

Overview and Scrutiny Committee

18 December 2019

(3.00 - 3.30 pm)

Meeting held: Mansion House, Fernwood Road, Newcastle upon Tyne NE2 1TJ

Minutes

Present:

Chair: Cllr G A Roughead

Vice Chair: Cllr L Wright

Councillors: P Earley, M Hall, P Holland, G Stewart, and G Stone

29 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

30 APOLOGIES

Apologies were received from Cllrs Lower, Dungworth and Graham.
Cllr G Stone attended as a substitute for Cllr Lower.

31 DECLARATIONS OF INTEREST

None

32 2020-2024 DRAFT FINANCIAL PLAN AND BUDGET

Submitted: Report of the Interim Section 73 Officer (previously circulated and a copy attached to the Official Minutes).

The Overview and Scrutiny Committee considered the report of the Interim Section 73 Officer which presented 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 final proposals would be presented to the Cabinet in January 2020.

The presentation areas covered included the draft corporate budget; the Investment Fund which sets out costs associated with the development, management and delivery of projects to be funded through the Investment Fund; the draft Adult

Education Budget (AEB) which will give the Combined Authority significant new powers and responsibilities in delivering both the mayoral priorities and the national skills agenda and priorities and the Transport Levy.

J Gillespie, Interim Section 73 Officer responded to questions raised by the committee which included the following points:

Table 3 Draft AEB 2020-2 - 2023-24 budget. There was an error in the 2020-21 column which showed a full year's figures when it should only be a part year. The table would be corrected and circulated to the full committee membership after the meeting.

Also, referring to paragraph 1.2 (Draft Investment Fund Budget) it was noted that the Technical Support element of funding was earmarked for large scale appraisals and will enable external advice to be sought through the procurement process.

J Gillespie confirmed that there will not be a Mayoral Precept for 20/21 but reminded Members that the NTCA constitution makes provision for a precept to be set by the mayor to fund mayoral functions. If set, a precept would be included in council tax bills for the three local authority areas.

In relation to reserves and the management of risks J Gillespie confirmed that there was an additional fund of £200,000 from central government specifically to cover Brexit.

J Gillespie confirmed that when the NTCA take on the accountable body function for the North East Local Enterprise Partnership (LEP) the various government grants available to support the LEP will be ring fenced. She also confirmed that the North East Combined Authority (NECA) is the current accountable body for the LEP. When queried it was unknown whether details of the levels of grant funding for the LEP would be available for the committee's budget workshop in January however officers could provide the previous year's budget as a guideline.

Responding to a query regarding the Transport Levy and whether discussions took place as to what the Levy should be set at, J Gillespie explained that the 7 local authorities receive a detailed presentation from Nexus through the Joint Transport Committee which set out how the Levy was calculated. The presentation included details of the pressures faced by local government. J Fenwick, the officer responsible for setting the Levy is always clear in articulating any perceived risks.

RESOLVED – that the Overview and Scrutiny Committee:

- i) Noted the 2020–2024 Draft Financial Plan and Budget.
- ii) Made comments to the Interim Section 73 Officer in relation to the draft 2020-2024 Draft Financial Plan and Budget.
- iii) Indicated areas of the draft 2020-2024 Draft Financial Plan and Budget that the committee required further information on at its budget workshop on 15 January 2020 including information on the funding for the LEP and the structure for the AEB.

Agreed to grant authority to the Chair of the Committee, in consultation with the Vice Chair to approve any recommendations in relation to the draft budget proposals the committee may have after their budget workshop for submission to Cabinet on 28 January 2020.

33 **DATE AND TIME OF NEXT MEETING**

12 February 2020