



North East Combined Authority

**DURHAM • GATESHEAD • SOUTH TYNESIDE • SUNDERLAND**

## Leadership Board

Tuesday 23 January 2024 at 2.00pm

Meeting to be held at: Whickham Room, Gateshead Civic Centre, NE8 1HH

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## AGENDA

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	Page No
<b>1. Apologies for Absence (Members)</b>	
<b>2. Declarations of Interest</b>	
Please remember to declare any personal interest where appropriate. Please also remember to leave the meeting where any personal interest requires this.	
<b>3. Minutes of the Previous Meeting held on 28 November 2023</b>	<b>1-8</b>
For approval as a correct record.	
<b>4. Announcements from the Chair and/or the Head of Paid Service</b>	
<b>5. Chair's Thematic Portfolio Update (Verbal Item)</b>	
<b>6. Transport Thematic Portfolio Update</b>	<b>9-14</b>
<b>7. Finance, Skills and Employability Thematic Portfolio Update</b>	<b>15-22</b>

8. **North East Mayoral Combined Authority 2025-2029** **23-24**  
**Draft Corporate Plan, Draft Budget and Medium-Term**  
**Financial Plan Proposals - *Report to follow***

9. **Date and Time of Next Meeting:** There are no further scheduled meetings.

### Leadership Board

#### DRAFT MINUTES TO BE APPROVED

28 November 2023

(2.00pm – 3.03pm)

Meeting held at: Reception Room, South Shields Town Hall, NE33 2RL

#### Present:

**Councillors** Miller (Chair), Dixon, Gannon, Hopgood

**Officers** Mark Thompson (NELEP), Nicola Robason (Monitoring Officer, NECA), Paul Darby (Chief Finance Officer, NECA), Mike Barker (on behalf of Chief Executive, Gateshead), Gavin Barker (Audit Director, Mazars), Jonathan Tew (Chief Executive, South Tyneside Council), Jill Laverick (on behalf of Patrick Melia, NECA) and Gavin Armstrong (Policy and Scrutiny Officer, NECA).

#### 1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Lucy Winskell, Patrick Melia, John Hewitt, Sheena Ramsey and Toby Ord.

#### 2 DECLARATIONS OF INTEREST

None.

#### 3 MINUTES OF THE PREVIOUS MEETING HELD ON 6 JUNE 2023

The minutes of the previous meeting held on 6 June 2023 were approved as a correct record.

#### 4 MINUTES OF THE PREVIOUS MEETING HELD ON 7 NOVEMBER 2023

The minutes of the previous meeting held on 7 November 2023 were approved as a correct record.

#### 5 ANNOUNCEMENTS FROM THE CHAIR AND/OR HEAD OF PAID SERVICE

Jonathan Tew delivered a short announcement on behalf of the Head of Paid Service, noting that at its last meeting, the Board agreed the creation of the new Mayoral Combined Authority, as did the North of Tyne Combined

Authority and all seven Constituent Authorities, pending Government confirmation.

## 6 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, providing a brief update on the status of the recent North East devolution deal.

Reflecting on the Chancellor's Autumn Statement, it was noted that this reflected the start of the period running up to the next general election. The statement reflected on five key areas; reducing debt, cutting taxes and rewarding work, backing British business, building a sustainable energy supply, and delivering world class education.

Levelling up, new devolution deals, planning reform, investment zones, taxation cuts and employment support for the long term unemployed were also covered.

A recent LGIU survey was said to have found that only 14% of Council Leaders are confident in the sustainability of Council finances, and under 5% are happy with delivering a sustainable financing system. Minimising cuts to services and council tax rises whilst finding new ways to increase sustainability was said to be a key target.

Concerns of Councils nationwide are unlikely to be eased with current funding allocations remaining in their current state.

Reflecting upon the devolution aspect of the statement, many of NECA's own interests were said to have been reflected, particularly in the face of the creation of the new Mayoral Combined Authority. It was noted that our work and commitment towards the creation of NEMCA are essential in its success, in order to hit the ground running in May 2024. The next step is for the Secretary of State to grant the order, due in Early 2024.

The Chair added that Nissan has pledged a further £3bn investment into the North East, demonstrating regional potential as a world leader in the EV manufacturing market. Despite IAMP being a Sunderland and South Tyneside venture, the workforce is drawn from the whole of the North East.

Councillor Gannon corroborated these claims, noting that a £3bn investment into the region is a significant statement of confidence.

**RESOLVED that: -**

- i. the update be noted.

## 7 **ECONOMIC DEVELOPMENT AND DIGITAL THEME UPDATE**

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

The Thematic Lead for Economic Development and Digital provided a brief overview of ongoing concerns regarding the local economy and labour market, as well as a brief of the King's Speech and INEE's recent work.

North East businesses were said to continue to face challenges around rising energy and staff costs, high interest rates and skills shortages.

As for the labour market, economic inactivity was said to be falling, though so too are vacancies. Business confidence appears brighter than earlier in the year, though consumer confidence remains fragile with ongoing cost of living pressures.

It was noted that despite challenges there have been major success stories, including the expansion of the local video game development sector and the North East Technology Park in Durham.

It was also noted that INEE has had success in attracting foreign direct investment to the region, putting the North East in the top 4 regions in 2023 for jobs in foreign direct investment, in particular, 2023 successes include SSE and Equinor, with Rolls Royce and Lockheed Martin also in the pipeline.

Turning to the King's Speech, it was noted that the enactment of an oil and gas licencing bills and legislation for minimum service levels for real workers and ambulance staff was announced. It was also noted that there was little included in key topics that we'd have hoped to have seen such as local government funding or net zero.

Key points from the autumn statement were raised such as the OBR's downgrading of both forecasts, suggesting stagnating growth over the next couple of years, as well as an increase in the national living wage and cuts to national insurance. Disappointment was expressed with regard to the lack of assistance to residents struggling with the cost of living crisis, and funding to public services.

It was noted that the Treasury's own analysis suggests major cuts to departmental spending, creating a challenging position both regionally and

nationally, though we must remind ourselves what we have achieved as a region over recent years despite such hardships.

**RESOLVED that: -**

- i. the report be noted.

## 8 **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 delivered a brief comment on HS2 legislation as well as Network North, particularly the Network North proposals which included funding pools for the Leamside Line.

It was noted that the North East has been touted to receive £1.85bn from 2027-2032, though commitment to the Leamside Line proposals from the Government has been withdrawn, and that it is supposed that this funding would not necessitate the Leamside Line proposals in any case, despite a business case not yet being drawn up, as the funding amount would also cover pothole repairs and other transport necessities.

Councillor Gannon noted that a bid was submitted for the Bus Service Improvement Plan (BSIP) to the tune of £804m though only £168m was awarded. However, it was added that indications have been received that there will be an additional £91m awarded with an existing allocation of £11m already in place.

Touching on recent industrial disputes between Go North East and workers unions, it was noted that it is looking hopeful that a settlement will soon be reached, though there was an expression of disappointment over the disruptions a lack of service has had for many residents. There was concern over many residents have no choice but to reinvest in private travel to satisfy commuting and personal requirement.

Councillor Gannon added that he had been responding directly to complainants with regards to transport issues, informing many that the public transport industry, particularly buses, is a private market, and the only involvement from Local Authorities are with regard to concessions.

**RESOLVED that: -**

- i. the report be noted.

## 9 **FINANCE, 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 a brief update covering much of the previously covered topics, expressing disappointment in the autumn statement, particularly in regard for local government and even more so in terms of children's services.

There were said to be huge pressures on Councils across the nation, with intervention sorely needed. Opportunities for reskilling were also said to be a requirement.

One positive said to be taken from the levelling up agenda is the decision to form NEMCA, taking control of what powers we can and the funding to accompany it to deliver effective services for our residents. Ultimately, it was noted that the devolution deal is the most positive outcome for the North East in recent years.

Councillor Hopgood concurred with the comments regarding Nissan and public transport issues, noting that many lines of employment, particularly tradesmen, require on site training and evaluation and therefore must have the transport connections available to them to make it into work.

Councillor Miller thanked Councillor Hopgood, adding that levelling up is not solely about investment in new constructions but rather in social collaboration, cohesion and inclusion.

### **RESOLVED that: -**

- i. the report be noted.

## 10 **TREASURY MANAGEMENT MID-YEAR UPDATE**

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

Paul Darby delivered a briefing on the Treasury Management Mid-Year Update, picking out key stats from the report including data on borrowing and investments.

It was noted that cash investments exceeded external debt by £85.5m. Attention was drawn to a table within the report comparing the position at

30<sup>th</sup> September, noting that no external notes were taken out during the period shown.

Members were made aware that all investments were made in line with the Treasury Management Strategy, with all indicators and other notable figures laid out within the report. It was noted that NECA is fully compliant with all requirements during the period covered.

**RESOLVED that: -**

- i. the report be noted.

**11 STATEMENT OF ACCOUNTS 2021/22**

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

Paul Darby delivered a brief overview of the statement of accounts, which include the Annual Governance Statement and a letter of representation.

It was noted that there have been delays due to nationwide technical issues, though the accounts have now been signed off. Gavin Barker and his team at Mazars were thanked, and it was noted that the Authority has now resolved the aforementioned technical issues. Further info can be found within the report.

**RESOLVED that: -**

- i. the Chief Finance Officer be authorised to sign the Letter of Representation on behalf of the Authority;
- ii. the Statement of Accounts for 2021/22 be approved;
- iii. the Chair of the Leadership Board and the Chief Finance Officer be authorised to make any further adjustments to the Statement of Accounts as required and to sign off;
- iv. the Annual Governance Statement be approved;
- v. the Chair of the Leadership Board and the Head of Paid Service be authorised to sign the Annual Governance Statement;
- vi. the report be noted.

**12 AUDIT COMPLETION REPORT 2021/22**

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



Gavin Barker delivered the report, noting that two highly technical accounting issues had delayed the audit by over a year, though this was nothing to do with the authority nor its arrangements – this was a national issue affecting all authorities.

Outstanding issues have been worked through with officers to issue an audit opinion, though the auditors annual report cannot be fully issued at current, though a draft has been issued in order to avoid new reports having to be consistently brought to the Board.

Value for money arrangements are covered within the report, though no view on whether the Authority provides value for money nor an overall conclusion on value for money will be provided as has been done in the past, though no significant issues have been identified in this regard.

**RESOLVED that: -**

- i. the report be noted.

13 **North East Mayoral Combined Authority 2025-2029 Initial Draft Budget and Medium Term Financial Plan Proposals**

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

Paul Darby delivered an overview of the draft initial budgets for NEMCA in advance of its creation in May 2024, noting that this budget must be agreed by both Combined Authorities as well as Constituent Authorities, though it is still subject to further consultation and engagement which will then be presented to January 2024's Leadership Board.

Attention was drawn to the organisational design set out in appendix 1, though such proposals are dependent on agreement of the order. Key budget assumptions were also highlighted in the report.

Corporate and operational budgets, which are required by NEMCA to be in place, were said to be funded by the top slice of various funding streams which will be available to the Mayoral Combined Authority (MCA), something which is standard practice for all MCA's nationwide. Attention was also drawn to tables within the report which shows proposed budgets with regards to funding corporate operations teams.

NEMCA is set to have governance frameworks in place to deal with various funding streams, all of which are set out within the report over the next five year period, along with the investment plans for 2024-25, and info on legacy

commitments surrounding existing LEP programmes. There was also note of updated positions and forecasts for enterprise zones. Estimated reserves and balances by NECA and NTCA, and a draft treasury management strategy are laid out within appendices 3 and 4 respectively. There was also note of a debt cap to the tune of £50m for the new Authority.

**RESOLVED that: -**

- i. the proposals set out within the report be agreed;
- ii. the report be noted.

**14 ANY OTHER BUSINESS**

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

The Chair made Members aware that the Chair of NECA's Overview and Scrutiny Committee (OSC), David Taylor-Gooby, had requested to speak briefly prior to the meeting. Although he was in attendance as a member of the public, and members of the public are not usually permitted to speak at the Board, the Chair determined, along with other Members, that in this instance it would be beneficial to hear what Mr Taylor-Gooby had to say.

Mr Taylor-Gooby explained that as Chair of OSC since NECA's creation, he believes that he has a great deal of experience in this field, and expressed concern over the draft order for NEMCA only legislating a singular scrutiny function. Mr Taylor-Gooby explained that he sits on a national board of scrutiny Chairs, and having requested advice from many of them, they had noted that their Authorities exercised multiple scrutiny functions, notably covering transport.

Mr Taylor-Gooby expressed his desire for NEMCA to also have multiple scrutiny functions, though Members and Monitoring Officers alike informed the Committee that the order simply noted that the MCA must have at least one scrutiny function, as opposed to being limited to only one. It is still up to NEMCA, and following its creation the existing scrutiny boards, to determine how this scrutiny function will work and whether these functions will be separated or unified, and for how long.

**15 DATE AND TIME OF NEXT MEETING**

Tuesday 23 January 2024 at 2.00pm.

### Leadership Board

**Date:** 23<sup>rd</sup> January 2024

**Subject:** Transport Thematic Lead Portfolio Update Report

**Report of:** Thematic Lead for Transport

#### Executive Summary

The purpose of this report is to provide an update on various transport matters of relevance to the NECA area.

#### Recommendations

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

## Leadership Board

### 1. Background Information

1.1 This report provides an update on transport issues affecting the NECA area.

#### Government Announcements

1.2 The government have announced that they have allocated additional highways maintenance funding over the period 2023 to 2024. They have also shared indicative allocations for the next 10 years for local road resurfacing and wider maintenance activity on the local highway network. The implications for the North East as a whole are:

- £6.449 million additional funding each year for both 2023-24 and 2024-25.
- An indicative minimum additional overall uplift of £433.938 million between 2023-24 and 2033-34.

#### Buses

1.3 After seven weeks of industrial action by Go North East bus drivers, drivers represented by the Unite Union voted to accept a new offer from the company and services resumed on 2nd December.

1.4 The impact across the region has been highly damaging. Headline statistics include:

- Around 5 million bus journeys were lost during the strike, around half of these couldn't be taken by other means.
- Approximately 750,000 journeys that couldn't be taken by elderly or disabled passengers.
- An estimated loss of £10m to the local economy.

1.5 Transport North East have been working in collaboration with the region's main bus operators to prepare a bid for the Zero Emission Bus Regional Area (ZEBRA) 2 fund. The ZEBRA 2 scheme will provide £129 million across England to support the introduction of zero emission buses in financial years 2023 to 2024 and 2024 to 2025. The regions bid, if successful, would see an additional 43 battery electric buses in Newcastle, Gateshead and County Durham.

1.6 Following positive subsidy control appraisal of the region's £19.5m, Levelling Up Fund programme, the region is now able to progress towards delivery of the programme. The programme is set to deliver 52 electric buses and 92 EV charging points to the region.

## Leadership Board

- 1.7 At the annual UK Bus Awards the North East Enhanced Partnership won the silver award for Marketing Campaign of the Year. We were particularly commended for our creative use of graphics and its application across social channels, in particular TikTok, to engage those who are 21 and under in the campaign.
- 1.8 In addition to this, the partnership between Arriva NE, Go NE, Nexus and Stagecoach NE won the Gold award for their efforts during the 2022 Great North Run in the Partnership for Excellence category.
- 1.9 Finally, the Care Experienced Travel pilot initiative rolled out by Arriva NE, Go NE Nexus and Stagecoach NE won the Silver award in the Bus and the Community category.
- 1.10 Recent analysis of DfT statistics has shown that the North East (including the Tees Valley) has seen a loss of 39 million bus miles over the past 18 years, this represents a 37% cut to the overall network. When broken down further and excluding the Tees Valley, the figures show a 31% reduction since 2010 and a 12% reduction in the 12 months leading up to March 2023. Furthermore, the statistics do not include the significant impact that Go North East industrial action had on the region's bus services at the tail end of 2023.

### Electric Vehicles

- 1.10 The region's application to the LEVI capital fund was submitted on 30th November. The application follows an indicative £15.8m allocation and invitation to proceed to with stage 2 of the process. The bid identifies over 1500 potential chargepoints that cover a range of locations including deprived urban areas and remote rural locations.
- 1.11 Nissan have committed to making three new electric vehicle models at its plant in Sunderland, bringing the total investment in the Sunderland area to £3 billion.
- 1.12 Following consultation in the autumn, the North East Zero Emission Vehicle Strategy was adopted by North East Joint Transport Committee in at it's meeting on 19<sup>th</sup> December 2023.

## 2. Proposals

- 2.1 This report is for information only. Therefore, no decisions are contained in this report.

## Leadership Board

### **3. Reasons for the Proposals**

3.1 This report is for information purposes only.

### **4. Alternative Options Available**

4.1 Not applicable to this report.

### **5. Next Steps and Timetable for Implementation**

5.1 Timetables are set out as appropriate in relation to the individual items in the sections above.

### **6. Potential Impact on Objectives**

6.1 Sustaining an effective public transport system will be critical to NECA in delivering its objective to maximise the area's opportunities and potential. In addition to this continuing investment in the projects and programmes outlined above will help ensure the area has a transport system capable of meeting current and future challenges.

### **7. Financial and Other Resources Implications**

7.1 The report includes information on funding and financial opportunities.

7.2 There are no specific additional financial implications for NECA arising from this report.

7.3 There are no Human Resource or ICT implications for NECA arising from this report.

### **8. Legal Implications**

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

### **9. Key Risks**

9.1 Various risks exist in relation to the impacts that a failure to achieve the region's aspirations for improving transport would have on wider economic and environmental objectives.

### **10. Equality and Diversity**

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

### **11. Crime and Disorder**

## Leadership Board

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

### 12. Addressing Geographic Diversity:

12.1 The continued provision of bus and other public transport services to more sparsely populated areas remains important to meeting the future needs of these areas.

### 13. Climate Change/Environmental Sustainability

13.1 Transport remains a major source of carbon dioxide and other pollutants. Sustaining effective public transport networks and investing in alternatives to the private car as well as Electric Vehicles are important to achieving further reductions in carbon emissions.

### 14. Consultation/Engagement

14.1 Not applicable.

### 15. Other Impact of the Proposals

15.1 No specific impacts.

### 16. Appendices

16.1 Not applicable.

### 17. Background Papers

17.1 Not applicable.

### 18. Contact Officers

18.1 Sheena Ramsey

### 19. Sign off

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

### 20. Glossary

North East Joint Transport Committee – the formal decision making body in terms of transport strategy, covering both the NECA and North of Tyne areas.



North East Combined Authority

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## **Leadership Board**



### Leadership Board

**Date:** 23<sup>rd</sup> January 2024

**Subject:** Finance, Skills & Employability - Thematic Update

**Report of:** Finance, Skills & Employability Thematic Lead

#### Executive Summary

This report seeks to provide an update on current Finance, Skills and Employability portfolio activity, including the implications of the recent provisional local government finance settlement and on the wide-ranging Skills and Employability drivers which may impact on the delivery of Employment & Skills services in the coming years.

The North East Devolution Deal which subject to further detailed development and government orders provides further opportunities to progress and integrate skills development and employability support measures in line with policy priorities and delivery opportunities detailed in previous updates.

#### Recommendations

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

## Leadership Board

### 1. Background Information

- 1.1 Further to the agreed portfolio leads and the update provided to the Leadership Board in November, activity continues to progress all aspects of the Finance, Skills and Employment needs and opportunities across NECA. Identification of the main issues and progress being made under each element is as follows:

### 2. Finance Theme

- 2.1 It is vital that the functions that NECA oversees as accountable body are properly resourced. Since the last report, the Autumn Statement and provisional Local Government Finance Settlement have been published. The final 2024/25 settlement is expected to be laid before the House of Commons for approval in late January or early February 2024.
- 2.2 The Government figures contained in the provisional settlement indicate that total Core spending power will rise by 6.5% in 2024/25. Core spending power measures the core revenue funding available for local authority services, including Council Tax and locally retained business rates.
- 2.3 The 6.5% increase assumes that Councils will apply the maximum council tax increase permitted to them without a referendum (up to 3% as a core referendum principle, with a further 2% adult social care precept for social care authorities).
- 2.4 The settlement is the sixth successive one-year settlement for local government, which is seen by many in the sector to hamper financial planning and financial sustainability due to lack of certainty over long-term resources.
- 2.5 The combined budget for the proposed North East Mayoral Combined Authority (NEMCA) is the subject of a separate report on this agenda. Transport budgets were presented to the Joint Transport Committee for agreement on 16 January and will be confirmed by the NECA Leadership Board and NTCA Cabinet in advance of the creation of the proposed Mayoral Combined Authority. Significant pressures remain in relation to transport budgets in 2024/25, particularly on the Tyne and Wear levy where the cost of high voltage power and other inflationary conditions, as well investments in security and front-line services remain cost pressures.

## Leadership Board

### 3. Skills Theme

#### 3.1 Skills Devolution

3.1.1 Following the second provider engagement event in November, preparations for the delivery of devolved skills activity across the NEMCA footprint continue at pace. With confirmation from DfE that readiness conditions have been met the process has begun to focus on confirming allocations to grant funded providers and to undertaking the procurement of the additional providers- typically Independent Training Providers, to ensure effective geographic and subject coverage.

3.1.2 Current discussions focus on the delivery of the Adult Education Budget (AEB)(accredited and non-accredited learning), Skills Bootcamps and Free Courses for Jobs.

#### 3.2 DfE pilot for apprenticeship Mentoring

3.2.1 DfE has apprenticeship training providers to submit an expression of interest to take part in a new pilot to test the value of targeted and specific mentoring support for apprentices who have Learning Difficulties and Disabilities (LDD), aligned with Minister Halfon's ambition that all LDD apprentices have access to a suitable mentor on their course.

3.2.2 The pilot will test whether offering targeted expert support, advice and training to the people providing mentoring to LDD apprentices results in a positive impact on the cohort, both in terms of satisfaction, as well as broader areas such as retention and achievement for these apprentices. Providers and prospective mentors will be offered a package of bespoke training, advice, and support in how to support people with LDD throughout the pilot.

#### 3.3 Generation 2 T Levels

3.3.1 Awarding organisations are being invited to bid for contracts to refresh and develop seven existing T Levels. T Levels are classroom-based two-year courses, for 16- to 19-year-olds, that follow GCSEs and are equivalent to 3 A Levels. They crucially involve extensive 'on-the-job' training through an industry placement lasting around 45 days.

3.3.2 The successful bidders for these seven Generation 2 contracts will be taking on responsibility for T Levels that have been successfully rolled out since the programme launched in 2020.

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- 3.3.3 The outline content of each T Level has already been created by employers, with support from the Institute for Apprenticeships and Technical Education (IfATE). These identify the core knowledge, skills, and behaviours that leading sector figures have agreed must be learned for students to prove they are work ready.
- 3.3.4 The Generation 2 suppliers will be expected to refresh and develop the content and assessment methods. The bidding lots are for the following T Levels:
- Building Services Engineering for Construction
  - Design, Surveying and Planning for Construction
  - Onsite Construction
  - Digital Business Services
  - Digital Support Services
  - Digital Production, Design and Development
  - Education and Early Years (formerly Education and Childcare)
- 3.3.5 The bidding process, overseen by IfATE, will comprise of two stages. The first closed at the end of 2023 and those that successfully pass will progress to stage two to complete their bid submission by early 2024.

## 4. Employment Theme

### 4.1 Back to Work Plan

- 4.1.1 The Chancellor Jeremy Hunt and the Secretary of State for Work and Pensions Mel Stride unveiled their Back to Work Plan – a package of employment focused support which is aimed to help people stay healthy, get off benefits and move into work which was part of the Autumn Statement.
- 4.1.2 The new Back to Work Plan, aims to expand the employment support and treatment available and to reform the ways that people with disabilities or health conditions interact with the state.
- 4.1.3 The government is boosting four key programmes – NHS Talking Therapies, Individual Placement and Support, Restart and Universal Support – to benefit up to 1.1 million people over the next five years and help those with mental or physical health conditions stay in or find work.

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- 4.1.4 The new WorkWell service as announced at Spring Budget and delivered by the Departments for Work and Pensions and Health and Social Care was also formally launched and will support almost 60,000 long-term sick or disabled people to start, stay and succeed in work once rolled out in approximately 15 areas across England. Integrated Care boards have to submit expressions of interest in January which will develop their localised work and health strategy.
- 4.1.5 Across the North East the Integrated Care Board (ICB) have created a steering group to consider WorkWell with NEMCA represented on the Group. Further updates on discussions including what a NEMCA approach could look like in line with the timescales for the pilot.
- 4.1.5 Universal Support in England and Wales is aimed to match 100,000 people per year with existing vacancies and supporting them in their new role, an increase on the 50,000 people outlined at Spring Budget, also helping people with disabilities and from vulnerable groups. Participants will access up to 12 months of personalised ‘place and train’ support. The individual will be supported by a dedicated keyworker who will help the participant find and keep a job, with up to £4,000 of funding available to provide each participant with training, help to manage health conditions or help for employers to make necessary accommodations to the person’s needs. Commencement of the roll out is expected in Autumn 2024 but this will be phased.
- 4.1.6 Over next 5 years the following policies will have increased participant capacity of:
- Talking Therapies: 384,000
  - Individual Placement and Support: 100,000
  - Universal Support: 187,500

## 4.2 The Commission for Healthier Working Lives

- 4.2.1 Learning and Work Institute (L&W), Institute for Employment Studies (IES) and Royal Society for Public Health (RSPH) have formed a new collaboration to be the research partners for the *Commission for Healthier Working Lives*, supported by the Health Foundation.
- 4.2.2 The *Commission for Healthier Working Lives* aims to build a consensus on the action needed to address the decline in working-age health. It will create a better understanding of health trends and inequalities – and their impact on individuals, employers and the economy. The Commission will make recommendations for action to improve working-age health, and to help more

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people with health conditions get the support they need to access, remain, or thrive in the workforce.

4.2.3 The growing prevalence of poor physical and mental health in the UK is already having negative consequences, not only limiting the lives of people and communities but also on the economy. The UK is the only G7 country to have lower employment than pre-pandemic; and the number of people out of work due to long-term sickness is at record highs. Economic inactivity has risen by around 400,000 over the past couple of years. This was driven by a large rise in people becoming economically inactive during 2020, particularly a rise in early retirement for older people. However, the most common reason now for staying out of the labour market is long-term sickness. This is linked to rising ill health as the population ages, the impact of the pandemic, and NHS waiting lists.

4.2.4 Drawing on the existing evidence and through tailored individual projects across six themes, IES, L&W and RSPH will identify key gaps and undertake research to explore in more depth:

- the extent and drivers of poor working age population health
- implications of health trends for labour supply and the wider economy
- how changes to the type of work people do interacts with health.

## 5. Next Steps and Timetable for Implementation

5.1 Employment & Skills issues and opportunities for development remain under consideration through meetings of the Skills and Employment Working Groups. Working arrangements in this thematic area are likely formalise over the coming months in line with the further developments of NEMCA structures.

## 6. Potential Impact on Objectives

6.1 This report is for information only.

## 7. Financial and Other Resources Implications

7.1 There are no additional financial implications as this report is for information only.

## 8. Legal Implications

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

## 9. Key Risks

## Leadership Board

9.1 This report is for information.

### 10. Equality and Diversity

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

### 11. Crime and Disorder

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

### 12. Consultation/Engagement

12.1 Economic Directors have been fully consulted on the contents of this paper

### 13. Other Impact of the Proposals

13.1 There are no other impacts arising from this report

### 14. Appendices

14.1 None

### 15. Background Papers.

15.1 Thematic Portfolio Update 28 November 2023

### 16. Contact Officers

16.1 Amy Harhoff, Corporate Director Regeneration Economy & Growth,

[Amy.Harhoff@durham.gov.uk](mailto:Amy.Harhoff@durham.gov.uk) Tel: 03000 267330

### 17. Sign off

17.1

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

### 18. Glossary

18.1	AEB	Adult education Budget
	DfE	Department for Education
	ICB	Integrated Care Board
	IES	Institute for Employment Studies
	IfATE	Institute for Apprenticeships and Technical Education



North East Combined Authority

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## Leadership Board

L&W	Learning and Work Institute
LDD	Learning Difficulty and Disability
NEMCA	North East Mayoral Combined Authority
NHS	National Health Service
RSPH	Royal Society for Public Health
US	Universal Support



### Leadership Board

**Date:** 23<sup>rd</sup> January 2024

**Subject:** North East Mayoral Combined Authority 2025-2029 Draft Corporate Plan, Draft Budget and Medium-Term Financial Plan Proposals

**Report of:** Chief Finance Officer

# Report to follow

**neca**

North East Combined Authority

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**Leadership Board**

**Report to follow**