

Cabinet (Extraordinary Meeting)

19 March 2018

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

In Attendance: D Bavaird (Business Sector)
R Layton (North Tyneside Joint Trade Union Committee)

CAB154/03/18 Apologies

Apologies for absence were received from Councillor C Burdis.

CAB155/03/18 Declarations of Interest and Dispensations

There were no declarations of interest or dispensations reported.

CAB156/03/18 Devolution to North of Tyne: Consent to Order establishing the North of Tyne Combined Authority (All Wards)

Cabinet considered a report seeking approval to provide the Authority's consent to the making of the statutory Order for establishing the North of Tyne Combined Authority.

The North of Tyne (NT) Authorities had agreed a 'minded-to' devolution deal with Government in November 2017 for a significant shift of powers, funding and responsibility. The deal would enable the three Authorities to pursue their ambitions for inclusive growth, providing an initial £600m of additional investment for the region over 30 years and a range of opportunities to invest in skills development and labour market access across the North of Tyne area.

The deal required the NT Authorities to withdraw from the North East Combined Authority (NECA) and establish a new mayoral combined authority. At its meeting on 11 December 2017 Cabinet had considered a report regarding these proposals and the relevant statutory process (Previous Minute CAB100/12/17). Cabinet had agreed that the NT Authorities should progress to the next stage of the statutory process by publishing a scheme relating to the proposals and then undertaking a public consultation exercise. The consultation exercise had run from 14 December 2017 to 5 February 2018. The results of that consultation exercise had been reported to Cabinet on 19 February 2018 (Previous Minute CAB136/02/18). The consultation exercise had demonstrated that the majority of respondents were in favour of the proposals. The three NT Authorities had therefore submitted a summary of consultation responses to the Secretary of State and formally requested that the Secretary of State make the necessary statutory order to remove the authorities from NECA, create the new North of Tyne combined authority and set up a joint committee to maintain the integrated transport arrangements which currently existed across the NECA region.

The Secretary of State must be satisfied that the relevant statutory criteria in the Local Democracy Economic Development and Construction Act 2009 were met before making the statutory Order to implement these changes. Furthermore, the Secretary of State could only make the order if NECA consented to the amendment of its boundaries and the three NT Authorities consented to the creation of the new combined authority. The Secretary of State had prepared a draft of the statutory Order to implement these changes and establish the joint committee for transport.

The Scheme which the NT Authorities had published prior to the consultation exercise had set out the basis on which they proposed that the governance changes should be undertaken. A copy of the Scheme was attached as Appendix 1 to the report. The draft statutory Order prepared by the Ministry of Housing, Communities and Local Government (MHCLG) was based on proposals set out in the Scheme. The draft Order was the subject of on-going discussions with NECA and the seven local authorities. In brief, there were three elements to the draft Order:

- the amendment of NECA's boundaries to remove the NT Authorities;
- the creation of the new North of Tyne mayoral combined authority; and
- the creation of a joint transport committee between NECA and North of Tyne Combined Authority (NTCA) to ensure continuity of transport arrangements

The Order created a new North of Tyne mayoral combined authority. It was now proposed that the legal name of it was the Newcastle upon Tyne, North Tyneside and Northumberland Combined Authority (although, as with NECA, the new authority could use a name such as the "North of Tyne Combined Authority" for everyday purposes). The Order provided for a first mayoral election on 2 May 2019, and for an interim mayor to be appointed until this date.

The Order also set out the key principles of the governance arrangements for the new NTCA, which were detailed in the report and section 2 of the Scheme, attached as Appendix 1 to the report.

As agreed in the "minded to" devolution deal, the draft Order devolved powers from central Government to the new NTCA to enable delivery of local priorities in economic growth and equality of opportunity, as well as allowing NTCA to exercise certain powers concurrently with the constituent authorities to support these aims. The draft Order set out the powers which were exercisable by the mayor and those powers which were exercisable by the authority (i.e. by the Leadership Board/Cabinet).

The mayoral powers included the power to designate mayoral development areas and certain compulsory purchase powers; in both cases, these were subject to the agreement of the constituent authority(ies) in which the land was situated. The mayor also had the power to set a precept on council tax bills in relation to the funding of mayoral functions (such precept would be part of the annual mayoral budget).

The powers which were exercisable by NTCA included a range of housing powers devolved from the Homes and Communities Agency and others which were exercisable concurrently with the constituent authorities, together with a number of

education, skills and training powers to support NTCA's role in respect of adult education which were also exercised concurrently with the constituent authorities.

NTCA would become the Local Transport Authority for its area. However the aim was to ensure that transport across the current NECA region continued to be dealt with on an integrated basis. Therefore, the Order provided that a statutory joint committee would be established between NECA and NTCA to replicate the existing transport governance arrangements as far as possible. In support of this approach, the Order also made a number of other provisions in respect of transport:

- NECA and NTCA would prepare a joint local transport plan for their combined area;
- Nexus would act as passenger transport executive for both combined authorities; and
- all transport property, rights and liabilities which had been transferred to NECA on the abolition of the Tyne and Wear Integrated transport Authority ("TWITA") would be held jointly by NECA and NTCA.

The joint committee would be made up of four representatives from NECA and three representatives from NTCA, one of who would be the elected mayor unless he or she declined. Decisions were generally to be made by majority decision save that certain decisions required unanimity (in line with the existing NECA arrangements). The joint committee may provide for the delegation of certain functions to sub-committees or to the local authorities in whose area the functions were to be discharged. This would allow the joint committee to maintain the existing approach where each county council dealt with certain operational transport matters in its area and a Tyne and Wear sub-committee dealt with certain transport matters in that area. The joint committee would also be required to set separate transport levies for Durham, Northumberland and Tyne & Wear, as happened at present.

The draft Order had been circulated to NECA and the seven local authorities for their consideration and comment. Legal officers from the seven local authorities had met with officials from MHCLG to discuss the draft Order and had identified a number of areas which required clarification in respect of the transport arrangements. These included:

- a proposed commencement date (for the amendment to NECA's boundaries, creation of NTCA and establishment of the joint committee) of 1 July 2018 to ensure a smooth transition to the new arrangements;
- a provision within the Order to explicitly recognise that there should be a designated officer who would be responsible to the joint committee for providing advice on transport matters;
- the quorum for the joint committee should be two members from each of NECA and NTCA (rather than one from each as was proposed in the Scheme);
- clarification of the matters which required a unanimous decision of the joint committee to ensure that these fully reflected the existing NECA arrangements.

At the same time, North of Tyne legal officers were reviewing the Order to ensure the efficacy of the governance arrangements within the new NTCA and that the functions

which were to be provided to NTCA were appropriate to enable it to achieve its objectives.

Furthermore, discussions had been on-going between NECA and the seven local authorities to reflect the operational arrangements which would need to be put in place to support the changes delivered by the Order. The local authorities had agreed a joint policy note regarding these arrangements, this was attached as Appendix 2 to the report and it was proposed to put in place a legal agreement between the relevant parties to deliver these arrangements. This would ensure that there was clarity as to the support the combined authorities would provide to both the joint transport committee and also the North East Local Enterprise Partnership (LEP), which would continue to operate on a regional basis. These matters were in progress and it was therefore recommended that the Chief Executive, in consultation with the Elected Mayor and Monitoring Officer, was authorised to provide the Authority's consent to the Order and to finalise the detail of these supporting arrangements.

Subject to the Secretary of State being satisfied that the statutory criteria were met and all three NT authorities and NECA consenting to the making of the Order, it was anticipated that the Order would be laid before Parliament in early summer and then come into effect on 1 July 2018. This would amend NECA's boundaries, create the new combined authority and establish the joint transport committee at that time.

The new combined authority would then need to appoint an interim mayor to hold office until the first mayoral election in May 2019.

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

Cabinet Members generally welcomed the opportunities provided by devolution to take decisions locally and work more effectively to improve local services.

Mr Bavaird indicated that the Business Forum was fully supportive of the devolution deal and welcomed the opportunities for inward investment, economic growth, jobs, training and for businesses in North Tyneside.

In response to Member's queries, Cabinet was advised that separate scrutiny and audit arrangements would apply to the North of Tyne Combined Authority and the Joint Transport Committee. Also, besides seeking clarification on a few aspects of the Order, the Chief Executive was not aware of any delays in moving forward and it was anticipated that the Order would be signed off in the Summer.

Resolved that (1) the content of the report be noted;
(2) it be noted that the report will be submitted to the next meeting of full Council for consultation;
(3) subject to no material issue being raised and agreed by full Council, approval in principle be given to the Authority's consent to the making of the Order;
(4) subject to Resolution (2) above, the Chief Executive, in consultation with the Elected Mayor and Monitoring Officer, be authorised to issue the Authority's formal consent to the making of the Order to the Secretary of State when requested;

(5) the Chief Executive, in consultation with the Elected Mayor and Monitoring Officer, be authorised to finalise the terms of the side agreement with the North East Combined Authority regarding the support arrangements associated with these proposals; and

(6) the Chief Executive be authorised to take all other steps necessary to implement these proposals.

(Reason for decision - if the Secretary of State decides to make the Order to create the new North of Tyne combined authority, this will enable residents and businesses to access the benefits set out in the North of Tyne devolution deal. These include a £600m investment fund set to generate an additional £1.1bn for the local economy and over 10,000 new jobs; control over the £23m per year adult education budget, and new powers to improve housing supply, education attainment, skills provision, and labour market access across the area.

The Order also ensures that partnership arrangements across the current NECA area will continue where this geography is most appropriate, including through joint working with the LEP on a Single Economic Plan and through the proposed new transport arrangements.

Establishing a mayoral combined authority also ensures that North Tyneside and the North of Tyne have a strong voice alongside other major conurbations such as Greater Manchester the West Midlands, Liverpool and Tees Valley. It also opens the door for further devolution of powers and funding in future.)

CAB157/03/18 Date and Time of Next Meetings

Monday 9 April 2018 at 6.00pm (Ordinary Meeting)

Minutes published on Tuesday 20 March 2018.

The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview, Scrutiny and Policy Development Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on Tuesday 27 March 2018.