

## **North of Tyne Combined Authority, Cabinet**

24 November 2020

(2.03 - 3.24 pm)

Meeting held: This meeting was held virtually and live streamed.

### **Approved Minutes**

#### **Present:**

Chair: Mayor J Driscoll

Councillors G Bell, R Dodd, C Johnson, J McCarty, B Pickard and G Sanderson and Ms L Winskell

Also: Mr R Fry (Observer)

#### **110 WELCOME AND INTRODUCTIONS**

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

#### **111 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor N Forbes and Mayor N Redfearn.

#### **112 ANNOUNCEMENTS FROM THE MAYOR AND/OR THE HEAD OF PAID SERVICE**

None.

#### **113 DECLARATIONS OF INTEREST**

There were no declarations of interest

#### **114 MINUTES OF PREVIOUS MEETING**

The minutes of the previous meeting held on 29 September 2020 were approved as a correct record and signed by the Mayor.

## 115 **IMPACT OF CORONAVIRUS (COVID-19) - PRESENTATION**

R Hamilton, Chief Economist delivered a presentation for Cabinet on the economic impact of COVID-19 in the North of Tyne Combined Authority's area.

The presentation highlighted key trends across different sectors and provided comparison with the national position. It also showed a national forecast.

Following the presentation, comments were made about the Combined Authority's proactive approach in preparing to support and grow the local economy, including through rapid deployment of the Investment Fund to projects.

## 116 **BREXIT UPDATE, NOVEMBER 2020**

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

The Cabinet considered the report which provided an update on issues that were facing the North of Tyne Combined Authority's area as a result of Brexit. The report was introduced jointly by Councillor J McCarty and R Hamilton.

As an update, it was noted that the Government had announced the opening of the bidding process for at least seven areas to benefit from Freeport status.

Amongst the comments made during the ensuing discussion were the following:

- the importance of a Freeport for the North of Tyne Combined Authority's economy; and the need for regular reporting on the progress of this matter.
- concern over the readiness of small business for Brexit.
- the importance of continuous joint working with partners and stakeholders.
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### **Cabinet RESOLVED:**

- i. To continue close working with businesses, to understand and monitor any potential negative impacts of Brexit alongside any opportunities. The Cabinet Members would lead discussions with business representative groups to discuss the evolving situation;
- ii. To continue to highlight relevant issues with Government and make the case for a significant COVID-19/Brexit economic stimulus package, comprising both one-off resources and longer-term replacement for EU funding;
- iii. Further development of the NE Freeport proposal;
- iv. To use the NTCA website to signpost businesses to Brexit-preparedness information and support, replicating the approach taken with COVID-19; and
- v. To receive further Brexit update reports.

117 **INTRODUCTION OF THE CHAIR OF THE INCLUSIVE ECONOMY BOARD - THE RIGHT REVEREND CHRISTINE HARDMAN, BISHOP OF NEWCASTLE**

The Cabinet welcomed the Right Reverend Christine Hardman, the Bishop of Newcastle and the Chair of the Combined Authority's Inclusive Economy Board.

The Right Reverend Christine Hardman introduced herself and spoke about the work of the Board, which was currently focused on the Good Work Pledge and Youth Employability, whilst also preparing to work on the North of Tyne Poverty Truth Commission and tackle Child Poverty. Priority was given to using realistic and practical interventions.

Councillor J McCarty commended and thanked the Right Reverend Hardman for her approach and her willingness to undertake, and lead on, this important and valuable work; and for promoting this work at Government level.

Comments were also made about the importance of a more equal and prosperous society and the additional challenges presented by the current economic environment.

118 **POVERTY TRUTH COMMISSION**

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

The Cabinet considered the report which provided an update on progress with the development of a Poverty Truth Commission for the North of Tyne and sought approval for next steps. The report was introduced by the Portfolio Holder for Employability and Inclusion, Councillor J McCarty.

The Cabinet welcomed this work. Comments were made about the value of wide-ranging engagement, including with the Voluntary, Community and Social Enterprise Sector and organisations that could amplify less prominent voices.

**Cabinet RESOLVED:**

- i. To note the progress in relation to the development of a Poverty Truth Commission for the North of Tyne; and
- ii. To authorise the Director of Policy and Performance, in consultation with the Portfolio Holder, to finalise next steps in taking forward the Commission, including securing appropriate funding.

119 **INVESTMENT FUND UPDATE AND FUNDING APPROVALS**

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

The Cabinet considered the report which provided an update on the progress that had been made on the North of Tyne Investment Fund and sought agreement of

funding approvals. The report was introduced by the Portfolio Holder for Economic Growth, Councillor B Pickard.

The Cabinet welcomed the report. Comments were made about the good progress achieved, including about safeguarding local jobs and supporting the local economy as part of the Combined Authority's plans for post-COVID-19 recovery. The Mayor commended the wise spending of the valuable resources by the Combined Authority, whilst achieving effective results.

**Cabinet RESOLVED:**

- i. To note progress to date on the Investment Fund, achievement of key milestones and ongoing development work, particularly in respect of defrayed expenditure and achievements in terms of tangible jobs for residents as a direct result of NTCA's investment;
- ii. To note progress in relation to the Culture and Creative Recovery Fund, including the outcome of the recent call;
- iii. To note progress to date of the Offshore Infrastructure Investments and the launch of our Offshore Innovation Programme;
- iv. To note recent progress to operationalise the North of Tyne Brownfield Housing Fund;
- v. To agree the allocation of £10m from the Investment Fund for the Recovery Innovation Deal; and
- vi. To delegate authority to the Interim Head of Paid Service, in consultation with the Mayor and Investment Panel, to agree the final delivery arrangements for the Recovery Innovation Deal and to make subsequent Investment decisions.

120 **2019-20 NTCA ANNUAL STATEMENT OF ACCOUNTS**

**(a) Audit Completion Report, year ending 31 March 2020**

Submitted: Audit Completion Report, year ending 31 March 2020 (previously circulated and copy attached to Official Minutes).

The report was introduced by Mr C Waddell of Mazars, who gave an overview of the status of the audit work. He highlighted key recommendations, explained the position regarding the work that was still underway and gave information on the timescales for the audit completion.

It was confirmed that there had been no questions or objections received from the public.

It was noted that the Government was changing legislation and future years would not require an unqualified opinion of external auditors to be issued regarding value for money. The Audit and Standards Committee would be briefed on the changes.

J Gillespie, the Chief Finance Officer gave assurances that the Combined Authority was aware of the improvements required regarding quality assurance, and this had been built into the planning process. She gave the reasoning for some of the impact arising, including staff capacity, effects of the COVID-19 pandemic and the Combined Authority becoming the accountable body for the North East Local Enterprise Partnership.

The Chief Finance Officer and the team were thanked for their work.

The Cabinet received the report.

**(b) 2019/20 Annual Governance Statement**

Submitted: 2019/20 Annual Governance Statement (previously circulated and copy attached to Official Minutes).

The report was introduced by J Gillespie, who confirmed that the Annual Governance Statement had been considered and approved by the Audit and Standards Committee.

**Cabinet RESOLVED** to approve the Annual Governance Statement for inclusion in the Authority's 2019/20 Annual Accounts; and recommended it for signature by the Mayor and the Interim Head of Paid Service.

**(c) NTCA Audited Statement of Accounts for the year ended 31 March 2020**

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

The Cabinet considered the report which presented the Audited Statement of Accounts for the year ended 31 March 2020. The Cabinet noted the complexity of the document which included Group Accounts of its partners.

The report was introduced by J Gillespie, Chief Finance Officer, who explained the progress of the work to complete the Annual Accounts. It was confirmed that all material adjustments required had now been applied.

Whilst the audit was substantially completed, because there were some matters yet to be finalised, delegated authority was sought for the Chief Finance Officer in consultation with the Mayor to agree the final Annual Accounts 2019/20 on the satisfactory completion of the audit matters.

**Cabinet RESOLVED:**

- i. To approve the Audited Statement of Accounts 2019/20, including the Narrative Report in line with the Accounts and Audit Regulations 2015, taking account of the views of the Audit and Standards Committee;
- ii. To approve the Annual Governance Statement for signature by the Mayor and Interim Head of Paid Service; and

- iii. To delegate authority to the Chief Finance Officer, in consultation with the Mayor/Deputy Mayor, to agree the final Annual Accounts 2019/20 on the satisfactory completion of all the audit issues.

## 121 **NTCA SECOND QUARTER BUDGET MONITORING REPORT**

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

The Cabinet considered the report which presented the financial position for the second quarter 2020/21. The report also presented the Treasury Management Mid-Year Review up to and including 30 September 2020. The report was introduced by J Gillespie, Chief Finance Officer.

The Mayor, on behalf of Cabinet, thanked J Gillespie and all staff for the remarkable achievement of ensuring that the programmes were on target despite all the challenges and the staff working from home.

### **Cabinet RESOLVED:**

- i. To note the forecast budget monitoring position for the Combined Authority, as set out in paragraphs 1.2 through to 1.7;
- ii. To agree the distribution of the 75% Business Rates Retention Pilot surplus, as set out in paragraph 1.3;
- iii. To note the Treasury Management Mid-Year update position, as set out in paragraph 1.8; and
- iv. To note the Capital Monitoring position, as set out in paragraph 1.9.

## 122 **2021-2025 NTCA BUDGET PROPOSALS**

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

The Cabinet considered the report which proposed, for consideration, the initial draft budget for the North of Tyne Combined Authority for 2021/22 and the medium-term financial plan for the period 2022/23 to 2024/25.

The report outlined the draft budget in respect of the Corporate Budget, Investment Fund, Adult Education Budget and the new Brownfield Housing Fund.

The report also outlined the context within which the budget proposals had been prepared in relation to COVID-19 and the delay of the Comprehensive Spending Review.

As the North of Tyne Combined Authority was the accountable body for the North East Local Enterprise Partnership (LEP), the report also included proposals for the North East LEP accountable body budget.

The report was introduced by J Gillespie, Chief Finance Officer.

The Mayor, on behalf of Cabinet, thanked J Gillespie and the team for their work.

**Cabinet RESOLVED:**

- i. To agree the draft Corporate Budget for 2021/22 as set out in paragraph 1.1 of the report, which would then be subject to consultation with the Overview and Scrutiny Committee;
- ii. To agree the draft Investment Fund as set out in paragraph 1.2 of the report, which would then be subject to consultation with the Overview and Scrutiny Committee;
- iii. To agree the draft Adult Education Budget as set out in paragraph 1.3 of the report, which would then be subject to consultation with the Overview and Scrutiny Committee;
- iv. To agree the Brownfield Land Programme Budget as set out in paragraph 1.4 of the report, which would then be subject to consultation with the Overview and Scrutiny Committee;
- v. To note that the Tyne and Wear levies would be issued on the 15<sup>th</sup> February 2021;
- vi. To agree to hold the reserves set out in paragraph 1.5 of the report; and noted that the Chief Finance Officer would continue to keep the level of resources under review as the Authority continued to develop and new information became available about the financial risks facing the Authority's arrangements for managing risks; and
- vii. To note the North East LEP Accountable Body Budget, as in paragraph 1.6 of the report.

123 **APPOINTMENTS**

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

The Cabinet considered the report which invited it to confirm several member appointments. The report was introduced by J Softly, the Monitoring Officer.

**Cabinet RESOLVED** – That the following changes be confirmed:

- i. Joint Transport Committee – Cllr Sanderson as member and Cllr Dodd as substitute;
- ii. Housing and Land Board – Cllr Renner-Thompson as the rural area representative;

- iii. North East LEP – Cllr Sanderson as NTCA’s observer at the North East LEP Board and Cllr McCarty as NTCA’s representative on the North East LEP’s Skills Advisory Panel;
- iv. Transport for the North – Cllr Sanderson as NTCA’s substitute member; and
- v. The designation of Paul Hanson as the Head of Paid Service be extended until the 2021 Annual Meeting.

124 **DATE AND TIME OF NEXT MEETING**

Tuesday, 26 January 2021 at 2pm.