

North of Tyne Combined Authority, Overview and Scrutiny Committee

Thursday 21 March 2019 at 2.00 pm

Meeting to be held at the Mansion House, Fernwood Road, Jesmond, Newcastle, NE2 1TJ

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SUPPLEMENTAL AGENDA

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3. Minutes of Previous Meeting held on 14 February 2019	1 - 6
4. North of Tyne Housing And Land Board - Progress Update	7 - 16

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Draft Minutes to be Approved North of Tyne Combined Authority, Overview and Scrutiny Committee

14 February 2019

(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

Present:

Chair: Cllr G A Roughead

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

7 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting and introductions were made.

Apologies were received from Councillors Fairlie, Wright, Lower, Bell, Davey and Cox.

8 DECLARATIONS OF INTEREST

None

9 MINUTES OF THE MEETING HELD ON 17 DECEMBER 2018

The minutes of the meeting held on 27 December 2018 were agreed as a correct record and signed by the Chair.

10 REPORT TO CABINET ON INVESTMENT FUND UPDATE

Submitted: Report of the Interim Director of Inclusive Economy (previously circulated and a copy attached to the Official Minutes).

Members considered the report presented by Lee Cranston which set out a progress update on projects that had been agreed by Cabinet and which

summarises other activity under way to progress the objectives set out in the NTCA Vision and Devolution Deal prior to the Mayoral Elections in May 2019.

Committee also considered the report to Cabinet on 5 February 2019, agenda item 5a, NTCA Investment Fund Update: Supplemental Brexit Update.

Comments, questions and points raised by members included:

- Investment Fund/Business Case Development Funding – in response to a query as to who was responsible for the development of the list of initial applications, L Cranston advised that the list was put together by members and officers; however, as grants are further developed other interested parties will participate in discussions.

L Cranston confirmed that the purpose of the grant funding is to promote and provide the creation of employment opportunities/inward investment

- In response to a query regarding 'Leaders of Tomorrow' and a future report to Cabinet, L Cranston informed Committee that a report was scheduled for the March Cabinet meeting. The purpose of the commissioning call is to identify those agencies already involved in STEM subjects such as chemistry, computing and mathematics with the aim of inspiring more young people to become involved.

In response to a query regarding 'Leaders of Tomorrow' and a future report to Cabinet, L Cranston informed Committee that a report was scheduled for the March Cabinet meeting. The purpose of the commissioning call is to identify those agencies already involved in STEM subjects such as chemistry, computing and mathematics with the aim of inspiring more young people to become involved.

- The proposal that the NTCA Cabinet would have sight of the proposed High Street Fund applications was welcomed although it was noted that each constituent authority was progressing its own application.
- Committee requested an update on the work of the Housing and Land Board at the next meeting
- A member queried whether central government would provide additional resources to address the impact arising from Brexit, particularly in the business sector and ports or would the Investment Fund be used to provide help, and furthermore, whether Government would match and guarantee any lost European Regional Development Funding. Committee were advised that the Shared Prosperity Fund should replace European Regional Development Funding but there was no guarantee and the Local Enterprise Partnership, the CBI and other partners were in the process of developing a response to Government in respect of impacts arising from Brexit.
- A brief discussion took place regarding the lack of advanced apprenticeships, the development of high-level skills, the skills gap and the loss of many

young people living in the area who graduate, find suitable employment and leave home to live elsewhere.

- The creation of a new centre for training in relation to offshore and wind energy technologies was raised.
- Committee were informed that a communication strategy has been developed so that businesses may be able to understand the implications of Brexit and take mitigating action.
- Committee requested that they be kept abreast of developments in respect of Brexit.

It was agreed: that the Overview and Scrutiny Committee note the report and that a report regarding the Housing and Land Board be brought to the next meeting.

(a) **Investment Fund - Brexit Update**

Submitted: Report of the Interim Director of Inclusive Economy (previously circulated and a copy attached to the Official Minutes)

11 **HOME OF AMBITION - NORTH OF TYNE COMBINED AUTHORITY**

Committee received a presentation from Maria Antoniou in respect of the Devolution Deal and the six Pillars of Ambition; Champion of Enterprise, Leaders of Tomorrow, Hotbed of Talent, Spark of Innovation, Network of Connections and Pride of Place.

Comments, questions and points raised by members included:

- A member queried whether the Vision is realistic, and could the Combined Authority be more ambitious. In response M Antoniou stated that the Vision is ambitious but realistic. Tests and checks are in place to deliver the Investment Fund (£600 million of extra money over 30 years to invest).
- The development of a scrutiny programme aimed at assisting the delivery of the Vision.
- It was noted that the Vision is an interim statement subject to the approval of the Elected Mayor.
- Post-16 skills and training providers, including through the use of the Adult Education Budget – whilst it was felt that this was a key element of the deal, there were concerns as to whether there was sufficient parliamentary time to endorse the proposals. M Antoniou replied that officers have received assurances from Government that the order will be considered in the Spring and the order confirmed in the Autumn.
- A member queried the arrangements in place in respect of transport, as this would be a key issue for the Combined Authority. Committee were informed of the establishment of the Joint Transport Committee and its composition

and the combined authority's membership of Transport for the North, England's first Sub National Transport Body.

Officers were asked to confirm the position as to political representation on the Local Enterprise Partnership's Board.

- Regarding network of connections the Chair welcomed the investment in digital infrastructure including superfast broadband, improving mobile coverage in some of the rural areas and the tourism review. Committee were reminded of the business case and commitment for the Northumberland, North Tyneside and Newcastle rail line.

In closing the discussion, the Chair commented that the presence of a Cabinet Member would have been useful.

It was agreed: that the Overview and Scrutiny Committee note the report.

12 **NORTH OF TYNE COMBINED AUTHORITY BUDGET PROPOSALS 2019-2020**

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

Consideration was given to the report on the Combined Authority's draft budget proposals for 2019/20 and the medium-term financial plan for the period 2019/2020 to 2021/22 which were set out in a report to Cabinet on 5 February 2019. Cabinet had agreed the recommendations in the budget report and final approval would be requested at the Cabinet meeting on 12 March.

Comments, questions and points raised by members included:

- Concerns were raised regarding current transport provision, particularly in Northumberland. It was felt that the rural areas and to some degree the south east area of the county are disadvantaged due to the lack of transport links, especially to main employment areas such as Newcastle.
- At this point reference was made to the Tyne and Wear Sub Committee which comprises members from the 5 Tyne and Wear local authorities. It was suggested that Durham and Northumberland County Council's should be given observer status on the Sub Committee.
- Some members felt that the proposed level of remuneration for the Elected Mayor was disproportionate given the limited powers available to the Mayor.
- Members welcomed the proposal by Nexus to open a new learning centre at South Shields, providing among other things, training for apprentices.
- J Gillespie confirmed that Cabinet Members will have regular sight of the budget as part of the Treasury Management Report and Audit and Standards Committee will receive updates on the budget through the Statement of Accounts.

- Officers were requested to organise a training session in respect of treasury management for Cabinet Members, Overview and Scrutiny and Audit and Standards.

It was agreed: that the report be noted, and views be reported back to Cabinet.

13 **DATE AND TIME OF NEXT MEETING**

21 March 2019 at 2.00pm.

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Overview and Scrutiny Committee

21 March 2019

Subject: North of Tyne Housing and Land Board – Progress Update

Report of: Tom Warburton
Interim Director of Inclusive Growth

Not Confidential

Report Summary

The purpose of this report is to provide an update on progress with the North of Tyne Housing and Land Board. It provides background to the establishment of the Board, its terms of reference and membership as well as an overview of latest progress.

The report also provides information on the other advisory Board that is due to be established for North of Tyne – the Inclusive Economy Board.

Recommendations

The Overview and Scrutiny Committee is recommended to

- (1) note the progress of the Housing and Land Board
- (2) note the plans to establish the Inclusive Economy Board to work alongside the Housing and Land Board as two key advisory boards to the Combined Authority.

1. Background Information

- 1.1 The devolution deal, which was agreed between the three North of Tyne local authorities (Newcastle, North Tyneside and Northumberland) and Government in November 2017, included the commitment to establish a North of Tyne Housing and Land Board. Section 60(c) of the deal set out the role of the Board as set out below

“this board will oversee an integrated programme of housing delivery across the area make best use of all public sector land and available funding. Board representation will be explored further but will include senior representation from Government and Homes England as well as local partners”.

- 1.2 Following agreement of the deal, the proposed role of the Housing and Land Board was included in the consultation exercise undertaken following the full governance review. This process was required by law, prior to the approval to establish the North of Tyne Combined Authority.

- 1.3 The current terms of reference and full membership of the Housing and Land Board are attached at appendix A. The members of the Board are appointed by Cabinet at its annual meeting. The Board is chaired by Sir Ed Lister who is also Chair of Homes England. The Combined Authority’s constitution also sets out that:

“The purpose of the Housing and Land Board (“the Board”) is to provide robust governance around an integrated strategic approach to improving the quality and quantity of homes in the North of Tyne area.

The Board will act in an advisory capacity to support:

- *the delivery of NTCA’s housing growth ambitions; and*
- *the alignment of public sector resources to maximise land supply, investment and impact on the delivery of housing through land supply, funding and statutory powers “*

2 Current Progress

- 2.1 The Board met for the first time in “shadow” from in July 2018 prior to the creation of the Combined Authority and again in November 2018 once the Authority had been established. The next scheduled meeting is April 2019. It has agreed its high-level priorities/objectives as:

- promoting robust governance and oversight of integrated strategic approach
- harness and align public sector resources to maximise land supply and investment, and impact on delivery through land supply, funding and statutory powers
- accelerate annual net new homes delivery rate across the proposed Combined Authority area from an historic baseline of 1800 per year in 2015/16 to 3000 per year up to 2032.

2.2 The Board has to date considered the following:

- New and existing investment opportunities through Homes England and MHCLG funding.
- Plans to improve the supply of affordable rural housing for rent and sale.
- The long term need across all three areas for specialist, accessible and supported housing which can support independent living; provide an alternative to institutional care and produce long term revenue savings in social care and potentially health care. A cross sector policy and practice event is being held in late April to draw together housing, health and social care sector leads to develop new ideas for future delivery.
- How Modern Methods of Construction and Off Site Manufacture could produce real benefits by adopting this form of construction – accelerate delivery, drive up sustainability and provide training and jobs for the aspiring work force.

2.3 Future priorities include: reviewing all potential public sector land which could be brought forward for housing use; consideration of the investment needs of those sites in private sector ownership that have not come forward through market intervention; and development of business cases to underpin strategic priorities.

3.0 **Inclusive Economy Board**

3.1 In addition to the Housing and Land Board, the Combined Authority also plans to set up an advisory board to support its work on inclusive economy. The devolution deal included the following commitment in respect of this other advisory board:

"At the heart of the Inclusive Growth elements of North of Tyne devolution is the creation of a single unified "Inclusive Growth Board". This Board will bring together the organisations responsible for the most significant socially focused interventions within the North of Tyne and will be chaired by the Mayor.

The Board will be comprised of:

- *relevant representation from the NTCA; (including, where appropriate, the Regional Schools Commissioner for the North, or their representative).*
- *relevant representation from MHCLG, DWP and DfE;*
- *relevant representation from the NELEP;*
- *other relevant business representatives; and*

The Board's work will be underpinned by an operational and performance framework, consistent with the priorities of the recently refreshed North East Strategic Economic Plan (SEP), and aligned with emerging thinking on local industrial strategy in the North East. Wherever appropriate, this framework will seek to complement interventions that are already being delivered across the broader North East geography.

The Board will be responsible for working closely with the local Skills Advisory Panel to deliver the North of Tyne Strategic Skills Plan.

The Board will work together to better integrate and strengthen education, skills and employment interventions in order to improve local education and employment outcomes. The Board will also support the development of an effective Local Industrial Strategy and will take forward and build on the aspirations and commitments in the Northern Powerhouse Strategy.

In line with Government's collaborative participation in the North of Tyne Inclusive Growth Board, the Cities and Local Growth Unit will work together with North of Tyne to help develop the key projects and programmes that the board will seek to take forward. Government and the NTCA will agree appropriate milestones for this work which will be reflected formally in North of Tyne's deal implementation plan".

3.2 It is planned to establish the Inclusive Economy Board after the Mayoral election in May. Its fundamental purpose will be to advise the Cabinet on shaping its policies and driving forward a new model of delivery to create an Inclusive Economy consistent with the Combined Authority's Inclusive Economy Policy Statement.

3.3 Cabinet has agreed that it will do this by:

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

The full proposed terms of reference, which were approved by Cabinet at its meeting on 4 December 2018, are reproduced at Appendix B.

4. Potential Impact on Objectives

4.1 The work of the two advisory Boards will ensure that the Combined Authority is able to work in partnership with all key stakeholders in an effective way. The Boards will directly support the delivery of the pillars as set out in the North of Tyne Economic Vision which was published in November 2018. In particular the following:

- pride of place – creating communities of inspiring places, homes and spaces that support more sustainable, low carbon futures set within an environment where people want to live, work and visit.
- hotbed of talent – giving everyone the opportunity to thrive – to attain a fair wage, and access good jobs with continued training and skills development available once in work

5. Key Risks

5.1 None arising from this report. Overview and Scrutiny Committee should note that both Boards are advisory, with Cabinet retaining the ability to make decisions regarding financial allocations around housing and inclusive growth. In carrying out this role, Cabinet will consider the risks associated with individual projects.

6. Financial and Other Resources Implications

6.1 None arising from this report. Overview and Scrutiny Committee should note that both Boards will require administrative and secretariat support similar in scale to that which would be associated with the creation of a Committee within the Combined Authority.

7. Legal Implications

7.1 Part 2.4 of the Combined Authority's Constitution sets out the status of the Housing and Land Board:

"The Board is an informal working group and not a joint committee, committee or subcommittee of NTCA. As such it does not have decision-making powers, political balance rules do not apply to its membership and it is not subject to the access to information rules which apply to local authority meetings. Membership of the Board is at the discretion of the Cabinet."

It is proposed that the Inclusive Economy Board will be established on the same basis.

8. Consultation/Engagement

8.1 The roles of the Housing and Land Board and Inclusive Economy Board have been subject to internal consultation with the Interim Elected Mayor and Cabinet.

There has also been external consultation on both through the Governance Review public consultation exercise. The proposed role of the Inclusive Economy Board has also been referenced in recent engagement events with key stakeholders with an interest in this theme, notably the voluntary and community sector and the wide range of employability, inclusion and skills providers.

9. Appendices

- 9.1 Appendix A: Terms of Reference for the Housing and Land Board
- Appendix B: Terms of Reference for the Inclusive Economy Board

10. Background Papers

- 10.1 None

11. Contact Officers

- 11.1 **Tom Warbuton 0191 277 5600**

APPENDIX A

North of Tyne Combined Authority Housing and Land Board

Terms of Reference

1. The Board will advise the 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 x per year to y 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
2. 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.
3. 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.
4. 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.

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

Membership

Sir Ed Lister	Chair	Homes England
Interim Mayor Norma Redfearn	Interim Mayor and Lead for Housing for NTCA	North Tyneside Council
Councillor John Riddle	Northumberland Housing Lead	Northumberland County Council
Councillor Joyce McCarty	Newcastle Housing Portfolio Holder	Newcastle City Council
Pat Ritchie	Lead Chief Executive on Housing for NTCA	Newcastle City Council
John Godfrey	Representative from Intuitional Investors	Director of Corporate Affairs – Legal & General
Peter Jordan	Representative from Home Builders Federation	National Land Director – Persimmon Homes
Mark Henderson	Representative from Nat Fed	Chief Executive – Home Group
Paul Fiddaman	Representative from Nat Fed	Chief Executive – Karbon Homes
Neil Graham	Representative from Homes England	Homes England
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
Councillor Robbie Moore	Representative for Rural Areas	Northumberland County Council

APPENDIX B

North of Tyne Combined Authority Inclusive Economy Board

Terms of Reference

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

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

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

On this basis, the Board would be responsible for:

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

The Board would achieve this by:

- Working in partnership with the NTCA portfolios – and wider public, private and social sector stakeholders (e.g. NELEP) – to mainstream Inclusive Economy across all local social and economic policy and programmes and embed Inclusive Economy as a

shared guiding principle for decision making and accountability within the Combined Authority.

- Working closely with the Local Enterprise Partnership and local Skills Advisory Panel to support the development of an effective Local Industrial Strategy and associated delivery plans from an Inclusive Economy perspective.
- Exploring ways for the Combined Authority to work in partnership with national and local organisations and bodies that share the same commitment to Inclusive Economy.
- Identifying opportunities for the Combined Authority to maximise the attraction of external funding and leverage to further advance or accelerate the delivery of its Inclusive Economy outcomes.
- Commissioning Inclusive Economy research and expertise to support NTCA's innovation in, and commitment to, making the region home of ambition and opportunity for all (e.g. devising new data and metrics on the impact of Inclusive Economy initiatives). This work could involve collaboration with local universities and/or other local and national partners.