

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

22 June 2015

(2.00 - 4.00pm)

Meeting held Durham County Council, County Hall, Durham, DH1 5UZ

### **Present:**

Councillor: Wright (Chair)

Councillors: Armstrong, Crute, Eagle, Flux, Glindon, Graham, Lower, Maxwell, Meling, Pearson, Pidcock, Snowdon and Wright

### **49 APPOINTMENT CHAIR/VICE-CHAIR**

Submitted: Report of the Monitoring Officer to invite the Committee to appoint its Chair and Vice-Chair for the Municipal Year 2015/16 (previously circulated and copy attached to the official minutes).

The Monitoring Officer introduced the report. The appointment of Chair and Vice Chair of the Committee complied with the requirements under the Constitution of the North East Combined Authority which required the Authority to have an Overview and Scrutiny Committee.

At its meeting on 29 April 2014 the Leadership Board agreed that the appointment of Chair and Vice-Chair should be delegated to the Scrutiny Committee.

Nominations were received and duly seconded for the appointment of Councillors Wright as Chair, and Councillor Eagle as Vice Chair.

**RESOLVED** – That Councillors Wright and Eagle be appointed Chair and Vice Chair respectively for the 2015/16 Municipal Year.

(Councillor Wright in the Chair).

### **50 APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Dillon.

### **51 DECLARATIONS OF INTEREST**

None.

### **52 MINUTES OF PREVIOUS MEETING HELD ON 24 MARCH 2015**

The minutes of the previous meeting were agreed as a correct record and signed by the Chair.

## 53 LEP ANNUAL REPORT

Submitted: Delivering More and Better Jobs – The North East Local Enterprise Partnership Review, March 2014 to March 2015” (previously circulated and copy attached to the official minutes).

Bob Paton, Interim Chief Executive of the North East Local Enterprise Partnership (NELEP), introduced himself and provided information on his background. He went on to advise that the purpose of the review was to update the Committee on key activities and achievements of the Local Enterprise Partnership (LEP) in 2014/15. The LEP was now delivering against the key themes of the North East Strategic Economic Plan (SEP) to create more and better jobs, for and within the North East.

### Members' comments and questions

- Members were encouraged to hear about the strong focus on skills and employability and the passion of the LEP leadership. Creating work experience opportunities, apprenticeship and jobs for the young people of the North East was critical to the success of the region.
- There appeared to be some reticence by employers to visit schools and FE colleges. Assurance was needed that they would identify skills gaps and visit young people to talk about potential jobs.

Bob Paton said that the key was to start early with young people – before GCSE options. The NELEP had been approached by the Gatsby Foundation which was looking at how best to give careers advice; the Foundation was looking for a LEP area to pilot a project and it was possible this could happen in the North East.

- More consideration was needed regarding 'who' gave careers advice. Teachers were not the best placed to deliver this type of service.
- The region had to get young people out into industry to enable them to gain real experience as well as creating a culture of innovation to create jobs and keep people in the North East.
- Apprenticeships had to be developed which offered young people a really good route to future careers.
- The issue of the gender gap in engineering was raised and how the sector could be made more attractive to women.
- Role models were crucial for young men and women. The LEP should look at work experience examples from Sheffield University Gateway; recent local STEM work could also be shared.

Bob Paton asked that members send him details and ideas of current work/projects and ideas for moving the agenda forward.

- The end of government subsidies for the offshore wind industry in 2016 would necessitate close working with the industry and the government going forward.
- The possibility of a regional bank, to provide capital and retain ideas in the region, was raised.
- A member stated that a referendum on membership of the EU would be of pivotal importance in the region. Organisations, such as the LEP, had to get the message across that funding opportunities would help the region achieve its vision.
- The current government and the LEP Annual Report both placed emphasis on city regions and begged the question, “where does Northumberland fit in?”

Bob Paton stressed that a key theme was inclusivity - improving opportunities for everyone and not leaving any area behind.

- Aspiration was of vital importance; young people with the right attitude and the desire to be successful had to be given every opportunity to make a success of themselves.
- A member informed the group that one local FE college had been unable to secure funding for hair/beauty and forklift truck courses.

Bob Paton stated that FE colleges were the core to the success of the NE; he was visiting all of them to discuss issues and find out what help could be provided to deal with problems.

The LEP had developed a website which would provide a route to business support/access to finance and this was currently being tested.

Bob Paton commented that the region had to match up supply and demand and also match the local economy with education. Opportunities and experiences gained from work based placements should not be underestimated and many more work experience opportunities were needed. Advising employers on how to engage with schools and FE colleges was a vital link but it had to be made easier. Lessons could also be learnt from Germany and Austria where a strong emphasis was placed on vocational training.

The North East had to link its economy to education, build on peoples shared pride about where they came from and work together. For the North East to be a success, everywhere in the region had to be successful.

Regarding the relationship between the LEP and the NECA Leaders Board, Bob Paton stated that from his experience (of one meeting so far) the meeting was very good. It was noted that the local authority leaders and elected mayor were all members of the NELEP Board. All board members expressed forthright views but at the same time demonstrated a commitment to the region.

The LEP would get back to the Overview and Scrutiny Committee with information on:-

- 1) The timeframe for delivering up to 5000 jobs (see page 3 of Annual Review).
- 2) The Annual Review document stated, "...we are rapidly closing the gap and realising the North East's potential". Answers to questions about how 'rapidly' and the evidence used to support this, would be provided.
- 3) The number of people on zero hours contracts in the region.
- 4) More information on the data provided on page 23 of the Annual Review - figures from the Industrial Communities Alliance did not correlate with this information.

The Chair thanked the LEP Interim Chief Executive for sharing his passion for future of the region with the Committee and he repeated his invitation that members should forward any further ideas to him.

## 54 **LEP OVERVIEW OF FUNDING**

Subject: Report of the Chief Finance Officer to provide members with an opportunity to consider the funding and activity of the North East Local Enterprise Partnership (previously circulated and copy attached to the official minutes).

The report advised that from 2014 NECA took on the financial accountability role for the Central Government money that the NELEP was responsible for (e.g. Local Growth Fund and Regional Development Grant).

The 2014/2015 financial year provided the continuation of North East Investment Fund activity, confirmation of the North East Growth Deal and significant work in preparation for the delivery of the North East's Strategic Economic Plan (SEP) commencing in 2015/2016. Each area of activity was detailed in the report including information on:-

- NELEP Core Activity
- ERDF Policy and Strategy Co-ordination and Skills Advice
- Regional Improvement and Efficiency Partnership (REIP)
- North East Investment Fund (NEIF) – programme Delivery Budget
- NELEP Revenue Balances
- North East Enterprise Zone Business Rates growth

The Chief Finance Officer stated that NECA would be seeking significant amounts of funding to support the devolution process and that a considerable amount of work would be necessary to take this forward.

### **Members' comments and questions**

- It was agreed that more details on actual programmes being delivered, and how much was being spent on them, would be provided in the future.
- In response to a question about vacant posts within the LEP, committee was advised that the new Interim Chief Executive was now in place, the team

might increase in to the 20s and it was anticipated project managers would be employed.

- An appraisal tool had been developed which would demonstrate the effectiveness of investment going forward and where expected outcomes were exceeded. This would be retested against projects to ensure that there were delivering as expected.
- Following a question about repayments to the NEIF, the Chief Finance Officer advised that the repayments were generally on schedule. A Red, Amber, Green (RAG) assessment of loans was used for monitoring purposes.

In response to comments about enterprise zones, the Chief Finance Officer confirmed that the amount of capital allowances or discount available was fixed for a 25 year period. Manchester had had the opportunity to retain 100% of business rate growth but only for a limited period of time. The government had given all local authorities the ability to retain 50% of growth in business and retaining this was very important for local authorities.

The Chair invited Adam Wilkinson, the Interim Head of Paid Service for the NECA, to say a few words. Adam Wilkinson introduced himself and advised that he and Bob Paton would be working very closely to knit both of the roles together to form one post.

The Combined Authority provided great opportunities for economies of scale and the key focus would be the delivery of the SEP. There was also lots more work required on the devolution agenda going forward. Over the coming weeks Adam Wilkinson would be looking at key partners and relationships and reviewing where the Combined Authority (CA) was in relation to the LEP; this would include where the resources were, gap analysis and plans for a new combined LEP and CA.

Adam Wilkinson confirmed that he would come back to a future meeting of the Overview and Scrutiny Committee with actions for taking NECA forward.

## 55 **TRANSPORT RELATED BARRIERS TO EDUCATION, EMPLOYMENT AND TRAINING - PROPOSAL FOR REVIEW**

Submitted: Report of Senior Specialist Transport Planner detailing a proposal for policy development on the issue of transport related barriers to education, employment and training (previously circulated and copy attached to the official minutes).

This proposal would contribute to the Transport Plan for the North East (due to be completed in mid-2016) and focus on how transport-related barriers could be addressed to deliver better employment opportunities. If Overview and Scrutiny decided to include this in its work programme, the Committee could provide a valuable contribution and help to tease out answers to some of the questions in the report.

## Members' comments and questions

- Members felt strongly that the Committee should take this forward; it was important for everyone regardless of where they lived in the region; isolation was also a problem in some communities.
- This was a large piece of work but it was vital that different solutions were found for different areas as appropriate.
- Equality of funding provision would have to be looked at.
- The issue of traveling into conurbations from rural areas needed to be reconsidered.
- There was anecdotal evidence to suggest that transport links prevented young people getting work because of poor connectivity.
  - Potential staff of the new hospital in Cramlington were used as an example; people reliant on public transport had been denied work and therefore discriminated against.
- There had been a lot of demand for the 'scooters to work' scheme, particularly from shift workers, which illustrated that working patterns had changed quite radically over time. A new system of transport provision had to be developed to meet these new needs.
- Traveling within the region was problematic but getting to and from the North East was also an issue.
- An integrated transport plan for the entire region was necessary but so was smart ticketing; the transport plan must start from the needs of residents. The Quality Contracts Scheme was trying to introduce a co-ordinated approach to transport and ticketing – the QCS Board had indicated that it intended to make its recommendations by the end of October 2015.
- Nexus were offering free travel for seven days for volunteers to take part in a smart ticketing trial.
- People needed guidance about how to access public transport information from the plethora of providers. It had to be made easier for people to work their way through this 'maze'.

**RESOLVED** – That Overview and Scrutiny Committee agreed to include the proposal for a review as part of the work programme for 2015/16 and the Terms of Reference for the review.

## 56 FORWARD PLAN AND WORK PROGRAMME

Report of the Monitoring Officer to consider the items on the Forward Plan for the current 28 day period and to endorse the Annual Work Programme for 2015/16 (previously circulated and copy attached to the official minutes).

The Scrutiny Officer said that evidence from the Overview and Scrutiny Committee would be fed into the review of Transport Related Barriers to Education, Employment and Training. Devolution would also be a key area of work going forward.

The Scrutiny Officer advised that the Chair of the scrutiny committee had recently participated in a discussion panel hosted by the Centre for Public Scrutiny (CfPS), which debated the role of overview and scrutiny in devolved decision-making. The CfPS would be facilitating a member development session on 13<sup>th</sup> July. Details of the session would be circulated in the near future.

The Monitoring Officer reminded committee members that Overview and Scrutiny had no powers of call-in in relation to the Leadership Board or any other NECA committees. The role was to review policy direction with delegated powers regarding the transport function in the two county areas. The Scrutiny Officer agreed to resend the Terms of reference to all committee members.

The following topics for consideration by the committee had been submitted by members:-

- (a) Looking at the opportunities for sharing the delivery of services between authorities eg. reviewing the progress currently being made with the sharing of services across the seven authorities within the NECA three key priority areas.
- (b) Apprenticeship provision across the Combined Authority area.
- (c) Strategic Planning – partnership and collaboration in joining up local development planning frameworks to support devolved decision making.

Thematic leads would continue to be invited to future meetings of the committee over the coming months as they rotated around the region.

The Chief Finance Officer advised that it was likely the draft budget would not go to the Leadership Board until November this year.

**RESOLVED** – That the Overview and Scrutiny Committee agreed the Forward Plan in relation to the development of the Committee's Work Programme and endorsed the draft Work Programme for 2015/16, including:-

- sharing the delivery of services;
- apprenticeship provision;
- strategic planning; and
- transport related barriers to education, employment and training (as above).

## 57 DATES AND TIME OF NEXT MEETING

2:00pm Tuesday 21 July 2015 – Sunderland