

Overview and Scrutiny Committee

Tuesday 10 March 2020 at 10.00 am

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

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AGENDA

Page No

1. **Welcome and Introductions**

2. **Apologies**

3. **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.

4. **Agreement of the Minutes of the Meeting held on 12 February 2020** 1 - 8

Cabinet Member Update

5. **Cabinet Member for Housing and Land** 9 - 12

In attendance: Mayor Redfearn, Cabinet Member for Housing and Land

Attached: Cabinet Briefing

6. **Update on Local Full Fibre Networks** 13 - 16

In attendance: Paul Armstrong, Senior Specialist Local Full Fibre Network

Attached: Report

7. **Update to the 2020-21 Budget Reflecting the Implications of the North East LEP Transfer** 17 - 32

In attendance: Janice Gillespie, Interim Chief Financial and Section 73 Officer

Attached: Report and Appendix

8. **Annual Review of Governance Arrangements** 33 - 36

In attendance: John Softly, Interim Monitoring Officer

Attached: Report

9. **Adoption of Cabinet-Scrutiny Protocol** 37 - 48

In attendance: Elizabeth Kerr, Policy and Scrutiny Officer

Attached: Report

10. **Overview and Scrutiny Committee Annual Report** 49 - 58

In attendance: Elizabeth Kerr, Policy and Scrutiny Officer

Attached: Report

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

To be confirmed

Contact Officer:

Tel: (0191) 2116146

Email: Lynn.Camsell@northoftyne-ca.gov.uk



Draft Minutes for Approval Overview and Scrutiny Committee

12 February 2020

(10.00 am - 12.00 pm)

Meeting held: North Tyneside Council, Cobalt Business Park, The Quadrant, 16 The Silverlink N, Newcastle upon Tyne NE27 0BY

Minutes

Present:

Chair: Cllr G A Roughead

Councillors: S Graham, M Hall, P Holland, G Stewart, G Stone and S Cox

34 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

35 APOLOGIES

Apologies were received from Cllrs A Lower, L Wright, P Earley and S Dungworth. Cllr Stone attended as a substitute for Cllr Lower. Cllr Cox attended as a substitute for Cllr Earley.

36 DECLARATIONS OF INTEREST

None

37 AGREEMENT OF THE MINUTES OF THE MEETING HELD ON 10 DECEMBER 2019

The minutes of the meeting held on 10 December 2019 were agreed as a correct record and signed by the Chair.

38 AGREEMENT OF THE MINUTES OF THE MEETING HELD ON 18 DECEMBER 2019

The minutes of the meeting held on 18 December 2019 were agreed as a correct record and signed by the Chair.

39 **CABINET MEMBER FOR EDUCATION IMPROVEMENT**

Cllr Daley had previously provided a briefing note, a copy of which was circulated and attached to the Official Minutes.

Cllr Daley provided an update on his portfolio highlighting the following points:

Details of the proposals for a North of Tyne Education Challenge, a key element of the Devolution Deal. The aim of the Challenge is to raise education outcomes across the North of Tyne area.

The development of an evidence base to inform the proposals were achieved through workshops which have taken place with education professionals, stakeholders, partners and Trade Unions. Matters raised included the need to provide additional support for those schools rated by Ofsted as not good or outstanding; the deficit in educational attainment across the North of Tyne area and children from disadvantaged backgrounds who are not able to achieve the same level of achievement as their peers; the importance of all children being ready to start school with possible interventions such as support for parents and targeted school based early years provision.

The responses from the workshops had been refined into 6 key ambitions for the Education Challenge:

1. Make sure every young person is ready for school
2. Make sure all schools in North of Tyne are Good or Outstanding
3. Make sure no one is left behind
4. Develop and deliver a universal mental health offer to all schools
5. Create a North of Tyne Teacher Deal
6. Create a North of Tyne Leadership Deal

The development of a universal mental health resilience support programme available to all schools was also explained. Additional support would be provided with classroom support teachers and a triage system whereby schools can support and develop a package of teaching specific to each child. Reference was also made to the number of teachers who leave the profession early because of work pressures and find that they cannot cope.

Schemes to attract graduates to fill vacancies and an attractive retention scheme. Possible interventions include targeted bursaries and supporting the development of work/life balance.

Cllr Daley responded to questions/comments received from members which included:

- Cllr Daley was asked to provide an example of how improved early years can be achieved and to ensure there was no duplication of effort. He explained that the Directors in the three local authorities of the North of Tyne area are

working together to develop early years education. It was important to note that the Education Challenge funding was in addition to funding already received from central government by the three local authorities. Working with families from birth to pre-school age should enable professionals to develop a suite of key measures to ensure children are ready for school; some children attend school not toilet trained or able to focus and interact and be ready to learn.

- Responding to a comment in respect of ensuring looked after children are given the opportunity to access university and develop a career, Cllr Daley explained that the Education Challenge is for all children, the Virtual School Head for Looked After Children is involved and all the special schools.
- A member referred to children's mental health and how schools outside of local authority control will be included in the Education Challenge. In his response Cllr Daley gave assurances that the Regional Schools Commissioner is on board and academies have attended the workshops and are in support of the proposals. The Education Challenge was for the family of all schools in the North of Tyne area. In relation to mental health, teachers will be provided with additional support so they can help children who show signs of anxiety or mental health issues; they will also be provided with support for their own mental health.
- The support available in the transition to secondary school as it's a key factor in attainment dropping off. Cllr Daley gave an example of good practice in a school whereby a child was teamed with a 'buddy' already in the secondary school before the start of the school year; someone to talk to and provide help and guidance.
- Referring to the Education Challenge, Cllr Daley was asked when the authority will be in a position to deliver the proposals. Cllr Daley advised that officers now have detailed, costed proposals which have been submitted to central government. Cabinet have agreed the broad parameters which have been shaped and formed to address the challenges facing the NTCA and which will make a significant impact on educational attainment for many children, both now and in the future.
- The Chair queried whether a summary of the workshops could be circulated to committee members. Cllr Daley responded in the affirmative and added that copies of the presentations could also be shared.

The Chair thanked Cllr Daley for attending and addressing the committee.

40 **CABINET MEMBER FOR PLACE AND PRODUCTIVITY**

Cllr Jackson had previously provided a briefing note, a copy of which was circulated and attached to the Official Minutes.

Cllr Jackson provided an overview on his portfolio highlighting the following points:

The creation of a dynamic economy, attracting both national and international investment, which will provide employment opportunities for many families with low career prospects and raise wages and productivity.

Recognition of the North/South divide and the need to raise the profile of the Combined Authority area.

Cllr Jackson referred to Offshore wind, renewable energy and subsea technologies.

Committee also heard about three initiatives which have received awards from the Business Case Development Fund:

- £25,000 to Northumberland County Council to support the Hexham Hydro feasibility study for a hydro power proposal on the River Tyne.
- £30,850 to Advance Northumberland to undertake a full technical feasibility study for an Offshore Wind 'Plug and Play', full turbine prototype test facility as part of Northumberland Energy Park Phase 3 which forms part of Energy Central.
- £40,000 to the Offshore Renewable Energy Catapult (OREC) for a feasibility study for the development of dedicated Offshore Renewables Robotics and Autonomous Systems test and validation facility at Blyth which would be the first of its kind in the UK.

£1,265,307 has been awarded to Northumberland County Council for the North of Tyne Rural Business Growth Investment Fund.

Wider regeneration and renewal of places; a scheme which focuses on town centres and high streets. Specific reference was made to the Cramlington Moor Farm roundabout on the A189, a major transport route but one that requires major improvement works to help attract economic investment. Cllr Jackson also spoke of the programme of strategic transport priorities, such as the dualling of the whole of the A1, the Metro twin tracking scheme and the Northumberland-Newcastle Line scheme.

Cllr Jackson responded to questions/comments received from members which included:

- A member voiced concerns regarding both portfolio reports which were felt to be large summaries of proposals currently under development, but which did not give a sense of what has been delivered. This did not provide opportunities for effective scrutiny. In response Cllr Jackson explained that the Combined Authority was still in its infancy and time was needed for projects to be completely developed and costed before implementation.
- Responding to a question as to the impact of the Northumberland Line, Cllr Jackson explained that it was anticipated that the Line will provide better access to employment; link with Northumberland Park and be a contributor towards reducing congestion in Newcastle City Centre.

- Responding to a comment regarding the lack of a fully integrated transport system Cllr Jackson explained that although the NTCA is the only Combined Authority without sole responsibility for transport it was important that the region spoke with one voice on the importance of an integrated transport system across the North East.
- Cllr Jackson was asked to explain how the Combined Authority could attract major industries. In response Cllr Jackson reported that supporting business is central to the Combined Authority and the Investment Fund is available to businesses looking to invest in the area; there is support for small or medium sized businesses looking to develop growth plans and to support economic growth in the rural areas.

The Chair thanked Cllr Jackson for attending and addressing the committee.

41 **TOURISM, MARKETING AND EVENTS IN THE NORTH OF TYNE AREA**

Submitted: Report of the Interim Head of Rural Growth (previously circulated and a copy attached to the Official Minutes).

Committee considered the report the purpose of which was to note progress on the work undertaken by the NTCA on promoting the North of Tyne area through tourism, marketing and events. It also outlined the impact of the NTCA sponsorship of a stage in the Tour of Britain cycling race and the commission undertaken by Blue Sail to review current destination marketing arrangements; the findings of the review and a North of Tyne Events Strategy.

The role of the NTCA was to be strategic and a co-ordinator and lift the work of the three authorities to the next level. Four areas of focus had been identified, which were: destination marketing; event strategy; Hadrian's Wall; and transport.

Members noted that Cabinet had approved an indicative budget of £15m over 10 years and, £3.5m for the Tourism Programme up to 2022/23.

Cllr Jackson spoke about the successful North of Tyne stage of the Tour of Britain 2019 cycle race which attracted over 175,000 visitors and was screened in 89 countries. Participants and organisers had commented that the event's organisation and the support received had been excellent.

Comments and queries from members.

- A member commented on the attractions on the Gateshead Quays, in particular the Sage, and suggested that they should be included when marketing the area. Cllr Jackson assured the Committee that he was not an isolationist and recognised that working with partners outside of the North of Tyne area was also important to this work. Reference was also made to the splendid castles and churches in the North of Tyne area which could shape a marketable package, particularly for cruise ships.

- Reference was made to future events and the need for a fully integrated transport system to enable visitors and residents to move across the three local authority areas.

RESOLVED – that the Overview and Scrutiny Committee noted the content of the report and commented on the proposed approach for the tourism marketing and events programme.

42 **BREXIT UPDATE**

Submitted: Report of the Interim Head of Investment and Economic Growth (previously circulated and a copy attached to the Official Minutes).

R Hamilton introduced the report the purpose of which was to provide the latest update on Brexit, a summary of the national context and key timescales and the potential implications for the North of Tyne Combined Authority and its response.

- The main concern voiced by members were in relation to European funded programmes, including ERDF and ESF. In response members heard that payments made from EU programmes will cease at the end of their individual programmes, which typically ran for 2 years. Government has indicated that arrangements will be put in place with similar objectives through the Shared Prosperity Fund.
- In response to a query regarding the development of a regional Free Trade Zone and the area to be included in the Zone, R Hamilton advised that discussions had taken place with the NE Local Enterprise Partnership and regional colleagues, and the anticipated approach should it be pursued would be a Free Trade Zone covering the boundaries of the seven local authorities rather than one single site within the region.

RESOLVED – that the Overview and Scrutiny Committee noted the contents of this report.

43 **Q3 BUDGET MONITORING**

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

J Gillespie introduced the report the purpose of which was to inform the Committee of the 2019/20 Budget Monitor Report Q3 and brings together the forecast financial position for both the Corporate and Investment Fund budget and provided an indication of the potential position of the Combined Authority at 31 March 2020.

Committee noted that in terms of the investment Fund, Cabinet have approved 25 projects to date committing £20.9m of the Investment Fund with a further £67m projects in the pipeline anticipating in the region of 2,571 jobs.

RESOLVED – that the Overview and Scrutiny Committee noted the report.

44 **CABINET'S RESPONSE TO THE COMMITTEE'S RECOMMENDATIONS ON THE 2020-2021 BUDGET PROPOSALS**

Submitted: Report of the Policy and Scrutiny Officer (previously circulated and a copy attached to the Official Minutes).

The Chair informed the Committee that he had presented the Committee's recommendations to Cabinet at its meeting on 28 January 2020 and all their recommendations had been accepted.

RESOLVED – that the Overview and Scrutiny Committee noted the report.

45 **DATE AND TIME OF NEXT MEETING**

10 March 2020, 10.00am at Newcastle Civic Centre

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Overview and Scrutiny Committee

Cabinet Member Briefing

The Overview and Scrutiny Committee has invited each Cabinet Member to a committee meeting to provide the committee with an update on the work and plans of their portfolio area.

This briefing at the 10 March Overview and Scrutiny Committee meeting will be from **Mayor Norma Redfearn, Portfolio Holder for Housing and Land.**

1. Housing and Land Portfolio

- 1.1. The focus on the housing and land portfolio is increasing the number of net new homes beyond Local Housing Need figures. To do this, we have set a target with Government to increase the number of net new additions from a baseline of 1,800 up to 3,000 per year by 2032.
- 1.2. One of the key developments towards achieving this has been the creation of a Housing and Land Board to oversee an integrated programme of housing delivery across the area and make best use of all public sector land and available funding.
- 1.3. As part of these net new additions, the NTCA will explore increasing the number of specialist homes, strengthening and expanding existing partnerships with Homes England, our registered providers and other bodies such as our National Innovation centres and universities.

2. Housing and Land Board

The purpose of the Housing and Land Board is to act as an advisory body that assists the NTCA in realising long-term strategic objectives related to housing and land. It serves to knit together work being undertaken in the three local authorities as well as work toward linking up on some key strategic objectives such as health and ageing, digital connectivity, modern methods of construction and low carbon development.

Membership of the Housing and Land Board is broad with representatives including local authority members and Chief Executives, registered providers (Home Group, Karbon Homes), the Homes Builders Federation, institutional private landlords (Grainger PLC), institutional investors (L&G) among others.

Attached at appendix 1 is the terms of reference and the membership of the Housing and Land Board.

3. Joint Pipeline of Key Sites

- 3.1. To speed up the delivery of new homes, the NTCA is working toward identifying a joint pipeline of key sites. This will allow local authorities a fuller knowledge of the kind of interventions needed on sites so that they are on the front foot for any opportunities.
- 3.2. Working closely with Homes England, we will then be able to access resources (finance, capacity) to accelerate delivery and provide sufficient detail for initial due diligence. This will help contribute to the NTCA's aim of accelerating potential investable propositions with partners while increasing strategic capacity within our local authorities.
- 3.3. This work will 'unlock' a range of sites, and in some cases, themes of work to which the NTCA and the three constituent authorities can then begin work on.

4. Longer Term Ambitions

- 4.1. The joint pipeline work is very much the opening of what will be an ambitious suite of work. It is designed to make sure the local authorities that form the combined authority can be fleet of foot as and when opportunities arise. In October 2019, the NTCA Cabinet set out the following priorities for housing and land:

- Affordability
- Zero carbon homes
- Local suppliers
- Environmental refit of existing housing stock
- Regulation of private rented housing

Within this, there is to be an assessment of different housing ownership and delivery models that help achieve these policy objectives as well as thought given to green development. Papers reflecting the Cabinet's priorities and exploring an overarching policy and propositions offer will be forthcoming.

- 4.2. As part of the devolution deal, the NTCA are committed to producing a joint Infrastructure Delivery Statement that reflects investable opportunities for three local authorities and to ensure a broader strategic approach to infrastructure investment. Work on this will be undertaken in the coming months.
- 4.3. The NTCA, through the Housing and Land Board, have also identified areas such as health and ageing and digital connectivity that reflect existing expertise in the area. We will be working with partners such as Newcastle and Northumbria Universities, the National Innovation Centre for Data, the National Innovation Centre for Ageing as well as the Campus for Ageing and Vitality to demonstrate how housing can play an integral role in this work.

Housing and Land Board - Terms of Reference

The Board will advise the North of Tyne Combined Authority Cabinet in its role of:

- Overseeing a strategic approach to the delivery of more and better homes across the North of Tyne area - this will enable an improved range of tenures and type of home, including affordable and specialist housing, within the overall number of net new homes
- Overseeing an integrated long-term investment programme to increase supply and the pace of delivery of quality homes from 1,800 per year to 3,000 per year
- Coordinating existing local authority partnerships and delivery vehicles to support the delivery of key housing sites, expanding delivery options and remits in line with emerging opportunities
- Identifying opportunities for the assembly of strategic housing sites across multiple public and private landowners, as well as convening the appropriate partnerships and discussions to take these forward
- Overseeing the area's One Public Estate programme to maximise the use of surplus public sector land for housing and other uses
- Identifying opportunities for innovation, including making use of modular build initiatives
- Exploring how assets and further capital investments could be used to reduce future revenue burdens
- Exploring opportunities to improve the quality and management standards of private sector properties

The Board will be directly accountable to the Cabinet and will operate in an advisory capacity, monitoring and reporting progress and making recommendations as appropriate. Where appropriate the Board will seek the support of the Cabinet in securing Government intervention to overcome barriers to facilitate accelerated growth.

The Board may investigate any activity within its Terms of Reference. It may seek any information it requires from any Board member, or the organisation(s) represented by the Board member.

The Board may obtain outside independent professional advice and secure the attendance of external persons with the relevant experience and expertise if it considers this necessary.

The role of the Board will be reviewed by Cabinet on an annual basis.

Membership of Housing and Land Board – Updated February 2020

Name	Representing	Title/Organisation
Mayor Norma Redfearn	Chair of the Housing and Land Board; Deputy Mayor of the North of Tyne Combined Authority and Lead for Housing for North of Tyne CA	North Tyneside Council
Mayor Jamie Driscoll	Elected Mayor of the North of Tyne Combined Authority	North of Tyne Combined Authority
Duncan Sutherland	Homes England	Board Member, Homes England
Cllr John Riddle	Northumberland Housing Lead	Northumberland County Council
Cllr Joyce McCarty	Newcastle Housing Portfolio Holder	Newcastle City Council
Pat Ritchie	Lead Chief Executive for Housing for North of Tyne CA	Newcastle City Council
John Godfrey	Representative from Intuitional Investors	Director of Corporate Affairs – Legal & General
Peter Jordan	Representative from the Home Builders Federation	National Land Director – Persimmon Homes
Mark Henderson	Representative from the National Housing Federation	Chief Executive – Home Group
Paul Fiddaman	Representative from the National Housing Federation	Chief Executive – Karbon Homes
Andrew Saunderson	Representative from institutional private landlords	Director of Development Grainger plc
Richard Lambert	Representative from private landlords	Chief Executive of National Landlords Association
Stephen Bell	Representative from voluntary sector/ homelessness issues	Chief Executive – Changing Lives
Prof Glenda Cook	Representative from health sector	Professor of Nursing, Northumbria University
<i>Vacant</i>	<i>Representative for rural interests</i>	

Subject:	Local Full Fibre Networks
Report of:	Paul Armstrong, Digital Infrastructure Programme Manager

Report Summary

The purpose of this report is to provide the Overview and Scrutiny Committee with an update on the progress of the North of Tyne Combined Authority (NTCA) Digital Infrastructure Programme. This follows an initial paper which was presented on 2nd July 2019.

Recommendations

The Overview and Scrutiny Committee is recommended to note the information contained in the report and make any recommendations it considers appropriate.

1. Introduction

- 1.1. On 26th September 2016 the North of Tyne Digital Infrastructure Programme was awarded up to £12m grant funding from the DCMS Local Full Fibre Networks fund for the delivery of gigabit capable connectivity to public sector sites in Northumberland.
- 1.2. The DCMS funding will be used in conjunction with existing Council Wide Area Network (WAN) budgets to create an environment that makes it financially feasible for major infrastructure suppliers to invest in North of Tyne outside the major urban centres (sparse urban and rural). This enhanced digital connectivity will support public sector digital service transformation and increase staff productivity whilst also increasing the viability of further commercial investment in digital infrastructure and accelerating the delivery of 5G, enabling businesses to remain competitive and delivering social inclusion to residents.

1.3. It was agreed by Cabinet in September 2019 that £550k from the Investment Fund would be used to fund resources and external specialist support needed to deliver this programme of works.

2. Progress and Update

2.1. On 5th December 2019 the DCMS formally assured the North of Tyne Digital Infrastructure Programme for Assurance Gate B 'Ready to Procure'.

2.2. Northumberland County Council (on behalf of NTCA) are currently out for procurement for Gigabit Capable Connectivity to public 271 sites in Northumberland utilising the newly launched Crown Commercial Services (CCS) Dynamic Purchasing System RM6095. The timeline for this procurement exercise is as follows:

- 7/8th January 20 - Market engagement days
- 31st January 20 - Procurement launched on DPS
- 6th March 20 - Submission deadline (including 1-week extension)
- 10th March 20 - Tender evaluation (including representation from CCS and DCMS)
- 16th March 20 - Supplier clarification interviews (if required)
- 26th March 20 - DCMS Gate C assurance board (authority to contract)
- 30th March 20 - Award

2.3. This is a slight reduction in the number of sites (313) previously anticipated, this is due to:

- 23 schools being selected to be part of a Department for Education (DfE) Rural Gigabit Connectivity scheme so will have their connectivity funded via DfE.
- 4 sites being delivered by the existing iNorthumberland programme.
- 15 sites being removed from the programme for State Aid compliance.

2.4. A detailed delivery plan will be submitted as part of the procurement exercise, but it is expected that all 271 sites will be delivered and live by March 2022.

3. Urban Environment

3.1. In parallel to the rural Northumberland build, NTCA will also be following this same approach in delivering gigabit capable connectivity to c.450 public sector sites in Newcastle and North Tyneside. This will be funded entirely by existing budgets and does not need any additional government intervention to be viable.

3.2. The procurement for this will launch in March 2020 and the expected build will be completed by April 2023 utilising Crown Commercial Services (CCS) Dynamic Purchasing System RM6095.

4. Appendices

None

5. Background papers

None

6. Contact Officers

Paul Armstrong – Digital Infrastructure Programme Manager
Tel: 07812975256 email: paul.armstrong@northoftyne-ca.gov.uk

7. Glossary

DCMS - Department for Digital, Culture, Media and Sport

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Overview and Scrutiny Committee

10 March 2020

Subject:	Update to the 2020-21 Budget reflecting the implications of the North East LEP transfer
Report of:	Janice Gillespie Interim Section 73 Officer

Report Summary

The purpose of this report is to present to the Overview and Scrutiny Committee Update to the 2020-21 Budget reflecting the implications of the North East LEP transfer.

Recommendations

The Overview and Scrutiny Committee is recommended to:

- 1) Note the update to the 2020-21 Budget reflecting the implications of the North East LEP transfer (Appendix 1).

1. Introduction

- 1.1. At its meeting on the 25th February 2020 Cabinet considered the report on the update to the 2020-21 Budget reflecting the implications of the North East LEP Transfer and Provisional Estimate for the Revenue Budget for 2020-21, including the Invest North East England Budget and Enterprise Zone Account.
- 1.2. An outturn report for 2019-20 and an updated budget for 2020-21 with the latest information about funding and a three-year budget projection will be taken to the North East LEP Board in May. This will be reported to June Cabinet along with the 2019-20 NTCA outturn position.
- 1.3. As reported in January 28 Cabinet NTCA 2020-24 Budget Report, the NTCA budget will need to reflect decisions about the level of government grant available to support North East LEP costs as well as the guidance and resource requirements needed to meet grant conditions.

Cabinet, and subsequently Overview and Scrutiny will be kept updated regarding progress on this matter.

2. Appendices

Appendix 1 Update to the 2020-21 Budget reflecting the implications of the North East LEP transfer

3. Background papers

None

4. Contact Officers

Janice Gillespie, Interim Section 73 Officer, North of Tyne Combined Authority
Janice.Gillespie@northoftyne-ca.gov.uk Tel: 643 6476

Cabinet

25 February 2020

Subject: Update to the 2020-21 Budget reflecting the North East LEP Budget

Report by: Janice Gillespie, Chief Finance Officer

Report Summary

The purpose of this report is to apprise Members of the North East Local Enterprise Partnership (LEP) Budget and how it will be accounted for in North of Tyne Combined Authority (NTCA) Accounts.

Recommendations

The Cabinet is recommended to:

1. Note the contents of this report and in doing so note the update on the 2019-20 North East LEP Revenue Budget; and Provisional Estimate for the Revenue Budget for 2020-21, including Invest North East England Budget and Enterprise Zone Account.

1. Background Information, Proposals and Timetable for Implementation

- 1.1 Prior to the creation of NTCA, the seven local authorities and North East Combined Authority (NECA) entered into a Deed of Co-operation which set out the parties' intention that NECA would be the accountable body for the Joint Transport Committee (JTC) and NTCA would be the accountable body for the North East LEP. Work has been on-going since then to finalise the practical arrangements, such as the associated staffing transfers and provision of support services through SLAs.

A key element of this work related to the sharing of pension assets and liabilities between the combined authorities to support the proposed arrangements. This work is nearing completion and it is intended that the agreed arrangements shall be put in place with effect from 1 April 2020.

At January 28 2020 Cabinet authorisation was given to the Monitoring Officer to complete a new Deed of Co-operation and a new Accountable Body Agreement and authorised the Chief Finance Officer and the Monitoring Officer to take such other steps as are necessary for the NTCA to take on accountable body status for the North East LEP.

Pending the accountable body status of the North East LEP transferring across to the NTCA on 1st April 2020 the 2019-20 Revenue Budget update and 2020-21 Provisional Estimate for the North East LEP were reported as part of NECA Leadership Board Budget Papers (Appendix 1). The report provided an update on the key funding elements of the North East LEP and included a separate update on the Invest North East England (INEE) Budget and Enterprise Zone account for the same period.

An outturn report for 2019-20 and an updated Budget for 2020-21 with latest information about funding and a three-year budget projection will be taken to the North East LEP Board in May. This will be reported to June Cabinet along with the 2019-20 NTCA outturn position.

As reported in January 28 Cabinet NTCA 2020-2024 Budget Report, the NTCA budget will need to reflect decisions about the level of government grant available to support North East LEP costs as well as the guidance and resource requirements needed to meet grant conditions. Cabinet will be kept updated regarding progress on this matter.

2. Potential Impact on Objectives

- 2.1 The proposals in this report are intended to put into effect the sharing of the accountable body roles in line with the principles previously agreed by the authorities.

3. Key Risks

- 3.1 There are no key risks identified at this time.

4. Financial and Other Resources Implications

- 4.1 The Deed of Co-Operation sets out the requirement that “there shall be no financial or operational detriment to the North East LEP operations as a consequence of the New Order or any change in the Host Combined Authority”.

The Chief Finance Officers from across the LEP area authorities have been working together on a proposed solution that will secure as far as is reasonable the financial requirements of the LEP, the solution also secures no detrimental financial implication for the North of Tyne Combined Authority. There are no proposed changes required to the 2020-21 budget for this authority, other than the requirement to include the LEP budget at the appropriate time, in order to be in place for 1 April 2020. The report sets out finance and other resource considerations in detail.

5. Legal Implications

5.1 The comments of the Monitoring Officer have been included in this report

6. Consultation/Engagement

6.1 As set out above, the proposals in this report are intended to put into effect the sharing of the accountable body roles in line with the principles previously agreed by the authorities.

7. Appendices

7.1 Appendix 1 – Appendices 2 & 3 of the North East LEP Budget Report to the NECA Leadership Board.

8. Background Papers

8.1 None

9. Contact Officers

9.1 Janice Gillespie, Chief Finance Officer,
Janice.gillespie@northoftyne-ca.gov.uk 0191 643 5701

10. Glossary

10.1 JTC – Joint Transport Committee
NECA – North East Combined Authority
NTCA – North of Tyne Combined Authority

11. Sign-off

11.1 Head of Paid Service: Yes
Monitoring Officer: Yes
Chief Finance Officer: Yes

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Leadership Board Appendix 2 North East LEP Budget Report

North East Local Enterprise Partnership Board

30th January 2020

Update on 2019/20 Revenue Budget; and a Provisional Estimate for the Revenue Budget for 2020/21

1. Introduction

- 1.1 The purpose of this report is to provide an update to the Board on the revenue budget position for the current year (2019/20), and to provide an indicative Budget for next year (2020/21). This includes information about the budget for the Enterprise Zone account and Local Growth Fund and North-East Investment Fund (NEIF).
- 1.2 As in previous years it is intended to provide an outturn report for 2019/20 and an updated Budget for 2020/21 with latest information about funding and a three-year budget projection at the May Board.

2. LEP 2019/20 Revenue Budget

- 2.1 During 2019/2020 there has been an increase in additional external funding, including European Social Funds and other Government funds which has resulted in additional activity in the year, resulting mainly in increases in operational cost (including the costs of short-term secondments) and a small increase on the staffing budget. The increase mainly relates to skills, business advice and Brexit preparation activity.
- 2.2 The LEP core budget covers LEP operational activity and also management of the Local Growth Fund; NEIF and Enterprise Zone programmes. Table 1 provides a summary of the Revised Revenue Budget for the year compared with the revenue indicative Revenue Budget reported in January 2019, and the updated Revenue Budget reported in May 2019, with supporting notes provided below.
- 2.3 The North East LEP board agreed a provisional revenue budget for 2019/20 of £4.155m in January 2019 and an updated revenue Budget of £4.157m in May 2019. With a higher gross income estimate of £4.121m in May, the projected drawdown from the LEP reserve had reduced from £0.342m in January to £0.036m, leaving an estimated reserve of £0.549m at the end of the year, in May.

- 2.4 Total revenue expenditure in 2019/20 is now estimated to be £4.664m, which is £0.507m higher than estimated in the May. However, this increase is funded by estimated additional income, which has risen by £0.518m to £4.639m, mainly attributable to awards of additional grant income, in particular Brexit preparation funding and skills funding. The net effect was a reduction in a net cost for the year from £36k in May to £26k.
- 2.5 This follows the pattern in previous years, where a cautious view on income and a prudent provision for costs results in an estimated call on reserves at the start of the year, and additional income or lower costs in the year reduces the call on reserves at the year end. The estimated level of North East LEP reserve to be carried into 2020/21 is estimated to be £0.559m.
- 2.6 In terms of grant income, many of the specific grants are subject to claims for actual expenditure in the year. If eligible expenditure is lower in the year then the amount of grant receivable for the year will also reduce to reflect the actual level of eligible expenditure that has been incurred.
- 2.7 The main budget variations are summarised below.

Employee Costs

- 2.7.1 In relation to employee costs there is a small increase when compared with May 2019 Budget Update. There has been a saving as a result of holding vacant posts, with any new posts being matched by increase in income; and a net saving in assumed employee pension costs, which have remained at nil due to the continuation of NECA as the accountable body for the North East LEP in 2019/20.

Brexit Costs

- 2.7.2 The variance of £0.254m is for both funding and costs for non-budgeted programmes. These are not expected to continue into 2020/21.

Other Costs

- 2.7.3 Other operational cost budgets are reflected in the 2019/20 revised budget in relation to non-salary costs in relation to new grant income streams such as LGF high potential Growth of £0.078m and Energy Programme operational costs of £0.040m. This has also led to an increase in the requirement for Legal and Financial advice.

North East LEP 2019/20 Revenue Budget	Original Budget (January 19)	Budget Update (May 2019)	Revised Estimate	Variation from May
	£'000	£'000	£'000	£'000
Employees	2,404	2,509	2,516	7
Premises	190	190	193	3
Communications	247	247	247	0
Transport LGF Monitoring	100	100	72	(28)
Growth Hub Operational Costs	138	117	141	24
Invite (Horizon 2020) Operational Costs	66	66	56	(10)
LIS (Local Industrial Strategy)	0	24	68	44
Other Operational Costs	614	614	612	(2)
North East Ambition Operational Costs (ESF)	206	100	96	(4)
Brexit Intelligence activity and Business Support	0	0	204	204
Brexit Policy Work Programme (Strategy & Policy)	0	0	50	50
LGF High Potential growth Operational Costs	0	0	78	78
Energy Programme Operational Costs (Strategy & Policy)	0	0	40	40
Inward Investment Contribution	140	140	140	0
Other LGF inc studies, part of Programme Management	24	24	70	46
Other NEIF and EZ Costs - Legal / Finance Support	26	26	81	55
GROSS EXPENDITURE	4,155	4,157	4,664	507
INCOME				
LEP Core & Strategy Grant from DCLG	(500)	(500)	(500)	0
Local Authority Match Contributions	(250)	(250)	(250)	0
BEIS - LIS production and LEP review	0	(224)	(224)	(0)
CORE FUNDING	(750)	(974)	(974)	(0)
Local Growth Fund (programme mgmt costs)	(1,100)	(950)	(950)	0
Interest Generated on Funds to fund INEE	(50)	(140)	(167)	(27)
Growth Hub	(410)	(410)	(442)	(32)
Additional Brexit Funding	0	0	(204)	(204)
Enterprise Adviser grant - CEC	(173)	(190)	(250)	(60)
Energy Strategy BEIS / TVCA (Strat & Policy)	(57)	(79)	(99)	(20)
Invite (Horizon 20/20)	(102)	(102)	(84)	18
ERDF + Digital Catapult + AHSN	(63)	(103)	(75)	28
NEIF Contribution to cover activity costs	(66)	(66)	(106)	(40)
EZ Contribution to cover activity costs	(52)	(52)	(107)	(55)
Education Challenge was NECOP	(106)	(136)	(143)	(7)
European Social Fund	(579)	(464)	(417)	47
LGF match North East Ambition (ESF project)	(280)	(314)	(143)	171
EY Foundation (20/21 seed)	0	(75)	(75)	0
DfE	0	(40)	(75)	(35)
LA Contributions re ESIF Co-ordinator	(20)	(20)	(20)	0
LGF High Potential	0	0	(93)	(93)
Brexit Policy Work Programme (Strat & Policy)	0	0	(59)	(59)
Energy Programme Misc. Contrib (Stratgy & Pol)	0	0	(69)	(69)
Energy Programme LGF Rev Contrib. (Stratgy & Pol)	0	0	(14)	(14)
5G Pilot - LGF	0	0	(35)	(35)
Other Income (ERDF Energy Innovation)	(6)	(6)	(37)	(31)
EXTERNAL FUNDING	(3,064)	(3,147)	(3,665)	(518)
GROSS INCOME	(3,814)	(4,121)	(4,639)	(518)
NET BUDGET	341	36	26	(10)
BROUGHT FORWARD BALANCE	(574)	(585)	(585)	0
Use or (Contribution) LEP Reserves	341	36	26	(10)
EZ Contribution	0	0	0	0
CARRY FORWARD BALANCE	(233)	(549)	(559)	(10)

3. LEP 2020/21 Revenue Budget

- 3.1 The indicative revenue Budget for 2020/21 reflects the latest known information of income for 2020/21 and an estimate of employee costs that reflects the transfer to a new accountable body to North of Tyne Combined Authority with effect from 1 April 2020, subject to the final confirmation by the LEP that the transfer in accountable body will occur at that time.
- 3.2 The estimates in this report are an indicative estimate, which will be refined in March and it is intended that a three-year medium term budget is again presented in May, when the outturn position for 2019/20 is clear and more information about grant income available for 2020/21 should be known.
- 3.3 A summary of the indicative budget is set out in the table below. The indicative figures show an 5.2% increase in Gross Expenditure to £4.909m and a reduction in income to £4.582m, with an assumption on no continuation of the BEIS grant received this year. The overall effect is an indicative net cost of £0.327m. This is less than the original net cost of £0.341m illustrated in the 2019/20 budget and less than the estimate of £0.400m for 2020/21 that was illustrated in May 2019.
- 3.4 In terms of employee costs there is a small increase of £0.108m (4.3%) when compared with the revised budget for 2019/20. The estimate includes a provision for inflation of 2%, the full year effect of posts appointed part way through 2019/20, scale uplifts and the TUPE transfer of staff to the North of Tyne Combined Authority as a new Accountable body from 1 April 2020. This assumes the continuation of a 0% employer's superannuation contribution that the North East LEP would have received had it remained with NECA and the impact of TUPE transfer of staff on a no detriment basis to pay scales operated by the NTCA.
- 3.5 The main changes in income reflect reduced short-term grant income from BEIS and Brexit Grant income; and a reduced contribution for LGF Programme management as we near the end of the programme. The North East LEP is bidding for additional grants and any grants secured will be included in the budget as they are announced.
- 3.6 Other significant changes in the estimates are summarised overleaf:

North East LEP 2019/20 Revised Budget and 2020/21 Indicative Budget	2019-20 Revised Estimate	2020/21 Indicative Budget	Budget 2020/21 Variance to 2019-20 Outturn
	£'000	£'000	£'000
Employees	2,516	2,624	108
Premises	193	190	(3)
Communications	247	252	5
Transport LGF Monitoring	72	72	0
Growth Hub Operational Costs (inc.Brexit increase)	141	93	(48)
Invite (Horizon 2020) Operational Costs	56	23	(33)
LIS (Local Industrial Strategy)	68	0	(68)
Other Operational Costs	612	626	14
North East Ambition Operational Costs (ESF)	96	312	216
Brexit Intelligence Activity and Business Support	204	0	(204)
LGF High Potential Operational	50	319	269
Brexit Policy Work Programme (Strategy & Policy)	78	110	32
Energy Programme Operational Costs (Strategy & Policy)	40	23	(17)
Inward Investment Contribution	140	140	0
Other LGF inc studies	70	23	(47)
Other NEIF and EZ Costs - Legal / Finance Support (PW/PJ)	81	102	21
GROSS EXPENDITURE	4,664	4,909	245
LEP Core & Strategy Grant from DCLG	(500)	(500)	0
Local Authority Match Contributions	(250)	(250)	0
BEIS - LIS production and LEP review	(224)	0	224
CORE FUNDING	(974)	(750)	224
Local Growth Fund (programme mgmt costs)	(950)	(850)	100
Interest Generated on Funds to fund INEE	(167)	(80)	87
Growth Hub (including Brexit increase)	(442)	(410)	32
Additional Brexit Funding	(204)	0	204
Enterprise Adviser grant - CEC	(250)	(150)	100
Energy Strategy BEIS/TVCA (Strat& Policy)	(99)	(15)	84
Invite (Horizon 20/20)	(84)	(63)	21
ERDF + Digital Catapult + AHSN	(75)	(75)	0
NEIF Contribution to cover activity costs *	(106)	(125)	(19)
EZ Contribution to cover activity costs	(107)	(160)	(53)
Education Challenge EDGE	(143)	(97)	46
European Social Fund	(417)	(620)	(203)
LGF match North East Ambition (ESF project)	(143)	(472)	(329)
EY Foundation (20/21 seed)	(75)	(30)	45
DfE	(75)	(35)	40
LA Contributions re ESIF Co-ordinator	(20)	0	20
LGF High Potential	(93)	(336)	(243)
LGF Innovation Pipeline	0	(79)	(79)
Brexit Policy Work Programme (Strat & Policy)	(59)	(121)	(62)
Energy Strategy Misc. Contributions	(69)	(23)	46
Energy Programme LGF Rev Contrib. (Stratgy & Pol)	(14)	(70)	(56)
5G Pilot - LGF	(35)	0	35
Other Income (ERDF Energy Innovation)	(37)	(21)	16
EXTERNAL FUNDING	(3,664)	(3,832)	(168)
GROSS INCOME	(4,638)	(4,582)	56
NET BUDGET	26	327	301
EZ Contribution		(309)	(309)
Use or (Contribution) LEP Reserves		(9)	(9)
BROUGHT FORWARD RESERVE BALANCE	(585)	(559)	26
CARRY FORWARD RESERVE BALANCE	(559)	(550)	9

LGF Funding

3.6.1 This remains a significant funding stream but is declining to completion in March 2021. Swap funding will be available beyond this to cover necessary continued monitoring and evaluation. The Government will need to announce its intention beyond 2021 for the continuation or not of this funding during 2020/21 to enable effective medium-term budget planning in 2021/22 and beyond.

BEIS Funding

3.6.2 The cessation of this one-off funding creates a significant variance of £0.224m on the previous year. This was used to pay for various activities including Local Industrial Strategy work that is assumed to be completed by March 2020.

Brexit Funding

3.6.3 This is one off funding included in the 2019/20 forecast but not available in 2020/21.

LGF High Potential

3.6.4 The increased cost in operational costs (£0.269m) in comparison to 2019/21 due to delay in approval of grant funding.

LGF Innovation Pipeline

3.6.5 This is a one-off project grant for 2020/21.

4. North East LEP Revenue Balances

4.1 The estimate for 2019/20 and 2020/21 shows that the North East LEP revenue balance as at 1 April 2019 was £0.585m and this is shown as reducing slightly to £0.550m at 31 March 2021. It is important to maintain a reasonable balance to deal with future uncertainties.

4.2 The balancing figure of £0.309m in the indicative 2020/21 Revenue Budget is a call on the Enterprise Zone surplus from the previously agreed £0.500m per annum budget.

4.3 In November 2014, the Board agreed that Enterprise Zone Business Rates Growth Income surplus of up to £0.500m per annum could be utilised to support the revenue budget if required. To date there has not been a requirement to use this facility and therefore in effect saving £2.0m of potential spend from the EZ account. The illustration shows that up to £0.245m is anticipated, which is less than the potential use £0.400m for the year that was projected in the Medium-Term Plan budget report considered by the Board in May 2019. The intention is to reduce the call on the EZ account by the year end through additional income and cost savings.

4.4 The balance on the Enterprise Zone account is estimated to be almost £3.0m as illustrated in section 5 below.

5. North East Enterprise Zones

5.1 Round 1 Enterprise Zones are located across four local authority areas; Newcastle, North Tyneside, Northumberland and Sunderland. Business rates growth generated on these designated sites accrues to the benefit of the North East LEP for a 25-year period, 2019/2020 is the seventh year of the Round 1 zones' life.

5.2 In April 2017 these were joined by a further ten sites across, Durham, Gateshead, Newcastle, Northumberland, South Tyneside and Sunderland with the International Advanced Manufacturing Park (IAMP) site launched on the 1st April 2018 to complete the coverage. With the exception of the IAMP, it is the second year of the round 2 sites life. Ramparts (Northumberland) and Follingsby in Gateshead are estimated to generate Business Rates Growth Income during 2019/20, as the site required no capital investment to enable occupation to occur on part of the exiting established industrial estate.

5.3 The table below provides a summary of the Enterprise Zone account income and costs for 2019/20 and 2020/21. While income in 2019/20 expected to be slightly higher than the prudent estimate made in July 2019, it is still significantly lower than the original projections. Some further growth is estimated for 2020/21 on round 2 sites. Figures for 2020/21 include a contingency to cover vacant buildings or the effect of valuation rating appeals.

5.4 Discussions are continuing with councils about the impact of valuation appeals and adjustments for 2018/19 and 2019/20; a share of grant provided by the Government to cover the loss of income due to the under-indexation of annual inflation uplift which reduced from the RPI measure of inflation to CPI inflation; and the potential backdating of income received when the business rate bills for new buildings come through in future years.

Enterprise Zone Account	2018/19	2019/20		2020/21
	Actual	July Estimate	Latest Estimate	Estimate
	£000	£000	£000	£000
Business Rate Income				
Round 1 Sites				
Newcastle	501	457	508	465
Norh Tyneside	194	171	165	171
Northumberland	334	332	314	257
Sunderland	750	731	755	724
Round 2 Sites				
Northumberland	46	39	39	56
Sunderland - IAMP			-	828
Gateshead Follingsby		143	242	221
Business Rates income	1,825	1,873	2,023	2,722
Interest on Account Balance	25	25	18	18
Total Income	1,850	1,898	2,041	2,740
Costs				
NEIF Repayments	1,238	800	1,000	446
Other Financing Costs	235	1,044	747	1,939
Inward Investment Contribution	71	135	135	230
EZ Account Operation	100	122	107	100
Total Costs	1,644	2,101	1,989	2,715
Annual Surplus	206	(203)	52	25
Cumulative Surplus	2,913	2,710	2,965	2,990

- 5.5 The increase in income in 2020/21 is mainly due to the construction and completion of 3 buildings on the IAMP site.
- 5.6 The costs mainly relate to capital financing costs including the repayment of previous interest free loans from the LEP's North East Investment Fund (NEIF). The increase in 'other financing costs' in 2020/21 relates to the payment to councils of capital financing cost that they are estimated to incur to finance the approved capital investment on their sites.
- 5.7 There is a £0.230m contribution in 2020/21 towards the cost of the Invest North East England Team (INEE). The standard annual budget contribution is £0.170m, which has been less in recent years due to savings in the INEE budget at the year end. The contribution in 2020/21 also includes £0.060m met from interest on the Enterprise Zone account.
- 5.8 In the event that the LEP Revenue Budget does require a contribution from the EZ account surplus, this will reduce the current balance on the EZ account – estimated to be £2.990m by the end of 2020/21.
- 5.9 More information will be reported in March and a detailed report on the projected lifetime surplus on the account, which is still estimated to be over £200.0m will be presented to the May Investment Board and the full Board.

6. Recommendations

- 6.1 The Board is requested to:
- i. Note the positive budget outturn position for 2019/20.

- ii. Agree the indicative budget for 2020/21, with an update on the 2020/21 Budget being reported to the Board in May along with a three-year estimate.
- iii. Note the estimated end of year position of the Enterprise Zone account.

Leadership Board

Appendix 3 – Invest North East England Forecast 2019-20 and Budget 2020-21

	2019-20 Original Budget	2019-20 Forecast	Variance	2020-21 Original Budget
Expenditure	£	£	£	£
Salaries	160,000	162,000	2,000	166,000
Staff training	2,000	0	(2,000)	2,000
Travel and subsistence (include international travel)	10,000	5,000	(5,000)	9,000
Web, telecoms, computers	10,000	10,000	0	8,000
Marketing/Comms/Events	100,000	100,000	0	100,000
Membership Fees (e.g. Sector bodies)	3,000	5,000	2,000	3,000
Visit hospitality costs	10,000	8,000	(2,000)	7,000
Professional consultancy	20,000	10,000	(10,000)	20,000
Lead generation/representation (London)	110,000	90,000	(20,000)	110,000
Research resource licenses	25,000	20,000	(5,000)	25,000
Propositions refresh	10,000	15,000	5,000	10,000
Total	460,000	425,000	(35,000)	460,000
Income				
Budget source				
Local Authorities @ £20k per authority	(140,000)	(140,000)	0	(140,000)
Private Sector (contributions to events)	(10,000)	(6,500)	3,500	(10,000)
North East LEP	(310,000)	(278,500)	31,500	(310,000)
Total	(460,000)	(425,000)	35,000	(460,000)

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Subject:	Governance Arrangements
Report of:	John Softly, Monitoring Officer

Report Summary

This report advises Committee of proposed changes to NTCA's Constitution and updates Committee on the use of decision-making powers.

Recommendations

The Committee is recommended to consider and comment on the content of this report.

1. Introduction

- 1.1. The Constitution was adopted at the first meeting of the Authority on 8 November 2018. The Constitution expands on the legal framework set out in the legislation relating to combined authorities and the specific statutory instrument which created NTCA.

2. Proposed changes to the Constitution

- 2.1. During the period which NTCA has been operational, no major issues with its constitutional arrangements have arisen. However, it is proposed that certain aspects of the Constitution will be updated to reflect changes over this period:
- a. the arrangements relating to mayoral ambassadors at Part 2.2 of the Constitution as agreed by Cabinet on 17 December 2019;
 - b. the provisions relating to the membership and terms of reference of the Inclusive Economy Board at Part 2.5 of the Constitution as approved in principle by Cabinet on 25 February 2020; and
 - c. amendments to the Financial Regulations at Part 4 of the Constitution to introduce the Authority's own set of Procurement Procedure Rules (Contract Standing Orders) which will be reported to Cabinet in the near future.

2.2. In addition to the above substantive changes, it should be noted that the Monitoring Officer has delegated authority to make minor changes to the Constitution to reflect organisational or legislative changes when the power remains unaltered.

3. Urgent decisions and call-in

3.1. Under Standing Order 27 of its Cabinet Rules of Procedure (at Part 3.1 of the Constitution), NTCA must publish a Forward Plan for the purpose of giving 28 days' notice of forthcoming key decisions. As set out in Standing Orders 28 (General Exception) and 29 (Special Urgency) and as summarised in the Cabinet Scrutiny Protocol (which is the subject of a separate report on the agenda for this meeting), there are provisions to allow NTCA to take a key decision without giving 28 days' notice in certain circumstances. However, since NTCA has been in operation, there has been no occasion to date when it has been necessary to use these provisions.

3.2. Similarly, the Scrutiny Procedure Rules at Part 3.3 of the Constitution set out arrangements for certain decisions of the Authority to be called in for consideration by the Committee but, to date, there has been no request for a decision to be called in.

4. Delegated Decisions

Since November 2018 there have been nine decisions taken under delegated powers. These were all non-key decisions and related to decisions specifically delegated after a Cabinet decision, or in the case of the Transforming Cities - Tranche 1 bid, the North East Joint Transport Committee. They are set out at Appendix 1.

5. Appendices

Appendix 1 – list of delegated decisions

6. Background papers

- [North of Tyne Combined Authority Constitution](#)
- List of delegated decisions published on the [NTCA website](#)

7. Contact Officers

John Softly, Monitoring Officer

Tel: (0191) 277 7047 email: john.softly@northoftyne-ca.gov.uk

Elizabeth Kerr, Policy and Scrutiny Officer

Tel: (0191) 277 7566 email: elizabeth.kerr@northoftyne-ca.gov.uk

Appendix 1 – list of delegated decisions

Date	Decision	Decision maker
4 January 2019	Transforming Cities – Tranche 1 Bid To approve final submission of the bid.	Interim Head of Paid Service
25 March 2019	Stem and Digital Skills Programme To approve the call document for publication.	Interim Head of Paid Service
5 April 2019	Investment Fund To approve the final funding award for the hosting of a stage of the Tour of Britain Cycle Race.	Interim Head of Paid Service
9 September 2019	Employability and Skills Programme - (Phase 1) To approve the call document for publication.	Interim Director of Inclusive Growth Acting as Interim Head of Paid Service
14 September 2019	Office accommodation for the NTCA Finalise lease arrangements.	Interim Head of Paid Service
26 November 2019	Employability and Skills Programme - (Phase 1) 1 of 2 To approve in-principle offers of match funding to successful applicants after specified consultation.	Interim Head of Paid Service
21 January 2020	Inward Investment Fund – grant approval Approve individual funding awards	Interim Head of Paid Service
21 January 2020	Inward Investment Fund – application 10036 To approve application	Interim Head of Paid Service
7 February 2020	Employability and Skills Programme - (Phase 1) 2 of 2 To approve in-principle offers of match funding to successful applicants after specified consultation.	Interim Head of Paid Service

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Subject:	Cabinet - Scrutiny Protocol
Report of:	Elizabeth Kerr, Policy and Scrutiny Officer

Report Summary

The purpose of this report is to present the Overview and Scrutiny Committee with the first North of Tyne Combined Authority (NTCA) Cabinet-Scrutiny Protocol and seek the Committee's endorsement of the Protocol.

Recommendations

The Overview and Scrutiny Committee is recommended to endorse the Cabinet-Scrutiny Protocol attached at appendix 1.

1. Introduction

- 1.1. The Overview and Scrutiny statutory guidance highlights the importance of raising awareness in the wider authority of scrutiny's role and function and encourages the production of an Executive-Scrutiny protocol.
- 1.2. The guidance notes that effective scrutiny can involve looking at issues that can be politically contentious and it is therefore inevitable that, at times, an executive will disagree with the findings or recommendations of a scrutiny committee and that "it is the job of both the executive and scrutiny to work together to reduce the risk of this happening, and authorities should take steps to predict, identify and act on disagreement".
- 1.3. The guidance suggests that one way this can be done is "via an 'executive-scrutiny protocol' which can help define the relationship between the two and mitigate any differences of opinion before they manifest themselves in unhelpful and unproductive ways. The benefit of this approach is that it provides a framework for disagreement and debate, and a way to manage it when it happens."

2. Development of the Protocol

- 2.1. At its meeting in July 2019 the Overview and Scrutiny Committee agreed that an Executive-Scrutiny Protocol would be developed over this municipal year.
- 2.2. During its development it was considered more appropriate to name the protocol the Cabinet – Scrutiny Protocol and not the Executive - Scrutiny Protocol as ‘executive’ is not a term used regularly in the context of the NTCA, whereas Cabinet is.
- 2.3. Attached at appendix 1 is the first Cabinet - Scrutiny Protocol which has been developed in consultation with the Chair and Vice Chair from the guidance, Acts, the Constitution and emerging NTCA custom and practice.
- 2.4. As this is a new protocol it is not expected to provide an answer for every scenario which might be encountered by the Committee and Cabinet, but it is a starting point and is intended at such at this stage. The Protocol can be developed as the work of the Committee develops going forward. It will be reviewed regularly to ensure it meets its intended purpose.

3. Next Steps

Once endorsed by the Overview and Scrutiny Committee, it will be submitted to Cabinet at the Annual Meeting in June for formal adoption and inclusion in the North of Tyne Combined Authority’s Constitution.

4. Appendices

Appendix 1 - North of Tyne Combined Authority Cabinet – Scrutiny Protocol.

5. Background papers

- [North of Tyne Combined Authority Constitution](#)
- [Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities](#)

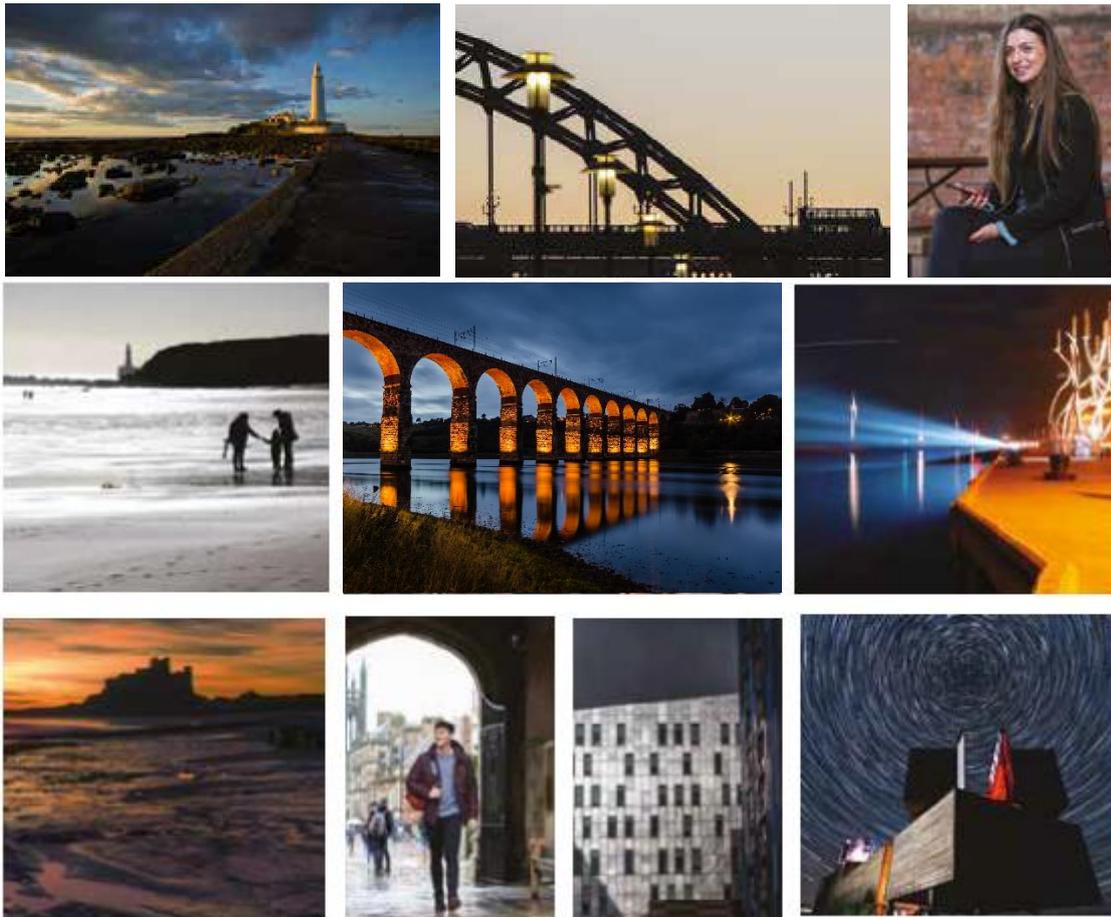
6. Contact Officers

Elizabeth Kerr, Policy and Scrutiny Officer

Tel: (0191) 277 7566

email: elizabeth.kerr@northoftyne-ca.gov.uk

Cabinet – Scrutiny Protocol



[date] 2020

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Introduction

Overview and scrutiny committees ensure that members of an authority who are not part of the executive (Cabinet) can hold the executive to account for the decisions and actions that affect their communities. Recommendations made following scrutiny work enable improvements to be made to policies and how they are implemented.

The Cabinet-Scrutiny Protocol is intended to be a guide for the Mayor and Cabinet, the Overview and Scrutiny Committee Members and officers of the North of Tyne Combined Authority (“NTCA”) on how scrutiny fits into its decision-making and organisational culture.

Scrutiny

Effective scrutiny arrangements are an essential component of local democracy, enhancing accountability and transparency of decision making and enabling local councillors to represent the views of their constituents.

The main principles of scrutiny are:

- Provide constructive ‘critical friend’ challenge;
- Amplify the voices and concerns of the public;
- Be led by independent people who take responsibility for their roles;
- Drive improvement in public services.

Creating a positive scrutiny culture and expectations about ways of working are key to making scrutiny productive and constructive and this Cabinet-Scrutiny Protocol has been produced to help all involved in the work of NTCA achieve and contribute to this.

Scrutiny at the North of Tyne Combined Authority

NTCA has appointed an Overview and Scrutiny Committee to scrutinise and challenge the Cabinet and the Mayor and to consider matters of strategic importance to residents within the North of Tyne area with a view to influencing their decisions. The Committee has no decision-making powers; it exerts its influence through reports and recommendations to Cabinet.

No member of NTCA’s Cabinet can also be a member of the Overview and Scrutiny Committee and the Chair of the Committee must be an elected member and from a political party other than the Mayor’s registered political party. Cabinet has the authority to appoint the Chair of the Committee at its Annual Meeting but has, to date, delegated the appointment to the Committee itself.

The membership of the Committee must be made up of three members from each constituent council¹ and so far as reasonably practicable its political composition must reflect the political balance across the NTCA area.

Full terms of reference and procedure rules for Overview and Scrutiny Committee are set out in the [Constitution](#) of the NTCA.

Scrutiny at NTCA is supported by a Policy and Scrutiny Officer who has responsibility to support the Chair, Vice Chair and members of the Committee in developing a work programme, promote the role of the Overview and Scrutiny Committee and be the point of contact for all NTCA officers in respect of their engagement with Scrutiny. The position fulfils the statutory role of Scrutiny Officer for NTCA². The Monitoring Officer and a Democratic Services Officer provide advice, expertise and support to ensure the proper discharge of the scrutiny function and operation of the Overview and Scrutiny Committee.

All senior officers within NTCA have a duty to provide advice to the Overview and Scrutiny Committee in the same way they would for any decision maker within NTCA's governance structures. Every effort will be made to meet the deadlines set by the Committee to ensure information is published and shared in a timely manner.

Key Decisions

A key decision is a decision of a decision maker (i.e. the Mayor, Cabinet, a committee or an officer under delegated powers) which in the view of the Overview and Scrutiny Committee is likely to (a) result in NTCA or the Mayor incurring significant expenditure, or the making of significant savings, having regard to the NTCA budget for the service or function to which the decision relates; or (b) be significant in terms of its effects on persons living or working in an area comprising two or more wards or electoral divisions in the NTCA area. Overview and Scrutiny Committee will consider what, in their view, should be a key decision on an annual basis.

Information sharing between Cabinet and Scrutiny

A scrutiny committee needs access to relevant information the Authority holds, and to receive it in good time, if it is to do its job effectively. When information is requested by Scrutiny an explanation as to why the information is needed will be included so Members and officers can provide information that is relevant and timely. It is recognised that there might be instances where it is legitimate for the Authority to withhold information, but it is understood that this would only occur when required by law and the reasons for the refusal will be shared with the Committee as fully as possible.

¹ A 'constituent council' is one of the Local Authorities which make up the NTCA; namely Newcastle City Council, North Tyneside Council and Northumberland County Council.

² See Part 2 paragraph 9 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committee) Order 2017 for the definition of Scrutiny Officer.

NTCA's Forward Plan, which sets out what decisions (key and non-key) are going to be taken by Cabinet in the next three months, is published at least 28 days before a Cabinet meeting. The Forward Plan sets out: when the decision is expected to be made and by whom; what the decision is; any background documents and any consultation carried out prior to the decision and contact details for the lead officer. The Forward Plan is sent to all Members of NTCA whenever it is published. The Forward Plan will be used by the Chair and Vice Chair of the Overview and Scrutiny Committee to inform their decisions about the agenda for future meetings of the Committee.

If any member of the Overview and Scrutiny Committee would like the Committee to receive information / a report on any matter on the Forward Plan, which has not been included in the work programme for the Committee, they can ask the Chair and Vice Chair of the Committee to either request the information be circulated as part of the monthly Scrutiny Briefings or add it to an agenda for a meeting.

Informal meetings between the Chair and Vice Chair of the Overview and Scrutiny Committee and the Elected Mayor will take place on a regular basis, with the NTCA Policy and Scrutiny Officer also attending. The published Forward Plan will form the basis of these discussions, but there will be an opportunity for a wider discussion about other areas of NTCA work. These discussions will help build a trusting relationship between Cabinet and Scrutiny and a deeper appreciation of how and when Scrutiny can add value and relevance to the work of the wider Authority and allow for an informal sharing of information. Where it is felt more appropriate, informal meetings with Cabinet members and officers can also be arranged.

The Scrutiny Officer will prepare a Scrutiny Briefing once a month which will include information on any meetings with the Mayor and/or Cabinet members; any additional information requested by Committee members; a list of meetings relating to the work of the NTCA; and an update on any ongoing work of the Committee.

Committee meetings

All Members of the Overview and Scrutiny Committee should seek to promote an atmosphere of openness and transparency at meetings and ensure that questioning and debate takes place within a climate of mutual respect and trust between the committee and other participants. Members should be prepared to ask questions and pursue lines of enquiry that will challenge decision-makers to explain and justify their reasoning. They should not seek to be overtly political, recognising that they are undertaking their responsibilities on behalf of all residents within the NTCA area.

Cabinet members and the Elected Mayor would be expected to attend a meeting of the Overview and Scrutiny Committee and provide a briefing paper for publication in the agenda when they are specifically invited to present an update on their portfolio area, but are also welcome to attend when a matter for discussion falls under their portfolio area or any other meeting.

When invited to a meeting, the Cabinet Member will get four weeks' notice of the date of the meeting and will make all reasonable adjustments to be able to attend the meeting

Where it is not possible for a Cabinet Member to attend, a reason must be given, and the matter will be deferred until the next scheduled meeting. It is accepted that if another Cabinet Member or an officer attends the meeting in the place of the Cabinet Member, he/she must be in a position to be able to answer any questions the Committee may have on the matter in question.

Work programme

Scrutiny needs to have a clear role and focus; prioritising is necessary to ensure the scrutiny function concentrates on delivering work that is of genuine value and relevance to the work of the Authority, therefore an effective work programme is central to effective scrutiny.

At the beginning of each municipal year, after the appointment of Members but before the first formal Overview and Scrutiny Committee of the year, a workshop will be held with the newly appointed committee members to agree their focus for the year ahead. A set of provisional agendas for each meeting will be agreed so both Cabinet and Committee Members will know what matters are to be discussed at each meeting for the year ahead.

A request for a matter to be considered by the Overview and Scrutiny Committee can be made by a member of the public, a committee member, any member or officer of the three constituent authorities, or any member or officer of NTCA.

The work programme will be a flexible document which can be amended throughout the year to include any matters which arise but every effort would be made to ensure that there were no more than three significant matters on any agenda to keep the meetings to the recommended length of two hours to ensure productivity. Should it be required an additional meeting can be called.

The Overview and Scrutiny Committee has the option to establish temporary working groups to consider specific issues in more depth and report back to the Committee. Any suggested topic will go through an assessment process to ensure the work would add value, be timely and contribute to improvements.

Where the Committee decides to undertake any in-depth investigation and establish a working group they will:

- a) notify the Mayor/Cabinet Member as appropriate at the commencement / early stages of a review to inform them of the terms of reference of the study and the lines of inquiry which will be pursued;
- b) involve the Mayor/Cabinet Member throughout the review if felt appropriate;
- c) produce recommendations from evidence-based conclusions;
- d) seek advice about legal and financial implications of draft recommendations; and
- e) share the draft report and recommendations with the Mayor/Cabinet Member and appropriate officers before publication as a courtesy.

The Chair of the Overview and Scrutiny Committee will attend the Cabinet meeting to present the report and its recommendations to Cabinet.

Responses from Cabinet to Scrutiny

The Cabinet will respond to the Overview and Scrutiny Committee in a variety of ways.

Where a recommendation or request for additional information has been made at a committee meeting in response to a report being presented by a Cabinet Member or officer, any actions taken in response to those will be reported to the Scrutiny Officer who will inform the Committee Members via the Monthly Scrutiny Briefing.

Where the Overview and Scrutiny Committee has made recommendations to Cabinet through a formal Scrutiny report either through a working group or an in-depth investigation, these will be presented as a report to Cabinet. Cabinet will respond to the recommendations within two months of receiving the report. This response will set out which recommendations are to be accepted and what action is planned as a result and which (if any or all) of the recommendations were not accepted and why. This response will be reported to a meeting of the Overview and Scrutiny Committee.

All responses will be monitored and referred to in the Annual Scrutiny Report.

Call-In

The Overview and Scrutiny Committee has the power to 'call-in' any decision of the Mayor, Cabinet or sub-committees and all officer key decisions if it considers that the decision was taken:

- a) in a manner which was inconsistent with the Constitution and procedures of the Authority;
- b) without adequate consultation with relevant parties;
- c) without adequate evidence to inform that decision, or with inaccurate or misleading evidence; and/or
- d) without sufficient regard to the financial or other impacts of the decision or the risks arising from the decision.

The request for a decision to be 'called-in' must be made to the Monitoring Officer by any four Members of the Committee who are drawn from at least two of the constituent councils setting out which of the above has not been met. The request for Call-In must be made within five working days of the decision being published.

All Committee members will be informed by email that a decision has been published on the day it is published and the deadline by which a request for Call-In must be received. All Members on appointment to the Committee will be sent a copy of the Call-In form and any NTCA officer who receives a request for a Call-In form will respond to that request as a matter of urgency.

If, in the opinion of the Monitoring Officer, the request is valid a meeting of the Committee will be arranged. Due to the time constraints (the meeting must take place within 10 days of the request being declared valid) the date and time of the meeting will be at a time when the following are able to attend:

- a) at least one of the Members who have signed the Call-In request;
- b) the appropriate officers and appropriate Cabinet Member(s); and
- c) enough members of the Overview and Scrutiny Committee (or their substitutes) to ensure that the meeting is quorate and able to take the decision,

This may mean that the meeting takes place at a time when not all committee members are able to attend and at a different time and day to its usual meeting day.

The Cabinet and Scrutiny members recognise that the Call-In power is not a substitute for early involvement in the decision-making process or a party-political tool.

Urgent Decisions and Exemptions from Call-in

It is acknowledged that sometimes key decisions will need to be taken quickly and as such may not always appear on the Forward Plan.

A General Exception Decision is where a key decision has not been included in the Forward Plan but **more** than five clear days' notice of the decision can still be given. The Monitoring Officer will notify the Chair (or, in their absence, the Vice Chair) of the Overview and Scrutiny Committee in writing of the matter to be decided with an explanation of why it did not appear on the Forward Plan. The Monitoring Officer shall as soon as possible thereafter publish on the Authority's website a notice setting out the reasons why the matter could not be included on the Forward Plan.

A Special Urgency Decision is where a key decision has not been included in the Forward Plan but **less** than five clear days' notice of the decision can be given. The Monitoring Officer will notify the Chair (or, in their absence, the Vice Chair) of the Overview and Scrutiny Committee in writing of the matter to be decided with an explanation of why it did not appear on the Forward Plan and why it needs to be taken in under five days, and seek their agreement that the making of the decision is urgent and cannot be reasonably be deferred. Subject to this agreement, the Monitoring Officer shall as soon as possible publish on the Authority's website a notice setting out the reasons why the matter is urgent and could not reasonably be deferred.

If a decision needs to be made urgently, it may also be necessary to seek an exemption from call-in to avoid a risk of serious prejudice to the interests of the Authority. In these circumstances:

- The Head of Paid Service shall determine whether a risk of serious prejudice exists. In the event that the Head of Paid Service is the decision-maker, this assessment shall be confirmed by the Monitoring Officer;

- The Head of Paid Service must secure the agreement of the decision-maker and the Chair of the Committee;
- The decision shall be communicated to the Committee in advance of implementation;
- The fact that a decision is exempt from call-in shall be recorded alongside the decision itself.

To enable a quick response from the Chair or Vice Chair of the Overview and Scrutiny Committee, the Scrutiny Officer will be notified as soon as it realised that any of the above decisions may be required to enable them to make the necessary arrangements for the Chair or Vice Chair to be available to respond to the request in a timely manner.

All of these decisions will be published on the NTCA Website (subject to any exemptions under the Access to Information regime) and will be reported to the Overview and Scrutiny Committee at the end of the municipal year.

Conclusion

Overview and Scrutiny is a statutory responsibility of the North of Tyne Combined Authority that contributes to better decision making and through that to better outcomes for the residents of the area. This protocol, which will be reviewed regularly, aims to ensure that the relationship between Cabinet and Scrutiny is one of mutual respect and understanding which allows for effective scrutiny. Due to the nature of Scrutiny there will be occasions when disagreements occur. It is the job of both the Cabinet and Scrutiny to work together to reduce the risk of this happening and to use the principles of this protocol to provide a framework for disagreement and debate when they do.

Further Reading

- [The North of Tyne Combined Authority Constitution](#)
- [The Combined Authorities \(Overview and Scrutiny Committees, Access to Information and Audit Committee\) Order 2017](#)
- [The Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority \(Establishment and Functions\) Order 2018](#)
- [Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities](#)

Useful Websites

[North of Tyne Combined Authority](#)

[Centre for Public Scrutiny](#)

[Local Government Association](#)

[North East Combined Authority](#)

[The North East Local Enterprise Partnership](#)

Contact Officers

Lynn Camsell, Democratic Services Officer

Email: lynn.camsell@northoftyne-ca.gov.uk Tel: (0191) 211 6146

Elizabeth Kerr, Policy and Scrutiny Officer

Email: elizabeth.kerr@northoftyne-ca.gov.uk Tel: (0191) 277 7566

John Softly, Interim Monitoring Officer

Email: john.softly@northoftyne-ca.gov.uk Tel: (0191) 277 7047

DRAFT

Subject:	Scrutiny Annual Report
Report of:	Elizabeth Kerr, Policy and Scrutiny Officer

Report Summary

The purpose of this report is to seek the Committee's approval of its first Annual Report and agree its submission to Cabinet.

Recommendations

The Overview and Scrutiny Committee is recommended to make any comments/suggestions on the draft Annual Report and agree its submission to the Annual Meeting of Cabinet in June 2020.

1. Information

- 1.1. The Centre for Public Scrutiny's (CfPS) *Good Scrutiny Guide* and the Statutory Guidance on Overview and Scrutiny Committees refer to an Annual Scrutiny Report. Whilst the context of the reference relates to local authorities and the importance of ensuring that Council and not just the Executive are aware of the work of Overview and Scrutiny, for Combined Authorities the Statutory Guidance states:

“In order to maintain awareness of scrutiny at the Combined Authority and provoke dialogue and discussion of its impact, the business of scrutiny should be reported to the Combined Authority board”. (paragraph 11 j, page 10)

- 1.2. It was agreed as part of the Committee's work programme for 2019/2020 that an annual report of the work of the Committee in its first full year would be produced for the last meeting of the municipal year. It is expected that this report will be submitted to Cabinet as part of the Annual Meeting in June to maintain its awareness of the activity of the Committee outside the formal recommendations made to Cabinet throughout the year.
- 1.3. The report is intended to illustrate to the public and Cabinet the Committee's approach to its work this year, how it has developed and the impact it has made.
- 1.4. Attached at appendix 1 is the draft Annual Scrutiny Report.

2. Appendices

Appendix 1 – NTCA Scrutiny Report 2019/2020

3. Background papers

- NTCA Overview and Scrutiny Committee work programme
- [Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities](#)
- [Centre for Public Scrutiny Good Scrutiny Guide](#)

4. Contact Officers

Elizabeth Kerr, Policy and Scrutiny Officer

Tel: (0191) 277 7566

email: elizabeth.kerr@northoftyne-ca.gov.uk



March 2020



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DRAFT

Foreword from the Chair



As the first ever Chair of the North of Tyne Combined Authority Overview and Scrutiny Committee, it is a real privilege and it gives me great pleasure to be able to introduce the Combined Authority's first Annual Scrutiny Report.

The Committee is comprised of Elected Members from Newcastle City Council, North Tyneside Council and Northumberland County Council who, as Councillors, all come from and represent different communities ranging from Berwick-upon-Tweed to Tynedale and Seaton Delaval, Killingworth, North Shields, Wallsend, Newcastle upon Tyne and Throckley. Each Member brings something unique; whether that be skills, life experience, interest areas or specialist knowledge. All of which I see as a positive asset to the workings of the Committee. The Committee Members have gelled well and work successfully together on a cross-party basis for the benefit and wider good of our region.

The Overview and Scrutiny Committee does not see its role as being the 'opposition'; it is there to hold the Mayor and Cabinet to account for the decisions and actions that affect the North of Tyne communities. To be able to do this effectively there needs to be a good working relationship between the two, a relationship which the Vice Chair, Councillor Linda Wright, and myself have developed over the year by holding regular meetings with the Mayor, inviting him to committee meetings and workshops and also hearing from each Cabinet Member on their Portfolio Area at committee meetings throughout the year. I have also attended Cabinet meetings to present Overview and Scrutiny's recommendations. During this year, we have also worked on establishing a Cabinet - Scrutiny Protocol which sets out the relationship between the Cabinet and Scrutiny and this document will be coming forward at the Combined Authority's Annual General Meeting in June 2020.

As part of our work the Vice Chair and I have met other Overview and Scrutiny Chairs and Vice Chairs both at Combined Authorities and Local Authorities and have appreciated the opportunity to discuss ideas and best practice and help raise the profile of the newest Combined Authority. Councillor Wright and I and the Scrutiny Officer have also attended day sessions organised by the Centre for Public Scrutiny which were both interesting and useful.

I would like to thank the current Members for their work and contributions over the year; especially my Vice Chair, Councillor Linda Wright, for her hard work and dedication to the role. I would also like to thank our Scrutiny Officer, Elizabeth Kerr, and the Committee's Democratic Services Officer, Lynn Camsell, for their support to myself and the Committee over the year, they are a credit to the Combined Authority.

Now, looking toward the year ahead. I believe the work of this first year has given the Overview and Scrutiny Committee an excellent starting point and it is ready to choose where its focus and attention should be concentrated. In addition, the Combined Authority as a whole will need to discuss and debate the potential governance implications and additional powers that may rise from the emerging White Paper on English Devolution planned by Her Majesty's Government.

Meetings of the North of Tyne Combined Authority Overview and Scrutiny Committee are public meetings and anyone is always more than welcome to attend our meetings. For more information on when meetings take place, please keep an eye on the Overview and Scrutiny Committee's page on the Combined Authority website: www.northoftyne-ca.gov.uk/overview-and-scrutiny-committee

Finally, I would like to thank you for taking the time to read this foreword and hope that you find this Annual Scrutiny Report interesting and informative as to the work of the North of Tyne Combined Authority Overview and Scrutiny Committee during the 2019/20 Municipal Year.



Councillor Gregah A. Roughead

Overview and Scrutiny Committee Members



Cllr Susan Dungworth
Northumberland County
Council



Cllr Peter Earley
North Tyneside Council



Cllr Sandra Graham
North Tyneside Council



Cllr Margaret Hall
North Tyneside Council



Cllr Paula Holland
Newcastle City Council



Cllr Anita Lower
Newcastle City Council



Cllr Gregah Roughead
(Chair)
Northumberland County
Council



Cllr Gordon Stewart
Northumberland County
Council



Cllr Linda Wright
(Vice Chair)
Newcastle City Council

The Scrutiny Year

The North of Tyne Combined Authority (NTCA) was created halfway through a municipal year in November 2019 which means 2019/20 is the first full year of scrutiny activity for the Overview and Scrutiny Committee.

Scrutiny at a combined authority level will necessarily look and feel different to local authority scrutiny due to the strategic nature of the Mayor's role and the unique Mayor/Combined Authority relationship. At its first meeting of the year on 2 July 2019 the Committee agreed a work programme for the year ahead which recognised how young the NTCA was and provided a framework to increase the knowledge amongst the membership of the role, powers and ambitions of the NTCA and how it anticipated delivering the Devolution Deal. The work programme also allowed space for items to be added during the year as the work of the NTCA progressed.

The Committee members have been engaged with their role and the work of the NTCA; each meeting, informal workshop and training session has been well-attended and constructive. The Chair and Vice Chair attended a course at the Centre for Public Scrutiny which has increased their knowledge and confidence in their roles.

All officers have responded to requests for information which has meant the agendas for the meetings have included reports for all items to be discussed in one document.

Members of the Committee have been kept informed of progress against their recommendations, other meetings in the region and matters of interest by monthly Scrutiny Briefings. As the Committee has five meetings a year this is particularly useful in keeping members informed between formal meetings.

Members of the public, Councillors or officers can make suggestions for issues to be considered by the Overview and Scrutiny Committee in the future by emailing the Scrutiny and Policy Officer at scrutiny@northftyne-ca.gov.uk

Details of all matters considered by the Overview and Scrutiny Committee can be viewed on the NTCA website at <https://www.northoftyne-ca.gov.uk/overview-and-scrutiny-committee>

Holding Decision Makers to Account

The Elected Mayor, Jamie Driscoll, has attended two meetings of the Overview and Scrutiny Committee to present his plans and the progress of the NTCA. He also attended the Budget workshop to answer questions from the Committee on the Cabinet's budget proposals.

Each Cabinet Member has attended a meeting of the Committee to present an update on their portfolio area and answer questions from the Committee.

Quarterly budget monitoring has been a regular feature of the Committee's work this year and scrutiny of the Treasury Management Strategy was enhanced by training attended by Members in December.

Two of some of the first decisions taken by the NTCA, the hosting of a stage of the Tour of Britain Cycling Race and the funding of a bid for the Local Full Fibre Network, have been scrutinised by the Committee to discover what the impact of these decisions has been and whether they met their intended outcomes.



O&S recommendation accepted:

Cabinet now publishes the Forward Plan for the next three months instead of just the statutory 28 days.

Pre-scrutiny work

Good Work Pledge

NTCA's Inclusive Economy Policy Statement acknowledged the need for 'good work'- work that provides, amongst other things, security, skills, progression opportunities, a decent standard of living, promotes health and wellbeing, and helps to ensure that the North of Tyne area is productive and thriving. Work by the NTCA commenced in the summer to understand what 'good work' should look like in the North of Tyne, and how the NTCA can promote and reward employers.

This led to the development of a Good Work Pledge which would enable employers to understand the key elements of 'good work', what they can do to achieve this for their employees, and what support is available to help them get there. In October 2019 the Overview and Scrutiny Committee had the opportunity to comment on the response to the consultation on the Pledge and its key findings, what challenges this had highlighted and the proposed next steps to the Cabinet Member and was an opportunity to shape the final proposal for adoption by Cabinet.

Returns Programme

The NTCA Returns programme will support residents disengaged from the labour market for two years or more to engage with local employers offering a range of inclusive routeways to work such as paid internships and work experience with training. It will also support employers to design and deliver Returns to meet their needs.

In December 2019, the Committee was presented with the work undertaken to date and had the opportunity to inform how the programme could be delivered. Suggestions made at the meeting and taken forward as part of the project's work included ensuring opportunities were available for people who had previously held professional qualifications but needed access to work experience to regain them and that consideration was given to the provision of training in communities, thereby reducing the need for residents with caring responsibilities or limited incomes to travel.

The NTCA Budget 2020-2021

In accordance with the Budget and Policy Framework Rules of Procedure (Part 3.2 of the Constitution) the Overview and Scrutiny Committee has a particular role in the setting of the NTCA budget.

At its 8 October 2019 meeting the Committee were given the opportunity to comment on the 2020-2024 Financial Planning and Budget Process which included information on the development of a Medium-Term Financial Strategy (MTFS), the development of the detailed budgets for 2020/21 and the timetable for the setting of the budget.

Cabinet agreed its draft budget proposals and the MTFS for the period 2020-2021 to 2023-24 on 17 December 2019 and on 18 December 2019 the Overview and Scrutiny Committee met to receive the draft budget proposals and accompanying information. As part of its scrutiny of the proposals the Committee held a workshop in January 2020, attended by the Chief Finance Officer and the Mayor to present information on what had changed since the draft proposals were received, discuss the proposals and to answer questions. The Committee made comments specifically relating to the allocation of the Adult Education Budget and the Treasury Management Strategy. Formal recommendations included a request that Cabinet reviews the budget after six months and that the consultation process included a mechanism for the general public to comment on the proposals. All the recommendations from the Committee were accepted by Cabinet.

O&S recommendation accepted: 
Cabinet will review the agreed budget after six months.

Relationship Building

By the end of the municipal year, the Chair and Vice Chair will have met informally with the Mayor on six occasions to discuss the Forward Plan and to develop the relationship between the executive and scrutiny. This arrangement will continue in the new municipal year, particularly for the months when there are no formal scrutiny meetings.

Steps have also been taken to foster good working relationships with the Scrutiny Officer and the Chair and Vice Chairs of the Overview and Scrutiny Committees for the North East Joint Transport Committee and the North East Combined Authority (NECA). This is because the transport functions for the area are managed by the North East Joint Transport Committee and NECA is currently the accountable body for the North East Local Enterprise Partnership. The Chair and Vice Chair attended a meeting of the NECA's Overview and Scrutiny Committee and an informal meeting has been held with the Scrutiny Officer and the Chair and Vice Chairs of the North East Joint Transport Overview and Scrutiny Committee and the NECA's Overview and Scrutiny Committee. All were open to working together on matters which affect all seven of the local authorities in the region.

The Chair and Vice Chair also met the Chief Executive and the Chair of the North East Local Enterprise Partnership (LEP) to discuss its role and function and how scrutiny could contribute to its work. An introduction to the role of the LEP and the Strategic Economic Plan has been presented to a formal meeting of the Committee.

Looking Forward

As the work of the NTCA to deliver the Devolution Deal progresses, the role of the Overview and Scrutiny Committee will likely become more focussed as the Committee agrees its priorities and which areas of work it can clearly demonstrate it adds value to. This first year has been about learning the aims and ambitions of the NTCA and the Mayor and how the Committee can be a critical friend for decisions made and also a sounding board for plans as they develop.

Once the committee membership is appointed for 2020-21 a workshop will be held to discuss the work programme and ways of working for the year ahead and begin to set its priorities. Matters already on the list for potential inclusion include raising awareness of the work of the NTCA and the Overview and Scrutiny Committee, the Education Challenge and the STEM and Digital Skills Programme.

Useful Websites



[North of Tyne Combined Authority](#)

[Centre for Public Scrutiny](#)

[Local Government Association](#)

[North East Combined Authority](#)

[The North East Local Enterprise Partnership](#)

Contact Officers

Lynn Camsell, Democratic Services Officer

Email: lynn.camsell@nortoftyne-ca.gov.uk

Elizabeth Kerr, Policy and Scrutiny Officer

Email: elizabeth.kerr@northoftyne-ca.gov.uk

