

# North Tyneside Council Report to Council

**Date: 18 January 2018**

## ITEM 6

North of Tyne Devolution

**Portfolio(s): Elected Mayor**

**Cabinet Member(s): Mrs N Redfearn,**

**Report from Service**

**Area: Chief Executive's Office**

**Responsible Officer: Patrick Melia, Chief Executive (Tel: (0191) 6432001)**

**Wards affected: All**

### **PART 1**

#### **1.1 Executive Summary:**

North Tyneside Council together with Newcastle City Council and Northumberland County Council has agreed a “minded to” Devolution Deal with central Government to transfer new powers and funding to a North of Tyne Mayoral Combined Authority.

The proposal to establish a North of Tyne Mayoral Combined Authority is currently subject to a public consultation exercise which commenced on 14 December 2017 and concludes on 5 February 2018. Cabinet proposes to seek the views of Council prior to formal commitment to the creation of the North of Tyne Mayoral Combined Authority.

#### **1.2 Recommendation(s):**

It is recommended that Council:

- (1) Note the contents of the “minded-to” Devolution Deal at Appendix 1;
- (2) Note the contents and findings of the Governance Review and Scheme as appended to the Cabinet report at Appendix 2 submitted to the Secretary of State by North Tyneside Council, Newcastle City Council and Northumberland County Council
- (3) Note the proposed establishment of a North of Tyne Mayoral Combined Authority and that Council will be consulted on any draft Order establishing the North of Tyne Mayoral Combined Authority prior to formal consent by Cabinet to the making of such an Order.

#### **1.3 Forward Plan:**

This report first appeared on the Forward Plan that was published on 2 January 2018.

## 1.4 Council Plan and Policy Framework

This report relates to the following priority(ies) in the 2016/19 Our North Tyneside Plan:

Our people will be listened to and involved by responsive, enabling services; be ready for school – giving our children and their families the best start in life and be ready for work and life – with the skills and abilities to achieve their full potential, economic independence and meet the needs of local businesses

Our places will be great places to live, and attract others to visit or work here; offer a good choice of quality housing appropriate to need, including affordable homes; provide a clean, green, healthy, attractive and safe environment; and have an effective transport and physical infrastructure - including our roads, cycleways, pavements, street lighting, drainage and public transport

Our economy will grow by building on our strengths, including our existing world-class companies, and small and growing businesses and have the right skills and conditions to support investment, and create and sustain new, good-quality jobs and apprenticeships for working-age people

## 1.5 Information:

### 1.5.1 Background

- 1.5.2 Over recent years the Government has devolved powers and funding to areas within England that have become Mayoral Combined Authority areas through the implementation of “Devolution Deals” negotiated with each area.
- 1.5.3 Combined Authority Mayors have been elected in Manchester, Liverpool, the West Midlands, the Tees Valley and the Bristol City Region. The election of the Mayors has raised the profile of these Combined Authority areas and enabled such areas to acquire new powers and funding from central Government.
- 1.5.4 In April 2014 the North East Combined Authority (NECA) was established with its Constituent Authorities consisting of this Authority, Durham, Gateshead, Newcastle, Northumberland, South Tyneside and Sunderland Councils. The functions transferred to NECA are limited to transport and economic development and regeneration.
- 1.5.5 In early 2015 NECA consulted on a set of outline proposals to assess support for devolution of powers from central Government to NECA. The initial process of engagement with the public and both local and regional stakeholders generated significant interest and the principle of devolution for the NECA area was supported.
- 1.5.6 In October 2015 following detailed negotiation between NECA and the Government, a proposed Devolution Deal for the NECA area was announced. A Governance Review was duly undertaken and a Scheme developed. However, In September 2016 NECA’s Leadership Board voted by a majority of 4 votes to 3 against the implementation of that Devolution Deal. The North of Tyne Authorities consisting of this Authority, Newcastle City and Northumberland County Councils voted in favour of the Devolution Deal being implemented.
- 1.5.7 Following the decision of NECA in September 2016 not to proceed with that Devolution Deal, the three North of Tyne Authorities have worked together to secure a “minded-to” Devolution Deal for the North of Tyne area. In doing so, the North of Tyne Authorities

consider that this will ensure that the area is not disadvantaged by other northern cities and regions acquiring new powers and funding from central Government that is not available to the North of Tyne area.

1.5.8 On 22 November 2017 the Chancellor of the Exchequer announced in his budget that a “minded-to” Devolution Deal had been agreed between the North of Tyne Authorities and Government. On the 24 November 2017 the full details of the minded-to Deal were announced.

1.5.9 The “minded-to” Devolution Deal is at Appendix 1, however the key elements of the “minded-to” Devolution Deal are:-

- A new directly elected North of Tyne Mayor acting as Chair of a new North of Tyne Mayoral Combined Authority;
- A flexible investment fund of £600M over 30 years to invest to meet local economic priorities;
- Establishment of an Inclusive Growth Board to better integrate skills and employment programmes across the area;
- Devolution of the Adult Education Budget to allow the area to shape local skills provision to meet local needs;
- Opportunity to secure funding for pilots to help North of Tyne residents with particular barriers to employment into work;
- Establishment of a Housing and Land Board to accelerate delivery of the new homes residents need;
- Government to support North of Tyne ambitions in digital capability and infrastructure and low-carbon energy;
- Enhanced collaboration with the Department for International Trade, including export advice, trade missions and targeted support for inward investment in our key sectors;
- Support for a pioneering North of Tyne Education Improvement Challenge and pilot programmes to support North of Tyne residents to overcome barriers to employment; and
- Maintaining current transport governance arrangements (which will include overseeing Nexus) by establishing a statutory Joint Committee between the North of Tyne and NECA.

1.5.10 The implementation of the minded-to Devolution Deal will mean that the existing boundary of NECA will have to be amended to remove this Authority, Newcastle City and Northumberland County Councils from the NECA area and the establishment of a new Mayoral Combined Authority for the North of Tyne area consisting of the North of Tyne Authorities. Such changes can only be made following the completion of a statutory process which includes the completion of a Governance Review and publication of a Scheme if it is considered that the proposed changes will be likely to improve the exercise of statutory functions. Ultimately, the implementation of the proposals contained in the minded-to Devolution Deal are dependent upon the Secretary of State making the necessary Order (or Orders) to bring about the proposed changes to the NECA boundary and the establishment of a North of Tyne Mayoral Combined Authority.

1.5.11 On 11 December 2017 Cabinet agreed the findings of the Governance Review, namely that the creation of a North of Tyne Mayoral Combined Authority will improve the exercise of statutory functions in the North of Tyne area and that the changes of NECA’s boundary will improve the exercise of statutory functions in the NECA area and agreed to the publication of a Scheme which is currently subject to public consultation.

- 1.5.12 A copy of the Cabinet Report dated 11 December 2017 (with Appendices) is attached to this report at Appendix 2.
- 1.5.13 Notwithstanding the fact that all decision-making in relation to Combined Authorities is a Cabinet function, Cabinet has agreed to report to Council in relation to the proposed establishment of the North of Tyne Mayoral Combined Authority and this is the purpose of this report.
- 1.5.14 It is expected that Cabinet will meet in February to consider the consultation responses received following the conclusion of the consultation process. A summary of consultation responses will be submitted to the Secretary of State by the North of Tyne Authorities. On receipt of the summary of consultation responses and if the Secretary of State is satisfied that the relevant statutory criteria has been met, the Secretary of State will seek relevant consents from the appropriate Authorities to the making of an Order or Orders to create the new Mayoral Combined Authority. Council will be consulted in relation to the consent of the Authority to the making of such an Order (or Orders) prior to consideration and determination of the issue by Cabinet. If consent is given by the North of Tyne Authorities to the making of the Order (or Orders), the necessary Order (or Orders) will be laid before Parliament later in the Spring with a view to the establishment of a North of Tyne Mayoral Combined Authority later in 2018.

## **1.6 Decision options:**

There are no decision options as this report is presented for the information of full Council.

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

Not applicable

## **1.8 Appendices:**

Appendix 1: "Minded-to" Devolution Deal

Appendix 2: Cabinet Report dated 11 December 2017 with Appendices

## **1.9 Contact officers:**

Patrick Melia – Chief Executive (Tel: 0191 643 2001)

Vivienne Geary – Head of Law and Governance/Monitoring Officer (Tel: 0191 643 5339)

## **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:

- The Local Democracy, Economic Development and Construction Act 2009.

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

The financial implications are set out in the Cabinet report at Appendix 4.

### **2.2 Legal**

Decisions relating to the implementation of the “minded-to” Devolution Deal are Executive decisions and therefore the responsibility of Cabinet.

The proposed changes to the boundary of NECA by the removal of the North of Tyne Authorities and the establishment of a North of Tyne Mayoral Combined Authority can only be achieved at the conclusion of the statutory process set out in the Local Democracy, Economic Development and Construction Act 2009 (the 2009) Act and only if the Secretary of State is satisfied that the statutory criteria set out in the 2009 Act is met and that adequate consultation on the proposals contained in the Scheme has taken place.

It will be necessary for this Authority and the other appropriate Authorities to give formal consent to the Order (or Orders) being made by the Secretary of State to change NECA’s boundary and establish a North of Tyne Mayoral Combined Authority.

### **2.3 Consultation/community engagement**

#### **2.3.1 Internal Consultation**

The Elected Mayor, Cabinet members, and the Leadership Forum have been made aware of the proposals relating to the establishment of the North of Tyne Combined Authority.

#### **2.3.2 External Consultation/Engagement**

The Scheme is the subject of a current public consultation across the whole of the existing NECA area.

### **2.4 Human rights**

There are no human rights implications arising from this report.

### **2.5 Equalities and diversity**

No decision is being taken by Council that will directly impact on equalities and diversity. The North of Tyne Authorities will continue to assess their responsibilities in relation to their obligations under section 149 of the Equality Act 2010 throughout the decision-making relating to the establishment of a North of Tyne Mayoral Combined Authority.

### **2.6 Risk management**

There are no specific risks arising from this report.

### **2.7 Crime and disorder**

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

## 2.8 Environment and sustainability

There are no environmental or sustainability implications arising from this report.

### PART 3 - SIGN OFF

- Deputy Chief Executive ☒
- Head(s) of Service ☒
- Mayor/Cabinet Member(s) ☒
- Chief Finance Officer ☒
- Monitoring Officer ☒
- Head of Corporate Strategy ☒