

# North Tyneside Council

## Report to Cabinet

### Date: 14 October 2013

#### ITEM 7 (I)

Title: North East Local Enterprise Partnership (NELEP) Constitution, Governance and Accountable Body arrangements

Portfolio(s): Elected Mayor

Cabinet Member(s): Mrs Norma Redfearn

Report from Directorate: Chief Executive's Office

Report Authors: Paul Buie, Head of Business and Economic Development Tel: 6436091

Wards affected: Wallsend, Riverside

#### PART 1

##### 1.1 Purpose:

The purpose of this report is to invite Cabinet to agree the principles of the North East Local Enterprise Partnership (NELEP) Constitution Governance and Accountable Body arrangements.

##### 1.2 Recommendation(s):

It is recommended that Cabinet:-

1. agrees that the Authority will become a member of the NELEP;
2. agrees that Sunderland City Council will be the accountable body for the NELEP;
3. agrees that the Authority take up the representative position on the NELEP board;
4. approves the principles of the North East Local Enterprise Partnership (NELEP) Constitution and governance arrangements and authorises the Head of Business and Economic Development, in consultation with the Elected Mayor, Strategic Director of Finance and Resources and the Head of Law and Governance to finalise the NELEP Constitution and proposed governance arrangements for the Enterprise Zone in conjunction with other NELEP members, so long as they are in compliance with the the Council's Financial Regulations, Officer Delegation Scheme and Contract Standing Orders.
5. authorises the Head of Law and Governance in consultation with the Head of Business and Economic Development, the Strategic Director of Finance and Resources and the Elected Mayor, to conclude all documentation and enter into all legal agreements with the other members of the NELEP to cover all requirements, including 'back to back' service level agreements (in compliance with the Authority's Financial Regulations, Officer Delegation Scheme and Contract Standing Orders) with Sunderland City Council as Accountable Body for the NELEP; and

6. authorises the Head of Business and Economic Development, in consultation with the Strategic Director of Finance and Resources, the Head of Law and Governance and the Elected Mayor to deal with all ancillary matters arising consistent with the above recommendations.

### **1.3 Forward plan:**

This Report was listed on the Forward Plan for the period 07 August to 30 November 2013.

### **1.4 Council plan, policy framework:**

This report relates to the following themes/programmes/projects in the 2013-14 Our North Tyneside Council Plan:

#### **Our Economy**

- A. Grow by building on our strengths, including existing world class companies in marine technology and engineering.
  - We will start infrastructure improvements on the former Swan Hunter site.
  - We will work with the North East Local Enterprise Partnership, UK Trade and Industry (UKTI) and private sector property developers to promote North Tyneside as a destination for economic development.
- B. Have the right conditions to support investment and create new jobs, especially apprenticeships.
  - We will, where practicable, expand the number of pre-Apprenticeship courses on offer to provide young people and adults who lack the skills to directly participate on an Apprenticeship Framework.
  - We will promote the heritage and culture of North Tyneside as a key aspect of economic regeneration.
  - We will deliver an effective programme of business start up support for new businesses.
- C. Have local people that have the skills that businesses need
  - We will establish Science, Technology, Engineering and Mathematics (STEM) training facilities to support both the skills needs of employers and the aspirations of local young people.
  - We will launch a new borough wide programme across schools and major employers to provide better work experience opportunities, improved access to apprenticeships and strengthened information, advice and guidance on careers.

## **1.5 Information:**

### **1.5.1 Constitution**

The Constitution is the formal governance document of the NELEP setting out how decisions will be made. It details the vision and role of the NELEP this formalises the principles set out at paragraph 1.5.1 above

Membership of the Board shall comprise nine private sector members including the Chair, seven Local Authority Members, one Higher Education member and one representative of Further Education. The Local Authority Members shall be the respective leaders and elected mayors as appropriate. The Constitution sets out the frequency of meetings, quorum and voting rights for the board.

The functions of the NELEP board shall be to:

- provide high quality leadership and set the strategic direction for the sustainable economic growth of the North East economy and determine key objectives and investment priorities to deliver the overall vision and strategy of the NELEP;
- lead the development of the NELEP Enterprise Zone;
- coordinate the North East Investment Fund bidding and leverage of funding from the private and public sector to support the delivery of agreed NELEP priorities;
- manage and set the forward strategy for attracting new investment and business in to the area locally targeted business support activity
- approve the Budget of the NELEP, in line with the financial procedures of the local authority accountable body;
- prepare for its approval and then monitor performance against an Annual Business Plan;
- influence key sub-regional, regional and national strategies;
- approve review and amend the Constitution;
- appoint its Chair and Vice Chairs;
- appoint representatives to selected outside bodies;
- determine arrangements for the retirement from office of non local authority members of the Board having regard to the need to ensure continuity in the conduct of its business;
- establish Executive Support;
- establish Sub-Groups as required, appointing their Chairs and determining their terms of reference;
- keep its representation under review having regard to the geography of the NELEP area, its key business sectors and different sizes of business operation;
- publish an Annual Report to coincide with the NELEP AGM in July; and provide a link to Government on all aspects of the NELEP's work.

### **1.5.2 Accountable Body agreement**

Sunderland City Council (the Host Authority) has been appointed by the NELEP Board to be responsible for the financial administration and programme management arrangements of grants or funds on behalf of the NELEP. An accountable body agreement has been produced by Sunderland Council as Host Authority. This details the liabilities of each authority.

- The NELEP shall undertake the Operations using the Host Authority as the party accountable for implementing NELEP Board decisions and receiving and being accountable for any monies received in connection with the operations.
- The Host Authority will employ staff, hold relevant assets (including money), enter into contracts, loans, funding agreements, transactions, acquire and dispose of assets and investments and otherwise incur liabilities as directed by the NELEP in order to implement its decisions and set up such accounting and other financial and management arrangements as are required to ensure the efficient implementation of the NELEP decisions and application of funds under the direction of the NELEP.
- Any NELEP decision which incurs expenditure or which could generate any ongoing liability which cannot be defrayed directly from the NELEP Budget, from any Central Government Funds, or from other external funding sources or the Financial Contributions shall require the unanimous agreement of all the Local Authority Parties prior to its implementation by the Host Authority.
- Respond to requests it receives under Freedom of Information legislation in relation to the NELEP Operations, provided that a copy of any request is first provided to the NELEP Director and the views of the NELEP Director shall be taken into account prior to any disclosure of information being made;
- Use reasonable endeavours to implement the decisions of the NELEP Board and demonstrate that value for money and probity is achieved in the use of NELEP funds and public funds held on behalf of the NELEP;
- Work with the NELEP in developing standard written procedures.

## **1.6 Decision options:**

The following decision options are available for consideration by Cabinet:

Option 1 – Cabinet may approve the recommendations as set out in paragraph 1.2. This will give clear direction from the Authority to the NELEP that we intend to continue to play a full part in the economic development activities of the NELEP.

Option 2 – Cabinet may not approve the recommendations as set out in paragraph 1.2. This will result in the Authority effectively withdrawing from full participation in the NELEP activities, which may put the Authority at a significant disadvantage in relation to securing new economic growth.

## **1.7 Reasons for recommended option:**

Option 1 is the recommended option.

This provides a clear commitment from the Authority to the activities of the NELEP.

## **1.8 Appendices:**

Appendix 1- Department for Communities and Local Government-Enterprise Zone Prospectus March 2011

## 1.9 Contact officers:

Francis Lowes – Senior Manager, Regeneration, tel: 643 6421 (lead contact)  
Kate Lovelock – Regeneration Project Manager, Regeneration, tel: 643 6426  
David Anderson – Principal Accountant, tel: 643 5722  
Vicki Dixon – Senior Manager, Commercial Finance and Major Contracts, tel: 643 5723  
Sarah Heslop – Manager, Legal Services, tel: 0191 643 5456  
Alison Campbell – Finance Business Manager, tel: 0191 643 7038

## 1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- a. River Tyne North Bank Strategic Development Framework Plan  
[http://www.northtyneside.gov.uk/pls/portal/NTC\\_PSCM.PSCM\\_Web.download?p\\_ID=516659](http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=516659)
- b. North Bank Strategic Development Framework Plan: North Tyneside Council Cabinet report September 2009  
[http://www.northtyneside.gov.uk/pls/portal/NTC\\_PSCM.PSCM\\_Web.download?p\\_ID=508773](http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=508773)
- c. River Tyne North Bank Regeneration: North Tyneside Council Cabinet report 12 July 2010  
[http://www.northtyneside.gov.uk/pls/portal/NTC\\_PSCM.PSCM\\_Web.download?p\\_ID=516230](http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=516230)
- d. River Tyne North Bank Regeneration, Learning Village Options: North Tyneside Council Cabinet report February 2011 (pink paper report)
- e. River Tyne North Bank: Local Development Order Arrangements and Learning Village Phase 2: North Tyneside Council Cabinet report December 2011  
[http://www.northtyneside.gov.uk/pls/portal/NTC\\_PSCM.PSCM\\_Web.download?p\\_ID=531094](http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=531094)
- f. River Tyne North Bank – Learning Village: North Tyneside Council Cabinet report September 2012  
[http://www.northtyneside.gov.uk/pls/portal/NTC\\_PSCM.PSCM\\_Web.download?p\\_ID=537624](http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=537624)
- g. River Tyne North Bank Update: North Tyneside Council Cabinet report November 2012  
[http://www.northtyneside.gov.uk/pls/portal/NTC\\_PSCM.PSCM\\_Web.download?p\\_ID=539615](http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=539615)

## PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

### 2.1 Finance and other resources

The financial implications of the NELEP are largely in relation to the use of retained business rate growth income, which are set out in the pink paper report later on this Cabinet agenda. The full financial implications for the NELEP constitution and governance arrangements will only be finalised once the details are agreed. If there are additional financial implications which cannot be contained within existing budgets, these will be reported back to Cabinet.

## **2.2 Legal**

The NELEP accountable body agreement sets out legal responsibilities for each local authority. This must be reviewed in light of the Combined Authority and responsibilities which shall transfer.

Sunderland City Council, as the Accountable Body, will ensure that funds are only used in accordance with the criteria set for their use; and that funding is separately identifiable from the Accountable Body's own funds. The S.151 Officer of the Accountable Body will ensure that funds are accounted for appropriately in the final accounts of this body, in line with proper accounting practices. Funding arrangements for the administration of the NELEP, and indemnities related to the appropriate use of funding, will form part of the 'back to back' legal agreement to be developed.

## **2.3 Consultation**

### **2.3.1 Internal Consultation**

The regeneration of the north bank of the Tyne has been the subject of extensive internal consultation as part of the preparation of the River Tyne North Bank Strategic Development Framework Plan which includes both the Swans EZ and Port of Tyne EZ sites. Officers from Regeneration Business and Enterprise, Financial Strategy and Planning, Legal and Governance, Strategic Property and Planning have been involved extensively in developing the projects. Briefings have been provided to Elected Members, including meetings of the Economic Prosperity and Housing Sub-Committee. The Port of Tyne site is currently subject to a non-disclosure agreement for commercially sensitive purposes.

### **2.3.2 External Consultation**

Extensive engagement has taken place with businesses, partners and the community regarding the future development of the north bank of the Tyne which includes both the Swans EZ and Port of Tyne EZ sites on an individual basis as well as strategic groups such as the Riverside Business Forum. The Masterplan for the site has been displayed at a number of recent public events including Area Forum meetings and drop in events. A boat trip was organised in September 2012 for members of the North Tyneside Business Forum to provide a unique view of the River Tyne North Bank area, with presentations by land owners including the Authority.

More recently a public exhibition was held on 25<sup>th</sup> July 2013 targeted at businesses and the local community to provide information on the delivery of the regeneration of the north bank of the Tyne. This included information from various Authority departments and stakeholders such as Regeneration, NT Homes, Business Support, Sustainable Development, Capita Symonds, Kier Property, NewRiver, Tynemet College, Newcastle College, Newcastle City Council, Friends of Segedunum, Wallsend Local History Society, the NELEP and the HCA.

## **2.4 Human rights**

There are no human rights implications directly arising from this report.

## 2.5 Equalities and diversity

Equality and Diversity issues will be fully considered and addressed as part of the EZ delivery. It is considered that the delivery of the EZ will have a significant positive effect upon equality of access and opportunity to new jobs for residents of local communities.

## 2.6 Risk management

There are no risk management issues arising from this report. Any risks which are identified will be documented and discussed with the relevant Directorate Risk Champion for inclusion in the risk register should that be appropriate.

## 2.7 Crime and disorder

The continued development of the EZ sites will have significant positive implications on the reduction of crime and disorder due to enhanced security provision.

## 2.8 Environment and sustainability

The approval of the recommendations will support the implementation of EZ delivery which will see improvements to the environment, improved energy efficiency of buildings in line with any external funding requirements and long term sustainability of the EZ sites and adjacent town centres.

The site is located close to Wallsend Metro Station and Bus Interchange, making it highly accessible by public transport and is immediately alongside a major east-west cycleway, providing for healthy and low carbon alternative transport. The site is also close enough to our local riverside communities for a substantial number of employees to walk into work. Businesses requiring riverside access for the transport of products will be prioritised, reducing the number of vehicles using the adjacent roads.

The proposed re-use of the site and buildings is targeted at industries that will contribute towards long term environmental sustainability for the UK by providing support for the emerging renewable energy sector, particularly offshore wind power. Site infrastructure works will be undertaken with recycling of materials within the site boundary as a priority and new materials will be selected from sustainable sources. The refurbishment of the existing buildings and the construction of new buildings will be undertaken to the required BREEAM standards.

The overall scheme provides for the protection of features that have heritage value associated with the adjacent Segedunum/Hadrians Wall World Heritage site.

## PART 3 - SIGN OFF

- Chief Executive

- Strategic Director(s)

- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Strategic Manager  
Policy, Partnerships,  
Performance and Communication