



Leadership Board

Tuesday, 19th January 2016 at 2.00 pm

Meeting to be held at North Tyneside Council, Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY

www.northeastca.gov.uk

SUPPLEMENTAL AGENDA 2

	Page No
8. Devolution Update	1 - 6

Contact Officer: Tel: 0191 211 5118 E-mail: victoria.miller@northeastca.gov.uk

To All Members

This page is intentionally left blank

North East Combined Authority

North East Leadership Board (NELB)

REPORT FOR INFORMATION

DATE: 19 January 2016
SUBJECT: Devolution Update
REPORT OF: Interim Head of Paid Service

EXECUTIVE SUMMARY

On 23 October the North East Combined Authority (NECA) Leadership Board signed a proposed devolution agreement with the Chancellor and Commercial Secretary. The proposed agreement for devolution to the North East provides for the transfer of significant powers for employment and skills, transport, housing, planning, business support and investment from central government to the North East. It also paves the way for further devolution over time, and for the reform of public services, including health and social care, to be led by the North East.

This report updates on progress to date and outlines the next steps in the process for NECA and the constituent authorities.

RECOMMENDATIONS

It is recommended that the Leadership Board note the contents of the report.

North East Combined Authority

North East Leadership Board (NELB)

REPORT FOR INFORMATION

1 Background information

- 1.1 On 23 October the North East Combined Authority (NECA) Leadership Board signed a proposed devolution agreement with the Chancellor and Commercial Secretary. The proposed agreement for devolution to the North East provides for the transfer of significant powers for employment and skills, transport, housing, planning, business support and investment from central government to the North East. It also paves the way for further devolution over time, and for the reform of public services, including health and social care, to be led by the North East.
- 1.2 Final agreement to the devolution proposals is conditional on a range of factors set out in the proposed agreement: the legislative process, the Spending Review, further public consultation, agreement by the constituent councils, and formal endorsement by the Leadership Board and Ministers.

2 Progress to date

- 2.1 An implementation plan has been developed to ensure that arrangements are in place to enable NECA to deliver on the devolution proposals if they are formally agreed in the coming weeks. Following agreement by the Leadership Board in November to establish a budget to provide additional capacity to progress the workstreams related to the devolution agenda, a number of appointments have been made to programme management roles and allocated to areas of priority within the proposed agreement.
- 2.2 The broad scope of each of the themes within the proposals has been assessed to give a clear picture of initial delivery activity and resource requirements, and arrangements are being established in relation to governance and the methodology to be followed to ensure ownership and effective delivery of the overall programme.
- 2.3 Arrangements are also being progressed to establish the Commission for Health and Social Care Integration in the North East. Duncan Selbie, Chief Executive of Public Health England, has been named as chair of the Commission, which will look at how services are provided and at the potential for further collaboration and integration in order to help improve the health and wellbeing of residents across the region. The Commission is expected to report in the summer of 2016 with recommendations for further devolution and integration.
- 2.4 Following the Spending Review announcement on 25 November, the Chief Finance Officer is continuing to work with the Finance Directors of the constituent authorities to analyse the full impact of the Spending Review and Local Government Settlement on both NECA and its constituent councils.

North East Combined Authority

North East Leadership Board (NELB)

REPORT FOR INFORMATION

- 2.5 The Cities and Local Government Devolution Bill has now passed through both the House of Commons and House of Lords parliamentary stages and is expected to receive Royal Assent within the next two weeks. Discussions with government officials are underway to support the legislative process required to implement the proposals alongside a continued dialogue on the detail of the proposals with individual government departments.

3 Consultation and engagement

- 3.1 Public and stakeholder consultation is continuing following the second round of public meetings across the NECA area to capture the views of partners, stakeholders and residents on key issues within the proposals. In addition to the public meetings coordinated centrally by NECA, the constituent authorities are continuing to gather views locally and dedicated sessions are taking place with representatives of the voluntary, community and social enterprise sector, the regional business sector and also with trade union representatives.
- 3.2 Feedback from the consultation exercise will be reported to a future meeting of the NECA Leadership Board prior to formal consideration on progressing with Government to the next stage in the process.

4 Next Steps

- 4.1 Progressing to the next phase of devolution is dependent on a range of factors set out above and detailed in the proposed agreement. Each of the seven Constituent Authorities will consider progress against the conditions set out in the proposed devolution agreement before considering the decision to consent to the creation of a Mayoral Authority. Following consideration by the constituent authorities, the NECA Leadership Board will consider whether to formally endorse the proposed agreement and consent to the creation of a Mayoral Combined Authority.

5 Potential impact on objectives

- 5.1 The proposed agreement provides for the transfer of significant powers for employment and skills, transport, housing, planning, business support and investment from central government to the North East in order to deliver the funding and responsibilities that are required to accelerate the area's economic growth.

6 Finance and other resources

- 6.1 The Devolution agreement will bring considerable additional resources from 2016/17 onwards and the use of these resources will be determined by the Leadership Board following consultation.

7 Legal

- 7.1 The Cities and Local Government Devolution Bill has now passed through both the House of Commons and House of Lords parliamentary stages and is expected to receive Royal Assent within the next two weeks. Provisions in the Bill introduced in December 2015 enable a Mayoral Combined Authority to be created where there is an existing Combined Authority with the consent of the Leadership Board and two or more Constituent Authorities. Any dissenting authorities will subsequently be removed from the Combined Authority during the legislative process to create the Mayoral Combined Authority. Previously only one dissenting authority was permitted.

8 Other considerations

8.1 Consultation/community engagement

A series of meetings with local and regional stakeholders is underway to raise awareness of the proposed agreement, discuss the detailed proposals and to find out more about what devolution could mean for the area. Further detail is set out in the body of the report at section 3.

8.2 Human rights

There are no specific issues arising directly from this report.

8.3 Equalities and diversity

There are no specific issues arising directly from this report.

8.4 Risk management

The risks associated with devolved powers and funding streams will be assessed and reported to the Leadership Board as part of the report seeking formal endorsement to proceed to the next stage of the process with Government.

8.5 Crime and disorder

There are no specific issues arising directly from this report.

8.6 Environment and sustainability

There are no specific issues arising directly from this report.

North East Combined Authority

North East Leadership Board (NELB)

REPORT FOR INFORMATION

9 Background documents

9.1 Report to NECA Leadership Board – ‘Developing a Devolution Prospectus for the North East Combined Authority’ – 20 January 2015

Report to NECA Leadership Board – ‘Developing a Devolution Prospectus for the North East Combined Authority – update on stakeholder engagement – 16 June 2015

Report to NECA Leadership Board – ‘Devolution Update’ – 15 September 2015

Report to NECA Leadership Board – ‘Devolution Update’ – 17 November 2015

10 Links to plans and policy framework

10.1 This report will support delivery of each of the Combined Authority themes and “More and Better Jobs”, A Strategic Economic Plan for the North East.

11 Appendices

11.1 None

13 Contact Officers

13.1 Adam Wilkinson, Interim Head of Paid Service, North East Combined Authority adamwilkinson@northeastca.gov.uk (0191) 643 6402

Caroline Winter, Policy Manager, 7 North East Local Authorities
caroline.winter@newcastle.gov.uk (0191) 211 5058

14 Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Section 151 Officer ✓

This page is intentionally left blank