

Cabinet

25 January 2022

(2.05 - 3.00 pm)

Meeting held: Committee Room, Civic Centre, Newcastle upon Tyne, NE1 8QH

Minutes

Present:

Chair: Mayor J Driscoll

Councillors P Holland, K Kilgour and G Sanderson, Mayor N Redfearn and Ms L Winskell

Observer: Mr R Fry

58 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors N Forbes, C Johnson and R Wearmouth.

59 DECLARATIONS OF INTEREST

There were no declarations of interests.

60 ANY ANNOUNCEMENTS FROM THE MAYOR AND/OR THE MANAGING DIRECTOR

The Mayor welcomed the news about Britishvolt securing significant funding for the business. He congratulated Britishvolt and colleagues in Northumberland for this achievement and commented on the task for the Combined Authority and its partners to ensure the supply chain for the business had landed in the North of Tyne area and thereby helped to create even more local jobs.

61 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on 30 November 2021 were approved as a correct record and signed by the Chair.

62 **NTCA RESPONSE TO NTCA CITIZENS' ASSEMBLY RECOMMENDATIONS ON ENERGY, SKILLS AND HOUSING**

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

The Cabinet considered the report which summarised progress achieved to date and next steps around the NTCA Citizens' Assembly recommendations relating to energy, skills and housing. The report also provided information on the new work to build the evidence base for addressing the challenge of retrofitting domestic housing, aimed to support the transition to net zero, tackle fuel poverty and potentially create more jobs. The report was introduced by the Mayor J Driscoll who highlighted key messages emerging.

The Cabinet welcomed the report. Amongst the matters discussed by the Cabinet were:

- the weight and importance of practical, technical and academic skills for the new, emerging sectors in the region, which should not be considered separately or prioritised one over another.
- the continuing work of universities to prepare graduates for graduate jobs.
- the role and remit of North of Tyne Combined Authority (NTCA) in urging and encouraging academic institutions to work with it and its partners.
- the importance of evaluating and demonstrating how the Combined Authority's participatory form of policymaking was influencing delivery.

RESOLVED – That:

- i. The contents of the report be noted; and the approach the NTCA was taking to respond to the Citizens' Assembly's recommendations around energy, housing and skills be agreed.
- ii. Future reports, proposing how the Combined Authority should respond to other recommendations from the Citizens' Assembly be provided to future meetings.
- iii. An allocation of up to £1million to support the initiatives described in the report, indicatively comprising £0.8m for a programme of advice and support for businesses to help them reduce their carbon emissions and £0.2m for the development of a business case for a major housing retrofit programme, be approved.
- iv. The Managing Director be authorised, in consultation with the Mayor, lead Cabinet Members and Investment Panel to agree the appropriate delivery mechanisms for this programme and consider and approve the business case(s) for this activity.
- v. the Interim Monitoring Officer be authorised to finalise the conditions to be attached to subsequent funding awards and to complete the necessary documentation.

the continuation of the work of the Citizens' Assembly Oversight Panel, to provide ongoing technical input into the Combined Authority's work programme be approved.

63 NORTH OF TYNE RURAL ECONOMY - NORTHUMBERLAND STEWARDSHIP AND RURAL GROWTH

Submitted: A joint report of the Interim Director of Regeneration of Northumberland County Council and Principal Economy and Strategy Manager of the North of Tyne Combined Authority (previously circulated and copy attached to Official Minutes).

The Cabinet considered the report which invited it to recognise and build on the initial steps to support sustainable rural growth and productivity, going further in developing a long-term approach and a corresponding investment plan, whilst working in collaboration with local communities.

The report was introduced jointly by the Mayor J Driscoll and Councillor G Sanderson, the Cabinet Member for Culture, Creative and Rural, who highlighted the importance of a healthy rural economy and key challenges, opportunities and priorities facing the sector.

The Cabinet welcomed the report. Amongst the matters discussed by the Cabinet were:

- the wider links with, and independency of, the rural economy and labour market, transport systems, universities and other systems and infrastructures; and within that context, the impact of the success of rural economy in Northumberland on other sectors and areas of the North of Tyne area;
- a question of opportunities for the Community and Social Enterprise (VCSE) Sector in contributing to the rural growth vision;
- the role of rural growth, improved employment, housing and other infrastructures and opportunities within the sector in encouraging younger generation to stay in the area;
- the importance of understanding that Northumberland was a living place;
- food availability and security;
- the role of local food and food industry in the local economy and in the green agenda.

RESOLVED – That:

- i. the contents of the report be noted;
- ii. an allocation of up to £500k from the North of Tyne Investment fund to develop the Northumberland Stewardship and Rural Growth Investment Plan and related interventions be agreed; and

the Managing Director be authorised, in consultation with the Investment Panel, the Mayor and the Portfolio Holder, to consider and approve the business case and to then make subsequent funding awards.

64 **INCLUSIVE ECONOMY BOARD WELLBEING FRAMEWORK**

Submitted: A joint report of the Head of Inclusive Growth, North of Tyne Combined Authority and Assistant Director of Policy, Northumberland County Council (previously circulated and copy attached to Official Minutes).

The Cabinet considered the final report of the North of Tyne Combined Authority's (NTCA's) Inclusive Economy Board's Wellbeing Framework for the North of Tyne. The report was introduced by Councillor K Kilgour, the Cabinet Member Education, Inclusion and Skills.

The Cabinet welcomed the report. Amongst the matters discussed by the Cabinet were:

- the welcome approach of the Combined Authority regarding engagement;
- the welcome approach of the Combined Authority of focusing on all things important for its residents and not just on measurable outputs;
- the welcome inclusion of the Voluntary, Community and Social Enterprise (VCSE) Sector; and
- the importance of delivery.

RESOLVED – That:

- i. the proposed wellbeing framework for the North of Tyne, including the proposed outcomes and indicators, be approved; and
- ii. the Cabinet Member for Education, Inclusion and Skills, the Mayor and the Managing Director, in consultation with the Inclusive Economy Board, oversee and implement the framework.

65 **INVESTMENT FUND UPDATE**

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

The Cabinet considered the report which provided an update on progress with the North of Tyne Investment Fund, specific projects within it and sought approval for funding allocation and related authorisation. The report was introduced by Councillor K Kilgour.

The Cabinet welcomed the report. The Mayor spoke about the role of small and medium enterprises in the economy and the significance of the North of Tyne Combined Authority (NTCA) investment into the sector, including helping to increase production capacity, increase sales and create jobs as well as support new opportunities, including in the global market. Attention was also drawn to the Combined Authority continuing to work in partnerships to deliver progress.

RESOLVED – That:

- i. the progress to date on the Investment Fund, achievement of key milestones and ongoing project development work, particularly in respect of the creation

of new jobs for residents as a direct result of the NTCA investments, be noted;

- ii. an allocation of £2.85m from the North of Tyne Investment Fund to support the growth of the NE Film and TV sector through the North East Screen Industry Development Programme, subject to the development and approval of a business case, be agreed;
- iii. the Managing Director be authorised, in consultation with the Investment Panel, the Mayor and the appropriate Cabinet Member, to consider and approve the business case for the North East Screen Industry Development Programme;
- iv. the Managing Director be authorised, in consultation with the Investment Panel, the Mayor and the Cabinet Member for Education, Inclusion and Skills, to consider and approve the business cases for the Skills for Growth Programme, including Energy Central Campus;
- v. the £712,856 of funding for the Challenge North Tyne Open Innovation Project, which would form part of the NTCA's Recovery Innovation Fund and be delivered by the NE Local Enterprise Partnership, be approved; and
- vi. the Managing Director be authorised to finalise the conditions to be attached to the above funding awards and the Interim Monitoring Officer be authorised to complete the necessary documentation.

66 **NTCA 2020-21 STATEMENT OF ACCOUNTS**

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

The Cabinet considered the report which presented the Statement of Accounts for the year ended 31 March 2021. The report was introduced by J Gillespie, the Chief Finance Officer.

Mr G Barker of Mazars provided Cabinet with information on the work to complete the audit of the North of Tyne Combined Authority (NTCA) accounts for the year ended 31 March 2021, including the status of the audit work to date and the reasons for delays.

It was noted that the audit work had substantially been completed and was at a final phase.

In presenting the audit completion report, Mr Barker explained that a detailed presentation had been delivered at the recent meeting of the Audit and Standards Committee on the findings of the audit.

Should the financial statements be approved by the Cabinet today, the auditor would then give an unqualified audit opinion. This was expected as soon as possible and provisionally at around 31 January.

In relation to the value for money work by the auditor, there had been a change in the arrangements. There would be a narrative report provided by the auditor setting out the NTCA arrangements regarding matters such as financial sustainability, governance and improving efficiency and effectiveness. Should there be any significant weaknesses identified as part of this work, these would be reported and recommendations made; and this work had not been completed yet. An extension had been allowed by the National Audit Office to complete the work within 3 months of issuing the audit opinion. Mr Barker confirmed that the auditor had done sufficient work to date to be sure that no significant weaknesses had been identified or were expected to be identified. The report highlighted the findings to date and explained them.

Cabinet noted the position regarding the Combined Authority's submission into the Whole of Government accounts. As guidance was still being awaited regarding this by both the NTCA and the auditor, this work could not be undertaken until the guidance had been received.

Mr Barker explained that the Audit Certificate formally closed the audit; and it would be issued when outstanding audit work had been completed.

The Cabinet noted the reasons for the delay in completing the audit, as explained by Mr Barker, and accepted apologies from Mazars. Mr Barker confirmed that the reasons included difficulties in finding resources in the local audit sector as well as the impact of the pandemic and sickness. The delays were longer than expected. No delays had been caused by the NTCA or its arrangements. Mr Barker thanked offices and members for their patience and assistance.

Mr Barker emphasized that despite the delays, the auditor applied the high quality of work that would be normally expected.

The auditor recognised the collective effort by the NTCA and its partners, including Nexus and the North East Combined Authority (NECA), in preparing financial statements.

In recognition of the recommendations made to the NTCA in the recent years, the auditor highlighted that the Combined Authority and its partners had clearly improved their arrangements regarding the provision of statements and underpinning information to support the statements. It was noted that very few adjustments had been made in the year, and that reflected the work that had been put in by NTCA and its partners.

The Cabinet welcomed the report. Attention was drawn to the value for money achievement, which was a priority for the Combined Authority. The Mayor, on behalf of Cabinet, thanked Mr Barker and Mazars for their work.

Thanks were offered to J Gillespie, the Chief Finance Officer, and the Finance Team for their work, and especially for their continued efforts to ensure that there were no significant weaknesses in the Authority's financial arrangements, as confirmed by the auditor.

RESOLVED – That:

- i. the Annual Governance Statement 2020/21 as presented for signature by the Mayor and Managing Director be approved.
- ii. the Audited Statement of Accounts 2020/21, including the Narrative Report in line with Audit and Accounting Regulations 2015 as presented, taking account of the views of the Audit and Standards Committee, be approved.
- iii. the Managing Director and the Chief Finance Officer be authorised, in consultation with the Mayor, to agree to any final amendments or changes to the NTCA 2020/21 Statement of Accounts, Narrative Statement and Annual Governance Statement made by the external auditors after the Cabinet meeting of 25 January 2022 and to approve the final 2020-21 Final Statement of accounts.

67 2021/22 QUARTER 3 NTCA BUDGET MONITOR REPORT

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

The Cabinet considered the North of Tyne Combined Authority (NTCA) Budget Monitoring report. The report was introduced by J Gillespie, Chief Finance Officer, who confirmed the position and explained key areas of focus set out in the report.

It was confirmed that there were currently no material variations to report. There had been some insignificant adjustments made regarding salary costs which had been offset by additional grants.

Work continued to track actual investment spend. Whilst making great progress in approving schemes, cash release remained a challenge.

The Mayor, on behalf of Cabinet, welcomed the report. Comments were made about the need for more involvement from the public in the consultation on the NTCA budget to enable a better understanding of the operation of the Combined Authority and dispel any myths.

RESOLVED – That the forecast budget monitoring position for the Combined Authority, as set out in paragraphs 1.2 through to 1.6 of the report, and the reserves position in paragraph 1.7 of the report, be noted.

68 DECISION TO OPT-IN TO NATIONAL SCHEME FOR AUDITOR APPOINTMENTS FROM APRIL 2023

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

The Cabinet considered the report which sought approval for the North of Tyne Combined Authority (NTCA) to opt into the national scheme of appointing local auditors for the five consecutive financial years commencing 1 April 2023, operated by Public Sector Audit Appointments Ltd (“PSAA Ltd”).

RESOLVED – That the North of Tyne Combined Authority would opt into to the national scheme of appointing local auditors for the five consecutive financial years commencing 1 April 2023 operated by Public Sector Appointments Ltd (“PSAA Ltd”).

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

Tuesday, 22 March 2022 at 2pm.

Chair’s Signature:

The Chair signed the document on 23 March 2022, by email.