

**Cabinet
(Extraordinary Meeting)**

Monday, 30 October 2023

Present: Dame N Redfearn DBE (Elected Mayor) (in the Chair)
Councillors C Johnson, P Earley, S Graham,
J Harrison, Janet Hunter, H Johnson and A McMullen

Apologies: Councillors K Clark and S Phillips
D Hodgson (Business Representative)
D McNally (Age UK, North Tyneside)
S Rennison (Northumbria Police)
V Smith (Voluntary and Community Sector)

**CAB64/23 To Receive any Declarations of Interest and Notification of any
Dispensations Granted**

No declarations of interest or dispensations were reported.

CAB65/23 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).

The Councils had consulted on these changes and the Secretary of State had prepared a draft of the statutory order which was required to implement these proposals. This report was seeking approval to the authority to provide the Council’s consent in principle to the making of that statutory order.

The “minded to” devolution deal would see a significant shift of powers, funding and responsibility which would enable the Councils across the North East to pursue their ambitions for inclusive growth. In total, it was expected to 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,

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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. It would support every aspect of the delivery of the Council's priorities through the devolution of increased funding and powers.

The deal required the Councils to establish a new Mayoral Combined Authority. This would be dependent on the Secretary of State making a statutory order under the Local Democracy, Economic Development and Construction Act 2009 to deliver the following proposals:

- a. the abolition of the two existing Combined Authorities, namely, NTCA and NECA; and
- b. the creation of a new Mayoral Combined Authority which covers the area of all seven Councils, which will be called the North East Mayoral Combined Authority (NEMCA).

It was noted that the changes above would also entail the abolition of the Joint Transport Committee as NEMCA would be responsible for the exercise of transport functions across the region in the future.

As the first stage of the statutory process, the Councils undertook a Governance Review regarding the proposals set out in paragraph 1.5.2 of the report. The results of the Governance Review were reported to Cabinet on 16 January 2023 (Minute CAB71/23). On the basis of the Governance Review, Cabinet concluded that the proposals were likely to improve the exercise of statutory functions in accordance with sections 108 and 111 of the 2009 Act. Cabinet therefore agreed that the Councils should progress to the next stage of the statutory process by publishing a Scheme relating to the proposals and then carrying out a public consultation exercise.

The public consultation began on 26 January 2023 and closed on 23 March 2023. A report on the consultation process was considered by Cabinet at its meeting on 1 June 2023 (Minute CAB16/23). As set out in that report, the public consultation was considered to be extensive, and overall, the responses to the consultation were supportive. On this basis, Cabinet was satisfied that the consultation had been sufficient for the purposes of the legislation and that the statutory criteria above had been met. Cabinet therefore agreed to submit to the Secretary of

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State a summary of consultation responses together with a formal request that the Secretary of State make the necessary statutory order to abolish NECA and NTCA and establish the new Mayoral Combined Authority, NEMCA.

Similar decisions were made by the other Councils in the area and so on 23 June 2023 all seven Councils jointly submitted the Consultation Summary and formal request to the Secretary of State to make the order.

Discussions had taken place with the Department for Levelling Up, Housing and Communities (DLUHC) officials over a number of months regarding the content of the statutory order. The order would provide for the election of a Mayor for the new Combined Authority in May 2024 and for the new Combined Authority to come into existence when the Mayor was due to take office on 7 May 2024 (with the existing Combined Authorities being abolished at that point). The statutory order would also identify the powers and duties that the new Mayoral Combined Authority would have. It would set out how the new Combined Authority would operate and make decisions, including where decisions were to be made i.e. by the Cabinet or the Mayor. It also dealt with the transitional arrangements which were required to ensure continuity when the existing Combined Authorities were abolished, and the new Combined Authority came into being. This would include the transfer of existing staff from affected organisations to the new Combined Authority, so protecting their employment rights.

Whilst the order was still a draft at present and subject to some finalisation, the content of the order reflected what was agreed in the “minded to” devolution deal and the Scheme which was agreed by the seven Councils and included as part of the public consultation documents. A brief overview of the content of the order was attached as an Appendix to the report and the Scheme was listed as a background paper to the report via a weblink in paragraph 1.10.

As set out in previous reports to Cabinet, the Secretary of State must be satisfied that the relevant statutory criteria in the Local Democracy Economic Development and Construction Act 2009 were met before making the statutory order. Furthermore, the Secretary of State could only make the order if the seven Councils (as well as NECA and NTCA, including its Mayor) consent to the order. The Secretary of State had considered the Councils’ submission referred to in paragraph 1.5.5 of the report and had taken the view that the relevant statutory tests were met. This report therefore sought Cabinet’s approval to confirm that

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the Council consents in principle to the making of the order and authorises the Chief Executive to issue the Council's formal consent to the final order when requested to do by the Secretary of State.

As was the case in 2018 when NTCA was created, it was also proposed that a side agreement was put in place between the seven Councils to address certain operational arrangements. It was therefore recommended that the Chief Executive, in consultation with the Elected Mayor was authorised to finalise these operational arrangements and the terms of the side agreement.

It was anticipated that the Secretary of State would issue his request for the Councils and Combined Authorities to consent to the making of the order in December 2023 or January 2024. This would allow the Secretary of State to lay the order before Parliament and for it to be made (i.e., take effect) by March 2024. This would then allow for the Mayoral election to be held in May 2024 and NEMCA to come into existence on 7 May 2024.

The Elected Mayor thanked the Chief Executive, Paul Hanson, and the Chief Executive of North of Tyne Combined Authority, Dr Henry Kippin, and the teams behind them, along with the other councils for their dedication and collective approach in getting this far in delivering this important devolution deal to residents, communities and businesses in the Borough and across the North East region.

The Elected Mayor said this was just the first step on the journey, that councils have to deliver and not just say they want to deliver, as this was really important. She also felt passionately that councils continued to work collectively in meeting that delivery.

Cabinet considered the following decision options: to either approve the recommendations as set out in section 1.2 of the report, or alternatively, to not approve the recommendations.

Resolved that (1) the content of the report, be noted;
(2) it be agreed that the Council should consent in principle to the making of the order;
(3) the Chief Executive, in consultation with the Elected Mayor, be authorised to issue the Council's formal consent to the Secretary of State when requested;

- (4) the Chief Executive, in consultation with the Elected Mayor, be authorised to finalise the terms of the side agreement regarding the support arrangements associated with these proposals;
- (5) the Chief Executive be authorised to take all other steps necessary to implement these proposals; and
- (6) the priorities for the Council's work with the new Mayoral Combined Authority to deliver the agreed 'Our North Tyneside Plan' as set out in paragraph 1.7 of the report, be agreed.

(Reasons for decision: The Council has a strong track record of working as a constituent council of the NTCA and the successes of the NTCA demonstrates the Council's ability to work as a proactive and collaborative partner to secure real benefits for the residents of North Tyneside, some of which are set out below. There is clear strategic alignment through the 'Our North Tyneside' Council Plan and as a result the Council has been able to secure significant funding from the NTCA, leverage private sector investment, and deliver positive outcomes in the Borough.

There are also clear links between the Council Plan and the ambitions and objectives that are set out in the "minded to" devolution deal. The devolution deal and the establishment of a new North East Mayoral Combined Authority provided an opportunity to build on strong foundations to deliver more benefits to residents, communities and businesses in the Borough and across the North East region as set out below.

Thriving North Tyneside: Support the Tyne Taskforce to position and strengthen the Riverside as a key place for investment, employment growth and leisure.

- Support for continued regeneration of town centres in North Shields, the ambitious plans for Wallsend and ideas for Whitley Bay as well as the Master Plan for the North West.
- Increased opportunities to attract and support businesses to create more quality jobs.
- Support to promote the Borough's natural assets and to grow the visitor economy.
- Greater opportunities to expand skills development and clear pathways to work, in particular working to close the skills gap and promote good work in social care and the cultural, creative and tourism industries.

Secure: Greater opportunities to develop affordable housing and improvements in private rented housing.

Family Friendly: New ways to improve transport connectivity and the delivery of services for the North West of the Borough.

- Increased focus on the Council's priority to tackle education inequalities in line with the Ambition for Education.

Caring: Increased opportunities to tackle poverty and to improve health, well-being and socio-economic inequalities in line with our Equally Well Strategy

- Improved ways to tackle continued support for community hubs.

Green: New ways to promote the decarbonisation of homes and industry

- Support the development of Net Zero infrastructure and encouraging supply chain innovation.
- Strengthen active travel routes and opportunities, such as the sustainable sea front cycle way.
- Link the green industrial revolution to skills pathways to create more employment opportunities for the future.

In addition, it is considered that the creation of a new Mayoral Combined Authority for the North East would unlock the benefits of the "minded to" devolution deal and improve the exercise of statutory functions across the region.

The provision of the necessary consents to the making of the order will enable it to be laid before Parliament so that it can be made and thereby establish the Mayoral Combined Authority for the region, which will in turn provide access to the benefits of devolution across the region.)

CAB66/23 Date and Time of Next Meeting

6.00pm on Monday 27 November 2023.

Minutes published on Wednesday, 1 November 2023.

The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview,

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Scrutiny Co-ordination and Finance Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on Wednesday, 8 November 2023.