

**Cabinet
(Extraordinary Meeting)**

Monday, 16 January 2023

Present: Dame N Redfearn DBE (Elected Mayor) (in the Chair)
Councillors C Johnson, C Burdis, K Clark, S Graham,
J Harrison, A McMullen, S Phillips and M Rankin

In Attendance: M Hall (Northumbria Police)
D McNally (Age UK North Tyneside)
V Smith (Voluntary and Community Sector)
R Layton (North Tyneside Joint Trades Union Committee)

Apologies: Councillor H Johnson
M Godfrey (Young Mayor)
K Goldfinch (Business Representative)

**CAB75/23 To Receive any Declarations of Interest and Notification of any
Dispensations Granted**

No declarations of interest or dispensations were reported.

CAB76/23 North East Devolution

Cabinet received a report on North East Devolution following an announcement made on 28 December 2022 by HM Government that 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 Councils) had been agreed, subject to ratification.

The deal if implemented would see a significant shift of powers, funding and responsibility which would enable the Councils to pursue their ambitions for inclusive growth. In total, it would provide £4.2 billion of additional investment to the region over 30 years, including a £1.4bn investment fund alongside significant funding for transport, education and skills, housing and regeneration. This would enable investment into projects which reflected local needs and opportunities, making a real difference for our residents, communities, and the local economy.

To implement the deal, the Councils would need to establish that a new Mayoral Combined Authority which covered the area of the seven Councils and would replace the two existing combined authorities in the region would improve the exercise of the statutory functions in the region. The finding of the governance review was that there would be such an improvement.

A report setting out the findings of the governance review was attached at Appendix 1 with Annex A – “Minded to” devolution deal, and Annex B – Draft Scheme for publication consultation. The governance review found a strong rationale to build on existing collaboration, delivery and success by creating a new Mayoral Combined Authority.

The key elements of the “minded to” devolution deal were summarised in Section 1.5.3 of the report under the following headings: ‘Bigger and better; Reduced carbon, reduced inequality; Bold on the rural economy; Amplifying the North East’s global assets; Balancing growth and prevention; Transforming connectivity; Attacking the opportunities of digital and 5G; Connecting our coastal areas; and Building on strong collaborative governance’. The “minded to” deal represented a significant step towards securing important decision-making powers and investment for region. The new Mayoral Combined Authority would also be able to make decisions that reflected local needs and invest into projects that would make a difference for all residents, communities and local economy. Furthermore, if the Councils were to agree to progress the “minded to” deal, it could be the first step in a process of further devolution, and the North East could deepen its devolution arrangements over time.

It was proposed that the government and North East would commence negotiations on trailblazer provisions which would deepen and enhance the powers in the deal, in early 2023, drawing on the arrangements in Greater Manchester and West Midlands, with a view to these powers being in place as soon as possible after the first mayoral election in May 2024. The government would also continue to work with the North East on important areas of public services reform and infrastructure investment, to support inclusive economic growth in towns, cities and rural areas whilst tackling climate change, on the journey to 2030.

If the deal was supported by all the Councils, then its implementation would depend upon the creation of a new Mayoral Combined Authority which would cover the whole of the North East region, i.e. the area of the seven Councils.

At the end of the consultation period, the Councils would prepare a summary of the consultation responses received. This would include an analysis of the issues arising from that consultation and any submissions which it was proposed that the Councils make in response to those issues. A further report will be brought to Cabinet before the summary of the consultation responses and any proposed submissions on behalf of the Councils are forwarded to the Secretary of State. The Secretary of State would at that stage then decide if the statutory criteria had been met and whether the relevant Authorities had given the necessary consents, to the making of the statutory order creating the new Mayoral Combined Authority. It was envisaged that the new Mayoral Combined Authority would come into existence in May 2024 at which point a mayoral election would take place.

The recommendations in the report included a delegated authority to the Chief Executive to make any amendments to the Scheme before its publication for the purposes of public consultation. The public consultation would last for a period of 8 weeks from week commencing the 23 January 2023.

Cabinet considered the following decision options: to approve the recommendations set out in paragraph 1.2 of the report; or alternatively, to not accept the recommendations.

Resolved that (1) the “minded to” Devolution Deal in Appendix 1, Annex A of the report, be endorsed in principle;
(2) the findings of the Governance Review (Appendix 1), namely, that the proposed creation of a new mayoral combined authority for the North East region to replace the existing

combined authorities will improve the exercise of statutory functions across the region, be agreed;

(3) the North East Councils shall publish a Scheme for the delivery of these governance changes (the current draft of the Scheme being attached as Appendix 1, Annex B to the report), be agreed;

(4) the North East Councils shall undertake public consultation in connection with the proposals contained in the Scheme as described in paragraphs 1.5.12 and 1.5.13 of the report, be agreed;

(5) the Chief Executive, in consultation with the Elected Mayor, Director of Resources and Assistant Chief Executive, be authorised to take all steps necessary to implement the above proposals, including (but not limited to) making amendments to the draft Scheme and the consultation exercise, be agreed; and

(6) a further report will be brought to Cabinet at the end of that consultation exercise, be noted.

(Reason for urgency of this decision: If the implementation of Cabinet's decision is delayed, then the Authority would be unable to meet the agreed timetable for consultation of the Scheme. That in turn could jeopardise the establishment of any new North East Mayoral Combined Authority and in turn the implementation of the "minded to" devolution deal.)

CAB77/23 Date and Time of Next Meeting

6.00pm on Monday 23 January 2023 (Ordinary meeting)

6.00pm on Monday 30 January 2023 (Extraordinary meeting)

Minutes published on Tuesday, 17 January 2023.

In accordance with the Authority's Constitution and written approval from the Chair of Council, the Chair of Overview, Scrutiny and Policy Development Committee, the Chief Executive, Monitoring Officer, and Section 151 Officer, the decisions contained in Minute CAB76/23 are not subject to call-in and may be implemented immediately.