

Cabinet

Tuesday, 4 December 2018 at 2.00 pm

Meeting to be held: Committee Room, Civic Centre, Newcastle upon Tyne, NE1 8QH

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AGENDA

Page No

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

Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.
3. **Minutes of the Previous Meeting** **1 - 6**
4. **Appointment of Interim Mayor**

Members are requested to note the intention to circulate the above report on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985.
5. **Investment Fund - Local Full Fibre Network**

Members are requested to note the intention to circulate the above report on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985.
6. **Inclusive Economy Policy Statement** **7 - 14**

7. **Establishing the Inclusive Economy Board** **15 - 22**

8. **2018/2019 Budget**

Members are requested to note the intention to circulate the above report on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985.

9. **Governance Update** **23 - 26**

Members are requested to note the intention to circulate an annex to the above report on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985.

10. **Date and Time of Next Meeting**

Tuesday, 15 January 2019 at 2pm.

Contact Officer: Victoria Miller Tel: 0191 211 5118 Email: victoria.miller@newcastle.gov.uk

North of Tyne Combined Authority

Cabinet

8 November 2018

Meeting held: The Ballroom, Morpeth Town Hall, Market Place, Morpeth, NE61 1LZ

Draft Minutes

Present:

Councillor: Mayor N Redfearn (Chair)

Councillors: W Daley, N Forbes, P Jackson, J McCarty and B Pickard

1 **MEMBERSHIP OF THE NORTH OF TYNE COMBINED AUTHORITY (INCLUDING ALLOCATION OF CABINET PORTFOLIOS, AND THE APPOINTMENT OF THE CHAIR AND STATUTORY OFFICERS)**

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

Members considered the report which confirmed the membership of the Cabinet of the North of Tyne Combined Authority, invited the Cabinet to appoint its Chair until an Interim Mayor was appointed and sought approval to the proposed allocation of the Cabinet portfolios.

RESOLVED – That:

- i. the appointment of the Cabinet members and substitute members as set out in Appendix 1 of the report be confirmed;
- ii. the allocation of the Cabinet portfolios as set out in Appendix 2 of the report be agreed;
- iii. Mayor N Redfearn be appointed as Chair; and
- iv. the statutory officers, as set out in section 4 of the report, be appointed and the office of the Interim Monitoring Officer be the principal office of the Authority for the service of documents.

ANNOUNCEMENTS FROM THE CHAIR AND MEMBERS

Upon taking the chair, Mayor N Redfearn welcomed everyone to the meeting. She spoke about the hard work and the long and difficult journey to achieve a devolution deal, and welcomed the many opportunities and improvements that the deal would

bring to the area and its people.

Cllrs Jackson and Forbes then spoke to welcome the devolution deal and to outline what it meant, including the opportunities, funding, powers and responsibilities it entailed, and how it would provide a stronger and more influential voice for the area, with closer working together and the opportunity to shape the area's own future.

2 **APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

3 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

4 **NORTH OF TYNE COMBINED AUTHORITY VISION AND EMERGING PRIORITIES FOR EARLY INVESTMENT**

Submitted: A report of the Head of Paid Service (previously circulated and copy attached to Official Minutes).

P Ritchie, the Head of Paid Service, introduced the report and the Vision, which was the key strategic document that described the objectives and priorities of the Combined Authority. She explained the key pillars of the Vision, highlighted the partnership working which would take the Vision forward and gave examples of how these proposals would be achieved through this strategic direction.

With economic growth at heart of the Vision, the Portfolio Holders spoke about the uniqueness of the opportunity the devolution deal presented in giving the North of Tyne area the power to take control and deliver on its Vision, including the following elements:

- nurturing and supporting local businesses and attracting more businesses to the area, thereby creating more and better jobs;
- providing opportunities for affordable homes in the area;
- achieving a better environment;
- ensuring a stronger voice, both nationally and internationally;
- putting the North of Tyne on the map;
- being in a better position for bidding for national funding;
- holding the government to account for the promised funding;
- closer working with partners;
- supporting key sectors and identifying new opportunities;
- improving the public transport assets, including rail, and improving connectivity;
- building upon the many great and diverse assets of the area, whilst building a modern economy;
- developing programmes to support the countryside and rural economy;
- building upon the national Industrial Strategy framework;
- supporting innovation and competitiveness;
- working to compensate for job losses due to technology;

- establishing programmes to enthuse children and young people in developing skills, resilience and ambition;
- creating a hotbed of talent and focusing on improving skills in the area;
- retaining graduate talent;
- working to provide career pathways;
- providing further training;
- improving education for all and building a strong foundation for the future;
- tackling unemployment;
- tackling inequalities, supporting the disadvantaged and closing the gap;
- working on what was important for the people of the area and driving improvements for the people of the area;
- shaping the area's own, inclusive future; and
- ensuring everyone understood they were a stakeholder in the future of the area.

The Chair, on behalf of the Cabinet, thanked all officers and elected members for their hard work to make the devolution deal happen.

RESOLVED – That:

- i. The Vision for the North of Tyne Combined Authority be approved
- ii. The progress on the introduction of the Investment Fund be noted.
- iii. The following projects be developed further (and the results of their appraisal be the subject of future reports):
 - Inspiring the development of STEM and Digital skills in young people;
 - Helping residents into work;
 - Attracting new businesses to the North of Tyne;
 - Enhancing Rural Business Growth.
- iv. The following projects be invited to apply for business case development funding:
 - Local full-fibre network proposal;
 - North Shields Town Centre Redevelopment / Fish Quay;
 - Energy Central Learning Hub in Blyth;
 - Targeted employment support for areas of the Newcastle with highest unemployment levels;
 - Economic opportunities associated with Northumberland, North Tyneside and Newcastle Rail Line.

5 PROCESS TO APPOINT AN INTERIM MAYOR

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

Members considered the report which set out the process and timetable for the appointment of an Interim Mayor.

RESOLVED – That the process and timetable set out in the report be agreed, including the creation of an ad-hoc panel, consisting of Councillors W Daley, J McCarty and B Pickard, to consider the applications and make a recommendation to Cabinet.

6 **APPOINTMENTS TO COMMITTEES AND OTHER BODIES, AND PROGRAMME OF COMMITTEE MEETINGS**

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

Members considered the report which sought the Cabinet's approval of the appointments to NTCA's committees and to other bodies, as well as the proposed programme of committee meetings.

RESOLVED – That:

- i. the appointments to the Overview and Scrutiny Committee set out in Appendix 1 of the report be agreed;
- ii. the appointments to the Audit and Standards Committee set out in Appendix 1 be agreed, and the Interim Monitoring Officer be authorised, in consultation with the Chair of the Cabinet, to undertake a process to appoint an independent co-opted member to chair that Committee and a process to appoint two independent persons for the purposes of the standards regime (as set out in paragraphs 3.2 to 3.4 of the report);
- iii. the appointments to the Housing and Land Board set out in Appendix 2 be agreed;
- iv. Mayor N Redfearn and Councillors N Forbes and P Jackson be appointed to the Joint Transport Committee, and Councillors C Johnson, J McCarty and W Daley be appointed to act as substitute members;
- v. Councillors J McCarty and C Johnson be appointed to the Tyne and Wear Sub-Committee of the Joint Transport Committee, and Councillors A Ainsley and B Pickard be appointed to act as substitute members;
- vi. the appointments to the Joint Overview and Scrutiny Committee (which relates to the work of the Joint Transport Committee) as set out in Appendix 3 of the report be agreed;
- vii. the appointments to the Joint Audit Committee (which relates to the work of the Joint Transport Committee) as set out in Appendix 3 of the report be agreed;
- viii. Councillor N Forbes be appointed to Transport for the North ("TfN") and Councillor P Jackson be appointed to act as a substitute member of TfN ;

- ix. Councillor C Johnson be appointed as a member of the TfN Scrutiny Committee and Councillor B Pickard be appointed to act as a substitute member of TfN's Scrutiny Committee; and
- x. the schedule of Cabinet and committee meetings at Appendix 4 of the report be agreed.

7 **GOVERNANCE ARRANGEMENTS (INCLUDING THE ADOPTION OF THE CONSTITUTION, SEAL AND ASSURANCE FRAMEWORK)**

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

Members considered the report which sought the Cabinet's approval to adopt the Combined Authority's Constitution and Common Seal, and agree with central government the Assurance Framework in relation to the operation of the Investment Fund.

RESOLVED – That:

- i. the Constitution annexed at Appendix 1 be adopted;
- ii. the Common Seal of the Authority, a facsimile of which was appended to the report at Appendix 2, be adopted;
- iii. the Interim Head of Paid Service be authorised, in consultation with the Chair of the Cabinet, to finalise the terms of the Assurance Framework; and
- iv. the Interim Monitoring Officer be authorised to complete the Assurance Framework.

8 **DATE AND TIME OF NEXT MEETING**

Tuesday, 4 December 2018 at 2pm.

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Subject: Inclusive Economy Policy Statement

Report by: Head of Paid Service

Report Summary

The purpose of this report is to present the final draft of the Combined Authority's Inclusive Economy Policy Statement for approval, together with a suggestion to hold an open stakeholder event to showcase the Policy Statement.

The promotion of an inclusive economy is at the heart of the vision for the North of Tyne and is embedded in our first devolution deal. Indeed, the ambition for the Combined Authority is to be at the forefront of this agenda and to be pioneering its holistic application across everything we do. This report sets out the areas of focus for this body of work based on the principles of closing the gap, ambition & opportunity, and low pay.

Recommendations

The Cabinet is recommended to:

- **approve the final version of the Inclusive Economy Policy Statement as attached at Appendix 1; and**
- **consider whether to hold an open stakeholder event in January to showcase the content of the Policy Statement.**

1. Background Information

- 1.1 The North of Tyne Partnership¹ approved a draft Inclusive Economy policy narrative in July. This text has subsequently been adjusted to reflect the following:
- the emergence of the North of Tyne Economic Vision (thereby ensuring there is a consistency of language and tone between the two);
 - the progressive development of the further elements of the Inclusive Economy workstreams
 - additional comments received from senior officers
 - further North of Tyne-specific data analysis

The revised and recommended final version is attached at Appendix 1.

- 1.2 It is also proposed that this document should be retained, branded and published as a Policy Statement of the Combined Authority that sits alongside the Vision. This is on the basis that it provides more details as to the ambition and approach of the Combined Authority in promoting an inclusive economy.
- 1.3 In recognition of the significance of this Inclusive Economy agenda to the Combined Authority, it is further suggested that an open stakeholder event is held in January to showcase the content of the Policy Statement.

2. Potential Impact on Objectives

The promotion of an inclusive economy is at the heart of our vision and is a critical part of our approach to address the huge economic disparities between our region and the most affluent parts of the country, and the inequalities within our area.

3. Key Risks

n/a

4. Financial and Other Resources Implications

The development of the Inclusive Economy Policy Statement will support the principles upon which the Inclusive Economy work stream is developed and the associated implications for the application of the Investment Fund.

5. Legal Implications

None

¹This was the informal partnership between the three constituent authorities which was created in advance of the NTCA being established.

6. Consultation/Engagement

The Policy Statement reflects the feedback received from stakeholders during the engagement processes associated with the establishment of the Combined Authority and this dialogue will continue.

7. Appendices

Appendix 1: Draft Inclusive Economy Policy Statement

8. Background Papers

- The Vision for the North of Tyne Combined Authority, November 2018
- The North of Tyne 'Minded to' Devolution Deal, November 2017

9. Contact Officers

Janice Rose

Officer lead for the Employability and Inclusion portfolio

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10. Glossary

n/a

Appendix 1:

Draft Inclusive Economy Policy Statement

The ambition

The North of Tyne Combined Authority (NTCA) is focused on developing an inclusive and dynamic economy, for us this means becoming the home of ambition and opportunity for all.

The Combined Authority believes in opportunity for all, removing the barriers which make it difficult for people to take up employment and training opportunities. We want to empower our people with the skills and resources they need to take ownership of their futures and secure good jobs with fair living wages.

We will be the home of ambition, where every resident owns their economic future and all young people to have high aspirations, with support to enable them to make good choices. We will work to increase the earnings, qualifications levels and progression routes accessible to local residents so that every resident has the tools and confidence to access the higher skilled jobs in future.

What success will look like

We are focused on narrowing the gap both between the area and the national average (outside London) and within the area to reduce inequality; this includes:

- **Closing the gap on average earnings:** Increasing the earnings, qualifications levels and progression routes for local residents will be an important issue as an inclusive economy to ensure residents have access to new higher skilled jobs in future
- **Closing the unemployment gap:** Remove the barriers which make it difficult for people to take up employment and training opportunities
- **Closing the skills and education gap:** Through good schools and colleges, make sure our young people have the skills, experience and qualifications to take up quality training and jobs
- **Closing the aspiration and ambition gap:** So that local people own their own economic future and all young people to have high aspirations and confidence, with support to enable them to make good choices

The opportunity

There's something special about this area

Bringing together the communities of Newcastle, North Tyneside and Northumberland, we are a diverse, connected & collaborative new Combined Authority. Our vision is of a dynamic and more inclusive economy, which brings people and opportunities together to create vibrant communities and a high quality of life, narrowing inequalities and ensuring that all residents have a stake in our region's future.

There's a sense of optimism about our potential – we've a clear set of growth industries: digital and technology; energy, offshore and advanced manufacturing; financial and professional business services; pharmaceuticals and life sciences; and tourism, leisure and culture – and we're preparing for major new developments. The high growth sectors are closely linked to our research centres and infrastructure assets including business parks and ports.

Ours is the first devolution deal to be agreed with the new Government. It's a unique post-Brexit referendum devolution deal, designed to create an inclusive economy, with greater flexibility over the new funding and powers that come with it. We are taking this opportunity to tell our inclusive economy story as part of this new narrative of hope and ambition.

The anatomy of our inclusive economy challenge

Rising employment but too many low wage jobs

The Combined Authority area is experiencing strong employment growth; employment has increased by 6% over the past five years and the majority of these are 'better' jobs. We have had good employment growth in sectors which have high wages, for example digital. The North East region is a two-speed area, with an unusually high proportion of very high productivity firms, but also the highest proportion of low productivity firms in the country. Our task is to work with business to understand any barriers to productivity, looking to increase productivity whilst creating good employment opportunities.

We are creating jobs, but 82,000 of our workers earn less than the 'real' Living Wage – that's 23% of our workforce. Employment has been increasing, but wages have often stood still. Real wages in Northumberland are still lower than they were in 2009.

Creating a good work business pledge

Wages are only part of what is needed to achieve good work. Our work poverty challenges are being compounded by a lack of in-work progression and training. The proportion of part time working has increased from 29% in 2009 to 32% in 2017. Though a similar trend has been seen nationally, the levels across the Combined Authority area are unusually high.

We will work with business and civil society to change working practices, working with employers committed to providing pay and conditions which enable people to take up local jobs. The start of this will be through the creation of a good work business pledge, which will underpin much of our work with employers. This needs to be complemented with a social compact with residents - partners will pledge to provide opportunities, pathways and to change the demand for quality jobs, but people will need to be willing to get on and to be responsible for taking up the opportunities.

The area has sharp contrasts between deprivation and affluence; poverty and low earnings are part of this

Newcastle, North Tyneside and Northumberland have significant concentrations of both deprivation and affluence. This includes multiple, persistent and long-term deprivation for many individuals, concentrated in some communities located along the north bank of the Tyne and the former coalfield areas of south east Northumberland - with smaller pockets in our rural market towns.

Our employment rate remains below the national average, with 22,300 of our residents unemployed and 26,100 economically inactive due to long term illness. And too many of our residents are disconnected from our new growth industries – they don't see them, know they are for them, or have the right skills to work there. We need to change this.

Our Elected Members, teams and communities understand some of the challenges that individuals face. Through our approach we want to use this knowledge to deliver the type of support required to benefit from economic growth. This will create our inclusive economy.

Education is key to enabling residents to succeed

A good education generates better life outcomes for our young people. We're driving up educational standards and bringing educators and enterprise closer together to deliver prosperity that is inclusive of everyone. Skills levels are now higher than in any other northern city region, reflecting in particular the talent of our young people. We will position our area as the place to lead, teach, learn and build your career, to make sure we have the most exceptional leaders in schools.

The early years are vital for giving children strong foundations to start school and progress. Our schools generally perform well, with children better prepared to start school and doing better at primary school than in the country as a whole. But our area is also one of contrasts. There are pockets of poor educational outcomes and lower skills levels.

Providing an excellent education to all our young people is crucial to supporting good outcomes in later life. We also need to improve transitions from education into work, to ensure that our young people have the digital and other skills needed to maximise their future opportunities and promoting ongoing learning and development.

We need more of our residents to have the skills needed to access jobs and progress – this is a challenge as 18% have no or low qualifications. We will develop a new relationship with post-16 skills and training providers, including through the use of the

Adult Education Budget, to better align our skills offer to the needs of the local labour market. This will include an increasing focus on technical skills and STEM [Science, Technology, Engineering and Maths] subjects.

Our approach – creating an inclusive economy the heart of our economic strategy

A new narrative for our place based on ambition, opportunity and everyone doing their bit

We will use the platform of devolution to develop an inclusive economy working with local people and businesses. We know what we need to do; we need to create better opportunities for all. This is about being ambitious for place, people and business; we will take a people focused approach to support every individual to succeed.

Leading by example

This means putting our investment to work – developing an investment approach that will link growth with inclusion, investing in growth sectors, also where there is a joint commitment to extend opportunities to disadvantaged individuals.

Inclusive innovation

We recognise that we still have limited means to make a difference. Our principle will be to use some of the investment funding on specific inclusive economy programmes test and evaluate where we are convinced there is an opportunity to make a difference and unlock the potential of our people, businesses and places. We will adopt these principles to illustrate where new mainstream approaches can make a difference to people's lives.

The potential to lead the way nationally

The North of Tyne Combined Authority will have a new deal with Government that unlocks new powers and new opportunities, but the delivery of its vision will not be the work of the public sector alone, it will require business, education and local people coming together to make good on our promise.

The Combined Authority will also seek new ways to unlock potential. We will become the national exemplar for showcasing the delivery of an inclusive economy. This is not easy, inequality is a long-term and entrenched problem. For those who feel left behind, we will have to work doubly hard to foster the pride and fire that drives ambition.

If you share our vision of prosperity and opportunity, of fairness, then you are a partner in our ambitious programme.

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Subject: Establishing the Inclusive Economy Board

Report by: Head of Paid Service

Report Summary

The promotion of an inclusive economy is at the heart of the vision for the North of Tyne and is embedded in our first devolution deal. Indeed, the ambition for the Combined Authority is to be at the forefront of this agenda and to be pioneering in its holistic application across everything we do.

The purpose of this report is to outline the proposed broad function and terms of reference for the Inclusive Economy Board. It also proposes the appointment of a Co-Chair, together with selection criteria for this position and that of the Board's wider membership.

Recommendations

The Cabinet is recommended to:

- **approve the draft terms of reference for the proposed Inclusive Economy Board as outlined at Appendix 2;**
- **agree the principle of appointing an external Co-Chair against the proposed criteria defined in paragraph 1.6 of the report;**
- **agree the proposed balance outlined in paragraph 1.8 of the report as the basis for establishing the membership of the Board; and**
- **agree that the Interim Monitoring Officer incorporate the arrangements relating to the Board in the Authority's constitution**

1. Background Information

Devolution Deal and the Board

- 1.1 At the heart of the Inclusive Growth elements of the ‘minded to’ Devolution Deal is the creation of a single unified “Inclusive Growth Board”. The relevant extract is reproduced at Appendix 1. This paper builds on this core outline and seeks to operationalise this part of the Deal, whilst taking account of the developments since the Deal was first signed.

Function of the Board

- 1.2 It is proposed that the Board would operate as an authoritative external Advisory Board to the Combined Authority as opposed to a statutory Committee. Its fundamental purpose would be to advise the Cabinet on shaping its policies and driving forward a new model of delivery to create an Inclusive Economy consistent with the Combined Authority’s Inclusive Economy Policy Statement.

- 1.3 It would do this by:

- Originating ideas and new ways of working that seek to better integrate and strengthen prevailing education, skills and employment interventions;
- Advising the Cabinet on taking policy and investment decisions in a way that seeks to maximise the promotion of an Inclusive Economy;
- Supporting the development of innovative Inclusive Economy projects and initiatives, and subsequently assessing and evaluating the progress and impact of those approved by Cabinet;
- Promoting and championing the principles of adopting an Inclusive Economy approach to all employers on behalf of the Cabinet

The full proposed terms of reference are reproduced at Appendix 2.

Chairing role

- 1.4 The Deal specifies that the Board should be chaired by the Mayor, embedding the Combined Authority’s commitment to an Inclusive Economy as a central priority for the Combined Authority.

- 1.5 However, it is recommended that the Partnership consider appointing a high calibre and nationally recognised figure to act as Co-chair. This will help to:

- Demonstrate the Combined Authority’s pioneering ambition and commitment to Inclusive Economy

- Give a national platform to the Combined Authority’s Inclusive Economy innovation
- Bolster momentum and ensure relentless energy for cross-sector collaboration and delivery of an Inclusive Economy
- Secure – by drawing upon the external Co-Chair’s credibility and expertise – stakeholder buy-in within the region and beyond
- Lend credibility and professional networks to attract financial investment

1.6 On this basis, it is suggested that the proposed criteria for selecting such a Co-Chair should be as follows:

- National profile and voice
- Respected, authoritative and credible figure (locally and within central government)
- Highly networked politically and strong political astuteness
- Commitment to the Inclusive Economy agenda
- Track record of cross-sector partnership working
- Experience delivering change
- Collaborative working style

Membership

1.7 The Devolution Deal makes it clear the Board will “bring together the organisations responsible for the most significant socially focused interventions within the North of Tyne.” On this basis, the Deal specifies that in addition to the interests of the Combined Authority, the Board will include appropriate representation from Central Government; other key public sector partners; business and industry; and the social sector (including the voluntary sector and social finance).

1.8 Given this context, the potential criteria and skills for establishing a balanced Board which will deliver the required functions include the following:

- A gender balance, with ethnic minority representation
- A 50 / 50 split of local and national representatives, who are drawn from the following groups
- Public sector representatives – including relevant representation from the Ministry of Housing, Communities and Local Government (MHCLG), the Department for Work and Pensions (DWP), and the Department for Education (DfE) as specified in the Deal;
- Business leaders

- Experts from economics, health, education and skills, and community development
- Employee / resident representatives – including trade unions and voluntary and community sector
- The reflection of urban and rural perspectives
- Relevant think tanks and national experts

1.9 This would suggest that a Board of around 15 to 20 members represents a proportional scale to retain manageability whilst covering a range of different perspectives. This membership would be subject to periodic review by Cabinet. The Board would also have the authority to obtain outside independent advice (where no cost is involved) and to secure the attendance of non-Board members with the relevant experience and expertise as considered appropriate.

Support for the Board

1.10 The Board would be supported by an Officer Working Group, comprising senior officers with responsibilities across the portfolio areas and appropriate representatives from the Cities and Local Growth Unit within MHCLG. In addition, requests for proportionate capacity funding would be considered by the Cabinet as required to ensure the smooth operation of the Board.

Next Steps

1.11 It is suggested that the Board should aim to meet for the first time in late February/early March next year. This would allow Cabinet to approve the Inclusive Economy Policy Statement and hold, if agreed, a stakeholder event to showcase that Policy Statement. It will also sufficient space for the Co-Chair and Board Membership to be appointed by the Cabinet.

2. Potential Impact on Objectives

The promotion of an inclusive economy is at the heart of our vision and is a critical part of our approach to address the huge economic disparities between our region and the most affluent parts of the country, and the inequalities within our area.

3. Key Risks

n/a

4. Financial and Other Resources Implications

The anticipated costs of supporting the Inclusive Economy board are included in the 2018/19 Budget also being considered at this meeting.

5. Legal Implications

The board is an advisory body and not a joint committee, committee or subcommittee of NTCA.

6. Consultation/Engagement

The Terms of Reference reflects the feedback received from stakeholders during the engagement processes associated with the establishment of the Combined Authority.

7. Appendices

Appendix 1: Promoting Inclusive Growth extract from 'Minded to' Devolution Deal

Appendix 2: Proposed Terms of Reference for the Inclusive Economy Board

8. Background Papers

- The Vision for the North of Tyne Combined Authority, November 2018
- The North of Tyne 'Minded to' Devolution Deal, November 2017

9. Contact Officers

Janice Rose

Officer lead for the Employability and Inclusion portfolio

janice.rose@northumberland.gov.uk

01670 624747

10. Glossary

DfE - DEpartment for Education

DWP - Department of Work and Pensions

MHCLG - Ministry of Housing, Communities and Local Government

NELEP - North East LOcal Enterprise Partnership

NTCA - North Tyne Combined Authority

SEP - Strategic Economic Plan

Appendix 1:

Promoting Inclusive Growth extract from 'Minded to' Devolution Deal

- 28) At the heart of the Inclusive Growth elements of North of Tyne devolution is the creation of a single unified "Inclusive Growth Board". This Board will bring together the organisations responsible for the most significant socially focused interventions within the North of Tyne and will be chaired by the Mayor.
- 29) The Board will be comprised of:
- relevant representation from the NTCA; (including, where appropriate, the Regional Schools Commissioner for the North, or their representative).
 - relevant representation from DCLG, DWP and DfE;
 - relevant representation from the NELEP; and
 - other relevant business representatives;
- 30) The Board's work will be underpinned by an operational and performance framework, consistent with the priorities of the recently refreshed North East Strategic Economic Plan (SEP), and aligned with emerging thinking on local industrial strategy in the North East. Wherever appropriate, this framework will seek to complement interventions that are already being delivered across the broader North East geography.
- 31) The Board will be responsible for working closely with the local Skills Advisory Panel to deliver the North of Tyne Strategic Skills Plan.
- 32) The Board will work together to better integrate and strengthen education, skills and employment interventions in order to improve local education and employment outcomes. The Board will also support the development of an effective Local Industrial Strategy and will take forward and build on the aspirations and commitments in the Northern Powerhouse Strategy.
- 33) In line with Government's collaborative participation in the North of Tyne Inclusive Growth Board, the Cities and Local Growth Unit will work together with North of Tyne to help develop the key projects and programmes that the board will seek to take forward. Government and the NTCA will agree appropriate milestones for this work which will be reflected formally in North of Tyne's deal implementation plan.

Appendix 2: Proposed Terms of Reference for the Inclusive Economy Board

The Board will be directly accountable to the Combined Authority's Cabinet and will operate in an advisory capacity, monitoring and reporting progress, and making recommendations as appropriate, in a way that is consistent with the Combined Authority's Inclusive Economy Policy Statement.

The Devolution Deal confirms that the primary focus of the Board will be to focus on efforts to better integrate and strengthen education, skills and employment interventions (including the Education Challenge, Adult Education Budget, and Employment Support Framework Agreement) in order to improve local education and employment outcomes.

However, it is recommended the Board capitalises upon the opportunity to embed Inclusive Economy at the heart of the Combined Authority's devolution implementation plan (not just education, employability and inclusion) and have a positive impact for all residents. This will require collaborative working across portfolio areas and wider stakeholder groups. In turn, it will help to mitigate the risk of Inclusive Economy interventions becoming peripheral.

On this basis, the Board would be responsible for:

- Originating ideas and new ways of working that seek to better integrate and strengthen prevailing education, skills and employment interventions
- Advising the Cabinet on taking policy and investment decisions in a way that seeks to maximise the promotion of an Inclusive Economy;
- Supporting the development of innovative Inclusive Economy projects and initiatives, and subsequently assessing and evaluating the progress and impact of those approved by Cabinet; and
- Promoting and championing the principles of adopting an Inclusive Economy approach to all employers on behalf of the Cabinet; and
- Advising the Cabinet on the timely and effective delivery by both the Combined Authority and the Government of the Inclusive Economy commitments agreed for the North of Tyne in devolution deals and other announcements

The Board would achieve this by:

- Working in the spirit of partnership to mainstream Inclusive Economy across all local social and economic policy and programmes and embed Inclusive Economy as a shared guiding principle for decision making and accountability within the Combined Authority.
- Working closely with the Local Enterprise Partnership and local Skills Advisory Panel to support the development of an effective Local Industrial Strategy and associated delivery plans from an Inclusive Economy perspective.
- Influencing national policies & programmes that will benefit the residents in the area.
- Exploring ways for the Combined Authority to work in partnership with national and local organisations and bodies that share the same commitment to Inclusive Economy.
- Identifying opportunities for the Combined Authority to maximise the attraction of external funding and leverage to further advance or accelerate the delivery of its Inclusive Economy outcomes.
- Commissioning Inclusive Economy research and expertise to support NTCA's innovation in, and commitment to, making the region home of ambition and opportunity for all (e.g. devising new data and metrics on the impact of Inclusive Economy initiatives). This work could involve collaboration with local universities and/or other local and national partners.

Subject: Governance Update

Report of: Interim Monitoring Officer

Report Summary

This report seeks Cabinet's approval to a number of proposals to develop the constitutional arrangements of NTCA

Recommendations

Cabinet is recommended to:

- i. appoint the persons nominated by the Board of the North East Local Enterprise Partnership to be a member and substitute member of NTCA's Cabinet;
- ii. delegate to the Overview and Scrutiny Committee the decision to appoint its Chair and Vice-Chair;
- iii. approve the terms of reference of the Joint Transport Committee at Appendix 1 (which will be included in an annex on a supplemental agenda);
- iv. agree that the Independent Remuneration Panel of one of the constituent councils be requested to make a recommendation as to the allowance that shall be payable to the Elected Mayor.

1. Member appointments

- 1.1 Under the terms of the order which created NTCA, the Board of the North East (NELEP) may nominate a representative to be a (non-voting) member of NTCA's Cabinet and also a further representative to be a substitute member. NELEP's Board are due to consider this matter at their meeting on 29 November and their nominations will be reported verbally to Cabinet at its meeting on 4 December.
- 1.2 At its meeting on 8 November, Cabinet appointed members to NTCA's Overview and Scrutiny Committee (OSC). As was reported at that meeting, the

Chair of the OSC must be an appropriate person, ie an elected member from a group other than the Mayor's group or (if the Mayor is not affiliated to a political group) an elected member from a group other than the majority group across the Authority's area as a whole. Assuming that Cabinet makes a decision as to the Interim Mayor at its meeting on 4 December, it will then be possible to appoint a Chair (and Vice-Chair) of the OSC. Whilst NTCA's Constitution provides that this is a matter for Cabinet to determine, it is open to Cabinet to delegate the decision to the OSC itself.

2. Joint Transport Committee Standing Orders

- 2.1 The order which created NTCA also made provision for a Joint Transport Committee (JTC) to be established between NTCA and NECA to maintain an integrated approach to transport across the region. The order requires both authorities to make decisions on the transport functions specified in the order through the JTC. These specified functions include matters such as the Local Transport Plan, concessionary travel, subsidised bus services, the management of the Tyne Tunnels and the relationship with Nexus regarding the Metro and other matters.
- 2.2 The main principles of how the JTC will operate are set out in the order. These cover such issues as the membership of the JTC, quorum, voting and the scope of the JTC to delegate decisions to a constituent authority (eg to the 2 county councils), an officer of either authority or a subcommittee (and, in this regard, a Tyne and Wear Subcommittee has been created). At its meeting on 4 December 2018 Cabinet agreed which members and substitute members would represent NTCA on the JTC and the Tyne and Wear Subcommittee.
- 2.3 A set of standing orders for the JTC have been prepared which build on the principles set out in the order and document the procedural arrangements of the JTC. In doing so, these standing orders envisage that the JTC will deal with a number of transport functions which are not specified in the order but which were previously dealt with by NECA on a regional basis. In approving these standing orders, each combined authority will therefore be agreeing to delegate decision-making on certain matters to the JTC. Both NECA and NTCA will need to approve these standing orders. An annex to this report, which contains the standing orders to be approved, will be circulated on a supplemental agenda.

3. Independent Remuneration Panel to consider allowance for the Mayor

- 3.1 As part of the process for preparing for the election of the Mayor, the Authority must consider the level of allowance that will be payable to the Mayor. Under the terms of the order, the Authority may pay an allowance to the Mayor if it has considered a report published by an independent remuneration panel (IRP) established by one or more of the constituent councils. It is proposed that Cabinet ask the IRP of one of the constituent councils to prepare a report for these purposes.

4. Potential Impact on Objectives

- 4.1 The approval of the matters set out in this report are part of the process of establishing the governance arrangements of NTCA in accordance with the terms of the order.

5. Key Risks

- 5.1 These proposals are not considered to present any risks but instead are required to allow the Authority to become fully operational.

6. Financial and Other Resources Implications

- 6.1 The costs associated with the matters set out in this report are included in the proposed 2018/19 budget which is the subject of a separate report on the agenda for this meeting.

7. Legal Implications

- 7.1 The main legal implications are set out in the body of this report. The Authority will rely on its powers under sections 101 and 102 of the Local Government Act 1972 to delegate to the JTC the transport functions mentioned in paragraph 2.3 above.

8. Consultation/Engagement

- 8.1 The proposed standing orders for the Joint Transport Committee have been prepared jointly by officers of NTCA and NECA.

9. Appendices

Appendix 1 Proposed standing orders of the Joint Transport Committee
(NB: to be included on a supplemental agenda)

10. Background Papers

None

11. Contact Officer

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