

Overview and Scrutiny Committee

Approved Minutes

8 December 2020

(10.00 am - 12.40 pm)

The meeting was held remotely and live streamed

Minutes

Present:

Chair: Cllr G A Roughead
Vice Chair: Cllr L Wright
Councillors: S Fairlie, G Stewart, S Graham, M Hall, G Stone and L Dunn

79 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the virtual meeting.

80 APOLOGIES

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

81 DECLARATIONS OF INTEREST

None

82 AGREE THE MINUTES OF THE MEETING HELD ON 13 OCTOBER 2020

The minutes of the meeting held on 13 October 2020 were agreed as a correct record and were signed by the Chair via email.

83 CABINET MEMBERS PORTFOLIO UPDATE

(a) **Economic Growth**

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

Cllr Pickard provided a verbal update on his portfolio highlighting the following points:

The North of Tyne Investment Plan was allocated £100m to cover its first 5 years. To date, just over £40m of funding has been approved across 48 projects and various projects are ongoing.

The Combined Authority has been successful in securing 2 inward investments. The first successful inward investment project supported by the NTCA is Verisure UK Services Limited. Recruitment has started and 65 staff employed so far. The second project has been impacted by Covid and is currently on hold.

In relation to the North of Tyne Growth Fund and North of Tyne Rural Growth Fund, both are progressing well. A panel has been set up to assess and allocate funding. The funds are available to small or medium sized businesses planning capital investment to expand productive capacity and / or to diversify into new markets or products.

On 24th November, Cabinet approved £10m of Investment Funds to proceed with a North of Tyne 'Recovery Innovation Deal' The Fund is intended to support post-COVID-19, supporting business, social enterprises and Local Authorities to proactively innovate business models, enabling progression towards the use of digital platforms, sustain jobs in sectors that have been hit by the crisis and provide training for those who have recently been made redundant as a result of the impact of COVID-19 on the business sector; providing new employment opportunities for those effected by the pandemic.

Other projects included a £9m Green Deal programme; a Culture and Creative Recovery Fund, providing assistance to the Arts and Culture sector; government funding has been received to support brown field housing. Work is in progress to identify suitable sites. The North of Tyne has been successful in acquiring funding from the European Social Fund for the development of the employment and skills programme. A £5m Digital Provision Fund, overseen by the North East LEP; the LA7 are working together to deliver the projects; 50% of the funding will be provided by the North East LEP and the remaining funding to be equally split between the LA7.

Cllr Pickard responded to comment/questions from Members which included:

- A member referred to training for those who have been made redundant and whether the North of Tyne will make use of community facilities, ensuring that access to training is easy to reach and affordable. In response Cllr Pickard referred to the Adult Education Budget (AEB) and how the NTCA can realign the training to be more local and address what is needed; work was underway with the DWP and the three local authorities to do this and he undertook to feed the members comments back to the team.

- Reference was also made to the digital offer and community libraries which are now struggling with traditional book learning. Cllr Pickard was asked if the digital offer could be made available to libraries. Cllr Pickard advised that Members should progress within their own local authorities.
- Reference was made to the levelling up agenda and funding to be passed to Combined Authorities. A question was asked as to whether the North of Tyne have the resources in place to respond and deliver projects. Cllr Pickard confirmed that resources are in place and the authority worked well with and had strong input from the North East LEP, private industry and the voluntary sector.
- A member made reference to the Inward Investment Fund and whether feedback had been received in terms of promotion of the North of Tyne region and what level of response has been received. Cllr Pickard confirmed that inward investment is working extremely well. As well as the project currently progressing and the one on hold due to Covid, there are another two in the pipeline. One is technology related and the other is a large project. At the time of the meeting Cllr Pickard was not able to provide exact details due to sensitivity.
- A Member referred to the variety of investments across businesses and asked if a breakdown was available regarding take up/innovations, as the digital sector appeared to be more prominent; and, if the manufacturing sector was included. In response Cllr Pickard advised that take up covered the private, public and voluntary sector. Whilst the Combined Authority is not able to support all industries it does support existing businesses including those in the manufacturing sector who have redeveloped to provide items such as Personal Protection Equipment (PPE).
- Referring to the Culture and Creativity fund and how Culture and the Arts have been severely impacted by the coronavirus pandemic, Cllr Pickard was asked how the fund will be used to support the smaller organisations across the region. Cllr Pickard advised that a panel has been set up across the 3 local authorities feeding into how the funding will be allocated. There is a variety of uses for the funding. Cllr Pickard agreed to circulate the remit for the fund to Committee Members. A £3m fund was already in place to support activities such as festivals and events in the 3 local authority areas; unfortunately that has been put on hold because of the coronavirus pandemic. Committee were advised that further information on the brief planned for post pandemic could be provided to a future meeting.

The Chair thanked Cllr Pickard for attending and addressing the meeting.

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

(b) **Business Competitiveness**

In the absence of Cllr Forbes who was delayed due to other engagements and submitted his apologies to the committee, H Kippin presented the portfolio update. A copy of the briefing note was circulated and attached to the Official Minutes.

In presenting the update H Kippin highlighted the following points:

There is some overlap with the Economic Growth portfolio update in respect of the Investment Fund portfolio area relating to cross sector innovation, stimulating entrepreneurship with an emphasis on digital, clean energy and green growth; focussing on jobs and businesses for the future. The update also includes the transition to net zero emissions and a resurgence towards green growth.

H Kippin proceeded to provide a brief summary of the key portfolio areas:-

Digital Sector - Digital Growth and Innovation Programme Update.
NTCA Digital Growth and Innovation Programme agreed by Cabinet in January 2020 has an overall budget allocation of £10m with agreed programme objectives.

There is a large digital sector in the region with excellent networks.

Green Growth Sector Update – the development of the Green New Deal Fund (£10m) to stimulate low carbon growth and new business ideas. Four key areas for action are:-

People and Digital readiness,; ideas, tech and digital adoption; infrastructure and ecosystem and development of narrative and future proofing. Information in respect of the 4 key areas was detailed in section 3 of the report.

The 'Digital Adoption North of Tyne' programme has now been approved and leverages match funding from the national Digital Catapult and private sector co-investment. The £1.54m project will be delivered by Digital Catapult NE and Tees Valley, with the NTCA providing £0.75m of funding. The project will provide support to at least 230 Small, Medium Enterprises, with over half of these receiving at least 12 hours of guidance. It is expected that 30 jobs will be created and a further 50 jobs will be safeguarded.

The North of Tyne have also invested in its capacity to support the use of big data to drive productivity. The National Innovation Centre will support North of Tyne based companies. The centre is one of the strongest assets in the area, with the £30m investment joint funded by UK Government and Newcastle University. H Kippin explained that the North of Tyne are looking at how it can make best use of the data revolution to the benefit of businesses in the area.

Within the digital sector programme the North of Tyne have launched a £5m Open Call for projects designed to support the digital ecosystem, supporting the growth of new and existing business. At the time of the meeting the North of Tyne had received a huge response in terms of expressions of interest.

The North of Tyne has invested £12m to improve Digital Infrastructure across the 3 local authority areas and contracts are now in place for the delivery of fibre broadband to public sector sites across Northumberland.

Ageing Sector Update and Looking Forward – the report reflects on the work undertaken as to how the Combined Authority can address the social challenges and economic opportunities presented by an ageing population in the North of Tyne and beyond; adding best value to what is a growing population. Referring to Brexit and trading with the European Union, H Kippin advised that the North of Tyne will work closely with businesses within the area to understand more about the impact on their businesses and sectors, and any mitigating steps which can be taken.

H Kippin responded to comment/questions from Members which included:

- A Member referred to skills as one of the key drivers which will enable the North of Tyne to respond to the needs of business growth and asked Officers if the labour market in the region has the necessary skills to address business competitiveness. In response H Kippin explained that the region does have a good quality labour market however the skills necessary to address future employment opportunities are as yet unknown but the majority of programmes do have a skills element. R Hamilton provided further information on the advantages of good labour market intelligence. He referred to digital skills and the benefits of the AEB with meaningful relationships with providers and links to their extensive networks.
- A Member questioned the flexibility of the Combined Authority and whether it can adapt to market conditions. In response H Kippin explained why the Cabinet had chosen to focus on certain priorities and the work undertaken to detail the advantages already existing across the sector. In terms of flexibility H Kippin explained the funding of priorities and the assurance process to test the market. Expressions of interest enables the Combined Authority to look at the robustness of the interests shown and whether economic value can be added. He added that comparative advantages are in evidence across the sector in terms of work life balance; the 'place' identity of the North of Tyne; excellent research facilities and cohesion between communities.
- Questions were asked in respect of a) digital adoption and assurance sought that the Combined Authority was not parochial in that just one small part has a combined approach to working; b) digital infrastructure and the programme to provide fibre broadband in public buildings and if there is a joined up approach in respect of the digital programmes, thereby avoiding duplication of work and c) joined up approaches, in particular the green growth sector looking at more energy efficiency. An example was given of the borderland coal fields who are considering the creation of an investment company to provide local energy to the borderlands area. H Kippin was asked if there was potential for the Combined Authority and the north east region to work with the borderlands and d) the government announcement that the Tees Valley Combined Authority were to become the UK's central hub for the use of hydrogen energy for the transport sector and whether the North of Tyne should move away from electric vehicles and look to hydrogen as an alternative source for transport. In responding H Kippin referred to the wider regional connectivity, working with Catapult and the LA7 Transport and Connectivity Plan. It was noted that investments in activities are specifically to the North of Tyne. There is very strong coordination and collaboration among teams and partner authorities, working together on

activities/programmes and public sector improvements. With regards to borderlands, there is a specific reference in the NTCA Recovery and Renewal deal, submitted to government, that the Combined Authority will look to maximise the impact on the borderlands as much as possible. In terms of the use of hydrogen to power transport, its use for trains and industrial processes would likely come before cars and that the local industrial strategy covers the LA7 and not just the NTCA.

The Chair thanked both H Kippin and R Hamilton for presenting the report and extended the invite to Cllr Forbes to attend a meeting at a future date.

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

84 **COVID-19 NTCA RESPONSE AND RECOVERY PLANS**

Report of the Director of Economic Growth (previously circulate and a copy attached to the Official Minutes).

H Kippin introduced the report which is one of a series of reports updating the NTCA Overview and Scrutiny Committee on the role NTCA is playing in supporting COVID-19 response and recovery in the region. It builds on the framework set out in the report to October Overview and Scrutiny Committee – noting additional developments since that point including an early assessment of outcomes from the Spending Review.

During the presentation Members received a quick snap shot with the following points:

Spending Review - The spending review has provided some clarity for the 2021/22 financial year but is not the comprehensive settlement expected. As a result of Covid there has been a 10% shrinkage in businesses leading to high unemployment levels and a budget deficit; spending on public services is now limited across the public sector and there is still a huge gap between resources allocated during Covid and what has been received back from government; in terms of skills and jobs there are substantial funds in the system which can be built into the Adult Education Budget (AEB); levelling up funds and an Infrastructure Plan for the North and a mix of measures to stimulate the North East Economy. Implications for the Combined Authority are a one year view with a multi-year settlement and policy framework to follow; adapting to central measures, however, the North of Tyne does have credible delivery mechanisms; there are still uncertainties relating to Brexit and the impacts of Covid.

NTCA Capacity Fund – the objective of the Capacity Fund is to support coronavirus response; Cabinet agreed an allocation of £5m from the investment fund to support local business, the voluntary sector and local residents in the North of Tyne area; supporting the Digital Inclusion programme through the provision of laptops and connectivity for school-age children and vulnerable adults, delivered in partnership with the three Local Authorities. Members received a breakdown on the areas of spend in the three local authority areas with an emphasis on areas of need in each locality. Information was provided on progress made at the time of the meeting

relating to the number of enterprises who have received support, jobs safeguarded, residents supported into volunteering, spaces created or safeguarded for community and business activities and participants supported with employment skills. Three examples were given of organisations who have benefited from support: DW Styling in Blyth, Footsteps Children's Services in Benwell and a response to a Back to Work Programme.

NTCA Recovery Innovation Fund – H Kippin advised that the Innovation Fund is relatively new and was work in progress. At its November meeting Cabinet agreed the establishment of an Innovation Fund with five sets of criteria; flexible and adaptable with maximised Combined Authority support, adding value, co-design to innovate in design and delivery of the fund, turn innovative ideas into quick progress and the ability to adapt over time.

H Kippin responded to comment/questions from Members which included:

- A Member acknowledged the urgency in allocating resources across the North of Tyne area and asked how the Combined Authority can prove that 416 jobs have been safeguarded, how can the Overview and Scrutiny Committee be reassured that the correct approach has been taken and have any lessons been learnt. H Kippin explained that the Investment Panel has a commitment to ensure that interim feedback is received on where funding has been allocated and whether resources have been allocated to where it is most needed. In relation to how does the Authority know that funding has gone to where it is most needed Members heard that the Authority is constantly learning and sharing best practise across the three local authorities. The fund has been designed to be flexible and can respond to a changing environment. Officers capture outcomes and inputs and monitor the fund. Each local authority is requested to provide evidence of fund allocations. Confirmation was given that the Investment Panel membership includes representation from the Cabinet and a senior officer from each local authority.
- Reference was made to the Innovation Deal and a comment made that whilst there are aspirations and flexibility there is no firm content. In responding H Kippin advised that Cabinet have approved the creation of a headline fund to enable tangible projects. The funding is a mix of directly commissioned projects and pipeline developments. The flexibility allows sufficient time for projects to be developed.
- A member referred to the Poverty Truth Commission which was to include local members from the three local authorities; ideally this would encourage backbench Members to participate and could be spread geographically. It was also queried whether parish councillors, who tend to be the first point of contact, could be involved. In response R Redfern, the NTCA Director of Policy and Performance, advised that the Authority are currently engaging and listening to peoples' experiences and enabling access to those people who are hard to reach and whose poverty may be unseen through partnership working with the voluntary sector; Members are encouraged to participate. The prime intention is to aid the development of those who require assistance to achieve goals and aspirations, gaining the confidence

to seek employment. Committee were advised that the work will take time and support from Committee Members would be appreciated.

- R Redfern welcomed a comment regarding the involvement of local communities and community halls who have an abundance of local knowledge, agreeing that work could be undertaken to see how this can be utilised.

The Committee agreed that an update on the work of the Poverty Truth Commission be brought back to a future formal meeting.

RESOLVED that –

- The Overview and Scrutiny Committee noted the report.
- An update on the work of the Poverty Truth Commission be brought back to a future formal meeting.

85 **CITIZENS' ASSEMBLY ON CLIMATE CHANGE - UPDATE**

Submitted: Report of the Head of Communications, Engagement, and Organisational Development (previously circulated and a copy attached to the Official Minutes).

T Sharman, Engagement Officer for the NTCA, presented the report the purpose of which was to update the Overview and Scrutiny Committee on the progress made to date on holding a Citizens' Assembly on Climate Change in the North of Tyne. Peter Bryant – Shared Future (Citizen's Assembly) was also in attendance for this report.

T Sharman briefly outlined the background regarding the establishment of a Citizens Assembly on Climate Change. Cabinet have approved a budget of £80,000 and delegated responsibility to the Interim Head of Paid Service, in consultation with the Investment Panel and the Mayor, to finalise arrangements.

Preparatory work was paused during the coronavirus pandemic to consider how the Citizens Assembly could function within government restrictions. Once resumed Shared Future CIC were appointed to design and facilitate the Assembly and to establish an Oversight Panel, a mix of internal and external experts, to determine the topic and questions to be considered by the residents and members of the public who will make up the Citizens' Assembly.

The composition of the Oversight panel was detailed in section 1.4 of the report. At its first meeting in November it was agreed that the question should be: "What should we do in the region to address climate change and its causes fairly, effectively and quickly?" The next steps for the Oversight Panel are to agree a list of expert witnesses who will address the Assembly and to consider the recruitment criteria suggested by Shared Futures as to how participants will be selected. They will also provide general oversight and guidance during the Assembly's work.

Officers anticipate that the first meeting of the Citizen's Assembly will be held in February and conclude its work by April 2021.

T Sharman responded to comment/questions from Members:

- Responding to a question as to the number of participants on the citizens Assembly T Sharman explained that there will be 50 people drawn equally from across the 3 local authorities. Members heard from P Bryant how the recruitment process will work. Using a promotional organisation, random letters will be delivered by the Royal Mail. Recipients will be invited to respond use a phone-in number provided on-line. Once all responses have been received 50 people will be selected.
- Assurances were given that the Assembly will be chosen from a broad section of the community.
- A Member commented that the process seemed to be more about gathering opinions rather than evidence and questioned how the Authority will ensure that only valid expert evidence is put forward as Climate Change is a scientific problem. T Sharman explained that the purpose of the assembly was for it to be made up of ordinary people. In response P Bryant explained that there are two sets of experts; the citizens who will act as experts in their communities and the expertise from the expert witnesses. There will be people who are experts on climate science and people who are experts on the practical implications of Climate Change.
- Clarification was sought from Officers that before any suggested recommendations made by the Citizens Assembly are actioned, they will be channelled through the democratic process i.e. Scrutiny and Cabinet. T Sharman confirmed that the Citizens Assembly powers are to recommend, they do not have any legal powers to enact any recommendations. At some point the recommendations will be presented to the North of Tyne Cabinet for consideration. P Bryant added that Shared Futures make provision for an observer to attend the meetings of the Assembly; this opportunity was offered to Members of the Overview and Scrutiny Committee. It was agreed that an invitation would be circulated to Committee Members via email.
- A member referred to the composition of the Oversight Panel and suggested that experts in rurality and urbanisation could be included; this would reflect the different impacts of climate change in the two areas. T Sharman gave reassurances that the representative from the Voluntary Sector is a Tyne and Wear citizen, is also a PhD student and does have lots of experience in rural research. Officers have strived to ensure that the Panel members have a broad range of experience. P Bryant also confirmed that Shared Futures will be recruiting people from the rural areas. Also, whilst the 'question' for consideration is quite broad, the Assembly members will have the opportunity to decide on further questions as a focus for future meetings. Shared Futures already have experience in the organisation and oversight of other Assemblies in mixed rural/urban areas.

RESOLVED that the Overview and Scrutiny Committee –

- i) Noted the report.

- ii) Agreed that Committee Members be invited to attend the Citizens Assembly in an observer capacity.

86 BREXIT UPDATE

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

Members considered the report the purpose of which was to provide an update on Brexit issues facing the NTCA area and to update Overview and Scrutiny Committee on proposals recently discussed by the NTCA Cabinet. This follows previous discussions by the Overview and Scrutiny Committee on 12th February 2020.

R Hamilton reported on the current Brexit position and the likelihood of the UK leaving the EU without a deal. Points highlighted during the presentation of the report:

The current transition period will end on 31 December 2020. The rules and regulations governing individuals and trade currently remain largely the same. The situation post 31 December 2020 remains unclear however, it will have a more significant effect on the economy of the North East, reflecting the high levels of exporting to the EU and the number of foreign owned companies.

Issues highlighted by businesses are the manner in which the trade of goods and services are transacted.

There are opportunities in terms of the supply chain and accommodation for those businesses who relocate towards the end point of production within the UK. State aid support and government intervention to support industry could be directed towards the UK's priorities.

In the event that a deal is agreed there will still be changes that will impact on businesses in terms of new regulations and customs procedures.

The Combined Authority are actively supporting businesses through regular meetings with local authorities, businesses, the North East LEP and government officials under the 'NE EU Exit Implementation Group'. Training, guidance and advice have also been promoted.

The North of Tyne inward investment fund has been increased to £10million to help make it easier for firms to make a first investment in the area, by helping reduce some of their upfront costs.

The North East LEP are submitting a proposal to government to be chosen as one of the seven Freeports to be created which would provide opportunities for companies to have less bureaucratic customs procedures and provide benefits to smaller businesses, in terms of greater tax efficiencies across supply chains involving larger companies.

The Cabinet have agreed to work closely with businesses and to the sharing of prosperity funds when available. Discussions continue across the partner authorities to negate business disruption.

R Hamilton responded to comment/questions from Members which included:

- Reference was made to the creation of Freeports and whether this would include all ports, large and small in the North East. R Hamilton explained that it will be a complicated model with two types of sites; tax sites whereby businesses will benefit from all tax incentives and custom sites, these sites will benefit from less bureaucratic crossing procedures. It was also noted that there will be associated costs for both sites.
- R Hamilton responded to a further question with regards to opportunities for small ports to benefit from tax free sites explaining that there are 20 major ports in England and competition will be intense. He also stressed the importance of securing a Freeport for the region.
- A Member referred to micro/macro businesses and asked what the Combined Authority is doing in terms of support to prevent further closures. R Hamilton emphasised the importance of providing support to all small businesses, many who have not fully prepared themselves for Brexit. The Chair requested that an update on whether there were particular businesses which the Authority was concerned about and what advice and/or support could be offered by it be provided in the new year.

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

87 **6-MONTH REVIEW OF 2020-21 BUDGET & Q2 BUDGET MONITORING**

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

J Gillespie introduced the report the purpose of which provided information on the 2020-21 Budget Monitor Position Q2 that was submitted to Cabinet on the 24 November 2020.

Points highlighted during the presentation included:

Referring to the Corporate Budget Committee were advised that some spend has been delayed for 2019/2020 to 2020/2021.

A small overspend on costs in relation to the Brownfield Housing fund.

An additional £0.250m for Mayoral Capacity Fund 2020/21.

An increase in the Advisors External forecast position is primarily related to the sector commissioning work which had originally been commissioned in 2019/20 as part of establishing the pipeline delivery in relation to the Investment Fund and the Adult Education Budget Work (AEB).

Table 4 provided more details on the Brownfield Housing Fund. It was anticipated that the majority of the fund will need to be spent in the current financial year. The Combined Authority were awarded £24m over a 5 year period.

There were no material changes to reserves.

Reference was made to the 75% Business Rates Pilot. Cabinet have agreed to redistribute to the 3 local authorities.

The Chief Finance Officer responded to comment/questions from Members which included:

- A member asked if any progress had been made regarding the Joint Transport Committee, particularly regarding the forecasted budget and deficit. J Gillespie advised that the discussions were on going.
- Reference was made to staffing (page 40/41 of the report), and the new key posts filled which included two new Appraisal and Monitoring Officers. Clarification was sought that as there has previously been some confusion between the statutory Monitoring Officer position and these it was suggested that the title of the 2 new staffing posts should be changed, thereby avoiding any further confusion and differentiating between the two roles. J Gillespie accepted the suggestion.
- A further question was asked in respect of borrowing and whether the Combined Authority would be granted borrowing powers from Government given the challenges caused by the coronavirus. The Chief Finance Officer advised that this is still subject to discussions and the pandemic has made this more difficult to progress. However, discussions will continue with the aim of moving forward as quickly as possible.
- A further question was asked relating to the list of investments detailed in table 9, including investments with local authorities and the potential risks. J Gillespie was asked if a list of the local authorities could be circulated to members. The Chief Finance Officer agreed to do so.

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

88 INITIAL BUDGET PROPOSALS

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

The purpose of the report was to inform Overview and Scrutiny Committee of the initial draft 2021-2025 Budget Proposals for the North of Tyne Combined Authority (NTCA) for 2021-22 and the medium-term financial plan for the period 2022-23 to 2024-25 which was taken and approved by Cabinet on the 24 November 2020.

Committee were reminded that the North of Tyne budget is very different to that of local authorities as there are fixed amounts of funding to be allocated. The key point is how the Combined Authority decides to spend the funding.

Key points included:

The Corporate Budget has been update based on staffing assumptions in light of the various activities undertaken. At the time of the report the Chief Finance Officer has not assumed that the Mayoral Capacity Fund will continue as this was initially proposed as a two year fund. Lobbying is in progress to attempt to secure the funding beyond 2021.

Some assumptions have been made regarding the transport levy (income and expenditure).

The draft Investment Fund is based on planned work and those projects approved to date.

Referring to the Adult Education Budget, Members were advised that a range of grants have been awarded and services procured.

It was noted that the Brownfield Housing fund is the first capital fund awarded to the Combined Authority. The linked revenue support grant is to be spent over the life of the project.

In terms of the North East LEP accountable body proposals, there is a £116,000 budget which primarily covers Service Level Agreement (SLA) charges (£91,600) and external costs (£24,640) funded from estimated interest on investment income on the North East Investment Fund and the contributions from its seven member local authorities

The Chief Finance Officer responded to comment/questions from Members which included:

- A Member referred to the draft Corporate Budget, in particular the growth of the organisation over 4 years, and asked J Gillespie how the Mayor's office has an increase of £17k over the 4 year period. The Chief Finance Officer confirmed that this was an inflationary increase.
- The Chief Finance Officer responded to a question in respect of the LEP and Invest North East England regarding future attendance at the Overview and Scrutiny Committee, confirming that she would look at the possibility of North East England attending.

J Gillespie advised Committee that there is no proposal to raise a precept and provided details on budget engagement. Budget proposals will be published on the North of Tyne website and all members are welcome to take part in discussions.

RESOLVED – that the Overview and Scrutiny Committee noted the report, the budget setting timetable and the budget workshop scheduled for January.

89 **DATE AND TIME OF NEXT MEETING**

9 February 2021 at 10.00am. This will be a virtual meeting.

There will be a budget workshop on Tuesday 12 January at 10.00am. The workshop will be held virtually.