

**Tees Valley Combined Authority (TVCA) Audit and Governance
Committee**

Wednesday 1 December 2021 at 10.00am

PRESENT

Members

Councillor Paul Crudass, Chair (Darlington Borough Council)
Councillor Barry Woodhouse (Stockton-on-Tees Borough Council)
Councillor Michael Lockwood (Redcar and Cleveland Borough Council)
Jonny Munby (Independent Member)
Angus Kidd (Independent Member)
James Stuart (Independent Member)

Apologies for Absence

Julie Gilhespie (Group Chief Executive, TVCA)

IN ATTENDANCE

Officers

Gary Macdonald (Group Director of Finance & Resources, TVCA)
Peter Judge (Group Chief Legal Officer, TVCA)
Natalie Robinson (Group Risk Manager, TVCA)
Ruth Callaghan (Governance Officer, TVCA)

Also in Attendance

Cameron Waddell (Mazars – External Auditors)
Michael Gibson (RSM – Internal Auditors)
Councillor Heather Scott (Transport Portfolio Lead)

AGC 27/21	APOLOGIES FOR ABSENCE Apologies for absence were submitted as detailed above.
AGC 28/21	DECLARATIONS OF INTEREST No declarations of interest were received.
AGC 29/21	APPOINTMENT OF CHAIR JS nominated PC as Chair and no other nominations were received. The appointment was approved by consensus.

<p>AGC 30/21</p>	<p>APPOINTMENT TO THE SOUTH TEES DEVELOPMENT CORPORATION AUDIT & RISK</p> <p>It was noted that Cllr Lockwood had been appointed to represent Redcar and Cleveland Borough Council, replacing Cllr Gallacher on the Committee. As it had previously been agreed that the RCBC representative would be the link member with the STDC Audit and Risk Committee, Cllr Lockwood had observed at the ARC meeting on 25th November and undertaken the induction and site visit. Members were asked if there were any objections to nominate and ratify Cllr Lockwood as the link member on the STDC ARC and no objections were received.</p> <p>Cllr Lockwood was nominated, and members voted to ratify his membership to both audit committees.</p>
<p>AGC 31/21</p>	<p>MINUTES OF MEETING HELD ON 21st SEPTEMBER 2021</p> <p>The minutes of the previous meeting were agreed as a true record.</p>
<p>AGC 32/21</p>	<p>ACTION TRACKER 2021-2022</p> <p>Gary Macdonald, Group Director of Finance and Resources, updated Members that the actions were up to date or that updates were to be provided on agenda items within the meeting.</p>
<p>AGC 33/21</p>	<p>EXTERNAL AUDIT PROGRESS REPORT AND LETTER</p> <p>CW provided an update on external audit progress. He noted that only 10% of audits nationally had been completed on time due to Covid delays. He noted that they had needed to tweak their approach when dealing with the STDC accounts. GM thanked CW and the Mazars team stating that they had worked closely with the finance team.</p> <p>CW set out that the audit letter had been published and that there had been no objections from members of the public. He noted that this was encouraging given the unique nature of the group and that its involvement in commercial activities was unusual within the public sector.</p> <p>GM advised that the audit reports would be circulated to members when they are available.</p>
<p>AGC 34/21</p>	<p>DEEP DIVE TRANSPORT</p> <p>Tom Bryant, Head of Transport at TVCA, provided a presentation on the Transport programme. Cllr Heather Scott attended in her capacity as portfolio lead for Transport. The following points were raised in the presentation:</p> <ul style="list-style-type: none"> • The programme has the key aims of improving transport across the Tees Valley area and removing barriers to employment. • Rail system improvements also includes improvements to the freight capacity to help with the connectivity of the Freeport. • Rail improvements are underpinned by the aim of improving service frequency to a minimum of every 30-minutes at all stations. Research evidence suggests that this improves the attractiveness of rail travel.

	<ul style="list-style-type: none"> • JM asked about plans to extend the rail network into more residential areas. It was noted that the aim was to make necessary improvements to the existing network first. • JS asked about plans to electrify the network. TB explained the plans to facilitate the uptake of hydrogen and electric vehicles. • TB set out the relationship between road network improvements and sustainable growth. Some proposed road improvements had the aim of improving the road capacity and connectivity of the Freeport. • A number of walking and cycling schemes were in progress which also promoted health benefits. • The National Bus Strategy was discussed, and the challenges presented by reduced passenger numbers post-Covid. There is work to improve the seamless transition between bus and rail travel. There is a challenge to develop new bus routes to help people access employment (for example running a service for staff at Teesport around the shift patterns). These approaches are subsidised and there are challenges in making those services financially viable in the long-term. • The Tees Valley has been designated as a national hydrogen transport hub which will include hydrogen production, storage, and distribution. • There were plans to roll out electric charging points especially in areas where people have no off-street parking. • Members asked about the targets for reducing the carbon emissions within the Tees Valley area. They discussed the development of metrics to assess the impact of each project. TB explained that there was more work to do to undertake a carbon appraisal for each project and work closely with partners to understand their decarbonisation plans. Targets for decarbonisation will need to be backed up with delivery plans. • It was noted that Chris Beck had been recently appointed as Director with responsibility for Clean Growth and Innovation. • TB explained that TVCA had a role in influencing investment to support others to decarbonise. There is a role to use collective resources to make improvements to do something transformational. • BW asked questions about electric charging points. He noted that Billingham has 15000 cars and 2 charging points. TB confirmed that the first phase of the project was to roll out 150 new charging points across the Tees Valley area. • TB explained that the Tees Flex bus service had launched at the start of Covid. Passenger numbers were improving. • TB also set out the ongoing work on the 'Wheels to Work' scheme and the work on digital transport (i.e., app-based tools to make journey planning in Tees Valley easier). • Members discussed the risks around undertaking such an extensive programme at pace. • ML raised the transport challenges within the East Cleveland area including the sparse population and more severe weather impacts on travel. TB noted that it required a partnership approach to ensure that these known challenges were addressed.
AGC 35/21	INTERNAL AUDIT PROGRESS REPORT MG provided an update on the reports provided to Members in their packs.

	<p>The audit of new starters and their inductions had been undertaken with 46 new starters in July and August. They had concluded 'reasonable assurance' and there had been one medium and one low priority action as a result. GM confirmed that these actions had been taken forward by the HR Manager.</p> <p>The findings of the Business Growth Hub report were discussed. This examined the handling of enquiries and signposting of businesses. Substantial assurance was given and concluded that the programme was well controlled. There were two low priority actions. GM confirmed that they were taking the actions forward, in particular looking at the Customer Relationship Management (CRM) software.</p> <p>MG set out the findings of the Covid-19 recovery report. This had examined how TVCA had helped support local businesses recover. They had concluded 'reasonable assurance' and had recommended one medium level and 4 low priority actions.</p> <p>MG presented the Follow-up of previous audit actions report. Members asked whether it was possible to have a regular report setting out the status of open audit actions. It was agreed that this would be arranged.</p> <p>JM asked about the system of controls for the Group structure and associated bodies. It was noted that the organogram provided set out the percentage ownership of different entities within the group. He asked whether the role of Julie Gilhespie was accurately reflected in the published declarations of interest. It was advised that the Monitoring Officer would check this.</p>
AGC 36/21	<p>PROPOSALS FOR ASSURANCE UPDATES ON STDC & AIRPORT</p> <p>Members resolved to agree the proposal to receive regular assurance updates on the Airport and STDC.</p>
	<p>Members approved the resolution to exclude members of the press and public.</p>
AGC 37/21	<p>RETENDER OF EXTERNAL AUDIT CONTRACTS</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.</p>
AGC 38/21	<p>RISK REGISTER UPDATE</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 for a presentation to be delivered to the Committee.</p> <p>RESOLVED that: Members noted the Risk Register and report.</p>
AGC 39/21	<p>FORWARD PLAN 2021-2022</p>

	<p>Gary Macdonald confirmed that the deep dive topics - Innovation and Clean Growth - would be added to the Forward Plan and covered when Chris Beck had been in post for a while. Members agreed that a Deep Dive on Creative Place would be helpful at their meeting in January 2022.</p> <p>JM asked whether the Committee had a responsibility to review its own performance. PJ noted as Monitoring Officer he would like to undertake a self-assessment exercise which would incorporate a skills audit of the Committee. It was agreed that PJ would prepare a proposal for the committee on the basis of a self-evaluation and skills audit questionnaire for Members. This process could be undertaken, once agreed, and the results to be prepared and shared for discussion at a future meeting.</p>
AGC 40/21	DATE OF NEXT MEETING The next meeting is 20 th January 2022 at 10am.