

Extraordinary Cabinet

19 February 2018

Present: N Redfearn (Elected Mayor) (in the Chair)
Councillors G Bell, CA Burdis, EN Darke, IR Grayson,
JLL Harrison, M Hall, and JJ Stirling

In Attendance: R Layton (North Tyneside Joint Trade Union Committee)
K Goldfinch (Business Sector)
J Connolly (North Tyneside Clinical Commissioning Group)

CAB133/02/18 Apologies

Apologies were received from Councillors CB Pickard and R Glindon, A Caldwell (Age UK) and J Hutton (Northumbria Police).

CAB134/02/18 Declarations of Interest and Dispensations

There were no declarations of interest or dispensations reported.

CAB135/02/18 2018-2020 Financial Planning and Budget Process: Consideration of any Objections to the Cabinet's Proposals (All Wards)

This item had been included in the agenda for the meeting in the event that the Council, at its meeting held on 15 February 2018, agreed any objections to the Cabinet's proposals in relation to the budget and Council Tax requirement and the refreshed Our North Tyneside Plan priorities. No such objections had been agreed at the Council meeting and therefore no further consideration of this matter was required.

CAB136/02/18 Devolution to North of Tyne – Summary of Consultation (All Wards)

Cabinet considered a report seeking approval of the summary of consultation responses document for submission to the Ministry of Housing, Communities and Local Government.

In November 2017, the North of Tyne Authorities had agreed a 'minded-to' Devolution Deal with Government for a significant shift of powers, funding and responsibility. The Deal would enable the North of Tyne Authorities to pursue their ambitious vision for the social and economic prosperity and wellbeing of their communities. Through the deal, an unprecedented devolution of powers would enable the North of Tyne Authorities to take local decisions about the future of the area – focusing investment on local needs to deliver economic and inclusive growth with better opportunities for everyone. The deal would provide £600M of additional investment for the North of Tyne area over 30 years to enable locally determined investment in key areas including: infrastructure, housing, skills development, business support, labour market access and education improvement. This investment was set to generate an additional £1.1bn to the local economy, deliver over 10,000 jobs and attract over £2.1bn of private sector investment.

On 11 December 2017, Cabinet had considered the outcome of a Governance Review which had been undertaken by the three North of Tyne Authorities as part of the statutory process to take forward the Deal (Previous Minute CAB100/12/17). The Review recommended the required governance changes in order to be able to implement the

Deal, subject to the outcome of a public consultation. The governance changes required were for the North of Tyne Authorities to come out of the existing North East Combined Authority (NECA) and to establish a new mayoral combined authority for the North of Tyne area.

At the meeting it had been agreed that the North of Tyne Authorities should progress to the next stage of the statutory process by publishing a Scheme relating to the governance proposals and then undertaking a public consultation exercise. The report set out the outcome from that consultation exercise.

The public consultation had begun on 14 December 2017 and closed on 5 February 2018. The next stage of the statutory process was for the North of Tyne Authorities to submit a summary of the consultation responses to the Secretary of State pursuant to sections 110 and 113 of the Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”). The Secretary of State would then consider whether the consultation was sufficient before deciding whether the relevant statutory criteria in the 2009 Act had been met to enable him to make the statutory order (or Orders) to remove the three North of Tyne Authorities from NECA and create the new mayoral combined authority for the North of Tyne area.

Before making an Order (or Orders) in respect of each proposal, the Secretary of State must consider that to do so was likely to improve the exercise of statutory functions in the area or areas to which the order related. Furthermore, in making the Order (or Orders), the Secretary of State must have regard to the need to reflect the identities and interests of local communities, and to secure effective and convenient local government.

A further report would be submitted to Cabinet seeking authority to consent to the making of the Order (or Orders) and following a further report being submitted to Council on receipt of the Order (or Orders) for Council’s consideration.

The consultation report, attached at Appendix 2 to the report, set out in detail how the public consultation exercise had been undertaken. As well as providing information regarding the governance proposals and “minded to” Devolution Deal, the consultation exercise had included a survey which was available on-line and in paper format at 140 venues across the NECA region. The survey set out 4 questions regarding key elements of the governance proposals and asked respondents to indicate whether they agreed, disagreed or neither agreed/disagreed. It also provided an opportunity for respondents to set out their reasons if they wished.

In addition to the survey, seven face to face events for members of the public had been held across the region (one in each of the seven local authority areas in the NECA region). These events had consisted of a presentation about the proposals and the “minded to” Deal, followed by a discussion session which had focussed on the questions set out in the survey. A number of sessions had also been held for key stakeholders, including Trade Unions, North of Tyne members of both Houses of Parliament, and businesses.

The consultation exercise had been widely publicised throughout the process including in the press and via social media and the level of response was good. In total, 1087 responses to the survey had been received (the vast majority of these being provided on-line). 243 people had attended the face to face events.

A number of written submissions had also been received from a range of key stakeholders, including the business community, voluntary and public sector organisations.

Durham County Council, South Tyneside Council and Sunderland City Council had also submitted responses and these were contained in full in the consultation report.

The majority of responses from residents, businesses, voluntary sector organisations and other key stakeholder groups had been positive and in agreement with the proposed governance changes as set out in the consultation survey. In addition, in their comments, they had expressed support for the overall aims and objectives of the “mined to” devolution deal.

The positive responses had demonstrated strong support for:

- the greater investment that devolution brings
- more local power and control
- more co-ordinated decision-making
- dealing with matters within the North of Tyne
- proposals around education and the opportunities provided by the North of Tyne Education Challenge
- proposals around rural growth and stewardship
- the governance proposals around each of the three key areas of housing/infrastructure; education/skills/employment and transport

The key areas raised by the minority of respondents who did not support the proposals were set out in the report together with a commentary. There was a clear response to each of them and none represented any fundamental issue of concern in terms of moving forward to the next stage of the process.

It was considered that the North of Tyne Authorities’ reasons for progressing the proposals were supported by the consultation exercise. There were a number of issues which would need to be taken into account in developing the proposals, particularly in terms of the collaborative arrangements with the other local authorities within NECA. However it would be a matter for the Secretary of State to consider whether the consultation was sufficient before deciding whether the relevant statutory criteria in the 2009 Act had been met to enable him to make the statutory Order(s).

Mr Layton, North Tyneside JTUC, raised the following questions in relation to the devolution deal which were responded to appropriately:

- (1) Whether any initial investment would be expected from the authorities and how much it was expected to be. He was informed that the Authority was not aware of any initial investment costs.
- (2) If the incoming investment would have any bearing on the Authority’s difficulty to recruit Social Workers. It was explained that the Authority was aware of the issues in relation to recruiting Social Workers and it had already started to take action. It was believed that the establishment of North of Tyne Combined Authority would provide further opportunities to tackle this issue through joint working etc.
- (3) Whether the commissioning of the consultation exercise would be paid from the start up for the North of Tyne Combined Authorities or individual local authority budgets. It was clarified that the consultation exercise had been led by North Tyneside Council’s communications team, however the economic impact assessment cost would be met from the three local authorities.

Cabinet Members generally welcomed the increased investment the devolution deal would bring to enable locally determined investment in key areas such as infrastructure, housing,

skills development, business support, labour market access and education; and supported moving to the next stage.

The Cabinet Member for Community Engagement thanked officers for their hard work on carrying out a very thorough consultation exercise with residents and stakeholders.

Ms K Goldfinch, on behalf of the business sector, mentioned that a lot of consultation had taken place with local businesses and that it had been very positive. Local businesses were keen to get involved in identifying the skills needed in the borough.

Cabinet considered the following decision options: either to agree the recommendations set out in section 1.2 of the report, or alternatively to disagree with the proposals.

It was noted that the Chair of Council had agreed that the decision on this item should not be subject to call-in in order to comply with Ministry of Housing, Communities and Local Government (MHCLG) requirements as to the timetable for the statutory process - they have requested that the summary be submitted no later than 23 February 2018.

Resolved that (1) the content of the report and consultation report at Appendix 2 to the report be noted;
(2) the North of Tyne Authorities submit to the Secretary of State the consultation report and the observations on the consultation report, as set out in sections 1.6 and 1.7 of the report; and
(3) the Chief Executive, in consultation with the Elected Mayor, be authorised to take all steps necessary to implement the above proposals, including (but not limited to) finalising the terms of the consultation report which is submitted to the Secretary of State..

(Reason for decision – because in addition to the economic and social benefits identified in the Governance Review and the report for Cabinet on 11 December 2017, a North of Tyne Combined Authority will also provide:-

- strong and visible collective leadership of the area recognised by government with direct democratic accountability and transparency, able to influence national decision making for the benefit of the area and access initiatives only available to mayoral combined authorities;
- alignment of decision-making at a strategic level across a broad range of statutory functions and through a coherent strategy and investment programme;
- closer working across the wider public sector on integrating functions and services and providing innovative solutions to the challenges of reducing financial resources;
- strengthened capacity through a combined and co-located resource supported with better information and analysis; and
- an improved voice for business in decision-making through a close relationship with the North East LEP and the appointment of a Mayor's Ambassador for Business.

However, it is important to stress that collaboration across the existing NECA region will continue in certain key areas. The Local Enterprise Partnership will remain in place across the area of the revised NECA and the new North of Tyne combined authority. Furthermore, the statutory joint committee that will be established between the two combined authorities will replicate and maintain the existing integrated approach to transport across the region.

In addition the consultation responses as set out in the report show support for the proposals set out in the Governance Review and Scheme.)

Cabinet

CAB137/02/18 Date and Time of Next Meeting

6.00pm on Monday 12 March 2018 (Ordinary Meeting)

Minutes published on Thursday 22 February 2018.

The decisions contained in Minute CAB136/02/18 are not subject to call-in and may be implemented immediately.