

North East Combined Authority, Overview and Scrutiny Committee

7 July 2016

(2.00 - 3.00 pm)

Meeting held Durham County Hall

Present:

Councillor: Wright (Chair)

Councillors: Crute, Glindon, Graham, Meling, Pidcock and Snowdon

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors J Armstrong, P Dillon, J Eagle, B Flux and A Lower.

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

2 APPOINTMENT OF CHAIR & VICE-CHAIR

V Geary confirmed that as the meeting is not quorate, appointment of the Chair and Vice-Chair will be carried out at the next meeting. It was highlighted that the Leadership Board had discussed the challenges in holding a quorate meeting and changes have been proposed to the governance arrangements to allow for substitute members. It would be the responsibility of the committee member to organise for their substitute to attend.

Councillor Wright was nominated and seconded as Chair of this meeting only.

3 DECLARATIONS OF INTEREST

None.

[Councillors Glindon and Pidcock joined the meeting].

4 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on 22 March 2016 were approved as a correct record and signed by the Chair.

Matters Arising

(minute 45 refers)

Members queried if the request for training around transport matters had been progressed. K Brown indicated that this would be included within the informal sessions for committee.

(minute 46 refers)

Members requested an update on the rolling out of the smart card by Nexus. K Brown indicated that regular updates from Nexus are included on the committee work programme and that this update will be requested.

(minute 47 refers)

It was confirmed that Councillor Glinton left the meeting at this point and the committee became inquorate.

5 **DEVOLUTION AGREEMENT, GOVERNANCE REVIEW & SCHEME FOR THE PROPOSED MAYORAL AUTHORITY**

Submitted: A report of the Interim Head of Paid Service (previously circulated and copy attached to the official minutes).

A Wilkinson presented the report to Committee, which provided information on the current position in relation to the devolution proposals for the North East Combined Authority.

Members raised a number of questions and the following was noted:

- Establishment of the Mayoral Authority is currently going through the legal process, with a view to being established in May 2017.
- Gateshead will continue to be involved in the combined authority as a non-consenting authority until the order is complete. At that point another order will remove Gateshead from the mayoral authority prior to due process being completed.
- The Leadership Board are concerned that elements of the deal may be at risk following the referendum, particularly in relation to EU Funding, of which £430m is received by the region. Assurance is now being sought from the government around powers and funding, as any changes could have a negative impact on the deal. Initial feedback from the government is that this has still to be unpicked but that they will provide a timeline for this.
- The Leadership Board will want to be satisfied about the assurances received, prior to consulting on the governance structure, which will be carried out over a six week period. It is not anticipated that current delays will impact on the process, but further delays might. The worst case scenario could be that a Mayor is in place before governance arrangements have been finalised.
- Members discussed the ability of Civil Servants and Ministers to provide sufficient assurance at this point. In response, it was highlighted that the government had indicated that Ministers in post could give those assurances and that other combined authorities had started to speed up the process to bring forward agreement on proposals.

- The assurances sought from the government relate to the totality of the deal including devolution, mayoral structure and finance, rather than specific assurances around the detailed elements of the deal, for example Air Passenger Duty.
- Members queried if any changes to ministerial appointments could impact on the proposals. In response, it was confirmed that this would depend on where proposals are in the process. Once orders have been laid, a repeal of legislation by Parliament would be required to stop any deal. There is also provision in the devolution legislation that authorities can seek to become mayoral if they so wish. There would also be further complications around the Bus Services Bill, which includes a role for an elected mayor. It was noted that there is a groundswell of government department support for devolution.
- Members discussed the timing and nature of the extensive public consultation referred to in the report. In response, it was confirmed that the Leadership Board will trigger the start of the consultation process once sufficient assurance has been received from government. The consultation is on the governance scheme only. Consultation has already taken place in relation to an elected mayor and other specific areas.
- Members commented that previous consultation had achieved a low number of responses and was not consistent across the area. A delay, which would result in holding the consultation until after the summer period, was welcomed.
- It was highlighted that the minutes of the Leadership Board would confirm that the Leadership Board did not endorse the governance review at their last meeting.
- Members raised concerns about the current level of uncertainty. In response, it was highlighted that there are elements that need to be confirmed, but the underlying essence of the proposals had not changed; it therefore provided for greater local influence in relation to national budgets and opportunities to bring funding streams together.
- Queries were raised about the extent to which any withdrawal of EU funding would impact on the proposals. It was confirmed that the deal included the management and allocation of EU funding and that there were now no future guarantees around this. EU funding already allocated now and over the next 2-3 years will continue and any delays to leaving the EU may extend this, but there is the possibility of claw-back on funds not allocated in time. Overall the impact is anticipated to be £430m of EU Funding and assurances are being sought about this.

The Chair expressed concern about the uncertainties at this point and confirmed that the scrutiny committee had requested a regular devolution update at each meeting, which may need to include a review of any changes to the devolution agreement in light of the referendum decision.

The Chair thanked A Wilkinson for attending the meeting

6 FORWARD PLAN AND WORK PROGRAMME

Submitted: A report of the Monitoring Officer (previously circulated and copy attached to the official minutes) on the Forward Plan and scrutiny annual work programme for 2016/17.

In discussion, members requested further information on the scrutiny role at the next meeting in September. V Geary confirmed that recent draft regulations have clarified the enhanced role of scrutiny, and this will be reflected in the constitution. It was noted that current provisions allow for any member of a constituent authority to call-in a decision and further clarification will be sought on this.

RESOLVED: that committee agree that the NECA Forward Plan be received and the scrutiny work programme be agreed subject to ratification at the next meeting.

7 DATE AND TIME OF THE NEXT MEETING

27 September 2016 at 2pm, at Sunderland.