



north east combined authority

Leadership Board, Annual Meeting

Tuesday, 19th June 2018 at 2.00 pm

Meeting to be held: Committee Room, Town Hall and Civic Offices, Westoe Road, South Shields, Tyne and Wear, NE33 2RL

www.northeastca.gov.uk

AGENDA

	Page No
1. Apologies for Absence (Members)	
2. Declarations of Interest	
Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.	
3. Membership of the Leadership Board	1 - 8
4. Minutes of the Previous Meeting held on 20 March 2018	9 - 12
For approval as a correct record.	
5. Minutes of the Extraordinary Meeting held on 26 April 2018	13 - 16
For approval as a correct record.	
6. Announcements from the Chair and/or the Head of Paid Service	
7. Appointment of Committees, Agreement of Membership, Appointment of Chairs and Vice-Chairs, Appointment of Members to Outside Bodies and Appointment of External Auditor	17 - 34
8. Programme of Committee Meetings	35 - 40

9.	Consent to the Overview and Scrutiny Committee Decision Making Protocol	41 - 72
10.	Review of Constitution	73 - 84
11.	Updates from Thematic Leads	
	(a) Economic Development and Regeneration Update	85 - 94
	(b) Employability and Inclusion Update	95 - 110
	(c) Transport and Digital Connectivity Update	111 - 122
12.	Economic Development and Regeneration Advisory Board Annual Report	123 - 138
13.	Delegated decisions: a) “Smarter Travel, Smarter Cities” proposed European Regional Development Fund bid and b) Go Ultra Low North East programme	139 - 146
14.	Purchase of Site at Howdon for Satellite Depot by Nexus	147 - 154
15.	Date and Time of Next Meeting	
	Tuesday, 31 July 2018 at 2pm.	
16.	Exclusion of Press and Public	
	Under section 100A and Schedule 12A Local Government Act 1972 because exempt information is likely to be disclosed and the public interest test against disclosure is satisfied.	
17.	Confidential Minutes of the Previous Meeting held on 20 March 2018	155 - 156
18.	Project Approvals	157 - 164

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

To All Members

Leadership Board

Date: 19 June 2018

Subject: Membership of the Leadership Board

Report of: Monitoring Officer

Executive Summary

The purpose of this report is to invite the Leadership Board to:

- a. Confirm its membership for the municipal year 2018/19;
- b. Appoint its Chair and Vice-Chairs for the municipal year 2018/19;
- c. Appoint Thematic Leads for the municipal year 2018/19 for the following Thematic Lead Areas: (i) Economic Development and Regeneration, (ii) Employability and Inclusion and (iii) Transport and Digital Connectivity; and
- d. Appoint two representatives from the North East Local Enterprise Partnership (North East LEP) to the Leadership Board as a non-voting Member and a Substitute Member for the municipal year 2018/19.

Recommendations

It is recommended that:

- i. The membership of the Leadership Board for the municipal year 2018/19 be confirmed as set out in Appendix A;
- ii. The Leadership Board appoints its Chair and Vice-Chair(s) for the municipal year 2018/19;
- iii. The Leadership Board re-appoints Mr Andrew Hodgson as the non-voting Member of the Leadership Board representing the North East Local Enterprise Partnership during the municipal year 2018/19;
- iv. The Leadership Board re-appoints Ms Gillian Hall as the Substitute Member for the Member of the Leadership Board who represents the North East Local Enterprise Partnership during the municipal year 2018/19; and
- v. The Leadership Board appoints Thematic Leads for the following Thematic Lead Areas: (i) Economic Development and Regeneration, (ii) Employability

Leadership Board

and Inclusion and (iii) Transport and Digital Connectivity for the municipal year 2018/19.

Leadership Board

1. Background Information

- 1.1 The North East Combined Authority (NECA) was created pursuant to the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA 2009) and by the Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Order 2014 (the Order) which came into force on 15 April 2014.
- 1.2 On 26 April 2018 the Leadership Board agreed in principle to amend NECA's boundary to remove the Local Government areas of Newcastle upon Tyne, North Tyneside and Northumberland, to permit the creation of a Mayoral Combined Authority covering these areas, and establishing joint transport governance arrangements. These changes will only take effect on the implementation of an order issued by the Secretary of State in accordance with the LDEDCA 2009. The Leadership Board has delegated authority, subject to satisfaction of certain conditions, for the giving of final consent for the making of that order. Until the order is made, there is no change to NECA; and the Local Government Act 1972 (Schedule 12, paragraphs 1 and 6A) requires NECA to hold its annual meeting between 1 March and 30 June each year.

Confirmation of the Membership of the Leadership Board

- 1.3 Under NECA's Constitution, the Leadership Board is the principal decision-making body of NECA, which can delegate authority to other decision-making bodies (boards, committees and constituent authorities), Officers and Chief Officers.
- 1.4 Each of the constituent local authorities is required to appoint its Leader or Elected Mayor to be a Member of the Leadership Board and another Member to act in the absence of the appointed Member as their substitute. The appointments of the constituent authorities to the Leadership Board for the municipal year 2018/19 have been received and are set out in Appendix A.
- 1.5 The Leadership Board is required to confirm its membership for the municipal year 2018/19.

Appointment of the Chair and Vice-Chairs of the Leadership Board

Leadership Board

- 1.6 The Leadership Board is required to appoint its Chair and Vice-Chair(s) from amongst its Members.

Appointment of a Member and a Substitute Member from the North East Local Enterprise Partnership (North East LEP)

- 1.7 The North East LEP is required to nominate one Member as a non-voting Member of the Leadership Board and another Member as that Member's Substitute Member. The North East LEP nominations have been received and are set out in Appendix A. In accordance with Part 1, paragraph 3 of the NECA Constitution, the Leadership Board has committed to appoint those nominated by the North East LEP to be non-voting members of the Leadership Board, with the substitute to act in the absence of the principal North East LEP nominee.

Appointment of Thematic Leads

- 1.8 The Thematic Lead Areas were created by the Leadership Board to enable the functions of NECA to be undertaken more effectively. The designation of Thematic Leads is a majority decision of the Leadership Board pursuant to Part 3.1, paragraph 30 of the NECA Constitution. The Leadership Board is invited to agree to continue with the existing Thematic Lead Areas and appoint the Thematic Leads for the municipal year 2018/19.
- 1.9 In the previous municipal year, the Thematic Leads were as follows:
- Economic Development and Regeneration – Councillor Iain Malcolm;
 - Employability and Inclusion – Councillor Peter Jackson; and
 - Transport and Digital Connectivity – Councillor Nick Forbes.

Whilst it is proposed that the Thematic Leads should remain the same for the 2018/19 municipal year, the Leadership Board is of course free to appoint alternative leads.

Leadership Board

2. Proposals

2.1 The Leadership Board is invited to agree the recommendations set out above.

3. Reasons for the Proposals

3.1 The proposals will enable NECA to operate effectively and in accordance with the Order that established NECA, NECA's Constitution and applicable law.

4. Alternative Options Available

4.1 There are no alternative options available.

5. Next Steps and Timetable for Implementation

5.1 Information on the appointment will be communicated to all stakeholders involved and published on NECA's website as soon as it is practicably possible.

6. Potential Impact on Objectives

6.1 The appointments will enable NECA to properly discharge its functions, thereby assisting in delivering on its objectives.

7. Financial and Other Resources Implications

7.1 There are no specific financial implications arising from these recommendations.

8. Legal Implications

8.1 NECA is required to confirm its membership, Chair and Vice-Chair at its annual meeting. In accordance with the Local Government Act 1972, Schedule 12, paragraphs 1 and 6A, NECA is required to hold its annual meeting between 1 March and 30 June each year. The Leadership Board is also required to appoint its Chair and Vice-Chair(s) at the annual meeting for the forthcoming municipal year. The designation of the Thematic Leads is also a matter reserved to the Leadership Board to decide.

9. Key Risks

9.1 There are no risks arising as a result of the proposals.

10. Equality and Diversity

10.1 There are no specific equality and diversity implications arising from this report.

Leadership Board

11. Other Impact of the Proposals

- 11.1 The proposals comply with the principles of decision-making. The proposals would enable NECA to properly discharge its functions, therefore assisting NECA in delivering on its objectives.

12. Appendices

- 12.1 Appendix A: North East Leadership Board, Membership, Municipal Year 2018/19

13. Background Papers

- 13.1 The Durham, Gateshead, Newcastle Upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Order 2014
<https://northeastca.gov.uk/about-us/neca-order-and-constitution/>

The Constitution of the North East Combined Authority
<https://northeastca.gov.uk/about-us/neca-order-and-constitution/>

14. Contact Officers

- 14.1 Peter Judge, Monitoring Officer
E-mail: peter.judge@northeastca.gov.uk Tel: 0734 2069 371

Victoria Miller, Democratic Services Officer
E-mail: victoria.miller@northeastca.gov.uk Tel: 0191 211 5118

14. Sign off ✓

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

15. Glossary

NECA - North East Combined Authority

North East LEP - North East Local Enterprise Partnership



Appendix A: North East Leadership Board, Membership, Municipal Year 2018/19

Membership: 8 (one Member from each constituent local authority and one non-voting Member from the North East Local Enterprise Partnership).

Constituent Authority/Organisation	Member	Substitute Member
Durham County Council	Councillor Simon Henig	Councillor Alan Napier
Gateshead Council	Councillor Martin Gannon	Councillor Catherine Donovan
Newcastle upon Tyne City Council	Councillor Nick Forbes	Councillor Joyce McCarty
North Tyneside Council	Mayor Norma Redfearn	Councillor Bruce Pickard
Northumberland County Council	Councillor Peter Jackson	Councillor Wayne Daley
South Tyneside Council	Councillor Iain Malcolm	Councillor Alan Kerr
Sunderland City Council	Councillor Graeme Miller	Councillor Michael Mordey
North East Local Enterprise Partnership (non-voting)	Mr Andrew Hodgson	Ms Gillian Hall

Thematic Lead Areas and Thematic Leads, Municipal Year 2018/19

- Economic Development and Regeneration – Councillor Iain Malcolm
- Employability and Inclusion – Councillor Peter Jackson
- Transport and Digital Connectivity – Councillor Nick Forbes

This page is intentionally left blank

Leadership Board

20 March 2018

Meeting held: Committee Room, Town Hall and Civic Offices, Westoe Road, South Shields, Tyne and Wear, NE33 2RL

Present:

Mayor N Redfearn (Chair)

Councillors M Gannon, S Henig, P Jackson, A Kerr, J McCarty and H Trueman

North East Local Enterprise Partnership Member: G Hall

75 **APOLOGIES FOR ABSENCE (MEMBERS)**

Apologies for absence were received from Councillors N Forbes and I Malcolm and Mr A Hodgson.

76 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

77 **MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 16 January 2018 were approved as a correct record and signed by the Chair.

78 **UPDATES FROM THEMATIC LEADS**

(a) **Economic Development and Regeneration**

Submitted: An update report of the Thematic Lead for Economic Development and Regeneration (previously circulated and copy attached to Official Minutes).

Members considered the report which provided an update on activity and progress under the Economic Development and Regeneration theme of the Combined Authority.

RESOLVED – That the report be noted.

(b) **Employability and Inclusion**

Submitted: An update report of the Thematic Lead for Employability and Inclusion (previously circulated and copy attached to Official Minutes).

Members considered the report which provided information on progress in delivering the Employability and Inclusion theme and Skills theme of the Strategic Economic Plan.

RESOLVED – That the report be noted.

(c) **Transport and Digital Connectivity**

Submitted: An update report of the Thematic Lead for Transport (previously circulated and copy attached to Official Minutes).

Members considered the report which provided an update on progress on activities under the Transport and Digital Connectivity theme of the Combined Authority.

RESOLVED – That the report be noted.

79 **NORTH EAST COMBINED AUTHORITY REVENUE BUDGET MONITOR 2017/18 AND CLOSURE OF ACCOUNTS PROCESS**

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

Members considered the report which provided an update on the 2017/18 Revenue Budget Monitor and sought related approvals. Members also noted the process for the closure of Accounts 2017/18.

RESOLVED – That:

- i. The report be noted;
- ii. The Leadership Board noted that revenue expenditure for the year was expected to be within the approved NECA budget, with the latest estimate of net expenditure of £81.417m in respect of the Transport budget and £0.690m in respect of the non-transport budget;
- iii. The revenue Grant to Nexus for 2017/18 be reduced by £3,333,000 to £57,557,000 for 2017/18, with the £3,333,000 saving being earmarked as part of the matching funding requirement for the DfT capital grant for Metro fleet replacement in future years;
- iv. The 2017/18 outturn would be reported to Leadership Board in June 2018; and
- v. The Leadership Board noted the closure of the 2017/18 accounts process and the implications with regard to the governance and sign-off arrangements, which required the earlier formal approval of the accounts for 2017/18 in July 2018, instead of the previous approval date of September.

80 **NORTH OF TYNE PROPOSALS - CONSENT TO SECRETARY OF STATE'S ORDER**

Submitted:

- (i) A report of the Monitoring Officer (previously circulated and copy attached to Official Minutes); and
- (ii) A supplemental report of the Monitoring Officer, Head of Paid Service and Chief Finance Officer (previously circulated and copy attached to Official Minutes).

Members considered the two reports which provided an update on the recent consultation on North of Tyne proposals, including on the creation of a North of Tyne mayoral combined authority following the amendment of the current North East Combined Authority (NECA) boundaries. The report also discussed a Draft Order that had been received from the Secretary of State with regard to giving effect to the amendment of the NECA boundaries, the creation of the North of Tyne mayoral combined authority, the creation of joint transport governance arrangements and similar matters.

RESOLVED – That:

- i. The Leadership Board noted the substantial progress that had been made with the development of a draft Secretary of State Order to:
 - a. amend the boundaries of NECA to remove the North of Tyne local authority areas (Newcastle upon Tyne, North Tyneside and Northumberland);
 - b. create and give powers to a North of Tyne Mayoral Combined Authority;
 - c. create a Joint Transport Committee;
 - d. transfer transport related assets into the joint ownership of the two Combined Authorities;
 - e. make the Tyne and Wear Passenger Transport Executive (NEXUS) an executive body of each of the Combined Authorities and to amend legislation to extend its duties to both Combined Authorities;
 - f. make consequential amendments, including amendments to the NECA Order and relevant legislation, to give effect to the above.
- ii. An extraordinary meeting of the Leadership Board be convened for the purposes of deciding on the question of consent to a draft Order as soon as a further draft Order was prepared addressing the points set out in the report, possibly on 17 April 2018.
- iii. The Monitoring Officer would work with the Chief Legal Officers of the seven constituent authorities to develop a legally binding agreement reflecting the transport governance policy principles set out in the note at Appendix 1.
- iv. The Leadership Board would consider the terms of a legally binding agreement at a future meeting.

81 **DATE AND TIME OF NEXT MEETING**

Tuesday, 17 April 2018 at 2pm (Extraordinary, Provisional)
Tuesday, 19 June 2018 at 2pm (Annual Meeting)

82 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That by virtue of paragraph 3 of Part 1 of Schedule 12A press and public be excluded from the meeting for the duration of consideration of agenda item 9 (Funding Approvals) because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.

North East Combined Authority, Leadership Board

26 April 2018

Meeting held Committee Room, Gateshead Civic Centre, Regent Street, Gateshead, NE8 1HH

Present:

Mayor N Redfearn (Chair)

Councillors W W Daley, N Forbes, M Gannon, G Hall, S Henig, I Malcolm and H Trueman and Ms G Hall

84 APOLOGIES FOR ABSENCE (MEMBERS)

Apologies for absence were received from Councillor P Jackson and Mr A Hodgson.

85 DECLARATIONS OF INTEREST

There were no declarations of interest.

86 NORTH OF TYNE PROPOSALS - CONSENT TO SECRETARY OF STATE'S ORDER

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

Members considered the report which invited them to consent in principle to the making of an Order by the Secretary of State in relation to the creation of a new Mayoral Combined Authority (NTMCA) for the areas of Newcastle upon Tyne, North Tyneside and Northumberland, agree authority to enter into a deed of co-operation and grant delegated authority in relation to the next steps in giving consent. The report was introduced by the Monitoring Officer.

As an update, it was noted that a further draft Order had been received on 20 April 2018, which addressed most of the outstanding matters, specifically the appointment of Chairs and Vice-Chairs and the Joint Transport Overview and Scrutiny Committee arrangements. The only outstanding matter remaining was to confirm the required number of members from each local authority to form the Joint Transport Overview and Scrutiny Committee and its quorum.

All Members took the opportunity to speak about the proposed changes to the NECA boundary, the creation of the NTMCA and the devolution deal for the three local authorities. Members highlighted the importance of continuing to work together for the benefit of the region as a whole. Members noted the understanding that the NTMCA devolution deal would not cause detriment to the remaining NECA area and

received assurances that the proposed devolution would bring benefits for the whole region.

The Chair thanked Members for their support and offered her assurances that the region would continue to work together.

Members then voted on the recommendations as set out in the report.

RESOLVED – That:

- (i) Consent be given in principle to the making of an Order by the Secretary of State which would have the following effects:
 - a. amend the boundaries of NECA to remove the North of Tyne local authority areas (Newcastle upon Tyne, North Tyneside and Northumberland);
 - b. create and give powers to a new Mayoral Combined Authority;
 - c. provides for a Joint Transport Committee and a Proper Officer for Transport;
 - d. transfer transport related assets into the joint ownership of the two Combined Authorities;
 - e. make the Tyne and Wear Passenger Transport Executive (NEXUS) an executive body of each of the Combined Authorities and to amend legislation to extend its duties to both Combined Authorities; and
 - f. make consequential amendments including amendments to the NECA Order and relevant legislation to give effect to the above.

- (ii) Agreement be given to the NECA entering into a Deed of Co-operation with each of the Councils for the Local Government areas of Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland reflecting the terms set out in the Heads of Terms attached in the Schedule to this report, and delegated authority be given to the Head of Paid Service, on the advice of the Monitoring Officer, to approve and authorise execution of the said Deed of Co-operation.

- (iii) Delegated authority be given to the Head of Paid Service, on the advice of the Monitoring Officer and with the agreement of the two Vice-Chairs of NECA Leadership Board, to formally consent to the final Secretary of State's Order, when such consent was requested by the Ministry of Housing, Communities and Local Government; subject to:
 - a. all seven current constituent authorities of NECA and NECA entering into the Deed of Co-operation referred to in resolution (ii) above; and
 - b. the final Secretary of State's Order reflecting all principles agreed upon between the Ministry of Housing, Communities and Local Government and all constituent Authorities.

Record of vote

In favour: Councillors W Daley, N Forbes, S Henig, I Malcolm, H Trueman and Mayor N Redfearn

Against: None

Abstention: Councillor M Gannon

87 **DATE AND TIME OF NEXT MEETING**

Tuesday, 19 June 2018 at 2pm.

This page is intentionally left blank

Leadership Board

Date: 19 June 2018

Subject: Appointment of Committees, Agreement of Membership, Appointment of Chairs and Vice-Chairs, Appointment of Members to Outside Bodies and Appointment of External Auditor

Report of: Monitoring Officer

Executive Summary

This report seeks agreement to the continued establishment of the committees of the North East Combined Authority (NECA), appointment of Members, including Chairs and Vice-Chairs, to the NECA's committees and appointment of Members to outside bodies. The report also provides information on the appointment of the External Auditor.

Recommendations

The Leadership Board is recommended to:

- i. Appoint committees for the municipal year 2018/19, as set out in Appendix A;
- ii. Accept the nominations for the membership of the committees and sub-committees, which have been received from the constituent local authorities, as set out in Appendix A;
- iii. Extend the term of office of the Independent Co-opted Members of the Governance Committee, and its Chair and Vice-Chair respectively, Mr Mark Scrimshaw and Mr George Clark, for a further term of one year expiring on 19 June 2019;
- iv. Extend the term of office of the Independent Person for the purpose of Standards Regime, Ms Stella Gardner, for a period of one year;
- v. Appoint Chairs and Vice-Chairs of the committees for the municipal year 2018/19 or agree to delegate the appointment to the relevant committees where appropriate;
- vi. Designate a Member, and an Alternate Member, for the instances when the Member is unable to attend, to represent NECA on Transport for the North and also the Transport for the North Rail North Committee and the Transport for the North Overview and Scrutiny Committee; and
- vii. Notes the position in relation to the appointment of Mazars as the External Auditor for 2018/19.

Leadership Board

1. Background Information

- 1.1 The North East combined Authority (NECA) was created pursuant to the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA 2009) and by the Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Order 2014 (the Order) which came into force on 15 April 2014.
- 1.2 On 26 April 2018 the Leadership Board resolved to agree in principle to amend NECA's boundary to remove the Local Government areas of Newcastle upon Tyne, North Tyneside and Northumberland, to permit the creation of a Mayoral Combined Authority covering these areas, and establishing joint transport governance arrangements. These changes will only take effect on the implementation of an order issued by the Secretary of State in accordance with the LDEDCA 2009. The Leadership Board has delegated authority, subject to satisfaction of certain conditions, for the giving of final consent for the making of that order. Until the order is made, there is no change to NECA; and the Local Government Act 1972 (Schedule 12, paragraphs 1 and 6A) requires NECA to hold its annual meeting between 1 March and 30 June each year.
- 1.3 NECA's Constitution prescribes the committee structure, which complies with the requirements of the Order and the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 (the "Overview and Scrutiny Order").
- 1.4 Complying with requirements of the Overview and Scrutiny Order, NECA implemented the following arrangements, and these should continue:
 - A call-in of decisions;
 - Overview and Scrutiny Committee and Governance Committee reflecting the regional political balance;
 - The Chairs of the above committees are independent persons. Alternatively these could be Members who are not from the majority political party; and
 - Appointment of a Scrutiny Officer who is not employed by a constituent authority.
- 1.5 As part of the review of NECA's Constitution as set out in a separate report elsewhere on the agenda for this meeting, and following a consultation with Members of the Governance Committee, it is proposed that the name of the Governance Committee is amended to "Audit and Standards Committee". In addition, the Overview and Scrutiny Committee has developed a protocol in accordance with the requirements of the Overview and Scrutiny Order, which the Leadership Board will be invited to consent to by a separate report elsewhere on the agenda for this meeting.

Leadership Board

Proposed Committees, Municipal Year 2018/19

- 1.6 Listed below are the proposed committees, including the mandatory committees, for the municipal year 2018/19:
- 1) Leadership Board, NECA's principal decision-making body;
 - 2) Transport North East Committee (TNEC);
 - 3) Transport North East (Tyne and Wear) Sub-Committee (TWSC), a sub-committee of TNEC consisting of members drawn from the Constituent Authorities in Tyne and Wear (Local Government areas of Gateshead, Newcastle upon Tyne, North Tyneside, South Tyneside and Sunderland);
 - 4) Audit and Standards Committee, a committee to discharge responsibilities in relation to matters concerning standards, risk management and audit (previously titled Governance Committee);
 - 5) Economic Development and Regeneration Advisory Board (EDRAB), a committee to advise the Leadership Board on matters arising in relation to economic development and regeneration;
 - 6) Overview and Scrutiny Committee.
- 1.7 Relevant terms of reference of the above committees are set out in NECA's Constitution and a separate report proposes changes to the Constitution, which this report anticipates.
- 1.8 It is recommended that the committees referred to in paragraph 1.6 above should be appointed, or where appropriate re-appointed, for the municipal year 2018/19.

Committee Membership, Municipal Year 2018/19

- 1.9 The nominations for the membership of the committees of NECA for the municipal year 2018/19, including substitute members where appropriate, have been received and are set out in Appendix A.

Chairs and Vice-Chairs of Committees

- 1.10 The Thematic Lead for Transport and Digital Connectivity fulfils the role of Chair of TNEC.
- 1.11 The three Vice-Chairs of TNEC are the portfolio holders with responsibilities for transport from the constituent local authorities from (i) Durham, (ii) Northumberland and (iii) Tyne and Wear. In the previous years, the Leadership Board delegated the responsibility for the appointment of the Vice-Chair of TNEC from the Tyne and Wear constituent authorities to TNEC.

Leadership Board

- 1.12 The Vice-Chair of TNEC representing Tyne and Wear undertakes the role of Chair of TWSC. It is open to the Leadership Board to adopt the same approach for the municipal year 2018/19 and delegate responsibility to TNEC to appoint its third Vice-Chair from the Tyne and Wear constituent authorities and that Vice-Chair will then take the role of the Chair of TWSC.
- 1.13 The Leadership Board may also choose to delegate the responsibility for the appointment of a Vice-Chair of TWSC to TNEC.
- 1.14 The Thematic Lead for Economic Development and Regeneration fulfils the role of Chair of EDRAB.
- 1.15 With regard to Vice-Chairs of EDRAB, previously the Leadership Board delegated these appointments to EDRAB. The second Vice-Chair of EDRAB is appointed from the business representative Co-opted Members. The Leadership Board may wish to continue with these arrangements.
- 1.16 At the Leadership Board meeting held on 21 March 2017, the Leadership Board agreed that the Chair and Vice-Chair of the Overview and Scrutiny Committee will be independent persons. The vacancies were advertised, and the appointments of Chair and Vice-Chair have separately been confirmed by the Leadership Board resolutions as required by Part 3.1, paragraphs 24 and 25 of the NECA Constitution. The roles are held by Mr David Taylor-Gooby (Chair, appointed on 20 June 2017 on an understanding that it would be for an initial term of 2 years) and Mr Simon Hart (Vice-Chair, appointed with effect from 16 October 2017 for an initial term of 3 years). An annual remuneration of £2,000 (Chair) and £1,000 (Vice-Chair) respectively is paid for these roles. It is proposed that these arrangements continue.
- 1.17 The Leadership Board is invited to note that the terms of office of the Independent Members who are also the Chair and Vice-Chair of the Governance Committee (proposed to be renamed Audit and Standards Committee), Mr Mark Scrimshaw (Chair) and Mr George Clark (Vice-Chair), are valid until June 2018. The terms of their appointment were that their terms could be extended for periods up to two years. It is proposed that the terms of both post holders are extended for one year. It is anticipated that changes in NECA governance, the creation of joint transport governance arrangements and potentially the opportunity to review the governance of NEXUS would make it timely to refresh Chair and Vice-Chair appointments during the course of the forthcoming year. It is currently anticipated that a recruitment process will be run early in the 2019 calendar year. An annual fee of £2,000 (Chair) and £1,000 (Vice-Chair) respectively is paid for the roles. It is proposed that these arrangements continue, expiring on 19 June 2019.

Leadership Board

- 1.18 The Leadership Board is invited to note that the term of office of the Independent Person for the purpose of Standards Regime, Ms Stella Gardner, is due to expire on 15 September 2018. The Leadership Board is invited to extend the office of Ms Stella Gardner for a period of one year. An annual fee of £1,000 is paid for this role.
- 1.19 The Leadership Board will note that the Governance Committee has recommended the introduction of committee self-assessment across the NECA committee structures aimed at gaining a clear understanding of committee performance and any steps that can be taken to improve decision making processes. This process will also be used to inform decisions about the extension of independent members' appointments in future. The committee has also made recommendations about increasing member participation in the recruitment process for independent members in the future.

External Auditor

- 1.20 The Combined Authority is required to have an external auditor. At its extraordinary meeting held on 7 March 2017 the Leadership Board had agreed to opt into the national scheme for the appointment of external auditors. The External Auditor of NECA in 2017/18 had been Mazars. The External Auditor for NECA for 2018/19 would continue to be Mazars, who were appointed under the national appointment scheme.

Appointment to Outside Bodies:

Transport for the North

- 1.21 The Leadership Board had previously appointed the Thematic Lead for Transport and Chair of the Transport North East Committee to represent the Authority on Transport for the North. It is proposed that this approach continues.
- 1.22 The Leadership Board had previously designated Councillor Carl Marshall, a Vice-Chair of the Transport North East Committee, as an Alternate Member for the NECA Representative on Transport for the North. It is proposed that this approach continues.
- 1.23 The Leadership Board is also invited to appoint members to the Transport for the North Overview and Scrutiny Committee. It is proposed that Councillor Bruce Pickard from North Tyneside Council be the NECA Representative on Transport for the North Overview and Scrutiny Committee; and that Councillor Michael Mordey from Sunderland City Council be an Alternate Member for the NECA on Transport for the North Overview and Scrutiny Committee.

Leadership Board

1.24 Rail North now operates as a committee of Transport for the North. The Leadership Board had previously appointed the Thematic Lead for Transport and Chair of the Transport North East Committee to represent the Authority on Rail North. It is proposed that this approach continues for the Transport for the North Rail North Committee.

1.25 The Leadership Board had previously designated Councillor Carl Marshall, a Vice-Chair of the Transport North East Committee, as an Alternate Member for the NECA Representative on Rail North. It is proposed that this approach continues for the Transport for the North Rail North Committee.

2. Proposals

2.1 The Leadership Board is invited to approve the proposed committee structure and confirm membership, appoint and/or extend the appointment of Chairs and Vice-Chairs, independent persons and independent members or delegate the responsibility for the appointments to committees (as proposed in 1.13 and 1.15 above), appoint Members to outside bodies and note the arrangements for the appointment of external auditors.

3. Reasons for the Proposals

3.1 The proposals will enable NECA to operate effectively and in accordance with the Order and NECA's Constitution.

4. Alternative Options Available

4.1 **Option 1:** The Leadership Board is invited to delegate to the TNEC the appointment of the third Vice-Chair of TNEC from the Tyne and Wear Constituent Authorities and that Vice-Chair would then full-fill the role of the Chair of TWSC.

And

The Leadership Board is invited to delegate to the TNEC the appointment of a Vice-Chair of TWSC.

Option 2: The Leadership Board may choose to appoint Chairs and Vice-Chairs of all committees and sub-committees.

5. Next Steps and Timetable for Implementation

5.1 The committee structure will be published on NECA's website and all stakeholders informed, as soon as practicably possible.

Leadership Board

6. Potential Impact on Objectives

- 6.1 The appointments will enable NECA to properly discharge its functions, thereby assisting in the delivery on its objectives

7. Financial and Other Resources Implications

- 7.1 The provision of the support arrangements for NECA is contained within the existing financial resources available to NECA. Any allowances paid to Members from the constituent local authorities in attending a committee will be a matter for each of the constituent local authorities and their respective remuneration panels.
- 7.2 NECA is responsible for the fees paid to the Independent Members of the Audit and Standards Committee (previously Governance Committee) and the Overview and Scrutiny Committee. The Independent Members and Independent Persons of these committees receive an annual fee of £2,000 for undertaking the role of Chair and £1,000 for the role of Vice-Chair, with the fees being paid in monthly instalments. This is within the existing budget.
- 7.3 NECA is also responsible for the fees paid to the Independent Person who is appointed for the purpose of standards regime. The annual fee for undertaking this role is £1,000. This is within the existing budget.
- 7.4 There is no specific provision in the budget to support expenses associated with membership of outside bodies. Membership of transport-related outside bodies would be charged to the transport budget and any membership of non-transport bodies would need to be met from the corporate general budget of NECA.

8. Legal Implications

- 8.1 NECA is required to make arrangements to enable relevant decision-making responsibilities, overview and scrutiny arrangements and associated functions to be fulfilled. These responsibilities arise under The Local Government Act 1972, in addition to various aspects of finance and audit legislation and the Localism Act 2011, as well as the provisions of the Order creating NECA, the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 and the Openness of Local Government Bodies Regulations 2014. The proposals set out in the report comply with these requirements.
- 8.2 The arrangement for the appointment of an External Auditor is in accordance with the Audit Commission Act 1998.

Leadership Board

8.3 Appointment of Chairs and Vice-Chairs of any committee or sub-committee fall to the Leadership Board under Part 3.1, paragraph 25 of the NECA Constitution.

9. Key Risks

9.1 There are no specific risk management implications arising from this report.

10. Equality and Diversity

10.1 There are no specific equality and diversity implications arising from this report.

11. Other Impact of the Proposals

11.1 The proposals comply with the principles of decision-making. The proposals would enable NECA to properly discharge its functions, therefore assisting NECA in delivering on its objectives. Relevant consultation processes have been held where applicable.

12. Appendices

12.1 Appendix A: Committees and Membership 2018/19

13. Background Papers

13.1 The Durham, Gateshead, Newcastle Upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Order 2014
<https://northeastca.gov.uk/about-us/neca-order-and-constitution/>

Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 <http://www.legislation.gov.uk>

Openness of Local Government Bodies Regulations 2014
<http://www.legislation.gov.uk>

The Constitution of the North East Combined Authority
<https://northeastca.gov.uk/about-us/neca-order-and-constitution/>

Reports to, and the Minutes of, the annual meetings of the Leadership Board in the previous municipal years
<https://northeastca.gov.uk/decision-making/north-east-leadership-board/>

Leadership Board

Minutes of the Leadership Board meetings held on 17 January 2017, 7 March 2017 and 21 March 2017

<https://northeastca.gov.uk/decision-making/north-east-leadership-board/>

14. Contact Officers

14.1 Peter Judge, Monitoring Officer

E-mail: peter.judge@northeastca.gov.uk Tel: 0734 2069 371

Victoria Miller, Democratic Services Officer

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

15. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

15. Glossary

NECA – North East Combined Authority

TNEC – Transport North East Committee

TWSC – Transport North East (Tyne and Wear) Sub-Committee

EDRAB – Economic Development and Regeneration Advisory Board

This page is intentionally left blank

Appendix A: Committees and Membership, Municipal Year 2018/19

A. Leadership Board

Membership: 8 (one Leader/Elected Mayor from each constituent local authority and a non-voting North East Local Enterprise Partnership Member).

Authority/Body	Member	Substitute Member
Durham	Councillor Simon Henig	Councillor Alan Napier
Gateshead	Councillor Martin Gannon	Councillor Catherine Donovan
Newcastle upon Tyne	Councillor Nick Forbes	Councillor Joyce McCarty
North Tyneside	Mayor Norma Redfearn	Councillor Bruce Pickard
Northumberland	Councillor Peter Jackson	Councillor Wayne Daley
South Tyneside	Councillor Iain Malcolm	Councillor Alan Kerr
Sunderland	Councillor Graeme Miller	Councillor Michael Mordey
North East Local Enterprise Partnership (non-voting)	Mr Andrew Hodgson	Ms Gillian Hall

Thematic Lead Areas:

Economic Development and Regeneration – Councillor Iain Malcolm

Employability and Inclusion – Councillor Peter Jackson

Transport and Digital Connectivity – Councillor Nick Forbes

B. Transport North East Committee (TNEC)

Membership: 14 (two Members from each constituent local authority).

Authority	Member	Substitute Member
Durham	Councillor Carl Marshall (Transport Portfolio Holder)	Councillor Joy Allen
	Councillor Kevin Shaw	
Gateshead	Councillor John McElroy (Transport Portfolio Holder)	Councillor Malcolm Brain
	Councillor Stuart Green	
Newcastle upon Tyne	Councillor Nick Forbes	Councillor Arlene Ainsley (Transport Portfolio Holder)
	Councillor Joyce McCarty	
North Tyneside	Councillor Carl Johnson (Transport Portfolio Holder)	Councillor Muriel Green
	Councillor John Harrison	
Northumberland	Councillor Glen Sanderson (Transport Portfolio Holder)	Councillor Jeff Watson
	Councillor John Riddle	
South Tyneside	Councillor Mark Walsh (Transport Portfolio Holder)	Councillor Iain Malcolm
	Councillor Gladys Hobson	
Sunderland	Councillor Amy Wilson (Transport Portfolio Holder)	Councillor Graeme Miller
	Councillor Michael Mordey	

C. Transport North East (Tyne and Wear) Sub-committee (TWSC)

Membership: 5 (one Member from each Tyne and Wear constituent local authority).

Authority	Member	Substitute Member
Gateshead	Councillor John McElroy	Councillor Malcolm Brain
Newcastle upon Tyne	Councillor Joyce McCarty	Councillor Arlene Ainsley
North Tyneside	Councillor Carl Johnson	Councillor Muriel Green
South Tyneside	Councillor Gladys Hobson	Councillor Mark Walsh
Sunderland	Councillor Amy Wilson	Councillor Michael Mordey

D. Economic Development and Regeneration Advisory Board (EDRAB)

Membership: 7 (one Member from each constituent local authority) and 1 non-voting Member from the North East Local Enterprise Partnership (NELEP) and also Co-opted Members representing the following organisations (one from each organisation): the North East England Chamber of Commerce (NECC), Confederation of British Industry (CBI), Federation of Small Business (FSB) and Trade Union Congress (TUC).

Authority	Member	Substitute Member
Durham	Councillor Carl Marshall	Councillor Kevin Shaw
Gateshead	Councillor John Adams	Councillor Malcolm Brain
Newcastle upon Tyne	Councillor Ged Bell	Councillor Veronica Dunn
North Tyneside	Councillor Bruce Pickard	Councillor Brian Burdis
Northumberland	Councillor Richard Wearmouth	Councillor Nick Oliver
South Tyneside	Councillor Iain Malcolm	Councillor John Anglin
Sunderland	Councillor Graeme Miller	Councillor Michael Mordey
Also		
Organisation	Co-opted Member (non-voting)	
North East Local Enterprise Partnership	Ms Gillian Hall	
North East England Chamber of Commerce	Mr Jonathan Walker	
Trade Union Congress	Ms Beth Farhat	
Confederation of British Industry	Ms Sarah Glendinning	
Federation of Small Business	Nomination is awaited	

E. Audit and Standards Committee (previously Governance Committee)

Membership: 9 (one Member from each of the seven constituent local authority and two non-voting Co-opted Independent Members who will act as Chair and Vice-Chair) and also 1 Independent Person for the purpose of the standards regime, who is invited to observe meetings.

Political balance: 7 (5+2)

Authority	Member	Substitute Member
Durham	Councillor Edward Bell	Councillor Bill Kellett
Gateshead	Councillor Helen Haran	Councillor Jim Turnbull
Newcastle upon Tyne	Councillor Anita Lower	(vacancy)
North Tyneside	Councillor Anthony McMullen	Councillor Martin Rankin
Northumberland	Councillor Mark Swinburn	Councillor Gordon Castle
South Tyneside	Councillor Gladys Hobson	Councillor Jim Foreman
Sunderland	Councillor Paul Stewart	Councillor Michael Mordey
Non-voting Co-opted Independent Member		
Independent Member, Chair	Mr Mark Scrimshaw	
Independent Member, Vice-Chair	Mr George John Clark	
Independent Person		
Independent Person	Ms Stella Gardner	

F. Audit and Standards Sub-Committee

Membership: 3 (any two Members from the voting Members of the Audit and Standards Committee and one Co-opted Independent Member).

G. Overview and Scrutiny Committee

Membership: 14 and also 2 non-voting Independent Members who will act as Chair and Vice-Chair (two Members from each constituent local authority, who are not Members of the Leadership Board or any other committee of the Combined Authority, plus a non-voting Independent Co-opted Member who will be the Chair and a non-voting Independent Co-opted Member who will be the Vice-Chair).

Political balance: 14 (11+3)

Authority	Member	Substitute Members
Independent Person (non-voting), Chair	Mr David Taylor-Gooby	Not applicable
Independent Person (non-voting), Vice-Chair	Mr Simon Hart	Not applicable
Durham	Councillor Rob Crute	Councillor Alison Batey
	Councillor Andrea Patterson	Councillor Malcolm Clarke
Gateshead	Nomination is awaited	Nomination is awaited
	Nomination is awaited	Nomination is awaited
Newcastle upon Tyne	Councillor Anita Lower	Councillor Greg Stone
	Councillor Oskar Avery	Councillor George Allison
North Tyneside	Councillor Sandra Graham	Councillor Anthony McMullen
	Councillor Ray Glendon	Councillor Peter Earley
Northumberland	Councillor Barry Flux	Councillor Cath Homer
	Councillor Richard Dodd	Councillor Gordon Stewart
South Tyneside	Councillor Wilf Flynn	Councillor Adam Ellison
	Councillor Geraldine Kilgour	Councillor David Townsley
Sunderland	Councillor Dianne Snowdon	Councillor Darryl Dixon
	Councillor Paula Hunt	Councillor Patricia Smith

H. Overview and Scrutiny Call-In Sub-Committee

Membership: 7 Members drawn from the Overview and Scrutiny Committee (or Substitute Members) with a representative Member from each of the constituent local authorities and also the Independent Chair or Vice-Chair (The four Members signing the Call-in request are not permitted to sit on the Sub-Committee).

Political balance: 7 (5+2).

I. Outside Bodies

(a) Transport for the North

Member: Councillor Nick Forbes, Thematic Lead for Transport (and Digital Connectivity) and Chair of the Transport North East Committee

Alternate Member: Councillor Carl Marshall, a Vice-Chair of the Transport North East Committee

(b) Transport for the North, Rail North Committee

Member: Councillor Nick Forbes, Thematic Lead for Transport (and Digital Connectivity) and Chair of the Transport North East Committee

Alternate Member: Councillor Carl Marshall, a Vice-Chair of the Transport North East Committee

(c) Transport for the North Overview and Scrutiny Committee

Member: Councillor Bruce Pickard, North Tyneside Council

Alternate Member: Councillor Michael Mordey, Sunderland City Council

This page is intentionally left blank

Leadership Board

Date: 19 June 2018

Subject: Programme of Committee Meetings, Municipal Year 2018/19

Report of: Monitoring Officer

Executive Summary

The purpose of this report is to invite Members to agree the programme of committee meetings for the Municipal Year 2018/19, starting from the Annual Meeting of the North East Combined Authority (NECA).

In order to discharge its functions effectively, NECA and its committees are advised to meet according to the programme set out in Appendix A. The programme has been developed in consultation with the constituent local authorities.

Recommendations

It is recommended that the Leadership Board agrees the proposed programme of committee meetings, as set out in Appendix A.

Leadership Board

1. Background Information

- 1.1 The North East Combined Authority (NECA) was created pursuant to the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA 2009) and by the Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Order 2014 (the Order) which came into force on 15 April 2014.
- 1.2 On 26 April 2018 the Leadership Board agreed in principle to amend NECA's boundary to remove the Local Government areas of Newcastle upon Tyne, North Tyneside and Northumberland, to permit the creation of a Mayoral Combined Authority covering these areas, and establishing joint transport governance arrangements. These changes will only take effect on the implementation of an order issued by the Secretary of State in accordance with the LDEDCA 2009. The Leadership Board has delegated authority, subject to satisfaction of certain conditions, for the giving of final consent for the making of that order. Until the order is made, there is no change to NECA; and the Local Government Act 1972 (Schedule 12, paragraphs 1 and 6A) requires NECA to hold its annual meeting between 1 March and 30 June each year.
- 1.3 NECA's responsibilities for functions in relation to transport and digital connectivity and economic development and regeneration are set out in its Constitution, together with details of the committee structure to assist with the discharge those functions effectively.
- 1.2 The proposed programme of committee meetings was developed in consultation with the constituent local authorities, taking into consideration a number of aspects, including the timetable of the key areas of work, effective reporting structure, efficiency, consistency and requirements of internal and external audit. A forward programme of meetings is helpful in the planning of diaries to ensure effective participation.
- 1.3 Members are invited to note that, in order to accommodate NECA's Annual Accounts process, the July 2018 meeting of the Leadership Board is proposed for the end of the month, which is outside of its normal cycle.
- 1.4 Should an order be made by the Secretary of State amending the NECA boundary and creating joint transport governance arrangements, it is anticipated that transport powers may only be exercised through a Joint

Leadership Board

Transport Committee, which, it is anticipated, will be supported by a sub-committee for Tyne and Wear and functions delivered by County Councils under delegated authority. In this eventuality, the proposed dates of the Transport North East Committee and Transport North East (Tyne and Wear) Sub-committee could be used to accommodate these meetings.

2. Proposals

- 2.1 NECA and its committees are advised to meet according to the programme of meetings set out in Appendix A.

3. Reasons for the Proposals

- 3.1 NECA is required to have an effective committee structure. The proposals would help NECA to discharge its functions effectively.

4. Alternative Options Available

- 4.1 Whilst the programme of committee meetings was developed to ensure efficiency and effectiveness and no alternative options are proposed at this stage, a level of flexibility is required to enable the committees to add, rearrange or cancel meetings in accordance with the demands of the organisation.

5. Next Steps and Timetable for Implementation

- 5.1 If agreed, the programme of meetings will be published on NECA's website and shared with key stakeholders.

6. Potential Impact on Objectives

- 6.1 As part of decision-making processes, NECA is required to have an effective committee structure. Having a programme of meetings will assist in the delivery of NECA's objectives.

7. Financial and Other Resources Implications

- 7.1 The proposed programme of meetings was designed to minimise costs whilst supporting effective governance.

8. Legal Implications

- 8.1 There are no specific legal implications arising from this report.

Leadership Board

9. Key Risks

- 9.1 The proposed programme of meetings is aimed at assisting NECA with the operation of an effective governance structure. It should, therefore, have a positive effect on NECA's ability to manage risks.

10. Equality and Diversity

- 10.1 There are no specific equality and diversity implications arising from this report.

11. Other Impact of the Proposals

- 11.1 The proposals comply with the principles of decision-making.
- 11.2 The proposals were designed in consultation with the constituent local authorities.

12. Appendices

- 12.1 Appendix A: Programme of Committee Meetings, Municipal Year 2018/19

13. Background Papers

- 13.1 The North East Combined Authority Constitution
<https://northeastca.gov.uk/about-us/neca-order-and-constitution/>

14. Contact Officers

- 14.1 Peter Judge, Monitoring Officer
E-mail: peter.judge@northeastca.gov.uk Tel: 0734 2069 371

Victoria Miller, Democratic Services Officer
E-mail: victoria.miller@northeastca.gov.uk Tel: 0191 211 5118

14. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

15. Glossary

NECA – North East Combined Authority.

North East Combined Authority

Programme of Committee Meetings, Municipal Year 2018/19

Committee	Date / Time	Jun 2018	Jul 2018	Sept 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
Leadership Board	3 rd Tue 2pm	19 Ann.	31	18		20		22		19			18 Ann.
Economic Development and Regeneration Advisory Board	4 th Tue 2pm		24		23			29		26			
Governance Committee	Tue 10am		30 Mon	4			4				2		
Overview and Scrutiny Committee	3 rd Mon 10am		16	17			17			18			
Transport North East Committee	Thurs 2pm		12*		18				14		4		
Transport North East (Tyne and Wear) Sub-Committee (TWSC)	Thurs 2pm, or after TNEC		12		11			31			4		

Venues: Meetings will rotate across various venues of the constituent local authorities.

*The meeting of the Transport North East Committee previously arranged for 12 July 2018, with the Chair's agreement will not take place.

This page is intentionally left blank

Leadership Board

Date: 19 June 2017

Subject: Consent to the Overview and Scrutiny Committee Decision Making Protocol

Report of: Monitoring Officer

Executive Summary

This report invites the Leadership Board to consent to the Decision Making Protocol adopted by the Overview and Scrutiny Committee.

The Protocol is intended to provide assistance to Members and Officers in having clarity about the decision making framework of the North East Combined Authority.

Recommendations

The Leadership Board is recommended to:

- i. Consent to the Decision Making Protocol adopted by the Overview and Scrutiny Committee on the 15 March 2018, in order that it may take effect;
- ii. To instruct the Monitoring Officer and the Policy and Scrutiny Officer to implement the Protocol and provide advice and guidance to Officers regarding the Protocol and the required standards and to report the Leadership Board comments back to the Overview and Scrutiny Committee.

Leadership Board

1. Background Information

- 1.1 The Overview and Scrutiny Committee has an obligation under Schedule 5A of the Local Democracy Economic Development and Construction Act 2009 (**LDEDCA 2009**) to adopt and publish a Protocol which sets out “*details of how it proposes to exercise its powers*”
- 1.2 The draft Protocol (Appendix 1) was developed in accordance with these obligations and with the Combined Authorities (Overview and Scrutiny Committees, Access to information and Audit Committee) Order 2017 and The Openness of Local Government Bodies Regulations 2014.
- 1.3 The Policy and Scrutiny Officer and the Monitoring Officer worked with the Chair and Vice Chair of the Committee, Statutory Officers, and the Scrutiny Officers of each Constituent Authority to ensure that they were involved in the development of the Protocol.
- 1.4 The draft Protocol was adopted by the Overview and Scrutiny Committee on the 15 March 2018, with the intention that it provides clear and structured guidance regarding decision making across the North East Combined Authority.
- 1.5 The LDEDCA 2009 requires the committee to publish the protocol and before it can do so, the committee must obtain the consent of the Combined Authority to the proposals and the arrangements (Schedule 5A, paragraph 1(5)).

2. Proposals

- 2.1 The report invites members to approve the Decision Making Protocol adopted by the Overview and Scrutiny Committee.

3. Reasons for the Proposals

- 3.1 The Decision Making Protocol has been developed in accordance with legal obligations under Schedule 5A of the Local Democracy Economic Development and Construction Act 2009.
- 3.2 The Protocol proposes to provide a useful reference guide to Members and Officers regarding Decision Making within the North East Combined Authority. The adoption of this Protocol also gives greater confidence in the quality of and system of decision making.
- 3.3 It is possible for a comprehensive scheme of delegation to be developed consistent with the framework set out in the protocol and it is anticipated that such a scheme will be presented to a future meeting of the Leadership Board.

Leadership Board

4. Alternative Options Available

- 4.1 Option 1 – The Leadership Board may accept the recommendation set out in this report.
- 4.2 Option 2 – The Leadership Board may not accept the recommendations set out in this report.
- 4.3 Option 1 is the recommended option.

5. Next Steps and Timetable for Implementation

- 5.1 Following the Leadership Board's consent to the Decision Making Protocol it is intended that this takes immediate effect and is published on NECA's website.
- 5.2 The Monitoring Officer and the Policy and Scrutiny Officer will then implement the Protocol and work with Members and Officers to ensure their understanding of the required standards.
- 5.3 A comprehensive scheme of delegation will be developed and presented for consideration at a future meeting of the Leadership Board.

6. Potential Impact on Objectives

- 6.1 The approval of a Decision Making Protocol will allow the North East Combined Authority to have a robust and transparent mechanism for decision-making.
- 6.2 The proposals align with the Committee's Decision Making objectives and processes. It is intended that The Protocol will be reviewed on an annual basis or at an appropriate point to ensure they continue to align with a system of good governance across the North East Combined Authority.

7. Financial and Other Resources Implications

- 7.1 There are no financial implications.

Leadership Board

8. Legal Implications

- 8.1 The proposals comply with the legal obligations falling upon the North East Combined Authority in relation to the role of the Overview and Scrutiny Committee and further improve transparency about decision making and the role of the committee.

9. Key Risks

- 9.1 That Members and Officers would not be aware of the principles of decision making across NECA, or aware of their responsibilities that form part of a good governance framework.

10. Equality and Diversity

- 10.1 There are no equality and diversity implications.

11. Crime and Disorder

- 11.1 There are no crime and disorder implications.

12. Consultation/Engagement

- 12.1 Consultation has been undertaken with Officers across the North East Combined Authority, along with the Policy and Scrutiny Officer, Chair and Vice Chair of the Overview and Scrutiny Committee and Officers from each of the Constituent Authorities.

13. Other Impact of the Proposals

- 13.1 There are no other known impacts on these proposals.

14. Appendices

- 14.1 Appendix 1 – Decision Making Protocol

15. Background Papers

- 15.1 Held by the Contact Officer

Leadership Board

16. Contact Officers

- 16.1 Peter Judge, Monitoring Officer peter.judge@northeastca.gov.uk
Tel: 0191 338 7455

17. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

This page is intentionally left blank

NECA Decision Making Protocol

Adopted by the Overview and Scrutiny Committee on:	15 March 2018
Implemented with the consent of the Leadership Board on:	
Review date:	June 2019

1. Introduction

- 1.1 This Protocol explores the types of decisions and its related processes within the decision making bodies of the North East Combined Authority (NECA). It also describes the Overview and Scrutiny Committee's role regarding decision making.
- 1.2 The Protocol is for both Members and Officers to ensure that a clear and accountable process is in place regarding decision making which is consistently understood and applied. This Protocol will be reviewed on an annual basis or at an appropriate point relevant to any changes to NECA's governance and decision making structure.
- 1.3 The Protocol does not change the roles and responsibilities of the Overview and Scrutiny Committee as set out in Section 3.9 of the Constitution and simply sets out how the Committee will discharge aspects of its role.

2. The role of the Overview and Scrutiny Committee

- 2.1 The Overview and Scrutiny Committee is an important part of NECA decision making and is responsible for holding the Combined Authority to account by:
 - a) Testing and challenging decisions
 - b) Being a forum for public and political scrutiny
 - c) Providing public confidence in decisions about the use of public assets and money
 - d) Pausing decisions to allow for further consideration
 - e) Engaging members of the public
- 2.2 One of the main functions of the Committee is the review and scrutiny of 'Key Decisions' made by the North East Leadership Board (NELB), the Transport North East Committee (TNEC), Transport North East (Tyne and Wear) Sub-Committee (TWSC) and Officers of NECA, (the North East LEP) and NEXUS.
- 2.3 The functions formerly falling to the Tyne and Wear Integrated Transport Authority are discharged by the Tyne and Wear Sub Committee (TWSC). The NECA Constitution defines TWSC Committee as overseeing the activities and performance of NEXUS. In accordance with section 101 of the Local Government Act 1972 and the NECA Order, Nexus is treated as an officer of NECA.
- 2.4 The role as defined by Schedule 5A of the Local Democracy, Economic Development and Construction Act 2009 is to:
 - a) To review or scrutinise decisions made, or any other action taken in connection with the discharge of functions
 - b) Make reports or recommendations to the authority with the discharge of functions
 - c) To make reports or recommendations to the authority on matters that affect the authority's area or the inhabitants of the area.

- 2.5 The Overview and Scrutiny Committee use the NECA 28 day Forward Plan as the main way that members can ‘keep in view’ those matters and decisions they would like to focus their attention on.

Creating a productive culture

- 2.5 The recent CLG Effectiveness of Overview and Scrutiny Report highlighted the importance of creating a culture whereby scrutiny is recognised as playing a productive part in the decision making process. This Protocol sets out the Committee’s role that makes up part of the overall decision making that encompasses NECA; it is a mechanism that allows outcomes to be continuously improved in creating an overall productive culture.
- 2.6 In the support of the Committees objectives and purposes, this Protocol sets out types of decisions which can be of two main types: ‘Key’ or ‘Non Key’. There is a standard process for making key decisions but in cases of urgency, key decisions may also be made using the urgent procedure. This Protocol explains the Committee’s definition of Key Decisions within the relevant legal framework.

3. The role of the Scrutiny Officer

- 3.1 The function of the Scrutiny Officer as defined by the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committee) Order 2017:
- a) to promote the role of the Overview and Scrutiny Committee;
 - b) to provide support and guidance to the Overview and Scrutiny Committee and its members;
 - c) to provide support and guidance to members of the Combined Authority in relation to the functions of the Overview and Scrutiny Committee
- 3.2 The Scrutiny Officer appointed at NECA is an independent full-time resource (not employed by a constituent Council) who is responsible for providing advice and guidance to Members and Officers to ensure an accountable and transparent decision making process. The dedicated resource is one that is seen to enhance the role of Overview and Scrutiny in the Combined Authority.
- 3.3 The Scrutiny Officer will ensure that items on the NECA Forward Plan and issues of importance are communicated to the Chair and Vice Chair of the Overview and Scrutiny Committee, and to Members when deciding on the work programming for the Committee.
- 3.4 This will ensure that the Committee’s role in reviewing decisions that can add value can be maintained by the Scrutiny Officer taking a proactive approach in forward planning and working with the Chair and Vice Chair.

4. North East Combined Authority - Decision Making

4.1 Decision making is a central part of the North East Combined Authority. Decisions are made at a number of levels by Statutory Officers or the NECA Leadership Board, or any committee that has final decision making authority to act in place of the Leadership Board.

The Decision Making structure

4.2 The decision making structure of the North East Combined Authority and the North East Local Enterprise Partnership (NECA as the accountable body) can be described as a **bi-cameral structure**.

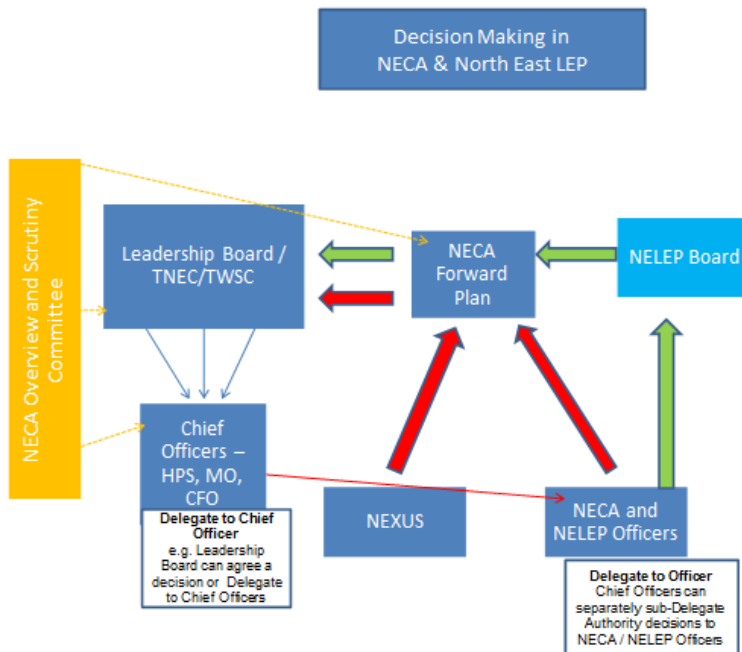
The bi-cameral structure

For example: The bi-cameral structure means that a decision in relation to funds from the North East LEP, and under its control, is first made through the LEP governance structure and, after that, it must be confirmed by the NECA governance structure.

This ensures appropriate transparency and responsibility for decision making. As the decision passes from the LEP governance 'side' into the NECA governance 'side' the decisions become subject to prior notice on the NECA Forward Plan, call in rules and other transparency requirements which ensure democratic and public accountability.

4.3 Figure 1 below, provides an overview of the decision making arrangements of NECA and reflects the bi-cameral structure of both the North East LEP and NECA. The role of the Overview and Scrutiny Committee is highlighted on the figure and is a key part of decision making for the North East Combined Authority.

Figure 1: NECA & the North East LEP decision making



Types of NECA Decisions

- 4.4 This Protocol adopts a description of the North East Combined Authority's decision making as having two different types of decisions:
- a) Key Decisions
 - b) Non Key Decisions
- 4.5 This Protocol will explain these types of decision in more detail.

5. Key Decisions

The importance of Key Decisions

- 5.1 The Overview and Scrutiny Committee - in discharging its role and purpose - wishes to focus its attention and the attention of decision makers at those decisions which are most important to the authority and the public. Accordingly, Key Decisions are those which are most significant to NECA.
- 5.2 The mechanism in the legislation and adopted throughout this Protocol ensures the public and the Overview and Scrutiny Committee have advance notice of important matters that need to be considered.
- 5.3 The Authority is required to maintain a 28 day Forward Plan and to publish it on its website. The Overview and Scrutiny Committee consider these matters by reviewing the NECA 28 day Forward Plan at each Committee, which allows members to review the key decisions being made. Accordingly, the Forward Plan is the Committee's main tool for anticipating and discharging its scrutiny role. This is supplemented by its periodic Forward Planning and Annual Work Programming approach.

Key Decisions Definition

The Overview and Scrutiny Committee adopt a definition of Key Decisions as decisions which:

- a) Are made by the NECA Leadership Board, or any committee that has final decision making authority to act in place of the Leadership Board except for the decisions listed in the schedule
- b) Could have been made by a body at (a) above but which have been delegated to an Officer(s) or another Committee
- c) Are made at any level of the organisation which set the Authority's policy or Strategy across the NECA area or a defined sub area (such as Tyne and Wear)
- d) Has a policy impact or effect on persons living or working within two or more wards e.g. Transport Policies/Plans
- e) Creates a commitment for capital expenditure with a value greater than £1m
- f) Creates a commitment for a revenue expenditure with a value greater than £250k
- g) Any matter which a Chief Officer believes might have repercussions across the NECA area or significant adverse reputational implications for the Authority (NECA)

Schedule of decisions which are made by the Leadership Board but are not key decisions:

- a) a decision to appoint a Chief Officer provided that the appointment has been openly advertised and the appointment is recommended by a selection panel, appointed by the Leadership Board, or by a process approved by the Leadership Board
- b) a decision on the selection or appointment the Chair or Vice Chair of the Overview and Scrutiny Committee, or any other Committee or Sub Committee provided any public appointment is openly advertised and managed, as set out above (a)
- c) The designation of NECA's Head of Paid Service (3.1 A14)
- d) The appointment of co-opted members to any of its joint committees, committees or sub committees (3.1 B26)
- e) Agreement to the establishment of working groups (3.1 B29)
- f) The designation of thematic leads (3.1 B30)

Please note that inclusion on this list does not prevent the Overview and Scrutiny Committee from examining any issue. This schedule only lists Leadership Board decisions which are not considered Key Decisions by the Overview and Scrutiny Committee.

Consequences of a Key Decision

- 5.4 The Overview and Scrutiny Committee adopts this definition of Key Decision on the basis that the Authority agrees that it will not seek to implement any Key Decision within 5 working day of the decision being made and a decision notice being published, and circulated to the Committee members. This will allow the Committee members opportunity to Call-In the decision should they wish to.
- 5.5 A decision which is Non Key can be implemented by the Authority immediately.
- 5.6 The Overview and Scrutiny Committee also expect that written reasons will be kept for all but the most minor decisions in order that if the Committee wishes to examine any decision made in the future, there is evidence of who made it and the reasons why.

Call in Arrangements: Key Decisions

- 5.7 Only Key Decisions are subject to call-in by the NECA Overview and Scrutiny Committee and cannot be implemented until the Call-In process (5 days) has elapsed. Examples of Key / Non Key Decisions are attached as **Appendix 1**.
- 5.8 The process for Call-In is shown in **Appendix 2 (flow chart of Call-In)**. A total of four members of the Committee can Call-In a decision; using a **Call In Decision form (Appendix 3)** that will be sent to the Monitoring Officer.
- 5.9 Democratic Services Officers will notify members of the Overview and Scrutiny Committee when decisions are made and will provide the Committee with the Decision record and report(s), the date of publication, and the deadline date and deadline time for Call-In.

The Call-In Process

If a decision is not called in:

- 5.10 On the expiry of **5 working days** after the Key Decision is published and Scrutiny Committee members notified, Democratic Services Officers will send confirmation to the decision maker and report author that the decision has come into force and may be implemented.

If a decision is called in:

- 5.11 Democratic Services officers will notify the decision maker and report author and a meeting of the Overview and Scrutiny Call-In Sub-Committee will be called within **14 calendar days** of the decision to call-in. Decisions cannot be implemented during this time.
- 5.12 If the Call-In Sub-Committee does not meet in the period set out above, or does meet but does not refer the matter back to the decision making person or body,

Democratic Services officers will notify the decision maker and the decision can then be implemented.

- 5.13 If having considered the decision the Call-In Sub-Committee is still concerned, they will set out the nature of their concerns in writing and refer it back to the decision making body or person within one working day. The decision maker must then hold a meeting to reconsider the decision within **10 working days** of the referral being received. The decision making body or person will choose whether to amend the decision or not before reaching a final decision and implementing the decision.

6 'Non Key' Decisions

Understanding Non Key Decisions

- 6.1 Non Key Decisions are usually those that are operational and can be made on a day to day basis. These decisions are not subject to Call-In.

Examples of Non Key Decisions

- 6.2 These are some examples of Non Key Decisions:
- a) Operational Decisions e.g. procurement decisions, HR decisions, Recruitment, Expenditure within budget, Grant variations within approved budget
 - b) Has an Internal Policy impact across NECA staff at an operational level
 - c) Decisions that need to be implemented immediately
 - d) Having a capital expenditure less than £1m
 - e) Having a revenue expenditure less than £250k
- 6.3 Non Key Decisions tend to be those that are taken at an operational level and less than the expenditure requirements noted above.

7 Exceptions and Urgent Decisions

Definition

- 7.1 There are occasions when an Urgent Decision may need to be taken *and 'cannot reasonably be deferred'* (Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

- 7.2 The definition of this is described below:

- a) The decision to seek special consent for urgent decisions will be taken by the Head of Paid Service in consultation with the Monitoring Officer
- b) The report author will consult with the Chair
- c) and Vice Chair of NECA, and the Chair or Vice Chair of the Overview and Scrutiny Committee
- d) Urgent Decisions should be the exception, and only in genuinely urgent situation.

The Request for Special Urgency and Urgent Decision process

7.3 The Author / Officer will initially email Statutory Officers with a request for Special Urgency. Using the 'Request for Special Urgency Report' (Appendix 4) and ask if they consent to the request being emailed as below to:

The report requests the consent of:

- a) The Chair (and or Vice Chair in their absence) of the Overview and Scrutiny Committee under Paragraph 13 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 (the 'Order'); and
- b) The Chair and Vice-Chairs of the North East Combined Authority under sections 32 and 33 of the Leadership Board Rules of Procedure set out in Part 4.1 of the NECA Constitution.

Note: The Chair (and or Vice Chair in their absence) of the Overview and Scrutiny Committee and the Chair and Vice-Chairs of NECA are each requested to consent to permit the decision to be made without it being entered onto the Combined Authorities Forward Plan as a key decision.

7.4 The request is made on the basis that it:

- a) It is impractical to include the matter on the NECA Forward Plan for a period of 28 clear days before the decision is made, and
- b) Consent or refusal should be communicated to the Monitoring Officer as soon as possible following due consideration.

7.5 Following the consent of Statutory Officers the Author/Officer will email the Request for Special Urgency Report as noted in 7.2 (a) and (b) above.

7.6 The Chair (and or Vice Chair in their absence) of the Overview and Scrutiny Committee, then the Chair and Vice Chairs of NECA may decide either (1) agreement to the request or (2) rejection of the request:

Following Agreement to the request:

Following agreement and consent given as 7.2 (a) and (b) to the request:

- a) The 'Request for Special Urgency Report' will be published on the NECA Website.
- b) The Author/Officer will then draft the Urgent Decision Report and Urgent Decision Record
- c) The Urgent Decision Report and Urgent Decision Record will be circulated to the Head of Paid Service for sign off, and circulated to the Chief Finance Officer and Monitoring Officer *(if this was stipulated in the original request e.g. a report was sent to the Leadership Board previously giving a delegated authority to the Head of Paid Service, in consultation with the Chief Finance Officer and the Monitoring Officer)*
- d) The signed Urgent Decision Report and Urgent Decision Record will be emailed to the Report Author

The Decision can now be implemented

The Report author will then:

- a) Ensure that the Decision Report and Record, along with the Request for Urgency Report is returned to the Democratic Support Officer within 2 working days (or asap) of the decision being made.
- b) Email a copy of all of approval emails of The Chair (and or Vice Chair in their absence) of the Overview and Scrutiny Committee, and the Chair and Vice Chairs of NECA consenting to the Request for Urgency to the Democratic Support Officer
- c) The Democratic Support Officer is to publish the Decision Report, Decision Record and Request for Special Urgency Report within 3 working days of the decision being made

Rejection of the Request

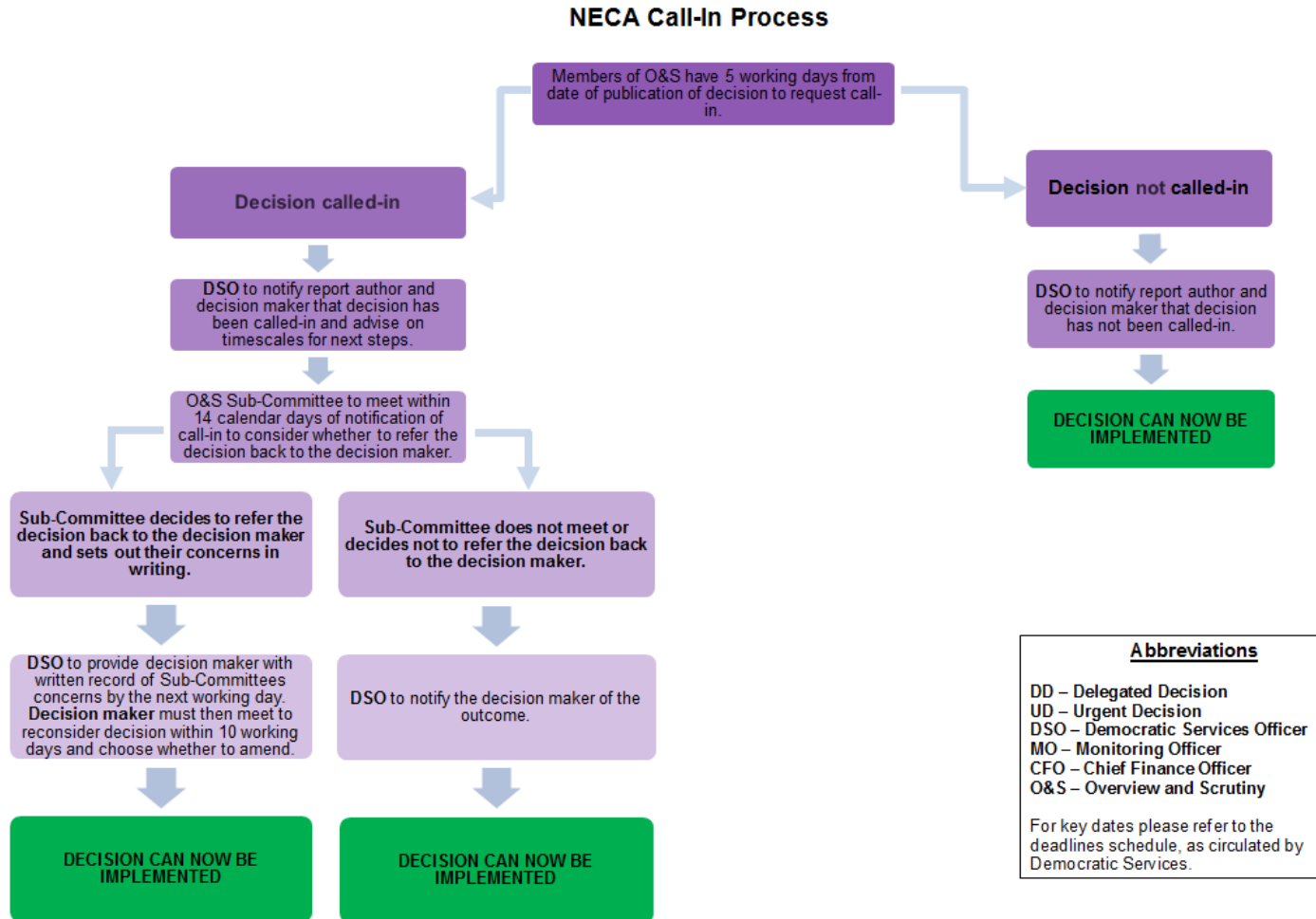
- The Chair (and or Vice Chair in their absence) of the Overview and Scrutiny can reject the request for Special Urgency
- They can ask for further information to be supplied

Appendices

- Appendix 1 - Key Decision Examples**
- Appendix 2 - Call In Flow Chart**
- Appendix 3 - Call in Decision Form**
- Appendix 4 - Notice of General Exception Request (it is impracticable to enter onto the Forward Plan for 28 days)**
- Appendix 5 - Request for Special Urgency (the decision is urgent and cannot reasonably be deferred or included on the Forward Plan)**

Appendix 1: Key Decision Examples

Examples of Decisions	Key Decision <i>(Decision can be called in)</i>	Non Key Decision
HR Updated Policy		✓
Update of Strategic Plans – e.g. Transport Plan or Strategic Economic Plan	✓	
Recruitment of a Chair /Vice Chair of Committee		✓
Project approval with a capital expenditure greater than £1m	✓	
A Project having a revenue expenditure less than £250k		✓



Appendix 2: Call In Flow Chart

NORTH EAST COMBINED AUTHORITY

Call-In Request Form

This form should be submitted to the NECA Monitoring Officer by no later than 5pm on the day of the call-in deadline, which is the fifth working day after the decision publication date. The completed form should be submitted by email (to peter.judge@northeastca.gov.uk).

The call-in process is not designed to act as a brake, but as a check and balance within the decision making process. Members will wish to make measured use of the call-in function, whilst ensuring that the day to day business and implementation of decisions can be carried out efficiently and effectively.

A call-in request can be made by any four members of the NECA Overview and Scrutiny Committee.

Call in requests cannot be made in respect of:

- Decisions already called-in
- Urgent decisions (as defined under the Overview and Scrutiny Committee Rules of Procedure at Part 4.3 of the NECA Constitution)

The call-in procedure should not be used:

- To deal with individual complaints or concerns
- As a means of requesting information
- In respect of decisions made by external bodies

Title of decision:		
Date of decision:		
Decision maker:		
On what basis is the decision challenged:	Insert ✓	Principles of Decision Making (as set out in the NECA Constitution – see appendix 1 for guidance notes)
		Proportionality (meaning that the action must be proportionate to the desired outcome).
		Absence or lack of consideration of professional advice.
		Inadequate consultation relating to the decision.
		Absence or lack of consideration of legal and/or financial implications.

	Decision making process has not been open and transparent.
	Viable alternatives have not been considered.
	Adequate consideration has not been given to: <ul style="list-style-type: none"> • Respect for human rights • Promotion of equality • Prevention of crime and disorder • Environment and sustainability • Risk management • The purpose of the Constitution
	Other, please specify:

What desired outcome/alternative course of action is sought:

Reasons for the call-in (provide supporting information under each heading outlining the grounds for the call-in, which explains why you believe the decision making process was flawed. Please limit this summary to no more than 1,000 words. Additional documents can be submitted if necessary):

SIGNATORIES: (please add additional rows as required)

1.
2.
3.
4.

Please note that in place of a signature an email from each signatory, confirming their support for the call-in request, must be submitted alongside the completed form.

OFFICE USE:

Received on behalf of Monitoring Officer by:

Name:

Date and time received:

NECA Principles of Decision Making – Part 1 paragraph 13.3 of the NECA Constitution.

All decisions of the NECA will be made in accordance with the following principles:

a) Proportionality (meaning that the action must be proportionate to the desired outcome).

For example, the level of resources which are deployed to implement a decision should be proportionate to the likely impact of that decision.

b) Consideration of professional advice from officers.

This does not mean that officer advice must always be followed. However, where advice has been offered and it is not followed the reason for not following the professional advice must be justified and recorded.

c) Due consultation.

It is expected that consultation will form part of NECA's decision making process. This does not mean that consultation must take place on every decision. The level of consultation required will be appropriate to the nature of the matter under consideration. The views of those likely to be affected by a decision should be sought wherever possible.

d) Consideration of the legal and financial implications.

This means that the legal consequences and financial implications of any decision must be considered and recorded.

e) A presumption in favour of openness.

The process through which all decisions are taken must reflect NECA's commitment to open government and the Access to Information Rules of Procedure (see the Access to Information paragraph of the Leadership Board Rules of Procedure (Part 4.1, paragraph 8)).

f) Consideration of available options and outlining reasons for decisions.

Decision makers should ensure that they are able to consider all reasonable and available options in respect of any decision they are to make. In doing so they must clearly explain why they have chosen one particular option and give reasons for rejecting others and this must be included in the formal record of their decision.

g) Respect for human rights.

All decisions must demonstrate that consideration has been given to any human rights implications under the Human Rights Act 1998 and follow the principles of natural justice. Consideration must also be given to any other principles or duties in associated areas which may in future arise.

h) Promoting equality.

Decision makers must have regard to the likely effect of the decision on individuals depending on age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation in accordance with the equality duty placed in public bodies by the Equalities Act 2010.

i) Preventing crime and disorder.

Decision makers must have regard to the likely impact of the decision on crime and disorder in the area, including anti-social and other behaviour adversely affecting the local environment and the misuse of drugs, alcohol and other substances in its area in accordance with the duty placed on the NECA by the Crime and Disorder Act 1998.

j) Environment and sustainability.

Consideration must be given to whether the decision will contribute to sustainable development i.e. development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

k) Risk management.

Decision makers must ensure the NECA's risk management processes have been applied to the matter and that any risks have been documented and will be appropriately managed.

l) The purpose of the Constitution.

Decision makers should have regard to the purpose of the Constitution set out in Part 1 paragraph 1 of the Constitution.

Appendix 4: Notice of General Exception Request



Notice to the Chair of Overview and Scrutiny Committee of a general exception to the publication of the intention to make a key decision

DATE: Date

TO: David Taylor Gooby, Chair of the Overview and Scrutiny Committee

COPIES TO: Add details (Chair or the Vice Chairs of the NECA Leadership Board – in the Chair’s absence)
Simon Hart, Vice Chair of the Overview and Scrutiny Committee

SUBJECT: Add subject details (brief description only)

NOTICE BY: Peter Judge, Monitoring Officer

Executive Summary:

This notice informs the Chair of the Overview and Scrutiny Committee under Paragraph 12 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 that it is impracticable to include the above item on the NECA Forward Plan for a period of 28 clear days before the decision is made.

In accordance with Paragraph 12 (1(b) of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 a copy of this notice will be published on the North East Combined Authority website.

In accordance with section 31 of the Leadership Board Rules of Procedure set out in Part 4.1 of the NECA Constitution, this notice ensures that at least 5 clear days have elapsed between the agenda for the meeting, which includes the matter, being made available and the day of the meeting.

1. Background:

- 1.1 Where a decision maker intends to make a key decision, that decision must not be made until at least 28 clear days public notice has been given.
- 1.2 Where the publication of the intention to make a key decision is impracticable, that decision may only be made where the Chair of the Overview and Scrutiny Committee has been informed of the matter about which the decision is to be made, notice to the Chair has been made available for public inspection at the Council offices and published on the Council's website, and after 5 clear days have elapsed following the day on which notice to the Chair was made publicly available.
- 1.3 This notice is to inform the Chair of the Overview and Scrutiny Committee that it has been impracticable to give 28 clear days public notice of the item(s) set out below for the reasons set out below and that it is intended that the key decision(s) will be made on the date specified below.
- 1.4 Notice is also given to the public that the reasons why compliance with the requirements for publicity in connection with key decisions are impracticable are set out below.

2. Notice Details

2.1 Date of Decision required:

Data of decision

2.2 Matter in respect to which decision is to be made:

Name of the decision required

2.3 Description

Brief background of decision detail

2.4 Decision Maker

Name of the Board e.g. Leadership Board

2.5 Thematic Area

E.g. is this a corporate issue or Thematic issue

2.6 Consultation Process

Identify who has been involved in the consultation process

2.7 Background Documents

List all background documents

2.8 Reasons why impracticable to give 28 days clear notice

Detail the reasons why this was impracticable.

The NECA Head of Paid Service have examined the background and context of this decision and concur that it is impracticable for this decision to be placed on the Forward Plan 28 days before it is made.

Head of Paid Service:

Monitoring Officer:

Appendix 5: Request for Special Urgency



NORTH EAST COMBINED AUTHORITY

Request for Special Urgency

EXECUTIVE SUMMARY

The report requests the consent of:

1. The Chair of the Overview and Scrutiny Committee under Paragraph 13 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 (the '**Order**'); and
2. [The Chairs and Vice-Chairs of the North East Combined Authority under sections 32 and 33 of the Leadership Board Rules of Procedure set out in Part 4.1 of the NECA Constitution].

The request is made on the basis that it is impractical to include the matter on the NECA Forward Plan for a period of 28 clear days before the decision is made and the matter is urgent and cannot be reasonably be deferred (even for a period of 5 days). **Consent or refusal should be communicated to the Monitoring Officer as soon as possible following due consideration.**

OUTLINE:

The [NECA Head of Paid Service (identify decision maker)] will be invited to [(identify decision making authority and nature of decision) exercise authority contained in Part 3.7b (HPS4) of the Constitution to take operational action which is required as a matter of urgency in the interests of NECA, in consultation with the Chair of the Leadership Board, Monitoring Officer and Chief Finance Officer as far as is practicable.]

Provide an outline of the report and process.

The decision is urgent as if it were to be delayed until [Enter date of Leadership Board meeting] that the project would [enter the reasons for the delay].

The NECA Head of Paid Service have examined the background and context of this decision and concur that it is urgent and cannot reasonably be deferred. The need to make this decision urgently outweighs the general public interest in giving greater notice and transparency to the public in this case.

Head of Paid Service:

Monitoring Officer:

RECOMMENDATIONS:

The Chair of the Overview and Scrutiny Committee and the Chairs and Vice-Chairs of NECA are each requested to consent to permit the decision to be made without it being entered onto the Combined Authorities Forward Plan as a key decision.

NEXT STEPS:

In accordance with Paragraph 12 (1(b) and (c)) of the Order, a copy of this report will be published on the North East Combined Authority website indicating whether consent has been given.

Subsequent to the consent of the Chair of the Overview and Scrutiny Committee [**and the Chair or Vice-Chairs of the North East Combined Authority**], [(**identify the decision maker**) **the North East Combined Authority Head of Paid Service**] will be invited to make the decision.

Enter next steps regarding the project etc.

-
1. **Background**
 - 1.1 Enter full background information and details of the project.
 2. **Proposals**
 - 2.1 Enter details of the proposals.
 3. **Reasons the Decision is Urgent and Cannot Reasonably be Deferred**
 - 3.1 Enter the full details the reason is urgent and cannot be deferred.
 4. **Alternative Options Available**
 - 4.1 The alternative option would be for the Chair of the Overview and Scrutiny and the Chairs and Vice-Chairs of NECA to decline to make the decision to enable the decision to be made without being put on the Forward Plan. The result would be a delay of 28 clear days, plus five days call-in period from publication of the decision notice.
 5. **Next Steps and Timetable for Implementation**
 - 5.1 The **Head of Paid Service (identify decision maker)** will be invited to make an urgent decision in accordance with constitutional delegation HPS4. A copy of this report and any decision notice will be published on the North East Combined Authority website
 - 5.2 Identify the next steps for the project
 6. **Potential Impact on Objectives**
 - 6.1 Identify if there will be any impact on NECA objectives.
 7. **Financial and Other Resources Implications**
 - 7.1 Identify any implications
 8. **Legal Implications**
 - 8.1 Identify any implications.
 9. **Key Risks**
 - 9.1 Identify any key risks.
 10. **Equality and Diversity**
 - 10.1 Identify any issues.

11. Crime and Disorder

11.1 Identify any implications.

12. Consultation/ Engagement

12.1 Identify who has been part of the consultation process

13. Other Impacts of the Proposals

13.1 Identify if there is any other impact on the proposals.

14. Appendices

14.1 Identify any appendices

15. Background Papers

15.1 Identify any background papers

16. Contact Officer(s)

16.1 Name of the contact officer, position, email address and telephone number

17. Sign Off

17.1 The Chief Officers listed below must be satisfied that the matter is urgent and cannot reasonably be deferred, and must specifically authorise that a request for special urgency is made. Recorded below are the comments and confirmation of consent of the Chief Officers.

- Head of Paid Service:
- Monitoring Officer:
- Chief Finance Officer:

18. Glossary

18.1 Identify where abbreviated text has been used

Approval record:	Approved/Rejected	Date
Chair / Vice Chair Overview and Scrutiny Committee		
Chair of NECA		
Vice Chair of NECA		
Vice Chair of NECA		

This page is intentionally left blank

Leadership Board

Date: 19 June 2018

Subject: Review of Constitution

Report of: Monitoring Officer

Executive Summary

The report invites the Leadership Board to agree amendments to the North East Combined Authority's (**NECA**) Constitution proposed following the Monitoring Officer's routine annual review of the Constitution.

Recommendations

The Leadership Board is recommended to:

1. Approve the following changes to the NECA Constitution (as detailed in this report), which have each been considered by the Governance Committee at its meeting on 3 April 2018 and are endorsed for Leadership approval:
 - a. The change of name of the Governance Committee to the Audit and Standards Committee as discussed in 2.3 of the report;
 - b. Confirm the role of the Governance Committee to grant dispensations as discussed in 2.4 of the report;
 - c. To clarify that the independent Chair and Vice-Chair of the Governance Committee may be appointed to any sub-committee on the same basis as the independent person as discussed in 2.5 of the report;
 - d. To amend the short notice procedure rules in Part 4.1 (paras 32 and 33) as set out in 2.7 to 2.10 of the report;
 - e. To amend Section 3.1 of the Constitution to reflect the unanimity requirements set out in the Order creating NECA;
 - f. To amend Section 3.1 to remove the introductory words and therefore to clarify and confirm the delegation given to Chief Officers as discussed in 2.14 and 2.15.

Leadership Board

2. Delegate authority to the Monitoring Officer to:
 - a. finalise the wording of amendments to the Constitution to give effect to the changes agreed by the Leadership Board; and
 - b. approve and publish the Constitution containing those changes.

Leadership Board

1. Background Information

- 1.1 The North East Combined Authority (**NECA**) was created pursuant to the Local Democracy, Economic Development and Construction Act 2009 (**LDEDCA 2009**) and by the Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Order 2014 (the **2014 Order**) which came into force on 15 April 2014.
- 1.2 On 26 April 2018 the Leadership Board resolved to agree in principle to amend NECA's boundary to remove the Local Government areas of Newcastle upon Tyne, North Tyneside and Northumberland, to permit the creation of a Mayoral Combined Authority covering these areas, and establishing joint transport governance arrangements. These changes will only take effect on the implementation of an order issued by the Secretary of State in accordance with the LDEDCA 2009. The Leadership Board has delegated authority, subject to satisfaction of certain conditions, for the giving of final consent for the making of that order. Until the order is made there is no change to NECA and the Local Government Act 1972, Schedule 12, paragraphs 1 and 6A require NECA to hold its annual meeting between 1 March and 30 June each year.
- 1.3 In accordance with the NECA Constitution, the Monitoring Officer is required to keep it constantly under review with a formal review on an annual basis. This report sets out the results and recommendations of the annual review.

2 Proposals - Constitutional Changes endorsed by the Governance Committee

- 2.1 The following changes have been proposed at various meetings of the Governance Committee and were confirmed by the Committee as recommendations to changes to the Constitution at its meeting on 3 April 2018.
- 2.2 The Leadership Board is invited to agree the following changes:

Change in the name of the Governance Committee

- 2.3 The Committee recommend that its name be changed to the "Audit and Standards Committee". This change is felt beneficial as it will more clearly describe the committee's remit and read across to the requirements of the Combined Authority's (Overview and Scrutiny Committees) Access to Information and Audit Committees) Order 2017 (the 2017 Order). This will require consequential amendments to a number of sections of the Constitution in Sections 3.7, 3.8 and 4.2 in particular and carried consistently throughout the Constitution.

Leadership Board

Strengthening and clarifying the role of the Governance Committee* in relation to the granting of dispensations under the Localism Act

- 2.4 There is believed to be scope for confusion about whether the Leadership Board intend that the Governance Committee* may exercise its authority to grant dispensations under the Localism Act directly or whether a Governance Sub-committee must always be convened for this purpose. It is proposed that the Constitution is amended to make it clear that the Governance Committee* may grant dispensations without convening a sub-committee. The Governance Committee* would retain the power to convene a sub-committee if it felt it necessary or desirable but could exercise its authority without doing so. It is proposed that Section 3.8, Section 6.1 (Code of Conduct for Members – Dispensation Procedures) are clarified to show that the Leadership Board have delegated the granting of dispensations to the Governance Committee* (which may exercise that delegation directly or through a sub-committee).

*Noting the potential change of name discussed at 2.3 above.

Changes to clarify that the independent Chair and Vice-Chair may additionally be members of any sub-committee convened by the Governance Committee*.

- 2.5 The Committee noted the potential for uncertainty about whether the Chair and Vice-Chair could be members of any sub-committee convened. For the avoidance of any doubt it is recommended that Section 3.8 of the Constitution is amended to clarify that they may additionally be members of any sub-committee. This would be on the same basis as the independent person and therefore present but not forming part of the quorum.

*Noting the potential change of name discussed at 2.3 above.

Changes in quorum – Overview and Scrutiny and Governance Committee*

- 2.6 The Overview and Scrutiny Committee and the Governance Committee* are experiencing similar difficulties in relation to attendance and as a result a number of meetings have not been quorate and could not make decisions. Both Committees have discussed this issue and the Chairs of each have taken action to encourage attendance, working closely with the Monitoring Officer. The Governance Committee* would support a reduction in the quorum for each Committee, however, it is noted that the quorum for each is prescribed by the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 and cannot be reduced below two thirds. Accordingly no change is recommended.

Leadership Board

Procedures in case of urgency

- 2.7 The 2017 Order prescribes a procedure to be followed in the event that a matter cannot be included on the Forward Plan for a period of 28 days prior to a meeting. As a result of the 2017 Order, it is necessary to amend Part 4.1, paragraphs 32 and 33 (Special Urgency and Urgent Decisions) of the Constitution to bring the procedure into line with the requirements of the 2017 Order.
- 2.8 It is accepted that the use of short notice procedures should be strongly discouraged. It is proposed that the Constitution be changed to reflect the following procedure:
1. Any officer may ask for an item to be included on the Forward Plan if there is a minimum of 28 days' notice.
 2. In the event that shorter notice is required, either because it is "impracticable" to give 28 days' notice or "urgent and cannot be reasonably deferred", the Monitoring Officer and the Head of Paid Service, acting together, have authority to authorise the use of the short notice procedures.
 3. Any use of the short notice procedures will require a written justification which must be published on NECA's website.
 4. Use of the short notice procedure will be notified to the Chairs and Vice-Chairs of the Leadership Board and the Chair (or in their absence the Vice-Chair) of the Overview and Scrutiny Committee.
 5. The short notice procedure in case of special urgency (which is covered by Regulation 13 of the 2017 Order) is only available when the Chair of the Overview and Scrutiny Committee (or the Vice-Chair in their absence) consents to the matter being decided at short notice. In practice it is expected that the agreement of the Chair of the Leadership Board will also be requested, but this will not be a constitutional requirement.
- 2.9 The procedure set out above is consistent with the 2017 Order and the Overview and Scrutiny Decision-making Protocol, which the Leadership Board will be invited to consent to as an item elsewhere on the agenda for this meeting. It will clearly make the Chief Officers responsible for overseeing and controlling the process. Reports on the use of short notice procedures will be provided to the Overview and Scrutiny Committee on an annual basis.
- 2.10 Leadership Board members will note that the definition of key decision adopted by the Overview and Scrutiny Committee in its decision-making protocol will also provide clarity and a useful guide about which matters should be included on the Forward Plan and/or be subject to 'call in'.

Leadership Board

Changes to Section 3.1 of the Constitution to clarify those items which require unanimous approval of the Leadership Board

- 2.11 NECA has the benefit of Leading Counsel's advice about the lawfulness of matters requiring the unanimous consent of the Leadership Board. Leading Counsel's advice is that only matters specified in the 2014 Order creating the Combined Authority may be decided by unanimous decision. Where the Constitution purports to require unanimity it is ineffective. Leading Counsel's advice is that the Constitution should be amended to remove certain matters from the list of matters requiring the unanimous decision of the Leadership Board (and which cannot be delegated and are expressly reserved by Part 1, Article 13.4 of the Constitution). It is accordingly recommended that the items not listed in the 2014 Order as requiring unanimity are moved to Section B of Part 3.1 of the Constitution. Accordingly they will be matters which the Leadership Board must decide but which are decided by simple majority rather than unanimity.

*Noting the potential change of name discussed at 2.3 above.

- 2.12 In accordance with this recommendation the following functions should be removed from Section 3.1(A) of the Constitution and moved into 3.1(B):

9 (the transfer of any further functions by Constitution authorities to NECA). Noting in practice this will be a decision for each constituent authority in any event.

10 (the appointment of any individual co-optee to the Leadership Board),

11 (the use of general powers of competence beyond the powers provided in the Local Democracy, Economic Development and Construction Act 2009).

12 (the approval of any amendments to the NECA Constitution...).

13 (the appointment of a Statutory Chief Officer...).

14 (the designation of NECA's Head of Paid Service).

- 2.13 It is proposed to add these functions under 30 and to renumber section B accordingly.

Clarification of the authority of Head of Paid Service and Chief Officers

- 2.14 The introductory words of Section 3.1 namely, "*in the absence of specific delegations to other bodies referred to in the Constitution (including committees and sub-committees of the Leadership Board), all functions remain with the Leadership Board*" are unnecessary. This is because the North East Combined Authority is at law a corporation aggregate empowered by statute and its principal decision making body is the Leadership Board. Accordingly, by operation of law, all authority is exercised through the Leadership Board unless expressly delegated. The current wording at the introduction of Part 3.1 therefore adds nothing and can therefore be removed. For the avoidance of doubt however, the Leadership Board is asked to confirm the general authority previously given to the Head of Paid Service by it to discharge NECA functions and to take operational

Leadership Board

action in case of urgency in accordance with Part B of the Constitution (HPS3 and HPS4). These are normal senior officer delegations which provide clarity around the Head of Paid Service’s authority.

- 2.15 As a consequence of these amendments and in general, cross-referencing throughout the Constitution will be reviewed and updated under the Monitoring Officer’s delegation.

Note on changes that would be required by an order amending the NECA boundary

- 2.16 Leading Counsel has confirmed that the NECA Constitution would have to be read in line with any order reducing the NECA boundary. Accordingly, committee membership and quora can be taken as automatically amended and NECA is therefore in a position to operate, without the formal adoption of a new Constitution following the making of any order.

- 2.17 However, for the Leadership Board’s information, the Governance Committee has received and approved a report including a section concerning the principle amendments that should be made to the Constitution as soon as possible after any order is made. The principal amendments are addressed in the table below:

Ref	Proposal	Reasons
Part 1 Introduction	To specify that the Constitution are standing orders as envisaged by the order. Update “united in purpose, boldness of vision and determination preamble”.	To avoid confusion as to the status of the Constitution. To reflect changes in the order.
Part 1, 1	Update definitions of ‘Constituent Authorities’, ‘NECA’ and ‘Delivery Agencies’.	To reflect the changes introduced by the new order and boundary.
Part 1 ,1	Remove references to “TNEC” and “TWSC” and update to reflect joint transport committee arrangements.	To reflect the changes introduced by the new order and boundary.
Part 1, 2	To update the history section to reflect the most recent changes.	To reflect the changes introduced by the new order and boundary.
Part 3	Update membership and quorum to reflect one member of the constituent authority and non-voting	To reflect the changes in the boundary and smaller number of constituent authorities.

Leadership Board

	LEP member. Update unanimous decision making to reflect the requirements as amended by the order.	
Parts 3.2 and 3.3	Remove and replace the provisions relating to the Transport North East Committee and the Tyne and Wear Sub-Committee with provisions referring to the Joint Transport Committee.	To reflect the changes introduced by the new order and boundary.
Part 3.4	Remove reference to Northumberland County Council and amend to reflect joint transport arrangements.	To reflect the changes introduced by the new order and boundary.
Part 3 various	Amend membership and quorums of all committees to reflect change of membership.	To reflect the changes in the boundary and smaller number of constituent authorities.

3. Reasons for the Proposals

- 3.1 The annual review of the Constitution is a requirement set out in the NECA Constitution and in the NECA Deed of Operation.
- 3.2 The proposals are informed by comments made by the Committees during the course of the previous year, and changes in the law or best practice since the relevant section was last updated.
- 3.3 Maintaining an up-to-date Constitution and rules of procedure supports effective governance and thereby good decision making practices.

Leadership Board

4. Next Steps and Timetable for Implementation

- 4.1 If the Leadership Board approves the Constitutional changes set out in 2.3 to 2.15 the Monitoring Officer will prepare amendments to give effect to these changes and distribute and publish the new Constitution giving effect to these.
- 4.2 It is also anticipated that a full scheme of delegation will be developed for consideration by the Leadership Board at a future meeting.
- 4.3 Should an order be made changing the NECA boundary the Constitution will be amended in accordance with the changes highlighted in 2.16 to 2.17 and will be brought forward for approval and adoption at the next Leadership Board meeting.

5. Potential Impact on Objectives

- 5.1 Maintaining good governance and effective decision making ultimately supports the achievement of objectives.

6. Financial and Other Resources Implications

- 6.1 Updates to the Constitution can be done using existing resources without material additional costs.

7. Legal Implications

- 7.1 The changes to the Constitution can be agreed by the Leadership Board by way of simple majority in as this is not a matter listed in Paragraph 3(6) of Schedule 1 of the Order establishing NECA as requiring unanimity.

8. Key Risks

- 8.1 Maintaining an up-to-date Constitution limits the risk of any suggestion that a decision has been made in less than the appropriate way. There is a small risk that Officers do not heed the changes to the Constitution and careful monitoring is required to ensure up-to-date procedures are followed. However, this risk is almost mitigated by systems of control and oversight by the NECA Statutory Officers of the Committee processes and constitutional matters.

Leadership Board

9. Equality and Diversity

9.1 None

10. Crime and Disorder

10.1 None

11. Consultation/Engagement

11.1 Chief Legal Officers of the constituent authorities, the NECA Policy and Scrutiny Officer and the NECA Statutory Officers have all been consulted. The Committees (or their Chairs) have been consulted in relation to matters affecting their committee.

12. Other Impact of the Proposals

12.1 None

13. Appendices

13.1 None

14. Background Papers

14.1 Previous Constitutional review papers.

15. Contact Officers

15.1 Peter Judge,
Monitoring Officer
peter.judge@northeastca.gov.uk
Tel: 0191 338 7455

16. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓

Leadership Board

- Chief Finance Officer: ✓

17. Glossary

NECA – North East Combined Authority

LDEDCA 2009 – Local Democracy, Economic Development and Construction Act 2009

This page is intentionally left blank

Leadership Board

Date: 19th June 2018

Subject: Economic Development and Regeneration Theme Update

Report of: Economic Development and Regeneration Thematic Lead

Executive Summary

The purpose of this report is to provide an update on activity and progress under the Economic Development and Regeneration theme of the Combined Authority.

Recommendations

The Leadership Board is recommended to:

- i. note this report for information

Leadership Board

1. Background Information

1.1 This report provides an update on activity and progress under the Economic Development and Regeneration theme of the Combined Authority, including:

- Inward Investment North East Update
- North East Education and Skills Update
- Automotive Sector Deep Dive
- European Structural Investment Fund Update

1.2 The Leadership Board is recommended to receive the update for information.

2. Inward Investment North East (INEE) Update

2.1 2017/18 Successes

In 2017/18 there were 85 inward investment projects that landed in the NECA area resulting in 1,669 new jobs.

- There are 68 FDI projects resulting in 1378 new jobs (plus 1479 safeguarded)
- There are 17 UK projects resulting in 291 new jobs

Inward Investment Successes – Sectors - FDI & UK Investment

Sector	FDI Projects	FDI Jobs	UK Projects	UK Jobs
Financial Professional and Business Services	4	25	8	156
Energy	11	609	0	0
Life Science	1	10	4	24
Automotive	10	91	1	50
Advanced Manufacturing	26	491	2	56
Tech (IT/Software)	15	122	1	4
Rail	1	30	1	1
TOTAL	68	1378	17	291

2.2 Current Enquiries

Leadership Board

The Invest North East England Team (INEE) is busy handling a range of enquiries. Good quality enquiries have been generated through the OCO lead generation contract in London, direct via the INEE website, and through DIT.

Current enquiries on the INEE pipeline include both UK and foreign owned enquiries in a number of sectors from life sciences, software, contact centres, automotive and other advanced manufacturing including offshore energy. Of particular interest is a very significant potential advanced manufacturing enquiry for the energy sector, a significant enquiry from a large US software company and a number of potentially significant business services enquiries.

3. North East LEP Education and Skills Update

- 3.1 At the March 2018 EDRAW meeting, the Board received an update on the following North East LEP Education and Skills programmes and projects that have been established to tackle the skills challenge facing the region.

The North East faces three significant skills challenges:

1. Ensuring the workforce has the skills required for the economy

- The North East has a lower qualification profile than England and forecasts indicate an increase in demand for technical skills.
- There is an attainment gap between the highest and lowest performing schools.
- Employers report skills shortages within the existing workforce and there is an increasing deficit in broad digital skills.

2. Attracting and retaining the workforce within the region

- The North East has relatively low levels of in-migration, there is a 'graduate gain' but it could be higher.
- The aging population means that we need to consider how to retain older workers in the workforce.

3. Supporting young people to understand the labour market to make informed choices

- Young people need to be provided with more opportunities to have meaningful experiences of the world of work.

- 3.2 The Strategic Economic Plan contains five work streams to address the skills challenge:

1. Excelling in Technical and Professional Education

- A focus on apprenticeship growth and improvements in quality.

Leadership Board

- Work with FE Colleges to prepare for the technical education reforms.
- Facilitate employer engagement to support T-Levels, work placements and to communicate policy changes.

2. Graduate Attraction and Retention

- #LiveWorkStay campaign to promote live the North East after university.
- Sector specific campaigns to promote graduate opportunities in the region.
- Contribute to the work of the Northern Powerhouse graduate retention working group.
- Pilot project for careers provision in all 4 universities in the North East LEP area.

3. Fuller Working Lives

- Awareness raising with employers about the aging workforce.
- National Careers Service pilot to carry out skills audits for older workers.
- Sector events with employers to understand specific challenges and solutions.

4. North East Ambition

- The North East LEP delivered the national pilot for the Good Careers Benchmarks, and the findings are now being taken forward in the national Careers Strategy.
- The North East LEP are now offering support to all secondary schools and FE colleges to implement the Benchmarks.
- A pilot programme to develop Career Benchmarks for primary schools will be launched in September 2018.

5. Education Challenge

- A programme to improve outcomes for all students and to reduce the disparity between schools so that all students have the opportunity to be educated in a good or outstanding school. The initial pilot is working with 3 schools to improve attainment and progression and the pilot will be expanded to a further 4 schools and 2 FE Colleges by the end of 2018.

3.3

The Board welcomed the range and volume of work that is being carried out and invited the North East LEP back to present a progress report in the next municipal year.

Leadership Board

4. Automotive Sector Deep Dive

4.1 The Board took a 'Deep Dive' into one of the region's key sectors and Paul Butler, Chief Executive of the North East Automotive Alliance attended the March meeting to provide an overview of the automotive sector in the North East.

4.2 North East Automotive Sector

Nissan, Sunderland is the UK's largest and most productive car plant, accounting for 30% of all UK Passenger Vehicle production and 20% of all electric vehicle production across Europe.

The plant is supported by a world class supply chain with 28 Tier 1 suppliers and over 200 tier 2 and below suppliers.

The sector in the North East currently accounts for £11bn of sales per year and has 30,000 direct employees, this is expected to rise to £14bn of sales and over 33,000 direct employees

4.3 Challenges

- Skills
- Brexit
- Transition to low carbon vehicles
- Increasing levels of customisation
- Industrial digitalisation
- New technology and new market entrants
- Maintaining regional competitiveness
- Limited access to the UK Manufacturing Innovation Eco System

4.4 Opportunities

- To build upon the regional strengths as a global Centre of Excellence for Automotive Manufacturing;
- International Advanced Manufacturing Park
 - Increased UK content and supply chain localisation
 - Increased exports;
- Build upon North East strengths and attract more research and development investment;
- Supply chain development;
- Improve productivity in other manufacturing sectors through the transfer of automotive manufacturing methodologies
- The Centre of Excellent for Sustainable Advanced Manufacturing (CESAM)

Leadership Board

4.5 Sector Deal

The Automotive Sector Deal was the first Deal announced by government and sets out clear priorities for the sector including;

- Building on the test facilities in the UK
- A supply chain competitiveness programme
- A range of funding, including:
 - £1bn for an Advanced Propulsion Centre
 - £450m for Automotive Research and Development
 - £400m for Electric Vehicle charging infrastructure
 - £246m for the Faraday Challenge
 - £100m for Plug in car grants
 - £40m to research and develop on street charging infrastructure

5. European Structural & Investment Funds

The European Structural and Investment Fund (ESIF) continues to be delivered in the North East. The region is split into two areas; More Developed (Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland) and Transitional (County Durham). An update on European Regional Development Fund, European Social Fund and European Agricultural Fund for Rural Development is provided below.

5.1 European Regional Development Fund (ERDF)

The notional allocation for the More Developed (MD) area is £152.7m, and in the Transitional (T) area is £75.4m. The overall project pipeline (including legally committed, contracting, appraisal and Full and Outline Application stage) is £174m representing 76% of total allocation. Exchange rate changes could result in additional allocations being made available.

For the Sustainable Urban Development (SUD) call announced 15 September, for the MD area, total funding of £18.6 was available. The final deadline for EOIs was 30 March 2018. 2 Bids from the January deadline are currently in appraisal and 6 bids were submitted at the March deadline are still to be appraised. The North East Fund of Fund (JEREMIE2) is now open and launch events are taking place across the region from Friday 11 May.

Currently 43 projects have been Legally Committed and 28 projects are in the Full or Outline appraisal stages.

Further ERDF calls will be issued in October 2018 and March 2019.

Leadership Board

5.2 European Social Fund (ESF)

Across the whole NECA area there is a notional allocation of £144.6m

5 of the six ESF calls closed during the last reporting period have been assessed decisions have been communicated to bidders for:

- North East Ambition Pilot Strategic Framework
- North East Ambition Pilot Tailored Delivery
- Digital Skills North East
- North East Specialist Support for the Unemployed/Inactive (Health Barriers and 50+)

Appraised but still to be advised of a decision by DWP;

- Specialist Support for those Furthest Away from the Labour Market

Still to be appraised:

- Raising the Skill Levels of the North East Health and Social Care workforce

Employment Support for Young People 18 -29 received 11 bids and 8 have been approved to Full Application, with the condition that the bidders work through Technical Assistance (TA) colleagues to ensure alignment and minimise duplication. In January 2018 the TA network held a workshop for the bidders to support this. Full Applications have now been submitted

DWP have not yet issued a timetable for future calls, but anticipate that the next calls will be for Priority Axis 2: Skills for Growth.

5.3 European Agricultural Fund for Rural Development (EAFRD)

EAFRD funds form part of the National Growth Programme, from which the North East received an allocation of £10.5m. Although a number of scattered localities are potentially eligible for EAFRD funding in Tyne and Wear, the focus is on the designated rural areas of Northumberland, Durham and neighbouring parts of western Gateshead, including the Derwent Valley.

Open calls, with an extended closing date of 31 May 2018 and a value of £9.7m capital funding, to create jobs in rural areas are:

- Business Development - £1.4m
- Rural Tourism Infrastructure – £6.7m
- Food Processing – £1.6m

A £30m call for Broadband Infrastructure was announced on 13 October with a closing date of 31 May 2018.

Leadership Board

Match funding is required for all ESIF calls.

6. Potential Impact on Objectives

- 6.1 This report sets out issues that will support the Authority in meeting its objectives, particularly in relations to those set out in the Strategic Economic Plan

7. Financial and Other Resources Implications

- 7.1 There are no specific financial or other resource implications arising from this report.

8. Legal Implications

- 8.1 There are no specific legal implications arising from this report.

9. Key Risks

- 9.1 There are no key risks arising from this report.

10. Equality and Diversity

- 10.1 There are no specific equality and diversity implications arising from this report.

11. Crime and Disorder

- 11.1 There are no specific crime and disorder implications arising from this report.

12. Consultation/Engagement

- 12.1 There are no issues arising from this report for consultation.

13. Other Impact of the Proposals

Leadership Board

13.1 There will be no other impacts arising from this report

14. Contact Officers

Sarah McMillan, Corporate Lead – Economic Strategy and Skills

Email: sarah.mcmillan@southtyneside.gov.uk Tel: (0191) 424 7948

15. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

This page is intentionally left blank

Leadership Board

Date: 19th June 2018

Subject: Employability and Inclusion Update

Report of: Thematic Lead for Employment and Inclusion

Executive Summary

The purpose of this report is to provides an update on progress being made in delivering the Employability and Inclusion, and Skills themes of the Strategic Economic Plan (**SEP**) for the North East.

Recommendations

The Leadership Board is:

- i. recommended to note the contents of the report

Leadership Board

1. Background Information

- 1.1 This report provides an update on the employability, inclusion and skills programmes and projects that the Combined Authority and the North East Local Enterprise Partnership (**North East LEP**) are delivering within the context of the North East Strategic Economic Plan (**SEP**) for the North East.

Labour Market Intelligence

- 1.2 Labour Market Intelligence (LMI) for the North East continues to be developed. Discussions regarding future data collection, collation and distribution are ongoing with a number of partners, with a view to presenting data and information to various audiences. Point 1.8 refers to the development of a Data Hub.
- 1.3 The North East LEP developed a series of Careers Videos to highlight opportunities in key priority sectors in 2017. They are part of a toolkit available for schools and colleges in the North East. Their purpose is to support educators to communicate the many exciting career opportunities available in the North East and the pathways young people can take towards them. The videos and toolkits have been requested by over 230 educational establishments.
- 1.4 The toolkit includes lesson plans and excerpts from the videos to highlight certain key messages. Feedback has been extremely positive.

Graduate Retention

- 1.5 Additional case studies and videos have also been produced by the North East LEP, to provide LMI for graduates as part of the drive for Graduate Retention as described in the SEP. The videos and case studies provide examples of graduate level roles in key sectors and reasons to 'LiveWorkStay' in the North East. The campaign launched in late 2017 and provides a further resource for schools, colleges and universities. The social media campaign was the most successful campaign the North East LEP has had to date and the resources are being used by all four universities. Further resource is being developed with a focus on key employment growth sectors to be launched academic year 18/19.

Construction labour skills gap & analysis

- 1.6 The North East LEP, local authorities, key construction employers, groups and CITB are working in partnership to address the labour and skills challenges in the construction sector across the area.

Leadership Board

- 1.7 CITB in partnership with the North East LEP produced a report highlighting the challenges for the short and medium term around skill levels and availability of labour. This report provides an evidence base to inform stakeholders from which clear market messages can be defined so that effective planning around investment decisions can be made to maximise employment and growth opportunities. The data was presented to a wide stakeholder group late 2017.

North East Data Hub

- 1.8 In partnership with the North East Combined Authority, the North East LEP launched the Data Hub in March 2018. The data hub is a digital platform that gathers data from across the region on the economy and transport and allows users to compare data in a simple, user friendly way. In due course skills data will also be available via this platform. Data shows that user numbers are good and development of phase 2 is underway, including discussions with other data platforms to find ways in which to aggregate data.

DWP European Social Fund Opt-In for the North East

- 1.9 The DWP 'Opt-In' programme for the North East is utilising £6m European Social Fund (ESF) to test a local approach to support 2,500 long term unemployed residents with health conditions to find work over 2017-19. The programme is delivered by Working Links.
- 1.10 Performance data from January to the end of December shows 1235 people have started on the programme. This breaks down to 866 in the more developed area (Northumberland and Tyne and Wear) and 369 in the transition area (County Durham). 289 first job starts in total (including individuals who may have more than one job start). This is a total of 216 and 73 in the more developed and transition regions respectively and demonstrates a 23% first job entry rate.
- 1.11 Assessment of participants shows:-
- Around one third of participants are aged 50 and over, and over two third unemployed for five years or more. The majority are from households where no-one is in employment.
 - The majority have a disability or long-term health condition, including some undiagnosed prior to attachment to the programme. Health condition management of those who move into work is a significant area of demand.
 - Poor mental wellbeing remains the prime health condition which acts as a barrier to work. This is consistent with other programmes and demonstrates the high demand for mental health support services across the area and a need for integration with employment support services.

Leadership Board

- 1.12 Though performance is improving it remains below the DWP contract profile and a performance improvement plan is in place to achieve an increase in both starts and job outcomes to meet profile by August.
- 1.13 DWP has invoked a contract clause to widen eligibility due to performance achieving fewer than 70% in both more developed and transition regions. Widened eligibility from December 2017 appears to have raised performance in the more developed area, achieving against the target profile in February and March. Widened eligibility in the transition area from the end of April will be monitored.
- 1.14 North East LEP/NECA representatives are concerned that this may direct the provider from original contract intent, but accept that successful delivery is paramount and will support the provider where possible to deliver to benefit the original cohort. Contract meetings have included discussions on lessons learned from commissioning, and how future specifications and eligibility criteria can best target to meet local need.
- 1.15 Insufficient referrals have been the prime cause of underperformance, particularly from Jobcentres and related to the introduction of Universal Credit. Working Links is implementing a revised marketing and engagement plan to drive referral volumes and making adaptations to meet the demands of each Jobcentre, including co-location. Supply chain contracts have been reviewed and re-issued to maximise those of best performers and new staff have been recruited to meet areas of greatest demand (including health condition management). To generate referrals, a wider range of organisations are being engaged and new methods employed, including routes through Children's Services, housing providers, GP surgeries, recruitment campaigns and job fairs, digital and social media, adult learning centres, colleges and community programmes and centres.
- 1.16 DWP is in the process of writing to North East LEP and ESIF committee chairs to outline the process of offering contract extensions. The local ESF thematic group will offer advice to ESIF sub-committee and the process will determine potential for extension of this contract beyond 2019.

North East Mental Health Trailblazer

- 1.17 The North East Mental Health Trailblazer is delivering a Random Control Trial of integrated employment support and psychological therapy, using the Individual Placement and Support (IPS) model in partnership with Increasing Access to Psychological Therapies (IAPT) in each local authority area.

Leadership Board

- 1.18 Performance to the end of April shows the trial had a total of 486 participants in the treatment group and 163 in the control group, a total of 649. The job conversion rate for the treatment group is at 20% against a projection of 15%. Durham continues to be the best performing area in terms of numbers of participants but performance has become more even across all areas. Gateshead is a high performer for job outcomes.
- 1.19 A Project Change Request (PCR) has been submitted to extend the project to December 2019. As noted previously, extension is critical to ensure both the required sample size for the evaluation and to achieve ESF performance targets. DWP has indicated a PCR decision will be made by mid-May.
- 1.20 Referral volumes from Jobcentres in the current year are vastly improved on the previous year, consistently averaging over 200 per month. County Durham has been the best performing JCP referral area but Northumberland, Tyne and Wears district has increased resource resulting in improvements in performance. Partnership agreements with Generation NE, Durham Works, Working Links, Wise Group, Newcastle Futures and Big Lottery BBO projects are also generating referrals. This level of referral will make performance targets achievable if sustained. Areas of underperformance have shown marked referral and attachment rate improvements.
- 1.21 Universal Credit continues to impact roll-out areas by reducing the number of referrals, currently in North Tyneside with South Tyneside to follow. The profile of participants continues to be long-term unemployed people. There is a high demand for the service from young people, with around 20% of all participants aged 18-24.

Generation NE

- 1.22 Generation North East covers the whole of the North East LEP geography and has been operational since July 2014. The programme has supported 4800 young people, delivering 2200 job outcomes to date; over 1000 of those gaining employment have now sustained employment for 6 months or more. Generation NE funds have also provided match-funding for DurhamWorks (YEI) enabling support for a significant number of young people in Durham, The project has exceed all original targets set in 2014 and continues to perform well.
- 1.23 An ESF call for projects to support young people into employment and training closed in autumn last year.
- 1.24 A full application was submitted to the ESF managing Authority by Newcastle City Council on 9th March 2018 which included a proposal to extend the Generation NE project. Due to the number of projects proceeding to full application, a condition was given to all applicants seeking to secure ESF funding requesting

Leadership Board

that they consider how they can best align or consolidate projects before submitting their full application to ensure best value, synergy and alignment of services. The outcome of the project alignment work to measure the likely impact on geographical scope and impact. The Generation NE ESF project has chosen to deliver support 'at risk' from 1st April 2018, pending the outcome of the application for ESF funds and to date has 90 young people registered on the new programme.

North East Ambition and the Good Career Guidance benchmarks

- 1.25 Nationally the work in the North East is widely acknowledged as transformational and the North East LEP's work heavily influenced the implementation plan for the DfE national careers strategy (released in Dec 2017) and the statutory guidance (Jan 2018). All schools and colleges across the country are now expected to use the career benchmarks and the Careers and Enterprise Company have the remit to lead the national roll-out.
- 1.26 The Social Mobility Commission 'State of the Nation Report 2017' recognised the impact of North East Ambition "the North East Local Enterprise Partnership has transformed careers support at local schools/colleges from the worst provision in the country to some of the best... Today, it is leading the way on good-quality careers advice – a consequence of collaborative efforts to improve performance". The report recommends that "Local Enterprise Partnerships should follow the approach of the North East Local Enterprise Partnership".
- 1.27 From the starting point of the pilot in 2015, the regional scale up of North East Ambition continues; over 140 secondary schools are engaged and all 9 colleges have adopted and are working towards the benchmarks.
- 1.28 A handbook of good practice, developed by the Gatsby Foundation, showcasing the excellent work of the North East pilot schools and colleges was sent to every school in the country in April 2018. This has been very positively received. Our Advocates (those in the original pilot schools and colleges) continue to be deployed to support schools and colleges both across the region and across the country. To date, the LEP has presented to five National Careers Strategy Briefings, one National Careers Education and Guidance Show(UK), two Westminster conferences, one Public Policy Exchange Briefing, one Future Ready Conferences, three City & Guilds Franklin Debates, Workshops for Senior Leaders, LEPs and Careers Leaders in the North East, Cornwall, Birmingham, Nottingham, Lincolnshire, London, Greater Manchester/North West and Yorkshire. We will also support the Cornwall and IoS LEP and the Coast to Capital LEP before the end of the academic year.

Leadership Board

- 1.29 The progress made by our SEND Working Group has also been recognised by DfE as leading the way and we continue to work with the Gatsby Foundation to ensure that SEND schools and colleges are supported to achieve the benchmarks and are very clear about how their provision can be mapped against the benchmarks. An event was held in May, attended by over 50 SEND schools and a range of employers and businesses where good practice was showcased. This was delivered in partnership with National Grid and the CEC.
- 1.30 Good Career guidance is central to Technical Education reforms. Our college working group has been working directly with the CEC and Gatsby Foundation to shape the development of supporting resources for colleges seeking to achieve the benchmarks. We hosted a workshop to shape the production of a 'guide for career leaders in colleges' and have participated in research. Four North East colleges are helping to shape the development of a national audit tool 'Compass for Colleges' and the chair of the group will join the LEP on the National Steering Group for Compass.
- 1.31 We continue to support the roll out of the Careers Strategy nationally, for example, a group of North East Careers Leaders are supporting the development of a 'Quick Guide for Career Leaders' in relation to their new statutory duties and we are also looking to create video resources that can be used to support careers leaders to adopt, implement and achieve the career benchmarks. These resources should be completed for the beginning of the new academic year
- 1.32 The CEC, in their Career Hub Prospectus, recognised the leading role of the North East LEP in shaping the National Careers Strategy. The North East LEP has expressed an interest to host one of 20 new Careers Hubs and over 60 schools and colleges have indicated they wish to be part of this Hub. Final decisions will be made by mid-June by the CEC.
- 1.33 A drive to introduce careers provision in primary education is described within the new Careers Strategy and this is echoed in that primary schools in the region have expressed a wish to be proactive in this regard. Following a number of conversations and proposals, the LEP is delighted to have secured a commitment for co-funding from EY Foundation to deliver a primary benchmark pilot. This funding will be matched with funds from the North East Ambition ESF pilot to ensure that we can work with 10% of the North East LEP area's primary schools (70 in total). 10% is sufficient to provide valuable evaluation and research data. The LEP will work with pilot schools to re-flavour and adapt the key characteristics of the secondary benchmark to ensure applicability for the primary setting. The Department for Education are supportive and are interested in the outcomes of the pilot, as are the CEC who will in due course start to consider how career guidance is delivered nationally in a primary setting.

Leadership Board

North East Ambition ESF Project

- 1.34 In July 2017, DWP released a call under Priority Axis 2 : Skills for Growth, 2.2 Improving the labour market relevance of education and training system. North East Ambition Pilot: Develop and Implement a Strategic Framework to transform education, change lives and drive forward industrial growth.
- 1.35 The LEP submitted an outline application in October 2017 which was subject to an assessment against the project selection criteria by the Managing Authority for the European Social Fund Programme in England, informed by advice on strategic fit from the Local European Structural and Investment Funds Sub-Committee(s). In March 2018, the application was accepted at outline stage and invitation to progress to the submission of a Full Application was issued. The Full Application was submitted in May 2018, with a view to the project going live in September 2018. The application covering activity across the whole of the North East LEP area to scale up and provide was submitted with partners, RTC North, the Edge Foundation and STEM learning and the LEP as the lead.
- 1.36 The North East Ambition pilot project will put SMEs at the centre of education; helping them to engage effectively with educators, learners and wider communities to influence careers and curriculum systems and to develop industry relevant skills and harness learner talent.
- 1.37 The project will: develop a framework for careers and curriculum development, along with a supporting toolkit to help educational establishments maximise its value; deliver more effective pathways of engagement to bring together educational establishments and SMEs who wish to work together through business-educator programmes; and provide additional programmes of support to develop project-based learning in schools, and support young people to progress into Apprenticeships, FE and HE.

Higher Education

- 1.38 We continue to work with the four universities in the region and Universities UK to shape a pilot programme. A meeting was held with the Office for Students (OfS), where the work of the North East LEP and the North East Collaborative Outreach Programme (NECOP) was identified as the example of good practice nationally. We are hosting a delegation from OfS in June 2018, to support them in their review and development of the programme nationally. The OfS Equality and Diversity targets groups (SEND students, mature students, students from economically deprived backgrounds and students from ethnic minority backgrounds) are the target groups we have identified with UUK and our 4 universities.

Leadership Board

Business and Education Engagement – Enterprise Advisors

- 1.39 This Government-back initiative was started in 2015. The Career & Enterprise Company (CEC) is an employer-led organisation that has been set up to inspire and prepare young people for the fast-changing world of work.
- 1.40 The North East LEP has taken the opportunity to shape the original CEC model to enhance opportunities for school and business engagement and in particular to support schools and colleges to achieve two of the eight Gatsby benchmarks (5 and 6). To date in the North East over 150 Enterprise Advisors have signed up, and over 100 schools and colleges are now actively working with their Enterprise Advisor. Our matches and the sustainability of those matches mean that the North East performance is now amongst the highest in the country.
- 1.41 With the support of partners and our Communications team, we continue to grow the network of business leaders becoming Enterprise Advisors. Activities within the network include school CPD sessions for staff to support benchmarks 4, 5 & 6. Skills North East hosted the most recent EA networking event and Virgin Money hosted an information and awareness session for new EA's.

Technical Education & Apprenticeships

- 1.42 Technical Qualifications – the proposed implementation of the recommendations from the Sainsbury Review will bring a step change to the provision and quality of technical education. The plan is to bring 15 new T-level courses that will replace the 13,000 qualifications currently offered. The design of the new routes will be closely aligned with apprenticeships so students can progress on to higher or degree apprenticeships or into higher education in a University. The design of the new routes is underway with pilots of the first routes due to be trialled in 2018, with a view to wider implementation in 2020.
- 1.43 Employer engagement is key to the success of T-levels and the North East LEP is working with Gatsby Foundation, providers and employers specifically focussing on a review of the current technical education provision and the ability to deliver relevant vocational and technical skills for the future employment base in the area. Two colleges in the North East are part of a pilot programme within the DfE, trialling T-levels (Sunderland and Gateshead) and the Principal of Gateshead College is a member of a national working group working with the FE Commissioner.
- 1.44 The North East has a growing demand for technician skills especially within STEM focussed sectors, these also closely align with 'Opportunity Areas' identified within the SEP. Our aim is to ensure that there are appropriate technical education pathways available to reflect the evolving labour markets and that labour market information is available to the FE sector, in particular, to allow

Leadership Board

them to make investment decisions regarding infrastructure (facilities and teaching staff) to deliver this provision.

- 1.45 The North East LEP is supportive of a bid for a North East Institute of Technology and has been and will continue to work with bidders to submit a compelling, high quality and collaborative bid that will provide the pathways and expertise in provision of higher level technical teaching. The results of the bid submitted in March, are still awaited.

Apprenticeships

- 1.46 The Apprenticeship Growth Partnership meetings continue and the focus of the AGP is :-
- To assess the impact of changes to the delivery of apprenticeships on employers
 - To promote Higher and Degree level apprenticeships with employers
 - To promote the benefits of apprenticeships to employers
- 1.47 The North East LEP is supporting national campaigns to raise awareness and promote apprenticeships to employers, young people, schools and parents and was extremely active during National Apprenticeship week, encouraging all of our partners to participate and promote the benefits of good quality apprenticeships.
- 1.48 A priority for the North East LEP is to monitor the KPIs regarding uptake of apprenticeships, particularly in key sectors against national performance. There continues to a delay in obtaining the latest apprenticeship start data; however national figures demonstrate a decrease in the number of apprenticeship starts compared to the previous year. The data sharing agreement has been resubmitted to HMG and we anticipate the release of data in the next month.
- 1.49 The above notwithstanding, we continue to promote the benefits of apprenticeship to employers. The Skills programme is working with the North East Growth Hub to raise awareness to businesses about the benefits of hiring apprenticeships. You can find the apprenticeship content on the Growth Hub [here](#) . The LEP secured £5K ESFA funding to promote apprenticeship, so ran a 6 weeks campaign to drive traffic to the dedicated landing page on the Growth Hub, showcasing relevant case studies, guides and the broad range of apprenticeships available
- 1.50 The campaign was:-
- Targeted paid activity on LinkedIn to promote case studies and related content alongside text ads.
 - Pay per Click (PPC) activity to drive traffic from those already researching

Leadership Board

or investigating the recruitment of apprentices.

- This was supplemented with social activity across the Growth Hub social platforms including the production of two video blogs from organisations regarding the benefits of taking an apprentice. The links to these are

<https://youtu.be/EebFJBILixk> ; :

<https://www.northeastgrowthhub.co.uk/insights/case-study-sterling-pharma-solutions-limited/>

North East Education Challenge

- 1.51 The North East Local Enterprise Partnership's 'Education Challenge' as described in the Strategic Economic Plan seeks to reduce the gap between our best and lowest performing secondary schools and improve social mobility in our young people. Building on the success of the Gatsby Career Benchmarks in the North East, the Education Challenge will support teachers, schools, governors and leaders to integrate an understanding of the world of work and career opportunities into the curriculum to ensure those entering the workforce have the skills to support our diverse economy and are fully aware of the progression routes available to make this happen. The definition of Skills in this context means both academic achievements and 'employability' skills.
- 1.52 The North East LEP has been chosen by Ford Next Generation Learning (the Charitable Foundation for Ford Motor Group) and the Edge Foundation as the first area internationally to translate elements of the very successful Academies of Nashville model. The pilot will initially work with three schools in the region building an approach that works within the context of this country and in a mainstream setting. The vision is building a 'rolling' model that is impactful, scalable and replicable.
- 1.53 The Academies of Nashville model transformed attendance and attainment across 12 schools initially by placing employers and business partners alongside teachers and school leaders and developing highly personalised approaches to progression for students. 10 years ago, these schools were some of the worst performing schools in the US, now they are amongst the highest performing in terms of attendance and progression. The model has been rolled out across 25 states.
- 1.54 The North East LEP's brief is to create and implement the pilot to run from January 2018 to December 2018 initially involving 3 schools with a view to rolling the pilot out to further schools and FE in January 2019. Project outputs:
- To improve teachers understanding of regional LMI and higher education needs within this context.
 - To develop models of good practice in relation to project based learning, teacher placements in industry and CPD that supports 'careers in the

Leadership Board

curriculum', a broader understanding of employability skills, and to disseminate these within the pilot schools and more broadly across the region.

- To deliver in Autumn 2018 a teacher CPD event sharing the learning.
- To create resources to support the delivery of Careers in the Curriculum.
- Evaluate the pilot to provide evidence of impact.

- 1.55 The pilot will be managed by a Steering Group co-chaired by Edge Foundation and the Skills Director from the North East LEP. Implementation and progress of the pilot will be reported to the Employment and Skills Advisory Board, the LEP Board and NELB throughout 2018.
- 1.56 Within the team the regional lead and industry alignment managers have started the process of shaping the key elements into each of three pilot school settings. All schools have identified trailblazer teachers who have attended a training day related to project-based learning and employer engagement, this was delivered in partnership with Newcastle University, the Edge Foundation and Ford NGL team.
- 1.57 The Industry alignment managers continue to work alongside the teachers to identify curriculum need and identify best match employers so that project work can be delivered to students from September 2018. A trial model for delivery has been delivered over 6 weeks in one pilot school which is now informing planning for Key Stage 3 delivery from September. One pilot school has restructured curriculum and timetable to allow extended time periods to work with employers through the curriculum from September.
- 1.58 Industry alignment managers continue to engage with new employers through a range of activities such as 'parent Safari' involving industry tours for interested students and their parents to raise awareness of the employment opportunities in the region.
- 1.59 Additionally in April, working with one of the pilot partners, CBI, the team began engaging with regional employers and businesses to articulate the pilot and the 'ask' of employers / businesses. Port of Tyne and Accenture were just two of the businesses involved.
- 1.60 The Regional lead is a member of the newly established, Project Based Learning International Champions group representing the UK and the North East, in a global community sharing best practice and learning.
- 1.61 Industry alignment managers have reviewed and evaluated tracking of employer engagement in order to identify areas for development, in turn leading to new tracking systems allowing reporting of headline statistics and sub-group analysis, including details of NECOP register, SEND and pupil premiums

Leadership Board

- 1.62 The Regional lead is also in discussion with NECOP to identify focused strategies to ensure that students from disadvantaged backgrounds have increased opportunity to experience HE progression pathways. As a translation of the US model of a Capstone Project (a two-term process in which students pursue independent research on a question or problem of their choice, engage with the scholarly debates in the relevant disciplines and, with the guidance of a faculty mentor, produce a substantial paper that reflects a deep understanding of the topic. We are considering enhancing the delivery of the UK Extended Project Qualification (EPQ) at Yr. 12&13 which many universities recognize not only in terms of UCAS points but the skill development that students are able to demonstrate.
- 1.63 This project is beginning to gain significant national attention and the Skills Director has shared details with the Head of Education CBI, the policy team at the Department for Education and the Chair of the Education Select Committee, Robert Halfon MP.
- 1.64 A wave one expansion will include further schools and colleges from across the region from the start of 2019.

Fuller Working Lives – 50+

- 1.65 We have considered the Fuller Working Lives report from DWP, the Industrial Strategy and IPPR's FWL recommendations for the North East and have commenced the development of a series of activities focussed on the 3 R's,
- Retain
 - Retrain
 - Regain (Recruit)
- 1.66 We wished to better understand the barriers, opportunities, unconscious bias and other factors with employers and conducted a survey in 2017. The findings from that survey were used to inform the discussion and debate in a region-wide event in September, jointly hosted by CIPD, Sage and Newcastle University as well as the LEP. What emerged was that there are clear sector differences in approach, urgency and attitude to fuller working lives and therefore a series of events was devised.
- 1.67 EDT, working with the North East LEP secured £50K to deliver seven sector specific events based on the above model, with the LEP presenting regional data and setting the scene; a sector lead to endorse with case studies and a call to action. Events are underway and will run until Sept 2018. The LEP also plans to highlight the FWL strategy at existing sector and business facing events including NOF, BIONow and People Power. In parallel EDT are offering consultant led workshops to businesses to support them to audit their skills and training needs as well as mid-left career reviews for individual employers.

Leadership Board

2 Proposals

2.1 There are no proposals as this is an information item.

3 Reasons for the Proposals

3.1 This section does not apply as the report is only for information.

4 Alternative Options Available

4.1 This section does not apply as the report is only for information.

5 Next Steps and Timetable for Implementation

5.1 The Employability, Inclusion and Skills Steering Group will continue to co-ordinate and monitor the delivery of these programmes and projects.

6 Potential Impact on Objectives

6.1 The work being taken forward is consistent with the Combined Authority's stated objectives and SEP for the North East.

7 Financial and Other Resources Implications

7.1 There are no financial implications arising from this report.

8 Legal Implications

8.1 There are no legal implications arising from this report.

9 Key Risks

9.1 There are no key risks arising from this report.

Leadership Board

10 Equality and Diversity

10.1 There are no equality and diversity issues arising from this report.

11 Crime and Disorder

11.1 There are no crime and disorder issues arising from this report.

12 Consultation/Engagement

12.1 There are no consultation or engagement issues arising from this report.

13 Other Impact of the Proposals

13.1 There are no other impacts arising from this report.

14. Appendices

14.1 This report has no appendices

15. Background Papers

15.1 There are no background papers for this report

16. Contact Officers

Michelle Rainbow, Skills Director, North East Local Enterprise Partnership
michelle.rainbow@nelep.co.uk
0191 338 7439

17. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

Leadership Board

18. Glossary

AGP – Apprenticeship Growth Partnership
CBI – Confederation of British Industry
CEC – Careers Enterprise Company
CIPD – Chartered Institute of Personnel and Development
DWP – Department of Work and Pensions
EDT – Education Development Trust
ESF – European Social Funding
ESIF – European Structural and Investment Funds
FWL – Fuller Working Lives
IAPT – Increasing Access to Psychological Therapies
IoS – Isles of Scilly
IPPR – Institute of Public Policy Research
IPS – Individual Placement and Support
LMI – Labour Market Intelligence
NECA – North East Combined Authority
NECOP – North East Collaborative Outreach Programme
PCR – Project Change Request
PPC – Pay per Click
SEND – Special Educational Needs and Disability
SEP – Strategic Economic Plan
STEM – Science, Technology, Engineering and Math
YEI – Youth Employment Initiative

Leadership Board

Date: 19 June 2018

Subject: Transport and Digital Connectivity Thematic Lead Update Report

Report of: Thematic Lead for Transport and Digital Connectivity

Executive Summary

An Expression of Interest for the Transforming Cities Fund has been submitted to the Department for Transport (DfT). This has set out the region's ambition to deliver radical investment in new local transport infrastructure that will improve sustainable transport connectivity and mobility, helping to boost productivity in the local economy.

Delivering transformational change on the railway is of critical importance as we move towards a future which sees Northern Powerhouse Rail and HS2. However, there have been a number of setbacks with the franchised operators providing services in our region, with the collapse of the Virgin Trains East Coast franchise and Northern Rail struggling to run all its services.

The performance passengers have experienced travelling with Northern has been unacceptable in recent weeks, with numerous cancellations and delays across the North, but particularly affecting the North West. Although the root cause was late-running works by Network Rail, the effect on passengers has been profound. The TfN Board has discussed this several times by telephone with the Secretary of State and with the operator, and has set out a very clear set of expectations about redress for passengers and service improvement

Transport for the North (TfN) is now firmly established and governance arrangements have been agreed. Officers are working closely with TfN as they develop the Strategic Transport Plan, Long Term Rail Strategy and Strategic Development Corridors.

Improving air quality is a critical issue for the region, and a number of initiatives are planned to help address this. Work to install new electric vehicle infrastructure across the region is gathering pace. Proposals have been put forward under the ERDF Sustainable Urban Development fund to develop sustainable transport.

In recent years, the region has benefitted from a number of developments including the acquisition of funding for a new Metro fleet, funding for cleaner buses and greater influence over Pan-Northern transport issues through TfN membership.

It is expected that transport governance in the area will be taken forward by a new Joint Transport Committee. There is still much to be done. Of critical importance is ensuring a Transport Plan for the area is adopted and amplified by a series of sub strategies. This will help guide the vision for transport in the region over the next 30 years. Further funding must also be sought to transform the region's transport and

Leadership Board

digital connectivity infrastructure, particularly with regards to investment in the ageing infrastructure on the East Coast Mainline (ECML) and establishing the region as a leader in 5G connectivity.

Recommendations

It is recommended that the Leadership Board notes the contents of this report.

Leadership Board

1. Update on current issues

1.1 Transforming Cities Funding Bid

As part of the Autumn Budget 2017, the Government announced the creation of the Transforming Cities Fund worth £1.7 billion. Half of the fund has been awarded to Mayoral Combined Authorities. The remaining £840 million is to be allocated by a competitive process. The aim of the fund is to boost productivity. This will be achieved through investment in new local transport infrastructure which will improve public and sustainable transport connectivity. There are two stages to the fund:

- Phase 1: Call for proposals. Proposals for specific schemes are not being sought at this stage. A maximum of 10 schemes will be shortlisted.
- Phase 2: Co-development. Shortlisted applicants and the DfT will work together to develop a package of schemes. These schemes will then be assessed via a competitive 'challenge' process.

We have submitted an expression of interest to stage 1 of the fund. The vision articulated in the bid is: 'better connectivity, more mobility', making sustainable transport the natural choice for people moving around our city region and banishing congestion and its polluting effects.

1.2 Rail Franchises

In May, it was announced that the Virgin Trains East Coast (VTEC) franchise would finish 5 years early on the 23rd June 2018. VTEC, a joint venture between Stagecoach and Virgin, got their sums badly wrong in the bid for the franchise, according to the Secretary of State. Expected infrastructure enhancements by Network Rail and a predicted increase in passenger numbers have not materialised. An 'operator of last resort' arrangement will be put in place to take over operations and will be branded London North Eastern Railway (LNER). We have sought assurance from the Secretary of State that commitments to benefits in our region will be honoured; unfortunately his reply was only partly reassuring. The letters are attached at Appendix A

The Northern Rail franchise has experienced severe problems around the North since the major 20th May timetable change, resulting in a shortage of available drivers and trains. The number of trains cancelled has regularly exceeded 200 per day, with the worst affected areas in Manchester, Blackpool and Cumbria but also impacting peak-hour services in our region, which have experienced over-crowding. We have made it plain to the Secretary of State via numerous conference calls that this is not acceptable. In addition, an emergency TfN board was held on the 12th June to hold those responsible to account and demand that an urgent improvement plan is put in place.

Leadership Board

1.3 Transport for the North

One of the powers that TfN has in its role as a Sub-National Transport Body is to adopt a Strategic Transport Plan (STP). The draft STP highlights an investment programme of £70 billion over 30 years, highlighting the transformational aspirations that the North would like to work towards.

The TfN STP was consulted upon between January and April this year and now that the consultation has been completed, a consultation report will be produced. Officers are working with TfN to ensure the changes we proposed as part of our consultation response are acted on. Regular updates will be given to officers and members with a report to endorse the final STP later this year.

Work is being undertaken on developing a series of Strategic Development Corridors (SDCs) as part of the STP. They identify the strategic transport challenges and opportunities within the corridor and develop an outline programme and case for these interventions, assuming that they are deemed of pan Northern importance. The three corridor studies (Connecting the Energy Coasts, Yorkshire-Scotland and East Coast to Scotland) which cover the North East are at varying stages of development and will be completed by the launch of the STP.

1.4 Electric Vehicles

Two procurement processes have been undertaken; one to seek delivery of two Electric Vehicle (EV) filling stations and another for rapid charging clusters. Fastned UK have been awarded the contract to deliver the two EV filling stations, whilst The Phoenix Works (TPW) has been awarded the contract to deliver the rapid charging clusters. Both schemes are anticipated to be delivered by Autumn 2018.

1.5 European Sustainable Urban Development Fund

An expression of interest has been submitted to the European Sustainable Urban Development Fund (SUD), detailing an investment package worth £11.8m. A strong set of sustainable transport interventions have been developed to tackle the key goal of the fund to reduce carbon emissions. Both the fund opportunity and investment in EV infrastructure demonstrate the region's commitment to transforming air quality across the area.

2. Future Transport Arrangements – Joint Transport Committee

- 2.1 Concurrent with the creation of the new North of Tyne Combined Authority, it is anticipated that future transport governance will be managed through the establishment of a Joint Transport Committee (JTC). The JTC will be made up of members from both the North of Tyne Combined Authority and NECA. The JTC is

Leadership Board

intended to replicate the current approach to transport governance across the current combined authority geography.

3. Past achievements with Transport

- 3.1 In 2016, we published “Our Journey – A 20 year Transport Manifesto for the North East”. At the heart of this manifesto was the need to develop a transport network that delivers for the people and businesses of this region. A transport network that is affordable, attractive, reliable and safe and helps to promote healthy transport choices for businesses, residents and visitors. Over the past few years, we have been working hard to deliver on that vision, including;
- The successful acquisition of £337 million from the Government towards the total estimated cost of £362 million to procure a new Metro Fleet;
 - A seamless transfer of over 500 staff from DB Regio to Nexus in April 2017 when the outsourced Metro concession ended. Performance has steadily improved since;
 - The introduction of £1 single tickets for young people aged 18 and under on Metro and most bus services in the region;
 - £3.8 million to retrofit 220 buses to help achieve minimum emissions standards through the Clean Bus Technology Fund;
 - £10 million of investment from the Highways Maintenance Challenge Fund;
 - Achieved greater influence over our strategic transport networks through membership of TfN and Rail North;
 - Successful acquisition of £4.4 million from the DFTs new stations fund for a new station at Horden near Peterlee and;
 - Multiple initiatives through the Go Smarter brand to improve the take up of sustainable and active travel.

4. Looking to the future

- 4.1 The newly formed JTC will need to build on the successes of the past few years. The first key priority is to produce the Transport Plan, which is crucial in ensuring the establishment of a clear strategy for the region. Complementing the Transport Plan will be a series of sub strategies including the Cycling and Walking Strategy and Implementation Plan and Bus Strategy.
- 4.2 The JTC will also need to focus on moving forward with the Metro Futures project led by Nexus. Work to identify new Metro and local rail corridors, along with potential funding sources, is currently underway. The new fleet procurement process is subject to OJEU (Official Journal of the European Union) processes and Leaders will be updated about the process to deliver the contract for new trains, train maintenance and depot reconstruction.
- 4.3 Thousands of passengers per day travel to and through our region on the ECML, the main rail artery between London and Edinburgh. The last significant investment

Leadership Board

the ECML benefitted from was the full electrification of the line, achieved by the early 1990s. The line suffers from capacity and resilience constraints and with plans afoot with Northern Powerhouse Rail (NPR) and HS2, the ECML will be increasingly relied upon to deliver the transformational benefits being promised.

- 4.4 The ECML needs to be upgraded so that it can meet future needs. Work is progressing through TfN and Network Rail to develop a Strategic Outline Business Case for the NPR network by the end of 2018. The JTC will need to work to push for change, building on efforts already made through the East Coast Mainline Authorities (ECMA) and HS2 East. Working with these groups will help to present a consistent future vision.
- 4.5 The region needs to be prepared to take advantage of the latest digital connectivity technological advances, including 5G. The NECA, Nexus and LEP will continue to work closely to bring 5G to the region and have now submitted an expression of interest to the 5G Urban Connected Communities Project that has been launched by The Department for Digital, Culture, Media & Sport.

5. Proposals

- 5.1 This report is for information purposes only. Therefore, no proposals are contained in this report.

6. Reasons for the Proposals

- 6.1 This report is for information purposes only.

7. Alternative Options Available

- 7.1 Not applicable to this report.

8. Next Steps and Timetable for Implementation

- 8.1 The installation of two EV filling stations and rapid charging clusters are anticipated to be completed by Autumn of this year. Nexus has commenced the procurement process for a new fleet of Metrocars, a process which will take a number of years, with the first new train expected to be delivered by the end of 2021. The region will continue to seek further funding to enhance transport and digital connectivity through the Transforming Cities bid, European Sustainable Urban Development Fund and 5G Urban Connected Communities Project.

9. Potential Impact on Objectives

- 9.1 Successful delivery of the various transport and digital connectivity schemes and investment proposals outlined in this document will assist the Combined

Leadership Board

Authority in delivering its objective to maximise the area's opportunities and potential.

10. Financial and Other Resources Implications

10.1 The report includes information on funding and financial opportunities. There are no specific additional financial implications for NECA arising from this report.

10.2 There are no Human Resource or ICT implications.

11. Legal Implications

11.1 There are no specific legal implications arising from this report.

12. Key Risks

12.1 Risk of work streams not progressing in a timely manner may impact upon the region's ability to achieve its aspirations for improving transport.

13. Equality and Diversity

13.1 There are no specific equalities and diversity implications arising from this report.

14. Crime and Disorder

14.1 There are no specific crime and disorder implications arising from this report.

15. Consultation/Engagement

15.1 Many of the transport programmes outlined in this report have been the subject of consultation, at either a regional or national level.

16. Other Impact of the Proposals

16.1 No specific impacts

17. Appendices

17.1 Appendix A – Letters between Cllr Forbes and the Secretary of State

18. Background Papers

18.1 Held by the Contact Officer

Leadership Board

19. Contact Officers

19.1 Tobyn Hughes, Managing Director (Transport Operations)
tobyn.hughes@nexus.org.uk Tel: 0191 203 3236

Stephen Bellamy, Business Development Officer (Policy)
stephen.bellamy@nexus.org.uk Tel: 0191 203 3219

20. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

Leader's Office, Civic Centre
Newcastle upon Tyne, NE1 8QH
Phone: 0191 211 5151
Fax: 0191 211 4815
nick.forbes@newcastle.gov.uk
www.nickforbes.org.uk



Rt Hon Chris Grayling MP
Secretary of State for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR

26 February 2018

Dear Secretary of State

Following the decision to end the Virgin Trains East Coast franchise early I am writing to seek your assurance that the promised improvements to this vital service will be delivered.

I am sure you know how important the East Coast Main Line is to the communities it serves in North East England, as well as throughout England and Scotland. You will also be aware of the urgent need for large-scale investment to meet the demands placed upon the line in the here and now, let alone to prepare it for high speed trains and major capacity growth in the future. When the Virgin Trains East Coast franchise was announced in November 2014, replacing the popular publicly-owned East Coast, the following important commitments were made by your predecessor at the Department for Transport:

- 23 new services from London to key destinations, with 75 more station calls a day
- plans for new direct links to Huddersfield, Sunderland, Middlesbrough, Dewsbury and Thornaby
- proposals for more trains to London from Bradford, Edinburgh, Harrogate, Leeds, Lincoln, Newcastle, Shipley, Stirling, and York
- 3,100 extra seats for the morning peak time by 2020
- across the entire train fleet there will be 12,200 additional seats – a 50% increase
- 65 state of the art Intercity Express trains brought into passenger service from 2018, totalling 500 new carriages
- journey times from London to Leeds reduced by 14 minutes, and from London to Edinburgh by 13 minutes
- a £140 million investment package to improve trains and stations

This was in addition to a promised £3.3 billion in payments to the government by the operator over the duration of the franchise, a reduction in all long-distance standard anytime fares by 10%, and a completion of the full roll-out of new trains by 2020.

Could you please confirm that these improvements will all still be delivered as promised, despite the franchise ending early? Also that any enhancements already delivered, such as new routes, will be maintained?

I am concerned that ending the franchise early may see some improvements deferred, others not delivered at all, and some improvements undone. Given the importance of the route to this area we cannot afford to see relatively straightforward improvements put back or cancelled because of a flawed franchise agreement.

I would also appreciate an explanation of how the proposed replacement 'East Coast Partnership' from 2020 will provide better outcomes for our areas; in particular how it will address the critical need to upgrade the East Coast Main Line to accommodate faster running speeds for the new 'Azuma' trains and HS2 services, and growth in capacity.

Yours sincerely

Nick Forbes .

**Cllr Nick Forbes
Leader of the Council**



**Department
for Transport**

Councillor Nick Forbes
Leader of Newcastle City Council
Leader's Office
Civic Centre
Newcastle upon Tyne
NE1 8QH



From the Minister of State
and Minister for London
Jo Johnson MP

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 0300 330 3000
E-Mail: jo.johnson@dft.gsi.gov.uk

Web site: www.gov.uk/dft

Our Ref: MC/220841

- 3 APR 2018

Dear Councillor Forbes

Thank you for your letter of 26 February to Chris Grayling, about the East Coast Main Line Franchise. I am replying as Minister responsible for rail.

It may be helpful if I first outline that the contract with VTEC was awarded following a fair and open competition. VTEC has delivered clear benefits to passengers including refurbished trains, additional services and improved access to ticketing. VTEC has also been preparing for the 2018 rollout of the new Azuma trains, which will provide an improved passenger experience and more seats and space.

I can assure you that the Department remains committed to delivering passenger benefits on the East Coast Main Line. This includes the introduction of 65 new Intercity Express trains into service from the end of 2018, improving reliability, increasing capacity and enabling reductions in journey times.

The industry is working together to ensure that the timetable improvements expected on the East Coast Main Line are delivered. We expect to provide additional services to Lincoln, Bradford, Harrogate and Edinburgh in May 2019. It remains our intention to deliver new services to Huddersfield, Sunderland and Middlesbrough, as well as more trains to York and Leeds when it is feasible to do so.

Please be assured that the Department, working alongside Network Rail and other industry partners, is committed to investing and enhancing the railway so that we have a modern, safe, punctual railway fit for the future.

Thank you again for your letter. I hope this reply is helpful.

A handwritten signature in black ink, appearing to read 'Jo Johnson', with a horizontal line extending from the end of the signature.

JO JOHNSON

(signed by private secretary to avoid delay)

Leadership Board

Date: 19th June 2018

Subject: Economic Development and Regeneration Advisory Board Annual Report

Report of: Economic Development and Regeneration Thematic Lead

Executive Summary

The purpose of this report is to provide an update on activity and progress under the Economic Development and Regeneration theme of the Combined Authority.

Recommendations

The Leadership Board is recommended to note this report for information.

Leadership Board

1. Background Information

As the Economic Development and Regeneration Advisory Board of NECA the Board has regular discussions on the delivery of the North East's Strategic Economic Plan (SEP) and the various elements which make up the comprehensive programme of its delivery, for example the Invest North East England inward investment activities, the implementation of the European Structural and Investment Funds in the region and the progress of the Enterprise Zones. The Board also seeks to understand wider impacts and influences on the economy to inform activity regionally so this year have had discussions on the Government's Industrial Strategy, the CBI's regional growth project, the future UK Shared Prosperity Fund and inclusive growth, the impacts of Brexit, the work of the North East LEP around education and skills and a presentation from the North East Automotive Alliance about the automotive sector in the region.

2. Strategic Economic Plan (SEP) Delivery

The Board received an update from the North East LEP in January detailing the NECA areas progress towards the SEP targets, progress was measured on the latest economic data published between June and December 2017:

- The number of jobs in the NECA area has increased by 47,600 since 2014, against a target of 100,000 additional jobs by 2024.
- 36,400, or 76%, of the additional jobs since 2014 are 'better jobs'. Better jobs are defined as those in the top three occupational groups, including managers, directors and senior officials; professional occupations (such as civil engineers and doctors); associate professional and technical occupations (such as laboratory technicians and graphic designers).
- The employment rate in the NECA area is rising which demonstrates that residents are benefitting from the additional jobs that have been created. The gap in the employment rate between the NECA area and England, excluding London, has reduced by 21% since 2014, against a target of closing the gap by 100% by 2024.
- The economic activity rate measures the proportion of people aged 16-64 who are actively participating in the labour market. The gap between the NECA area and England, excluding London has reduced by 21% since 2014, against a target of reducing the gap by 50% by 2024.
- Changes in data availability mean that it is no longer possible to measure progress against the two other targets in the SEP – Gross Value Added per full time equivalent worker and private sector employment density. The North East LEP is currently considering, in consultation with partners, appropriate replacement targets.

Leadership Board

3. Inward Investment

Throughout this year the Invest North East England (INEE) team have worked to increase the size and volume of the investment pipeline, building on their previous work through a more proactive approach to generating new investment enquiries.

3.1 2017-2018 Successes

Work by the Invest North East England team, in the first half of the municipal year has resulted in the creation of over 1200 jobs, with over 1,000 as a result of foreign direct investment. Key investments in the period include:

- Faerchplast – (advanced manufacturing; Denmark)
- Komatsu – (advanced manufacturing; Japan)
- Phonation – (IT/digital; Ireland)
- Panther Group – (advanced manufacturing; UK)
- Norton Rose Fulbright – (financial, professional and business services; Switzerland)
- DRS – (financial, professional and businesses services; UK)
- Global Marine Systems – (energy; USA)
- Smulders Projects - (energy; UK)
- METEC – (advanced manufacturing, Italy)
- Lear Corporation – (automotive; USA)
- CT Automotive – (automotive; UK)

3.2 Proactive Lead Generation

INEE appointed OCO Global as a lead generation consultant in London and the South East with a particular focus on software/digital and financial, professional and business services. Projects with the potential to create between 500-1,000 jobs have visited the region as a result this contract. The team continue to work with OCO to build up contacts and promote the North East in these markets.

3.3 Department for International Trade (DIT) Account Management Resource

Contracts have been put into place to broaden the delivery of Strategic Account Management of foreign owned firms in the North East. DIT Northern Powerhouse have provided funding through a contract with NECA to enable local authority partners to deliver additional account management which adds value to the existing arrangements delivered by DIT. It is anticipated that a similar resource will be available in 2018-19.

Leadership Board

3.4 Marketing and Events

The INEE team, with support from the North East Local Enterprise Partnership communications team and Sarah Hall Consulting have worked on improving and refreshing marketing materials and the INEE website, as well as plan and deliver campaigns. Over time, it is expected that this will generate new investment enquiries in addition to raising the profile nationally and internationally. Key element of marketing activity over 2017-18 have included:

- The creation of an INEE brochure with sector specific inserts.
- New pages to the website include Immersive Technology and a revised Offshore Wind page.
- A new Facebook page has been produced to dovetail with existing digital campaigns, which are focused on FBPS and Offshore Wind
- Attendance and sponsorship at key events including NOF Energy, MIPIM London, Vrtgo Conference, TIGA Awards and Offshore Wind Week North East

4. Enterprise Zone

4.1 2017-18 Progress

Enterprise Zone sites have been active in the North East since 2013 and there are now 10 round one and 11 round two sites.

Enterprise Zone sites bring one of two financial benefits to individual businesses with entire Business Rates relief or enhanced capital allowances. Local areas, through the North East LEP also retain the full value of the increase in Business Rates from the established baseline for 25 years from the operational commitment of each site. Where other sources of investment are not available, borrowing against the future Business Rates can be used to enable capital investment to help facilitate the development of sites.

Round	Site	Local Authority Area
1	Blyth Estuary – East Sleekburn	Northumberland
1	Blyth Estuary – Bates/Wimbourne Quays	Northumberland
1	Blyth Estuary- Commissioners Quay	Northumberland
1	Blyth Estuary – Dunn Cow Quay	Northumberland
1	North Bank of Tyne - Neptune	Newcastle-upon-Tyne
1	North Bank of Tyne - Swans	North Tyneside
1	A19 Corridor -1	Sunderland
1	A19 Corridor - 2	Sunderland

Leadership Board

1	A19 Corridor - 3	Sunderland
2	Ramparts Business Park	Northumberland
2	Fairmoor Morpeth	Northumberland
2	Ashwood Business Park	Northumberland
2	Newcastle International Airport	Newcastle-upon-Tyne
2	North Bank of Tyne - Extension	Newcastle-upon-Tyne
2	Holborn Riverside 1 (Holborn Riverside Extension Park)	South Tyneside
2	Holborn Riverside 2 (Tyne Dock Enterprise Park)	South Tyneside
2	Follingsby Business Park	Gateshead
2	International Advanced Manufacturing Park (all EZ site in Sunderland)	Sunderland and South Tyneside
2	Port of Sunderland	Sunderland
2	Hawthorn Prestige Business Park (now Jade Business Park)	Durham

Cushman and Wakefield have been commissioned to undertake an evaluation and assessment of the market assumptions included within the financial model; specifically the demand for similar properties, and the resulting impact on timing for development, and the rateable value for the properties. This has been funded through a grant, the Commercial Support Fund, from the Department of Communities and Local Government specifically for Enterprise Zone development

Cushman and Wakefield have confirmed a broadly positive picture for the market in the North East with demand increasing and increasingly limited current supply of properties:

- There is a shortage of high-quality manufacturing and industrial premises due to expected high demand linked to long-term and sizable commitments from the likes of Hitachi, Nissan and Caterpillar. There is also an increasing challenge around logistics and warehousing in well-connected locations due to greater activity in the sector. The oil and gas/offshore sector however remains more mixed with on-going uncertainty over policy direction.
- There has been a long-term growth in market demand for high-quality office space in both central and out of town locations, as currently available developments have become occupied and there has been limited activity since the financial crash with very limited speculative build. This is particularly acute in city and town centre locations.

Cushman and Wakefield are currently engaging partners in each local authority to finalise a shared understanding of the impact of market trends on the local position;

Leadership Board

however there is likely to be a reduction in the expected rateable value resulting in a lower, but still robust surplus in the model. The findings of the final report will be shared with partners to inform the finalisation of the model and underpin the investment decisions taken for each site.

The second element of the Commercial Support funding is being used for the development of a fuller legal agreement between the constituent partners to provide additional detail to the Memorandum of Understanding signed by the North East LEP, North East Combined Authority and the six local authorities with Round 2 sites alongside the Department of Communities and Local Government. The Legal Agreement will provide a more wide-ranging and detailed framework for the Enterprise Zone delivery and will address both Round 1 and Round 2 sites for consistency.

5. Industrial Strategy

The Government published its White Paper, Industrial Strategy: Building a Britain fit for the future in November 2017. The paper sets out the how the government will build on economic strengths, and embrace and accelerate technological change for both economic and social purposes to address longstanding productivity underperformance and ensuring greater UK earning power.

Commentators generally welcomed the White Paper as a framework for approaching these issues, and also as a response to an uncertain economic context including preparing for Brexit. Concerns remain about the scale of ambition and the omission of measure to tackle economic issues such as inclusion and social mobility.

5.1 Implications for the North East LEP area

1. The Paper makes a number of references to place and local structures, including the plans for a Local Industrial Strategy (LIS). The framework and process for the development of LIS's has yet to be clearly set out, however, it represents a potential route for strengthening the alignment between national economic objectives, and the objectives and plans set out in the North East Strategic Economic Plan (SEP).

The recent refresh of the SEP positions the North East LEP area well to develop an LIS.

2. Government clearly intends for the LIS to be part of the framework for prioritising emerging regional resources and for securing investment from the national funding streams linked to the Industrial Strategy. The current thinking of the North East LEP is that the region should aim to position itself in the first

Leadership Board

wave of LIS development to build on the momentum generated from the SEP refresh and to ensure that opportunities for investment are not missed.

3. The North East SEP programmes of delivery are well aligned with the five foundations of productivity. Within this context, some of the key actions (e.g. building innovation excellence across the country, delivering a world-class technical education system, building Growth Hubs, investing in infrastructure) reflect issues that the North East LEP, NECA and other partners are already working on and this will continue. In addition, work that has been done on a number of Science and Innovation Audits provides a potential additional opportunity for securing investment into the region as funding routes become more defined.

5.2

Partners in the region will be assessing these and other opportunities as details of programmes and calls emerge and this work will be ongoing. From a North East perspective, the various North East LEP Programme Boards will be seeking to identify opportunities for the North East, taking forward priorities set out in the Strategic Economic Plan and will communicate actively through routes such as Growth Hub and Supernetwork. The LIS should potentially provide a focus for articulating a comprehensive North East offer into these programmes.

6. BREXIT Monitoring

The Advisory Board have continued to be kept informed of key areas of Brexit and discussed the impacts to the NE.

6.1 BREXploration

In October 2017, the Economic Development and Regeneration Advisory Board received an update on the work of the BREXploration Commission, a South Tyneside led commission, which set out to gain clarity on regions Brexit priorities, concerns and opportunities, and the specific challenges of different communities, sectors and key industries with the aim of ensuring that these needs are considered in the Government's Brexit negotiations.

Endorsed by EDRAB and the NECA Leadership Board the key recommendations from the BREXploration Commission are:

1. **One voice** – The region will speak with one voice with confidence and self-determination , clearly setting out the needs and

Leadership Board

- aspirations of the north east to inform Brexit negotiations both at national and European level
2. **Agreed economic priorities** – The North East united around the agreed priorities for economic growth, and more and better jobs, set out within the Strategic Economic Plan (SEP); particularly:
 - a. recognising those sectors which has the greatest growth potential;
 - b. the need for a cohesive business support system which provides support and funding for businesses to start up and grow;
 - c. the North East to strengthen its place as an innovation hot spot in Europe – an exemplar in ‘smart specialisation and open innovation systems and practice’;
 - d. a focus on creating quality jobs and developing a skilled workforce; and
 - e. an effective partnership with school, providers and business to develop a pipeline of home grown talent
 3. **Replacement for EU Structural Funds** – There must be a replacement to the EU Structural Funds, which have been an important source of funding for the North East:
 - a. The proposed UK Shared Prosperity Fund provides the opportunity to simplify and fully devolve a multi-year fund to allow strategic management and long term investment decisions in support of inclusive growth.
 - b. The fund should be allocated based on economic need, be at least at a scale of the current programme and start in 2020/2021 to ensure continuity in activity.
 4. **Free flow of skilled people** – A continued free flow of skilled individuals must be ensured to allow the region’s future growth and workforce needs to be met.
 5. **Workers Rights** – The rights of employees must be maintained and protected as EU law becomes domestic legislation, and workers in the North East must not see their rights fall behind those in Europe.
 6. **Frictionless Trade** – In recognition of the North East’s key sectors there must be arrangements which allow frictionless, barrier free trade.
 7. **Natural Capital** – the environment must be protected and rural and coastal communities supported to maximise the potential and production of food, farming and fisheries.

Leadership Board

8. **Valuable Partnerships** – there must be a continuation of partnerships between the regions, Universities, businesses and European research and innovation networks.
9. We will continue to work in strong partnership between the public and private sector, with our colleagues in the community and voluntary sector and with Government to deliver our shared ambitions for the North East.

6.2

NE Brexit Group

With a membership of the CBI, FSB, EEF, TUC, Entrepreneurs Forum, North East LEP, North East Local Authority Economic Directors, North East Universities, The Association of Colleges, Voluntary Organisations Network and the DCLG/ BEIS Local Growth Team, the group was established to provide a platform for monitoring and sharing information and informing the development of proposals to leave the European Union. As well as preparing and communicating joint evidence about issues and concerns about the impact on the North East Economy, the work of the NE Brexit Group has been the subject of discussion by EDRAB.

6.3

Migration Advisory Commission

In July 2017, the Government commissioned the Migration Advisory Committee (MAC) to advise on the economic and social impacts of the UK's exit from the European Union and also on how the UK's immigration system should be aligned with a modern industrial strategy.

As part of the call for evidence the Committee was seeking responses by the end of October around:

- EEA Migration Trends;
- Evidence about recruitment, training and skills practice; and
- Economic, social and fiscal impacts

A North East response was prepared to the Migration Advisory Committee's call for evidence.

6.4

North East Response

The drafting of the response was informed by a number of studies, surveys and ongoing discussions with economic partners from across the area including all of the work undertaken as part of the Strategic Economic Plan refresh process. It should be noted that North East economic partners submitted evidence individually, through other sectoral networks or membership organisations.

The EDRAB committee considered the draft messages at their meeting in October 2017 and endorsed the approach and key messages around economic performance,

Leadership Board

demographics, migrant profile and role in the population and internationalisation of businesses.

Implications and recommendations to the Migration Advisory Committee

It is important that the Migration Advisory Committee consider:

The distinctive demographic characteristics of the North East including:

- both the relatively small size of the current stock of migrants in the labour force, but also the longer term demographic trends and the flows and trends as a result of internal and external migration.
- the relative concentration of migrants in higher value roles in key growth sectors, including manufacturing, life sciences, digital and tech services and education and their importance to the regions key businesses
- that in considering numerical data about migration in the North East the presence of students and returning UK citizens in the data needs to be understood. Labour market modelling should take into account the dynamic effect of an overall reduction in migration on labour markets in the UK regions. If there is a significant reduction of migration from the EEA, or indeed elsewhere, into London, it should identify the extent to which this will pull migrants and other workers into the capital and the South East. Past experience and trends would suggest that, unless managed carefully, an overall reduction of migration into the UK would have a proportionately much greater impact on the regions and would have a damaging effect on those specialisations where capital or labour is particularly mobile such as in the digital and tech sector.

In the context of any future schemes, businesses in the region are concerned that:

- Schemes which set down requirements for an earnings level for migrants must take into account the fact that wages in general are lower in the NE and there needs to be a mechanism for ensuring that any new requirements do not disadvantage regions outside of London for example by ensuring that wage levels are set relative to levels prevailing in local labour markets.
- Schemes which seek to put a ceiling on the number of migrants entering the country should not do so in such a way which disadvantages the North East's need to build its working population to both grow employment and meet replacement demand.
- Schemes which seek to direct migrant labour to specific parts of the country must not create friction for those internationalised businesses whose workers move in and out of the UK, or who need to move around the UK to and from the North East.

Leadership Board

- Sectoral classifications need to be considered carefully in the design of any sectoral allocations given the way that sectors are developing. In the North East context for example, recruitment in key manufacturing sectors increasingly relies on digital skills to support high value manufacturing processes. Many North East shared services centres (often mistakenly described as call centres) deliver high level support in both the public sector and private sectors in organisations such as PWC Legal services, HMRC and DWP IT services.
- Given the importance of the Universities to the North East, schemes should not prevent the recruitment of EEA staff and students, and should enable higher skill students to join work related training schemes and remain to fill skills shortages in key North East businesses

7.

CBI Regional Growth Update

7.1

The CBI attended the Board meeting in October to provide an overview of the 'Unlocking Regional Growth' report. The report sets out to provide and understanding of the drivers of productivity across UK Regions and Nations. The study looked at why regional productivity differences exist and what more businesses and government can do to tackle them.

7.2

The report identified four main drivers of regional productivity difference:

1. **Educational attainment of young people at 16+** - Ensuring that strong school performance is the single most important driver of productivity across the UK. Businesses must also improve in-work training and development. Continuing to attract talent and skills from around the world and regions and nations across the UK is vital.
2. **Transport links that widen access to labour** – A greater pool of skills and labour leads to greater connections between businesses supply chains. Improving connections between the UK's largest cities can help to drive growth.
3. **Better management processes** – firms offering performance related bonuses and flexible benefits tend to be more productive.
4. **A high proportion of firms who export and innovate** – Firms with higher productivity are more likely to export, but exporting also makes firms more productive. Exposing firms to the pressures of foreign models helps them to become more competitive and encourages them to innovate.

Leadership Board

- 7.3 The report concludes by urging the government to continue to prioritise investment in education, infrastructure and in empowering local business leaders and business support programmes to support export growth.

As a result of the EDRAB discussion the CBI provided more detailed economic information to members and there was agreement to follow-up the discussion on the skills agenda, as highlighted in the CBI's work an important driver for the North East's economy.

8. Inclusive Growth

Inclusive Growth is growth that benefits all people in all communities and ensure that the economy works for everyone. The rationale for pursuing inclusive growth is documented:

- **Poverty is bad for growth** – unequal countries have low levels of social mobility and underutilisation of human capital (people). To drive up innovation, creativity and productivity we need a more dynamic, socially mobile labour market built upon an effective education and skills system for people of all ages.
- **The fiscal costs of poverty are huge** – by investing in social infrastructure to create inclusive growth, we can reduce spending on welfare on preventative public services.
- **Work no longer assures a route out of poverty** – more than half of people living in poverty are in working households. People at the bottom end of the labour market become stuck in low paid, insecure jobs that offer no prospects for progression. Globalisation and technological change means that there are fewer opportunities for progression and the rungs on the ladder become further apart.
- **Uneven growth** – the dominance of London and the South East has led to a skewed economy where economic opportunity is determined by where people live.
- **Disconnected communities** – residents do not always feel the benefits of economic growth. New 'good' jobs that are created must be accessible to residents in local communities.
- In February 2018, the Board hosted a visit from Matthew Taylor, Chief Executive of the RSA, to discuss inclusive growth and good jobs in the North East, following on the publication of the RSA's Inclusive Growth Commission and the Taylor Review of Modern Working Practices. The visit followed the publication of the government's response to the review.

Leadership Board

8.1 UK Shared Prosperity Fund

The 2017 Conservative Manifesto included a commitment to create a UK Shared Prosperity Fund which would “use the [European] structural fund money that comes back to the UK following Brexit to create a UK Shared Prosperity Fund” “designed to reduce inequalities between communities across our four nations” and “...deliver sustainable, inclusive growth, based on our modern industrial strategy”.

Government are widely expected to consult on this fund later this year. The Economic Development and Regeneration Advisory Board discussed the proposed fund at their 24 October meeting.

As a fund to promote inclusive growth and productivity in the North East, informed by learning lessons from European Structural & Investment Funds (ESIF) and beyond, EDRAB endorsed the following characteristics proposed for the UK Shared Prosperity Fund:

1. **A long-term, fully devolved funding programme**, aligned to the regional strategic economic framework (the North East Strategic Economic Plan (SEP));
2. **A multi-year funding programme** (minimum 7 year); Fully devolved to the North East to allow strategic management and long term investment decisions;
3. **At least at a scale of the current EU structural fund programme** (c€560m);.To start before 2020/2021 to ensure continuity in activity;
4. **A flexible fund which avoids a restrictive siloed approach**, and instead funds activities across areas such as innovation, skills, business support, regeneration, and employment support, to fit the needs of the area;
5. **Targeted to reflect economic conditions**, recognising the latent potential in many currently underperforming areas, and not allocated on a competitive basis;
6. **Support the aim to reduce disparities between and within regions**;
7. **A shift towards more broadly defined growth benefits** (e.g. ‘quality GVA’);
8. **Flexibility to both lever in private funds or other public funds** where this is suitable or offer a wholly-financed approach where appropriate; and
9. **Flexibility to fund both revenue and capital.**

These key areas and the views expressed by the members of the Economic Development and Regeneration Advisory Board will be used to inform a regional response to any future consultation.

9. North East LEP Education and Skills Update

9.1 At the March 2018 EDRAB meeting, the Board received an update on the following North East LEP Education and Skills programmes and projects.

- Labour Market Intelligence

Leadership Board

- Graduate Retention
- Construction: Labour Skills Gap
- Good Careers Guidance Benchmarks
- Enterprise Advisor Programme
- North East Education Challenge
- Fuller Working Lives – 50+

9.2 The Board welcomed the range and volume of work that is being carried out and the discussion following the presentation focused on the following key themes:

- Measurements of success
- Tackling unemployment, including intergenerational unemployment
- Gaining an understanding of the causes of unemployment
- Improving employability skills
- Careers guidance
- The aging workforce in the region
- The role of support and information for business start-ups

The North East LEP will be invited to present a progress report in the next municipal year.

Automotive Sector Deep Dive

10.

10.1

The Board took a 'Deep Dive' into one of the region's key sectors and Paul Butler, Chief Executive of the North East Automotive Alliance, attended the March meeting to provide an overview of the automotive sector in the North East.

The presentation covered:

- Areas of specialism in the North East
- An overview of recent significant investments in the region
- An overview of the challenges that the sector is facing
- Opportunities for future developments in the sector, particularly in the North East
- An overview of the Automotive Sector Deal announced by government in the Industrial Strategy and the opportunities for the North East.

Leadership Board

10.2 The discussion following the presentation included points around:

- The challenges associated with the phasing out of diesel-run vehicles and an increase in the number of electric vehicles, including the national infrastructure to support the transition;
- The employment and skills requirements for the sector;
- Improvements to local infrastructure to support employment growth, for example transport infrastructure and public transport; and
- New and emerging technologies

11. Potential Impact on Objectives

11.1 This report sets out issues that will support the Authority in meeting its objectives, particularly in relations to those set out in the Strategic Economic Plan.

12. Financial and Other Resources Implications

12.1 There are no specific financial or other resource implications arising from this report.

13. Legal Implications

13.1 There are no specific legal implications arising from this report.

14. Key Risks

14.1 There are no key risks arising from this report.

15. Equality and Diversity

15.1 There are no specific equality and diversity implications arising from this report.

16. Crime and Disorder

16.1 There are no specific crime and disorder implications arising from this report.

17. Consultation/Engagement

17.1 There are no issues arising from this report for consultation.

Leadership Board

18. Other Impact of the Proposals

18.1 There will be no other impacts arising from this report

19. Contact Officers

Sarah McMillan, Corporate Lead – Economic Strategy and Skills

Email: sarah.mcmillan@southtyneside.gov.uk Tel: (0191) 424 7948

17. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

18. Glossary

BEIS – (Department of) Business, Energy & Industrial Strategy

CBI – Confederation of British Industry

MHCLG – Ministry of Housing, Communities & Local Government

EDRAB – Economic Development & Regeneration Advisory Board

EEF – Engineers Employers Federation

FSB – Federation of Small Business

INEE – Invest North East England

LIS – Local Industrial Strategy

NECA - North East Combined Authority

North East LEP - North East Local Enterprise Partnership

SEP – Strategic Economic Plan

TUC – Trade Unions Congress

Leadership Board

Date: 19th June 2018

Subject: Delegated decisions:

- a) “Smarter Travel, Smarter Cities” proposed European Regional Development Fund bid and
- b) Go Ultra Low North East programme

Report of: Thematic Lead for Transport and Digital Connectivity

Executive Summary

This report describes progress with, and seeks delegated authority to make decisions for:

1. The Sustainable Urban Development (SUD) bid for nearly £12m for which the Ministry of Housing, Communities and Local Government (MHCLG) has now given authorisation to proceed to full bid stage by 21st August 2018.
2. Progressing the Go Ultra Low North East (GULNE) programme, which has a total value of over £4m when all funding sources are included

Approval for delegated decisions is being sought because critical decisions regarding these two projects are likely to be required in the near future, so an interim arrangement is needed in the event that Transport for the North East Committee/Tyne and Wear Sub-Committee cease to exist and the new Joint Transport Committee has not been established and functioning at the relevant time.

Leadership Board

Recommendations

The Leadership Board is recommended to approve delegated authority to the Head of Paid Service, in consultation with the Chief Finance Officer and the Monitoring Officer, to

1. sign-off and approve the submission of the final European Regional Development Fund bid (named “Smarter Travel, Smarter Cities”), due for submission by 21st August 2018, which will mitigate the risk of losing the funding to other areas; and
2. agree and authorise all activities necessary and desirable to deliver the Go Ultra Low North East Programme including, but not limited to, the commencement and conduct of all procurement exercises, and the finalisation of all contracts and all other relevant legal documentation.

Leadership Board

1. Background Information

1.1 The Sustainable Urban Development (SUD) fund

Sustainable Urban Development (**SUD**) funding forms part of the European Regional Development Fund (**ERDF**) 2014-2020 Programme. The objectives of the outline bid are focused around reduction in carbon and therefore a package of sustainable transport interventions links closely to the objectives of the fund. The geographic area eligible for funding is Tyne and Wear, plus South-East Northumberland and the Tyne Valley. It does not cover rural North and West Northumberland or County Durham (who have their own funding allocation). The fund requires 50% 'match' across the package proposed.

1.2 Working with partners, we have developed an Expression of Interest under the title "Smarter travel, Smarter Cities". This comprises a package of measures to encourage car drivers to switch to sustainable public transport and to promote walking and cycling. We are also proposing to introduce enhancements to the region's UTMC centre to improve bus service reliability, extend rapid charging clusters across the region and introduce a freight consolidation centre in partnership with Newcastle University. Finally, we will seek to make our transport network greener by implementing a network of solar panels across the Metro infrastructure to generate more green electricity at source.

1.3 The package of measures has been designed to complement the Air Quality work currently being scoped for Gateshead, Newcastle, North Tyneside, South Tyneside and Sunderland and to support the principles of the Transforming Cities Fund, with a bid package covering Tyne and Wear and South-East Northumberland. The final submitted package comprises of an ask from the SUD of £5,913,765 with an identified match of £5,970,000 – a total of £11,883,765. The Ministry of Housing, Communities and Local Government (**MHCLG**) has now given authorisation to proceed to full bid stage by 21st August 2018. In order to take advantage of this important opportunity, the bid therefore needs to be progressed, signed off and submitted to MHCLG by the above date.

1.4 Go Ultra Low (GUL) North East Programme

In January 2016, the NECA received £1.53m funding from the Office for Low Emission Vehicles (**OLEV**) for interventions designed to increase the take up of electric vehicles in the region. In September 2016, NECA submitted a European Regional Development Fund (**ERDF**) bid for £1.5 million to support this programme, entitled Go Ultra Low North East. NECA was informed on the 20th February 2017 that the bid was successful. Successful partnership working with Newcastle University has resulted in the programme being supplemented by funding of £1.3 million from Newcastle University's UK Collaboratorium for Research into Cities (**UKCRIC**) funding source for a rapid charger filling station on the Science Central site in Newcastle. .

Leadership Board

- 1.5 The main deliverables of the programme will cover:
- Two electric vehicle (**EV**) filling stations, one in Newcastle (as described above) and one in Sunderland
 - Revenue to manage the project
 - Six clusters of two or three rapid EV chargers across the NECA area in places of demonstrable demand
 - Innovation accelerator work to encourage local Small and Medium-sized Enterprises (SMEs) to capitalise on the EV opportunities;
 - Work with SMEs to encourage use of the EV charging network and cut their business travel network; and
 - The development of options for an operating model beyond the life of the project for the chargers and also for the existing EV charging infrastructure across the region which needs updating and maintaining (Durham County Council will be pursuing their own outcome regarding existing infrastructure and South Tyneside are considering how to proceed in this regard).

- 1.6 Procurement exercises are now under way and critical decisions will need to be made in respect of these including drawing up contracts and other legal documentation in order to deliver the programme

2. Proposals

- 2.1 Leaders are asked to approve the granting delegated authority to make decisions to the Head of Paid Service, in consultation with the Chief Finance Officer and the Monitoring Officer, to carry out the following:
1. sign-off and approve the submission of the final European Regional Development Fund bid (named “Smarter Travel, Smarter Cities”), due for submission by 21st August 2018, which will mitigated the risk of losing the funding to other areas
 2. agree and authorise all activities necessary and desirable to deliver the Go Ultra Low North East Programme including, but not limited to, the commencement and conduct of all procurement exercises, and the finalisation of all contracts and all other relevant legal documentation.

3. Reasons for the Proposals

Leadership Board

3.1 The proposals are being put forward to enable progress to be made in respect of both these workstreams.

4. Alternative Options Available

4.1 Option 1 – The Leadership Board may accept both the recommendations set out in 2.1 above.

4.2 Option 2 – The Leadership Board may reject the recommendations set out in 2.1 above

4.3 Option 1 is the recommended option. Option 2 involves rejection of either or both recommendation 1 (submission of the final SUD due in August 2018) and recommendation 2 (key activities to deliver the GULNE Programme). Rejection of the submission of the SUD bid would mean the North East losing the funding to other areas and rejection of progressing key GULNE activities would mean delaying delivery of the programme and hence of improving electric vehicle charging infrastructure.

5. Next Steps and Timetable for Implementation

5.1 If the Leadership Board agrees to the recommendations set out in this report, the next steps are expected to be as follows:

- Submission of the full SUD bid in August 2018;
- Progress during 2018 towards delivery of GULNE objectives.

6. Potential Impact on Objectives

6.1 Submission of the SUD bid and progress of the GULNE programme would aid delivery of NECA's objective of creating the conditions for economic growth and new investment by

1. Promoting sustainable transport and improved access to employment
2. Encouraging demand for Electric Vehicles which can potentially be produced in the North East
3. Working with SMEs to deliver GULNE.

7. Financial and Other Resources Implications

7.1 **The Sustainable Urban Development (SUD) fund bid**

Leadership Board

Independent State Aid advice may be necessary in drawing up the bid. We are working with European Programme Officers to identify if this is the case and, if so, who should provide this and the cost involved. A maximum cost of £20,000 has been suggested but we will seek to minimise this as much as possible. The cost will be met from the Regional Transport Team budget.

There are otherwise no financial or resource implications of Leaders agreeing to the recommendation, as until a grant offer is made and the offer letter signed, then no obligation exists. If the full bid is accepted, a further report will be submitted on the implications of proceeding further.

7.2 Go Ultra Low (GUL) North East Programme

There are no financial or resource implications of Leaders agreeing to the recommendation, as it is expected that contracts will only be awarded that are within budget. .

8. Legal Implications

8.1 The Sustainable Urban Development (SUD) fund

Service Level Agreements will be required with all delivery partners and work is in hand to draw these up. It is possible that independent State Aid advice will be needed (as recommended in the ERDF application form) and we are exploring this issue with European officers to identify who is best placed to provide this, and the cost involved

8.2 Go Ultra Low (GUL) North East Programme

Although the NECA will be procuring this on behalf of each local authority using Newcastle City Council's standard terms and conditions, each authority will have their own contract with the procured operator. Each local authority will therefore have to obtain their internal Cabinet sign off before a procurement can be progressed. A Memorandum of Understanding will be signed between NECA and each authority authorising NECA to procure on their behalf.

9. Key Risks

9.1 The Sustainable Urban Development (SUD) fund

As key officers are already aware, there is a shortfall in match funding following the lower than expected 'Early Measures' funding award. Work is under way to identify sources of match funding in order to comply with bidding requirements.

Leadership Board

9.2 Go Ultra Low (GUL) North East Programme

As described above in 7.2, the project is currently under budget. Once the project has progressed sufficiently for any risk or contingency to be identified then options for allocation of the remaining grant will be brought to key officers. These options will be in line with the grant requirements as set by OLEV. The risks of not proceeding are mainly around the fact that significant parts of the existing charging infrastructure network (the costs of which are over £200k per annum) are faulty and/or non-compliant, resulting in reputational risk to the council responsible.

10. Equality and Diversity

10.1 The development and delivery of these initiatives to improve sustainable transport do not negatively impact on Equality and Diversity.

11. Crime and Disorder

11.1 Safety and Security are fundamental consideration in the design of new services and facilities and thus impacts will be assessed for individual projects at the appropriate stage of development.

12. Consultation/Engagement

12.1 Key officers and the market have been consulted and involved in the drawing up of the SUD bid and the GULNE programme.

13. Other Impact of the Proposals

13.1 As each of the projects described in this report become more defined, environmental and economic impacts and analysis will form key considerations when options are being considered.

14. Appendices

None

15. Background Papers

Held by the Contact Officer

16. Contact Officers

16.1 Tobyn Hughes, Managing Director (Transport Operations),
Tobyn.hughes@nexus.org.uk
Tel: 0191 203 3203

Leadership Board

17. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

18. Glossary

ERDF – European Regional Development Fund
GULNE – Go Ultra Low North East
OLEV – Office for Low Emission Vehicles
SUD – Sustainable Urban Development
UTMC – Urban Traffic Management and Control

Leadership Board

Date: 19 June 2018

Subject: Purchase of Site at Howdon for Satellite Depot by Nexus

Report of: Chief Executive Officer for Transport

Executive Summary

The purpose of this report is to recommend for approval the purchase by Nexus of the former landfill site at Howdon for the sum of £1.0m for use as a satellite depot to enable sufficient capacity at Gosforth during the Metro Depot redevelopment / construction, and for the delivery of the new Metro fleet.

Recommendations

The Leadership Board is recommended to approve the purchase by Nexus of the freehold site at Howdon (shown edged red in the Appendix) from North Tyneside Council for the sum of £1.0m for use as a satellite depot during the Gosforth Depot redevelopment and for the delivery of the new fleet onto the Metro system.

Leadership Board

1. Background Information

- 1.1 The Metro and Local Rail Strategy, approved by the Leadership Board in July 2016, sets out plans to secure investment for the future of Metro operations under the MetroFutures programme. This includes procuring a new fleet of Metrocars to replace the current fleet, maintenance of the existing & new fleets and the provision of new maintenance facilities for the new fleet at the redeveloped Gosforth depot.
- 1.2 In January 2018, following confirmation of grant funding for the Fleet Replacement Project from the Department of Transport in November 2017, the Leadership Board endorsed Nexus's procurement approach, which detailed the requirement for a satellite depot. Nexus are now in a position to progress with the purchase of the site for the satellite depot, which is the subject of this paper.

2. Proposals

- 2.1 In order to redevelop the existing site in Gosforth and construct a new maintenance facility, whilst all the time allowing the depot to remain operational, it is necessary to temporarily relocate around 20 Metrocars (10 trains) to a satellite depot facility in order to provide space for the construction works.
- 2.2 The site at Howdon, the subject of this paper, was identified as being suitable in terms of size, location and it has the necessary access to the Metro line.
- 2.3 The Leadership Board is requested to approve the purchase by Nexus of the freehold Howdon site at a price of £1.0m.

3. Reasons for the Proposals

- 3.1 In order to maintain continuous running of the Metro during the redevelopment of the Gosforth depot and the introduction of the new Metro fleet, a satellite depot facility is required to relocate 20 Metrocars to provide space at the Gosforth depot during the construction period. There is also currently no access point for new trains to be delivered to the network, which this site would be able to cater for.
- 3.2 The site at Howdon that is the subject of this report has been valued on behalf of Nexus by Knight Frank and the £1.0m purchase price is the final negotiated value of the freehold land.

4. Alternative Options Available

- 4.1 Over 20 alternative sites were considered as part of the depot strategy workstream. Sites were examined on a range of criteria including location, planning considerations, rail and road access, capacity, capital cost implications,

Leadership Board

programme and procurement risk. Initially sites identified for recommendation were at Shields Road and Benton Square however, Benton Square was constrained by the National Power Grid Power Lines going over the site following further investigation and Shields Road was a former power generation factory with substructure assets and ground contamination remaining, both sites also had limited spatial capacity. Hence, Howdon is the preferred and recommended site.

5. Next Steps and Timetable for Implementation

- 5.1 Once approval is given, it is intended that the purchase of the site will be completed without delay. Planning permission will be sought and a procurement exercise will commence for the design and build of the satellite depot facility. Construction will commence as soon as possible following award of this contract.

6. Potential Impact on Objectives

- 6.1 The proposal for the purchase of land at Howdon to use as a satellite depot as part of the Metro Depot redevelopment and the delivery of the new Metro fleet is important in meeting objectives set out in the Metro and Local Rail Strategy, particularly in terms of:

- Providing Metro and local rail services that are reliable, accessible and comfortable with high levels of customer satisfaction, within available resources; and
- To grow the Metro and local rail network and their modal share as part of an integrated public transport network.

7. Financial and Other Resources Implications

- 7.1 The cost of acquiring the land can be accommodated from within the overall budget established for the procurement of the new fleet and new depot, within which budgetary provision of £13.3m exists for the acquisition of the land and the construction of the satellite depot on this site.

8. Legal Implications

- 8.1 Nexus will engage external advisers to handle site acquisition and to assist with subsequent stages of design and procurement.

9. Key Risks

- 9.1 There is a risk that a satisfactory planning consent will not be granted. This risk is thought to be small as North Tyneside Council itself obtained planning consent

Leadership Board

for the construction of an infrastructure depot on the site recently. Nexus' consultants are already pursuing an application for consent.

10. Equality and Diversity

10.1 There are no specific equality and diversity implications arising from this report.

11. Crime and Disorder

11.1 There are no specific crime and disorder implications arising from this report.

12. Consultation/Engagement

12.1 Public consultation has been held on new fleet design and engagement events held in Gosforth for the main depot local residents. Baseline noise monitoring has taken place at the closest residential points to the Howdon site whereby residents allowed equipment to be stored on their premises and were provided a letter to inform of the works. However; it is not thought that site operations will have any significant impact due to lack of proximity so no further engagement has taken place as of yet. If it is identified that this is required, more steps will be taken.

13. Other Impact of the Proposals

13.1 Nexus are not aware of any other impact from the proposal.

14. Appendices

14.1 A plan of the proposed site at Howdon is appended to this report.

15. Background Papers

15.1 Valuation Report from Knight Frank addressed to Nexus.

15.2 NELB - 16th January 2018 Metro Futures and New Fleet Procurement Update

15.3 NELB – 30th November 2017 Metro Future Fleet Procurement Update

15.4 TNEC - 13th July 2017, Metro Futures update and Fleet Procurement Strategy – detailing the Fleet Specification and Depot strategy

16. Contact Officers

16.1 Tobyn Hughes, Managing Director (Transport Operations)
tobyn.hughes@nexus.org.uk Tel: 0191 203 3236

Leadership Board

17. Sign off

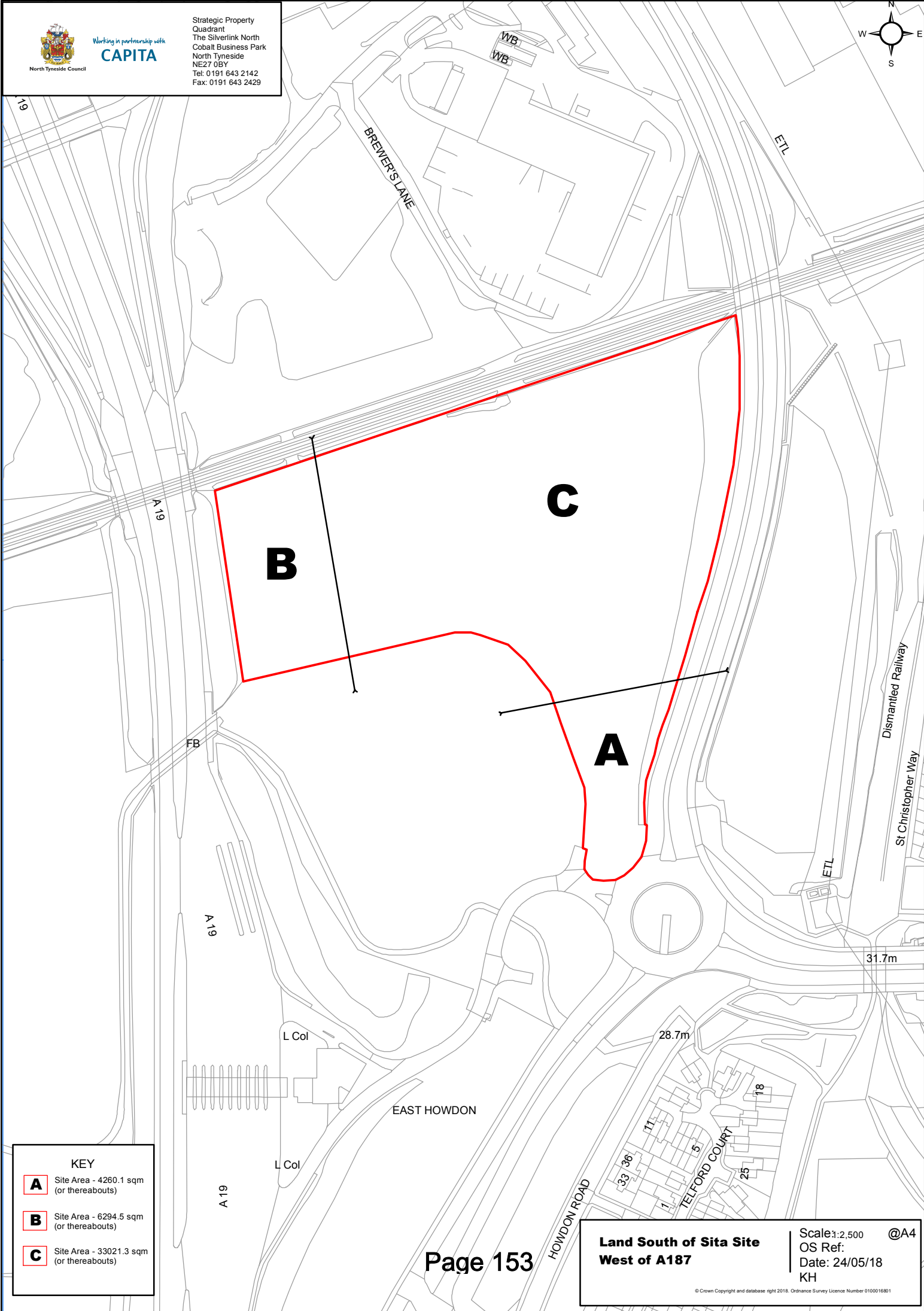
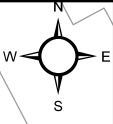
- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

This page is intentionally left blank



Working in partnership with
CAPITA

Strategic Property
Quadrant
The Silverlink North
Cobalt Business Park
North Tyneside
NE27 0BY
Tel: 0191 643 2142
Fax: 0191 643 2429



KEY	
A	Site Area - 4260.1 sqm (or thereabouts)
B	Site Area - 6294.5 sqm (or thereabouts)
C	Site Area - 33021.3 sqm (or thereabouts)

**Land South of Sita Site
West of A187**

Scale: 1:2,500 @A4
OS Ref:
Date: 24/05/18
KH

© Crown Copyright and database right 2018. Ordnance Survey Licence Number 0100016801

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank