



RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the Special meeting of **CABINET** held on **Wednesday 31 May 2023**. The decisions will come into force and may be implemented from **Monday 12 June 2023** unless the Corporate Overview and Scrutiny Management Committee or its Committees object to any such decision and call it in.

North East Devolution [Key Decision: CORP/R/23/05]

Summary

The Cabinet considered a report of the Chief Executive on the outcome of public consultation which the seven councils across the North East (i.e. Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland) have undertaken in relation to proposals for North East Devolution.

The report sought Cabinet approval to submit the consultation report to the Secretary of State as the next step in the process of establishing the new Mayoral Combined Authority and to agree in principle to consent to the Secretary of State establishing an Order to create the new Mayoral Combined Authority.

On 28 December 2022 HM Government announced a “minded to” devolution deal with the seven councils across the North East. To implement the deal, it will be necessary to establish a new Mayoral Combined Authority (MCA) which covers the area of the seven councils and replaces the two existing combined authorities in the region, the North of Tyne Mayoral Combined Authority and the North East Combined Authority.

The “minded to” devolution deal would see a significant shift of powers, funding and responsibility from central government, which would enable the Councils to pursue their ambitions for inclusive growth. In total, it is 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, housing and regeneration. This funding would enable investment into projects which reflect 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 creation of a new MCA covering the constituent areas of the seven Councils party to the minded to deal is dependent on the Secretary of State making a statutory order under the Local Democracy, Economic Development and Construction Act 2009 to enact the following:

- (a) The abolition of the two existing combined authorities, i.e. NTCA (which covers the areas of Newcastle, North Tyneside and Northumberland) and NECA (which covers the areas of county Durham, Gateshead, South Tyneside and Sunderland); and
- (b) The creation of a new MCA which covers the area of all 7 Councils, which will be called the North East Mayoral Combined Authority (NEMCA).

(NB: the changes above would also entail the abolition of the Joint Transport Committee as NEMCA would be responsible for the exercising of transport functions across the regions in the future.)

As the first stage of the statutory process, the North East Councils undertook a governance review regarding the proposals set out above. The results of the governance review were reported to Cabinet on 18 January 2023. 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 North East 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 setting out how the consultation was undertaken, a summary of the responses received, issues and the key findings were outlined in the report.

Subject to Cabinet's approval, the next stage of the statutory process is to submit the consultation report to the Secretary of State and agree in principle to consent to the Secretary of State making an order to create the new MCA. The Secretary of State will then consider whether the consultation is sufficient before deciding whether the relevant criteria in the 2009 Act have been met.

This means that the Secretary of State must be satisfied that making an order to abolish the existing combined authorities (NECA and NTCA) and create the new mayoral combined authority (NEMCA) will be likely to improve the exercise of statutory functions in the area of the 7 Councils. Furthermore, in considering whether to make the order, the Secretary of State must have regard to the need: (a) to reflect the identities and interests of local communities, and (b) to secure effective and convenient local government.

It is considered that the key findings of the consultation exercise demonstrate that the criteria have been met and therefore Cabinet was recommended to submit the consultation report to the Secretary of State and agree in principle to give consent to the Secretary of State making an order to create the new MCA.

Decision

The Cabinet:

- a. considered the content of the report and the attached consultation report;
- b. agreed that the consultation that has been undertaken is sufficient for the purposes of the legislation and that the findings set out in the consultation report demonstrate that the statutory criteria have been met;
- c. agreed that the consultation report should be submitted to the Secretary of State so that the Secretary of State can:
 - i. consider whether they are satisfied that the consultation has been sufficient and that the statutory criteria have been met; and
 - ii. (if so satisfied) request Parliament to make an order to abolish the existing combined authorities and establish NEMCA;
- d. agreed in principle to consent to the making of the necessary statutory order; and
- e. agreed that the Chief Executive, in consultation with the Leader of Council, shall be authorised to take all steps necessary to implement the above proposals, including (but not limited to) finalising the terms of the consultation report which is submitted to the Secretary of State.

Helen Lynch
Head of Legal & Democratic Services
2 June 2023