

North of Tyne Combined Authority, Cabinet

17 December 2019

(2.00 - 2.53 pm)

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

Minutes

Present:

Chair: Mayor J Driscoll

Councillors N Forbes, C Homer, P Jackson, J McCarty and B Pickard, Mayor N Redfearn and Mr M Thompson

The Mayor welcomed everyone to the meeting.

In his opening speech, the Mayor referred to the continuing commitment to devolution, economic development and cross-party work following the outcome to the general election.

The Mayor welcomed the two new Directors, Ruth Redfern and Henry Kippin. He also thanked the two outgoing Interim Directors, Jackie Laughton and Tom Warburton, for their work for the Combined Authority.

The Order of the Agenda

The order of the agenda was changed to allow agenda items 7 and 8 (Audit Completion Report 2018-19 and Annual Financial Report 2018-19) to be considered earlier in the meeting.

39 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor W Daley and Mr A Hodgson.

40 DECLARATIONS OF INTEREST

There were no declarations of interest.

41 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on 22 October 2019, subject to an amendment of Minute 33 to add “*The Mayor noted that the Good Work Pledge gave the opportunity to improve procurement using social value clauses*”, were approved as a correct record and signed by the Chair.

42 AUDIT COMPLETION REPORT 2018-19

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

The Cabinet considered the report which presented the Audit Completion Report (ACR) for the Combined Authority. Members noted the reasons for the delay, as previously reported. The report was introduced by J Gillespie.

The report also included the Audit Completion Report for the North East Combined Authority (NECA), as the accountable body for the Joint Transport Committee. This set out accounting information for the split of assets and liabilities as per the Devolution Order.

It was noted that the report had been to the Audit and Standards Committee and the Committee had not submitted any comments for the Cabinet.

C Waddell of Mazars presented the External Auditor’s report, referencing the work undertaken and highlighting key findings and conclusions. It was confirmed that all matters relating to audit completion were progressing well and were substantially completed. The work would be fully completed in time for sign-off on Friday 20 December. It was also noted that Mazars had sought comments from Ernst and Young LLP, the previous External Auditor for the North of Tyne Combined Authority, who had confirmed that there had been no issues arising.

The Mayor thanked the External Auditor and teams within the Combined Authority for their work.

RESOLVED – That the Cabinet approved the NTCA Audit Completion Report 2018-2019.

43 ANNUAL FINANCIAL REPORT 2018-19

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

The Cabinet considered the report which presented the audited Statement of Accounts 2018-2019 and the Annual Governance Statement for 2018-2019.

J Gillespie explained the work undertaken and confirmed that the Authority would be in a position to sign the Statement of Accounts 2018-2019 and the Annual Governance Statement 2018-2019 on Friday 20 December.

RESOLVED – That the Cabinet:

- i. approved the audited Statement of Accounts 2018-2019 in line with the Accounts and Audit Regulations 2015;
- ii. noted the Letter of Representation to be signed by the Interim Chief Finance Officer (Interim Section 73 Officer); and
- iii. approved the Annual Governance Statement for signature by the Mayor and Interim Head of Paid Service.

44 **MAYORAL AMBASSADORS FOR BUSINESS AND THE VOLUNTARY, COMMUNITY AND SOCIAL ENTERPRISE SECTOR**

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

The Cabinet considered the report, which sought its approval of:

- the Mayor's nomination for the Mayoral Ambassador for the Voluntary, Community and Social Enterprise sector;
- the arrangements for the mayoral ambassador roles; and
- further consultation with the business sector.

The report was introduced by the Mayor.

With regard to paragraph 1.3.2, it was clarified that the proposed stakeholder group was expected to meet approximately every two months.

In discussion:

- It was suggested that Members of the Cabinet should be kept informed about the outcomes of meetings of the stakeholder group.
- It was also noted that work was ongoing to develop proposals for the appointment of a Mayoral Ambassador for Business, and progress was expected in the next couple of months.

RESOLVED – That the Cabinet:

- i. approved the appointment of Robin Fry as the Mayoral Ambassador for the Voluntary, Community and Social Enterprise (VCSE) sector;
- ii. agreed to extend the consultation with the business sector; and
- iii. agreed to amend Part 2.2 of the Constitution to give effect to the revised arrangements for these roles, as described in section 1 of the report.

45 INVESTMENT FUND UPDATE

Submitted: A report of the Director of Economic Growth (previously circulated and attached to the Official Minutes).

The Cabinet considered the report which provided an update on progress with the Investment Fund and invited further decisions on the allocation of funding.

Members welcomed the progress and achievements to date, which related to job creation, preparing people for work, making the region attractive for business and for residents and opportunities to help to address climate change.

RESOLVED – That the Cabinet:

- i. Agreed that funding for the North of Tyne Inward Investment Fund be increased by £7m to a total value of £10m, for the period up to 30th September 2022; and that targets be increased proportionately, with the jobs target increasing from 600 to 2000;
- ii. Authorised the Interim Head of Paid Service to continue to approve individual funding awards in relation to the North of Tyne Inward Investment Fund, in consultation with the Mayor and the NTCA Investment Panel;
- iii. Agreed £25,000 to support the Hexham Hydro feasibility study, subject to conditions outlined at paragraph 1.3.7 of the report;
- iv. Authorised the Interim Head of Paid Service to finalise the conditions to be attached to the above funding award and authorised the Interim Monitoring Officer to complete the necessary documentation; and
- v. Noted progress in relation to the Employability and Skills Programme and wider work to shape the pipeline for future investment, including supporting the growth of key sectors.

46 GOOD WORK PLEDGE

Submitted: A report of the Director of Economic Growth (previously circulated and attached to the Official Minutes).

The Cabinet considered the report which provided an update on the work to date to develop the Good Work Pledge for the North of Tyne Combined Authority.

The Mayor welcomed this work and commented on its social and economic importance.

Amongst the matters noted during the ensuing discussion were the following:

- the visionary dimension of the Pledge and the opportunity to change the work culture by achieving social justice and making people feel valued and appreciated;

- the opportunity for the Pledge to bring economic benefit as a result of the change in the work culture, increased productivity and talent retention, which all made good business sense;
- the role of small business and the intention to target organisations and companies of various types and sizes;
- the importance of adequate investment for the programme;
- the importance of being able to measure the success of the programme and the need for regular reporting on progress;
- the need to establish an appropriate timetable and audience for an effective launch of the Pledge, including engagement with the business community and the possible opportunity to link the launch with the appointment of the Mayoral Ambassador for Business as well as opportunities for early adopters.

The Cabinet noted that the process to support the programme was being developed. It was expected that the programme would be moderated rather than self-assessed, and it would be subject to an ongoing review. It was also envisaged that engagement with early adopters would help to shape the development of the programme.

Members welcomed the Pledge and its wider benefits.

RESOLVED – That the Cabinet:

- Noted the progress being made on the Good Work Pledge.
- Approved the Pledge and authorised the Head of Paid Service, in consultation with the Portfolio Holder for Inclusive Economy, to take the necessary steps to finalise and implement it.

47 **NTCA BUDGET PROPOSALS 2020 – 2024**

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

The Cabinet considered the report which sought approval of the draft budget for the North of Tyne Combined Authority (NTCA) for 2020-2021 and the medium-term financial plan for the period 2020-2021 to 2023-2024. It was noted that the draft budget would be subject to consultation with Overview and Scrutiny Committee. The final proposals would be brought to the Cabinet in January 2020.

RESOLVED – That the Cabinet:

- Agreed the draft Corporate budget for 2020-2021 as set out in Paragraph 1.1 of the report, which would be subject to consultation with the Overview and Scrutiny Committee.
- Agreed the draft Investment Fund as set out in paragraph 1.2 of the report, which would be subject to consultation with the Overview and Scrutiny Committee.

- iii. Agreed the draft Adult Education Budget as set out in paragraph 1.3 of the report, which would be subject to consultation with the Overview and Scrutiny Committee.
- iv. Agreed the draft Treasury Management Strategy 2020-2021 as described in paragraph 1.5 of the report and attached at Appendix A, which would be subject to consultation with the Overview and Scrutiny Committee.
- v. Noted that the Transport Levies would be issued on the 15 February 2020 in line with 2019-2020 arrangements and amounts.
- vi. Agreed to hold the level of reserves set out in paragraph 1.8 of the report and noted that the Chief Finance Officer would continue to keep the level of reserves under review as the Authority developed and new information become available about the financial risks facing authority arrangements for managing those risks.

48 **ORGANISATIONAL UPDATE**

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

The Cabinet considered the report which provided an update on recent organisational changes and sought approval for the arrangements for the statutory role of Head of Paid Service.

The Mayor thanked Pat Ritchie for her work as the Interim Head of Paid Service to date and welcomed Paul Hanson into the role.

RESOLVED – That the Cabinet:

- i. noted the update on recruitment; and
- ii. agreed that the role of Head of Paid Service would rotate between the Chief Executives of the three constituent local authorities on an annual basis as set out in paragraphs 3.3 and 3.4 of the report.

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

Tuesday, 28 January 2020 at 2pm.