

## **North of Tyne Combined Authority, Overview and Scrutiny Committee**

14 March 2023

(1.00 - 2.45 pm)

Meeting held: Collingwood Suite, Civic Centre, Newcastle upon Tyne, NE1 8QH

### **Draft Minutes**

#### **Present:**

Chair: C Seymour

Councillors L Wright, S Fairlie, G Stone, J Harrison and L Bowman

Also: Dame Mayor Norma Redfearn and Councillor Glen Sanderson

#### **23 WELCOME AND INTRODUCTIONS**

The Chair welcomed everyone to the meeting and asked for introductions.

#### **24 APOLOGIES**

Apologies for absence were received from Cllr Jane Shaw.

#### **25 DECLARATIONS OF INTEREST**

None.

#### **26 APPROVE THE MINUTES OF THE MEETING HELD ON 11 OCTOBER 2022**

**RESOLVED** – that the minutes of the meeting held on 11 October 2022 be agreed as a correct record and signed by the Chair.

#### **27 APPROVE THE ACTIONS FROM THE 6 DECEMBER 2022 INQUORATE MEETING**

**RESOLVED** – That the actions from the inquorate meeting held on 6 December 2022 be agreed as a correct record and signed by the Chair.

## VARIATION TO AGENDA ORDER

At this point the committee agreed to vary the order of the agenda and consider agenda item 7 next.

### 28 UPDATE ON NTCA CULTURE, CREATIVE AND TOURISM PROGRAMME

Submitted: Report of Cllr Glen Sanderson, Portfolio Holder for Culture, Creative and Tourism (previously circulated and copy attached to Official Minutes).

Cllr Glen Sanderson, Cabinet Member for Culture, Creative and Tourism was in attendance with Maria Antoniou, Principal Economy and Strategy Manager, to present the report which outlined the cultural and economic importance of the Culture, Creative and Tourism sector as well as noting the impact of the Covid pandemic. In presenting the report Cllr Sanderson highlighted the following key points:-

- The programme comprised £20m investment in the sector through to 2027, in addition to investment directly made by constituent authorities. The aim was to support and re-build confidence and recognise the sector's importance to the area in delivering cultural experiences, creating and supporting employment and providing initiatives for people to develop cultural offers.
- The committee was referred to information on how funding had been spent with particular focus on work in the Culture Zones, including North Shields, Northumberland Square; the Clayton Street Culture Corridor; and in Berwick upon Tweed to build on the town's heritage assets. Work with the North East Screen Industries Partnership (NESIP) and the BBC was also highlighted.
- The cultural programmes included multi-layered events which not only aimed to develop the local cultural experience but also to drive investment in jobs and develop the tourism offer. The recent Lindisfarne Gospels exhibition was highlighted, having attracted over 55,000 visitors to the area.
- Cllr Sanderson expressed thanks to staff involved in supporting and delivering the programme. The culture, creative and the arts sector was very much part of the living social fabric of the area and was a key delivery agent for jobs and confidence. Culture was for all and this had been a fundamental principle of the work undertaken.

The Chair thanked Cllr Sanderson for his update and in discussion the following key points were raised:-

- (i) A query was raised as to whether the Great Cities Fund, to support major regional events, was best delivered through collaboration between authorities and possible use of match funding or at a North of Tyne or regional level. A view was also sought on the programme beyond 2023.

M Antonio explained that there was very close working with constituent authorities through the Culture, Creative and Tourism Steering Group. Where there was opportunity to work together for match funding then best value was being obtained by investing both at a local authority and Combined Authority level.

There was also work underway around building up a pipeline of future events. Cabinet had originally agreed funding to 2030. Authorities were now in the middle of devolution discussions and considering arrangements post 2024. There were still programmes scheduled to run into 2024 and beyond and over the next year there would be a focus on future arrangements. The work would therefore continue.

- (ii) A member reflected on the economic importance of the sector and the investment being made through Culture Zones, the Creative Boost programme for SME's and larger equity loans. He asked what was being delivered particularly in terms of employment and support for smaller businesses.

M Antoniou explained that the programme was delivering on a number of fronts, including eco-system support, business skills, access to finance and place-based investment. A fundamental principle agreed by Cabinet in 2020 had been to support the economic opportunity that the sector provides.

An overview was also provided of the Culture Zones established in conjunction with each Local authority to develop place-based investment over a 5 year period. This included providing access to workspace; business support; skills development; community engagement and facilitating links to the broader programmes. The aim was to provide catalytic investment that over time would support regeneration, create jobs and promote growth.

The Culture and Creative Investment Programme (in partnership with Creative UK), aimed to support the sector as it emerged from the pandemic, to be more commercially focused and resilient. The programme was available to freelancers and SMEs, and offered business support and access to grants, loans and equity funding. Case studies could be shared if helpful. There was a recoverable component to the investment, through the loan and equity funding, which meant that funding could be reinvested in the sector.

- (iii) A member asked what was likely to happen to programmes following the creation of the new larger Combined Authority in 2024.

Cllr Sanderson explained that the leaders of the constituent Local Authorities were working effectively together on this and while there would be issues to work through, he was confident that sensible outcomes would be found. Officers in each of the seven authorities were also working closely with North of Tyne colleagues to build potential programmes, so that there should be a seamless transition and work should move forward.

The new devolution deal offered by government maintained the North of Tyne level of funding. This meant that work could continue if considered appropriate. Cllr Sanderson noted his commitment to the new arrangements and that each constituent local authority, while retaining their own "sovereign" powers, were also very committed to working together for the region. The North of Tyne Combined Authority had worked very well and there was no reason why this should not continue under expanded arrangements.

- (iv) A committee member asked about initiatives to attract visitors from other parts of the country. Cllr Sanderson noted that in Northumberland there were some tourist hot spots, particularly in the northern coastal areas. This was very welcome but also created some challenges. There would continue to be investment in attracting visitors but with the aim of using funding to try to spread tourism more around the area, for example by encouraging overnight stays in other areas that would benefit from increasing visitor spend. Recent investment into Berwick upon Tweed was an example of an area where there was felt to be scope to do more to encourage tourism.
- (v) A query was raised around the extent to which the historic environment (as distinct from cultural events) fed into the development of plans, to create a sense of place and purpose that could attract inward investment and help to meet economic growth objectives.

Cllr Sanderson acknowledged this point noting that the whole of the North of Tyne area had very important heritage assets. M Antoniou explained that at a practical level there was work with DCMS and Historic England to identify opportunities for collaboration which may add value. As far as possible, effort was also made to incorporate the area's many heritage assets into activities. The Culture Zones provided a particular opportunity for this.

The member, in response to a request from Cllr Sanderson for suggestions, proposed the re-purposing of listed buildings that may have fallen out of use. M Antoniou highlighted the recent development of the new Writing North Centre in Clayton Street, Newcastle, which had been progressed in collaboration with partners. The member also noted the Maltings cultural venue in Berwick as another good example of this type of approach.

Cllr Sanderson noted that he would welcome suggestions from members as to any areas that may benefit from funding for an arts or creative zone, or any suggestions for the use of particular buildings.

- (vi) A member highlighted recent difficulties with securing visitor accommodation in Berwick, noting that this may be something to look at.

She also asked whether the Clayton St cultural corridor incorporated the area around the Cathedral, Clayton Street and Grainger Street, excluding Grey Street. M Antoniou confirmed that this was correct and noted that the corridor also ran to the Discovery Museum. Opportunities for anchor investment were being explored around the Centre for Writing and the Grainger Market and work was being carried out to look at what more could be done to reinvigorate the area. Work was also underway with architecture students from the city's two universities to consider how public realm and architecture could be used to support the sector and to reach out to communities. The member welcomed this, noting that the area had been in need of attention for a long time.

- (vii) A member commented that the lack of hotel accommodation outside of Newcastle was something that should be considered as part of the strategy, including ensuring there was a year round tourism accommodation offer.

M Antoniou responded that increasing the accommodation offer in the area was a priority. The North East had been designated as the first national Destination Partnership and the three Destination Management Organisations (Durham, NewcastleGateshead and Northumberland) were working on a government pilot to look at how support for the sector and the promotion of tourism could work in the regions. Regional accommodation need, was a key aspect of this.

Cllr Sanderson noted that there had recently been some increase in hotel capacity with Premier Inn having opened hotels in Alnwick and Berwick upon Tweed and a further hotel was also under development in Alnwick. An operator was also looking at opportunities in South East Northumberland and North Tyneside.

- (viii) Responding to a query, M Antoniou confirmed that an audit of cultural assets had previously been carried out which had formed part of the narrative considered by Cabinet in 2020 and had also fed into the programme submission to DCMS. This would be used in developing work with the seven local authorities under the new arrangements but would require some updating.
- (ix) Dame Mayor Redfearn, in attendance, commented that this work was important from an economic perspective and also in terms of its contribution to the wellbeing of local people and promoting pride in the area. The potential to work more closely with neighbouring authorities to promote the sector was also exciting.

The Chair thanked Cllr Sanderson and M Antoniou for the report.

**RESOLVED** – To receive the report and note the approach being taken to the Culture, Creative and Tourism Programme.

## 29 **UPDATE FROM CABINET MEMBER FOR HOUSING, LAND AND DEVELOPMENT**

Submitted: Report by Dame Mayor Norma Redfearn, Cabinet Member for Housing, Land and Development and Deputy Mayor of the North of Tyne Combined Authority (previously circulated and copy attached to Official Minutes).

Dame Mayor Norma Redfearn, Cabinet Member for Housing, Land and Development and Deputy Mayor of the North of Tyne Combined Authority was in attendance with Vicky Cuthbertson, Principal Housing and Infrastructure Manager, to updated on work across the portfolio over the past year. Dame Mayor Redfearn highlighted the following key areas:-

- A key portfolio objective was the delivery of new and affordable homes. There had been extensive work to understand the challenges around housing delivery in the North of Tyne area which had been fed into the new devolution deal.
- Work continued, to develop and share a pipeline of housing sites, to unlock resources.
- Support had been provided for Community CAN the umbrella body to help bring forward community housing proposals.
- A Health and Growth Plan was being developed to look at how future development could contribute to reducing health inequality. This had included engagement with Sir Michael Marmot.
- Delivery models for housing retrofit had been developed which were key to supporting low carbon objectives.
- Work was ongoing to deliver the £31m of investment received from the brownfield housing fund which would unlock at least 2,200 new homes.
- To date £9.8m had been awarded which would unlock 1805 homes across the area, including The Rise in Newcastle.
- A successful training hub for apprentices had been developed.
- Other successful brownfield transformations were noted at Newbiggin by the Sea, Ellington Colliery and the Esplanade at Whitley Bay.
- A further £10m of projects were being appraised which would help deliver housing targets.
- There was a good working relationship with Homes England. Work was underway to look at how resources could be aligned with other partners at two key sites in Newcastle at Forth Yards and the Centre for Ageing and Vitality.
- Economic corridors had been identified in the Infrastructure Vision for the North of Tyne which would help unlock economic growth and housing along the Northumberland Line and support low carbon ambitions.
- £10m had been identified to deliver infrastructure improvements such as station improvements and active travel.
- The High Street and Towns Innovation Programme was supporting shop front improvements and a pilot to help businesses with their environmental impact. Community events had also taken place with the aim of making high streets safe and attractive to visit

Concluding, Dame Mayor Redfearn thanked the Housing and Land Board for their work to support the portfolio. Questions were then invited and in discussion with members the following key points were highlighted:-

- (i) It was noted that the Energy Savings Trust had estimated that it would cost £40bn to undertake the retrofit work necessary to achieve net zero by 2030. Given that this was a very significant sum, which was not expected to be funded from central government, a query was raised as to what should be prioritised to help targets be achieved as far as possible.

Dame Mayor Redfearn confirmed that this issue was high on the agenda. V Cuthbertson explained that work was underway to build on the EST work, to prioritise options with different levels and types of offers being looked at. Money had also been allocated through the UKSPF to develop a one stop shop to help address challenges faced by residents around energy costs, not

just in terms of energy efficiency but also to access available technology. A business plan was being worked on and it was hoped to allocate funding later this year.

- (ii) Referring to the Brownfield Housing Fund (BHF), a query was raised around how the Authority worked with local authorities and Homes England to add value to the process. Dame Mayor Redfern explained that constituent authorities worked together to identify sites and there was an extensive appraisal process to assess site suitability and she encouraged councillors to come forward with suggestions about sites.

V Cuthbertson noted that there were monthly meetings with individual authorities and Homes England to discuss brownfield sites and assess where each partner could add value to help deliver objectives. Many sites were very challenging and BHF investment could also only be used for very specific purposes by the Combined Authority i.e. for site remediation, whereas Homes England could fund affordable housing.

- (iii) A member referred to the recent decision by Cabinet to defer a recommendation relating to a proposed development at Strawberry Place in Newcastle and asked how schemes were brought to the attention of the North of Tyne team and how they were appraised to determine if they met identified priorities.

V Cuthbertson explained that the process was based on open calls for schemes which were assessed against Brownfield Housing Fund (BHF) criteria. If appropriate, schemes were then recommended through Investment Panel and Technical Officer Group, (TOG), on which local authorities sat. Once a scheme was added to the project pipeline, a full business case was invited which was then externally appraised by chartered surveyors to ensure it met BHF criteria. When the appraisal was completed, a recommendation was put forward to the Investment Panel for approval and included in Cabinet reports.

Ruth Redfern, Director of Policy and Performance, commented that officers were public servants who worked hard to prepare proposals on which Cabinet then made decisions. Ultimately, it was for Cabinet to decide if a proposal should go ahead. In this case Cabinet had decided to defer consideration of the proposal as they had wanted more work to be carried out.

The member noted that the recommendation would have committed 10% of the overall BHF investment and while it was a prominent city centre location, he was unsure that it would have contributed to the North of Tyne's brownfield housing aspirations.

Clarification was sought as to whether there had been any discussions with the Mayor or other politicians on this proposal. R Redfern explained that a protocol was followed under which there would be discussion with the Mayor and Portfolio holder before matters came to Cabinet. If politicians wished to discuss a proposal, officers would provide information and the politicians

would have that discussion. Politicians were always encouraged to discuss proposals to ensure they were confident and comfortable with any decision made.

The member asked whether there had been any discussion between officers and politicians before this matter came to Cabinet . R Redfern noted that officers would always brief the Mayor and Portfolio holder. A great deal of work went into developing proposals and every effort was made to ensure that politicians had relevant information before issues came to Cabinet meetings.

The member asked if this had been a finely balanced recommendation in terms of whether it would deliver on objectives for brownfield housing. R Redfern noted that all officer recommendations were properly considered and worked through.

The member queried whether it was now expected that the proposal would go back to Cabinet or may not happen at all. R Redfern reiterated that following discussion, Cabinet had decided to defer this matter. That said, circumstances underpinning the development, over which the Combined Authority had no control, may change. V Cuthbertson agreed and noted that any speculation around ownership was a commercial matter and not something that the Authority had received any further correspondence on.

The member commented that the Strawberry Place development would have accounted for £3.4m of the Brownfield Housing Fund and asked whether it was considered that it would have delivered the brownfield housing objectives of the Authority. V Cuthbertson responded that the scheme had met funding criteria and would have had no detrimental impact on other proposed schemes in the brownfield housing pipeline.

Noting that there was £11m in the budget for brownfield housing, the member asked if other identified schemes would now come forward. V Cuthbertson confirmed that there were two projects under development, one in Newcastle and one in North Tyneside. Business cases were being appraised. This should be completed by summer after which it was hoped they could be recommended for approval.

- (iv) Responding to a query as to whether there was adequate project management capacity to drive programmes (this being an issue reported by some other authorities), V Cuthbertson commented that additional resource was always welcome but there was close working with partners to share resource and external support was brought in as necessary. The focus was very much on delivering appropriate housing with recognition of the requirement to spend funding by 2025.

She noted current challenges around cost inflation, although this had been able to be accommodated, with schemes having achieved cost/benefit ratio analysis. Robust project management teams to support delivery were essential and this was closely monitored. Each scheme had its own challenges.



- (v) A member commented that the £6m allocated to the High Streets and Towns Innovation Programme was not a significant sum and asked if success would depend on leveraging in private investment and if plans would draw on best practice from elsewhere.

Dame Mayor Redfearn noted that similar work in North Shields had resulted in private businesses coming on board with support.

V Cuthbertson confirmed that all high street programmes were working in partnership with local businesses. This funding had to be a catalyst to unlock other investment and getting landowners on board was very important to bringing in private investment to develop viable business models. There had been close working with Power to Change, an organisation focused on community led solutions with experience in the north-west and Portsmouth although models had to be adapted and tailored to meet the specific requirements of each community.

- (vi) A member noted concern among some residents in Seaton Delaval (within which his ward was partly located) that the Northumberland Line may lead to large scale inappropriate housing on green belt land. He asked whether there were plans to determine what housing development might take place in that area.

V Cuthbertson explained that the relevant authority Local Plan would determine the strategy on allocations for housing and employment in each area. Northumberland County Council's Local Plan had been adopted quite recently and any planning applications would be considered in accordance with that plan.

Dame Mayor Redfearn confirmed that the constituent authorities were working together on this proposal and account had to be taken of respective Local Plans. She was not aware of any intention to build on greenfield, and any housing proposals would always be the subject to significant public consultation. Significant proposals such as this were first discussed at a strategic level with political leaders and executive officers before being referred to planning teams. V Cuthbertson noted that in compiling evidence for all its programmes the Authority worked collaboratively with all three planning authorities.

- (vii) A member commented that North Tyneside had maintained its green belt and that Local Plans were reviewed every five years. He noted possible changes from government to the way that local authorities were held to account on housebuilding commitments in their Local Plans. There was a need to build more homes and more affordable housing, while at the same time protecting the green belt.

**RESOLVED** – To receive the report and update on work being carried out in relation to the Housing, Land and Development portfolio.

Submitted: Report of the Director of Finance (previously circulated and copy attached to Official Minutes)

Katy Laing, Deputy Section 73 Officer and Strategic Finance Manager, presented the report which brought together the forecast financial position for the Corporate, Investment Fund, Brownfield Housing Fund and Adult Education budget and provided an indication of the potential position of the Combined Authority at 31 March 2023.

The report was noted to reflect the continued development of the Combined Authority in terms of its staffing structure and systems required to support delivery. Since approval of the budget in 2023, the Authority had been allocated £47.1m through the UK Shared Prosperity Fund (UKSPF) and also £4.1m through the Multiply Fund to support adult numeracy. In discussion the following key points were raised:-

- (i) Responding to a query on Table 1 in the Budget Monitor report (Appendix A), it was explained that “other costs” included budgets for staff training and development, travel and subsistence and external audit costs.
- (ii) In relation to section D of the report relating to Climate Change Statement, it was confirmed that all three constituent Local Authorities had declared a climate emergency and where appropriate programme delivery had regard to this.
- (iii) In response to concern expressed about the impact of the current economic situation on work being carried out by the Authority, K Laing referred to the statement at paragraph 1.3.4 of Appendix A, which noted the current inflationary pressure and outlined the Authority’s position in terms of investment and delivery.

**RESOLVED** – To note the report on the 2022/23 Q3 NTCA Budget Monitor.

### 31 **FINAL 2023-27 NTCA BUDGET AND CABINET'S RESPONSE TO THE COMMITTEE'S RECOMMENDATIONS ON THE BUDGET PROPOSALS**

Submitted: Report of Principal Governance and Scrutiny Manager (previously circulated and copy attached to Official Minutes).

E Kerr, Principal Governance and Scrutiny Manager, introduced the report which outlined Cabinet’s response to the Committee’s recommendations on the 2023-2027 Budget Proposals and included the final proposals agreed at Cabinet on 31 January 2023.

Committee was referred to the final budget proposals detailed in the appendices and was advised that its recommendations had been submitted to Cabinet as part of the budget consultation process. Cabinet had agreed with the committee’s recommendation that there was a need to increase public engagement in the budget consultation process and it was noted that the Budget had been approved.

A committee member thanked staff involved in the budget setting process, noting that this must be very challenging given the current significant economic pressures.

K Laing thanked the member and noted that the Authority had not received inflationary uplift in investment funding from government which required resources to be managed very carefully to ensure that delivery requirements could be met.

**RESOLVED** – To note the report on the final 2022-23 NTCA Budget and Cabinet’s response to the Committee’s recommendations on the Budget proposals.

## 32 **SCRUTINY ANNUAL REPORT AND REVIEW**

Submitted: Report of Principal Governance and Scrutiny Manager (previously circulated and copy attached to Official Minutes).

E Kerr, Principal Governance and Scrutiny Manager, presented the report which enclosed the Committee’s Annual Report for approval and submission to Cabinet and provided a review of decisions taken under urgency provisions this year and the use of Call-In.

Committee was advised that there had been only one Urgent Decision during the year and as this had been required in the past week, it had not been captured in the report. This decision had been confidential and related to capital funding. There had been no Call-Ins during the year

Comments on, or proposed amendments to the Annual Report were welcomed. Concluding E Kerr thanked members for their contribution to the Committee’s work over the past year. In discussion the following key points were noted:-

- (i) Responding to a query on what the new expanded devolution arrangements from May 2024 might mean for the continuity of existing projects and programmes, R Redfern explained that the seven council leaders were meeting regularly and a steering group had been established to oversee the transition. There was a commitment not to lose what had been achieved and recognition that projects needed to be knitted together. Some NTCA projects ran until 2025/26 and beyond and these must be properly managed to maintain continuity and momentum while ensuring that the four other authorities received funding to enable them to begin work within the new framework.
- (ii) The Chair asked whether funding for committed NTCA projects was clearly allocated or whether from May 2024 would be drawn from funding arrangements for the new Combined Authority. K Laing explained that the North of Tyne Investment Fund had to date received £20m pa, against which specific programme commitments had been made. Actual spend had not yet caught up with the investment received and so future delivery of committed and approved projects would come out of that reserve.
- (iii) Business Rate revenue from Enterprise Zones was noted to be a very useful income stream which it was hoped would be effectively redeployed under current, or new arrangements. K Laing confirmed that the Enterprise Zone Fund was reported on to Finance Directors of the seven authorities. It was an area of potential growth and there would be discussion on how this should best be used across all areas.
- (iv) A member reflected on the significant achievements of the North of Tyne Combined Authority and on officers hard work to support the ambitions of the

three constituent authorities. It was noted that there was still another year of current arrangements to be completed and much to be done.

**RESOLVED** – To receive the draft Annual Report and agree its submission to the Annual Meeting of Cabinet in June 2023.

33 **DATE AND TIME OF NEXT MEETING**

Dates for the 2023/24 municipal year would be confirmed following the Annual Meeting in June.