

North Tyneside Council

Report to the Chief Executive

Date: 2 February 2024

North East Devolution: Consent to the making of the Order Establishing the North East Mayoral Combined Authority

Portfolio(s): Elected Mayor –
Devolution and
Development of the New
Mayoral Combined
Authority

**Cabinet
Member(s):** Dame Norma
Redfearn DBE

Responsible Officer: Stephen Ballantyne, Head of Law **Tel: (0191) 643 5329**

Wards affected: All

PART 1

1.1 Executive Summary:

This report recommends that the Chief Executive confirms to the Secretary of State for Levelling Up, Housing and Communities (“the Secretary of State”) the Council’s consent to the making of the statutory order to (a) abolish the existing combined authorities in the region (namely the North East Combined Authority (NECA) and the North of Tyne Combined Authority (NTCA)) and (b) establish a new mayoral combined authority for the region, to be known as the North East Mayoral Combined Authority (“NEMCA”).

1.2 Recommendation(s):

It is recommended that the Chief Executive:

- (1) Confirm to the Secretary of State the Council’s consent to the making of the statutory order to (a) abolish the North East Combined Authority and the North of Tyne Combined Authority and (b) establish the North East Mayoral Combined Authority.

1.3 Forward Plan:

Twenty eight days notice of this decision has been given and first appeared in the Forward Plan that was published on 4 October 2023.

1.4 Council Plan and Policy Framework

All aspects of the 'Our North Tyneside' Council Plan 2021 – 2025 and in particular the 'Thriving North Tyneside'; a 'secure North Tyneside' and a 'Green North Tyneside' are engaged by this report.

1.5 Information:

1.5.1 Background

1.5.2 On 28 December 2022 HM Government announced a “minded to” devolution deal with the seven councils across the North East (i.e. Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland).

1.5.3 To implement the deal, it will be necessary to establish a new mayoral combined authority which covers the area of the seven councils and replaces the two existing combined authorities in the region, i.e. NECA (which includes the areas of Durham, Gateshead, South Tyneside and Sunderland) and NTCA (which includes the areas of Newcastle, North Tyneside and Northumberland). This will require a statutory order to be made by the Secretary of State under the Local Democracy Economic Development and Construction Act 2009 (“the 2009 Act”). The Secretary of State must be satisfied that the relevant statutory criteria in the 2009 Act are met before making the statutory order. Furthermore, the Secretary of State can only make the order if the seven councils (as well as NECA and NTCA, including NTCA’s Mayor) consent to the order.

1.5.4 At its meeting on 30 October 2023 Cabinet considered a report on the statutory process to implement these changes and the public consultation which had been carried out in respect of these changes. As set out in that report, the Secretary of State had confirmed that he was satisfied that the relevant statutory criteria under the 2009 Act had been met. He had also prepared a draft of the necessary statutory order to (a) abolish NECA and NTCA, and (b) establish NEMCA.

1.5.5 The report to Cabinet on 30 October 2023 included a summary of the draft order and noted that, whilst the order was still in draft and subject to finalisation by DLUHC officials, the content of the order reflected what was agreed in the “minded to” devolution deal and the Scheme which was published by the seven councils as part of the public consultation documents. Therefore, Cabinet agreed to confirm that the Council consented in principle to the making of the order and authorised the Chief Executive, in consultation with the Elected Mayor, to issue the Council’s formal consent to the order when requested to do by the Secretary of State.

1.6 Decision options:

The following decision options are available for consideration by the Chief Executive: -

Option 1

To confirm to the Secretary of State the Council’s consent to the making of the statutory order to (a) abolish NECA and NTCA and (b) establish NEMCA.

Option 2

Not to confirm to the Secretary of State the Council’s consent to the making of the statutory order to (a) abolish NECA and NTCA and (b) establish NEMCA.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

Since the report to Cabinet on 30 October 2023, further discussions have taken place with DLUHC officials, and the terms of the proposed order have been finalised. Officers are satisfied that the final order reflects what was agreed in the “minded to” devolution deal and the Scheme which was published by the seven councils as part of the public consultation. The Secretary of State has written to the councils and the existing combined authorities requesting their formal consent to the making of the order. It is recommended that the Chief Executive writes to the Secretary of State to confirm the Council’s consent.

1.8 Appendices:

None.

1.9 Contact officers:

Stephen Ballantyne, Head of Law and Monitoring Officer – Tel. (0191) 643 5329

John Barton, Manager, Regulatory Team, Legal Services – Tel. (0191) 643 5354

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:

- (1) Cabinet report and appendices dated 16 January 2023;
- (2) Cabinet report and appendices dated 1 June 2023; and
- (3) Cabinet report and appendix dated 30 October 2023

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

By giving formal consent to the making of the order, the Council will be implementing the devolution deal agreed by the Leaders and Elected Mayor with the Secretary of State. The order will enable the region access to over £4bn of funding over a 30-year deal cycle, together with new powers that will better shape local skills provisions to ensure that these meet the needs of the local economy. The order includes the devolution of adult education functions and the core adult education budget to NEMCA. The order will also provide regional input into the new local skills improvement plans and will also secure significant investment in regional transport. Over time the region would also expect to benefit from access to additional funding streams reserved for mayoral combined authorities.

2.2 Legal

The Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) requires the formal consent of all the constituent councils of the NEMCA to be given to the Secretary of State before the order establishing the NEMCA can be made by him. Formal consent to the abolition of NECA and NTCA, (including the Mayor of NTCA) will also need to be given to the Secretary of State to enable him to make the order.

Whereas it is of course a matter for the Secretary of State to be satisfied that he can make the order, it is considered that the evidence demonstrates that the relevant statutory criteria have been met to enable him to make the order.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

The Elected Mayor, Cabinet Members and other Members have been given briefings in relation to the North East devolution deal.

2.3.2 External Consultation/Engagement

The North East devolution deal has been widely reported on and the Governance Review and Scheme was the subject of an extensive region wide public consultation between 26 January 2023 and 23 March 2023.

2.4 Human rights

There are no material human rights issues arising from this report.

2.5 Equalities and diversity

There are no material equality or diversity issues arising from this report.

An Equality Impact Assessment was undertaken as part of the consultation process on establishing the NEMCA and throughout the development of the proposals contained in the devolution deal the Constituent Councils have taken into account their obligations under section 149 of the Equality Act 2010.

2.6 Risk management

As reported to Cabinet on 16 January 2023, it is considered that a failure to establish the NEMCA would risk the region falling behind other major city regions such as Greater Manchester, Liverpool City region and Tees Valley, which have received new powers and funding.

It is a matter for the Secretary of State to decide whether to make the necessary statutory order but, for the reasons set out above, it is considered that the evidence demonstrates that the relevant statutory criteria have been met.

2.7 Crime and disorder

There are no crime and disorder implications arising from this report. The responsibilities of the Police and Crime Commissioners will not be included in the NEMCA although the devolution deal requires close working with both.

2.8 Environment and sustainability

The green agenda is a critical element of the devolution deal and the order when made will help to deliver those initiatives identified in the deal.

PART 3 - SIGN OFF

- Chief Executive X
- Director(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Assistant Chief Executive X