already worked well together, that they were efficient as a Committee, and that they were able to act impartially without the need for imposition of a chairing arrangement from Government.

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- 3.20 Notwithstanding the position formed by the informal working group set out in paragraph 3.19 above, under the provisions of the 2016 Order, it is incumbent upon Scrutiny Members to recommend to the Leadership Board a preference for the appointment of a Chair within the requirements of the Order, therefore Members are invited to endorse their preferred option as set out in paragraphs 3.16 and 3.17.

### Co-opted Members

- 3.21 The majority of members of the Overview and Scrutiny Committee must be constituent local authority councillors however; additional co-optees can also be sought from non-constituent authorities or as expert co-optees.
- 3.22 Where a member is not from a constituent council they don't have a vote automatically, but can be given one by resolution of the combined authority.
- 3.23 The appointment of independent co-opted members provides an opportunity to enhance the experience, knowledge and skills available across the membership. By carefully selecting individuals who complement the councillor members of the Committee, independent co-optees can be used to help the Committee be more effective. Co-opted members may be experienced individuals from within the region, such as from NELEP, educational establishments or from other public or private sector bodies depending upon the focus of the work programme.
- 3.24 The co-option of members is a decision for the Leadership Board, based on recommendations from the Committee as appropriate.
- 3.25 The working group noted the provision for co-opted members and that it was helpful to be able to bring in expertise on specific issues for a short period of time however, this may be more effectively achieved by inviting experts into the meeting (or to a series of meetings if necessary) and that there was no need for those people to be co-opted.

### Work Programme and Member Referrals

- 3.26 The current NECA arrangements for the Committee enable any member of the constituent local authorities to be entitled to give notice to the proper officer for an item to be included in the work programme for discussion at a future meeting of the Committee.
- 3.27 The new Order retains this provision for any member of constituent council to refer relevant matters to the Committee. The Combined Authority must make arrangements for such referrals.

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- 3.28 The current arrangements and the new regulations require that should the Committee decide not to exercise its powers as set out below, it will notify the member of its decision and the reasons for it.
- 3.29 In addition some issues are excluded from being raised in the Scrutiny Committee, such as matters relating to Policing powers for example, and other issues, particularly local issues, are expected to be more appropriately dealt with at a constituent authority level.
- 3.30 It is for the Committee as a whole to determine the appropriate response and the following framework is proposed:-
1. The Committee may determine that the item is not relevant to the functions of the Committee. In these circumstances the Committee can resolve to take no action or may refer the item elsewhere e.g. to another NECA Committee.
  2. If the issue is linked to an existing work programme item then it should be discussed as part of that item.
  3. If the issue is a new item of business within the remit, the Committee may:
    - a. Request a response in writing (with copies to all Members of the Committee) or
    - b. Request a presentation to a future meeting, or
    - c. Request a report to a future meeting or
    - d. Decide that the issue raised does not merit any response beyond noting the matter or
    - e. Decide to express a view or make a recommendation, by resolving accordingly, if the Committee considers it has sufficient information to make a fully informed decision.
- 3.31 The working group noted and endorsed the proposed arrangements for receiving and considering referrals from members and the compilation of a scrutiny work programme.

### Call-in

- 3.32 The 2014 Order did not make provision for call-in of decisions. The 2016 Order does now make provision for call-in and call-in may be sought by members of the Committee.
- 3.33 Whether to accept the call-in and direct that the decision affected is not implemented until review by scrutiny is concluded is a matter for the Scrutiny Committee. In practical terms, it is proposed that this responsibility be exercised by a sub-committee of the Committee for the purposes of efficiency and timeliness.

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3.34 The Order provides for:-

- a) Any direction from the Committee that a decision is not to be implemented while it is under review by the Committee (called-in) may have effect for a period not exceeding 14 days.
- b) Where following review of the decision by the Committee a recommendation is made that the decision is reconsidered in the light of the comments of the Committee by the Leadership Board (or a committee of NECA), the Leadership Board must hold a meeting to reconsider the decision no later than 10 days after the date on which the recommendations of the Committee were received

3.35 The call-in procedure will relate to all decisions taken by the Leadership Board, decision making by Committees and Joint Committees established by the NECA and decision making delegated to Officers.

3.36 All decisions of the NECA will be made in accordance with the following principles:

- a) Proportionality (meaning that the action must be proportionate to the desired outcome)
- b) Consideration of professional advice from officers.
- c) Due consultation
- d) Consideration of the legal and financial implications
- e) A presumption in favour of openness
- f) Consideration of available options and outlining reasons for decisions.
- g) Respect for human rights
- h) Promoting equality
- i) Preventing crime and disorder
- j) Environment and sustainability
- k) Risk management
- l) The purposes of the Constitution

### Proposed Procedure for Call-in

3.37 When a decision is made, the decision will be published, normally within three working days of being made. Members of the Committee will be sent copies of the records of all such decisions within the same timescale, by the person responsible for publishing the decision. The notice will bear the date on which it is published and will specify that the decision will come into force, and may then be implemented, on the expiry of five working days after the publication of the decision, unless the Committee objects to it and calls it in.

3.38 Any four members of the Committee may request the call-in of a decision. The request for a call-in should be submitted to the Monitoring Officer. The

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request for a call-in should explain the reasons for the call-in and why the members consider that the principles of decision-making as set out in the Constitution have not been satisfied. The Monitoring Officer will review the Call-in by confirming to their satisfaction that the procedural requirements have been complied with before the Call-in request can be progressed further.

- 3.39 In order to facilitate a timely outcome to the call-in request, it is proposed that the Committee sets up a Call-In Sub-Committee in order to proceed with the consideration of the decision within the time periods set out by the Order.
- 3.40 The call-in group will be a sub-committee of the Scrutiny Committee and will meet as and when required to consider valid requests to 'call-in' a decision.
- 3.41 It is proposed that the call-in sub-committee will be made up of 7 members of the Committee appointed to reflect the political balance of the Committee. membership to include the Chair (or Vice-Chair) and one member from each authority not already represented. The sub-committee would not include the members who had sought the call-in of the decision.
- 3.42 The Monitoring Officer, in consultation with the Chair, will call a meeting of the sub-committee with a period not exceeding 14 days from the date of the direction. The agenda will include a copy of the report, the minute of the decision and the reasons given for the call-in.
- 3.43 Following consideration of the issues the sub-committee may come to one of two possible conclusions:
- i) That the decision is appropriate and therefore should be implemented without further delay;
  - ii) That the Committee has concerns and considers that the decision should be reviewed by the decision maker for reconsideration (When referring the decision back the sub-committee shall set out its concerns in writing for the decision maker to take account on their reconsideration).

### Call-in and Urgency

- 3.44 The call-in procedure shall not apply where the decision being taken is urgent.
- 3.45 A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the interests of the NECA. The record of the decision and notice by which it is made public shall state whether in the opinion of the decision making person or body, the decision is an urgent one, and therefore not subject to call-in. The Chair of the Committee must agree both that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency. In the absence of the Chair, the vice-



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Chair's consent shall be required. In the absence of both, the head of paid service or his/her nominee's consent shall be required.

- 3.46 The arrangements for exercising call-in powers must be published by the Committee, but the consent of the Leadership Board, must be given to the proposed arrangements.
- 3.47 The relevant sections of a revised constitution are attached to this report including a description of the powers conferred on the Committee for call-in.
- 3.48 The working group proposed that the procedure for call-in be endorsed including call-in by four members of the Committee, valid call-ins to be heard by a call-in sub-committee, terms of reference to be drafted for the sub-committee, membership of the sub-committee to be appointed as and when a valid call-in is submitted, and clear guidance to be given on the validity of call-ins.

### Support for Scrutiny

- 3.49 The legislation requiring a Local Authority to appoint a Scrutiny Officer does not currently apply to Combined Authorities. However, the 2016 Order imposes the requirement to designate one of its officers as the Scrutiny Officer.
- 3.50 The Scrutiny Officer will be responsible for promoting the role of the Committee, providing support and guidance to the Committee and providing support to the members of NECA in relation to the functions of the Committee.
- 3.51 NECA may not designate as the Scrutiny Officer any officer of a Constituent Authority.
- 3.52 In the current arrangement, and since the start of the NECA, scrutiny support has been provided by the Chair's local authority. The scrutiny officer then coordinates support across the other scrutiny teams to ensure that all scrutiny members are appropriately supported. This arrangement will not be able to continue from May 2017 and a new post will be required to fulfil this responsibility.
- 3.53 The working group noted the requirements for the appointment of a scrutiny officer by the Combined Authority but felt this was more appropriate to a Mayoral Combined Authority with the use of devolved funding, and that the Scrutiny Committee should be able to determine its own support arrangements drawing on the experience of the constituent authorities' scrutiny officers as this had worked well since the Committee's inception in 2014.

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## Overview and Scrutiny Committee

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### 4. Recommendation

4.1 Scrutiny Committee members are invited to endorse the comments submitted by the working group for referral to the Leadership Board:

- a) To endorse the proposals for
  - The composition of the committee, including the principles of achieving political balance,
  - The procedure for call-in and the relevant amendments to the constitution,
  - Note the provision for co-opting members
  - Endorse the process for member referrals and member involvement in establishing an annual work programme.
- b) The Committee is invited to comment to the Leadership Board that overview and scrutiny should have freedom and flexibility on the appointment of a Chair and on the support arrangements of a scrutiny officer. The Committee felt the scrutiny arrangements had worked very well, and very efficiently, and that scrutiny members had demonstrated their objectivity and impartiality without the imposition of the requirements imposed by the 2016 Order which is tailored for a Mayoral Combined Authority with devolved funding. The Leadership Board should be asked to make representations on behalf of Scrutiny Members in its discussions with Government.
- c) The Committee is recommended to endorse its preferred option for the charring arrangements from May 2017.

### 5. Potential Impact on Objectives

5.1 Implementation of the requirements of the Order will contribute towards the further development of a robust scrutiny committee and the review and scrutiny of the policy framework of the NECA, Nexus and NELEP as well as providing appropriate challenge to decisions taken.

### 6. Finance and Other Resources

6.1 The financial impact of any proposals will be reflected in any considerations and comments made by the Committee in their recommendations to the Leadership Board.

### 7. Legal

7.1 Additional powers and responsibilities are conferred on NECA by central government through the provisions of the Order and the Combined Authority is required to introduce procedures for these requirements.

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## Overview and Scrutiny Committee

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### **8. Other Considerations**

#### **8.1 Consultation/Community Engagement**

Not applicable

#### **8.2 Human Rights**

There are no specific human rights implications arising from this report.

#### **8.3 Equalities and Diversity**

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

#### **8.4 Risk Management**

Not applicable

#### **8.5 Crime and Disorder**

Not applicable

#### **8.6 Environment and Sustainability**

Not applicable

### **9. Background Documents**

9.1 Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2016

### **10 Links to the Local Transport Plans**

10.1 Not applicable

### **11 Appendices**

11.1 NECA Constitution – revised Scrutiny Procedure Rules

### **12 Contact Officers**

12.1 Karen Brown, Scrutiny Officer [karen.brown@sunderland.gov.uk](mailto:karen.brown@sunderland.gov.uk)

### **13 Sign off**

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## Overview and Scrutiny Committee

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

**The Durham, Gateshead,  
Newcastle upon Tyne,  
North Tyneside, Northumberland, South  
Tyneside and Sunderland**

**Combined Authority**

**Constitution**

**Extract**

**Part 3 Responsibility for Functions**

**3.9 Overview and Scrutiny Committee**

**Part 4 Rules of Procedure**

**4.3 Overview and Scrutiny Committee**

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## Responsibility for Function

### 3.9 Overview and Scrutiny Committee

Membership 14 (Two Members from each constituent authority who are not Members of the Leadership Board)

Quorum 10

Effective scrutiny arrangements are an essential component of local democracy, enhancing accountability and transparency of decision making and enabling local councillors to represent the views of their constituents. These arrangements have been established to enable local councillors, on behalf of their communities, to scrutinise and challenge the Leadership Board, the TNEC, EDRAB and Nexus, and to investigate matters of strategic importance to residents within the Combined Area covered by the Constituent Authorities with a view to influencing the decisions.

The Overview and Scrutiny Committee can:

1. Review and scrutinise the decisions made or other action taken by the Leadership Board in connection with the discharge of their functions.
2. 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.
3. Review and scrutinise major and strategic decisions of the TNEC which are taken by the TNEC in connection with the discharge of its functions.
4. Make reports or recommendations to the Leadership Board and TNEC on the discharge of these functions.
5. 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).
6. Establish a Call-in Sub-Committee to exercise call-in powers and consider decisions taken but not implemented (See Rule 22 for of the Overview and Scrutiny Procedure Rules for information about the process for calling-in decisions.)
7. Investigate matters of strategic importance to residents of the Constituent Authorities and make reports with evidence based recommendations to the Leadership Board or the TNEC as appropriate;
8. Review the performance of the Leadership Board against objectives within the Combined Area's Strategy.
9. Facilitate the exchange of information about the work of the Leadership Board and the TNEC and to share information and outcomes from reviews.

10. The role of these arrangements in relation to the Nexus will include:

- a) 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
- b) Obtaining explanations from Nexus regarding its delivery of transport services.

#### **4. Proceedings**

The Overview and Scrutiny Committee will conduct their proceedings in accordance with Part 4.3 Overview and Scrutiny Committee Rules of Procedure.

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## **Part 4.3 Overview and Scrutiny Committee Rules of Procedure**

Subject to the provisions of any specific legislation and/or regulations relating to their operation, the Overview and Scrutiny Committee will conduct their proceedings in accordance with the following procedure rules.

References in these arrangements to major and strategic decisions of the TNEC taken in accordance with the delegations set out in Part 3 of this Constitution include major and strategic decisions taken by sub-committees of TNEC in accordance with such delegations.

### **1. Membership**

Any Member of the Constituent Authorities may serve as a member of the Overview and Scrutiny Committee unless they are specifically excluded. Membership of the Committee is determined by the Leadership Board and will be appointed annually, usually at the Annual Meeting.

Any elected member appointed to the Overview and Scrutiny Committee cannot also be appointed to any committee or sub-committee of the Authority.

### **2. Co-opted Members**

The appointment of co-opted Members is a matter reserved to the Leadership Board. The Overview and Scrutiny Committee can make recommendations to the Leadership Board on the appointment of co-opted members to the Committee itself and/or any of its sub-committees. In making such recommendations to the Leadership Board the Committee will specify the term of office to be applied in each case. The term of office for any appointed co-opted Member can only be extended with the express approval of the Leadership Board. Co-opted Members appointed by the Leadership Board can attend and speak at meetings of the Committee or sub-committee to which they are appointed but cannot vote.

### **3. Meetings**

Meetings for the carrying out of general business shall be held in each year at the times and on the dates fixed at the Authority's Annual Meeting. Notice of meetings will be given to the public.

### **4. Extraordinary Meetings**

Extraordinary meetings of the Overview and Scrutiny Committee may be called, where possible following consultation with the Chair and Vice Chair, where it is considered necessary or appropriate or at the request of the Chair and Vice Chair or any four Members of the Committee.

Other than in exceptional circumstances, the time of commencement of extraordinary meetings should be the same as for ordinary meetings.

No item of business may be conducted at an extraordinary meeting of the Leadership Board other than that specified in the resolution, request or requisition which led to it being called.

## **5. Summons**

The Monitoring Officer, where possible in consultation with the Chair and Vice Chair, will determine the agenda for meetings of the committee.

At least five clear working days before a meeting, an agenda will be sent to every member of the committee to their usual place of residence (or such other address as has been notified).

The agenda will give the date, time and place of each meeting and specify the order of the business to be transacted, and will be accompanied by such reports as are available.

Urgent reports on items of business may only be added to the agenda if the reasons for urgency can be sufficiently justified and the approval of the Chair of the Committee has been given. The reasons for urgency will be recorded in the minutes of the meeting.

Any matters referred to the committee by the Leadership Board or any of its committees will be placed on the agenda for the next available meeting of the committee. The committee will, at that meeting, determine the method and timetable for responding to any such referrals.

## **6. Chair**

To be completed

## **7. Quorum**

A meeting of the Committee cannot begin until a quorum is present. The quorum for the Overview and Scrutiny Committee is 10, not including any independent co-opted members.

If a quorum is not reached 15 minutes after the time appointed for the start of the meeting, the meeting will be reconvened on another date.

During any meeting if the Chair counts the number of Members present and declares there is not a quorum present, then the meeting will adjourn immediately.

Remaining business will be considered at a time and date fixed by the Chair. If the Chair does not fix a date, the remaining business will be considered at the next ordinary meeting.

## **8. Duration**

At any meeting which has sat continuously for three hours and a half hours, the Chair shall have discretion to adjourn the meeting for a short period of time unless the majority of Members present, by vote, determine it shall stand adjourned to another day. The date and time of which shall be determined by the Chair.

## **9. Declaration of Interests in Meetings**

Where a Member attends a meeting of the Overview and Scrutiny Committee they must declare registerable and non-registerable personal interests as defined in the

Members' Code of Conduct either at the start of the meeting, or otherwise as soon as the interest becomes apparent in the course of the meeting.

In addition, where in relation to any meeting a Member has declared a registerable or non-registerable personal interest in a matter, and the criteria contained in paragraph 17 of the Members' Code of Conduct apply, the Member must leave the room for the duration of the discussion on that matter.

## **10. Disturbance**

No member of the public shall interrupt or take part in the proceedings of any meeting. If any member of the public interrupts or takes part in the proceedings at any meeting, the Chair shall warn him/her and if he/she continues the interruption the Chair shall order his/her removal.

## **11. Order of Business**

The Overview and Scrutiny Committee on a motion duly seconded and carried without debate, or on motion by the Chair, which shall not require to be seconded, may vary the order of business as set out on the agenda.

## **12. Voting**

Subject to the provisions of any enactment the Overview and Scrutiny Committee will aim to reach a consensus. If exceptionally it is not possible to reach consensus on any matter on which it is necessary to reach a decision, the matter will be put to a vote which will be decided upon by a simple majority of the members of the committee present and voting at the time the question was put.

The method of voting shall be by show of hands. In the event of an equality of votes, the Chair will have a second or casting vote.

Where any member of the committee requests it immediately after the vote is taken, their vote will be so recorded in the minutes to show whether they voted for or against the motion or abstained from voting.

If there are more than two people nominated for any position to be filled and there is not a clear majority of votes in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person.

## **13. Minutes**

The Chair will sign the minutes of the proceedings at the next suitable meeting. The Chair will move that the minutes of the previous meeting be signed as a correct record. Discussion of the minutes must be limited to their accuracy.

Where in relation to any meeting, the next meeting for the purpose of signing the minutes is a meeting called under paragraph 3 of schedule 12 to the Local Government Act 1972 (an Extraordinary Meeting), then the next following meeting (being a meeting called otherwise than under that paragraph) will be treated as a suitable meeting for the purposes of paragraph 41(1) and (2) of schedule 12 relating to signing of minutes.

The effect of this is that minutes will not be submitted for approval to an extraordinary meeting.

#### **14. Exclusion of Public**

Members of the public and press may only be excluded either in accordance with the Access to Information paragraph of the Leadership Board Rules of Procedure (paragraph 8, Part 4.1) or when causing a disturbance.

#### **15. Attendance by Members and officers**

The Overview and Scrutiny Committee may invite to a meeting any Member, co-opted Member, and others to assist the Committee in its work.

Under normal circumstances where it is felt that the attendance of a particular Member, officer, officer of Nexus or other delivery bodies or stakeholders and members of the public, would assist the Committee in its work then they will be invited to attend or submit written information. In such circumstances, the person/organisation concerned should be given at least 5 working days' notice of the date and time of the meeting and the nature of the business to be discussed. In circumstances where it is not possible to give 5 working days' notice, contact should be made at the earliest opportunity with the Member or officer concerned to establish their availability.

Where a member of the Leadership Board or officer who has been invited to a meeting is not able to attend, then the Committee will consider whether or not to defer consideration of the matter to enable the Member or officer to be present.

#### **16. Specialist Advisers**

The appointment of specialist advisers to any committee, sub-committee or joint committee is a matter reserved to the Leadership Board. The Overview and Scrutiny Committee can make requests to the Leadership Board for the appointment of a specialist adviser. In making such requests to the Leadership Board, the Committee will specify the term of the appointment and their reasons for the request.

#### **17. Reports of recommendations from Overview and Scrutiny Committee**

Where Overview and Scrutiny Committee makes a report or recommendation the committee may:

- a) publish the reports or recommendations.
- b) by notice require in writing the Leadership Board to consider the report or recommendations and respond to them indicating what (if any) action the Leadership Board proposes to take within two months of receipt of the report or recommendations;
- c) and if the report was published, publish the response.

#### **18. Involvement in the work of the Committee by the public, etc.**

The Authority is committed to the involvement of the public and others in the work of the Overview and Scrutiny Committee.

Where members of the public and/or others have had an active role in the work of the Overview and Scrutiny Committee such involvement will be properly acknowledged. In addition, where this involvement has contributed to a particular study or examination, then the individuals and/or organisations concerned will be informed of any resulting conclusions and/or recommendations.

## 19. Work Programme

At its first meeting of the year, the Overview and Scrutiny Committee will:

- a) determine the areas of review and scrutiny that they wish to pursue during the ensuing 12 months.
- b) agree to establish Scrutiny Groups from amongst their number in order to carry out agreed areas of review and scrutiny.

The Constituent Authorities will work together to maximise the exchange of information and views, to minimise bureaucracy and make best use of the time of members and officers of other bodies or agencies.

Any member of the constituent local authorities shall be entitled to give notice to the proper officer that he/she wishes an item relevant to the functions of the committee to be included in the work programme for discussion at a future meeting of the Committee.

The Scrutiny Committee shall respond, as soon as their work programme permits, to requests from the members of constituent councils and if it considers it appropriate the Leadership Board, to review particular areas of Combined Authority activity. Where they do so, the Scrutiny Committee shall report their findings and any recommendations back to the Leadership Board.

Members of the Overview and Scrutiny Committee will use the following framework when considering referrals to the scrutiny committee:-

1. The Scrutiny Committee may determine that the item is not relevant to the functions of the Scrutiny Committee or duplicates the work of another body or agency. In these circumstances the Committee can resolve to take no action or that the issue is more appropriately dealt with by one of the Constituent Authorities. or may refer the item elsewhere e.g. to another NECA committee.
2. That the issue is linked to an existing work programme item then it should be discussed as part of that item.
3. If the issue is a new item of business within the remit of the Committee, the Scrutiny Committee may:
  - a. Request a response in writing (with copies to all Members of the Scrutiny Committee) or
  - b. Request a presentation to a future Scrutiny Committee, or
  - c. Request a report to a future Scrutiny Committee or

- d. Decide that the issue raised does not merit any response beyond noting the matter or
- e. Decide to express a view or make a recommendation, by resolving accordingly, if the Committee considers it has sufficient information to make a fully informed decision.

## **20. Scrutiny Groups**

In appointing Scrutiny Groups the Overview and Scrutiny Committee will:

- a) have regard to the approved work programme and advice from relevant officers on the overall capacity of the Authority to support such studies;
- b) determine the remit for each sub group who will be bound by the terms of that remit;
- c) determine the membership of the sub group to be drawn from the membership of the committee or sub-committee;
- d) consider and either approve, amend or reject any reports and recommendations made by a sub group for submission to the Leadership Board, an individual or outside organisation as appropriate.

The arrangements for the attendance of the Leadership Board and/or officers of the Authority applicable for meetings of the Overview and Scrutiny Committee will also apply to sub groups.

Sub groups may seek the assistance of Members and officers of the Authority and/or outside organisations and individuals.

## **21. Linking Sub-regional Scrutiny with Local Scrutiny**

The Scrutiny Officer of each Constituent Authority will ensure that the work programmes and minutes relating to the work carried out by the Overview and Scrutiny Committee in scrutinising the Leadership Board, TNEC, TWSC and Nexus are circulated appropriately within their own Constituent Authorities scrutiny arrangements.

## **22. Call-in**

The Overview and Scrutiny Committee has the power to call-in decisions made but not yet implemented. The Committee will delegate this authority to a call-in sub-committee comprising a panel of 7 Members drawn from the Scrutiny Committee (or substitutes) with a representative Member from each of the Constituent Authorities appointed at the annual meeting of the Leadership Board. The purpose of call-in is to consider whether to recommend that a decision be reviewed by the decision taker. Call-in should only be used in exceptional circumstances. These are where members of the Committee have evidence which suggests that the decision was not taken in accordance with the principles of decision making. It cannot be used in respect of day-to-day management and operational decisions.

- (a) When a decision is taken by the Leadership Board, the TNEC, a committee of the Leadership Board, or an officer with delegated authority, the decision shall be published and shall be available normally within three working days of being made. Members of the Committee will be sent copies of the records of all such decisions by the person responsible for publishing the decision.
- (b) That notice will bear the date on which it is published and will specify that the decision will come into force, and may then be implemented, on the expiry of five working days after the publication of the decision, unless the Committee directs that it should be called in.
- (c) During that period, the monitoring officer shall call-in a decision for scrutiny by the Committee if so requested by any four members of the committee, and shall then notify the decision-taker of the call-in. He/she shall call a meeting of the call-in sub-committee on such date as he/she may determine, where possible after consultation with the Chair of the Committee, and in any case within a period not exceeding 14 days of the decision to call-in.
- (d) If, having considered the decision, the Committee is still concerned about it, then it may refer it back to the decision making person or body for reconsideration, setting out in writing the nature of its concerns. If referred to the decision maker they shall hold a meeting to reconsider the decision no later than 10 days after the recommendation from the Committee is received.
- (e) If following a direction to call-in the decision, the Committee does not meet in the period set out above, or does meet but does not refer the matter back to the decision making person or body, the decision shall take effect on the expiry of 14 days.
- (f) The decision making body or person shall choose whether to amend the decision or not before reaching a final decision and implementing it.

### **Exceptions**

- (g) In order to ensure that call-in does not cause unreasonable delay, certain limitations are placed on its use. These are:
  - i) That the Committee may only call-in four decisions per year.
  - ii) Once a member has signed a request for call-in he/she may not do so again until a period of 3 months has expired.

### **Call-in and Urgency**

- (h) The call-in procedure set out above shall not apply where the decision being taken is urgent. A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the NECA or the public's interests. The record of the decision and notice by which it is made public shall state whether in the opinion of the decision making person or body, the decision is an urgent one, and therefore not subject to call-in. The chair of the Overview and Scrutiny Committee must agree both that the decision proposed is reasonable in all the circumstances

and to it being treated as a matter of urgency. In the absence of the chair, the vice-chair's consent shall be required. In the absence of both, the head of paid service or his/her nominee's consent shall be required.

- (i) The operation of the provisions relating to call-in and urgency shall be monitored annually, and a report submitted to the Leadership Board with proposals for review if necessary.

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## North East Combined Authority

### Overview and Scrutiny Committee

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**Date:** 14<sup>th</sup> February 2017

**Subject:** Policy Review: Transport related barriers to education, employment and training

**Report of:** Monitoring Officer

#### **Executive Summary**

The purpose of this report is to consider the conclusions of a policy review on transport related barriers to education, employment and training following consultation with the Transport North East Committee.

#### **Recommendations**

It is recommended that the Committee receives and considers the report and any comments submitted from members of the Transport North East Committee.

# North East Combined Authority

## Overview and Scrutiny Committee

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### **1. Introduction**

- 1.1 The review (attached as Appendix 1) focussed on one central aspect: transport and the provision of access to employment, training and education. The more efficient this access, the greater the economic benefits.
- 1.2 The conclusions are intended to contribute to the Transport Plan for the North East and to focus on how to support delivery of key transport-related priorities for the NECA area.

### **2. Background**

- 2.1 The Scrutiny Committee took written and oral evidence over an 18 month period. To ensure that a wide range of interested parties could submit evidence to the review, a Call for Evidence was issued inviting stakeholders to submit written evidence to the Scrutiny Committee.
- 2.2 The draft final report was considered by the Scrutiny Committee at a meeting on 14<sup>th</sup> December 2016. The Committee referred the draft report to the Transport North East Committee for comment prior to further consideration and endorsement.

### **3. Next Steps**

- 3.1 The evidence and conclusions from the policy review were submitted to the Transport North East Committee (TNEC) for advice and comment at their meeting on 9<sup>th</sup> February 2017. It will be necessary to provide an oral update to the Scrutiny Committee due to the timing of the TNEC meeting.
- 3.2 In relation to the report's conclusions in relation to young people, it was agreed at the last meeting that the work of the Overview and Scrutiny Committee will feed into the TNEC 'Task and Finish' group that is exploring the ticketing issues faced by young people. The Vice-Chair of the Scrutiny Committee was nominated to link into the task group.

### **4. Recommendations**

- 4.1 It is recommended that the Scrutiny Committee receive any comments from the Transport North East Committee, consider and endorse the final report and then refer the report to the Leadership Board for consideration.

### **5. Potential Impact on Objectives**

- 5.1 Reducing transport-related barriers to employment will assist the North East Combined Authority in delivering its objective to maximise the area's opportunities and potential.

# North East Combined Authority

## Overview and Scrutiny Committee

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### **6. Finance and Other Resources**

There are no direct finance implications arising from this report.

### **7. Legal**

There are no direct legal implications arising from this report.

### **8. Other Considerations**

#### **8.1 Consultation/Community Engagement**

Consultation with a range of stakeholders has been carried out as part of this policy review.

#### **8.2 Human Rights**

There are no human rights implications identified at this stage.

#### **8.3 Equalities and Diversity**

Measures to overcome transport-related barriers to employment would, if implemented, assist the Combined Authority in promoting greater equalities and diversity in the region's transport system.

#### **8.4 Risk Management**

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

#### **8.5 Crime and Disorder**

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

#### **8.6 Environment and Sustainability**

Measures to improve public transport, walking and cycling provision would, if implemented, assist the Combined Authority in achieving a more sustainable transport system for the region.

### **9. Background Documents**

- 9.1 Health and Wealth - Closing the Gap in the North East: Report of the North East Commission for Health and Social Care Integration (2016)

### **10. Links to the Local Transport Plans**

# North East Combined Authority

## Overview and Scrutiny Committee

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10.1 This report links to the forthcoming Transport Plan for the North East that is covered in a separate report for this meeting.

### 11. Appendices

11.1 Draft Policy Review: final report

### 12. Contact Officers

12.1 Karen Brown, Scrutiny Officer  
[karen.brown@sunderland.gov.uk](mailto:karen.brown@sunderland.gov.uk) 0191 561 1004

### 13. Sign off

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

### 14. Glossary

LSTF – The Local Sustainable Transport Fund (the ‘Fund’) was launched in 2010 with two objectives: to grow the economy, and to cut our carbon emissions.

DfT – Department for Transport

EMA – Education Maintenance Allowance

STP – NHS Sustainability and Transformation Plans

ABR – Area Based Reviews of 16-19 Education

## Overview and Scrutiny Policy Review

### Transport related barriers to education, employment and training

#### 1. Introduction

- 1.1 This review focussed on one central aspect: transport and the provision of access to employment, training and education. The more efficient this access, the greater the economic benefits.
- 1.2 The conclusions are intended to contribute to the Transport Plan for the North East and to focus on how to support delivery of key transport-related priorities for the NECA area.
- 1.3 Barriers in transport provision can prevent people from accessing key local services or activities, such as jobs, learning, healthcare, shopping or leisure. This report is primarily concerned with options for removing the barriers to accessing employment, training and education facilities, including whether transport is available at a reasonable cost, in reasonable time and with reasonable ease.
- 1.4 This report reflects how different barriers impact directly on service users and how this may impact on their ability to take up employment and training.

#### 2. Background

- 2.1 The Scrutiny Committee took written and oral evidence over an 18 month period. To ensure that a wide range of interested parties could submit evidence to the review, a Call for Evidence was issued inviting stakeholders to submit written evidence to the Scrutiny Committee.
- 2.2 General comments were invited and, additionally, specific questions were posed as follows:
  - (a) The accessibility of public transport (i.e. whether people can travel at reasonable cost, in reasonable time and with reasonable ease)?
  - (b) The availability of public transport and the extent to which it is adequate to access employment sites?

# North East Combined Authority

## Overview and Scrutiny Committee

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(c) What alternative transport approaches could be considered to support people being actively engaged in work?

2.3 Access to health services had not been part of the original remit, however, it became clear that access to healthcare was a significant concern for residents and comments were submitted in relation to accessing health services. It is anticipated that this may become more of an issue for patients as health services are re-located, centralised and travel to health providers increasingly requires the crossing of local authority boundaries.

### 3. Findings

3.1 Evidence submitted to the review indicates that transport barriers are most acute for young people, those who live in more isolated areas, and those on low incomes who are particularly reliant on local public transport services yet often find that the cost of fares constitutes a disproportionately high percentage of their expenditure unless they are entitled to some form of concession.

3.2 From the evidence, five problems in particular are apparent:

- a) The cost of public transport can be a disincentive to take up employment and widen horizons for employment opportunities
- b) Accessibility of transport, for example, people in rural areas without access to a car face particular difficulties and reductions in weekend and evening services makes it difficult for those working outside of the core working week.
- c) Changing working patterns beyond the traditional core working hours.
- d) The location of out of town employment sites can cause difficulties for those using public transport.
- e) The lack of an integrated transport network and coordination across services leads to complex and uncoordinated services for commuters.

### 3.3 Cost of Transport

Bus fares have consistently risen faster than inflation for many years. This has a significant effect on those on lower incomes and without access to a car. This restricts where people look for jobs and can impact the level of wages they accept and subsequently any prospective job opportunity. This is particularly the case for jobseekers who may (initially at least) only be able to secure relatively low-paid work so that public transport fares account for a disproportionately high percentage of their expenditure – perhaps to the point where accepting a job ceases to be worthwhile.

Fares setting is still a matter for the individual operators to agree between themselves and that can give rise to anti-competitive behaviours. All of the companies we spoke to described the range of discounts and concessions on offer but these are often only available on their own services.

# North East Combined Authority

## Overview and Scrutiny Committee

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For young people, a rise in fares has been exacerbated by the removal of the Education Maintenance Allowance (EMA) which provided a financial resource to 16-18 year olds accessing education or training. A survey of Association of Colleges members in 2011 showed that the impact of ending EMA would be particularly felt in terms of transport.

Many of the discounts and concessions on offer are targeted at young people and this is to be welcomed. Nevertheless, we were informed that in some cases the cost of this travel exceeds £1000 per learner and it is necessary to pay two or even three different transport providers.

It was noted that these matters may be examined in more detail through other work streams. In 2105, the Department for Business Innovation and Skills (BIS) announced that as part of its review of post-16 education and training institutions, it will carry out a series of area-based reviews (ABR). Area-based reviews will take stock of the skills landscape in local areas and ascertain whether the skills provision on offer meets the Government's objectives, which include access to appropriate good quality provision within reasonable travel distances, particularly for 16-19 year olds and students with special educational needs and disabilities. It is expected that all ABR's will be completed by March 2017.

It was further noted that a recent report to the 3<sup>rd</sup> November meeting of Transport North East Committee (TNEC) ("NECA Concessionary Travel") included a section covering the issues faced by young people, highlighting similar concerns to those raised above. It has been agreed that a TNEC 'Task and Finish' group will be established to investigate this and the TNEC report states that: "The work that Overview and Scrutiny Committee has undertaken will be cross-referenced with what is proposed here, and will feed into the proposed 'Task and Finish' group."

Where cost is a barrier, the Committee considered the alternative transport modes that may be available, including an assessment of the impact of the various regional Local Sustainable Transport Fund programmes delivered since 2011-12 (now branded as Go Smarter). Additional funding was awarded in 2015 although it was noted that funding was due to end in 2016. NECA has bid for follow-on funding through the Department for Transport's Access Fund and a decision on this is expected shortly.

The Go Smarter programme includes two schemes specially aimed at helping people access employment or training – a 'Jobseekers Ticketing' scheme that helps jobseekers with the cost of public transport fares and a 'Scooters to Work' scheme that provides low-cost scooter loans for people without access to a car and no available public transport option.

Although there is clear evidence that sustainable transport projects of the kind delivered through the Go Smarter programme are good value for money and deliver benefits for public health, accessibility and the local economy, pressures on revenue budgets mean that it is becoming more challenging for local councils to fund schemes of this kind without assistance from external funding sources.

We also heard that Nexus had done much to integrate cycling with Metro travel. More needs to be done to build on this and focus on accessing Metro stations, bus stations and bus stops and the walking routes to employment sites. This needs to include lighting, signage and pavements, providing an environment around transport facilities that feels safe and secure.

### 3.4 Accessibility and network coverage

Evidence to the Committee showed that those in rural areas were more likely to report less frequent and limited access to transport services. Replies from residents of rural communities complained of discontinuation of services, infrequency of service, and residents feeling like they're 'forgotten'.

The Passenger Transport User Group notes in their evidence to Committee *"We've seen a number of marginal changes to bus services over the past years that have all made it more difficult for some people to get to work. The changes have included lessening frequencies or removal of services in some areas covered by the Combined Authority."*

Rural residents complained of some villages having no bus service or only a weekday service, or of services not fitting in with working patterns (for instance the earliest bus for the nearest town leaving at 9.30 am).

*"It is not possible to travel to work anywhere as the first service is at 9.32 am and there are no public services after 2.30 pm so return from work is impossible".*

*"In order to be in Newcastle at 9am, I must leave Rothbury at 6.39 am. The bus that leaves after that is the 7.39 am, which gets into Newcastle at 9.06am, which is too late for many people who need to be in their offices by 9am."*

*"Even when we had a service it started too late for people to get to work and it stopped before 6 pm so you could not get home."*

There was a strong view amongst people submitting evidence that, while some routes do not make a profit, they serve a valuable community role, either covering isolated areas or reaching people who could otherwise not travel or extending the options for working people.



# North East Combined Authority

## Overview and Scrutiny Committee

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The Committee notes that policy should include efforts to overcome the prospect of some people being disadvantaged and cut off from prosperity and opportunities that most people take for granted, due to transportation issues. Policy should seek to create a vision that no one in the area is seriously disadvantaged by where they live.

We also know from the evidence submitted that accessibility to health services continues to be a barrier for people relying on public transport. During the course of the review there were announcements by health providers through Sustainability and Transformation Plans (STP) of an intention to change where and how services are delivered, moving further towards a concentration of health services and this will require an appropriate response from transport providers. The Scrutiny Committee notes that there is an opportunity following the recently published Health and Wealth – Closing the Gap in the North East to align with the STP process and an opportunity to achieve better travel options with some travel impact work already having started in some areas through the STP process.

### 3.5 Patterns of work

In identifying the barriers people face to good accessibility it was noted in evidence that sometimes, when complaints are made that there are no buses, it is likely there are bus services but that the service does not actually get them to where they need to go on time.

*“Work experience at Nissan starts at 7.00 am for a 12 hour shift. The first bus arrives at 7.08”*

Patterns of working are varied with the traditional working day from 9-5 Monday to Friday no longer being applicable for many workers. A combination of out of town business locations, changes in working hours and limited public transport provision outside of peak hours creates a significant barrier for some people when they don't have access to a car.

*From a Training Provider “The trek to the site leading onto Nissan Way is extremely long and there are isolated open areas where there is no protection from the elements. We would request that the bus companies extend the route and at times that service the supply chain and ourselves who are trying to close the skills shortage gap.”*

*I should start work at 8 am but the bus does not get to Newcastle until after 8 am. I have had to ask my employer to adjust my start and finish times to accommodate bus times.*

*“The first bus on a Saturday gets into Newcastle at 8.41 which is no good unless you start at 9 am.”*

# North East Combined Authority

## Overview and Scrutiny Committee

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*“It is impossible to get work to start at 8 am Saturday or 10 am Sunday.”*

Whilst the Transport Plan will include policies aimed at increasing public transport use, the Committee notes that significant changes to the bus network which would overcome problems of the kind described above would in most cases require additional revenue funding. This would have to be found at local level, since it is unlikely that such funding will be forthcoming from central government against a background of continuing austerity.

### 3.6 Location of Employment Sites

Changes in the locations of employment and training sites have meant that they are often in more dispersed locations and on the outskirts of towns and cities, where public transport availability is more limited.

Nexus and bus operators described the efforts they take to provide services to new industrial and office sites. For example Stagecoach has extended some services to Silverlink and Cobalt Business Parks and Go North East has worked with some major employers to stagger start and finish times, helping to spread the effect of peak hour congestion at some known pinch points on the road network. However, it was noted from evidence that at peak times, the roads in these areas are clogged with cars and as a result bus connections are likely to be slow thereby reducing the effectiveness of services. The Committee felt that more should be done to give public transport priority in these areas, particularly at peak time.

Within the Tyne & Wear area the Metro system provides a flexible, convenient option for many commuters and students. A frequent comment from passengers was that it should be a priority to look at extending the Metro system to cover all of the main employment locations.

The Transport Plan is expected to note that new developments in out of town locations, whether residential or business, will increase usage of private cars and carbon emissions, unless the developments concerned can be supported by public transport or planned around the existing public transport network and also linked to good quality cycling and walking routes.

The Committee is concerned that how people will reach key employment sites without a car is often little more than an afterthought in the land-use planning process. Involvement in land-use planning decisions should take place at the earliest stages to look at:

- Locating developments so that they connect to existing public transport networks
- Developing and improving walking and cycling routes to proposed developments

# North East Combined Authority

## Overview and Scrutiny Committee

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Through better integrating transport infrastructure within the planning of developments, these measures could pre-empt situations that are very difficult (and costly) to remedy retrospectively.

### 3.7 Co-ordination of transport services

People submitting evidence to the review complained about a lack of coordination and the complication of using public transport to travel to work even in core working hours. The current arrangement often leaves people having to take more than one bus, run by different operators, in order to get to work, quite often incurring high costs as a result. This acts as a disincentive to work, increases poverty, and discourages people from using public transport networks.

We took evidence about improvements to the ticketing system but more needs to be done to make sure this does not penalise passengers who need to change between buses or from buses to other types of transport. The Pop Pay As You Go Card overcomes the need to pay separately for different stages of a public transport journey. It can be used as follows:

- a) Pop Cards can be purchased on line, at Nexus Travel Shops or from selected Payzone shops
- b) They can be topped up i.e. money put on the card on-line, in a range of ways
- c) They can be used in Durham, Northumberland and Tyne and Wear on most buses, the Metro and the Shields Ferry.

Although a number of specific barriers have been identified in this report and, where possible, some action is being taken to address them, in the longer term it appears likely that additional funding will be needed to fully address the issues that this report has identified.

The Committee notes that much can be achieved within the existing partnership arrangements, but there are clearly situations where the local market is not working as well as it could. We were informed that lobbying had taken place on the Bus Services Bill to widen the existing quality partnership legislation. The amendment, which comes after lobbying to widen the franchising powers, would allow local transport authorities to access the powers under the Bill without going through an onerous permission process. Previously only mayoral combined authorities could automatically opt for a franchise scheme.

It is clear that there are a number of constraints and challenges to utilising the full range of the legislative provisions, and the Committee welcomes the opportunity the Bus Services Bill provides to clarify and improve the options for the north east.

## 4. **Extracts from Written Evidence**

# North East Combined Authority

## Overview and Scrutiny Committee

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4.1 Appendix 1 to this report includes a table summarising the written evidence submitted by stakeholders which has been used in compiling the conclusions.

### **5. Conclusions & Recommendations**

5.1 The barriers described in this report can undermine policies to increase use of sustainable transport, achieve growth in employment, to increase participation in education, to access healthcare and participate in social activities.

5.2 The Committee welcomes the measures being taken to achieve the greater co-ordination of transport policies across the NECA area and the potential benefits that will follow. However, the Committee also notes the need for additional revenue funding to solve the kind of transport problems highlighted in this report and Appendix 1, and also the need for better co-ordination between planning and transport, to ensure that facilities are located and decisions taken with regard to the need, firstly to cater for people who do not have access to a car and secondly to encourage those who can access a car to switch to more sustainable means of transport.

5.3 All agencies whose policies or decisions have a transport impact should show that the transport dimension has been taken into account. For example, benefits policy needs to take account of people's transport difficulties. Where public services are being reorganised and relocated, access plans to show how those without cars will access these services should be required and relocation/ reorganisation should not go ahead unless the access plans have been implemented.

5.4 The Scrutiny Committee makes the following recommendations :

(a) The Scrutiny Committee fully supports young people's concessionary travel to reduce the cost of travel for 16-19 year olds, and welcomes the opportunity to contribute to the NECA Task & Finish Group Review.

(b) The Committee welcomes improvements to the ticketing system and urges further action to ensure: i) the system does not penalise passengers who need to change between buses or from buses to other types of transport; ii) access to work places and timetables should meet the needs of workers and the need for onward connections.

(c) The Committee urges continued efforts to deliver improvements to the walking and cycling network whenever the opportunity arises, and to promote the use of cycle paths as an alternative form of transportation focusing on accessing Metro stations, bus stations and bus stops and the walking routes to employment sites. This needs to include lighting, signage and pavements, providing an environment around transport facilities that feels safe and secure.

# North East Combined Authority

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- (d) The Committee recognises the prospect of some people being disadvantaged and cut off from prosperity and opportunities that most people take for granted, due to transportation issues. Policy should seek to create a vision that no one in the area is seriously disadvantaged by where they live.

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## North East Combined Authority

### Overview and Scrutiny Committee

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**Date:** 14<sup>th</sup> February 2017

**Subject:** Forward Plan & Scrutiny Work Programme

**Report of:** Monitoring 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 the revised and updated Scrutiny Annual Work Programme for 2016/17.

#### **Recommendations**

It is recommended that the Overview and Scrutiny Committee considers the Forward Plan and the updated Work Programme for 2016/17.

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### 1. Background Information

- 1.1 The Forward Plan is a document which lists the decisions that the North East Combined Authority committees intend to take in the coming months. The Forward Plan 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.
- 1.2 Details of each decision are usually included on the Forward Plan 28 days before the report is considered and any decision is taken.

### 2. Role of Overview and Scrutiny

- 2.1 One of the main functions of this Committee is the review and scrutiny of decisions made by the North East Leadership Board (NELB), the Transport North East Committee (TNEC), Transport North East (Tyne and Wear) Sub-Committee (TWSC) and Nexus. Durham County Council (DCC) and Northumberland County Council (NCC) are also subject to overview and scrutiny in relation to transport functions delegated to them, as is the North East Local Enterprise Partnership (NELEP) to the extent of the NECA's role as its accountable body. One of the ways this can be achieved is by considering the forthcoming decisions of those various decision making bodies
- 2.2 In considering items in the Forward Plan, the Scrutiny Committee should determine whether scrutiny can add value in relation to the decision being made.
- 2.3 To this end, the current Forward Plan is attached marked Appendix 1.

### 3. Annual Work Programme

- 3.1 The work programme has been compiled to allow the Scrutiny Committee to have 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.
- 3.2 The NECA Scrutiny Committee obtains work programme items from the following sources:



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- a) Items submitted by Members of the Committee (and including items referred by other members of the combined authority)
- b) The Budget and Policy Framework
- c) The Forward Plan
- d) The three Thematic Leads
- e) Evidence for any policy review work

3.3 The revised and updated Annual Work Programme is attached as Appendix 2.

### **4. Policy Review – Transport Related Barriers to Employment**

4.1 The Scrutiny Committee has been gathering evidence for a policy review of transport related barriers to education, employment and training. The draft review, which is set out elsewhere on this agenda, will contribute to the North East Transport Plan which in turn will contribute to the delivery of “More and Better Jobs”, the Strategic Economic Plan.

### **5. Next Steps**

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 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 scrutiny committee throughout the year and consultation will begin shortly on the annual Work Programme for 2017/18.

### **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 NELEP as well as providing appropriate challenge to decisions taken.

### **7. Finance and Other Resources**

7.1 No financial or other resource implications are identified at this stage. The financial impact of any proposals or recommendations should be taken into account and any significant implications should be reflected in any considerations and comments made by the Scrutiny Committee.

### **8. Legal**

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

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### **9. Other Considerations**

#### **9.1 Consultation/Community Engagement**

Not applicable

#### **9.2 Human Rights**

There are no specific human rights implications arising from this report.

#### **9.3 Equalities and Diversity**

Not applicable

#### **9.4 Risk Management**

Not applicable

#### **9.5 Crime and Disorder**

Not applicable

#### **9.6 Environment and Sustainability**

Not applicable

### **10. Background Documents**

10.1 None

### **11. Links to the Local Transport Plans**

11.1 None

### **12. Appendices**

12.1 Forward Plan - Appendix 1  
Work Programme - Appendix 2

### **13. Contact Officers**

13.1 Karen Brown, Scrutiny Officer, karen.brown@sunderland.gov.uk

#### **Sign off**

- Head of Paid Service ✓

# North East Combined Authority

## Overview and Scrutiny Committee

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- Monitoring Officer ✓
- Chief Finance Officer ✓

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**Work Programme 2016/17**

Date	Items	Lead Officer	Informal Briefings / Development Days
7 <sup>th</sup> July (Durham)	Appointment of Chair & Vice-Chair	Viv Geary	
	The Devolution Agreement , Governance Review & Scheme for the proposed Mayoral Authority	Adam Wilkinson	
	Forward Plan & Work Programme	Karen Brown	
27 <sup>th</sup> September (Sunderland)	Appointment of Chair & Vice-Chair	Viv Geary	
	NELEP Strategic Economic Plan (SEP) Progress Review 2014-16	Helen Golightly	
	Policy Review on Transport Barriers – evidence from Arriva	Paul de Santis	
	Draft Budget 2017/18 & Transport Levies	Paul Woods	
	Devolution Update	Viv Geary	
	Forward Plan & Work Programme	Karen Brown	
1 <sup>st</sup> November (South Tyneside)	Appointment of Chair & Vice-Chair	Viv Geary	
	Monitoring Nexus Performance	Tobyn Hughes	
	Local Growth Fund Programme	Ray Browning	
	Forward Plan & Work Programme	KB	
14 <sup>th</sup> December (Gateshead)	NECA Budget 2017/18	Paul Woods	
	Transport Thematic Lead Update	Councillor Nick Forbes, Lead Member	
	Transport Manifesto and Transport Plan	Ian Coe	
	Policy Review: Transport Barriers Draft Report	KB	
	Forward Plan & Work Programme	KB	
14 <sup>th</sup> February (Newcastle)	Economic Development & Regeneration Thematic Lead Update	Councillor Iain Malcolm, Lead Member	19/1/17 – Working Group on CA Order 2016
	NELEP Job Creation	Ray Browning	
	Combined Authorities Order 2016	Viv Geary	
	Forward Plan & Work Programme	KB	
28 <sup>th</sup> March (Sunderland)	Employability and Skills Thematic Lead Update	Cllr Grant Davey, Lead Member	
	Health & Social Care Report	Helen Golightly	
	Forward Plan & Work Programme	KB	
In addition to the schedule items, the following items will be included in the work programme			
	Transport Plan Consultation		
	Bus Strategy Consultation		
	National Audit Office Case Study report		

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