

## **Overview and Scrutiny Committee**

14 December 2017

(10.11 - 11.59 am)

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

### **Present:**

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

Councillors: A Patterson, R Crute, J Eagle, N Weatherley, O Avery,  
R Glindon, S Graham, J Amar and N Wright

### 15 **APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Dodd, Flux, Lower and Snowdon.

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

### 16 **DECLARATIONS OF INTEREST**

Councillor Eagle declared an interest in items 6 and 7 as an employee of Nexus and informed the Committee that dispensation had been granted for him to take part in discussions of transport related items, but that he would not be voting in decision making.

David Taylor-Gooby declared a personal interest in item 4 as a member of an NHS Commissioning Group.

Councillor Avery declared a personal interest in item 4 as a governor of the North East Ambulance Trust.

### 17 **MINUTES OF THE PREVIOUS MEETING HELD ON 13 SEPTEMBER 2017**

The Committee reviewed the minutes of the previous meeting held on 13 September 2017 and those present agreed their accuracy subject to the following amendment: That the Chair (David Taylor-Gooby) be recorded as an Independent Person, and not as a Councillor.

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

**Matters arising:****Minute 13 – Forward Plan and work programme.**

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

The Committee were advised that all three of the North of Tyne authorities' Cabinets had given their approval to the 'minded-to' devolution deal, and that the next stage was for a period of consultation to take place running from 14 December 2017 to 5 February 2018. The NECA had been invited to respond to the consultation, but it was felt that it would be more appropriate for each constituent authority to respond individually, along with businesses, residents, universities etc. The North of Tyne authorities would then review responses to the consultation and submit a report to the Secretary of State, who would determine whether or not to make an Order to create a new combined authority for the North of Tyne area, which covers Newcastle, North Tyneside and Northumberland local authority areas.

There would be no changes made to the NECA unless/until the Secretary of State decided to make an Order. There were a range of Orders that the Secretary of State could choose to make, one of which would be to change the boundary of the NECA area to remove the three North of Tyne authorities, with the agreement of the NECA Leadership Board, but allow the remaining four authorities to continue operating as NECA with the only change being to membership and geography. If any of the remaining four authorities also wished to withdraw a separate exercise would then need to take place. Until such time as an Order is made, the NECA must continue with business as usual in order to discharge its responsibilities.

It was noted that some functions operating across the seven local authorities would continue regardless of the outcome of the consultation, e.g. the Local Enterprise Partnership and the Metro, and that there would be issues to address about the operation and governance of those functions.

18 **HEALTH AND WEALTH: CLOSING THE GAP IN THE NORTH EAST - UPDATE**

Submitted: Report of Chief Executive, Gateshead Council (previously circulated and copy attached to the Official Minutes).

Sheena Ramsey, Chief Executive Gateshead Council, presented the report which updated Members on progress in taking forward the 10 recommendations of the North East Commission for Health and Social Care Integration as set out in its report 'Health and Wealth: Closing the Gap in the North East'.

Sheena drew Members' attention to the following key points: that although the north east had seen the fastest increase in life expectancy of any UK region, the health and wellbeing gap with the rest of the UK and inequalities within the region itself remained high; that the current system was thought to be over-focused on treatment of ill health rather than prevention, and; that there is a strong link between people's health and the wealth and productivity of the region.

The Committee were advised that the recommendations of the Commission had been incorporated into the refreshed Local Enterprise Partnership's Strategic Economic Plan (SEP).

It was also noted that, since the last update to the Committee in March 2017, a Sustainability and Transformation Plan Prevention Board had been established across the region as part of the remit for the NHS Sustainability and Transformation Plan (STP), and that this had been deemed to be the most appropriate place to take the recommendations of the Commission forward.

Members were advised that there had not been as much progress in taking the recommendations forward as had been hoped, and that there were a number of factors that had contributed to this. The footprint of the STP had changed, and configuring it had taken more energy and focus than had been expected, the devolution deal for North of Tyne had not been anticipated at the time at which the recommendations were drafted, and preparations for Brexit had taken up a great deal of capacity nationally. It was suggested that the Committee may want to consider challenging lack of progress going forward.

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

- That the north east should be proud of the success of its health initiatives, such as the Fresh campaign, but that such success only happened when the local authorities all worked together.
- That there was an increasing number of people choosing to vape, and whether there was any evidence regarding addiction or damage to lungs as a result of this.

Officers advised that evidence so far suggested that vaping was 95% less harmful than smoking, and so was considered to be a good alternative to tobacco for existing smokers. However, there were concerns that it could become a route into smoking. It was suggested that this was something that should be reviewed in a few years' time when more data and evidence would be available.

- Noting both the link between health and wealth in the region, and that the north east had recently been found to be doing better than expected on social mobility, whether this could play a role in improving health outcomes.

Officers advised that the north east had proven to be quite resilient to austerity in recent years. Employment was felt to be the biggest determinant in improving health outcomes, but the quality of jobs was also an important factor. It was highlighted that there were people in work who were still having to rely on foodbanks. It was also noted that some people developed life limiting conditions at a fairly early stage, e.g. in their 50's, and so although they were living longer they did not have a good quality of life.

- That the north east had a good track record on improving health but still lagged behind the rest of the UK, not least because of the region's industrial heritage, and that there were still some massive issues to be addressed.

- That a lot of the good work taking place was being put under strain by funding cuts, and that greater integration between health and social care would result in a greater impact.
- It was suggested that there was a perverse incentive to put money into acute care whereas investment in preventative measures may be more effective, and ultimately cost less.
- That there was uncertainty about governance of the STP in light of Brexit and North of Tyne devolution, whether any thought or consideration was been given to alternative options, and how realistic the prospects of delivering the Commission's recommendations were in this context.

Officers advised that the Sustainability and Transformation Plan Prevention Board had already acknowledged that there would be a need to review its governance in light of recent developments, including whether Board membership was appropriate. The Board may decide to focus on the top two or three most significant recommendations, rather than trying to deliver on all 10. Moving forward there would be a need to align with the evidence base about what works.

- That the Committee shared concerns expressed in the report about lack of funding, and noted that the north east has some of the best performing hospitals, but still some of the worst health outcomes. It was suggested that there should be a greater focus on preventing ill health, rather than just on treating it.
- Whether the recommendations around mental health included child and adolescent mental health issues.

Officers advised that mental health services for children and adolescents were not in a good place, and that young people often reached crisis point before they were able to gain access to services. Work was taking place to look at lower level mental health support, such as provision within schools, and a model was being developed for early intervention.

- That there were concerns about workforce capacity and recruitment, and whether any workstreams were being put in place to address this.

Officers advised that this was included in the SEP and that there were a number of schemes to bring people with existing experience of health work back into the workforce, to look at recruitment for health and social care and to skill up the workforce who are at a lower level to enable them to provide additional support.

- That loneliness and isolation could have a big impact on health, and was something that could be addressed without the need for skilled professionals.

Sheena suggested that the Committee may wish to request further updates on specific aspects of this agenda or a further comprehensive update back to the Committee at an appropriate time.

The Chair thanked everyone for their contributions those present agreed that they wished to have further updates on progress brought back to them at an appropriate point.

**RECOMMENDED – That:**

- i. The report be received and comments noted.
- ii. Further updates to be brought back to the Committee at an appropriate point.

**19 DRAFT BUDGET 2018/19 AND TRANSPORT LEVIES**

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

Kate Laing, Principal Accountant, presented the report highlighting the key issues. It was noted that the Leadership Board had received and approved the draft Budget report for 2018/19 at their meeting held on 21 November, but that since then the North of Tyne devolution deal had been announced, which may change the budget arrangements for 2019/20. Implications for the 2018/19 Budget would be assessed and reported to the Leadership Board in January 2018 but it was not expected to have a significant impact.

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

- Officers confirmed that comments made by the Committee would be passed on to the Leadership Board.
- How realistic the transport savings were thought to be given recent infrastructure problems.

Officers advised that although there had been a number of recent issues on the Metro, and a particular issue on 29 October, these would be addressed later on the agenda. There had been a sustained reduction in grant funding to Nexus from the NECA. This was part of an ongoing position since 2012 and was a result of the declining resources of the constituent authorities. The levy largely covered the cost of bus passes, accounting for around two thirds of the total amount, with the remaining money going towards other services such as the discretionary concession scheme, bus stop maintenance and cleaning, information provision, the ferry service, and around £5m to extend the free bus pass scheme on to the Metro (the Gold Card). The remainder of Metro funding was a mixture of fare box revenue (around £50m) and grant received directly from the Department for Transport (approx £25m). The Metro system was not performing as well as previously and patronage was declining, which put pressure on the fare box income.

In previous years it had been agreed with Tyne and Wear Authorities that frontline services would be preserved despite the reducing grant made available to Nexus. In order to achieve this Nexus had progressively reduced its non-Metro staffing numbers (by over 20% in all), and made efficiencies to reduce the cost of delivery. Reserve funding had been used to plug the remaining gap over the past five years and is proposed to be used for one final year in 2018/19, but it was anticipated that this would no longer be possible in future years (2019/20 and beyond). Therefore cuts to frontline services may now need to be reconsidered, to take effect in 2019/20. Consultation had previously taken place with service users and other interested parties into priorities, and further detailed consultation would probably be carried out over the following year in preparation for future cuts.

- That it was pleasing to see the inclusion of cheaper fares for young people following the Committee's policy review of transport related barriers to education, employment and training, and that the Committee expressed their thanks to officers for following through on those recommendations.

Officers elaborated that proposals had been taken to the Transport North East Tyne and Wear Sub-Committee a few weeks previously for new flexible and more affordable fares for young people under the age of 19, with the introduction of new £1 single and £2 capped daily Metro fares that could be bought with a new form of Pop Pay As You Go (PAYG) card.

**RECOMMENDED** – That the report be received and comments noted.

## 20 **METRO FUTURES NEW FLEET PROCUREMENT UPDATE**

Submitted: Report of the Lead Chief Executive for Transport (previously circulated and copy attached to Official Minutes).

Tobyn Hughes, Managing Director Transport Operations, introduced the report and highlighted the significant progress that had been made since the report was requested. The Chancellor had stated that £337 million of funding would be made available for Metro fleet replacement, and that this would be in the form of a full grant rather than a private finance initiative (PFI). It would cover 93% of costs, which was a very favourable outcome as there would usually be an expectation of a minimum 10% local contribution. The announcement was good news as the current fleet was in urgent need of replacement and it allowed officers to proceed with the procurement process. The specification for the new fleet was being finalised and would be presented to the Leadership Board in January 2018. It was suggested that the announcement had been made on the back of a united regional voice to Government requesting funding, including from cross-party political groups, businesses, bus companies, the airport, passenger groups and others.

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

- Whether the Overview and Scrutiny Committee would be able to contribute to the discussion on specification of the new fleet.

Officers advised that discussions about the specification have already taken place, and that there was a need to get out to the market as soon as possible, but that any comments made by the Committee would be taken on board.

- That the funding announced by the Chancellor was fantastic news, and the Committee offered their congratulations to all those who had been involved in securing it.
- Given that it would be some time before the new fleet was operational, whether the existing system could potentially worsen in the meantime and if so what could be done to address that.

Officers advised that the current fleet was at the end of its natural life. As it was a unique fleet that was bespoke to the Tyne and Wear system it was not possible to bring trains in from elsewhere or to source spare parts. Under the circumstances, it was felt that depot staff were doing a fantastic job in maintaining the trains. The peak hour timetable required 74 trains to be running out of a total of 90 available, some of which would always be undergoing routine maintenance, and this resulted in a low level of resilience. It was confirmed that 84 new trains were to be commissioned. It was suggested that residents were used to a high level of performance and a high frequency service, and although performance was worsening the frequency was still believed to be the highest in the UK outside of London. Members were advised that there would continue to be an uphill struggle with the current fleet, and that while it was possible to inject more money into maintenance there would be a value for money measure to be taken into account given the imminent retirement of the trains.

- It was highlighted that failure of the signal system could also impact on the service, and that it was not always possible to fix such faults while the Metro was running.
- That if the new trains had the ability to use other railway tracks it could enable extension of the system, and whether this would be reflected in procurement.

Officers confirmed that there was an opportunity to specify for something that would set the system up for future expansion. Members were advised that the original fleet was not designed to run on Network Rail tracks, and extension of the service to Sunderland using Network Rail tracks therefore required a number of derogations from Network Rail. The new trains would be specified to be compatible with Network Rail, and this may also allow for operation on a wider network than currently, although there were currently no specific proposals for that. Provision could also be made for dual voltage, which would allow for Metro trains to operate using the standard rail electrification system, and new trains are expected to be fitted with a battery that would enable short journeys to be made in the event of power failure. In future it may be possible to provide for longer journeys to be made using batteries.

**RECOMMENDED** – That the Committee received the report and noted;

- i. Progress made on the Fleet Procurement Project to date;
- ii. The current position in regard to funding arrangements for the new fleet; and
- iii. The intention of Nexus to seek the endorsement of the Leadership Board before commencing any procurement process for new rolling stock, rolling stock maintenance and new rolling stock maintenance facilities.

## 21 **MONITORING NEXUS' PERFORMANCE**

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

Tobyn Hughes, Managing Director Transport Operations, introduced the report, and explained that the failure of the Metro system on 29 October 2017 had been caused by a fault with a newly installed transformer which had been put in place to address an issue with stray currents. Members were advised that it was very unusual for transformers to fail, and that safety always had to be the priority. It was highlighted that the Metro was not the only rail service to suffer failures, with recent examples in both London and Manchester.

**RECOMMENDED** – That the Committee noted the report.

## 22 **FORWARD PLAN AND SCRUTINY WORK PROGRAMME**

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

Nicola Laverick, Policy and Scrutiny Officer, presented the report and highlighted the proposal for a workshop planning meeting to take place either in January 2018 or in addition to the committee meeting in February 2018. Members were advised that the purpose of the workshop would be to discuss decision making within the NECA and forward planning for the Overview and Scrutiny Committee in 2018/19.

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

- That an opportunity for a seminar on North of Tyne devolution would be welcomed.
- That the preference would be for a stand-alone workshop session in January 2018, and that the timing of this should allow for discussion about the North of Tyne devolution proposals following discussion any by the Leadership Board but in advance of the consultation deadline.
- Whether it would be possible to hold either the workshop session or the February committee meeting at Nexus headquarters and combine with a site visit to the Metro depot.



**RECOMMENDED – That:**

- i. The Forward Plan and work programme be received; and
- ii. A workshop to be held following the Leadership Board meeting in January, to be combined with a site visit to the Metro depot if feasible.

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

Monday 5 February 2018 at 10.00am.

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