

## **Cabinet**

**26 November 2024**

(2.00pm)

Meeting held in: Conference Room, Northumberland County Council, County Hall, Morpeth

### **Minutes**

**Present:** Mayor Kim McGuinness (Chair)  
Martin Brookes  
Councillor Tracey Dixon  
Councillor Martin Gannon  
Councillor Amanda Hopgood  
Councillor Karen Kilgour  
Councillor Michael Mordey  
Dame Norma Redfearn DBE  
Councillor Glen Sanderson  
Lucy Winskill OBE

#### **C40/11/24 Apologies for Absence and Substitutes**

There were no apologies.

#### **C41/11/24 Declarations of Interest**

Lucy Winskill, Business Board member, declared a personal interest on Item 6 - North East Investment Zone – Wave 1 Projects, she holds the position of Commissioner of Port of Blyth a Non-Executive Director position.

#### **C42/11/24 Mayor's Announcements**

In her announcements Mayor Kim McGuinness:

- welcomed Councillor Karen Kilgour, Cabinet Member for Public Sector Reform onto the Cabinet
- reported that the first Child Poverty Summit had taken place in Sunderland and had been attended by in excess of 350 people with the shared aim to tackle child poverty. The Mayor stated that at the summit she was able to announce £50million partnership with the Department of Work & Pensions to aid the removal of barriers to health and getting people into employment.
- reported that the region was a National Trailblazer for Economic Inactivity and would receive a further £10million to help break down barriers.

- welcomed the announcement in the national budget that the North East CA was to receive a single settlement from 2026/27.
- acknowledged and thanked Lucy Winskill OBE who was standing down as the Business Board Member of Cabinet.

#### **C43/11/24 Minutes**

**Resolved** that the minutes of the previous meeting held on 17 September 2024 be confirmed and signed by the Mayor as a correct record.

#### **C44/11/24 North East Environmental Stewardship, Coast, and Rural Growth Investment Plan**

The Cabinet was presented with the draft North East Environmental Stewardship, Coast, and Rural Growth Investment Plan.

The Investment Plan set out the approach to enhance the environment, grow coastal and rural economies, develop new markets, and improve opportunity in coastal and rural communities, including opportunities in:

- producing high quality and regionally distinctive food,
- tackling nature recovery on a landscape scale,
- creating new financial markets for carbon and nature,
- working with our landscapes to improve the climate resilience of downstream towns and cities,
- delivering net zero through innovative land management and nature-based solutions.
- enabling rural businesses to thrive, providing employment and generating wealth

In welcoming the plan Cabinet members highlighted the importance of supporting and the growth of rural communities across the region, ensuring support for business and employment opportunities so those who live in rural areas had employment opportunities close to their own local communities. It was also highlighted that the plan would have a great impact on the whole region both rural and urban with benefits through unnecessary travel that would preserve air quality for all and reduce impact on the climate.

#### **Resolved:**

1. To approve the draft North East Environmental Stewardship, Coast, and Rural Growth Investment Plan, set out in Appendix 1, ahead of formal launch.
2. To agree an indicative budget allocation of £15.75m from the Investment Fund for the period 2025-29 to facilitate the delivery of the Investment Plan, focussed on the following two priority areas: a. £7.25m for the Environment and Nature investment priority b. £8.5m for the Rural and Coastal Growth investment priority.
3. That subsequent approvals of financial commitments against point 2 above be subject to completion of full business cases, progressed in accordance with the Single Assurance Framework.
4. To agree a £1.25m Environment, Coast & Rural Enabling Fund, to be managed in accordance with the North East Combined Authority's Scheme of Delegation, and limited to officer resource and expert advisory support in pursuance of the following:
  - a. £300k for resources to oversee the implementation of the Investment Plan and to provide secretariat support for a Rural & Coastal Taskforce;

- b. £300k for a Climate Resilience pilot;
  - c. £650k to support the development of investible propositions in accordance with the Environmental Stewardship, Coastal and Rural Growth Investment Plan strategic priorities.
5. To note that the North East Combined Authority will work with the UK Government and others to seek further investment to support its ambitions around both Environment and Nature and Rural & Coastal Growth. The ambition will use the indicative funding highlighted in the report to leverage an overall package of at least £25m of activity over the next 5 years

#### **C45/11/24 North East Investment Zone – Wave 1 Projects**

The Cabinet was presented information and asked to provide in-principle support for two projects relating to:

- unlocking the whole of NETPark Phase 3a in County Durham for future development, and accelerate the development of the first unit, in response to strong interest from potential inward investors.
- complete the funding package for the Energy Central Institute (ECI), a new Higher Education, research and innovation facility in Blyth town centre.

Members welcomed the projects.

#### **Resolved:**

1. To provide in-principle approval of the NETPark Phase 3a and Energy Central Institute projects; and
2. Delegate authority to the Chief Executive, in consultation with the Mayor and Finance and Investment Board, to approve funding of up to £11,255,710 for NETPark Phase 3a, and £5,499,951 for the Energy Central Institute in accordance with the Single Assurance Framework.

#### **C46/11/24 Bus Reform – Procurement of Specialist Support**

At its meeting 30 July 2024, Cabinet agreed allocated budgets to be used to fund elements of the Bus Reform project and options for staffing, expert advisory support, legal advice, audit and consultation, as well as for contingencies.

Cabinet received a report that requested delegated authority to the Chief Executive to commence procurement arrangements and approve contract awards for specialist support associated with the region's Bus Franchising Scheme Assessment (FSA).

#### **Resolved to:**

1. Authorise commencement of procurement arrangements associated with development of the region's Bus Franchising Scheme Assessment.
2. Delegate authority to the Chief Executive, in consultation with the Portfolio Holder, Director of Finance and Investment and Monitoring Officer, to carry out procurement exercises and award contracts for all specialist support associated with development of the region's Bus Franchising Scheme Assessment.

**C47/11/24 Devolved Adult Skills Fund & Skills Bootcamps – update on progress**

The Cabinet received a report that updated progress relating to the mobilisation of the Devolved Adult Skills Fund (ASF) and the North East Combined Authority (North East CA) Skills Bootcamp programme. The report also sought approval for a recommended approach to allocating skills funding managed by the North East CA.

The fully devolved ASF of circa £68m which included a ringfenced allocation for the delivery of a Level 3 Adult Skills offer 'Free Courses for Jobs' (FCFJ).

The devolved ASF had been allocated to 45 further education providers across 20 Grant Funding Agreements and 25 procured Contract for Services. Delivery had been underway since 1 August 2024, with over 19,000 starts on programmes to date.

The ASF investment was reaching residents most disadvantaged in terms of poverty and skills with 31% of enrolment opportunities being undertaken by residents living in the North East CA's top 20% deprived areas. 8342 (44%) of enrolments are in the top 10% deprived wards across the region.

Providers had established a wide range of provision to support unemployed residents, with 76% of enrolment opportunities being undertaken by residents who are unemployed, with 50% of these residents unemployed and actively looking for work.

In respect to the delivery of Wave 5 Skills Bootcamps across the region, funding had been deployed to 23 organisations, with support from over 200 employers, providing residents with access to in-demand skills training, guaranteed interviews and more sustainable higher skilled jobs which would result in higher wages over time.

Over 1000 residents had undertaken training in a range of sectors which included areas such of Offshore Wind, Offshore Cables, E.V battery manufacture, energy storage and in the foundational economy in areas such as Early Years, Adult Care and Hospitality.

Members welcomed the report and expressed that the range of courses provided had been co-designed with businesses and aided residents to gain the necessary skills to gain well paid employment.

**Resolved to:**

1. Note the progress made on the mobilisation of the Devolved Adult Skills Fund (ASF) from 1 August 2024 and the North East CA's Skills Bootcamp programme from 1 June 2024.
2. Delegate authority to the Chief Executive, in consultation with the Chief Finance Officer and Portfolio Holder for Education, Inclusion and Skills to approve any subsequent arrangements including procurement activity and funding allocations related to the delivery of Adult Skills programmes as set out in section 7 of the report.

**C48/11/24 Department for Work and Pensions: Connect to Work Programme**

Cabinet received a report that sought approval to receive investment from the Department for Work and Pensions (DWP) that was be used to deliver a new supported employment programme, called Connect to Work.

The programme would help people with disabilities, health conditions and additional barriers to seek sustained employment. The programme was a voluntary intervention that would be targeted to the right people, at the right time and based on an individual's circumstances.

The North East Combined Authority (North East CA) would be Accountable Body (AB) for the programme, working in partnership with the constituent local authorities'. As the AB was responsible for developing the Delivery Plan for the programme and delivering the service under the terms of a grant agreement with DWP.

The North East CA would receive an estimated grant of just under £50 million over a 3 to 4 year period to support approximately 13,500 participants into work or to remain in work.

The delivery of the programme reflected the shared ambition of the Mayor and Cabinet for a more devolved system of employment support, providing an opportunity to design a programme to support local needs alongside addressing some of the challenges within the current labour market.

The report was welcomed, and it was stated that it was an opportunity to work with and support businesses to help them understand how to overcome the barriers with diverse employee's and keeping them in employment for the longer term.

**Resolved to:**

1. Authorise the Director of Finance to accept the grant offer from DWP with respect to Connect to Work on behalf of the Authority, subject to the terms and conditions set out by DWP.
2. Authorise the Chief Executive, in consultation with the Director of Finance and relevant Cabinet Member, to approve the commissioning approach set out in 3.2 of the report, including the Delivery Plan and Grant Cost Register.
3. Authorise the Chief Executive, in consultation with the Finance and Investment Board, to approve project applications and award contracts brought forward through the approved Delivery Plan. Project approvals should be made with reference to fit with the North East CA Connect to Work Delivery Plan, align with North East CA Assurance principles, and demonstrate value for money and deliverability.

**C49/11/24 Early Delivery Priorities for Culture, Creative, Tourism and Sport in the North East**

Cabinet received a report that set out the first steps for the Combined Authority in its development of a strategic approach to the regional visitor economy, events and place promotion that would be impactful, sustainable, and inclusive. The implementation of the approved priorities supported the wider development of priorities and opportunities for the Culture, Creative, Tourism and Sport sectors in the region.

The manifesto commitment and strategic objective within the Culture, Creative, Tourism and Sport portfolio was to grow the cultural and creative industries, the visitor economy and unlocking economic and social impact from the regions sporting assets. The proposals presented would proactively contribute to regional inclusive economic growth, capitalising on the values and opportunities that were unique and specific to the portfolio.

The report proposed: the development of a 10-year regional events strategy; funding to support immediate priority events; the development of proposals to set out how the region would support the existing Destination Development Partnership pilot; funding to support the delivery of the inaugural match at the Women's Rugby World Cup 2025 in Sunderland as part of a wider commitment to test the Region of Sport concept; and to start to develop a North East Culture, Creative, Tourism, Sport and Heritage (CCTSH) Blueprint.

Members commented on their excitement of the priorities that would help the delivery of internationally recognised events, bringing enormous economic benefits for the region. The holding

of major events would inspire especially young people in the region and help to provide opportunities to develop and showcase their talent.

**Resolved:**

1. To note, that work had commenced on the development of a 10-year regional events strategy commencing from 2026 and that Cabinet will receive a further report setting out longer term recommendations and funding requirements in Spring 2025.
2. To allocate £2m to support early priority regional events in advance of the long-term events strategy and to delegate responsibility to the Chief Executive to make investment decisions in relation to the funding allocated, in line with intent and objectives set out in the report, and in accordance with the North East CA Single Assurance Framework.
3. To request that proposals be developed, in collaboration with regional partners, setting out how the region could build on the existing Destination Development Partnership pilot (Destination North East England). Proposals would set out the regional capacity needed to enable delivery of its ambition for the visitor economy, and how this could support collaboration and add value to existing activity and structures.
4. To note that the Great North Run Company had been commissioned to work collaboratively with regional partners to inform the strategic case for the North East to be designated by Government as the UK's first Region of Sport, with findings and next steps reported to Cabinet in early 2025.
5. To allocate funding to invest in improving community participation in upcoming major regional sporting events, providing a test case for the Region of Sport concept, and to delegate responsibility to the Chief Executive in accordance with the Single Assurance Framework to make investment decisions in relation to the funding allocated:
  - a. £0.5m to support delivery of the inaugural match at the Women's Rugby World Cup 2025 in Sunderland, including a comprehensive programme of community engagement and legacy benefit, testing the principles of the Region of Sport.
  - b. By way of the previous funding commitment of the North of Tyne Combined Authority (NTCA) to support a 'festival of football' in the lead up to Euros 2028. This would provide the launchpad for a long-lasting legacy and contribute greatly to the core aims of increasing community-level engagement and promoting health and wellbeing, testing the principles of the Region of Sport.
6. To note that the development of the Local Growth Plan and the importance of the Creative Industries within this as a significant economic opportunity
7. To note that plans to begin engagement with Government Departments and cultural and creative arm's length bodies in developing the North East Culture, Creative, Tourism, Sport and Heritage (CCTSH) Blueprint and to receive a future report setting out next steps

**C50/11/24 2025-26 Budget and Corporate Plan and Medium-Term Financial Plan**

The Cabinet was presented the initial draft 2025-26 Budget, Medium Term Financial Plan and Draft Corporate Plan for the North East Combined Authority (North East CA) for approval. Following the establishing of the North East CA and Mayoral Election May 2024, the Devolution deals agreed during 2022 and 2023 provided the framework for the development of the initial budget for 2024-25. Those draft proposals were approved by the decision-making arrangements that were in place in January 2024.

The Corporate budget and the Investment Programme budget had been reviewed during the period to the end of September 2024 and formed the base financial position on which the draft budget for 2025-26 had been developed.

The report included details of the North East CA's first full draft Corporate Plan, replacing the interim plan created before the election of the first North East Mayor. The Corporate Plan was designed to focus the organisation on impactful delivery on behalf of the region and to build on the work of the seven local authorities, two combined authorities, and partner organisations which together helped unlock the potential of devolution in the North East.

**Resolved:**

1. To agree the initial draft Corporate Plan as set out in paragraph 1.4 for consultation,
2. To agree the initial draft North East CA Corporate Budget for 2025-26 as set out in section 2 for consultation.
3. To agree the overarching delivery budgets as set out in Section 3 for consultation
4. To agree the draft Transport Levies as set out in Section 6 for consultation
5. To note the reserves position as set out in Section 9 will be kept under review while consideration of additional information becomes available about the financial risks facing the Authority and the proposed arrangements for managing those risks.

**C51/11/24 2024/25 Budget Monitoring Position 30 September 2024**

The report presented to Cabinet provided a revised budget plan for 2024/25 showing the updated positions for the Corporate Budget and delivery programmes. The report also provided a review of Treasury Management at the mid-year point, with a summary of the North East CA's treasury position, borrowing activity, investment activity, treasury management and prudential indicators as of 30 September 2024 and an overview of activity during the first six months of 2024/25.

The report included a statement of the North East CA's reserves, based on the closing financial statements outlined in the 2023/24 financial outturn statements for both North of Tyne Combined Authority and the former North East Combined Authority.

**Resolved to note:**

1. The updated budget position for 2024/25.
2. The Treasury Management position on 30 September 2024
3. The current value of reserves, based on the draft 2023/24 final accounts for both North of Tyne Combined Authority and former North East Combined Authority,

**C52/11/24 Governance Update on Cabinet Portfolio, Advisory Boards and Appointments**

The report presented set out proposed changes to the North East CA's Cabinet portfolios and advisory boards to strengthen the Mayor and Cabinet's commitment to improving public services for the people of the North East.

It also provided proposals for a Business and Economy Board to provide expert advice to the Mayor and Cabinet on the views of business interests in the region and recommended an appointment to the Passenger Transport Executive (Nexus) and the designation of two new statutory officers to reflect staffing changes.

### **Resolved**

1. To agree the creation of a new Cabinet portfolio relating to Public Sector Reform and that Cllr Karen Kilgour is the portfolio holder
2. To agree the creation of a Public Sector Reform Advisory Board with the areas of work set out at Appendix 2, and delegate to the Chief Executive, in consultation with the portfolio holder, the appointment of individual members to that Board.
3. To agree the terms of reference and areas of work for the Business and Economy Board, as set out in Appendix 3, and delegate the appointment of individual members to this Board to the Chief Executive; in consultation with the Mayor and the Chair of the Business and Economy Board (once appointed), be Agreed
4. To approve the appointment of Dale Owens as a Non-Executive Director to the Nexus Executive Board.
5. To agree the designation of the Authority's statutory Chief Finance Officer and Scrutiny Officer as set out in section 4,