

Audit and Standards Committee

Tuesday 25 April 2023 at 10.00 am

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

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Presentation at the meeting

	Page No
8. Strategic Risk and Opportunities Register	1 - 14

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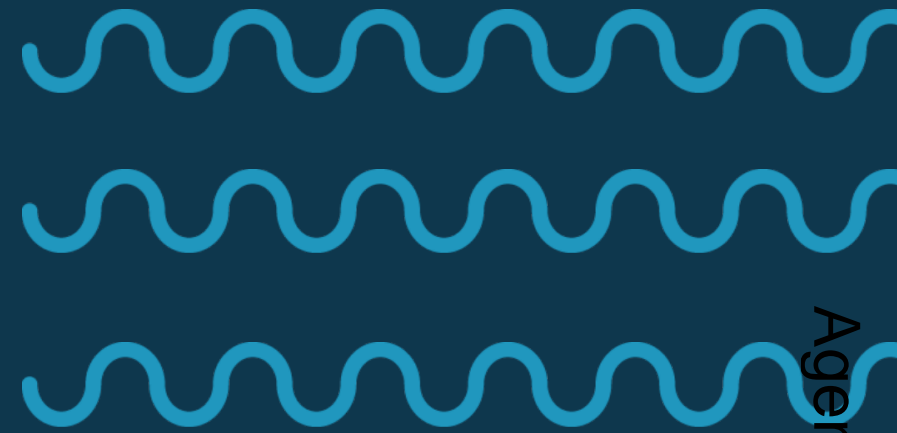
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Devolution Programme
Governance &
leadership arrangements

Page 1

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Audit Committee 25 April 2023

Presented by Janice Gillespie



Agenda Item 8

This deck sets out an overview of governance arrangements through:

1. The workstreams that are in train to develop the new Mayoral Combined Authority
2. The way in which this work is being developed and coordinated
3. The people leading this work

## Governance

### Combined Authority Steering Group

- 6 leaders and Mayor supported by the 7 CEX's plus Interim CEX of NEMCA
- 4 key areas of work:
  - Consultation
  - Trailblazer Proposition
  - Governance and Transition
  - Portfolio, Investment Plan and Wider project work

## Devo transition – workstream structure

- Three ‘buckets’ of work – each of which have a number of interrelated workstreams
- HK coordinating this with CEOs on behalf of the Leaders & Mayor steering group
- The work split into operational tasks, portfolio development, and early priorities that need pace and focus

### Operational Transition

- Legal & Governance
- HR
- Finance
- Comms
- ‘Nuts and Bolts’
- LEP Transition
- Target Operating Model

### Portfolio Development

- Economy
- Edu, Skills & Inc
- Transport
- Housing & Land
- Culture, C, T & S
- Rural
- Finance & Investment


### Early Priorities

- Adult Education
- Brownfield Land Fund
- Early Capital
- Green Superport
- Trailblazer
- CRSTS biz cases
- PSR Commission
- Investment Plan
- Investment Zone

Ongoing political, stakeholder, investor and Whitehall engagement. Strong collaboration across workstreams and across places ... and BAU management of existing organisations

## Operational Transition

1. Overseen by an 'Operational Transition Board' chaired by HK with SR & PH as LACX leads
2. Workstreams are now established – early work is to consider scope, actions/products, timeline and resourcing needs for each.
3. Close relationship to the Govt/DHLUC governance team as the process goes through its democratic stages.
4. Board will regularly bring these workstreams together 'in the round' as part of transition planning through FY23/24
5. Workstreams & leads are overleaf. Note this will be further developed out over the coming months



| Workstream             | Lead officials                             | Early priorities                                                                                                                                                                                                                                                        | Who else?                                                                                 |
|------------------------|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Op Board co-ordination | Sheena Ramsey, Paul Hanson, Henry Kippin   | <ul style="list-style-type: none"> <li>Defining scope of workstream</li> <li>Defining and kicking off early 'products' and tasks</li> <li>Developing a timeline for transition</li> <li>Considering resourcing requirements</li> <li>Next Board mtg 18.04.23</li> </ul> | CXs, Political Team, Whitehall                                                            |
| Governance & legal     | Nicola Robeson, John Softly, John Barton   |                                                                                                                                                                                                                                                                         | LA7MOs & governance/dem services teams; DHLUC & govt legal teams; HR & OD teams ...etc    |
| Finance                | Janice Gillespie, Paul Darby               |                                                                                                                                                                                                                                                                         | LA7FDs, DHLUC, HMT, CAs, TNE & LEP...etc                                                  |
| HR                     | Claire McLaren, Rachel Hegarty             |                                                                                                                                                                                                                                                                         | LA7HR Leads, OD leads, CA, TNE, LEP OD leads; Mos...etc                                   |
| Comms                  | Jill Laverick, James Moore, Stuart Tarbuck |                                                                                                                                                                                                                                                                         | LA7 comms group; comms/mkting/PR partners; stakeholders; Govt...etc                       |
| 'Nuts & Bolts'         | HK, Helen Golightly Tobyn Hughes           |                                                                                                                                                                                                                                                                         | Operational leads within orgs for corporate services, IT, administration, estates ....etc |



## LEP Transition – policy framework

- North East Devo Deal and LEP Review commits to integrate the ‘role and functions’ of the LEP by May 2024
- Ministerial letter of 17<sup>th</sup> March is clear that core funding for LEPs will end after FY23/24
- Govt policy is that LEP Board will transition to become the ‘Business Board’ of the new MCA.
- Govt has set out six policy areas that LEPs/MCAs need to deliver (overleaf)
- North East LEP has NTCA as its accountable body, acting on behalf of the LA7
- The Devo Deal commits us to producing a Transition Plan which shows how the team, assets, liabilities and commitments will be integrated into NEMCA

## LEP Review - six functions Govt would like to see continued

- a. “Growth Hubs, on behalf of the Department for Business, Energy and Industrial Strategy
- b. International trade and investment activity, provision of local business intelligence, grant funding and levelling up focused projects, on behalf of the Department for International Trade.
- c. Local Digital Skills Partnerships, on behalf of the Department for Digital, Culture, Media and Sport;
- d. Careers Hubs, on behalf of the Department for Education;
- e. Local skills analysis via Skills Advisory Panels, on behalf of the Department of Education, and
- f. Monitoring and assurance pertaining to existing local growth programmes and funds for which LEPs are responsible.”

## LEP Transition – working principles

- A two-phased transition for the LEP Board:
  1. Current LEP Board and Chair transition to become the interim business board ready for May 2024.
  2. Mayor and Cabinet preside over a transparent and fair appointment process with a clear set of agreed parameters in due course - within term 1.
- LEP team integration according to the ‘target operating model’ of NEMCA – which, in turn, is based on delivering the Devo Deal and portfolios.
- Integration to be carried out collaboratively – through mapping people, priorities and budget in a way that gets best value and can deliver the Deal
- Importance of maintaining good business stakeholder relationships, and ensuring that the process feels positive and builds on the activities that add value for the region
- CASG and LEP Board will need to agree any proposals – HK/HG/CXs to bring back Transition Plan for approval by early summer 2023.

## Portfolio Development

1. The Constituent Authority steering group have identified interim portfolio arrangements to oversee transition to the new MCA
2. These are currently being worked up – ensuring we have a clear political steer, and identify lead officers to begin workstream development
3. Each of these workstreams will need to bring together the Deal commitments; clear political and strategic regional ambition; and utilise the expertise, assets and programmes we have in the region.
4. Portfolio plans are being developed through March/April and will be brought together at a Leaders/Mayor awayday after the local elections.
5. Workstreams & suggested leads are overleaf. They will need to include a range of people, networks and stakeholders – but at this stage we need to identify some ‘lead’ officers to help kick off this process



| Portfolio         | Ldr            | CX     | Lead officials (to be completed) | Priority actions:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Who else?                                                                                                                 |
|-------------------|----------------|--------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Culture, C, T & S | Cllr Hopgood   | JH, HK |                                  | <ul style="list-style-type: none"> <li>Establish the most appropriate forum for wider discussions – within EDs / Exec EDs / task groups</li> <li>Establish a portfolio development workstream – inc regular briefings for lead CX, HK, Portfolio Holder;</li> <li>Consider &amp; further develop the interim portfolio plan;</li> <li>Create a timeline for transition;</li> <li>Identify early activities/products and areas for investment;</li> <li>Consider governance &amp; stakeholder engagement</li> <li>Identify resourcing requirements – for transition and at NEMCA establishment</li> <li>Maintain strong links across other portfolios via regular EDs ‘check in’ and policy sessions</li> </ul> | Lead culture officers; NE Screen, NECP, Steering group, DCMS ALMBs <b>DMOs</b> ...etc                                     |
| Rural             | Cllr Sanderson | HP, HK |                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Existing rural steering group, DERFA ALMBs, sector groups..etc                                                            |
| Economy           | Cllr Kemp      | PS, HK |                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | EDs; LEP; DHLUC, Chambers, CBI, FSB, Dev Consensus etc; local bis forums; sector groups & networks <b>incl DDP</b> ...etc |
| Skills, Edu, Inc  | Cllr Dixon     | JT, HK |                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | DfE, LEP/SAP, providers (FE, HE, schools, indep), LA skills & inc & econ teams; Chambers/biz groups... etc                |
| Housing & Land    | Dame Norma     | PH, HK |                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Housing leads; Homes England; RPs; private sector; homelessness leads; LA housing portfolio leads...etc                   |
| Transport         | Cllr Gannon    | SR, HK |                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | JTC, TNE team, Nexus, DfT providers (bus, rail etc), active travel & user groups, EDs...etc                               |
| Investment        | Cllr Miller    | PM, HK |                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Political team; EDs, investment panel/PMO; investors; INEE, key private sector players, etc...                            |

Page 11

## Early Priorities

1. In addition to the wider operational and portfolio development work noted above, the CASG has authorised work on a number of ‘early priorities’
2. These are areas where we need to work at pace – because they are time-constrained or represent particular priorities for the group
3. Some of these will sit within a particular portfolio – and others will cut across several. For that reason we have identified specific officer and political lead arrangements so we can get started quickly
4. This is outlined overleaf:

| Early Priority       | Ldr     | CX                 | Lead officials                               | Current Status                                                                                                         | Next Step                                                                                                                    |
|----------------------|---------|--------------------|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Trailblazer          | CASG    | HK, PM, PS, JT, JH | CXs                                          | GM & WM done. NE propositions updated. First 'win' (Investment Zone) delivered                                         | Next Whitehall mtg scheduled for after Easter                                                                                |
| Investment Plan      | GM & NK | PM, HK             | Rob Hamilton, Catherine Auld, EDs, FDs & LEP | Early work on (a) evidence base and (b) current investments in train                                                   | Commissioning of external support and 'scaffolding' to begin a facilitated process with political team                       |
| AEB Devo             | TD      | JT, HK             | Leigh Mills, Sarah Mac, Jill Colbert         | AEB timeline agreed. NE allocation (£64.8m) agreed. Steps in train to undertake readiness are in train                 | As per LM timetable                                                                                                          |
| Early Capital        | CASG    | Hk [?]             | EDs                                          | Process paper agreed by CXs                                                                                            | EDs to oversee development of short term pipeline in the context of wider CA 'early wins'                                    |
| CRS Biz cases        | MG      | SR [TH]            | Tobyn Hughes & TNE team                      | Revenue funding for FY23/24 secured and business case development underway via JTC                                     | As per JTC BAU calendar                                                                                                      |
| Brownfield Land Fund | NR      | PH, HK             | Vicky Cuthbertson & housing leads group      | Funding identified. NECA pipeline development beginning alongside wider portfolio scoping                              | Identify pipeline & appropriate CX & political approval process with a view to expedient delivery via NTCA assurance process |
| PSR Commission       |         | SR, JT, HP         | Mark Smith, Adrian Dougherty., Jill Lav,     | Early scoping conversations.                                                                                           | Note for CXs group to agree an approach.                                                                                     |
| Investment Zone      |         | [PM, HK]           | Rob Hamilton, Catherine Auld, EDs            | Govt prospectus received & status secured. Early scoping conversations taking place. CXs proposition to agree 30.03.23 | Design and co-production work after agreement on approach from CASG                                                          |
| Green SuperPort      | NK, TD  | PS, HK, JT, [?]    |                                              | Early scoping conversations done. Some ancilliary activity underway. Paper/process to be agreed by political team.     | As set out in process paper                                                                                                  |

# Questions?

