

Overview & Scrutiny Committee Agenda

Date: Thursday 13th January 2022 at 10am

Venue: Tees Valley Combined Authority, Cavendish House, Teesdale Business Park,
Stockton TS17 6QY

Membership:

Cllr J Hobson (Chair) (Middlesbrough Borough Council)
Cllr Smith (Vice Chair) (Redcar & Cleveland Council)
Cllr Beall (Stockton-on-Tees Borough Council)
Cllr Nelson (Stockton-on-Tees Borough Council)
Cllr Branson (Middlesbrough Council)
Cllr Harker (Darlington Borough Council)
Cllr Harrison (Hartlepool Borough Council)
Cllr C Hobson (Middlesbrough Council)
Cllr Dulston (Darlington Borough Council)
Cllr Jones (Redcar and Cleveland Borough Council)
Cllr Loynes (Hartlepool Borough Council)
Cllr Renton (Darlington Borough Council)
Cllr Riordan (Stockton-on-Tees Borough Council)
TBC (Hartlepool Borough Council)
Cllr Wells (Redcar and Cleveland Borough Council)

AGENDA

- 1. Apologies for Absence**
- 2. Declarations of Interest**
Attached
- 3. Minutes of meeting held on Thursday 14th October 2021**
Attached
- 4. Group Chief Executive Update**
Attached
- 5. Finance & Resources Sub Committee Budget Consultation Report**
Attached
- 6. Investment Plan Delivery Update**
Attached
- 7. Delegated Decisions**

Attached

8. Constitution Review

Attached

9. Date and Time of Next Meeting:

Thursday 17th March 2022 at 10am

Members of the Public - Rights to Attend Meeting

With the exception of any item identified above as containing exempt or confidential information under the Local Government Act 1972 Section 100A (4), members of the public are entitled to attend this meeting and/or have access to the agenda papers.

Persons wishing to obtain any further information on this meeting or for details of access to the meeting for disabled people, please contact:

Ruth Callaghan
Acting Governance & Business Support Manager
Ruth.callaghan@teesvalley-ca.gov.uk
01642 524400

Tees Valley Combined Authority Overview and Scrutiny Committee

Cavendish House, Teesdale Business Park, Stockton-On-Tees, TS17 6QY
Thursday, 14th October, 2021 at 10:00am .

Present:

Cllr Hobson (Chair) (Middlesbrough Council)
Cllr Smith (Vice Chair) (Redcar and Cleveland Borough Council)
Cllr Barlow (Stockton-on-Tees Borough Council)
Cllr Dulston (Darlington Borough Council)
Cllr Harker (Darlington Borough Council)
Cllr Harrison (Hartlepool Borough Council)
Cllr Hobson (Middlesbrough Council)
Cllr Jones (Redcar and Cleveland Borough Council)
Cllr Renton (Darlington Borough Council)
Cllr Riordan (Stockton-on-Tees Borough Council)
Cllr Stephenson (Stockton-on-Tees Borough Council)
Cllr Wells (Redcar and Cleveland Borough Council)

Officers:

Julie Gilhespie - Group Chief Executive TVCA
Alison Fellows - Group Commercial Director
Tom Bryant - Head of Transport TVCA
Phil Forster - Managing Director - Teesside International Airport
Peter Judge - Chief Legal Officer, Monitoring Officer TVCA
Sharon Jones - Governance & Scrutiny Officer TVCA

Also in attendance:

Cllr Scott - Leader, Darlington Borough Council

Apologies for absence:

Cllr Loynes (Hartlepool Borough Council)
Cllr Branson (Middlesbrough Council)

1 **Declarations of interest**

None

2 **Minutes**

The minutes of the meeting held on 15th September were agreed as a true record.

3 **Chief Executive's Update**

A paper was circulated giving Members an update on activity of the Combined Authority since the last meeting.

The Committee were advised that the biggest concern for TVCA currently is around funding that will be received in place of previous European funding. Post Brexit the funding is winding down and we are waiting to understand what will replace this, and any impact on the Investment Plan. We are hoping to receive

some confirmation by the end of October. There seems to be a move towards Combined Authorities bidding for smaller pots of funding, but this is not a strategic way of working. With transport funding we feel reasonably comfortable. A wider funding settlement has already been agreed and we have the flexibility to do what we need within this. By the next meeting, and with the release of the draft budget in December, we should have a better understanding of the funding available moving forward.

Covid Response - It was agreed to circulate a breakdown of the number of businesses across each Local Authority that have received assistance from the Covid Recovery Fund and also a breakdown of the 60 schools who have benefitted from the Education Recovery Fund.

It was questioned when the promised Teesworks jobs will start to materialise. The long term, higher skilled jobs will start to come through with the investment of businesses. GE will be the first business to come to site, the building of the factory is due to start next month and will take a couple of years to complete. It is then that we will see the higher-level jobs being filled. There is a skills challenge with this, and we need to make sure we upskill our future workforce to allow those jobs to be fulfilled when they arrive. We are already working with BP and BEIS to work through how we train people for those jobs in advance. There are construction jobs available on site currently.

Resolved that the detail of the report was noted.

4 Transport Portfolio Update

A report was circulated providing members with an update on transport activity across the Combined Authority. A presentation was also delivered.

Discussion took place around the following areas:

Do we anticipate an Oyster card type of travel pass for Tees Valley? The aspiration is for passengers to be able to tap on and off, but this will take several years. There is a national project for this for buses and the next step will be to try and integrate this with rail.

Cycle paths - whilst the plans for new cycle paths are ambitious there are already numerous issues with the existing paths that need addressing as part of the plan. Issues raised include cars being able to park on the tracks, security and safety issues and overgrown trees and shrubs blocking the routes. TB advised that he would pick up any issues raised around existing cycle paths with the relevant officers in the Local authority.

Is the funding for the Northern Link Road ever likely to be forthcoming? At the minute there is no government commitment to fund this project. There are other schemes we have got onto the government agenda as we have put forward a strong case for the funding. That is not to say that we won't be able to get the funding in the future and we will continue to look at this, and other options for possible funding packages.

Further detail on the plans for the new Tees crossing will be circulated following

the meeting.

Tees Flex service - The trial for this service was launched just before Covid so it is not felt that we have seen a true reflection of usage at this stage. We are looking at ways to try and encourage people to travel together, possibly with a discounted fare for doing this. There are a high number of cancellations and currently no penalties for cancelling trips. The service is carrying about 1500 people a week, those people would have no public transport without this service. The trial will continue and once we have another 6-12 months' worth of data to analyse then we will have a clearer pattern of usage. Customer satisfaction regarding the service is high. Tees Flex is being utilised in some areas for school children getting to and from school, but we need to make sure this is balanced with the needs of the general public also.

It was questioned if the service could be used on an evening as a means of transport for people to get home where there are long waits for taxis. TB advised that he would have a conversation with Stagecoach around this suggestion and see if it could be a viable area to explore further.

It was agreed to circulate some more in-depth data regarding the service and those utilising it.

Wheels 2 Work - further data on the cost of this per person will be circulated following the meeting.

The presentation delivered in the meeting will be circulated to Members.

Resolved that the detail of the report and the presentation is noted.

5 Delegated Decisions

A report was circulated detailing the Delegated Decisions taken by the Combined Authority since the last meeting.

Resolved that the detail of the report was noted

6 Meetings and Forward Plan

The meeting schedule and Forward Plan for the Committee was circulated.

Volunteer members for the Finance & Resources Sub-Committee will be sought. The sub committee will be chaired by Cllr Sandra Smith.

Resolved that the Forward plan and meeting schedule is agreed.

7 Teesside International Airport Update

The Chair proposed, and the committee agreed to pass a resolution to exclude the press and public from the meeting due to the confidential nature of the Teesside International Airport update.

A report was circulated to Members giving an update on Teesside International Airport, this included the Confidential Business Plan. A presentation was also delivered by Phil Forster, Managing Director.

Resolved that the detail of the report and the presentation is noted.

8 Appendix 1 - Teesside International Airport Business Plan

Resolved that the detail of the Business Plan is noted.

AGENDA ITEM 4**REPORT TO THE TEES VALLEY COMBINED AUTHORITY
OVERVIEW AND SCRUTINY COMMITTEE****13th JANUARY 2022****REPORT OF THE GROUP
CHIEF EXECUTIVE****GROUP CHIEF EXECUTIVE UPDATE****SUMMARY**

This report provides a general update on the key activities of the Combined Authority since the last Committee meeting, which are not covered in other reports to this meeting.

RECOMMENDATIONS

It is recommended that the Tees Valley Combined Authority Overview & Scrutiny Committee notes the report.

DETAIL**COVID-19 RESPONSE**

1. Following the ending of national restrictions, the Combined Authority's response to Covid-19 has refocused from interventions supporting the region through the pandemic, to delivering future growth and a more sustainable, resilient, and stronger Tees Valley economy in the medium to long-term.
2. As part of Tees Valley Business's annual review with the Department of Business Energy and Industrial Strategy, the Growth Hub was recognised as strong, demonstrated in the rapid launches of new programmes and initiatives to support businesses during the pandemic.

TEESSIDE INTERNATIONAL AIRPORT

3. In route development, KLM Royal Dutch Airlines is set to introduce earlier flights from Teesside to Schiphol, improving onward connectivity, and Loganair has introduced a one-stop service from Teesside to Esbjerg allowing passengers to board at Teesside, stay on the plane at Aberdeen and continue to Esbjerg in Denmark. It will also introduce a route to Southampton as part of its adapted summer 2022 schedule.
4. As the airport moves into the next phase of its business plan it will begin work on its land and property assets across the wider site. A new 1,360sq m office space will be created to replace the ageing landside offices being remodelled into a Sky Bar and viewing platform. In the short-term, Combined Authority staff at Cavendish House will

move there, ahead of looking at relocating to a new base in Darlington near the Northern Economic Campus.

5. The airport has partnered with the Darlington-headquartered Bannatyne Group which is investing £100,000 in a new express spa in the departures lounge, creating several jobs in the process. The airport has also partnered with Yarm-based Revelry Spirits, which will see the firm's drinks represented in the Transporter Bar & Kitchen and Goosepool Bar for the next 12 months.

TEESWORKS

6. Demolition activity across the site continues, and progress is being made on the South Bank heavy-lift quay by UK contractor Graham. This was followed by an announcement that the UK Infrastructure Bank would make its first loan, of £107million, into the project.
7. Construction is continuing on the £4.5million Eston Road roundabout scheme, which will open up access to the Dorman Point area of the site, allowing for new developments including the proposed North East Energy Recovery Facility. Work has also commenced on the ground engineering phase of the Teesworks Skills Academy building, which will support the organisation in helping local people into jobs being created on the site. This is due for completion at the end of March 2022.
8. Government announced that the Net Zero Teesside project based on Teesworks, as part of the East Coast Cluster, has been selected as the premier net zero project to lead the UK's low carbon ambitions. It will receive a share of the £1billion Carbon Capture and Storage Infrastructure Fund to create the country's first decarbonised cluster in the region. The Secretary of State for Levelling up, Michael Gove MP, and Exchequer Secretary Helen Whately MP also visited the site.

FREEPORT

9. At the Autumn Budget on 27th October, Teesside Freeport was confirmed. The following day, Teesside Freeport and its website were officially launched. The confirmation led to the Statutory Instrument for the Tax Land being laid on 29th October, which passed into law on 19th November.
10. The Primary Custom Zone (PCZ) was delivered by the end of October and was audited on 9th November. The PCZ was confirmed at the same time as Tax Land, confirming Teesside Freeport as the UK's first Operational Freeport.
11. Work continues with the Freeport stakeholders to finalise Custom Zones maps and the timescales for implementation and to market the Freeport. In November the Freeport was presented at IBMATA – International Borders Conference, NOF – Energy Transition and Offshore Wind North East.

ONE PUBLIC ESTATE (OPE)

12. The OPE programme provides practical and technical support and funding to deliver ambitious property-focused programmes in collaboration with central government and other public sector partners. It aims to generate efficiencies, create economic

growth and deliver better, more integrated customer services. The Combined Authority is the accountable body for the OPE programme in Tees Valley.

13. A new OPE funding round (OPE9), offering c£6m of funding nationally, opened for applications in October 2021 and closed on 8th November 2021. This supports early-stage project costs for ambitious land and property projects that meet certain criteria. The Tees Valley OPE Partnership submitted one bid to the fund for the Expansion and Re-Development of the Integrated Care Centre (The Live Well Centre) in Middlesbrough, to fund feasibility and business case development.

BUSINESS INVESTMENT

14. The Business Investment Team has held two webinars with the Department for International Trade's (DIT) staff in locations across Europe, Asia and North America to promote regional opportunities in Bio manufacturing. In December a session to identify potential overseas companies to target for this type of investment took place.
15. RWE has commenced enabling works for its High Voltage converter station leading to its national grid connection point at Lackenby, Redcar. The company will be bringing onshore 1.4GW of renewable energy from the Sofia Offshore Wind Farm located 120 miles off the Teesside coast. The Combined Authority will be running a supply chain event for local companies with RWE, Tees Engineering Network and NOF, in January.

EDUCATION, EMPLOYMENT AND SKILLS

16. The deadline for applications to Government's Kickstart scheme came on 17th December, As of 12th November, 728 placements have been created in 145 businesses, equating to approximately £5.5m.
17. The Combined Authority is working with the Department of Education to increase the number of L3 Skills Bootcamps in Tees Valley. These will enable employer-led short courses, up to 16 weeks, to train residents for the jobs available.
18. The Combined Authority is working closely with the North East Chamber of Commerce to commence the Department of Education-approved Local Skills Improvement Plan (LSIP) trailblazer that will focus on Green Energy, Net Zero and Hydrogen sectors. This is a cross section of the overall skills plan, the trailblazer itself will only focus on one sector, and be widened out once the concept has been proven.

CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT

19. As part of Spending Review 2021 it was announced that TVCA has been allocated £310m from the City Region Sustainable Transport Settlement for the five-year period from 2022/23 to 2026/27. There is now a requirement to develop a programme business case, which must be submitted by mid-January 2022.

CLEAN GROWTH AND INNOVATION

20. The East Coast Cluster, made up of Net Zero Teesside, Zero Carbon Humber and the Northern Endurance Partnership, has been announced as one of two 'track 1' clusters in the Government's CCUS cluster sequencing process. TVCA has supported East Coast Cluster colleagues in this process and a second phase of this process will now proceed, with similar support being offered by TVCA.

21. The North East and Yorkshire Energy Hub, managed by TVCA, is delivering a number of Net Zero initiatives on behalf of BEIS. It organised four Flagship Events as part of BEIS's Zero Carbon Tour across the North East and Yorkshire, including one at the Riverside Stadium. As part of the same programme of COP26 related activities it also supported 12 regional Green Zone events. The Green Homes Grant LAD2 programme run by the hub has now progressed to delivery in almost all local authority areas, including the five Tees Valley boroughs.

TEES VALLEY PLACE MARKETING PROGRAMME

22. A Destination Management Plan for the Tees Valley has been developed which will underpin the new Growth Programme for the Creative & Visitor Economies. This strategic document sets out the focus for the development, promotion, and sustainable growth of tourism in the Tees Valley over the next four years.
23. Enjoy Tees Valley destination marketing campaigns were delivered in September and October to stimulate the visitor economy sector following the pandemic, using real people that live in the region, sharing their favourite things to do and demonstrating the wide variety on offer.
24. A schedule of events and festivals taking place around the region as part of The Festivals 2021 Recovery Fund were supported with Enjoy Tees Valley marketing and communications resources to raise awareness and promote with video, photography and digital marketing.

FINANCIAL IMPLICATIONS

25. There are no financial implications to this report.

LEGAL IMPLICATIONS

26. There are no legal implications to this report.

RISK ASSESSMENT

27. This report is an update and therefore is categorised as low risk.

Name of Contact Officer: Julie Gilhespie
Post Title: Group Chief Executive Officer
Telephone Number: 01642 528834
Email Address: julie.gilhespie@teesvalley-ca.gov.uk

AGENDA ITEM 5**REPORT TO OVERVIEW AND SCRUTINY COMMITTEE****13TH JANUARY 2022****REPORT OF FINANCE AND RESOURCES SUB-COMMITTEE****BUDGET CONSULTATION REPORT****SUMMARY**

The Combined Authority is required to set out its Budget on an annual basis and to consult publicly before this Budget receives final approval by Cabinet.

The Overview and Scrutiny Committee has previously established the practice of convening a Finance and Resources sub-committee - made up of the committee's Vice-Chair and other members - to scrutinise the Budget in more detail, conduct a full analysis of the draft documents and contribute to this consultation process.

This report details the findings of the sub-committee and their consultation response to be provided to Cabinet at its meeting on 28th January 2022.

RECOMMENDATIONS

It is recommended that Overview and Scrutiny Committee:

- i. Note the process undertaken by Overview and Scrutiny Committee Finance and Resources sub-committee to scrutinise the Budget.
- ii. Note the conclusion of the Overview & Scrutiny Committee Finance and Resources sub-committee that the budget should be noted.
- iii. Approve the attached report for presentation to Tees Valley Combined Authority Cabinet on Friday 28th January.

BACKGROUND

1. The Overview & Scrutiny Committee agreed at its meeting on 13th September 2018 to establish the practice of convening a standing Finance and Resources sub-committee chaired by the Committee Vice Chair in order to focus on Combined Authority budget arrangements in detail when required, and to report back to the main committee.
2. The sub-committee is currently chaired by Councillor Sandra Smith (Redcar and Cleveland Borough Council) Vice-chair of the full committee. The other members of the group are David Branson (Middlesbrough Council), Councillors Mike Renton and Stephen Harker (Darlington Borough Council), and Councillor Chris Jones Smith (Redcar and Cleveland Borough Council).
3. The sub-committee first met to scrutinise the Combined Authority Budget for 2022/23 on 13th December 2021, after being provided with the draft Budget upon its publication on Thursday 9th December.
4. At this meeting the Group Director of Finance and Resources walked the Members through the detail of the Draft Budget and Members asked questions where needed.

5. A second meeting was held on 20th December 2021. Tom Bryant, Head of Transport, also attended this meeting to answer more detailed questions regarding the transport spending proposals.
6. Following these meetings, the members of the sub-committee agreed that they were satisfied that Officers had addressed their questions and now had a better understanding of the budget.
7. This report from the sub-committee has subsequently been drafted for presentation at the meeting of the Overview & Scrutiny Committee on 13th January 2022. This meeting will allow the full committee to review the findings of the sub-committee and put forward any final questions they may have.
8. The questions and answers covered the full range of areas contained in the Draft Budget Report. These questions were addressed in the sessions on 13th and 20th December and have been sorted by Budget area below.

DETAIL

General question areas

9. **Are the amounts asked for from the UK Shared Prosperity Funding were the same as previous years? Has TVCA requested a lower sum than previous baseline European funding?**

These amounts are the same as previous years to ensure that this funding replaced lost EU funding. The figures in the budget were prudent planning assumptions and were not the ask of Government.
10. **What does ‘competitive workers’ mean in relation to the Covid recovery fund?**

This related to having the right skills in place amongst the Tees Valley population to allow the right investors and employers to create jobs in the area. This did not mean lower wages for the workforce.
11. **Will the budget for Net Zero be split out in future?**

The authority’s new approach to prioritising Net Zero and Clean Growth by appointing Chris Beck as Director in this area. The budget would not be split out at present and that Net Zero outcomes and impacts would be assessed in all economic development themes as part of the programmes and project development work.
12. **How will TVCA demonstrate whether the ambition of meeting COP26 targets was costing more to deliver and whether more government funding would be required?**

Costing programmes and projects alongside required funding was work in progress across the themes of the investment plan. The proposal is that future Cabinet papers incorporate a Net Zero implications section for the Cabinet to consider impact at each decision point.
13. **How does some funding pass through to Local Authorities for them to deliver projects? Where would the pressure rest if there were funding pressures?**

Passthrough budgets transferred the budget for those items to LAs in line with Government allocations. Where any cost pressures were experienced these would need to be managed by the funding recipient (i.e. LA’s for items such as

Concessionary fares).

14. Why are some figures the same in each year. Has inflation been taken into account?

Projects were not front loaded. The amounts would be based on Government allocations each year. The risk of there being adequate funding in each year did not sit with TVCA however the Combined Authority would work closely with the LA's to assist with advice and dialogue with Government. There was an increase in the core budget over the life of the plan. This was due to new large-scale complex projects and recent funding allocations now progressing. Some work had been undertaken to charge an appropriate element of running costs to projects where applicable to mitigate this cost pressure.

15. Why is there an increase to the cost of borrowing over the four-year period?

This was due to the future need to borrow more for projects in the investment plan. However, they were in close contact with TVCA Treasury Advisers (Arlingclose) about the timings of borrowing, however borrowing could not take place until projects were advancing and the Capital Expenditure commitments over the medium term were likely to occur. Members discussed the potential impact of increased interest rates on future borrowing to see out the projects in the plan. Reserves were being used to complete projects. Where additional funding allocations are received in advance combined with some project underspend positions this would sometimes lead to a deferred requirement to borrow. This was part of a proactive strategy to manage the cost of borrowing across the Group.

16. Are borrowing costs based on current interest rates?

Yes this is the case. Any future increases to the cost of borrowing would not be passed on to Local Authorities. Instead should increased borrowing costs occur above plans the first consideration would be to absorb via review of future project costs and budgets and this would enable accommodation of a scenario of increased cost of borrowing if it were to occur.

Transport

17. What impact there might be to the proposed improvements at Darlington Rail Station given the government plans to scale back the development of the HS2 rail network?

Neither the value of the project, nor funding for its delivery are appreciably impacted by HS2. The Darlington Station project has secured £8.7m of Department for Transport (DfT) Rail Network Enhancements Pipeline (RNEP) funding already following submission of the Outline Business Case (OBC), which means it is recognised as being strategically important. The creation of platforms on the eastern side of the station means that Tees Valley services no-longer need to cross the East Coast Main Line so there are strong performance and reliability benefits of the scheme too. Overall, it delivers benefits to the East Coast Main Line by speeding up journey times and helps to address capacity constraints north of York and therefore strongly aligns with the Integrated Rail Plan. In total the project has an estimated cost of £105m.

18. Is the work on Middlesbrough Station less risky given that the work had already begun here?

Neither project is risky, however the Middlesbrough Station project is less risky in the sense that it is a smaller project with £32.15m of funding coming from TVCA's Transforming Cities Fund (TCF) and Get Building Fund, which was secured for the project. This means that the funding package is in place for the whole project subject to assurance.

19. Would the proposal for a metro style transport network entail the development of transport hubs?

TVCA are already delivering major improvements at Darlington and Middlesbrough Stations, which will improve facilities for bus users, cyclists and pedestrians accessing the station. We are also planning improvements at all remaining stations and again we will be looking to improve the integration between rail and other modes of transport. The aspiration is for a seamless passenger experience between different modes.

The Bus Service Improvement Plan also references the potential creation of hubs that enable and encourage onwards journeys by cycling or walking for bus passengers.

20. Would there be plans to develop a 'parkway' park and ride transport hub at Nunthorpe Station?

The TVCA position is that there is not currently a sufficiently strong case to justify investment in development work. Our view is that the only way a parkway station in this location could potentially be viable is if it is considered as part of medium to long term growth aspirations in the vicinity of the proposed location. This would be needed to generate sufficient demand to make a parkway station viable.

21. Where would the transport hubs be?

Members agreed that it would be helpful to ask Tom Bryant to attend the second meeting scheduled for Monday 20th December at 2.30pm.

22. Did the proposals for Eaglescliffe station include a lift for passengers to access the bridge to cross to the other side?

TVCA is developing a programme of potential improvements at all railway stations across the Tees Valley with the primary aim of enhancing the links between the stations and their surrounding transport networks. Some larger schemes such as Darlington and Eaglescliffe are providing additional car parking. A number of schemes include enhanced accessibility at the stations.

Proposals for the exact design of the new footbridge at Eaglescliffe are still in development, but the solution will certainly involve 3 new fully accessible lifts: one to provide access from the existing (eastern) car park/station entrance; one to provide access to the platforms; and one to provide access from the new (western) car park/station entrance.

23. What is the rationale for making improvements to the airport station given the difficult access between the station and the airport and the very low passenger numbers?

Changes to the station weren't explicitly within TIAL's business plan. However, the Airport could consider reprioritisation of existing capital programmes if it became a commercially viable solution. There was currently no contract in place at present to commence the improvement works however this work was being considered in the round with Airport development plans.

Current use of the Teesside International Airport Station is very low as it is only served by one train per week in one direction, despite every train between Darlington and Eaglescliffe passing through the station. This is known as a 'parliamentary' service to prevent closure. However, based on future airport expansion plans and additional development on the site in the airport masterplan, forecasting work has shown that significant future demand for use of the station could exist if it was regularly served. This demand could comprise of airport passengers and those that

work on the site, linked to the development proposals. TVCA has therefore been assessing the feasibility of reopening/upgrading the existing station on that basis and linked to the provision of an enhanced service.

24. Why was there nothing in the plan for road infrastructure to improve the Darlington Northern Relief Road?

The project had been costed but that there was no indication whether the government would fund the project. However, lobbying would continue with partners.

25. Why does the Bus Improvement Plan not look at increasing the number of new bus service routes? For example there are issues in Middlesbrough with bus access to the Parkway shopping centre. This location was consequently over-run with cars. Car ownership in the Tees Valley area was low, however, car use disproportionately high.

The purpose of the Bus Improvement Strategy and overall Transport plans for a seamless passenger experience were to capture and address these concerns.

26. What was meant by 'bus infrastructure' in paragraph 43?

This related predominantly to bus lanes.

27. What was being done to improve transport links for people needing to access the Teesworks site for work?

There are several projects which will impact on Redcar and Cleveland including the plans to update each rail station, the Tees Flex bus service and the wheels to work scheme. A new bus service had very recently been agreed to provide access to Teesworks to tie in with the 24hr shift patterns. This will serve areas of Middlesbrough and Redcar as identified by Job Centre Plus. The service will be subsidised at first and if well used will help demonstrate that the service is commercially viable for the bus operator. Connecting people to employment opportunities is at the core of the transport plan.

28. What options are being explored for the cycleway between Guisborough and Nunthorpe?

The proposals for the Nunthorpe to Guisborough Cycleway are still under development. However, all routes to be delivered as part of the Local Cycling & Walking Infrastructure Plan are being designed to be safe, direct, coherent, comfortable and attractive wherever possible. Subject to further feasibility work, the scheme that we are considering for the Nunthorpe to Guisborough Cycleway is likely to be along the alignment of the existing walkway and alongside the railway. This will be away from the main highway, however, in many instances, a cycleway closer to, but segregated from a highway will be safer. This is because cycle routes alongside a highway will often be better lit and less isolated.

29. Are the plans to develop the cycle lane on Woodland Road in Darlington proportionate given the need to improve several arterial routes. Has the overall work needed been costed?

The Woodland Road scheme has been identified as a priority within the wider Tees Valley Local Cycling and Walking Infrastructure Plan. Schemes were selected by their effectiveness, strategic fit, affordability and deliverability. The Woodland Road scheme will improve access to the western side of the town centre via Duke Street and provides a direct link to the Darlington Memorial Hospital and Queen Elizabeth Sixth Form College. The scheme also contributes to wider links to the employment sites at West Park and Faverdale and residential areas across the west of Darlington.

Improvements are already being introduced between the town centre and Darlington Bank Top Station along Victoria Road as part of TVCA's former Sustainable Access to Employment Programme and there are further plans to improve additional accesses to the town centre in the wider Local Cycling & Walking Infrastructure Plan.

30. What are the plans to connect up e-scooter use with the proposed transport hubs?

E-scooter usage is currently being closely monitored across Hartlepool and Middlesbrough where the trials are in place. The e-scooter technology allows areas unsuitable for their use to be geofenced so that the e-scooters are unable to enter them. There have been very few issues since the launch of the scheme, but any problem locations can be quickly identified and added to the restricted areas.

There are e-scooter docking stations at or near to all of the major transport interchanges where the e-scooters are currently operating. During the trial the docking stations have largely been restricted to land owned by the local authorities. However, as the scheme develops, we will be looking at opportunities and agreements to better integrate the docking stations and hire arrangements with other modes of transport.

31. How many charging points for electric vehicles were proposed in the first phase of roll-out?

145 subject to feasibility studies.

32. Are there plans for multi-modal timetabling as well as e-payment ('oyster-style') cards for different transport types?

Integrated timetabling and tap-on / tap-off payment systems is an aspiration for TVCA and an important part of providing a customer-centred world class integrated transport system. However, this is challenging with multiple rail / bus companies involved. The DfT is progressing a national project to provide the back-office system needed to support this type of system.

33. How was TVCA balancing its strategic aims of Net Zero and clean growth with expanding air travel in the area?

The airport is a strategic infrastructure asset and a key part of encouraging businesses to invest in the area. The wider Net Zero Plans will require this to be taken into account when formulating the approach to Net Zero. TVCA will keep aware of new fuelling new fuelling solutions, and find ways to incorporate the airport in the government's hydrogen transport hub. A Tees Valley based airport also limits road travel to other airports.

34. Might the airport budget need to increase given the ongoing impacts of Covid and Brexit? Might it be more sensible for para 59 to state 'not currently' to allow for the potential that the budget might need to increase due to Covid?

This amendment will be considered. It was noted that Covid adds a measure of uncertainty to all plans by all local authorities and other government bodies at the present time, not just the airport.

35. What examples are there of transport hubs in Middlesbrough at present?

The principle of seamless transport was being explored and tested at Darlington and Middlesbrough first where there is the biggest footfall. Not all transport hubs will link up all modes of transport, but the principle was to integrate as many modes as possible.

36. Why are there proposals to develop the airport station? If the airport owns the station why is TVCA planning to spend money on improving it?

TVCA is exploring at present what are the best options for improvements and how much they would cost. This allows TVCA to be ready to act at the right time to tie into any plans to increase rail passenger numbers to the airport. The airport has always

had liability for the station and work is needed by the airport to keep the station fit for use.

37. How will other arterial cycle routes in Darlington be improved and how will they be funded?

Cycling and walking proposals for funding had been submitted to the 'Transforming Cities Fund'. Other bids were also in progress. TVCA was working with Local Authorities who were already making difficult decisions about prioritising road space for cyclists and that this work was getting recognition from central government. It is possible that other funding pots could be accessed and these are not currently reflected in the transport budget.

38. What is being done to develop train services which mean that people do not need to travel into Middlesbrough and change services to access other Tees Valley destinations?

While TVCA is actively lobbying train operators they only have a certain amount of influence. Strategically by improving the capacity of the network provides a much stronger case for then lobbying the train providers to address specific issues regarding the network and available services. There had been successful lobbying to bring the first Middlesbrough to London service and to extend the Trans Pennine service to Redcar and shortly to Saltburn.

39. Why has the number 10 service from Coulby Newham suddenly been reduced from half hourly to hourly?

The bus operator had registered these changes, which were due Covid impacting on bus driver availability. Discussions had taken place to ensure that there were no areas left without a service, but that reduced services would operate in some areas. These changes had been communicated to transport leads in LAs.

40. What information does TVCA hold on the impact of subsidised free carparking in town centres? How would TVCA balance encouraging people to drive to town centres versus subsidising bus travel to the same?

This data was not yet available to analyse.

Education and Skills

41. What plans there were to make better use of the STEM Centre at Middlesbrough College?

GM agreed to relay those observations to Shona Duncan.

42. Does the equal allocation to skills in future years take into account inflation?

The allocated funding allows TVCA to accelerate funding in some areas and reallocate accordingly.

43. How would TVCA identify the skills and training needed for the projected jobs on the Teesworks site. Had degree apprenticeships been considered?

New qualifications take time to develop and be accredited. The skills team are working in understanding what the key sectors are across the Tees Valley and assessing whether we currently have the right skills within the area, and whether we have the lower level skills foundation and education opportunities to create effective learning pathways.

44. How do we prevent the competitive nature of sixth form provision from hampering overall progress with the local skills agenda?

TVCA does not believe that 6th form competition inherently stops us from pursuing our skills agenda. TVCA works on the demand side of education and it can influence

things through the allocation of the Adult Education Budget. Sixth form providers are largely autonomous bodies.

45. What role can TVCA play in the ambitions of different LAs to build arena size events venues?

The points raised in this area were noted. However, it was explained that there were no current plans for TVCA to fund a project of this type.

Commercial projects

46. Would there be other adequate transport links from the South Side Business Park as well as the airport? How will TVCA square the promotion of air freight with the COP26?

The airport is a strategic asset for economic recovery for the Tees Valley area. Both shipping and air freight are emitters and both will need to develop in line with industry standards and developments in improving emissions.

Core costs

47. SH asked what the approximate 10% increase in the core costs equated to in terms of staff numbers?

This is the first year since the Combined Authority's inception more than five years ago that core costs have been increased, despite taking on new projects, roles and responsibilities, securing increased funding and moving to a Group structure. This equates to approximately 5-6 new staff depending at what level those roles sit within the organisation.

48. Where does the funding comes from for core costs?

The Mayoral Capacity Fund and Devolution Fund.

49. Why does the government grants line in the funding table reduce significantly from £192m to £39m?

The higher initial figure incorporates the funding to remediate the Teesworks site.

50. Why does proposed borrowing drop off in future years?

TVCA proposes to draw down borrowing early within the investment plan implementation.

SUMMARY

51. In summary, sub-committee members drew out the following issues for the attention of the Overview and Scrutiny Committee:

- The subcommittee noted that in some areas of the budget there were no inflationary increases built in and therefore questioned how costs would be met if they increased due to inflation.
- In several areas the Subcommittee questioned whether the assumptions about funding for Covid recovery were enough and whether TVCA would need to consider either applying for additional recovery funding or readjusting its budget to manage future financial impacts from Covid. This was particularly a concern in relation to the Airport Budget.
- The sub-committee took a keen interest in the Transport programme and associated investment. They were keen to understand the prioritisation of

funding. Particularly to understand how certain projects were being prioritised over others. They were keen to understand how the plans will overcome the current barriers to joining up modes of transport in key locations across the Tees Valley region.

- Also, in relation to transport they were keen to understand how the investment in air travel (both passenger and freight) could be reconciled with our compliance with the COP26 emissions targets. They questioned what impact the COP26 targets might have on the financial position of the airport. In addition, there were several observations about whether the transport plans do enough to try and reduce the amount of road travel to work and into town centres whilst trying to also promote greater take-up of public transport options.
- They questioned the funding allocations and plans associated with ensuring that the right skills and education provision would be developed and offered to ensure that the future job opportunities created on the Teesworks site could be filled with suitably qualified people from within the Tees Valley area. Similarly, they were keen to see the prioritisation of transport solutions to ensure that people could access the site to take up offers of work.

FINANCIAL IMPLICATIONS

52. The final published report will set the budget for the Combined Authority.

LEGAL IMPLICATIONS

53. As a Mayoral Combined Authority, the Tees Valley Combined Authority is legally required to set a budget for the coming financial year and a Medium-Term Financial Plan covering the coming financial year and the three years thereafter. Under its constitution, the Combined Authority is also required to have an Investment Plan.

RISK ASSESSMENT

54. This Budget is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION

55. Consultation is being undertaken with the public and key stakeholders in the period 17th December 2021 to 7th January 2022.

Name of Contact Officer: Ruth Callaghan
Post Title: Acting Governance and Business Support Manager
Email Address: ruth.callaghan@teesvalley-ca.gov.uk

AGENDA ITEM 6

**REPORT TO THE TEES VALLEY COMBINED AUTHORITY
OVERVIEW AND SCRUTINY COMMITTEE**

13 JANUARY 2022

REPORT OF THE DIRECTOR OF FINANCE AND RESOURCES

INVESTMENT PLAN DELIVERY UPDATE Q2 2021/22

SUMMARY

The purpose of this report is to provide an update on the financial position of the Combined Authority Investment Plan for the period ending 30 September 2021.

RECOMMENDATION

It is recommended that the Overview and Scrutiny Committee note the contents of the Q2 delivery update.

DETAIL

1. This report sets out the quarter 2 financial position for 2021/22 and the remainder of the Investment Plan period.

EXPENDITURE

2. The below table summarises the projected expenditure for 2021/22 and the remainder of the Investment Plan period.

Table 1	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Transport	42,944	74,960	92,769	16,760	16,176	106,244	349,853
Education, Employment & Skills	48,287	47,749	39,061	37,279	37,279	149,114	358,769
Business Growth	68,458	160,145	57,898	17,903	12,094	12,439	328,937
Culture & Tourism	2,176	14,074	19,710	17,845	7,057	988	61,850
Innovation & Clean Growth	1,680	59,181	14,636	2,180	1,699	0	79,376
Place	4,673	16,638	30,914	13,907	10,045	12,000	88,177

Investment Plan Total	168,218	372,747	254,988	105,874	84,350	280,785	1,266,962
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- Spend at the end of quarter 2 was £124.7 million which equates to 33% of the forecasted outturn of £372.7 million. Further details of the breakdown of this spend and forecast is set out in the following thematic sections.

Transport

Investment Plan	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
TOTAL	42,944	74,960	92,769	16,760	16,176	106,244	349,853

- The actual position at quarter 2 is £34.7 million which accounts for 46% of the revised forecasted outturn for 2021/22 of £75 million. Projects have been re-profiled as the business cases and detailed delivery plans have been developed resulting in some re-profiling into 2022/23.
- The two largest schemes where spend has been re-profiled for 2022/23 are the redevelopment of Darlington and Middlesbrough Stations, which account for 63% of the Transforming Cities Fund (TCF) allocation. TVCA continues to make very good progress on the delivery of the TCF programme and is confident that the funding will be spent by the March 2023 deadline.
- The Tees Valley Strategic Transport Plan (STP) was adopted in January 2020 and provides the framework for investment into transport projects with the aim of providing “a high-quality, quick, affordable, reliable, low carbon and safe transport network for people and freight to move within, to and from Tees Valley”.

Transforming the Tees Valley Rail System

- TVCA Cabinet has previously approved significant funding to develop strategic rail infrastructure projects that will unlock network capacity, and this forms a significant element of the Integrated Transport Plan. A total of £49 million has been earmarked as TVCA’s contribution to major transformation projects at Darlington, Middlesbrough and Hartlepool stations and this sum is expected to leverage £100 million of additional funding.
- The Darlington Station Outline Business Case (OBC) has been submitted to Government and £8.7 million of funding secured to develop the detailed design and Full Business Case (FBC). Planning approval has been secured for the station gateways and progress is being made on acquiring the land needed to deliver the scheme. There is a need to secure the remaining funding for delivery from the Department for Transport (DfT) in summer 2022, with construction due to commence soon after and the project completing by May 2024.
- The Middlesbrough Station funding package has been secured through contributions from TVCA, DfT and the Getting Building Fund. Phase 1 of the project, the extension of platform 2, started on site in December 2020 and completed in May 2021. Development work has progressed on the other phases of the project, including redevelopment of the station undercroft and the new platform 3. Redevelopment of the undercroft is due to start on site in early 2022 with completion by December 2022. The

new platform 3 is also due to start on site in early 2022 with completion by December 2022.

10. The Hartlepool Station project will see the reinstatement of a second through platform to improve capacity and resilience on the Durham Coast Line facilitating future growth in services. The project is also seeking to provide a second access to the station linking to the marina. To date, TVCA Cabinet has only approved development funding of £1.5 million, of which £1.4 million is within the period covered by this report, to complete the detailed design and an FBC.
11. The Eaglescliffe Station project (£8 million investment) will provide a new fully accessible pedestrian footbridge. This includes a new connection to the western side and replacement of the existing bridge to the eastern side. The project also includes a new 120 space car park and other highway access improvements on the western side. The programme has a start on site in early 2022 with completion in 2023.

Ensuring the Key Route Network can facilitate sustainable growth

12. The A19 New Tees Crossing OBC has been submitted to Government. They have requested additional evidence to further emphasise the importance of the scheme to wider priorities, specifically Teesworks and the Freeport. A decision is needed from Government to commit to the development of an FBC for the scheme, which National Highways would complete with a contribution from the Investment Plan to the A19 New Tees Crossing of £21.3 million.
13. The A689 Corridor improvements OBC has been submitted to Government. The package consists of junction improvements along the corridor to address congestion and cycleway/footway improvements to create a traffic-free shared use route on the corridor from Sedgfield to Hartlepool. The total scheme cost is £40.8 million with a £6.4 million TVCA local contribution. A decision is needed from Government to commit to the development of an FBC for the scheme.

A shared commitment with the operators to transform Tees Valley bus services and grow passenger numbers

14. TVCA and the regional bus operators have a history of collaborative working. The National Bus Strategy, published in March 2021, sets out several requirements that must be met to be eligible for potential future funding to support bus provision:
 - submit a Bus Service Improvement Plan (BSIP) by 31 October 2021. The BSIP should set out a vision for delivering a step-change in bus services;
 - implement an Enhanced Partnership (EP) Scheme by 31 March 2022. The EP plan must contain the detail of how the high-level vision and key interventions set out in the BSIP will be delivered.
15. TVCA currently has £4 million of funding to deliver the phase 1 investment package on the infrastructure priority, which is focussing initially on the following corridors:
 - Redcar to Middlesbrough (mainly used by number 63 service);
 - Middlesbrough to Hartlepool via Stockton (mainly used by number 36 service);
 - and
 - Branksome to Red Hall, Darlington (mainly used by number 2 service)
16. The remaining BSIP ambitions will need to be funded by the potential funding allocation from Government, which is dependent on the strength and ambition of the document. It is anticipated that there will be a funding allocation to TVCA from 1 April 2022.

Making Cycling & Walking the natural choice for shorter journeys

17. Delivery of the phase 1 investment package has been split into phases 1a and 1b. Phase 1a includes the two most-advanced schemes (Linthorpe Road in Middlesbrough and Woodland Road in Darlington), which are due to start on site in Q4 2021/22, with completion by summer 2022.
18. Phase 1b includes the other three schemes (A689 in Hartlepool, Norton Road in Stockton and Guisborough to Nunthorpe in Redcar & Cleveland). These schemes are progressing through outline design, consultation and detailed design and are on programme for completion by March 2023.
19. The package will be complemented by a programme of activity to encourage cycling and walking, including personalised advice, training, better information and positive incentive programmes totalling £3.9 million in the period.

Ensuring everyone can access opportunity

20. A provider has been appointed to deliver the Tees Valley Wheels 2 Work scheme through to 2024. The scheme provides a subsidised transport solution for those with no access to a private vehicle or public transport. The fleet is now all electric and currently includes electric motorbikes and is likely to grow to include electric bikes. The scheme takes referrals from Job Centre Plus and the Let's Go Tees Valley travel advice team and is also widely publicised to raise awareness.

Positioning the Tees Valley at the forefront of decarbonising transport

21. TVCA is working alongside the DfT to try and secure funding to deliver hydrogen refuelling infrastructure, long-term trials and research activity through the hydrogen transport hub.
22. TVCA is also committed to delivering a step-change in the provision of electric vehicle charging infrastructure, which is one of the main deterrents for people considering a transition to electric vehicles. The DfT states that around 80% of all electric car charging happens at home, but for drivers who do not have off-street parking, access to charging points is essential. TVCA has appointed a supplier to install, operate and maintain a network of electric vehicle charging points across Tees Valley. The initial roll-out will focus on publicly accessible car parks with installation scheduled to commence in early 2022.
23. The e-scooter trials continue in Middlesbrough and Hartlepool with strong usage figures (4,028 rides in Middlesbrough & 4,184 rides in Hartlepool across June, July & August 2021). The trial period has been extended by Government through to November 2022.

Putting Tees Valley at the heart of the digital transport revolution

24. TVCA is seeking to deliver a wide-ranging package of digital infrastructure and services to accelerate our ambition for a digitally enabled transport system across the region. The package includes:
 - managing and optimising the highway network using the Urban Traffic Management & Control (UTMC) system;
 - interventions to encourage, support and incentivise people to use active travel and public transport; and

- interventions to collate and provide data on multi-modal journeys, real time movement and occupancy data to enable customers to make informed travel choices.

Teesside Airport

25. The TVCA Cabinet has received a Business Plan update report in respect of Teesside International Airport for the period 2021-2029. The updated Business Plan does not require the Combined Authority to increase its previously approved funding allocation to the airport. The key short- and medium-term risk to the delivery of the TIA Business Plan is the uncertainty surrounding the ongoing Covid 19 pandemic and its effect on the aviation industry generally and the airport. The airport senior management team will continue to monitor and manage this risk and develop strategies for the growth and development of the airport.

Education, Employment & Skills

Investment Plan	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
TOTAL	48,287	47,749	39,061	37,279	37,279	149,114	358,769

26. The actual position at quarter 2 is £22.1 million which accounts for 46% of the revised forecasted outturn for 2021/22 of £47.7 million.
27. The main schemes forecast to be delivered in the remainder of the year include; Routes to Work unemployment support, Adult Skills provision funded with the devolved Adult Education Budget to 31 prime training providers, L3 Skills provision, a Careers Education Programme, Support for Schools to collaborate and innovate, Apprenticeship Grants for businesses, Skills support for Businesses and support for the ESF projects for addressing youth unemployment.
28. The Investment Plan allocated £15 million for skills capital and the Combined Authority has also worked collaboratively with the Northern School of Art and Middlesbrough Council on the relocation of the Northern School of Art's Further Education Campus Middlesbrough. This project has completed and welcomed its first learners in September.
29. The new Education, Employment and Skills Strategy and associated Delivery Plan is in development. The plan will consider the skills needs of the emerging sectors, such as clean energy, and the training required to achieve the ambitious net zero targets. At the heart of this plan will be the solutions to ensure Tees Valley residents and young people can access these jobs. The delivery plan will include detail regarding the revenue investment priorities for this theme that will aim to increase employment levels and ensure businesses can access an available and skilled workforce, now and in the future.
30. Adult Education functions were devolved from the start of the Academic year in August 2019. Although Covid-19 has impacted the accessibility of learning over thirty-one training providers have successfully developed a blended online and face to face model of delivery.
31. In March 2021 a multi-year procurement process was undertaken and it has established an Adult Skills Framework of fifty-six high quality training providers. Of

these providers thirty-one have been awarded funding from AEB for delivery for the Academic year commenced September 2021.

Business Growth

Investment Plan	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
TOTAL	68,458	160,145	57,898	17,903	12,094	12,439	328,937

32. The actual position at quarter 2 is £58.8 million which accounts for 37% of the revised forecasted outturn for 2021/22 of £160.1 million. Expenditure is currently in line with forecasted profile with works at the Development Corporation progressing at pace.
33. The business cases for the Local Authority priority projects have now been received which, along with revised spend profiles for the capital grant scheme, have led to a more detailed forecast which is reflected in the above table.

Teesworks Site Projects

34. The Investment Plan has £56.5 million allocated to the South Tees Development Corporation for development of the [Teesworks site](#) of which £11.8 million was remaining at April 21. The Teesworks site is the UK's largest and most connected industrial zone, home to diverse, sustainable and low-carbon activity. The land has been acquired as part of the Compulsory Purchase Order (CPO) process, £125m of funding secured from Central Government, acquisition of South Tees Site Company Ltd into local control from the Department of Business, Energy and Industrial Strategy (BEIS) and development activity is underway on the site with a strong focus on local labour and supply chains to enable the site development.
35. In June 2021, BEIS approved additional expenditure of £20 million to support the development of the Teesworks Offshore Manufacturing Centre. The funding was awarded to assist in the remediation of the proposed offshore wind site to accelerate works and bring forward the construction of the centre.

Infrastructure Projects

36. Boho "The Digital City" project (£26.5 million) has been confirmed utilising existing Business Growth infrastructure budgets (£20 million) and Middlesbrough Borough Council Indigenous Growth funding (£6.5 million). The project is designed to create a digital campus which will ensure that Tees Valley becomes a recognised centre for digital media investment both nationally and internationally. It will provide the environment for businesses to design, enable, create, and grow new digital opportunities and put Middlesbrough at the heart of the most important and rapidly evolving industries in the world. The first of the two buildings constructed from this fund was completed in March 2021
37. The £20 million 'Welcome to Redcar & Cleveland' Programme has been developed to promote area regeneration in support of economic growth in the tourism and visitor economy of R&C and the wider Tees Valley. The range of projects within the programme will act as a key catalyst to promote, attract a sustainable visitor economy as part of its wider place-based regeneration plans for the Borough in line with national policy. The first two projects within the programme are currently in progress, Regent Cinema and Guisborough Town Hall, with further call offs expected shortly.

38. Stockton's allocation of £20 million will be utilised to deliver the vision for Stockton Town Centre which is to create a vibrant, modern town centre by building on past investment to provide a sustainable retail offer that safeguards the traditional function of the High Street whilst creating a space that enables diversification of uses through a combination of public and private investment, capitalises on the proximity of the River Tees as a significant natural asset and creates investor confidence through increased footfall and new uses.

Business Support Programme

39. Since the £35m Business Growth Programme was approved by TVCA Cabinet delivery has been undertaken during a period of significant economic challenge. The programme has reacted to the COVID crisis and delivered additional central government support where possible. Despite the pandemic, the programme remains on track to meet its main objectives and demand for business support services remains strong.
40. The programme has established a central support function (Tees Valley Business) which provides businesses easy access to support services through one central location, bringing together the different types of support traditionally delivered as discrete projects across the region. Support is provided via a website, email portal, telephone and directly through business advisors. The services provided by the previous Business Compass project have been successfully transitioned into the new Gateway and all new support services are being delivered through the Gateway. Providing a single access point to the full range of business support that is available to Tees Valley businesses the service has provided over 4,000 businesses and individuals with direct one to one business support and advice during 2020/21. In the first 6 months of the current year it has already directly supported 3,677 business and individuals on a one to one basis.
41. Business growth support for SMEs (Small and Medium Enterprises) is currently funded through a £14.65m ERDF (European Regional Development Fund) programme launched in July 2020. The amount of funding for the project was increased due to COVID to allow for a higher grant support level of 55% (increased from 33% under the Business Compass scheme). In addition, £1.97m ERDF funding has been secured for an SME Energy Efficiency Scheme.
42. The Tees Valley Large Capital Grant scheme has defrayed £1.3m to date this year against private sector capital investments in excess of £6m supporting the creation and safeguarding of over 250 jobs. A further £11m of grant support has been approved subject to due diligence against private sector investments which will create and safeguard over 1,000 further jobs. The pipeline of applications currently being processed is strong it is forecasted that the funds will be fully defrayed fully against private sector investments by 2025.
43. COVID 19 has had a significant impact on the local economy, however demand for business growth support has remained strong, especially for grants to support capital projects. The Gateway has supported the delivery of a number of COVID specific support funds namely: Apprenticeship Grants; Welcome Back Fund; Back to Business Funds: Visitor Economy and Wider Economy; Kickstart scheme; Culture Development and Innovation Fund; Peer to Peer Programme

Culture & Tourism

Investment Plan	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
TOTAL	2,176	14,074	19,710	17,845	7,057	988	61,850

44. The actual position at quarter 2 is £1.2 million which accounts for 9% of the revised forecasted outturn for 2021/22 of £14.1 million. Although expenditure to date is low currently the business Cases for Hartlepool Waterfront, Darlington Railway Heritage Quarter and the Growth Programme for Creative and Visitor Economy are all progressing, and once approved expenditure is forecast to increase significantly in the second half of the year.
45. The Investment Plan allocation for Culture & Tourism Programme of activity is £20 million within the periods contained in this report. The initial investment priorities were set out in the Investment Plan and a number of projects have already received approval through TVCA Cabinet or via delegated decision in line with the Assurance Framework. At their meeting in November 2020 Cabinet approved a programme of activity, to enable the delivery of a Growth Programme for the Creative & Visitor Economies. The report incorporated the recommendations of the independent Cultural Industries & Visitor Economy Recovery Task Force and describes a programme that will be focused on economic recovery, regeneration and growth through the sustainable development of the creative and visitor sectors. The business plan is progressing and delivery is due to commence in 2022/23.
46. An Investment Plan allocation of £20 million has been provided for Darlington Council's priority project, a major capital scheme which will establish a Railway Heritage Quarter, based around the "Head of Steam" museum on North Road/Station Road, north of Darlington town centre. The aim is for the Railway Heritage Quarter to become a major visitor attraction and museum by 2024 in order that it can be a central part of the bi-centenary celebrations of the birth of the Stockton & Darlington Railway in 2025.
47. The £20 million Hartlepool Waterfront project will create a 'destination' at the waterfront, encouraging growth in visitor numbers; overall, to regenerate the place via the tourism / leisure / culture offer. The Project will work with the National Museum of the Royal Navy to expand the exhibition space whilst leisure facilities will be constructed along with external event space and improved public realm.

Innovation & Clean Growth

Investment Plan	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
TOTAL	1,680	59,181	14,636	2,180	1,699	0	79,376

48. The actual position at quarter 2 is £1.1 million which accounts for 5% of the revised forecasted outturn for 2021/22 of £59.2 million. Expenditure to date is lower than anticipated due to delays in commencement of the BEIS for the Green Homes Local Authority Delivery (LAD) phase 2 programme. This accounts for £53 million of the overall forecast and is being delivered by the 31 Local Authorities that make up the

North East, Yorkshire and Humber region. This is being monitored closely alongside the delivery plans submitted by each Authority.

49. Projects that sit within the Innovation programme have been developed and are now entering final stages of the approval process under the assurance framework.
50. The innovation programme, approved in January 2020 is focused on supporting the key sector areas identified in the SEP, namely, bio science, digital, advanced engineering and clean growth. The programme has several linked activities to provide the cornerstones for growth in these sectors as well as funding for key industrial networks. Key projects include support for a bioscience incubator and wider bioscience innovation support, a net zero freeport innovation centre supporting clean growth, hydrogen technology and advanced engineering, and support for future digital research projects. The programme will leverage national funds wherever possible to maximise the impact for the Tees Valley.
51. The North East and Yorkshire Energy Hub, which TVCA is the accountable body for, is actively engaged in delivering a £53 million Green Homes Grant LAD2 programme across 27 of its 31 local authorities. The Hub has secured additional funding of £1.2 million for its core activities from November 2021 until March 2023, which brings its total core funding to £3.1 million since 2018. It is completing delivery of a £1.7 million Rural Community Energy Fund Programme, which will soon be evaluated. In 2022 it will run a £0.7 million Public Sector Decarbonisation Skills funding programme.

Place

Investment Plan	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 – 28/29	Total
TOTAL	4,673	16,638	30,914	13,907	10,045	12,000	88,177

52. The actual position at quarter 2 is £6.8 million which accounts for 41% of the revised forecasted outturn for 2021/22 of £16.6 million.
53. As approvals against the Indigenous Growth and Brownfield Housing Programmes have progressed during the year the forecasted spend profiles have been updated to reflect the expected drawdown from the delivery bodies within these programmes.
54. Over ten years a total of £62 million has been allocated to create the Indigenous Growth Fund. Each of the five boroughs that make up the Tees Valley has distinct economic assets and opportunities and it is essential that we can unlock these opportunities for residents of the whole of Tees Valley.
55. A programme business case has been developed and approved for the fund and the constituent authorities are currently developing project business cases to call off from the programme.
56. At their meeting in November 2020, in order to make it easier, cheaper and more convenient for people to use Tees Valley high streets and support local businesses, TVCA Cabinet approved the introduction of free car parking across key Tees Valley Town Centres. The scheme will provide minimum of two hours up to a maximum of three hours' free car parking for two years.
57. TVCA was awarded £19.3 million from the Brownfield Housing Fund in December 2020 to unlock brownfield sites for development. A total of five projects are currently in delivery under this programme with £18.6 million of this fund to be delivered within the period 2021 to 2025.

FINANCIAL IMPLICATIONS

58. This report gives an update on the Combined Authority Investment Plan.

LEGAL IMPLICATIONS

59. There are no legal implications associated with the recommendations within this update report.

RISK ASSESSMENT

60. This report is an update and therefore is categorised as low risk.

61. The in-year Investment Plan delivery risk is categorised as medium. This is to reflect the mid-year position whereby 33% of the forecasted £372.7 million has been spent, leaving 67% (£248 million) to be spent in the second half of the financial year. The main thematic areas where spend is below the level expected at this point in the financial year are Business Growth, Culture and Tourism, and Innovation and Clean Growth as noted in the relevant sections above. The programmes and projects within these areas are being monitored closely.

62. The overall Investment Plan period risk is categorised as low. Appropriate programme and project management processes are in place to ensure that delivery is achieved.

63. TVCA will continue to monitor and review Investment Plan risks.

CONSULTATION & COMMUNICATION

64. Consultation has been undertaken on the Investment Plan with the Local Authorities, Local Enterprise Partnership and other statutory Committees in line with the Combined Authority Assurance Framework. Changes to the Investment Plan are subject to approval by TVCA Cabinet.

EQUALITY & DIVERSITY

65. There are no equality and diversity implications associated with the recommendations in this report. Specific proposals associated with business cases and Investment Plan funding draw down will consider these implications where applicable.

Name of Contact Officer: Gary Macdonald
Post Title: Group Director of Finance and Resources
Telephone Number: 01642 527707
Email Address: gary.macdonald@teesvalley-ca.gov.uk

REPORT TO THE TEES VALLEY COMBINED AUTHORITY
OVERVIEW & SCRUTINY COMMITTEE

13th JANUARY 2022

REPORT OF GROUP CHIEF EXECUTIVE

DELEGATED DECISIONS OCTOBER - DECEMBER 2021

SUMMARY

The table below shows the Delegated Decisions signed off by the Combined Authority between October 2021 and December 2021

RECOMMENDATIONS

It is recommended that the Combined Authority Overview & Scrutiny Committee note the table below.

DETAIL

1. The table below shows the Delegated Decisions signed off by the Combined Authority between October 2021 – December 2021.

Title	Amount	Date signed	Key Decision
<p>Eaglescliffe Station</p> <p>Cabinet approved a commitment of up to £8.558m to this project (Eaglescliffe Station Western Gateway) as part of the approval for the Integrated Transport Programme in January 2020. The purpose of this project is to replace the current ramps and bridge, which provide access to the island platform from the eastern car park, with a new Access for All bridge complete with lifts. This will connect the eastern car park with the platforms and a new western car park, which will provide additional capacity and an increased number of spaces for persons of reduced mobility (PRMs).</p> <p>A total of up to £8.558m has been approved by Cabinet for this project. Additional funding for construction is to come from Network Rail (funding in lieu of maintenance / repairs to the existing footbridge) and the Access for All programme creating a funding envelope of up to £12.7m. Of the TVCA funding, £0.558m has been awarded to SBC in the form of a funding agreement. Currently the Q2 2021/22 claim is awaiting submission, but at the end of Q1</p>	£1,600,000	21/10/2021	No

Title	Amount	Date signed	Key Decision
<p>£124,929 had been claimed and therefore the outturn against this claim is expected to reduce significantly. TVCA entered into contract with Network Rail in July 2021 for a phase of Early Contractor Involvement to facilitate the handover of the scheme. This was for up to £127,515 based on the funding for this coming from the money awarded to SBC, once recovered.</p> <p>This request is for £1.6m of advance funding from the remaining allocation. This advance funding decision is to enable the completion of the PACE phase 2 process by Network Rail under the terms of a Development Services Agreement (DSA). This will enable:</p> <ul style="list-style-type: none"> • ES4 – Design standards approved and Approval in Principle. • ES5 – Construction ready design approved. 			

2. All key decisions are sent to the Overview & Scrutiny Committee within 2 days of being made. All other delegated decisions are provided for information at their next scheduled meeting.

FINANCIAL IMPLICATIONS

3. There are no direct financial implications arising from this report. The report derives from the Constitution and Assurance Framework for the Combined Authority, which have embedded within them the statutory financial regulations.

LEGAL IMPLICATIONS

4. The Report derives from the Constitution and the Assurance Framework for the Combined Authority which sets out the appropriate statutory framework and is legally binding.

RISK ASSESSMENT

5. The report is categorised as low risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION & COMMUNICATION

6. Not Applicable

EQUALITY & DIVERSITY

7. Not Applicable

LOCAL ENTERPRISE PARTNERSHIP

8. Not Applicable

Name of Contact Officer: Julie Gilhespie

Post Title: Group Chief Executive

Telephone Number: 01642 528834

Email Address: julie.gilhespie@teesvalley-ca.gov.uk

**REPORT TO THE TEES VALLEY COMBINED AUTHORITY
OVERVIEW & SCRUTINY COMMITTEE****13th JANUARY 2022****REPORT OF MONITORING OFFICER****CONSTITUTION REVIEW****SUMMARY**

This report provides an update on the progress of plans for a Task & Finish Group made up by members of the Overview & Scrutiny Committee to review the Tees Valley Combined Authority Constitution in a comparative exercise with other Mayoral Combined Authorities. Following changes in membership to the Overview & Scrutiny Committee and unallocated Constitutions for review, the exercise has been brought for discussion and consideration by the Committee.

RECOMMENDATIONS

Committee Members are required to:

- i. Consider the content of this report and agree whether the progression of a Task & Finish Group to examine the constitution is of benefit to the Committee.

If it is agreed that the Constitution review should be undertaken Committee members are required to further:

- ii. Agree on timescales for completion
- iii. Seek additional membership to the Task & Finish Group
- iv. Allocate Constitutions for review
- v. Appoint a Chair of the Task & Finish Group

DETAIL

1. At the informal Overview & Scrutiny Work Planning Meeting held on 6th October 2021 a Task & Finish Group was agreed to look at the Constitution for TVCA and whether any amendments were to be put forward following that exercise.
2. It was proposed this would involve consideration of the Constitutions of other Mayoral Combined Authorities in a comparative exercise. The Group was to be chaired by Cllr Stephenson and other members were agreed to be Cllr Riordan, Cllr Harker, Cllr Renton and Cllr John Hobson.
3. Recent changes in Membership to the Task & Finish Group meant the existing arrangements would require a reallocation of Constitutions for progress to be made. The Overview & Scrutiny Chair wanted to bring the discussions to the Committee for consideration.
4. Constitution Reviews were allocated as follows:

Combined Authority	Reviewed by
Cambridgeshire and Peterborough	TBC
Greater Manchester	TBC
Liverpool City Region	Cllr Tony Riordan
North of Tyne	TBC
Sheffield City Region	Cllr Stephen Harker
West Midlands	TBC
West of England	TBC
West Yorkshire	Cllr John Hobson

FINANCIAL IMPLICATIONS

5. There are no direct financial implications arising from this report.

LEGAL IMPLICATIONS

6. There are no direct legal implications arising from this report.

RISK ASSESSMENT

7. The report is categorised as low risk.

CONSULTATION & COMMUNICATION

8. Not Applicable.

EQUALITY & DIVERSITY

9. Not Applicable.

LOCAL ENTERPRISE PARTNERSHIP

10. Not Applicable.

Name of Contact Officer: Ruth Callaghan

Post Title: Acting Business Support and Governance Manager

Email Address: ruth.callaghan@teesvalley-ca.gov.uk