

Overview & Scrutiny Committee Agenda

Date: 12th January 2023 at 10am

Venue: Tees Valley Combined Authority (Teesside Airport Business Suite, Teesside International Airport, Darlington, England, DL2 1NJ)

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 Nicholson (Hartlepool Borough Council)
Cllr C Hobson (Middlesbrough Council)
Cllr Donoghue (Darlington Borough Council)
Cllr Jones (Redcar and Cleveland Borough Council)
Cllr Renton (Darlington Borough Council)
Cllr Riordan (Stockton-on-Tees Borough Council)
Cllr Jeffrey (Redcar and Cleveland Borough Council)
Cllr Little (Hartlepool Borough Council)

AGENDA

- 1. Chairs Welcome & Apologies for Absence**
Verbal
- 2. Declarations of Interest**
Attached
- 3. Minutes of Meeting held on Friday 14th October 2022**
Attached
- 4. Forward Plan**
Attached
- 5. Delegated Decisions**
Attached
- 6. Group Update**
Attached
- 7. DRAFT Finance & Resources Sub Committee Budget 2023/2024 Consultation Report**
Attached

8. **UK Shared Prosperity Fund – Business Update (UKSPF)**
Presentation
9. **Crustacean Deaths**
Presentation
10. **Crustacean Deaths**
Report and Members Discussion
Under the terms of Paragraph 1 and Paragraph 5 of Schedule 12a Local Government Act 1972, this Report is not for publication.
11. **Date and Time of Next Meeting:**
2nd March 2023 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:

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Tees Valley Combined Authority Declaration of Interests Procedures

1. The purpose of this note is to provide advice and guidance to all members (the Mayor, elected and co-opted members, substitute members and associate members) of the Combined Authority Cabinet, Sub-Committees and Local Enterprise Partnership Board, on the procedure for declaring interests. The procedure is set out in full in the [Combined Authority's Constitution](#) under the "Code of Conduct for Members" (Appendix 8).

Personal Interests

2. The Code of Conduct sets out in full, the principles on the general conduct of members in their capacity at the Combined Authority. As a general principle, members should act impartially and should not use their position at the Combined Authority to further their personal or private interests.
3. There are two types of personal interests covered by the constitution:
 - a. "disclosable pecuniary interests". In general, a disclosable pecuniary interest will involve any financial interests, such as paid employment or membership of a body, interests in contracts, or ownership of land or shares. Members have a pecuniary interest in a matter where there is a reasonable likelihood or expectation that the business to be considered will affect your well-being or financial position, or the well-being or financial position of the following persons:
 - i. a member of your family;
 - ii. any person with whom you have a close association;
 - iii. in relation to a) and b) above, their employer, any firm in which they are a partner, or a company of which they are a director;
 - iv. any person or body in whom persons described in a) and b) above have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
 - v. any body as described in paragraph 3 b) i) and ii) below.
 - b. Any other personal interests. You have a personal interest in any business of the Combined Authority where it relates to or is likely to affect:
 - i. any body of which you are a member (or in a position of general control or management) and to which you are appointed or nominated by the Combined Authority;
 - ii. any body which:
 - exercises functions of a public nature;
 - is directed to charitable purposes;
 - one of whose principle purposes includes influencing public opinion or policy (including any political party or trade union) of which you are a member (or in a position of general control or management).

Declarations of interest relating to the Councils' commercial role

4. The constituent councils of the Combined Authority are closely integrated with its governance and financial arrangements, and financial relationships between the Combined Authority and Councils do not in themselves create a conflict of interest for Council Leaders who are also Combined Authority Cabinet members. Nor is it a conflict

of interest if the Combined Authority supports activities within a particular council boundary. Nevertheless, there are specific circumstances where the Cabinet is considering entering into direct contractual arrangements with a council, for example in relation to a particular commercial investment project, or in which that council is a co-funder. In these circumstances a non-pecuniary declaration of interest should be made by the Council Leader or their substitute.

Procedures for Declaring Interests

5. In line with the Code of Conduct, members are required to adhere to the following procedures for declaring interests:

Register of Interests

6. Each member is required to complete a register of interests form with their personal interests, within 28 days of their appointment to the Combined Authority. Details of any personal interests registered will be published on the Combined Authority's website, with the full register available at the Combined Authority's offices for public inspection. The form will be updated on an annual basis but it is the responsibility of each member to notify the Monitoring Officer of any changes to the register throughout the year. Notification of a change must be made to the Monitoring Officer within 28 days of becoming aware of that change.

Declaration of Interests at Meetings

7. The Combined Authority will include a standing item at the start of each meeting for declaration of interests. Where members are aware that any of their personal interests are relevant to an item of business being considered at a meeting they are attending, they must declare that interest either during the standing item on the agenda, at the start of the consideration of the item of business, or when the interest becomes apparent, if later.
8. Where members consider that their interest could be considered by the public as so significant that it is likely to prejudice the members' judgement then they may not participate in any discussion and voting on the matter at the meeting, but may attend the meeting to make representations, answer questions or give evidence relating to the business, before it is discussed and voted upon.
9. If the interest is a disclosable pecuniary interest (as summarised in paragraph 3a) then the member must leave the meeting room during discussion and voting on the item of business, but may make representations, give evidence and answer questions before leaving the meeting room. Failure to comply with the requirements in relation to disclosable pecuniary interests is a criminal offence.

Sensitive Information

10. Members can seek the advice of the monitoring officer if they consider that the disclosure of their personal interests contains sensitive information.

Tees Valley Combined Authority (TVCA) Overview & Scrutiny Committee Meeting

Friday 14th October 2022 at 10.00am

These Minutes are in draft form until approved at the next Overview & Scrutiny Committee meeting and are therefore subject to amendments.

Present:
Members Cllr J Hobson (Chair – Middlesbrough Council) Cllr Harker (Darlington Borough Council) Cllr Harrison (Hartlepool Borough Council) Cllr C Hobson (Middlesbrough Council) Cllr Branson (Middlesbrough Council) Cllr Jeffrey (Redcar & Cleveland Borough Council) Cllr Nelson (Stockton Borough Council) Cllr Little (Hartlepool Borough Council) Cllr Sowerby (Darlington Borough Council) Cllr Stephenson OBE (Stockton Borough Council) Cllr Nicholson (Hartlepool Borough Council)
Apologies for Absence: Cllr Riordan (Stockton Borough Council) Cllr Smith (Vice Chair - Redcar & Cleveland Borough Council) Cllr Beall (Stockton Borough Council) Cllr Donoghue (Darlington Borough Council) Cllr Renton (Darlington Borough Council) Gary Macdonald (Group Director of Finance & Resources, TVCA)
Officers in Attendance: Peter Judge (Chief Legal Officer and Monitoring Officer, TVCA) Helen Kemp (Director of Business & Skills, TVCA) Charlie Kemp (Head of Creative Place) Nicola Dean (Governance & Scrutiny Officer, TVCA)
Also in Attendance: Cllr Shane Moore, Leader of Hartlepool Borough Council and Creative Place Portfolio Holder

OSC 01/22	WELCOME, INTRODUCTIONS & APOLOGIES FOR ABSENCE Apologies for absence were submitted as detailed above and it was confirmed that the meeting was quorate.
OSC 02/22	DECLARATIONS OF INTEREST No declarations of interest were received.

<p>OSC 03/22</p>	<p>APPOINTMENT OF CHAIR & VICE CHAIR</p> <p>Peter Judge, (PJ), Monitoring Officer/Chief Legal Officer invited nominations for the position of Committee Chair for the forthcoming civic year. Cllr John Hobson (JH) was nominated by Cllr Chris Hobson (CH), and this was seconded by Cllr David Branson (DB).</p> <p>The incoming Chair (JH) then invited nominations for the position of Committee Vice Chair for the forthcoming civic year. JH nominated Cllr Sandra Smith (SS), seconded by CH.</p> <p>The appointment to these roles will be submitted to the October Cabinet for ratification.</p>
<p>OSC 04/22</p>	<p>MINUTES OF MEETING HELD ON 14th JULY 2022 AND 10th AUGUST 2022</p> <p>The minutes of the previous meeting were agreed as a true record.</p>
<p>OSC 05/22</p>	<p>GROUP UPDATE</p> <p>Helen Kemp (HK), Director of Business & Skills, provided a summary of the Group Update detailing the key activities of the Combined Authority since the last Committee meeting, including updates in the following areas:</p> <ul style="list-style-type: none"> • Teesworks • Freeport • Teesside International Airport • One Public Estate • Tees Valley Business • Business Investment • Education, Employment & Skills • Mayoral Development Corporations • Investment Zones • Transport • Clean Growth & Innovation <p>The floor was opened to members for any clarification questions and members asked:</p> <ul style="list-style-type: none"> • Would TVCA be attending the Select Committee to provide evidence? HK advised that she did not believe TVCA had been invited. • What does the commencement of Net Zero Teesside consist of? HK advised that it would consist of ground preparation and then onto the build. • Has the Freeport full Business Case been shared with the Cabinet? HK advised that she would clarify what had been shared with Cabinet and check if this can be shared with the Committee. Action: HK • Are the two companies that were interested in the cargo facility at the Airport in August, still interested now there is interest from numerous parties and what progress has been made? HK explained there has been a change in the market and she would need to get clarification from the Airport on who is now involved. Action: HK • What is the Combined Authority view on the Active Travel investment of £600k South Bank to Normanby roadworks at a time when people are dealing with the cost-of-living crisis? HK confirmed TVCA do support Active Travel and the value in that and TVCA are looking at what more can be done on retrofitting homes and

beyond. The LA highways team was noted as being able to input if there are other options available in the process.

- Do TVCA consider the development of work-based skills when entering contracts so that apprenticeships are provided, as figures are down, and employers often avoid them? PJ advised TVCA has a 20% social value criterion in its major procurements and thanks the member for his suggestion. It was confirmed that the guidance to bidders can be amended to encourage apprenticeships. HK also assured the Committee that work is ongoing with businesses for other reasons and having conversations with each on apprenticeships and educating businesses they can apply for a grant to help with the cost of an apprentice.
- To what extent has TVCA been in touch with government on financial implications due to nutrient neutrality and will the Government reimburse LA's? HK advised that TVCA has been in touch with Natural England and planners across the Tees Valley, and there has been different approaches across LA planning departments. It was explained there has been no indication from Government there will be any recompense for this. It was advised that there weren't full details on the Investment Zones yet but can share this as soon as possible. **Action: HK**
- Why isn't the Chief Executive or Mayor attending today? It was explained that the CEO was working on Investment Zone submissions ahead of the noon deadline. The Chair assured the Committee that Mayor Houchen now has a standing invitation to future meetings but is currently out of the country, not returning until Tuesday.
- Is there a stance for the CEO attending these meetings? Chair advised will try to do something about it.
- Where is the solar farm going at the Airport and which planning authority would this fall under? HK explained this is part of the Airport development and believed to be on the Darlington side but would need to clarify on this. **Action: HK**
- Are there any implications to the Airport on the housing elements that are being pushed with the Investment Zone's? HK explained housing is one part of the Investment Zones but didn't believe there were any implications and would confirm. **Action: HK**
- Part of the attraction of Investment Zones is giving 100% business rates relief, so can LAs affected by loss of income be guaranteed that whatever happens with Investment Zones, the business rates will go to LA's? HK explained she didn't have the details and would need to check. **Action: HK**
- Some evidence suggests that dredging should stop until a time in the future when the situation is made clear – can that be taken to the Mayor and ask if we can look at the possibility of stopping it? HK agreed to take this feedback to the Mayor.
- The MDC's update seems premature in the way it has been reported as this has not been confirmed as Hartlepool haven't agreed to it yet have they? Cllr Shane Moore (SM) advised there should have been a Members Seminar for HBC this week which has been scheduled for the start of November and confirmed whilst the legislation doesn't require full sign off from the Council it felt only right and proper to go through the democratic processes and the meeting will be an opportunity to scrutinise the plans. It was advised that the intention and expression of interest has been made, though not the decision made.
- Can the cushion buffers on the new cycle lanes on Linthorpe Road, Middlesbrough be made into something that people can see as they appear to be creating issues in the dark, as well as accidents? HK advised that if this is something that can be changed it would be the design that would need to be looked at and that this can be fed back to the Transport team. **Action: HK**

- Can you expand on airport cargo and passenger numbers at the Airport? The Committee was advised that this detail was not to hand but that an answer would be sought. **Action: HK**
- Can the Scrutiny Committee formally request the CEO and Mayor approach the Select Committee to give evidence on the enquiry into crustacean deaths? PJ confirmed that the Committee can officially make recommendations to the Mayor and the Combined Authority. Cllr Steve Nelson (SN) proposed *“The Committee formally recommend that the Mayor and the CEO approach the Chair of the Parliamentary Select Committee and ask to be invited to give evidence in respect of the consideration/study into the causes of the crustacean die offs and that the Mayor gives to the Scrutiny Committee his current position on the cause of said die offs and if there’s any link to the dredging currently taking place and any current/planned or future dredging”*. The motion was seconded and it was agreed that a recorded vote would be taken - recorded vote with 10 Members in favour, and one abstention as follows:

Cllr Branson (Middlesbrough Council) - For
 Cllr Harker (Darlington Borough Council) - For
 Cllr Harrison (Hartlepool Borough Council) - For
 Cllr C Hobson (Middlesbrough Council) - For
 Cllr J Hobson (Chair – Middlesbrough Council) - For
 Cllr Jeffrey (Redcar & Cleveland Borough Council) - For
 Cllr Little (Hartlepool Borough Council) - For
 Cllr Nelson (Stockton Borough Council) - For
 Cllr Nicholson (Hartlepool Borough Council) - For
 Cllr Sowerby (Darlington Borough Council) - Abstained
 Cllr Stephenson OBE (Stockton Borough Council) - For

- How will business rates be distributed in relation to the freeport and Special Economic Areas? It was confirmed 50% to TVCA and 50% to LAs? It was suggested by a member that this should be changed for Investment Zones, in favour of local authorities, to assist with the funding pressures they face.
- Some skills activity is being geared to people in employment - how will that work? HK explained because we have a devolved Adult Education Budget the conditions can be changed as it is very much there to develop outcomes with employers to make sure people have skills. We can change the policy approach of AEB if anyone is wanting to go into a priority sector such as clean energy or aeronautical and it doesn’t matter what qualifications they have, so working with providers and employers on that. Encourage and put emphasis on delivery plan and changing ways they deliver.

The Committee noted disappointment in the absence of the Group CEO and Mayor at the Committee, identifying this as limiting the responses to questions asked by Members and there was concern that other activity appeared to take priority over Overview & Scrutiny.

The Committee agreed that the Mayor/CEO and/or Officers who had background information, needed to be present at future Scrutiny meetings for the meeting to be effective. It was noted that there is a need to re-think how information comes to the Committee as it was suggested that often, items are being brought after Cabinet have considered them with an example being given as the Skills Strategy. It was also requested that Freeport also needs to come to the Committee. **Action: Secretariat**

	<p>RESOLVED that: Members noted the Report and recommended that the Mayor and the CEO approach the Chair of the Parliamentary Select Committee and ask to be invited to give evidence in respect of the consideration/study into the causes of the crustacean die off's and that the Mayor gives to the Scrutiny Committee his current position on the cause of said die offs and if there's any link to the dredging currently taking place and any current/planned or future dredging.</p>
<p>OSC 06/22</p>	<p>CREATIVE PLACE UPDATE</p> <p>Cllr Shane Moore (SM), Portfolio Lead for Creative Place and Charlie Kemp (CK), Head of Creative Place at TVCA delivered to the Committee a presentation on Creative Place covering the scope, the delivery to date and that planned for the future.</p> <p>The presentation was well received, and it was agreed the slides would be shared with the Committee. Members commented that they were pleased that Creative Place had been put at the centre of TVCA and this was shown to be paying dividends. Members agreed the identity of each individual LA should remain but were happy to see the progress made with a high profile and all boroughs getting something out of it. When discussing local identity, Cllr Stephen Harker (SH) suggested it would be good to see the Mayor using "Tees Valley" rather than "Darlington", "Hartlepool" or "Teesside" when referring to the area.</p> <p>Members were invited to ask any clarification questions and the following questions were asked:</p> <ul style="list-style-type: none"> • Why, of the nine festivals, there were none for Stockton and the Waterfront festival was missing? SM advised that the process was subject to a bidding process and each LA bid in and if they never scored highly enough, others took priority. It was advised that SBC never bid into the process. The Festival of Thrift was confirmed to be moving to Billingham. • Our venues need protecting – would TVCA manage to protect them, so they are sustainable? CK agreed and explained the focus of this programme is building longer sustainability, as venues have a wider catchment area. "Priority Places" were explained to be those recognised for low levels of cultural engagement, and it was noted that the Tees Valley is the only Combined Authority that has been chosen as a "Priority Place" by the Arts Council. SM advised there is a need to work on the underlying issues to get people in and work with the industry to generate more money. • Regional and local identity has always been an issue in this region, with various names being used– Teesside, Tees Valley, Cleveland – does it have an impact on regional identification? CK advised that it is challenging and is something that is discussed with businesses. Website navigation was identified as challenging as the Tees valley is an emerging region but there is a desire for this to be not seen as a threat to regional identity so to still have that branding for example 'Enjoy Darlington' or 'Enjoy Redcar & Cleveland' etc. but to still be part of 'Enjoy Tees Valley'. Members were informed that research has shown that younger people are identifying more with "Tees Valley" so it's thought that this identity will emerge over time as an umbrella brand that provides opportunity for all areas to come together. • How much work is being done to get the balance right so that big events are accessible to residents of the area and that we don't leave a population behind who can't afford them? CK discussed some of the outreach events undertaken around such events and agreed there does need to be a balance – Cook Islands Rugby League was discussed and the engagement with schools/free tickets/touring the region and working with children from some areas where they wouldn't get access

	<p>otherwise. Buying locally was discussed and an example given for the Tall Ships that there's nothing left behind – that local businesses are the preferred suppliers and that the focus on growing the 9 priority festivals here, has a regional and international interest but is rooted in the community, free to access and includes wrap around programmes.</p> <ul style="list-style-type: none"> • SN noted as the Cabinet holder for Health, Leisure and Culture for SBC, it would be useful to discuss the comms for the Stockton and Darlington 2025 celebrations suggesting there was confusion on roles and responsibilities. It was agreed that contact details would be shared. • Do we see a time in the future where we might look at entering for City of Culture or anything similar? CK advised that the pandemic shaped our thinking on how we can achieve the same benefits but, in a way, inbuilt for the long term. It was felt that we can respond to competitive opportunities though it was important that we don't see those as being a quick win which we can achieve ourselves. SM re-iterated that the benefits can be achieved as the desire and drive are there, but it needs unity and what Creative Place has tried to do is look at the benefits of what that would have brought. • Do you get a sense that businesses are aware of what you're doing? CK advised that the Creative Place Advisory Group has been formed due to the reach/knowledge members have of their area. The Committee was assured that all activity comes with a communications plan and efforts are made to raise the profile of what is being delivered through the programme and this is to be monitored through the programme. • Do we have any transport/park & ride facilities to use to take people to these venues for festivals etc. from each area of the Tees Valley, as often there is no parking or transport available? CK agreed this a good suggestion and explained that the team had been in discussions with the Transport team to map where there is likely to be interest to make sure public transport is in place for those festivals. Members were assured that there is direct engagement with festivals to determine and influence how they're encouraging people to travel to events, as well as acknowledging the importance of green energy. <p>RESOLVED that: Members noted the Creative Place Update.</p>
<p>OSC 07/22</p>	<p>REPORT OF THE OVERVIEW & SCRUTINY COMMITTEE – INVESTMENT PLAN REFRESH REFERRAL FROM CABINET</p> <p>In advance of the meeting, the Committee was provided with a Report detailing the findings from Overview & Scrutiny Committee meeting to review the decision in relation to the approval of the Investment Plan Refresh (Specifically recommendation 1).</p> <p>It was recommended that the Committee review, comment and agree the Report for submission at the October Cabinet meeting.</p> <p>Concerns were raised with the tone of the covering report in that it seemed to suggest that the only point that was raised was on the cost-of-living crisis raised by “one member”. Cllr Sue Jeffrey (SJ) noted that the Committee had identified that there was additional investment into the Airport and the South Tees Development Corporation, and the concern was that there was continued investment in big projects, but cost of living wasn't considered.</p>

	<p>PJ agreed, that he would arrange for report to be revised in this regard, and an amended copy circulated to members for comment and approval by the Chair. It was noted however, the turnaround for this would be tight given the Cabinet papers are to be published next week.</p> <p>It was explained that the Report will be presented to Cabinet on 28th October and as Chair, JH will be present. It was agreed that the feelings of the Committee are referred to Cabinet.</p> <p>RESOLVED that: Members endorsed the Report for submission at the October Cabinet meeting subject to the requested amendments and circulation to Committee for feedback.</p>
<p>OSC 08/22</p>	<p>DRAFT FORWARD PLAN</p> <p>A DRAFT Forward Plan for 22/23 was presented to the Committee for consideration.</p> <p>The Chair noted that as we approach the first Finance & Resource Committee meeting in December, it may require someone else to deputise in the Vice Chair's absence but if so this will be requested closer to the meetings. SJ volunteered to be a part of the Sub Committee and it was agreed she would also be invited to the meetings that are to be arranged.</p> <p>The Committee discussed the planned item of Crustacean Deaths and what would require presenting to the Committee. Although it was acknowledged there had been two reports giving different outcomes, the chair suggested to await the outcome of the Select Committee on 25th October and an extraordinary meeting could be arranged to discuss the subject late November/early December, dependent on the findings. The need for Mayor Houchen to attend was emphasised and to coincide any meeting with his availability.</p> <p>RESOLVED that: Members endorsed the DRAFT Forward Plan.</p>
<p>OSC 09/22</p>	<p>DELEGATED DECISIONS</p> <p>A report was circulated to members detailing the Delegated Decisions taken by the Combined Authority since the last meeting.</p> <p>RESOLVED that: the details of the Report were noted.</p>
<p>OSC 10/22</p>	<p>DATE & TIME OF NEXT MEETING</p> <p>12th January 2023 at 10am at TVCA Offices.</p>

Item 4

**Tees Valley Combined Authority (TVCA) Overview & Scrutiny
Work Programme 2022/2023**

Standing Items

- Declarations of Interest
- Minutes from the Previous Meeting
- Group Update
- Forward Plan
- Delegated Decisions
- Date, Time and Venue of the Next Meeting

Overview & Scrutiny Committee		
Date	Venue	Item / Responsible Officer
10 th August 2022	TVCA Offices	Cabinet Referral Decision of the Investment Plan Refresh
14 th October 2022	TVCA Offices	<ul style="list-style-type: none"> • Election of Chair and Vice Chair • Report of the Overview & Scrutiny Committee - Investment Plan Refresh Referral from Cabinet • Creative Place Update • Forward Plan
Finance and Resources Task and Finish Group Meetings		
8 th December 2022	TVCA Offices	<i>Meeting 1: Draft Budget 2023/24 1st Consultation meeting (attended by Gary Macdonald, Group Director of Finance & Resources)</i>
16 th December 2022	TVCA Offices	<i>Meeting 2 (if required): Draft Budget 2023/24 2nd Consultation meeting (attended by Gary Macdonald, Group Director of Finance & Resources)</i>
12 th January 2023	TVCA Offices	<ul style="list-style-type: none"> • Finance & Resources Sub Committee Budget 2023/2024 Consultation Report • Crustacean Deaths • UK Shared Prosperity Fund - Business Update (UKSPF)

2 nd March 2023	TVCA Offices	<ul style="list-style-type: none">• Skills Update• Overview & Scrutiny Committee Annual Report
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REPORT TO THE TEES VALLEY COMBINED AUTHORITY
OVERVIEW & SCRUTINY COMMITTEE

12th JANUARY 2023

DELEGATED DECISIONS OCTOBER - DECEMBER 2022

SUMMARY

The table below shows the Delegated Decisions signed off by the Combined Authority between October 2022 and December 2022.

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 2022 and December 2022:

Title	Amount	Date signed	Key Decision
<p>Darlington Station Land Acquisition</p> <p>A funding allocation of £25m was approved by Cabinet on the 30th November 2018 for this project and reconfirmed in subsequent Cabinet meetings. An Outline Business Case was completed and submitted to the Department for Transport (DfT). The DfT accepted the project into the Rail Network Enhancements Pipeline (RNEP) and committed £8.7m of development funding to Network Rail to progress the scheme design to Full Business Case (FBC). As per the Assurance Framework, consideration of expenditure in advance of business case approval is delegated to the Combined Authority Chief Executive in liaison with the Mayor and the thematic portfolio holder. This delegated decision provides advance funding in line with the requirements set out in the Assurance Framework and commits a further £1,896,546 from the £25m Cabinet approved allocation in advance of the FBC approval.</p>	£1, 896, 546	31/08/2022	No
<p>Urban Traffic Management Control System</p> <p>As part of the Integrated Transport Programme, Cabinet approved an investment into the development of the Urban Traffic Management Control (UTMC) system and a Full Business Case was drafted. The UTMC system provides short term opportunities to improve the movement of traffic across the Tees</p>	£432, 000	28/09/2022	No

Title	Amount	Date signed	Key Decision
<p>Valley, thereby reducing congestion, journey times and emissions. It also offers a longer-term opportunity to move towards a fully connected transport system. This delegated decision commits a further £432,000 from the £3.5m Cabinet approved allocation and will go towards the UTMC system development programme in advance of the Full Business Case (FBC) approval, to enable the purchase of 8 mobile variable message signs (VMS) in readiness for the Tall Ships 2023. Due to the lead in time required for the VMS, there is a risk that the signs would not be procured in time to support the event if they are purchased following FBC approval. The mobile VMS will then be available to support other events across the Tees Valley.</p>			
<p>Middlesbrough Station Work Package 3 - New Platform</p> <p>Cabinet approved the 10-year Investment Plan on 24th January 2019, which included up to £22.5 million for the Middlesbrough Station project. This decision confirms £2,804,778 of the Cabinet approved Investment Plan allocation to the Middlesbrough Station project for a new platform to provide additional capacity for new passenger services and to ensure sufficient capacity for freight services.</p>	£2, 804,778	05/10/2022	No
<p>Darlington Station Improvement Project</p> <p>The Darlington Station Project was approved as part of the Tees Valley Investment Plan 2019-2029 with Darlington Station identified as a priority project. A funding allocation of £25m was approved by Cabinet on the 30th November 2018 for this project and reconfirmed in subsequent Cabinet meetings. An Urgent Decision to take Lead in the Darlington Station Improvement Project was taken in accordance with Procedural Rule 19, TVCA Constitution Part 2, page 37.</p> <p>The project has been significantly advanced by Darlington Borough Council and in the final stages of finalising the principal funding agreement with them, concerns emerged that the uncertain financial climate and cost pressures in the construction industry made the cost of the project uncertain and DBC did not feel able to enter into a funding agreement for a fixed maximum sum. It was agreed that Tees Valley Combined Authority would step into the shoes of DBC and potentially enter into an agreement with DBC, by which it's officers could support aspects of the project to ensure that the opportunity for the region was not lost. The immediate requirement is to issue an Early Orders Instruction letter to secure prices and sub-contractor engagement for the work. The Early Orders Instruction was for £5,552,583.48.</p> <p>TVCA were able to enter into an agreement with Willmott Dixon through the terms of the [Scape] Procurement Framework which permits direct award under the framework terms. In discussions with Darlington Borough Council and the Statutory Officers it has been agreed that TVCA will manage this complex and high-profile project with support from DBC.</p>	£ 5, 552, 583	15/11/2022	No
<p>Darlington Station</p>	£34, 400, 000	28/11/2022	No

Title	Amount	Date signed	Key Decision
<p>A funding allocation of £25m was approved by Cabinet on the 30th November 2018 for this project and reconfirmed in subsequent Cabinet meetings. In line with the Combined Authority's Assurance Framework, the allocation to the Darlington Station project was subject to the development of a Full Business Case (FBC) and appraisal with approval delegated to the Combined Authority Chief Executive in liaison with the Mayor and the thematic portfolio holder. This delegated decision commits funding in line with the requirements set out in the Assurance Framework and commits a maximum sum of £34,400,000 (comprising the £25 million allocated within the Investment Plan, supplemented by £9.4 million from the CRSTS rail programme) from the Cabinet approved allocation in advance of the FBC approval.</p>			

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 the next scheduled Committee 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

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AGENDA ITEM 6**REPORT TO THE TEES VALLEY COMBINED AUTHORITY****OVERVIEW & SCRUTINY COMMITTEE****12th JANUARY 2023****REPORT OF THE GROUP CHIEF EXECUTIVE****GROUP 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**TEESWORKS**

1. Site demolition activity continues across the site, with progress being made on all projects. Virtually all the major demolition works will be complete by the end of 2022, with the remaining demolition activities to be concluded in Q1 2023.
2. Progress continues to be made on the construction of South Bank Quay Phase 1, with the main quay wall fully installed and the continuing landside works now being focused on concrete structures, such as the heavy lift platform. Regarding the associated river works, the localised dredge is now complete, that involved all dredged material being brought to land. The main capital dredge is planned to commence by the end of Q1 2023.
3. On ground remediation activities, the project to deliver the 90-acre land platform for the SeAH Wind monopile manufacturing facility is complete, with construction work on the new facility progressing. Remediation works are ongoing on the Dorman Point site, with two further projects due for imminent commencement elsewhere on Teesworks: the remediation of the 100-acre site for the NZT project; and the advance remediation works to the proposed park and ride facility near Steel House.
4. The new Eston Road roundabout scheme at Dorman Point is now complete, and two further infrastructure projects are due to begin: the new South Bank Link Road, which will provide access to various developments at South Bank, including the SeAH Wind

development and South Bank Quay; and construction of Phase 1 of the South Bank surface water channel, which forms a major part of the strategic surface water drainage network on Teesworks. On utilities, various HV infrastructure projects are being progressed, notably the establishment of new 66kV infrastructure at South Bank.

5. Regarding development interest in the site, the team continues to receive and consider numerous end-user enquiries connected with clean growth, green energy and advance manufacturing, with several of these progressing to detailed negotiations stage.

FREEPORT

6. The Full Business Case has been approved by government.
7. The Freeport MOU has been reviewed internally and passed back to HMG. Once complete, the MOU will be issued to external legal counsel for review prior to approval.
8. Teesside Freeport continues to manage risk in accordance with TVCA procedures and having undergone the first external review, was deemed to have the highest standard of assurance with no management actions to review. The management of risk is being further enhanced through the refining of the Freeport workstream process to provide greater stakeholder focus.

TEESSIDE INTERNATIONAL AIRPORT

9. Aeronautical

Teesside airport has claimed its busiest summer in almost a decade. Passenger numbers in August almost doubled from pre-pandemic levels, at 23,358 against 12,284 in the same month in 2019, which indicates good recovery from the pandemic. Average passenger load factors for the destinations operated by Ryanair and Tui are over 90%, with a considerable number of flights fully sold out. Tui is doubling their passenger capacity from Teesside for the 2023 summer season, with Antalya, Turkey added as a new destination. KLM's 6am flight to Amsterdam has been reinstated from 31st October. CAA figures also show that TIA was the most punctual airport in the country in July, with the airport continuing to achieve high scores in terms of passenger satisfaction feedback.

10. Estates

Global Aviation Firm 2Excel have moved their Oil Spill Response service to be based at Teesside Airport. This will see two 727 aircraft located at the airport with the potential to create up to 200 jobs.

11. Aviation services and technology firm Draken Europe is expanding its operations at Teesside Airport, with a second hangar now completed and handed over to the company. The fleet of six aircraft currently based at the airport will be joined by eight L-159 planes.

12. Willis Aviation Services (the UK subsidiary of Global aviation company Willis Lease Finance Corporation) has applied for planning permission for a new aircraft maintenance facility at the airport, as well as a state-of-the-art Jet Centre. This £25million investment will form part of the airport's freeport area. On the Southside, development work is well under way on the access road from the A67 into the site.

TEES VALLEY BUSINESS

13. Community Renewal Funding of £826k has been secured to deliver the pilot Tees Valley Business Challenge programme. It is a comprehensive programme of support for Tees Valley SMEs to start, scale and grow, specifically aimed to level-up Tees Valley in terms of business density, business creation, business scaling, business productivity, business employment and skills. The programme has been delivered through four core mechanisms: digital support; a programme of one-to-many support events and activities; a programme of support to smaller groups/cohorts and one-to-one support. 52 businesses signed up to the programme and scope of support identified. 40 businesses were also supported with grant offers to the value of £358,354, which will generate £47,185 private sector match.
14. More than £12million ERDF has been allocated to support Tees Valley SMEs growth plans and job creation until June 2023. To date 364 businesses have been supported with grant offers to the value of £7.1million, which will generate private sector match of £6.35million and is forecast to create 1,013 new jobs. In addition, there are 53 live referrals to the value of £1million and 24 applications currently in assessment to the value of £1.1million, which, if approved, will leave balance of £2.7million.
15. The SMEs Energy Efficiency Scheme (SMEEs) is a £2.9million ERDF funded project that provides Tees Valley SMEs with energy efficiency audits & advice and capital grants for works undertaken to reduce emissions and lower energy consumption. To date 122 energy audits have been completed and 20 grants approved to the value of £335,080, which will generate £457,074 private sector match and achieve carbon savings of more than 540 tonnes.

EDUCATION, EMPLOYMENT AND SKILLS

16. The Combined Authority continues to lead the local management of national skills funding, including Skills Bootcamps; a Wave 4 application was submitted to the Department of Education that will ensure delivery will continue from April 2023. These provide short, bespoke employer led training for both unemployed people and those in employment that wish to diversify or improve their skills with their employer's support. This will provide training routeways linked to future technical job roles.

TRANSPORT

17. **City Region Sustainable Transport Settlement**

The £310million City Region Sustainable Transport Settlement (CRSTS) for the period 2022/23 to 2026/27 has previously been incorporated into the Investment Plan by Cabinet on the 28th of January 2022.

18. The government has now agreed and published the CRSTS programme delivery plan. Any significant changes to the programme will be managed through a formal change control process with government.

19. **Hydrogen Transport Hub**

TVCA is committed to working alongside the Department for Transport (DfT) to implement the Tees Valley Hydrogen Transport Hub masterplan. The purpose of the hub is to build the evidence base to support the use of hydrogen for transport, which will inform the DfT's long term decarbonisation strategy. The hub will act as a catalyst for the fulfilment of hydrogen's role in decarbonising transport in the region and beyond. The DfT recently launched a multi-million-pound competition for business to deliver re-fuelling infrastructure and multi-modal vehicle trials. The trials will run from 2023/24 to 2024/25.

20. **Active Travel**

Active Travel England is the new executive agency tasked with delivering the government's cycling and walking strategy. There was a requirement for all local transport authorities to complete a self-assessment (in the Tees Valley it was a collective response on behalf of TVCA and the 5 local authorities). Following moderation Active Travel England agreed with our self-assessment of *Level 2: Strong local leadership and support, with strong plans and emerging network*. This puts us in a strong position to secure additional funding for active travel in the coming years. Furthermore, TVCA has procured Sustrans to deliver a network of active travel hubs across the Tees Valley. The hubs will engage with residents, schools and workplaces to facilitate an increase in cycling and walking trips.

CLEAN GROWTH AND INNOVATION

21. TVCA's Cluster Plan for Decarbonisation, funded by Innovate UK's Industrial Strategy Challenge Fund and delivered in partnership with NEPIC and BP, is heading towards completion, expected March 2023. A Cluster Showcase event has been organised for took place on November 17th to share the learning gained to date.
22. Tees Valley's two housing retrofit programmes (Home Upgrade Grant - £3.2million and Social Housing Decarbonisation Fund (SHDF) £4.5million) are in delivery until March 2023. A £80m bid for SHDF Phase 2 is being prepared, this is in partnership with the TVCA-run North East and Yorkshire Net Zero Hub and will cover 19 housing providers across the whole Hub region.
23. The North East and Yorkshire Net Zero Hub, supported by TVCA on behalf of BEIS, launched the Energy Projects Enabling Fund and Solar Schools Enabling Fund earlier in the year, these funds have now closed. In the case of the former bids have been

assessed and grant agreements are being prepared, for the latter bids are currently being assessed.

CREATIVE PLACE

24. TVCA's Growth Programme for the Creative & Visitor Economies will stimulate sustainable growth of the region's cultural industries sector to build a strong and impactful creative cluster. Growing strong networks and improved connectivity of skills and ideas across the sector will be critical to achieving this goal. In July, TVCA launched a Challenge Fund to stimulate sectoral responses to the need for networks and skills development opportunities. Five proposals were selected for a total investment of £500,000, and will collectively:
 - a. Create 8 networks
 - b. Engage with 125 businesses
 - c. Provide 837 skills development opportunities
25. The successful projects will concentrate on the themes of governance, early-career, leadership, professional dance, volunteers and festivals.
26. An Open Call is currently live, inviting proposals for projects which demonstrably contribute to the objectives of the Sector Growth & Sustainability pillar of the Growth Programme. Two investment decision points are scheduled in November and February with c. £750k envisaged to be invested in total.

BUSINESS INVESTMENT

27. The Business Investment Team participated in a US inward delegation visit to CPI's National Biologics Manufacturing Centre in Darlington to help forge links between regions in the US and the UK. The visiting delegation included the Nashville Chamber of Commerce, the Nashville Healthcare Council and the Department for International Trade (DIT) team leads for the Southeast US.
28. The Business Investment Team has also supported an international renewables delegation visit led by DIT's Northern Powerhouse Trade team. The visit enabled local businesses the opportunity to network with the delegation comprising international energy companies, regional governmental organisations, and DIT Overseas Officers during the week-long inward trade tour of northern England.

FINANCIAL IMPLICATIONS

29. There are no financial implications to this report.

LEGAL IMPLICATIONS

30. There are no legal implications to this report.

RISK ASSESSMENT

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

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AGENDA ITEM 7

REPORT TO OVERVIEW AND SCRUTINY COMMITTEE

12th JANUARY 2023

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 the 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 the consultation process.

This report details the findings of the sub-committee and their consultation response to be provided to Cabinet at its meeting on 27th January 2023.

RECOMMENDATIONS

It is recommended that the Overview and Scrutiny Committee:

- i. Notes the process undertaken by Overview and Scrutiny Committee Finance and Resources sub-committee to scrutinise the Budget
- ii. Notes the conclusion of the Overview & Scrutiny Committee Finance and Resources sub-committee that the budget should be noted
- iii. Approves the attached report (**Appendix 1**) for presentation to Tees Valley Combined Authority Cabinet on Friday 27th January 2023.

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 Councillor David Branson (Middlesbrough Council), Councillors Mike Renton and Stephen Harker (Darlington Borough Council), Councillor Chris Jones (Redcar and Cleveland Borough Council), Councillor John Hobson (Middlesbrough Council) and Councillor Susan Jeffrey (Redcar and Cleveland Borough Council).

3. The sub-committee first met to scrutinise the Combined Authority Budget for 2023/24 on 8th December 2022, after being provided with the draft Budget upon its publication on Thursday 1st December 2022.
4. Tom Bryant, Assistant Director of Transport, and Infrastructure attended the first sub-committee meeting to answer more detailed questions regarding the transport spending proposals.
5. At this meeting Gary Macdonald, the Group Director of Finance and Resources walked the Members through the detail of the Draft Budget and Members asked questions where required.
6. A second meeting was held on Friday 16th December 2022 and those members that weren't able to attend the session were invited to submit questions or feedback into the Budget consultation electronically, for consideration and response.
7. Shona Duncan, Head of Education, Employment and Skills and Martin Waters, Business Growth Manager also attended the second meeting of the sub-committee to answer more detailed questions regarding the spending proposals for the areas of Education, Employment and Skills and Business Growth.
8. 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.
9. This report from the sub-committee has subsequently been drafted for presentation at the meeting of the Overview & Scrutiny Committee on 12th January 2023. This meeting will allow the full committee to review the findings of the sub-committee and put forward any final questions they may have.
10. The questions and answers covered the full range of areas contained in the Draft Budget Report. These questions were addressed in the sessions on the 8th and 16th December 2022 and have been sorted by Budget area in **Appendix 1**.

FINANCIAL IMPLICATIONS

11. There are no financial implications associated with this Overview and Scrutiny Committee report. The final published report will be considered by the Committee and if approved, the report at Appendix 1 will be presented alongside the final budget at Combined Authority Cabinet in January 2023.

LEGAL IMPLICATIONS

12. 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

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

CONSULTATION

14. Consultation is being undertaken with the public and key stakeholders in the period 9th December 2022 to 6th January 2023.

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Appendix 1

Tees Valley Combined Authority Overview and Scrutiny Committee: Response to Draft Budget 2023-24

The Finance and Resources sub-committee, acting with the authority of the Combined Authority Overview and Scrutiny Committee, are satisfied with the information provided by Officers with regards to the proposed Combined Authority Budget for the period 2023-24.

Whilst concluding that this budget be noted members would like to place on record the following observations:

- As a public consultation, it would be helpful if the proposed Budget were promoted on the website for full consultation with the public.
- Clarification was sought on the presentation of variations in figures in 'core costs' and the sub-committee probed for further understanding on the reasons for this. Officers have incorporated the feedback into the 'core costs' section to reflect the expectation that the organisation continues to secure funding and is continuing to support this growth with appropriate resource levels.
- It was identified that £170.4m borrowing is expected over the MTFP period and it would be clearer to explain what it is to be used for in 2023-24 as a lot of the figure is front loaded.
- There was particular interest in the Transport programme and associated investment. The sub-committee was keen to understand how plans will overcome the current barriers to joining up modes of transport across the Tees Valley but acknowledged that there is a wider national issue that is outside the Combined Authority control. Officers gave the sub-committee assurance there were methods in place to measure and monitor the impacts of each of the programmes.
- The sub-committee considered the allocations for Education, Employment and Skills and were keen to understand how the demand for skills can be quantified for particular sectors given the current economic pressures and so the market isn't flooded with people with skills that are not linked to the expected job categories. Interest was also placed on the adult learning budget and the extent to which people are looking to retrain later in life.
- The sub-committee requested further information on engagement with the business community and the nature of promotional activity used to raise awareness of the Business Growth support mechanism. The importance of targeting businesses with the right type of marketing was agreed and there was an emphasis on the future need to use data to track the journey of a business over the long term.

For transparency purposes, the questions asked of Officers relating to the budget are detailed below:

Tees Valley Combined Authority Overview and Scrutiny Committee: Meeting 1

Questions and Answers

GENERAL

1. **Consultees are listed but it's noted the public are consultees also, and so should this be added as a separate consultation on the website?**

We will note this feedback. The Adoption of the Investment Plan, Budget 2023-24 and Medium-Term Financial Plan Cabinet report is published on the TVCA website.

2. **In core costs, how many staff are accounted for, for the reduction, and from when?**

It was acknowledged that the presentation of this item could equally have been managed by the inclusion of the anticipated growth in funding from the continuous cycle of funding rounds that the Combined Authority is involved in. The reduction in future year costs was around £0.5m, equating to approximately 10 full-time staff including on-costs from 25/26. Some of the timing is linked to a period of time for those funding sources and it is equally likely that new funding sources will be secured, and require resourcing, as has been the case in recent financial years.

3. **In the Expenditure table on Page 4, core costs rise at 28/29. Why is this?**

This is because it's for 2 full years (2027-28 and 2028-29) and is also due to election cost estimates which are £600k in that period.

4. **What is the current establishment?**

Including programmes and projects, which are time limited, about 140. Approximately 65% is on projects and programmes and 35% is on core.

5. **If reducing core costs in the long term, is there an expectation of less money coming into the organisation?**

This is the way it has been chosen to be presented as it is felt it's more transparent to say where we are, and that we will mitigate and manage that in how we secure future funding and sources. There is not an expectation of less money coming into the organisation and the presentation of such items could have also been shown with an additional income target.

6. **Are you saying that in 25/26 you won't be making people redundant?**

We've been successful to date in securing funding where people will provide support to deliver these projects. We have the capabilities in the teams to continuously develop business cases and funding solutions going forward and there is no reason to expect we would be any less successful in the future. We can't guarantee this as there may be a possibility there is a need to deal with staffing issues but this would be linked to future funding needs ahead of time through our medium term financial planning processes.

7. **From the draft Budget there is a feel of the organisation "running down"?**

This isn't the case and quite the opposite as we're securing investment but need to be able to demonstrate how we're doing that. We wanted to show how we manage staffing and being careful about core costs. This feedback is helpful but wanted to show what the position is on how we manage projects and staffing, and we can look at this. We could build something in the Funding section on government grants that we will continue to secure as much funding as possible and are continuing to generate growth. Staff know they're trying to secure future funding and generate growth, and this is part of their job to generate income and growth for the region.

8. **How is the Mayor's office funded?**

It's not considered as a separate entity and is still captured under TVCA core costs.

9. **Point 7 in the Report was referenced. A lot of this is front loaded, should it be made clearer the £170.4m borrowing is to be used over a few years and explain what is to be used for 23-24?**

Thanks for this feedback which we have noted. The total funding for 2023-24 is shown alongside the total expenditure to provide clarity on money in and money out of the organisation for any given year. The borrowing contributes to the funding of our capital schemes and does not necessarily fund individual projects in their entirety as there are other sources of funding such as Government Grants.

10. **Where does the economic assessment of the Tees Valley fit into this?**

This Budget details the resources/allocations we have at our disposal and what they're deployed to, linked to economic plan. These are the allocations now and how we manage changes in the strategy to deliver what we need to happen. The Budget needs to be completed annually but isn't something that needs to stay static and it can react to circumstances, as long as changes are within the overall financial funding envelope. This is about economic growth and economic investment decisions. The purpose of being strategic is that it should be able to deal with shocks within individual financial years.

11. **So, you can change the Investment Plan in future as it's not associated with the Budget?**

The Budget is one year of the Investment Plan. Yes, the Investment Plan can be changed by unanimous decision, and we have elected members on the Cabinet from each LA so there is a process for decision-making in line with the Constitution.

TRANSPORT

12. **Darlington Railway Station – when put together, the risks would have been different to where we are now due to inflation, especially that around construction. Will the risks built into it still be adequate?**

Darlington is very close to signing the gateway so that will give more certainty, but this is a risk that will have to be managed through the programme as it is ongoing. As funding sources become available, we need to determine which is new and which is to manage a cost pressure. The proposed work for Darlington Station has been going on for a long time. DFT (Department for Transport) recognise the pressures across their whole programme so if we can evidence that we need more funding or if additional pipelines arise, we have got a good record with DFT and can demonstrate we are getting on and delivering.

13. **In terms of rail projects, where projects are agreed, are you thinking of other funding?**

We have tried to focus on fixing problems to existing stations and there has been talk of new stations though further work is required for that, and we are starting to think about this as it links to a strong pipeline of projects. We have a good working relationship with Network Rail, and this has helped speed up things with certain projects. The relationships with LAs need to maximise opportunities and we are information sharing and collaborating to get efficiencies and look for impacts / opportunities in other areas across the Tees Valley to have a Transport & Infrastructure joint meeting to get those parties together on things that are part of infrastructure.

14. **Where are we with South Bank station as it's inaccessible?**

We are looking at the platform and programme. We will provide more details on that to the whole Committee.

15. When will the work on South Bank station happen?

This is one of a long list of schemes across the country, and is still in the system.

16. Would there be more buses on routes where there are none, for example Gunnergate Lane, Marton and in Greater Eston where there are new houses with no transport link at all?

The bus industry has been hugely affected by Covid with passenger numbers decreased and now at 80/90% of where they were pre-pandemic. We have supported them to protect the network but for new services, where there isn't a service, it is difficult as they don't have the revenue to support services when they're deemed to be not financially viable.

17. How do they know it won't be financially viable when they've not tried it?

Operators have pressures with their current network, so they are less inclined to take risks on new services. We have tried to connect workers to shift patterns at Teesport (Service 101) and passenger numbers have increased, so we are hoping our subsidy could be phased out on that in the future. We are happy to look at specific examples if information is provided to the team.

18. Is the 101 service being withdrawn? Not been promoted to local residents that they can use it as well.

We have helped fund it for a year and can continue to support with business for another year to enable it to become commercially viable and can then the hope is to step back from it. Numbers were reported to have gone up in the last month. I will speak with the bus operator on the communications of it to further promote it and the best way to reach the target audience.

19. If Tesco don't support this what will happen?

We don't want the 101 service to disappear so are working hard to secure a package for the next 12 months as it was intended to try to open the door for people to get jobs, but we need enough people using the service to make it commercially viable. We would like to do more of that, it's just where the funding comes from.

20. Point 34 - the last bullet point (network – a collaborative approach to ensure a sustainable bus network) surely needs to be the priority?

We agree with you, and this has already been addressed and the order has been changed in the Bus Service Improvement Plan (BSIP). It is about improving the network – a lot of areas have a good core network, but the peripheral areas are more difficult as operators don't see them as commercially viable. Need to look at the bus infrastructure more widely.

21. Isn't this a bigger problem than TVCA are being asked to look at, a national issue you can't fix?

Yes, it's a national issue and not just a bus issue. However, while we've not got all the answers, we have some ideas on how to progress across multiple areas. We understand how many people rely on a bus for transport, so we are doing everything we can to improve reliability, accessibility, frequency etc.

22. Woodland Road – the section on Duke Street is not complete.

The area on Woodland Road is complete, the other area received an objection and is not complete, with construction work to be completed after Christmas. We will confirm if Phase 1 is complete and wording in Report to be reviewed if necessary.

23. The path being done by Sustrans in South Bank to Normanby will exacerbate issues with motorbikes and quads and will make it easier for them to use it and no attention has been paid to the difficulties that might result afterwards. It's also a drug corridor from TS6 into other areas of Middlesbrough and beyond, from that path.

We have a good relationship with Sustrans so will pick this up with them.

24. How will walking and cycling routes be assessed as to whether they've achieved what was intended?

This will be achieved through active travel hub work, putting counters in to monitor use, working with schools/businesses etc. to promote getting people to walk/cycle more. We need to be able to monitor the impact as it is a government requirement since it's not just about the transport impact, but also about getting people into work, etc.

25. Do you have pre-figures (i.e. before intervention)?

Yes, so we will be able to measure and monitor the impact. The same is the case for stations, tracking use and connecting people to opportunities.

26. How long will funding for Wheels 2 Work last?

There is approximately 2 years left on the Cabinet approval.

27. Will you ask to extend again?

It's about impact so we will need to measure that first, but it is likely. Any further ideas on how to promote the scheme are welcomed as there is more capacity.

28. If we have the promotional tools, we could promote projects on social media.

We share this information with LA Communications teams but from what's said this doesn't seem to get to members. We will ask Communications teams to share with members.

29. Are TVCA running the UTMC (Urban Traffic Management Control) Control Centre?

Middlesbrough Council run it as the lead authority and we are providing strategic direction. We have a new Digital Transport Officer so have made advances on that. If anyone wants to know more on this area, get in touch.

30. Is the provision of electric charging infrastructure for a fixed term?

This is the first phase of investment – we've funded it and keep revenue in terms of users and are now doing a piece of work with all LAs on what's next for publicly accessible residential car parks.

TEESSIDE AIRPORT

31. How much did we invest in the Cargo facility?

£2.5m for the facility and the margins on freight are better. We brought in a specialist Freight Manager to develop the market opportunities in order to achieve the Airport forecasts.

BUSINESS GROWTH

32. Can the Teesworks Business Case be shared with the Overview & Scrutiny Committee as requested at the last Committee – can that be circulated?

We have passed this request onto the Scrutiny Officer to ensure this is actioned.

33. £56.5m has been expended so what is there left to spend on the Teesworks site and where is that coming from?

The financial plans and funding for STDCs obligations on Teesworks are funded from a combination of grants, additional secured grants (Teesside Offshore Manufacturing Centre and Freeport), and business rates to support borrowing.

34. How much borrowing is anticipated for Teesworks?

This is dependent on the development level on the site.

Tees Valley Combined Authority Overview and Scrutiny Committee: Meeting 2

Questions and Answers

EDUCATION, EMPLOYMENT & SKILLS

35. How do you quantify, with some certainty, how many people you need in a particular sector given economic pressures?

TVCA officers use both direct feedback from communicating and building relationships with companies and utilising data published nationally and locally. Work is also carried out with sector skills council and connecting with local businesses through the Business Growth hub and various projects such as the ESF (European Social Fund) Skills for Growth Project which helps small businesses articulate their skills demand for the future. There are risks managing this as businesses do find it difficult to articulate their long-term workforce requirements. There is enough flex through the devolution deal for skills to deliver training over a period of time to gradually build the skills base up to address demand. Employers do often want this over a period of time. Smaller employers need the right partnerships, and we find they often have a preferred provider and through working with them they can have those conversations directly to develop a skills offer for their business.

36. Do you have a sense in the region of demand in particular sectors and how many skills there are?

To some extent yes, but this constantly changes. We get a lot of annual data on the skills levels of Tees Valley residents and access a skills data cube that provides information about the learning being undertaken in the Tees Valley. This helps inform where the demand is, what's being undertaken and provided, as well as employment data. Local data appears to be a gap as it is held by various organisations, so we work with businesses and sector representative bodies to pull this together and we also look if there are changing requirements through the course of the year. We've worked with training providers to get learners through the door and are getting better outcomes for learners than prior to devolution. We actively performance manage all Training Providers which has also been welcomed. If demand increases, we can provide additional funding as required since in the first year not all devolved funding was issued. As part of the devolution deal we are able to roll this over year to year and therefore the funding is retained for Tees Valley.

37. Do you have a sense of what proportion AEB (Adult Education Budget) is of training providers budgets?

In most cases it would be most of their adult skills budgets for unemployed people. Some of the colleges have a commercial structure, so they can charge other organisations/businesses for training, but the bulk of adult training will be through this. However, AEB will be a small proportion of the colleges' overall training budget, although this will vary from institution to institution.

38. In adult education are there people taking training not being funded through this process?

There are various eligibility rules in terms of access to funding – we utilise the flexibilities provided under the devolution deal to be as flexible as we can to encourage upskilling and help more people to undertake training. For example; if someone is already qualified in a certain area and they want to retrain at a lower level, they may have to fund that for themselves, or their employer may fund it for them. We'll fund for a high demand/growth area but, unfortunately, we can't do that for everyone as we have to target the support linked to need. We do support people who are unemployed or on lower wages (under £27k) who fall into this category.

39. Is that a small proportion?

If you take apprenticeships out of it, yes, it is.

40. To what extent is it that people are re-training later in life?

We have a pilot project in place working with the Grangetown Hub where they're identifying a group of people who want to have a career change following Covid-19, perhaps having taken redundancy or made unemployed. We are finding that some older people are, because of the economic climate, wanting to go back to work but not back into what they did previously. The project looks at what careers advice and coaching they may need to access their new careers. This is particularly the case for those that have been in heavy industries for most of their working life.

BUSINESS SUPPORT PROGRAMME

41. It seems knowing where to get information on support mechanisms for business is unclear.

As the commissioning authority of UKSPF (UK Shared Prosperity Fund) it allows that strategic insight and influence allowing for joining everything up. Tees Valley Business has created a one-stop shop for SMEs to access support. We need to do further work on creating something clear and sustainable to the business community across the Tees Valley where businesses can go for support for funding/advice.

42. What kind of ongoing data do you collect on businesses that you've helped?

We have the data on where we have supported and given advice to businesses and in the Investment Plan for UKSPF we recognise the issue with Business Support is that it's a short-term engagement with a business. We want to have a longer-term relationship through its business journey for those businesses that have the high growth potential in various sectors. We are looking to move to a model as a key account management role and introduce the long-term engagement with specific businesses. We do have CRM software that tracks these interactions and can pull data from that. We have c18k registered businesses in the Tees Valley and as such, unfortunately can't have a real impact on them all but can give information, advice, hold webinars, do group work. For the local economy there are specific cohorts of businesses that can drive the economic growth of the area as they have such high growth potential and look to help and nurture them.

43. If engagement continues with a business and the business reaches a pinch point in the future, you could perhaps help fund or support that local business.

Yes, it would allow us to intervene and support at the earliest point where the support is required. UKSPF is not only about output but about what impact is being had on what we're trying to do.

44. Local complaints received in the South Bank ward were raised. Businesses want to buy/lease space from Teesworks but because they're not a new business they've been advised they can't.

It would be useful if you could share this information with us as we can take those enquiries and have those conversations.

45. 18k businesses in the Tees Valley – how proactive are you with those businesses?

We are generally oversubscribed or maximised in terms of capacity and calls often get oversubscribed quickly. In terms of expertise, knowledge and engagement, the team look at the proactive element rather than just relying on incoming calls. We have looked at supply chain events for SeAH, Net Zero Teesside – this type of activity is the active element. There is a lot of proactivity on events but also on themes of the types of support events – for example growing business (regardless of sector). We are interested in developing the

feedback loop to determine whether we are doing the right types of events, support, registrations, hits etc. and getting feedback on how effective those are.

46. Is there a risk the same businesses come back repeatedly and those who do need the support may not know what is available?

We are thinking about an engagement piece and how to hit those areas and businesses we are perhaps not reaching, and marketing is being explored. Following the pandemic there has been a change in the level of engagement which has increased significantly and continues to do so. We've also got good networks with, for example, the Tees Valley Business Club, with good representation and broader reach who hold popular events with 200+ engaging to hear the topics with useful information and networking. The communications and interactions occur more in the business community.

47. Of the 18k, how do you know the businesses you've helped are the ones you should be helping?

There is always that element of risk where some people liaise with organisations more effectively than others, so we want to try to understand what we need to know and the mechanisms for doing that. There are some allocations in the budget that go to high growth areas and the need to target direct support. We need to design it the right way and get a feedback loop to see if what we're doing is of a good enough quality to inform what we're doing next.

CREATIVE PLACE

48. Is there no expectation that the money will continue for Creative Place in the future?

Annabel Turpin is the lead representative for LEP (Local Enterprise Partnership) on Creative Industries and she was tasked, along with Charlie Kemp and the Creative Place team, with drawing up what the programme would look like in 3 years so this is more definitive to what it will have at that time, but we don't see it staying static and we will put in when we have those elements. This is what we set aside in the Investment Plan and as time passes and we secure more funding, the numbers start to increase.

PLACE

49. What stage are the 2 MDCs at in terms of being introduced?

Latest update is that they're going through what's in scope in terms of assets. The Group CEO will be having conversations with the respective LA Leaders. We have made a commitment not to make any decisions that will affect either LA's Medium Term Financial Plans (MTFP), so we need to do financial due diligence work on those assets once we know the scope of them and what that means in practice in affecting the LA MTFPs. The Secretary of State also conducts a consultation process post designation with stakeholders and with LAs. After that is complete, we would be looking at detailed implementation.

50. Where do Business rates fit into that if you've committed not to affect MTFPs?

Anything we do will be looking to improve the economy of the area and it's up to the relevant MDC Board to make assessment of these areas and how it can most effectively implement and risk assess proposals to ensure the commitments with LAs are adhered to. It depends on various factors that need to be considered to make an investment decision and will be planned over the medium term, but business rates will clearly be a factor alongside other funding sources.

CORE COSTS

51. In terms of pay awards where does TVCA sit?

We recognise the national pay and condition awards tied to Local Government.

52. Have you had the same issue as LAs underestimating what the pay award would be?

This doesn't have as significant impact for TVCA by comparison to Local Authority areas however we continue to monitor and manage any cost pressures within the financial envelope.

53. £9.9m in the increased cost of borrowing - what is the increase as a proportion of the total costs?

Around 16%.

FUNDING

54. How many years do we know that we have a budget for walking and cycling?

There is an element in the CRSTS (City Region Sustainable Transport Settlement) and that's for 5 years.

55. Is that amount determined by us or stipulated from elsewhere?

It was determined by us in the Business Case to Government.