

Cabinet

26 January 2021

(2.00 - 2.44 pm)

This meeting was held virtually and live streamed.

Minutes

Present:

Chair: Mayor J Driscoll

Councillors R Dodd, N Forbes, J McCarty, B Pickard and G Sanderson, Mayor N Redfearn and Ms L Winskell

Also: Mr R Fry (Observer)

125 **APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

126 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

127 **MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 24 November 2020 were approved as a correct record and signed by the Chair.

128 **ANNOUNCEMENTS FROM THE MAYOR AND/OR THE HEAD OF PAID SERVICE (IF ANY)**

Although there were no formal announcements, the Mayor welcomed the news about the £34m investment from the government for work to reinstall the rail line between Ashington and Newcastle upon Tyne. Councillor G Sanderson of Northumberland County Council thanked all who had been involved for their support.

129 **EMPLOYABILITY AND INCLUSION PORTFOLIO UPDATE - IN THEIR OWN WORDS**

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 the Employability and Inclusion portfolio projects which had been launched during 2020. Now, the projects were being progressed in a different environment due to the additional challenges as a result of pandemic. The report was introduced by Councillor J McCarty, the Portfolio Holder for Employability and Inclusion.

The update detailed the positive impact the projects were making on the lives of residents. In addition to the case studies described in the report, a video was played at the meeting about the experience of the beneficiaries of the projects.

It was highlighted that the Inclusive Economy ambition was being delivered in cooperation with partners and stakeholders, sharing experiences and working in a co-ordinated and long-lasting way.

Amongst the matters discussed and comments made during the ensuing discussion were the following:

- the welcome focus on confidence building, which had an important role when working to tackle unemployment;
- the importance of listening, when working to tackle unemployment;
- the valuable role of the voluntary sector;
- the benefits of volunteering;
- the benefits of inspirational mentoring;
- the importance of creating opportunities for all; and
- the real value of the projects in achieving positive results and changing lives.

RESOLVED – That the progress and the positive impact, which the projects in the Employability and Inclusion portfolio were making to the lives of residents of the North of Tyne area, be noted.

130 **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 progress that had been made on the North of Tyne Investment Fund and sought associated approvals. The report was introduced by Councillor B Pickard, the Portfolio Holder for Economic Growth.

Amongst the matters discussed and comments made during the ensuing discussion were the following:

- the importance of and opportunities within the Digital sector;
- the importance of apprenticeships; and

- the red tape that was associated with larger organisations and the role of smaller local employers in potentially being able to offer apprenticeship schemes quicker.

It was also noted that, in progressing the work on the creation of the North of Tyne Apprenticeship Hub, the Combined Authority would be working closely with the Department for Work and Pensions and rely on their timetables for releasing funding. Due to reliance on that national resource and associated timescales, the Combined Authority would need to work to prepare to be in a position to progress quickly and flexibly.

The Combined Authority's work on the creation of its Apprenticeship Hub would include liaison with the constituent local authorities to avoid any duplications. Further information on this aspect of work would be provided to the Member requesting this information outside of the meeting.

RESOLVED – That the Cabinet:

- Noted 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 the NTCA investment.
- Noted progress in relation to the Digital Ecosystem and Offshore Infrastructure programmes, with a number of projects asked to develop full business cases for the NTCA funding.
- Noted progress to operationalise the North of Tyne Brownfield Housing Fund, including funding having been awarded to the first two schemes.
- Agreed an allocation of £150,000 from the Inclusive Economy Innovation Fund for the creation of the North of Tyne Apprenticeship Hub; and delegated authority to the Director of Economic Growth, in consultation with Investment Panel, for subsequent decisions regarding procurement of services.

131 **EXCLUSION OF PRESS AND PUBLIC**

The order of the agenda was changed, moving agenda item 6 (b) to the end of the meeting. Consequently, there was no exclusion of press and public until later at the meeting.

132 **2021-2025 BUDGET PROPOSALS**

(a) **2021-2025 NTCA Budget Proposals**

Submitted:

- A report of the Chief Finance Officer (previously circulated and copy attached to Official Minutes); and

- ii. An updated report of the Chief Finance Officer with updated figures in tables (previously circulated and copy attached to Official Minutes).

The Cabinet considered the updated report which invited approval of the 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 was introduced by J Gillespie, the Chief Finance Officer.

The report:

- set out the budget in respect of the Corporate Budget, Investment Fund, Adult Education Budget and the new Brownfield Housing Fund;
- outlined the context within which the budget proposals had been prepared in relation to COVID-19 and the delay of the Comprehensive Spending Review (CSR);
- included the Mayoral Capacity Funding for 2021/22 only (£1.000m), as recently announced as part of the provisional Local Government Finance Settlement, which would be without an additional cost to local taxpayers or local authorities in the current budget proposals; and
- included proposals for the North East Local Enterprise Partnership accountable body budget.

RESOLVED – That the Cabinet:

- i. Agreed the Corporate Budget for 2021/22 as set out in paragraph 1.2 of the report, whilst taking into account comments made by the Overview and Scrutiny Committee.
- ii. Agreed the Investment Fund as set out in paragraph 1.3 of the report, whilst taking into account comments made by the Overview and Scrutiny Committee.
- iii. Agreed the Adult Education Budget as set out in paragraph 1.4 of the report, whilst taking into account comments made by the Overview and Scrutiny Committee.
- iv. Agreed the Brownfield Land Programme Budget as set out in paragraph 1.5 of the report, whilst taking into account consultation with the Overview and Scrutiny Committee.
- v. Agreed the Tyne and Wear levies that would be issued on the 15th February 2021.
- vi. Agreed to hold the reserves set out in paragraph 1.6 of the report and noted the Chief Finance Officer continued to keep the level of resources under review as the Combined Authority developed and new information become available about the financial risks facing the Combined Authority arrangements for managing risks.

- vii. Noted the North East LEP Accountable Body Budget, paragraph 1.7 of the report.
- viii. Agreed the Treasury Management Strategy as set out in paragraph 1.8 of the report and Appendix B to the report.

(b) The Overview and Scrutiny Committee Report to Cabinet: North of Tyne Combined Authority 2021-2025 Budget Proposals

Submitted: A report of the Overview and Scrutiny Committee (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report which set out the response of the Overview and Scrutiny Committee to the proposals for 2020-24 budget of the North of Tyne Combined Authority.

The report was introduced by Councillor G Roughead, the Chair of the Overview and Scrutiny Committee, who, on behalf of the Committee, supported the budget proposals, acknowledged the need for adequate corporate resources and highlighted the Committee's recommendations as set out in the report.

At the start of his presentation, Councillor G Roughead thanked the Combined Authority's Directors, especially Paul Hanson, Ruth Redfern, Henry Kippin and Janice Gillespie, and other Officers for their commitment and engagement with the Overview and Scrutiny Committee.

Councillor G Roughead also thanked the Overview and Scrutiny Committee members and substitute members for their engagement throughout the year and for their input into the preparation of the report.

When presenting the views of the Overview and Scrutiny Committee on the 2021/22 budget proposals, Councillor G Roughead mentioned an additional observation in relation to Transport Levies for future years, as raised by a member of the Committee. Although acknowledging that the Tyne and Wear Transport Levies were the responsibility of the North East Joint Transport Committee, Councillor Roughead felt that it was necessary to bring this observation to the attention of the NTCA Cabinet.

Regarding the Mayoral Capacity funding for 2021/22 for COVID-19 recovery, more detail was needed to see how the funding would be used and what benefits could be achieved.

A suggestion was also made about the timing of consulting the public on the Combined Authority's budget proposals, suggesting an earlier time, perhaps over the summer and before the consultation on the budgets of the constituent councils, as an option.

The Mayor welcomed the benefit of regular engagement with the Chair of the Overview and Scrutiny Committee.

Councillor G Roughead and the Overview and Scrutiny Committee were thanked for the report and comments, including for the comments on the design of the public consultation programme on budget. The Mayor suggested that comments about the Joint Transport Committee should be fed in through appropriate routes.

The Mayor agreed that the North of Tyne was a good representation of the diversity of the county as a whole and, therefore, should be considered as an area for national pilots and initiatives. The Mayor mentioned that he continued to promote the area at the government level and seek additional opportunities for the area.

RESOLVED - That the report as the response from the Overview and Scrutiny Committee to the 2021-2025 Budget proposals for the North of Tyne Combined Authority and took its comments and observations into account when agreeing the Budget be accepted.

133 **2021/22 NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BUDGET**

Note: The updated title of this item is as set out on the supplemental agenda for the meeting:

“2021/22 North East Local Enterprise Partnership Budget and 2021/22 North East Local Enterprise Partnership and 2021/22 Invest North East England”

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

The Cabinet considered the update report which provided information on the North East Local Enterprise Partnership (LEP) indicative financial Outturn position for 2020/21 and indicative Revenue Budget for 2021/22, which would be reported to the LEP Board on the 28 January 2021.

The report also provided an update on the Invest North East England (INEE) 2020/21 financial Outturn position and indicative Revenue Budget for 2021/22.

As the North of Tyne Combined Authority became the Accountable Body for both the LEP and INEE on 1 April 2020, the report provided a brief background of the principles agreed in relation to the Accountable Body role and a brief overview of the budget and funding of both the North East LEP and INEE.

It was noted that the NTCA 2021-2025 Budget update report set out corrected figures in the tables.

RESOLVED – That:

- i. the contents of the report be noted;
- ii. the update on the 2020/21 North East LEP Revenue Budget and the 2020/21 Invest North East England Revenue Budget be noted; and

- iii. the provisional estimate for the 2021/22 Revenue Budget for both the North East LEP and Invest North East England be noted.

134 **NTCA Q.3 BUDGET MONITORING REPORT**

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

The Cabinet considered the third quarter monitoring report on the 2020/21 Combined Authority financial position. The report also provided the latest indication of the forecast financial position at 31 March 2021, the year end, including information on the Corporate Budget, the Investment Fund, the Adult Education Budget (AEB), the Brownfield Housing Fund and reserves. The report was introduced by J Gillespie, the Chief Finance Officer, who highlighted key matters, including risk areas. She confirmed that, overall, the corporate budget remained on balance.

The Mayor, on behalf of Cabinet, thanked Officers for their work and particularly for achieving a balanced budget for the Combined Authority despite the challenges.

RESOLVED – That the forecast budget monitoring position as set out in paragraphs 1.2 – 1.8 of the report be noted.

135 **APPOINTMENTS**

Submitted:

- i. A report of the Monitoring Officer (previously circulated and copy attached to Official Minutes); and
- ii. An updated report of the Monitoring Officer, setting out additional appointments for approval (previously circulated and copy attached to Official Minutes).

The Cabinet considered the updated report which invited agreement of appointments for North East LEP's Business Growth Advisory Board, NTCA Overview and Scrutiny Committee and NTCA Audit and Standards Committee.

RESOLVED – That the appointments set out in section 1 of the report be agreed.

136 **NORTH EAST LEP – FUNDING DECISIONS UPDATE**

Submitted: A report of the North East Local Enterprise Partnership Chief Executive Officer (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report which provided information on the work and decisions of the North East LEP over the last three months. The report also provided information about new appointments to the LEP advisory boards and

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

RESOLVED – That the report, which provided information on the work and decisions of the North East LEP over the last three months, be noted.

137 **DATE AND TIME OF THE NEXT MEETING**

Tuesday, 23 March 2021 at 2pm.

138 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 press and public be excluded from the remainder of the meeting for the duration of consideration of agenda item 13, North East LEP – Funding Decisions Update – Appendices (Confidential), and agenda item 6 (b), Supplemental Report: Investment Fund Update – Inward Investment Opportunity (Confidential Item), because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.