

Leadership Board

Tuesday 4 October 2022 at 2.00pm

Meeting to be held at: Mayor's Parlour, Sunderland City Hall, SR1 3DP

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AGENDA

	Page No
1. Apologies for Absence (Members)	
2. Declarations of Interest	
Please remember to declare any personal interest where appropriate. Please also remember to leave the meeting where any personal interest requires this.	
3. Minutes of the Previous Meeting held on 26 July 2022	1-6
For approval as a correct record.	
4. Announcements from the Chair and/or the Head of Paid Service	
5. Chair's Thematic Portfolio Update (Verbal Item)	
6. Economic Development and Digital Theme Update	7-14
7. Finance, Skills and Employability Thematic Portfolio Update <i>- (Report to Follow)</i>	15-16
8. Budget Proposals 2023/24	17-22

9. **Date and Time of Next Meeting:** 29 November 2022 at 2.00pm.

Contact Officer: Toby Ord Tel: 0191 424 7541
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Leadership Board

DRAFT MINUTES TO BE APPROVED

26 July 2022

(2.00pm – 2.20pm)

Meeting held at: South Shields Town Hall, Westoe Road, NE33 2RL

Present:

Councillors Miller (Chair), Gannon, Hopgood, Gibson

Lucy Winskell (NELEP)

Officers Patrick Melia (Chief Executive, Sunderland City Council), Iain Burns (Service Director, Gateshead Council), John Hewitt (Chief Executive, Durham County Council), Nicola Robason (Monitoring Officer), Gavin Armstrong (Policy and Scrutiny Officer, NECA) and Jonathan Lunness (Strategy and Democracy Support Officer)

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Dixon, Jonathan Tew, Sheena Ramsey, Paul Darby and Gillian Hall.

2 DECLARATIONS OF INTEREST

Lucy Winskell declared an interest in Item 10 (Local Nature Recovery Strategies) as an employee of Northumbria University which is a proposed member of the Delivery and Stakeholder group.

3 MINUTES OF THE PREVIOUS MEETING HELD ON 7 JUNE 2022

The minutes of the previous meeting held on 7 June 2022 were approved as a correct record.

4 ANNOUNCEMENTS FROM THE CHAIR AND/OR HEAD OF PAID SERVICE

The Head of Paid Service noted that conversations between the regional Local Authorities and Government continue regarding devolution. Constituent Authorities have also held conversations with businesses and the NELEP regarding any possible devolution deal.

5 CHAIR'S THEMATIC PORTFOLIO UPDATE (VERBAL ITEM)

Submitted: Report of the Chair (verbal item, not previously circulated nor attached to official minutes).

The Chair delivered his verbal update, noting concerns over the cost of living crisis. The importance of supporting the creation of jobs in the region, ensuring communities had the right skills and access to resources in order that the region may take advantage of possible opportunities was noted. It was asserted that the Authority should maximise drawdowns from the UK Shared Prosperity Fund.

It was noted that the Levelling Up agenda of Government must deliver improvements for people's everyday lives, providing jobs and improving health and wellbeing.

In terms of devolution, it was noted that the right deal, ensuring increased powers and resources, would bring many opportunities to the region by helping to achieve economic growth.

RESOLVED that: -

- i. the update be noted.

6 FINANCE AND SKILLS AND EMPLOYABILITY THEMATIC PORTFOLIO UPDATE

Submitted: Report of the Finance, Skills and Employability Thematic Lead (previously circulated and copy attached to the official minutes).

The Thematic Lead for Finance, Skills and Employability delivered the report. It was noted that financial uncertainty, including increased inflation and uncertainty regarding the Local Government Finance Settlement due to changes in Government, looked set to continue.

The importance of a joined up approach regarding business and skills was highlighted. It was also noted that unemployment remains an issue in the region. The £22m grant from Government to tackle unemployment in over 50s nationally was welcomed, but it was noted that the detail of the grant would be crucial.

The challenging timescales of the UK Shared Prosperity Funding were raised as an issue.

RESOLVED that: -

- i. the report be noted.

7 TRANSPORT THEMATIC PORTFOLIO UPDATE

Submitted: Report of the Transport Thematic Lead (previously circulated and copy attached to the official minutes).

The Thematic Lead for Transport presented the written report for the Board's attention.

RESOLVED that: -

- i. the report be noted.

8 FINANCE UPDATE – 2021/22 OUTTURN AND 2022/23 UPDATED FORECAST OF OUTTURN

Submitted: Report of the Chief Finance Officer (previously circulated and copy attached to the official minutes).

The Chief Executive of Durham County Council presented the report which provided an update on the 2021/22 Outturn and the 2022/23 Forecast of Outturn.

It was noted that expenditure for the 2021/22 corporate budget totalled £206,000, which represented an overspend of £100,000. The overspend was mainly due to expenditure related to the North East Screen Industries Partnership which would be recovered from constituent authorities. The net outturn for 2021/22 was £7000, which was funded from reserves.

Attached to the report were copies of the 2021/22 outturn report and 2022/23 budget forecasts for the Transport Budgets, which were considered by the North East Joint Transport Committee on 14 July 2022. An underspend of circa £28.8 million against the revised transport capital programme budgets was noted, and this would be programmed into the transport capital programme budget for 2022/23.

Cost pressures on Nexus regarding inflation and energy costs were highlighted and it was noted that for 2022/23 there was a planned use of reserves of £5.6 million.

RESOLVED that: -

- i. the outturn position for 2021/22 and the Treasury Management Outturn be noted;
- ii. the revised budget for 2022/23 including the contribution to the BBC and the intention to recover this amount from constituent authorities as set out in paragraph 2.4 of the report be noted.

9 BUDGET PROCESS AND TIMETABLE 2023/24

Submitted: Report of the Chief Finance Officer (previously circulated and copy attached to the official minutes).

The Chief Executive of Durham County Council presented the report which outlined the process and timetable for the 2023/24 budget.

It was consultation and sign-off process for the 2023/24 NECA budget was noted in Appendix 1. The NECA budget for 2023/24 must be unanimously agreed at the Leadership Board on 24 January 2023.

It was noted that Appendix 2 of the report contained the timeline for consultation and sign-off of the JTC budget for 2023/24.

RESOLVED that: -

- i. the report be noted.

10 LOCAL NATURE RECOVERY STRATEGIES

Submitted: Report of the Strategic Director – Economy, Innovation and Growth (previously circulated and copy attached to the official minutes).

Iain Burns, Service Director (Gateshead Council), presented the report which provided an update on Local Nature Recovery Strategies (LNRS).

The Environment Act requires the preparation of LNRS and sets out the duty of Local Authorities to have regard to the relevant LNRS.

LNRS will be prepared by groupings of Local Planning Authorities (LPA). NECA Constituent Authorities fall into 2 groupings of LPA:

- a. Durham (Durham County Council) and;
- b. Wear and South of Tyne (South Tyneside, Gateshead and Sunderland City Councils)

The report set out the local arrangements for the Wear and South of Tyne LNRS, including the process map in Appendix 1 and the governance structure in Appendix 2.

RESOLVED that: -

- i. it be noted that NECA Local Planning Authorities be mandated to prepare Local Nature Recovery Strategy(s);
- ii. the groupings of LPA's and Responsible Authority to prepare the Local Nature Recovery Strategy in the NECA area be noted;
- iii. the governance structure for South Tyneside, Gateshead and Sunderland City Councils be discussed and agreed;
- iv. the pooling of resources of Gateshead, South Tyneside and Sunderland City Councils to prepare their LNRS be discussed and agreed.

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DATE AND TIME OF NEXT MEETING

Tuesday 4 October 2022 at 2.00pm.

NECA Leadership Board

Date: 4 October 2022
Subject: Economic Development and Digital Theme Update
Report of: Economic Development and Digital Thematic Lead

Executive Summary

The purpose of this report is to provide a update on activity and progress under the Economic Development and Digital (EDD) theme of the North East Combined Authority.

The report provides an update on the economy and labour market across the NECA area (highlighting falling rates of unemployment, but rising economic inactivity and concerns around business and consumer confidence), the rising cost of living (which is already impacting upon residents in our most disadvantaged areas and is likely to worsen) and the Government's response (and recent changes to Ministerial positions) and also outlines progress on the roll-out of Project Gigabit to provide future-proofed broadband.

Recommendations

The Leadership Board is recommended to note the contents of the report.

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1.0 Background Information

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

- Economy;
- Labour Market;
- Cost of Living;
- Digital infrastructure.

2.0 Economy

2.1 **The economy in the NECA area continues to be impacted by the rising costs of doing business, the increasing cost of living for residents, a tight labour market where employers are struggling to recruit and uncertainty over the future.**

2.2 The main issue impacting the economic outlook remains inflation and rising prices, particularly energy costs. These continue to impact upon businesses across the North East and is the top issue being flagged to Local Authorities.

2.3 Businesses across all sectors, particularly the likes of hospitality, are being hit by rising energy costs and high energy use sectors especially so. Examples include one restaurant businesses previously paying £2k a month in energy bills is now looking at around £6k per month; this is the equivalent of a £70k annual bill and a three-fold increase. It is also impacting upon schools, care homes and many other public and private organisations.

2.4 In fact, small businesses fear they may not survive the winter as energy bills soar. According to data from the Federation of Small Businesses, many have seen increases of up to 349% in electricity and 424% in gas since February 2021.

2.5 The knock-on effect of rising inflation is the hit that consumer confidence and spending is likely to take. We are already seeing evidence of this with the economy growing much slower nationally than expected in July with potential warnings of a looming recession.

2.6 Recent business reports, such as from the NatWest regional monitor, suggest falling confidence amongst businesses in the North East. As described below, vacancy rates are starting to fall for the first time in 2 years nationally and employers continue to struggle to recruit.

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- 2.7 Anecdotally, this is partially due to temporary staff being unable to fill the void left by skilled workers looking for more lucrative, lower skilled roles or perceived better working conditions. Some speculation of the labour market issues being compounded by engineers working from home in the North East and hybrid working for companies in Germany and Holland.
- 2.8 In terms of footfall, Google Mobility footfall data shows that visits to retail and recreation locations in mid-August were at their lowest since early July. This could be a result of weakening consumer confidence.
- 2.9. Visits to North East workplaces and public transport in the latest week remain around the same level as previous weeks at 76% and 74% respectively of the pre-pandemic levels.
- 3.0 **Labour market**
- 3.1 **While the monthly claimant count in the NECA area has seen significant falls over the past year, and now stands at 4.1% (the lowest level since November 2018 and nearly half the rate of August 2020), rates of employment are not rising to the same extent and economic inactivity remains a major concern.**
- 3.2 August's claimant count data continued the steady fall in the unemployment rate, which has fallen every month since February 2021. There are now just over 30,000 people claiming out of work Universal Credit compared to 54,000 in August 2020 (at the heart of the pandemic) and 33,000 in March 2020 (before the virus emerged).
- 3.3 This masks the variation between the 3.4% rate in Durham and the 5.6% rate in South Tyneside, although all areas have seen reductions.
- 3.4 It also does not show the complete picture given that the wider measure of employment has fallen across the NECA area over the past year (to 71.2% of the working age population) and to amongst one of the lowest rates over the past 5 years. While the measure is more robust, the data is for March 2022 so represents a time lag.
- 3.5 Similarly, the wider measure of unemployment has fallen, to 5.5% (above the wider regional 4.7% rate, itself the highest in the UK) but remains volatile and is up on the previous quarter.
- 3.6 The major issue behind the latest labour market data appears to be the high rates of economic inactivity in the NECA and North East areas, as well as nationally. Economic inactivity driven by those away from the

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labour market due to ill-health saw its largest ever quarterly rise nationally in the latest set of figures.

3.7 Labour demand appears relatively resilient given the near-record high vacancy rates – albeit starting to slow and suggesting labour demand is weakening – but these are not feeding through into significant pay rises and real pay continues to fall.

3.8 PAYE Data shows that the median North East employee pay continues to increase to a similar rate as nationally, although the rising cost of living and energy costs mean a real term pay cut of 3%.

3.9 As rising costs and falling real terms pay cut into consumer and business confidence, this presents a real challenge for residents and businesses in the borough over the next few months.

4.0 Cost of Living

4.1 **As described above, the cost of living is the major issue impacting the NECA economy and residents at the present time. While inflation fell slightly in August (down from 10.1% to 9.9%) this is historically significantly high and having a real impact on residents across the four local authorities.**

4.2 Such concerns are likely to increase as we head more towards Winter.

4.3. Government have set out a response including an Energy Price Guarantee where bills will be frozen so that an average household pays no more than £2,500 a year. Economists have predicted that this may limit inflation rises, but bills will still be at double the level of last year.

4.4 There is also considerable uncertainty about both the cap for consumers and that for business. The former applies for two years, although the latter only for 6 months and it is unclear how this will impact upon an average small business. There are also concerns around delays to the scheme starting on the 1st October.

4.5 The Government have announced a Mini-Budget to take place on 23rd September. This is expected not to include a forecast for the economy, so not representing a Budget or Comprehensive Spending Review, but rather an update on plans around tax cuts (such as to National Insurance and, potentially, on Income Tax).

4.6 The new Government and new Ministers also means uncertainty for some funding streams, with announcements previously predicted for UK Shared

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Prosperity Funds (to sign off Local Investment Plans) and Levelling Up Fund Round 2 in October or November.

5.0 Project Gigabit update

5.1 **As set out at the last update, Project Gigabit was launched in March 2021, building on successful legacy programmes such as Superfast and Rural Gigabit Connectivity. Up to £1.2 billion of spending has been committed until the end of 2024 to 2025, out of a £5 billion commitment over the lifetime of the programme.**

5.2 BDUK interventions will deliver gigabit-capable connectivity to at least 5% of premises across the UK in hard-to-reach areas by the end of 2025, supporting the government's target of at least 85% through a combination of commercial and subsidised build. BDUK aim to accelerate roll-out to get as close to 100% as soon as possible. While the vast majority of the UK's premises will be able to access gigabit-capable services through commercial suppliers' build plans, a large number of premises require government subsidy.

5.3 To meet the objective of providing coverage to at least 5% of hard-to-reach premises by 2025, a minimum of 1.56 million premises needs to be passed by the end of 2025. Non-commercial premises within the government's 85% gigabit-capable target are being delivered by BDUK through four main initiatives:

5.4 - **Superfast contracts:** Delivery continues through projects under the Superfast Broadband Programme, with most remaining projects now reconfigured to deliver gigabit-capable connectivity. *For information, there are no ongoing contracts in the NECA area.*

5.5 - **Gigabit Broadband Voucher Scheme:** Vouchers worth up to £1,500 for residential, and up to £3,500 for commercial premises, which can be claimed by anyone in an eligible area to cover the costs of a supplier extending their network to their premises. Top-up schemes are in place where local and Devolved Authorities can add their own public funding to help boost the value of vouchers. *Durham County Council has a top-up scheme in place to support rural communities outside of any delivery plans that cannot obtain Superfast broadband speeds. These properties are typically hard-to-reach and more expensive to deliver to, and the top-up effectively doubles the amount of funding available.*

5.6 - **GigaHubs:** Grants to connect vital local public services in hard-to-reach areas, typically schools, libraries, and GP surgeries.

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5.7 - **Gigabit contracts:** Subsidies to suppliers to extend their plans to build gigabit-capable infrastructure to premises that will not be reached by their commercial plans alone. This support ranges from smaller local contracts (aimed at reaching 1,000 to 10,000 premises), to larger regional contracts (40,000 to 100,000) and, lastly, the potential for cross-regional contracts (up to 500,000).

5.8 There are currently 3 procurements live in the North East covering Teesdale, North Northumberland and the North East:

5.9 The Type A for Teesdale (County Durham) is expected to be awarded shortly. At this stage there is no information in terms of which properties are expected to benefit.

5.10 A period of mobilisation will follow signature where they expect delivery plans to be firmed up – and it's probably at that stage when information about the where and when will be made available (likely to be early 2023).

5.11 For type B, for all other properties in the NE region, is currently under evaluation by DCMS. This is not expected to be awarded until November/December.

6.0 Reasons for the Proposals

This report provides an update on Economic Development and Digital theme.

7.0 Alternative Options Available

There are no alternative options associated with this report.

8.0 Next Steps and Timetable for Implementation

A further update will be provided to the Board at subsequent meetings.

9.0 Potential Impact on Objectives

The activities under the Economic Development and Digital theme will support NECA in its aims to promote economic growth and regeneration in the area

10.0 Financial and Other Resources Implications

NECA Leadership Board

There are no financial or other resource implications directly associated with this report as it is for information only.

11.0 Legal Implications

There are no legal implications arising from this report.

12.0 Key Risks

There are no specific risk management issues arising from this report.

13.0 Equality and Diversity

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

14.0 Crime and Disorder

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

15.0 Consultation/Engagement

There are no specific consultation and engagement issues arising from this report.

16.0 Other Impact of the Proposals

There are no further impacts arising from the proposals.

17.0 Appendices

None

18.0 Background Papers

None.

19.0 Contact Officers

John Scott, Head of Economic Growth, South Tyneside Council
john.scott@southtyneside.gov.uk

Rory Sherwood-Parkin, Corporate Lead – Policy & Insight, South Tyneside Council

NECA Leadership Board

20.0 Sign off

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

21.0 Glossary

None.

NECA Leadership Board

Date: 4 October 2022

Subject: Finance, Skills and Employability Thematic Portfolio Update

Report of: Finance, Skills and Employability Thematic Lead

Report to follow

Report to follow

Leadership Board

Date: 4 October 2022
Subject: Budget Proposals 2023/24
Report of: Chief Finance Officer

Executive Summary

This report sets out initial budget proposals for 2023/24 for the NECA Corporate budget including fulfilment of its Accountable Body role for the North East Joint Transport Committee (JTC).

The forecast for the 2022/23 financial year is for expenditure totalling £0.775m, with income forecast at the same level resulting in a breakeven net budget position. As set out in the forecast of outturn report to the Leadership Board in July 2022, the variance from the original budget of £0.123m is primarily due to the inclusion of the payment which will become due to Tees Valley Combined Authority in relation to the North East Screen Industries Partnership following the Memorandum of Understanding signed by all authorities earlier this year. This will be met by contributions from NECA's constituent local authorities.

The report highlights that the initial budget estimates for 2023/24 and 2024/25 are in line with the forecasts set out as part of the Medium-Term Financial Strategy (MTFS) presented to the Leadership Board in February 2022 in terms of the net position, but include additional expenditure on the NESIP matched by contributions from constituent authorities.

It is anticipated that contributions to the NECA Corporate Budget and the NECA budget for fulfilment of the JTC Accountable Body role can be maintained at the current levels of £25,000 and £10,000 respectively. This is possible due to increases in the rates of interest being received on short term investments held by NECA and will be subject to review for 2024/25 onwards.

The initial budget proposals set out in this report will be subject to further discussion and consultation and a report presented to the next meeting of the Leadership Board.

Recommendations

The Leadership Board is recommended to note the report.

Leadership Board

1. Background Information

- 1.1 A report was presented to the Leadership Board in July setting out the proposed budget setting timetable for 2023/24, which included a report to this meeting setting out updated 2022/23 forecasts and their impact on the MTFS.
- 1.2 In line with that timetable, this report provides an update on the 2022/23 forecast and update on the initial budget position for 2023/24.

2. Proposals

NECA Corporate Costs

- 2.1 The NECA budget for corporate costs is required to support operational costs including staff employed by NECA, Service Level Agreements (SLAs), independent members allowances and expenses and supplies and services costs. Also included is the payment to Tees Valley Combined Authority which is acting as accountable body in relation to the North East Screen Industries Partnership. This payment will be made by NECA, with the contributions reimbursed by NECA's constituent local authorities.
- 2.2 The report to the Leadership Board on 1 February 2022 set a net NECA Corporate budget for 2022/23 of £0.123m which provided for NECA corporate capacity and to fulfil the JTC Accountable Body role. This is funded from contributions from NECA constituent authorities totalling £100,000 (£25,000 per authority), contributions from JTC constituent authorities totalling £70,000 (£10,000 per authority) and interest income on short term investments.
- 2.3 An initial forecast outturn for 2022/23 was presented to the Leadership Board in July 2022. This set out that the revised budget had been increased to accommodate the payment in relation to the NESIP. There has also been an increase in the SLA costs resulting from additional HR support and IT costs relating to the accessibility of the NECA website.
- 2.4 Interest on short term investments is forecast to be higher than anticipated at the time of setting the budget, since interest rates have increased significantly since the beginning of the year. This enables a breakeven position to be forecast for the year.
- 2.5 As set out in the report to the Leadership Board in July 2022, at 31 March 2022 the NECA corporate reserve totalled £0.419m. This is a general balance and not earmarked for specific purposes and is considered a prudent level to hold for this budget.
- 2.6 The forecast has been updated on the most recent information at September 2022, and is set out in the tables below.

Table 1: NECA Corporate Costs 2022/23 Forecast

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	2022/23 Original Budget	2022/23 Forecast	2022/23 Variance
	£	£	£
Employees	54,510	55,070	560
Service Level Agreements	54,060	69,767	15,707
Independent Members Allowances & Expenses	6,500	6,005	(495)
Supplies and Services	7,560	10,671	3,111
North East Screen Industries Partnership	0	633,924	633,924
Total Expenditure	122,630	775,437	652,807
NECA Corporate Contributions	(100,000)	(100,000)	0
North East Screen Industries Partnership Contributions	0	(633,924)	(633,924)
Investment Income	(20,000)	(41,513)	(21,513)
Total Income	(120,000)	(775,437)	(655,437)
Net deficit/(surplus)	2,630	0	(2,630)

Table 2: JTC Accountable Body Costs 2022/23 Forecast

	2022/23 Original Budget	2022/23 Forecast	2022/23 Variance
	£	£	£
Employees	13,340	13,370	(60)
Service Level Agreements	76,330	77,660	1,336
Total Expenditure	89,760	91,036	1,276
JTC Accountable Body Contributions	(70,000)	(70,000)	0
Interest Income	(19,000)	(21,036)	(2,036)
Total Income	(89,000)	(91,036)	(2,036)
Net deficit/(surplus)	760	0	(760)

- 2.7 Appendix 1 sets out the indicative draft budget for 2023/24, along with Medium Term Financial Strategy estimates for 2024/25 and 2025/26. The constituent authority contributions to the NECA Corporate Budget and to the NECA budget for fulfilment of the JTC Accountable Body role are included at the current levels of £25,000 and £10,000 respectively for 2023/24 and beyond, however these will need to be subject to review for 2024/25 onwards.
- 2.8 The budget proposals for 2023/24 and future years are on a 'business as usual' basis. Should there be changes to the scope and role of NECA as a result of future devolution, new budget proposals will be submitted for agreement at the appropriate time.
3. **Reasons for the Proposals**

Leadership Board

3.1 This report sets out initial high-level budget proposals for 2023/24 for the NECA Corporate budget, including fulfilment of its Accountable Body role for the North East Joint Transport Committee.

3.2 The report identifies that NECA Corporate contributions will be maintained at £25,000 per authority and contributions to the JTC Accountable Body role will be maintained at £10,000 per authority in 2023/24 and will be reviewed for 2024/25.

4. Alternative Options Available

4.1 The report is presented for information with no decision required at this stage – the information set out will be included in the 2023/24 NECA budget setting reports to the Leadership Board in November 2022 and January 2023 and will be subject to consultation via the NECA Overview and Scrutiny Committee.

5. Next Steps and Timetable for Implementation

5.1 The NECA Constitution requires that consultation on budget proposals be undertaken at least 2 months prior to the budget being agreed. Proposals for consultation will be presented to the Leadership Board on 29 November 2022. The proposals will be subject to consultation with the NECA Overview and Scrutiny Committee and officer groups. In its Accountable Body role for JTC, Transport proposals will also be subject to consultation with the JTC Overview and Scrutiny Committee, the JTC Tyne and Wear Sub Committee and constituent councils. Comments raised as part of the consultation process will be taken into account in the preparation of the final reports.

6. Potential Impact on Objectives

6.1 The budget and medium-term financial strategy 2023/24 to 2025/26 has been and will continue to be prepared to reflect the objectives of the Authority and feedback from constituent authorities. Future reports will set out the revenue and capital budget proposals in detail that will help deliver the objectives of the Authority.

7. Financial and Other Resources Implications

7.1 The financial and other resources implications are set out in the main body of the report.

8. Legal Implications

8.1 There are no legal implications arising from this report which is for information. The budget must be approved unanimously in accordance with the requirements of the NECA Order and the NECA Constitution.

9. Key Risks

Leadership Board

9.1 Appropriate risk management arrangements are put in place in each budget area by the delivery agencies responsible. Reserves are maintained to help manage financial risk to the authority.

10. Equality and Diversity

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

11. Crime and Disorder

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

12. Consultation/Engagement

12.1 The NECA Constitution requires that consultation on budget proposals be undertaken at least two months prior to the budget being agreed. The draft proposals will be subject to consultation with the Leadership Board, Overview and Scrutiny Committee and officer groups. In its accountable body role for the JTC, Transport proposals will be subject to consultation with the JTC Overview and Scrutiny Committee, the JTC Tyne and Wear Sub Committee and constituent councils. Comments raised as part of the consultation process will be taken into account in the preparation of the final reports.

13. Other Impact of the Proposals

13.1 There are no other impacts arising from these proposals.

14. Appendices

14.1 Appendix 1 – NECA Corporate and JTC Accountable Body Budget Forecast 2022/23 and initial proposals 2023/24 to 2024/25.

15. Background Papers

15.1 NECA Constitution - [NECA-Constitution-7-June-2022.pdf \(northeastca.gov.uk\)](#)

16. Contact Officers

16.1 Eleanor Goodman, NECA Finance Manager,
Eleanor.goodman@northeastca.gov.uk, 0191 433 3860

17. Sign Off

- 17.1
- Head of Paid Service: ✓
 - Monitoring Officer: ✓
 - Chief Finance Officer: ✓

Leadership Board

	2023/24 Draft Budget			2024/25 Draft Budget			2025/26 Draft Budget		
	NECA Corporate	JTC Accountable Body	Total	NECA Corporate	JTC Accountable Body	Total	NECA Corporate	JTC Accountable Body	Total
Expenditure									
Employees	60,705	14,255	74,960	62,525	14,685	77,210	64,400	15,125	79,525
SLAs	55,400	77,670	133,070	57,060	80,000	137,060	58,770	82,400	141,170
Independent Members Allowances	6,500	0	6,500	6,500	0	6,500	6,500	0	6,500
Supplies and Services	6,520	0	6,520	6,715	0	6,715	6,915	0	6,915
NESIP	642,610	0	642,610	821,430	0	821,430	820,390	0	820,390
Total Expenditure	771,735	91,925	863,660	954,230	94,685	1,048,915	956,975	97,525	1,054,500
Income									
NECA Corporate Contributions	(100,000)	0	(100,000)	(100,000)	0	(100,000)	(100,000)	0	(100,000)
JTC Accountable Body	0	(70,000)	(70,000)	0	(70,000)	(70,000)	0	(70,000)	(70,000)
NESIP	(642,610)	0	(642,610)	(821,430)	0	(821,430)	(820,390)	0	(820,390)
Interest Income	(29,125)	(21,925)	(51,050)	(32,800)	(24,685)	(57,485)	(32,800)	(24,685)	(57,485)
Total Income	(771,735)	(91,925)	(863,660)	(954,230)	(94,685)	(1,048,915)	(953,190)	(94,685)	(1,047,875)
Net (to)/from Corporate Reserve	0	0	0	0	0	0			