

Cabinet (Extraordinary Meeting)

23 March 2016

Present: N Redfearn (Elected Mayor) (in the Chair)
Councillors CA Burdis, E N Darke, R Glindon, IR Grayson,
JLL Harrison, CB Pickard, LA Spillard, JJ Stirling and
A Waggott-Fairley.

In Attendance: R Layton (North Tyneside JTUC)

CAB153/03/16 Apologies

Apologies were received from M Almond (Voluntary and Community Sector) and A Caldwell (Age UK).

CAB154/03/16 Declarations of Interest and Dispensations

There were no declarations of interest or dispensations reported.

CAB155/03/16 North East Combined Authority – Proposed Devolution Agreement and Elected Regional Mayor (Previous Minute CAB136/03/16) (All Wards)

Cabinet received a report seeking its approval to progress proposals contained in the North East Devolution Agreement including the proposal that the North East Combined Authority (NECA) became a Mayoral Combined Authority subject to receipt of clarification and commitment of Government in relation to certain outstanding matters.

On 23 October 2015 the North East Combined Authority (NECA) had signed a proposed Devolution Agreement with Government setting out the proposed transfer of powers for employment and skills, transport, housing, planning, business support and investment from Government to NECA. An allocation of revenue funding for capital financing of £30 million a year for 30 years would be given to NECA to help create an investment fund. The investment fund would also include new flexibilities over capital grant funding from other devolved programmes, with five year certainty over grant levels enabling the region to plan ahead effectively. The proposed Agreement also paved the way for further devolution in the future and for the reform of public services including health and social care and the approach to support for employment and skills.

Included in the proposed Agreement was a proposal that NECA became a Mayoral Combined Authority. This proposal, as with all aspects of the proposed Agreement, was subject to the formal consent of NECA and its Constituent Authorities.

There had been extensive consultation with the public and business across the NECA area in relation to the proposed Agreement, including the provision of an Elected Mayor. The extent of the consultation with the public, business and others was set out in the report and Appendix 2.

Although approval of the proposed Agreement was a Cabinet responsibility, Cabinet had consulted with Council on 17 March to elicit Council's views on the proposals.

Council had voted unanimously to support the proposed Agreement but considered clarification should be sought in relation to specified areas; i.e. the 5 year Gateway reviews on the £30 million revenue grant, transport levies, Local Growth Fund/housing fund and Local Major Transport Schemes and Airport Passenger Duty. The position on transport levies had now been clarified with Government and means of ensuring the current differential transport levies for Northumberland and Durham, if necessary, may be reflected in new arrangements should a mayoral precept be applied in relation to mayoral transport responsibilities.

Cabinet was requested to consider the draft Devolution Agreement entered into in October 2015 and determine whether, on the basis of the information contained in the report and the views of Council at their meeting of 17 March, to agree to the Recommendations in paragraph 1.2 of the report.

The alternative option was to refer the matter back to officers for further consideration and the submission of a further report to Cabinet on the matter.

However, it was recommended that Cabinet agree to the Recommendations as set out in the report for the reasons set out below.

Resolved that (1) the content of the report and the views of Council, the responses to the public consultation undertaken, and the financial implications of the Devolution deal as set out in the North East Combined Authority (NECA) Devolution Agreement entered into on 23 October 2015 (the "Proposed Agreement") and the Governance arrangements as outlined in the report be noted;

(2) the Authority's support for the proposals set out in the Proposed Agreement be confirmed, but it be noted that the outstanding issues referred to in the report require clarification and commitment by Government;

(3) the Chief Executive be authorised (working with the Head of Paid Service for the NECA) to secure appropriate clarification and commitment from Government on the outstanding issues referred to in Recommendation (2) above; and

(4) Delegated authority be granted to the Elected Mayor, in consultation with the Chief Executive, the Head of Law and Governance and Head of Finance, to consent to the making of the enabling Orders necessary for the implementation of the Proposed Agreement subject to the provision of the necessary clarification and commitment of Government in relation to the outstanding matters referred to at Recommendations (2) and (3) above.

(Reasons for decision: this will enable the necessary clarification and commitment from Government in relation to the outstanding issues identified in the report to be secured. The delegation to the Mayor will also enable the Mayor, following consultation with relevant officers, to consent to the required Orders within the challenging timescales identified for the Parliamentary processes to be completed.

CAB156/03/16 Date and Time of Next Meeting

6.00pm on Monday 11 April 2016 (Ordinary Meeting)

Minutes published on 24 March 2016.

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 4 April 2016.