

**TEES VALLEY COMBINED AUTHORITY CABINET**

**Friday 2<sup>nd</sup> July 2021 at 10am**

**Cavendish House, Teesdale Business Park, Stockton-On-Tees**

<b><u>ATTENDEES</u></b>	
<b><u>Members</u></b>	
Mayor Ben Houchen (Chair)	Tees Valley Mayor
Councillor Heather Scott OBE	Leader, Darlington Borough Council
Councillor Shane Moore	Leader, Hartlepool Borough Council
Councillor Mary Lanigan	Leader, Redcar and Cleveland Borough Council
Councillor Bob Cook	Leader, Stockton-on-Tees Borough Council
Mayor Andy Preston	Mayor of Middlesbrough
<b><u>Associate Members</u></b>	
Annabel Turpin	Member of Tees Valley LEP
Zoe Lewis	Member of Tees Valley LEP
Brenda McLeish	Member of Tees Valley LEP
<b><u>Apologies for Absence</u></b>	
Paul Booth	Chair, Tees Valley Local Enterprise Partnership (LEP)
Professor Paul Croney	Member of Tees Valley LEP
<b><u>Officers and Others in Attendance</u></b>	
Julie Gilhespie	Group Chief Executive, Tees Valley Combined Authority (TVCA)
Peter Judge	Monitoring Officer, TVCA
Gary Macdonald	Group Director of Finance & Resources, TVCA
Alison Fellows	Group Commercial Director, TVCA
Chris Beck	Director of Business & Skills, TVCA
Tom Bryant	Head of Transport & Infrastructure, TVCA
Shona Duncan	Head of Education, Employment & Skills, TVCA
Laura Metcalfe	Governance Manager, TVCA
Sally Henry	Governance Officer, TVCA
John Sampson	Managing Director, Redcar & Cleveland Borough Council
Andrew Carter	Assistant Director Economic Growth, Redcar & Cleveland Borough Council
Dave Winstanley	Group Director of Services, Darlington Borough Council
Julie Danks	Managing Director, Stockton-on-Tees Borough Council
Ian Wright	Director of Finance, Middlesbrough Council
Garry Cummings	Director of Finance, Development & Business, Stockton-on-Tees Borough Council

<p><b>TVCA 01/21</b></p>	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>Apologies for absence were submitted as detailed above.</p>
<p><b>TVCA 02/21</b></p>	<p><b>DECLARATIONS OF INTEREST</b></p> <p><b>ANNUAL GNERAL MEETING:</b></p> <p>None.</p> <p><b>BUSINESS MEETING:</b></p> <p>Councillor Cook, Councillor Lanigan, Councillor Moore, Councillor Scott, Mayor Preston declared an interest is item 8, Investment Plan refresh as their establishments were due to receive funding if approved.</p> <p>Councillor Cook, Councillor Lanigan, Councillor Moore, Councillor Scott, Mayor Preston declared an interest is item 12, Transport Funding Opportunities, as their respective Local Authority areas are set to benefit from the schemes detailed if approved.</p> <p>Councillor Cook, Councillor Lanigan, Councillor Moore, Councillor Scott, Mayor Preston and Brenda McLeish declared an interest in agenda item 13, Adult Education Budget, as their establishments were involved in the procurement process.</p>
<p><b>ANNUAL MEETING BUSINESS:</b></p>	
<p><b>TVCA 03/21</b></p>	<p><b>GOVERNANCE AND APPOINTMENTS</b></p> <p>Cabinet considered several items of business at its Annual General Meeting.</p> <p>Laura Metcalfe, Governance Manager, noted the outstanding nominations for LEP membership.</p> <p>Members highlighted a potential issue with one of the nominations for LEP membership that needs further consideration before a decision can be made on their appointment.</p> <p>Mayor Houchen declared a conflict in relation to Appendix 2 and recommendation ii, being the Independent Remuneration Panel's recommendation to Cabinet on the Tees Valley Mayoral Allowance. Mayor Houchen left the meeting while Cabinet discussed these elements of the item. Mayor Preston took on the role of Chair for this section of the meeting.</p> <p>Members discussed whether the allowance was suitable in relation to the responsibility of the role of Tees Valley Mayor. A number of Members stated that the recommendation was too low, and they felt that allowance should be set at that of a basic MP salary. They added that the comparator of the North of Tyne Mayor was not a suitable comparison based on Tees Valley having a Mayoral Development Corporation and a Freeport. One Member questioned whether this is the right time to increase politicians' remuneration given the number of people out of work or on furlough due to the Covid-19 pandemic.</p>

	<p>Members sought clarification from the Monitoring Officer in relation to the decision they are able take in relation to Independent Remuneration Panel's recommendation. The Monitoring Officer advised that the constitution provided that Cabinet can only either approve or reject the recommendation of the IRP. Cabinet can however ask the IRP to meet again to further consider the matter in light of Cabinet's comments in addition to any decision at the meeting. IRP could then report back to Cabinet.</p> <p>RESOLVED that Cabinet:</p> <ul style="list-style-type: none"> <li>i. agreed the appointments as set out at Appendix 1 to the report to include the nominations noted at the meeting, excluding one LEP member nomination that requires further discussion;</li> <li>ii. agreed the Mayoral Allowances as set out in the report of the Independent Remuneration Panel to take effect from 10<sup>th</sup> May 2021 (being the first day of the current Mayor's term) as set out at Appendix 2 to the report. Cabinet further agreed that the IRP should reconvene and provide any further recommendation to Cabinet in light o the comments made by Cabinet Members at the next practical opportunity;</li> <li>iii. agreed the members' allowances scheme for 2021-22 at Appendix 3 to the report;</li> <li>iv. noted that a review of the South Tees Development Corporation (STDC) Constitution will be discussed by the STDC Board at the end of July. Pending that review, Cabinet approved an amendment to the STDC constitution so that there are a minimum number of 6 members and a maximum of 10 members on the STDC Board, including the Tees Valley Mayor and Leader of Redcar &amp; Cleveland Borough Council.</li> </ul>
<p><b>TVCA 04/21</b></p>	<p><b>CONSTITUTION AMENDMENTS</b></p> <p>The TVCA Constitution requires the Monitoring Officer to formally review the Constitution at least once per year, and to bring forward any proposals for amendment for Cabinet consideration and approval. Cabinet considered a report recommending various changes to the current Constitution, detailing the reasons for these changes.</p> <p>Members asked for further consideration of Rule 19 of the Cabinet Procedures rules and clarification be provided at a future meeting of Cabinet. The Monitoring Officer confirmed he would be delighted to do so.</p> <p>RESOLVED:</p> <ul style="list-style-type: none"> <li>i. Cabinet approved the proposed amendments to the Constitution as set out at Appendix 1 to the report.</li> <li>ii. The Monitoring Officer is to bring back a report on Rule 19 of the Cabinet Procedure Rules making recommendations about any amendment to next Cabinet meeting.</li> <li>iii. Cabinet agreed that the revised Constitution may be published</li> </ul>

<b>BUSINESS MEETING:</b>	
<b>TVCA 05/21</b>	<p><b>MINUTES OF PREVIOUS MEETING</b></p> <p>RESOLVED that the minutes of the meeting held on 29<sup>th</sup> January 2021 be confirmed and signed as a correct record.</p>
<b>TVCA 06/21</b>	<p><b>MAYOR'S UPDATE REPORT</b></p> <p>Mayor Houchen introduced a report providing a general update on the key activities of the Mayor and Combined Authority since the last Cabinet meeting.</p> <p>Mayor Houchen noted his thanks for the support he received at the recent election and that he looks forward to working with Members to deliver for Tees Valley.</p> <p>RESOLVED that Cabinet noted the report.</p>
<b>TVCA 07/21</b>	<p><b>OVERVIEW &amp; SCRUTINY COMMITTEE ANNUAL REPORT</b></p> <p>Members received an update on the work of the Overview &amp; Scrutiny Committee for the period May 2020 – April 2021.</p> <p>RESOLVED that Cabinet noted the report.</p>
<b>TVCA 08/21</b>	<p><b>INVESTMENT PLAN 2019-29 REFRESH</b></p> <p>Members considered a report which set out detail of the Investment Plan annual review and a refresh which takes cognisance of the impact of Covid-19 and consolidates funding received outside of the Investment Plan into the Investment Plan going forward.</p> <p>Members asked why the extra £10m proposed for the airport was needed. Members were informed that this is to keep the airport on track with the ten-year plan in light of the financial loss suffered due to covid as with airports across the country.</p> <p>Member asked for clarification on the terms of the additional Indigenous Growth Fund allocations proposed for Local Authorities. Member were informed that this is a top of £2m for each local authority and is awarded on the same terms as the previous Indigenous Growth Fund allocations.</p> <p>RESOLVED that Cabinet approved the Investment Plan refresh.</p>
<b>TVCA 09/21</b>	<p><b>QUARTER 4 BUDGET REPORT &amp; MEDIUM TERM FINANCIAL PLAN UPDATE</b></p> <p>Members were provided with an update on the financial position of the Combined Authority for the period ending 31 March 2021 and presented with a revised Medium-Term Financial Plan.</p> <p>Members asked if the later confidential items on the agenda are included in the update. Members were informed that borrowing is included</p>

	<p>in this update however items brought forward for approval later on the agenda will be incorporated if agreed by Cabinet.</p> <p>RESOLVED that Cabinet:</p> <ol style="list-style-type: none"> <li>i. Noted the quarter 4 financial position as of 31 March 2021; and</li> <li>ii. Approved the revised Medium-Term Financial Plan</li> </ol>
<b>TVCA 10/21</b>	<p><b>TEES VALLEY ASSURANCE FRAMEWORK REVIEW</b></p> <p>The Tees Valley Assurance Framework was agreed at Cabinet on 15<sup>th</sup> March 2019 when it was also agreed that the Framework would be subject to an annual review. The Framework details the approach adopted for the administration and decision making of the Tees Valley Investment Plan, including all funding under the Combined Authority's control.</p> <p>RESOLVED that Cabinet approved the proposed changes to the Assurance Framework.</p>
<b>TVCA 11/21</b>	<p><b>TREASURY MANAGEMENT OUTTURN REPORT 2020/21</b></p> <p>Cabinet were informed of the 2020/21 performance against the treasury management and prudential indicators set in the Treasury Management Strategy which was approved in March 2020.</p> <p>RESOLVED that Cabinet noted the report.</p>
<b>TVCA 12/21</b>	<p><b>TRANSPORT FUNDING OPPORTUNITIES</b></p> <p>Cabinet were advised of several transport funding opportunities currently open to Tees Valley Combined Authority which provide the potential to further accelerate delivery of the Tees Valley Strategic Transport Plan and increase funding available for the Integrated Transport programme.</p> <p>The current opportunities are:</p> <ul style="list-style-type: none"> <li>• Intra-city transport settlement</li> <li>• Levelling Up Fund</li> <li>• Bus Back Better: national bus strategy for England</li> <li>• Zero Emission Bus Regional Areas (ZEBRA) scheme</li> </ul> <p>Mayor Houchen suggested that in addition to the recommendations included in the report, Cabinet agree to write to the Secretary of State requesting a pause in the implementation of the changes to the ECML timetable.</p> <p>RESOLVED that Cabinet:-</p> <ol style="list-style-type: none"> <li>i. Noted the update on each of the identified funding opportunities, including the proposed approach in relation to the intra-city transport settlement.</li> </ol>

	<ul style="list-style-type: none"> <li>ii. Approved a local contribution of £11.7m to a bid into the Levelling Up Fund to enhance connectivity to Teesworks/Freeport to be funded from the uncommitted Integrated Transport Programme budget.</li> <li>iii. Noted the intention to establish an Enhanced Partnership across the Tees Valley in accordance with the requirements of the new national bus strategy.</li> <li>iv. Noted that an Expression of Interest will be submitted into the ZEBRA scheme.</li> <li>v. Agreed to write to the Secretary of State requesting a pause in the implementation of the proposed changes to the ECML timetable.</li> </ul>
<b>TVCA 13/21</b>	<p><b>ADULT EDUCATION BUDGET (AEB)</b></p> <p>Cabinet considered a report which recommended, for approval, the funding awards to be awarded to the successful Training Providers following the recent procurement process. The report summarised the procurement and appraisal process undertaken and the recommendations to awarding the funding for the delivery of skills training for the 2021/22 academic year, commencing 1 August 2021. The report also provided cabinet members with an update on policy changes and evaluation outcomes.</p> <p>Members placed on record their thanks to Combined Authority Officers for their work and conduct in relation to this funding award process.</p> <p>Members asked if all providers who receive AEB funding should be Ofsted inspected. Officers confirmed they would seek the answer to this query and update Members as soon as possible.</p> <p><b>RESOLVED</b> that Cabinet:</p> <ul style="list-style-type: none"> <li>i. Noted the outcomes of the AEB evaluation for 2019/20 academic year, a summary of which is attached at Appendix 1 to the report.</li> <li>ii. Noted the outcome of the Adult Skills Framework process as listed at Appendix 2 to the report,</li> <li>iii. Approved the Provider funding Awards as presented at Appendix 3. to the report</li> <li>iv. Approved the Provider funding awards for the Level 3 Adult Offer as presented in Appendix 4 to the report.</li> <li>v. Agreed to continue to delegate the operational management including any in-year additional funding allocations to the Chief Executive in consultation with the elected mayor and portfolio holder in line with existing decision-making approvals,</li> <li>vi. Agreed to the management costs of £600k per annum for continued operational management of AEB this budget, which equates to 1.8% of the 2021/22 budget; and</li> <li>vii. Noted the revised policies for implementation from 2021/22 academic year as listed at Appendix 5 to the report.</li> </ul> <p><b>Post meeting note:</b> It has been confirmed that all providers awarded AEB funding will be subject to Ofsted inspections.</p>

<p><b>TVCA 14/21</b></p>	<p><b>COMMERCIAL PROPOSITION A</b></p> <p>A resolution was passed to exclude the press and public under paragraph 3 of part 1 of schedule 12a of the Local Government Act 1972, in order to allow Cabinet to consider matters of a commercially confidential nature.</p> <p>Cabinet considered a report which detailed confidential commercial proposition A.</p> <p>RESOLVED THAT Cabinet agreed the recommendations set out in the report.</p>
<p><b>TVCA 15/21</b></p>	<p><b>COMMERCIAL PROPOSITION B</b></p> <p>A resolution was passed to exclude the press and public under paragraph 3 of part 1 of schedule 12a of the Local Government Act 1972, in order to allow Cabinet to consider matters of a commercially confidential nature.</p> <p>Cabinet considered a report which detailed confidential commercial proposition B.</p> <p>RESOLVED THAT Cabinet agreed the recommendations set out in the report.</p>
<p><b>TVCA 16/21</b></p>	<p><b>DATE OF NEXT MEETING</b></p> <p>Friday 24<sup>th</sup> September 2021 at 10am.</p>