

Overview and Scrutiny Committee Agenda

Date: Tuesday 4th April 2017 at 10.30pm

Venue: Committee Room 2, Town Hall, Darlington, DL1 5QT

Membership:

Councillor Phil Dennis - Chair (Stockton-on-Tees Borough Council)
Councillor Heather Scott – Vice Chair (Darlington Borough Council)
Councillor Ian Haszeldine (Darlington Borough Council)
Councillor Sonia Kane (Darlington Borough Council)
Councillor Stephen Akers-Belcher (Hartlepool Borough Council)
Councillor Marjorie James (Hartlepool Borough Council)
Councillor Kaylee Sirs (Hartlepool Borough Council)
Councillor Denise Rooney (Middlesbrough Council)
Councillor Jon Rathmell (Middlesbrough Council)
Councillor Jean Sharrocks (Middlesbrough Council)
Councillor Glyn Nightingale (Redcar and Cleveland Borough Council)
Councillor Bob Norton (Redcar and Cleveland Borough Council)
Councillor Philip Thomson (Redcar and Cleveland Borough Council)
Councillor Derrick Brown (Stockton-on-Tees Borough Council)
Councillor Norma Stephenson (Stockton-on-Tees Borough Council)

AGENDA

- 1. Introductions**
- 2. Apologies for absence**
- 3. Declarations of interest**
- 4. Minutes**

The minutes of the meeting held on 23rd February 2017 for confirmation and signature

- 5. Announcements from the Chair**
- 6. Announcements from the Managing Director**

Overview and Scrutiny Committee Agenda

7. Scrutiny Seminar Feedback

Feedback from Councillors

8. South Tees Development Corporation

Report

9. Transport

Presentation/Portfolio briefing

10. Forward Plan

Attached

11. Date of the next Meeting

16th May 2017 at 10.00am – Room 1, Cavendish House, Teesdale Business Park, Stockton-On-Tees, TS17 6QY

Overview and Scrutiny Committee Agenda

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: Sharon Jones – 01642 524580 – sharon.jones@teesvalley-ca.gov.uk

Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in paragraphs 9 and 11 of the Tees Valley Combined Authority's (TVCA) code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the TVCA he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- ☐ affects the Member's financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- ☐ relates to the determining of any approval, consent, licence, permission or registration in relation to the Member or any person described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a Member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code).

Disclosable Pecuniary Interests

It is a criminal offence for a Member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted)(**paragraph 20** of the code).

Members are required to comply with any procedural rule adopted by the TVCA which requires a Member to leave the meeting room whilst the meeting is discussing a matter in which that Member has a disclosable pecuniary interest (**paragraph 21** of the code).

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TEES VALLEY COMBINED AUTHORITY OVERVIEW & SCRUTINY COMMITTEE

Redcar & Cleveland Leisure and Community Heart, Ridley Street, Redcar,
TS10 1TD

Thursday 23rd February 2017 at 12.30pm

MEETING

ATTENDEES

Members

Councillor Phil Dennis (Chair)	Stockton on Tees Borough Council	SBC
Councillor Heather Scott (VC)	Darlington Borough Council	DBC
Councillor Ian Haszeldine	Darlington Borough Council	DBC
Councillor Sonia Kane	Darlington Borough Council	DBC
Councillor Denise Rooney	Middlesbrough Borough Council	MBC
Councillor Philip Thomson	Redcar & Cleveland Borough Council	R&CBC
Councillor Derrick Brown	Stockton on Tees Borough Council	SBC

Apologies for absence

Councillor Bob Norton	Redcar & Cleveland Borough Council	R&CBC
Councillor Glyn Nightingale	Redcar & Cleveland Borough Council	R&CBC
Councillor Kaylee Sirs	Hartlepool Borough Council	HBC
Councillor Marjorie James	Hartlepool Borough Council	HBC
Councillor Stephen Akers-Belcher	Hartlepool Borough Council	HBC
Councillor Jon Rathmell	Middlesbrough Borough Council	MBC
Councillor Jean Sharrocks	Middlesbrough Borough Council	MBC
Councillor Norma Stephenson	Stockton Borough Council	SBC

Officers

Andrew Lewis	Managing Director TVCA	TVCA
Neil Cuthbertson	Accountant	TVCA
Sarah Brackenborough	Governance Manager	TVCA
Sharon Jones	Scrutiny Officer	TVCA
Joan Stevens	Scrutiny Officer	HBC

Also in Attendance

Councillor Sue Jeffrey	Leader of Redcar & Cleveland Borough Council	R&CBC
Andrew Nixon	Commercial and Legal Manager	R&CBC

**OSC
25/17** **DECLARATIONS OF INTEREST**

There were no interests declared.

**OSC
26/17** **MINUTES**

Consideration was given to the minutes of the meeting held on 10th January 2017.

Resolved that the minutes be confirmed and signed as a correct record.

**OSC
27/17** **ANNOUNCEMENTS FROM THE CHAIR**

Councillor Heather Scott and Councillor Derrick Brown will both be representing Tees Valley Combined Authority at the “Challenges and opportunities for Scrutiny” seminar being hosted by CfPS on 3rd March in Manchester. They will provide feedback from the event to the rest of the Committee at the next meeting on 4th April.

**OSC
28/17** **ANNOUNCEMENTS FROM THE MANAGING DIRECTOR**

The Managing Director gave an update regarding the following items:

The Combined Authority board met yesterday (22nd February) and approved the Combined Authority Constitution (Minus the section relating to Call in). Legislation to establish new governance arrangements is still being progressed; the procedure for Mayoral Development Corporation’s is being debated this week. The process has taken a while due to the route that central Government and parliament need to follow but progress is being made.

The Combined Authority is currently in the process of producing an Investment plan. The final document will be published in March for discussion by leaders. The plan will be a public document which will allow us to be open and transparent with regard to our plans for the future and for investment in the Tees Valley.

Resolved that the update be noted

**OSC
29/17** **OVERVIEW AND SCRUTINY RULES OF PROCEDURE –
INCLUSIVE OF CALL-IN**

Consideration was given to a report regarding Overview and Scrutiny rules of procedure which include the process for call-in.

From 8th May 2017 the Combined Authority Overview and Scrutiny Committee will be able to call-in decisions of the Combined Authority for further scrutiny if they feel it is appropriate to do so.

A workshop was held on 3rd February 2017 where a proposed call-in procedure was discussed and members were given the opportunity to make comments and propose amendments to the procedure. Following the workshop the appropriate amendments were made and the call-in procedure was incorporated into the Overview and Scrutiny rules of procedure which is an appendix within the full Tees Valley Combined Authority Constitution.

Members were given the opportunity to ask questions or make comments around the report. Discussion took place around the following topics:

- Number of meetings – The Committee must hold at least 3 meetings per year. Some members felt that 3 meetings would not be sufficient and that the number should be increased. It was advised that 3 is the minimum number of meetings allowed and that keeping this figure would allow for flexibility of meetings. After discussion it was agreed to increase the number of meetings to at least 4 per year. The Committee is currently meeting 6 weekly and the intention is for this to continue throughout 2017.
- Exempt items – members questioned if an item is deemed as exempt will an explanation be given as to why. It was explained that it is a legal requirement to give an explanation for exempt items and therefore the committee would be given reasons for any items of this nature.
- Possible Actions – The 5 options that the Committee may take following the call in of a decision were debated and it was agreed that the options were sufficient and acceptable to the committee.

The Committee expressed gratitude for the opportunity given to discuss the procedure in detail at the earlier workshop and felt this had greatly helped to arrive at a process that could be agreed by all.

Resolved that:-

1. The Rules of Procedure for Overview and Scrutiny Committee are agreed
2. The call-in Procedure for Overview and Scrutiny Committee is agreed
3. The above to be presented to Combined Authority Board at their next meeting on 22nd March for final agreement

**OSC
30/17**

Mayoral Development Corporations

The Committee was given the South Tees Development Corporation consultation report for discussion. They were also given the opportunity to take a tour of the proposed site prior to the commencement of today's meeting.

The Consultation period runs until 10th March 2017. All comments and questions from consultation will be collated and considered and Overview and Scrutiny Committee will be formally consulted on the

plans at their next meeting on 4th April.

Members were given the opportunity to ask questions or make comment around the consultation document. Councillor Sue Jeffrey was in attendance and answered questions in her capacity as Chair of the Shadow Mayoral Development Corporation Board. Discussion took place around the following topics:-

- Planning Powers – how will the planning for the MDC work and how can we ensure this is effective. It is expected that the planning department for the relevant local Authority will be responsible for the planning needs of the South Tees Development Corporation, possibly supplemented by a small team within the Development Corporation itself. Members felt that it should be considered that the Development Corporation, once established, uses the planning expertise available across all five constituent authorities rather than relying on only Redcar and Cleveland Council planning expertise.
- Financial Implications – It was noted that the consultation document contains no financial information and there are no costs of the development yet published. It was explained that the Combined Authority is still in discussion with Government regarding finances and that once the corporation is established a business plan and a budget will be developed. The area for the site and the amount of remediation work required is extensive and site investigations are already underway to start to establish the areas that can be opened up more easily for redevelopment.

Resolved that the outcome of the consultation is collated and presented to Committee at the next meeting

OSC 31/17 BUDGET

Consideration was given to a budget report which presents the medium term financial plan for the Tees Valley Combined Authority. The report is out for consultation until 3rd March and will be resubmitted for final agreement at the Board meeting on 22nd March.

It was explained that this is the first year of the Combined Authority being in operation and that therefore this budget is the first for the Tees Valley Combined Authority.

The Committee were asked to consider the report and the proposed budget during the period of consultation

Members were given the opportunity to ask questions or make comment around the budget report. Discussion took place around the following topics:-

- Members questioned the additional £0.75m operating costs shown in the report. In response, the Managing Director outlined the specific areas where additional capacity had been required, compared to the original budget of the Local Enterprise Partnership and as a result of the responsibility for

- new devolved functions.
- A concern was raised that Local authorities are cutting costs and reducing staffing, yet this seems to be the opposite within the Combined Authority. It was explained that the Combined Authority is bringing additional resource into the Tees Valley as a whole and helping the authorities to secure greater income through growth in the business base. The budget shows that the Combined Authority is in fact providing significant savings to the five Local authorities. In 2016/17 constituent authority's contributions totalled £2.135m. Under these proposals for 2017/18 onwards these would reduce significantly. It is proposed to retain a small contribution of £50k per authority per annum to match fund the grant provided by central government to support Local Enterprise Partnerships.

Resolved that the budget report be noted

**OSC
32/17** **FORWARD PLAN**

Consideration was given to the O&S forward plan

A discussion was held regarding achieving quorum for future meetings under the new constitution. Quorum for meetings after 8th May 2017 will be 10 members representing at least four of the five authorities. Attendance at meetings is therefore of utmost importance. It was agreed that where attendance is not possible apologies must be submitted well in advance of the meeting to allow for the meeting to be rearranged if quorum cannot be achieved. The dates of the next 5 meetings were agreed and calendar invites will be sent to all members next week to allow for effective forward planning

Resolved that the O&S forward plan be noted

DATE OF NEXT MEETING

The date of the next meeting to be held in Darlington on 4th April was noted

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AGENDA ITEM 8**REPORT TO THE TEES VALLEY
COMBINED AUTHORITY OVERVIEW AND SCRUTINY COMMITTEE****4th April 2017****REPORT OF THE
MANAGING DIRECTOR****SOUTH TEES DEVELOPMENT CORPORATION****SUMMARY**

1. The Combined Authority opened a period of consultation on the proposal to create a Mayoral Development Corporation in the South Tees Area on 23rd December 2016. The consultation closed on 10th March 2017. A full report detailing a summary of the responses (a detailed response document is attached at Appendix 1) and the next steps in establishing the South Tees Development Corporation was presented to the Combined Authority Board on 22nd March. The Board agreed to all recommendations made.

RECOMMENDATIONS

2. It is recommended that the Combined Authority Overview and Scrutiny Committee:

Note the outcome and responses to the consultation and endorse the proposal that the South Tees Development Corporation is progressed as a Mayoral Development Corporation.

DETAIL

3. The full report, detailing the summary of the Consultation and next steps, as presented to the Combined Authority Board on 22nd March is attached for information.

RECOMMENDATIONS

4. It is recommended that the Combined Authority Overview and Scrutiny Committee:

Note the outcome and responses to the consultation and endorse the proposal that the South Tees Development Corporation is progressed as a Mayoral Development Corporation.

FINANCIAL IMPLICATIONS

5. Any costs associated with conducting the consultation process are being met from the Combined Authority's existing resources. Costs associated with the operation of the Development Corporation are currently met by central government, and any future financial implications for the Combined Authority will be subject to negotiations with government. Costs incurred by the Combined Authority on behalf of the Development Corporation will be set out through the annual budget process.
6. Any subsequent decisions for the South Tees Development Corporation to incur expenditure and risk would be a decision for the board of the Development Corporation, and any consequential impact on the Combined Authority would need to be agreed by the Combined Authority. There are significant liabilities associated with the SSI sites in the South Tees area, and a process is underway led by the Official Receiver, with responsibilities which fall to central government. It is therefore important to stress that the creation of a South Tees Development Corporation, which includes sites owned by SSI, does not in any way constitute a transfer of risk or liabilities for those sites.
7. The Managing Director of the Combined Authority and Chief Executive of the shadow development corporation have established a Working Group to oversee the financial relationships between the Combined Authority and Development Corporation, including the coordination of negotiations with government on the future costs associated with the site.

LEGAL IMPLICATIONS

8. The legislation enabling the powers to create Mayoral Development Corporations has now been enacted by ministers. A further Order will be required, in response to a proposal from the Tees Valley, to create the South Tees Development Corporation.
9. It is necessary to refer the proposal to the Authority's Overview and Scrutiny Committee. The incoming mayor would propose the board membership for the Development Corporation, and its constitution would need to be approved by the Combined Authority Cabinet.

RISK ASSESSMENT

10. Existing management and operational requirements are sufficient to control and reduce risks regarding the proposal.

CONSULTATION

11. Consultation with all statutory bodies and wider consultation with all organisations affected by the proposals took place between 23rd December and 10th March, the attached report sets out the results of this. Consultation with Overview and Scrutiny Committee will take place at 4th April meeting.

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AGENDA ITEM 6**REPORT TO THE TEES VALLEY
COMBINED AUTHORITY BOARD****22 MARCH 2017****REPORT OF THE
MANAGING DIRECTOR****SOUTH TEES DEVELOPMENT CORPORATION****SUMMARY**

The Combined Authority opened a period of consultation on the proposal to create a Mayoral Development Corporation in the South Tees Area on 23rd December 2016. The consultation closed on 10th March 2017. This report sets out a summary of the responses (a detailed response document is attached at Appendix 1) and the next steps in establishing the South Tees Development Corporation.

RECOMMENDATIONS

It is recommended that the Combined Authority Board:

- i. Note that the Tees Valley (Functions) Order 2017 has now been approved by parliament, giving the Tees Valley the statutory power to establish Mayoral Development Corporations.
- ii. Note the outcome and responses to the consultation, to apply these powers to create a South Tees Development Corporation;
- iii. Agree, in principle, to the proposal that the South Tees Development Corporation is progressed as a Mayoral Development Corporation, with its area of responsibility set out at Appendix 2;
- iv. Seek the view of Overview and Scrutiny Committee;
- v. Mandate officials to work with DCLG on the development of the necessary legislation, and to prepare draft constitutional and financial arrangements for the proposed Corporation;
- vi. Bring forward formal proposals for the creation of the South Tees Development Corporation, its constitution and financial arrangements, for approval at a future meeting, and notification to the Secretary of State – with a view to establishing the new body in Summer 2017.

DETAIL

1. The Combined Authority continues to make progress in establishing the South Tees Development Corporation as a formal Mayoral Development Corporation. A consultation process has now been completed. The parallel legislative process also continues to progress with the appropriate general legislation conferring the power on the Combined Authority to create Mayoral Development Corporations now being in force. Tees Valley Combined Authority is the first area outside of London to be granted these powers.
2. This report sets out a summary of the responses (full detail at appendix 1) and the proposed next steps. The purpose of the consultation was to review and consider the objectives, powers, structure and boundary of the proposed Development Corporation. The minimum requirement of the legislation was to consult with designated statutory consultees, but the Combined Authority carried out a wider consultation with all organisations likely to be affected. The consultation was also available on the Combined Authority's website for the full period.
3. The consultation document asked six specific consultation questions:
 - Do you agree that the establishment of a Mayoral Development Corporation for the South Tees area is the most effective way to deliver regeneration to the area? If not, what other arrangements could be put in place?
 - Do you think the creation of a Mayoral Development Corporation will support the economic transformation of the area?
 - What powers do you think the South Tees Development Corporation should have?
 - Is the proposed boundary correct or should any other areas be omitted or included?
 - Do you agree with the proposed name of the mayoral Development Corporation of "South Tees Development Corporation"?
 - Do you think the Mayoral Development Corporation should have planning functions and the functions of making decisions whether to grant discretionary relief to business (non-domestic business rate relief)?
4. The Combined Authority received 29 responses in total. As a statutory consultee, the full response of Redcar and Cleveland Borough Council is attached at Appendix 3.
5. Responses have been positive on the whole with respondents agreeing that the establishment of the Mayoral Development Corporation is the most effective way to deliver regeneration and support the economic transformation of the area. In general, most respondents have also expressed the need to ensure that the Corporation does not create any adverse impact on the operation of business both inside and outside the boundary, particularly in relation to the service dependencies running through the site, or by creating displacement from other parts of the region.
6. Many respondents also stressed the importance of ensuring appropriate robust management of risks and liabilities that may arise from the management of the site. In particular, a number of respondents reinforced the need for Government to meet

its obligations to fund the costs arising from the closure of the Redcar Steelworks, and to support the regeneration of the SSI-owned sites.

7. Respondents agreed with the proposed name of South Tees Development Corporation.
8. All respondents supported the proposals for inclusion of the area of land set out in the consultation document. Tata Steel submitted a request to extend the boundary to include all Tata Steel owned land, which increases the area by around 60ha, bringing into the area the Coatham Marshes, managed by Tees Valley Wildlife Trust. Discussions were held with Tees Valley Wildlife Trust, who confirmed their support for this proposal, identifying potential benefits to the long-term environmental management of the site.
9. The Institute of Directors also highlighted that they saw an opportunity to include Wilton within the boundary. Due to the stage in the consultation process that this was highlighted there was not adequate time to consider the implications of this in full and provide a response at the time of the publication of the Board agenda and papers. This will be further considered in consultation with all relevant parties and, if possible, a verbal update provided at the Combined Authority Board meeting on 22 March.
10. No other proposals were made to amend the boundary. It is therefore proposed that the area covered by the Development Corporation is as set out in Appendix 2, but with the acknowledgement that this is subject to further consideration of the request as highlighted in paragraph 9 above (the dashed line in Appendix 2 indicates the additional Tata Steel land that has been included within the boundary, as described above).
11. All respondents agreed that powers should be extensive to allow the Corporation to fulfil its duties. Some respondents identified the need to ensure that the powers were applied in partnership with complementary powers of other organisations both inside and outside of the proposed development area, including those of the Port Authority.
12. Specific consideration was given by Redcar and Cleveland Council, as the planning authority and a statutory consultee, on the appropriate use of planning powers within the Development Corporation area. While the option exists to pass planning powers to the Development Corporation itself, on balance the Council concluded that this would not be necessary at this stage. Redcar and Cleveland Council's planning function has considerable experience with complex industrial sites, which would be applied in close partnership with the Development Corporation. Proposals to deliver fast-track planning approvals could also be delivered in partnership, to deliver the Masterplan for the site being developed by the Shadow Development Corporation. On this basis, it is not recommended to seek planning powers for the Development Corporation, although this could be considered in future if the prove unfit for purpose.
11. Many respondents made specific proposals for representation on the future Board for the Corporation. Board appointments will be proposed by the elected Mayor, and confirmed by the Combined Authority Cabinet, before the Development Corporation takes effect in the Summer.
12. More detail on the responses received is at Appendix 1.
13. Following the Board, a 21 day consideration period is opened to allow any comments from the Combined Authority Board Members. The views of the Overview and

Scrutiny Committee will be sought on 4th April. Drafting of the specific legislation will also begin and the Constitutional and financial arrangements will be developed.

14. Subject to the 21 day period and the views of the Overview and Scrutiny Committee, the Mayor (due to be elected in May 2017) is expected to formally designate the South Tees Development Corporation at a future meeting of the Cabinet. The proposal will require majority agreement by the Combined Authority Cabinet, which must include the Leader of Redcar and Cleveland Borough Council. The Mayor will also propose Board appointments to the South Tees Development Corporation.

RECOMMENDATIONS

15. It is recommended that the Combined Authority Board:

- i. Note that the Tees Valley (Functions) Order 2017 has now been approved by parliament, giving the Tees Valley the statutory power to establish Mayoral Development Corporations.
- ii. Note the outcome and responses to the consultation, to apply these powers to create a South Tees Development Corporation;
- iii. Agree, in principle, to the proposal that the South Tees Development Corporation is progressed as a Mayoral Development Corporation, with its area of responsibility set out at Appendix 2
- iv. Seek the view of Overview and Scrutiny Committee;
- v. Mandate officials to work with DCLG on the development of the necessary legislation, and to prepare draft constitutional and financial arrangements for the proposed Corporation;
- vi. Bring forward formal proposals for the creation of the South Tees Development Corporation, its constitution and financial arrangements, for approval at a future meeting , and notification to the Secretary of State – with a view to establishing the new body in Summer 2017.

FINANCIAL IMPLICATIONS

16. Any costs associated with conducting the consultation process are being met from the Combined Authority's existing resources. Costs associated with the operation of the Development Corporation are currently met by central government, and any future financial implications for the Combined Authority will be subject to negotiations with government. Costs incurred by the Combined Authority on behalf of the Development Corporation will be set out through the annual budget process.
17. Any subsequent decisions for the South Tees Development Corporation to incur expenditure and risk would be a decision for the board of the Development Corporation, and any consequential impact on the Combined Authority would need to be agreed by the Combined Authority. There are significant liabilities associated with the SSI sites in the South Tees area, and a process is underway led by the Official Receiver, with responsibilities which fall to central government. It is therefore important to stress that the creation of a South Tees Development Corporation, which includes sites owned by SSI, does not in any way constitute a transfer of risk or liabilities for those sites.

18. The Managing Director of the Combined Authority and Chief Executive of the shadow development corporation have established a Working Group to oversee the financial relationships between the Combined Authority and Development Corporation, including the coordination of negotiations with government on the future costs associated with the site.

LEGAL IMPLICATIONS

19. The legislation enabling the powers to create Mayoral Development Corporations has now been enacted by ministers. A further Order will be required, in response to a proposal from the Tees Valley, to create the South Tees Development Corporation.
20. It is necessary to refer the proposal to the Authority's Overview and Scrutiny Committee. The incoming mayor would propose the board membership for the Development Corporation, and its constitution would need to be approved by the Combined Authority Cabinet.

RISK ASSESSMENT

21. Existing management and operational requirements are sufficient to control and reduce risks regarding the proposal.

CONSULTATION

22. Consultation with all statutory bodies and wider consultation with all organisations affected by the proposals took place between 23rd December and 10th March and this report sets out the results of this. Consultation with the Combined Authority's Overview & Scrutiny Committee will take place at their next meeting on 4th April.

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Introduction

The Combined Authority opened a period of consultation on the proposal to create the South Tees Development Corporation on 23rd December 2016. The purpose of the consultation document was to review and consider the objectives, powers, structure and boundary of the proposed Development Corporation. It formed part of the statutory requirements for establishing a Mayoral Development Corporation. In addition to the statutory consultees, the Combined Authority undertook a wide consultation with all organisations likely to be directly affected. The consultation was publicly available on the Combined Authority's website and closed on 10th March 2017.

The consultation asked respondents to answer 6 specific questions in their response. This document provides a summary of the responses received to the specific consultation questions. The Combined Authority received 29 responses in total from a wide range of businesses and organisations. A full list of those who responded to the consultation is provided at the end of the Appendix. As a statutory consultee, the full response of Redcar and Cleveland Borough Council has also been provided at Appendix 3.

Q1. Do you agree that the establishment of a Mayoral Development corporation for the South Tees area is the most effective way to deliver regeneration to the area? If not, what other arrangements could be put in place?

Respondents agreed that the establishment of the Mayoral Development Corporation is the most effective way to deliver regeneration and support the economic transformation of the area. In general, most respondents also expressed the need to ensure that the Corporation does not create any adverse impact on the operation of business both inside and outside the boundary, particularly in relation to the service corridors (including pipe lines, electricity etc) running through the site, or by creating displacement from other parts of the region.

Many respondents also highlighted the importance of close working and communication between the Corporation and key stakeholders and businesses to ensure complementary activity and funding, development of opportunities and alignment with the Tees Valley Strategic Economic Plan. In particular, PD Ports, as the Statutory Port Authority, raised the importance of the Business Plan for the Corporation being commercially focused and realistic in terms of availability of funding.

A strong theme of building upon and encouraging partnership working emerged from many responses and a number of businesses and organisations expressed a willingness to engage with and support the Corporation going forward. The responses from the SSI Taskforce and Anna Turley, MP, highlighted the strong partnership model that had been developed through the SSI Taskforce between public agencies, private business, Trade Unions and the wider community and encouraged the Corporation to adopt this approach.

Some respondents made representations on Board membership. Board appointments will be made at a future meeting of the Combine Authority Cabinet.

Q2. Do you think the creation of a Mayoral Development Corporation will support the economic transformation of the area?

Respondents agreed that the creation of a Mayoral Development Corporation would support the economic transformation of the area and that there was strong links between the plans for the area and the government's Industrial Strategy. A number of responses highlighted the international importance of the site and its development potential, and also the role of the Corporation in helping to create jobs. The role of the Corporation in further developing key areas, such as the Port, to improve competitiveness and capability for key sectors was raised by a number of responses.

Natural England and the Environment Agency noted opportunities for sustainable development and a high quality environment for people, businesses and wildlife, but noted that the draft objectives for the Corporation could be more ambitious in relation to the environment. Historic England recognised the potential for linking the industrial heritage in the area to new developments to create a unique sense of place.

PD Ports responded that the role of the Corporation should be 'enabling', providing assistance where there is market failure to encourage private sector investment. AV Dawson highlighted a concern that the strong focus on the SSI site has left people inside and outside of the region believing that there is no longer a steel industry in the area and the importance of the Corporations role in ensuring that this perception is changed, alongside other partners.

The response from Redcar and Cleveland Borough Council detailed the potential for the site to create several thousand jobs for residents and benefits for businesses. The Council requested that the Development Corporation works closely with the Combined Authority and the Council to look at developing complementary plans and strategies for opportunities for children and young people, adult skills and employment, transport links, environment, culture and heritage, image and reputation and inward investment.

A number of responses highlighted the importance of the Corporation's role in working with the business community and supporting them to grow. In particular, the responses from Confederation of British Industry's (CBI), the Federation of Small Businesses (FSB) and the North East Chamber of Commerce (NECC) raised that the structure and the powers of the Corporation should allow it to meet the needs of businesses and highlighted the importance of ensuring that there is no duplication of business support activity with other organisations.

Each constituent Local Authority raised the issue of risks and the extent of potential liabilities which may come with the Corporation. They reiterated the importance of managing this through constitutional and financial arrangements for the Corporation, to be agreed through the Combined Authority Cabinet, to mitigate the possible risks to the Combined Authority and the constituent Local Authorities.

Linked to the issue of risk and liability many respondents also expressed strong feelings on the importance of securing government commitment over the longer term to meet its obligations to fund the costs arising from the closure of the Redcar Steelworks, and to support the regeneration of the SSI-owned sites, not only in terms of ongoing remediation and management but in support of alternative economic uses for the SSI site.

Q3. What powers do you think the South Tees Development Corporation should have?

Respondents were supportive of the powers to be granted to the South Tees Development Corporation, as set out in the consultation document. There was general feeling that the Corporation should have the appropriate powers to enable it to achieve economic transformation of the area and to function efficiently and effectively.

PD Ports raised that the powers of the Corporation should allow it to bring in additional public sector investment to invest in infrastructure in order to attract private sector investment and that it should have the ability to “ring-fence” tax revenues generated in the area to be reinvested in the area.

Some respondents highlighted the importance of ensuring that appropriate checks and balances are in place and arrangements for accountability and scrutiny of decisions. Some respondents also highlighted the importance of clear communication and clarity of how the proposed powers will work in practice and interact with businesses and stakeholders located both inside and outside the proposed boundary, to ensure no adverse impacts on existing operations and any future investments. In particular, some respondents highlighted the need for close consultation and partnership working with relevant parties on any discussions on land ownership and changes to site infrastructure.

It was also highlighted that powers need to be applied in partnership with complementary powers of other organisations, particularly acquisition powers, including those of the Port Authority, Redcar and Cleveland Borough Council, the Homes and Communities Agency and various utility companies.

Q4. Is the proposed boundary correct or should any other areas be omitted or included?

All respondents supported the proposals for inclusion of the area of land set out in the consultation document. **Tata Steel submitted a request to extend the boundary to include all Tata Steel owned land, which increases the area by around 60ha, bringing into the area the Coatham Marshes, managed by Tees Valley Wildlife Trust. Discussions were held with Tees Valley Wildlife Trust, who confirmed their support for this proposal, identifying potential benefits to the long-term environmental management of the site.** Redcar and Cleveland Borough Council and Anna Turley, MP, as statutory consultees, were also made aware of the proposal to extend the boundary and have indicated their support for this.

The Institute of Directors responded that they would like to see this be a success for the region and further afield and highlighted that they saw an opportunity to include Wilton within the boundary. **Due to the stage in the consultation process that this was highlighted there was not adequate time to consider the implications of this in full and provide a response at the time of the publication of the Board agenda and papers. This will be further considered in consultation with all relevant parties and, if possible, a verbal update provided at the Combined Authority Board meeting on 22 March.**

No other proposals were made to amend the boundary.

Q5. Do you agree with the proposed name of the Mayoral Development Corporation of "South Tees Development Corporation"?

All respondents agreed with the proposed name of “South Tees Development Corporation”.

Q6. Do you think the Mayoral Development Corporation should have planning functions and the functions of making decisions whether to grant discretionary relief to business (non-domestic business rate relief)?

Specific consideration was given by Redcar and Cleveland Council, as the planning authority and a statutory consultee, on the appropriate use of planning powers within the Development Corporation area. While the option exists to pass planning powers to the Development Corporation itself, on balance the Council concluded that this would not be necessary at this stage. Redcar and Cleveland Council's planning function has considerable experience with complex industrial sites, which would be applied in close partnership with the Development Corporation. Proposals to deliver fast-track planning approvals could also be delivered in partnership, to deliver the Masterplan for the site being developed by the Shadow Development Corporation.

PD Ports also highlighted that the existing planning powers under the Tees and Hartlepool's Port Authority Act should be retained by PD Ports.

On this basis, it is not recommended to seek planning powers for the Development Corporation, although this could be considered in future if the prove unfit for purpose.

On the same basis, specific consideration was given by Redcar and Cleveland Council on powers to grant discretionary rate relief. While the option exists to pass powers to grant discretionary relief from non-domestic rates to the Corporation itself, on balance the Council concluded that this would not be necessary at this stage. The Council proposes that the Corporation should work jointly with the Council on any proposals of this nature so that the implications can be considered in full.

The Health and Safety Executive reiterated the guidance around land use planning in the vicinity of major hazards sites.

Full list of those who responded:

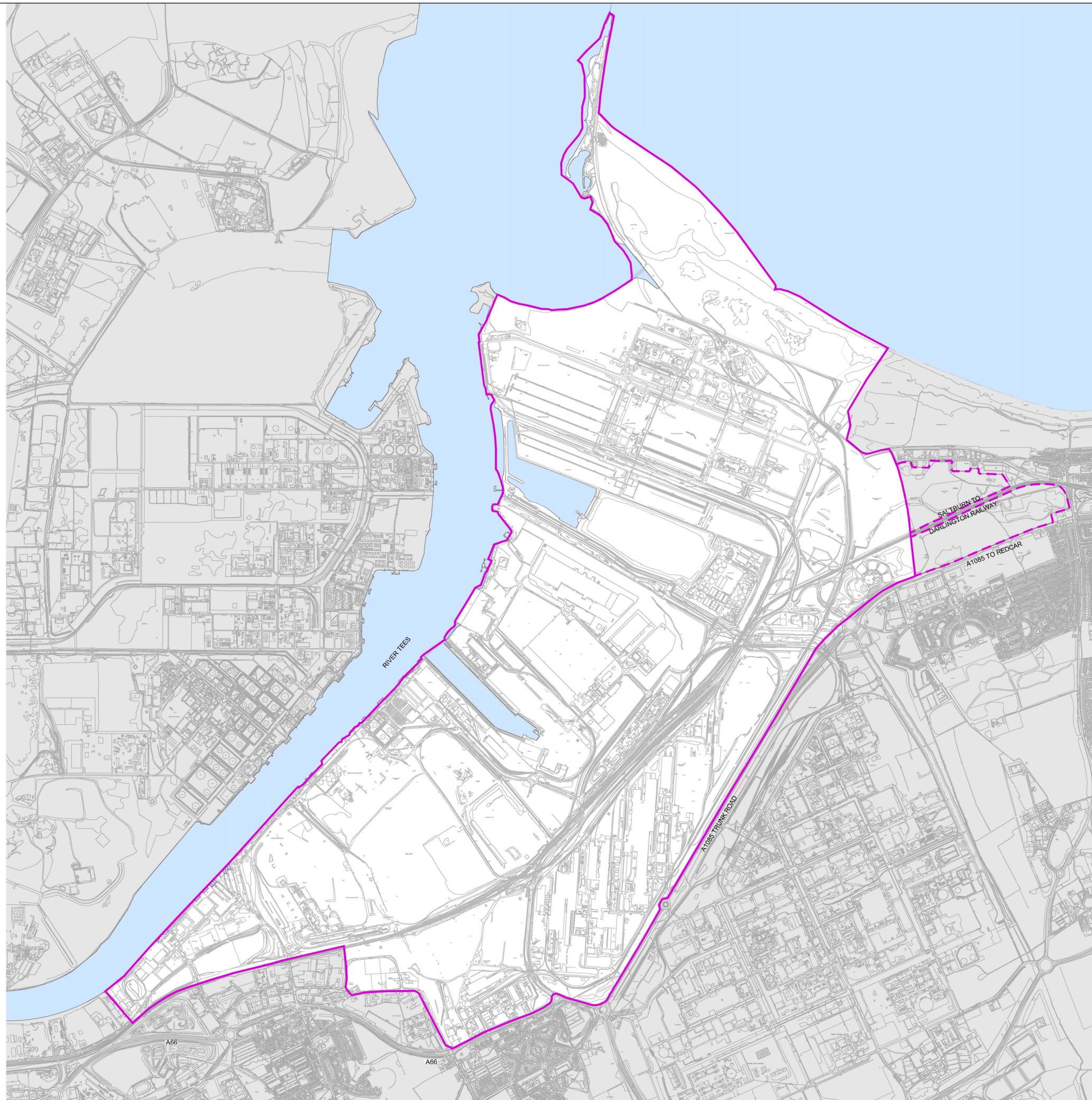
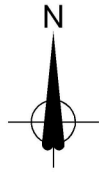
1. Alex Cunningham, MP
2. Anna Turley, MP
3. AV Dawson
4. Bran Sands, Northumbrian Water
5. British Steel
6. Confederation of British Industry's (CBI)
7. Darlington Borough Council
8. Deep Ocean
9. Federation of Small Businesses (FSB)
10. Hartlepool Borough Council
11. Homes and Communities Agency (HCA)
12. Historic England
13. Health and Safety Executive
14. Institute of Directors (IoD)
15. MGT Teesside Limited
16. Middlesbrough Council
17. Natural England and the Environment Agency (joint response)
18. North East Chamber of Commerce (NECC)
19. Northern Power Grid
20. PD Ports

Appendix 1

21. Redcar Bulk Terminal
22. Redcar and Cleveland Borough Council
23. Sembcorp
24. Sirius
25. SSI Task Force
26. Stockton-on-Tees Borough Council
27. Tata Steel
28. The Tees Valley Wildlife Trust
29. Unite the Union

Copies of all responses to the consultation are available on request from the Combined Authority.

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APPENDIX 3

REDCAR & CLEVELAND BOROUGH COUNCIL RESPONSE TO TVCA CONSULTATION ON THE CREATION OF THE SOUTH TEES DEVELOPMENT CORPORATION

1. Introduction

- 1.1 Redcar & Cleveland Borough Council agrees that the establishment of a Mayoral Development Corporation (MDC) would be an effective way to deliver regeneration to the South Tees area and support its economic transformation. The site is of international importance in terms of its development potential due to its scale, location and connectivity.
- 1.2 The site is absolutely pivotal to the future growth of both the Tees Valley and UK economy and provides a unique opportunity to:
 - Transform the skills and fortunes of the local community by creating sustainable, high quality employment for local people.
 - Expand business, wealth creation and productivity through inward investment and indigenous growth.
 - Set new standards in terms of sustainable development by creating a circular economy which builds a perpetual supply chain.
 - Create a healthy, attractive working environment which complements and enhances the natural and urban context.
 - Project the image of Tees Valley as an aspirational place in which to live, work and invest.
- 1.3 To achieve this at scale and pace the new Mayoral Development Corporation will need to be supported by sufficient Government resources to remediate the site, facilitate development and market the opportunity on the worldwide stage.
- 1.4 Redcar and Cleveland Council, along with the other Tees Valley authorities, recognise that this comes with significant, potential, residual liabilities which, if unfunded, could fall to the Combined Authority (as the parent body of the MDC) and, in turn, to the constituent Councils. It is imperative that Government meets its commitments to the site and that any agreement to accept local responsibility is accompanied by agreements with Government

which remove, or at least significantly mitigate the risks.

1.5 The MDC will need to work collaboratively with the Tees Valley Combined Authority, Redcar and Cleveland Council and the SSI Task Force to become part of a wider partnership driving the growth of the region.

1.6 The council agrees with the MDC boundary as set out in the consultation, as well as the proposed name: South Tees Development Corporation.

2. The Benefits of South Tees Development Corporation for the Local Community

2.1 The council considers that the site has the potential to create several thousand jobs across a range of professions and trades. It is important that through the MDC the redevelopment brings tangible and lasting benefits to the local community by making sure that;

- Local people have the right skills to access the many jobs which will be created during the site reclamation, construction and operating phases of the development.
- Existing local businesses benefit from the potential investment both in the supply chain and the wider service sector.
- The site contributes to the developing entrepreneurial culture by encouraging business start ups and indigenous growth as well as new, additional inward investment.

2.2 This can be achieved by the MDC working collaboratively with Tees Valley Combined Authority and Redcar and Cleveland Council on a shared agenda with complementary strategies and plans. In particular the Council wishes to see the MDC address the following;

2.3 Opportunities for Children and Young People

It is essential that local children and young people can look forward to a bright future in this area with the realistic prospect of accessing a well paid job and a fulfilling career. The Council has established a partnership between local schools, colleges and employers to ensure that this ambition becomes reality.

2.4 Foundation for Jobs aims to improve the employment prospects of every child and the Council would want to see South Tees Development Corporation as an active partner, working with business to create new opportunities for young people, including apprenticeships and higher level skills training.

2.5 It is essential that collectively we inspire the next generation of skilled workers, develop and retain local talent, and help those furthest from the jobs market to bring about lasting social and economic change.

2.6 **Adult Skills and Employment**

The recent closure of SSI has severely affected wage levels and employment prospects in the area. Prior to October 2015 Redcar and Cleveland enjoyed the highest income levels in the North East and now has the lowest. The majority of former SSI workers have now stopped claiming benefits but over 60% have taken a substantial cut in wages by accepting any job available to support their families.

2.7 What is evident from the work of the SSI Task Force is the enthusiasm for work and the willingness to undertake training to improve skills and employment prospects. The council would want to see the MDC playing an active part in this agenda by;

- Working with the SSI Task Force to target former workers, using their skills to reclaim and develop the site.
- Working with inward investors and local training providers to plan and deliver an appropriately skilled local workforce.
- Developing clear targets for job creation, improving skills and recruiting local labour.
- Setting clear social value targets to demonstrate how investment is being recycled for maximum local benefit.

2.8 **Transport Links**

One of the issues which prevents access to work in the region is the quality of public transport links. This is a particular barrier in areas like East Cleveland which are disadvantaged by poor connectivity. The Council would want to see the MDC work with strategic partners and new employers to help address this issue by improving access to the site and ensuring that new jobs are truly accessible to people from all parts of the Tees Valley. The region's emerging strategic transport plan "Connecting Tees Valley" which is due to be published in 2017, will provide a useful framework for the MDC.

2.9 **Environment**

The Tees Valley has a key aim to develop a high value, low carbon economy. The council would wish the MDC to embrace this ambition, developing the site in an environmentally sustainable way using cutting edge technology to create a working environment which positively contributes to good health and wellbeing and minimises environmental impact.

2.10 There are many development opportunities on the periphery of the site which could enhance the natural environment, conserve wild habitats and provide recreation and leisure facilities to complement new industry.

2.11 Culture and Heritage

The visitor economy is a key strand of Redcar and Cleveland's growth strategy. The heritage coastline, National Park and historic settlements all contribute to a growing tourism offer. Local people are passionate about their industrial heritage and the loss of steel making has been a huge blow culturally as well as economically. Recognising that the top priority is the creation of new jobs and facilitating the economic growth potential of the site, the council would wish the MDC to respect and where appropriate take steps to preserve key historic elements. The council would also wish to see the MDC working in partnership with the Tees Valley Cultural Partnership to explore the arts, heritage and tourism potential of South Tees, taking note of international best practice where culture has been a key driver for regeneration, and the arts are an integral part of the industrial working environment.

2.12 Image and Reputation

The transformation of the South Tees site has the potential to be a beacon for improving the image of the Tees Valley, an aspirational place where people enjoy an excellent quality of life in a beautiful part of the world with access to great facilities and high quality employment. The council wants the MDC to demonstrate a real ambition in this regard.

3.0 Benefits of South Tees Development Corporation for Business

South Tees will present a major opportunity to attract inward investment and accelerate indigenous growth on a scale of international significance. In particular the Council wishes to see the MDC address the following;

3.1 Development at Scale

The Council would wish to see a masterplan for South Tees which fully realises the potential of the site, takes advantage of the scale and the unique strategic assets to bring transformational development built on the principles of the circular economy. The Council has ambitions to see world class manufacturing anchor tenants which will utilise the potential of the port, enhance air, road and rail links, prioritise research and development to maximise productivity, and build a thriving, sustainable supply chain in the locality.

3.2 The MDC should balance the need to make progress and work at pace with the imperative to maintain the integrity of the site to attract large scale development.

3.3 Working Within a Strategic Context

The TVCA has an ambitious Strategic Economic Plan which is supported by

Redcar and Cleveland's Regeneration Masterplan (2010) and Growth Strategy (2015).

- 3.4 The Council will expect the MDC to work within the context of these strategies to grow and diversify the local economy, and to develop specific plans for South Tees which complement the existing business and industrial base. The Council would wish to see the MDC enhance planned inward investment and help capture new opportunities for the broader Tees Valley area even if they cannot be accommodated on the South Tees site.
- 3.5 The SSI Task Force has set new standards in collaborative partnership working and it is important that the MDC complements rather than competes with the economic development teams across Tees Valley, using their high profile shop window to promote the whole region as a great place to invest. To this end it is important that the MDC team develops excellent working relationships with all stakeholders and develops complementary strategies, plans and operating model.

4 Proposed Powers Of The MDC

- 4.1 The Council considers it essential that appropriate powers are vested in the MDC to enable the new organisation to function efficiently and effectively. The MDC will require sufficient autonomy to deliver against agreed objectives with credibility and pace but this needs to be balanced with appropriate checks and balances to ensure arrangements for accountability and scrutiny are robust.
- 4.2 In order for this to happen the Council would wish to see
- An agreed constitution setting out the relationship with TVCA the specific operating model and arrangements for checks and balances.
 - Alignment of strategic plans as outlined in section 3.2.
 - Agreement around legacy and the transfer of assets and liabilities at the close of the MDC.
 - An open book approach to the finances of the MDC with transparency on assets and liabilities.
- 4.3 The Council would wish to see the masterplan for South Tees developed in accordance with the Redcar and Cleveland Local Plan which highlights the area for employment and industrial use.
- 4.4 It would also want to work with the MDC on a long term financial plan to ensure that legacy issues are considered early in the process.

4.5 Powers in relation to Infrastructure

These are to provide or facilitate:

- water, electricity, gas, telecommunications,
- roads
- retail and other business facilities
- health, educational, employment or training facilities;

- cremation or burial facilities

4.6 The Council agrees that the full suite of powers under this heading should transfer to the MDC.

4.7 The Council would wish the MDC to ensure that any new facilities did not jeopardise the viability of existing retail business, health, education or training facilities across the wider Tees Valley.

4.8 **Powers in relation to Land**

These are powers to:

- acquire land
- compulsorily purchase land (CPO, with Secretary of State approval)
- regenerate or develop land
- provide buildings or other land
- acquiring, holding, improving, managing, reclaiming, repairing or disposing of buildings, other land, plant, machinery, equipment or other property, carrying out building and other operations

4.9 The Council agrees that the full suite of powers under this heading should be transferred to the MDC and consider these essential to the effectiveness of the new organisation.

4.10 **Powers in relation to Financial Assistance**

These are:

- with the consent of the Mayor, give financial assistance to any person in the form of grants, loans, guarantee or indemnity, investment or incurring expenditure for the benefit of the person assisted
- powers in relation to discretionary relief from non-domestic rates
- power to review and dissolve the MDC

4.11 The full suite of powers in this element should be transferred to the MDC, with the exception of rate relief which should be retained by Redcar and Cleveland Council. It is proposed that the MDC should work jointly with the Council on any proposals in relation to non domestic rate relief so that the full implications for the Council's sustainability can be considered. In any Regulation/Order, it should be clear that RCBC continues to be the billing and collecting authority with RCBC retaining rates except in areas of the MDC site that are already designated as Enterprise Zones.

4.12 **Section 106 Agreements**

In relation to Section 106 agreements, the Council proposes that;

- they should be considered on a case-by-case basis between the

- MDC and Redcar & Cleveland Council.
- this process should comply with open-book transparency about income and expenditure in relation to all developments.
- decisions about section 106 investment should consider the impact of the development on the South Tees site and surrounding area and make provision accordingly. For example new developments may need facilitating work outside of the site boundary.

4.13 **Powers in Relation to Planning**

The Council proposes that planning powers be retained by the local authority for the following reasons;

- The Council has an excellent reputation for industrial development and a highly experienced and well respected team of specialist officers.
- The Council's local plan is now at an advanced stage and confirms the South Tees area for employment and industrial development, providing the necessary context for the MDC's masterplan.
- The Council will agree fast track processes with the MDC and will produce a prospectus for potential investors to demonstrate the speed, efficiency and professionalism of the service offer.
- Politically, the Council is committed to the regeneration of South Tees as a top priority.
- The Council has huge experience of public engagement in relation to industrial and commercial development and has an excellent track record in this regard.

4.14 The South Tees site is contained within the boundary of Redcar and Cleveland Council and consequently the MDC will have a single point of contact on all planning matters. The Council will provide a dedicated team and will develop bespoke processes (such as Local Development Orders) whenever appropriate, to speed up regeneration and provide certainty to investors.

4.15 The South Tees Masterplan, once adopted, would be given appropriate weight as a 'material planning consideration' in any decision on development applications.

5. **Conclusion**

The South Tees site is unique in terms of the potential contribution it can make to economic growth and prosperity in Redcar and Cleveland, Tees Valley and the UK. Working in partnership, as described in this consultation response, the STDC will be able to exploit the area's international importance, accelerate business investment and jobs growth, whilst retaining and respecting efficient and effective local strategy and governance.

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Tees Valley Combined Authority Overview & Scrutiny

Forward Plan 2016/17

Standing Items

Minutes from the Previous Meeting
Announcements from the Chair
Forward Plan
Date and Venue of the Next Meeting

Date	Venue	Item / Responsible Officer
4 th April 2017 at 10.30am	Darlington Committee Room 2 Town Hall Darlington DL1 5QT	Scrutiny Seminar feedback – Councillor Scott and Councillor Brown South Tees Development Corporation – Andrew Lewis Transport Presentation – Mark Wilson Portfolio Briefing – Transport – Councillor Bill Dixon Site Visit – Darlington Station, Central Park and A66
16 th May 2017 at 10am	Room 1 Cavendish House Teesdale Business Park Stockton On Tees TS17 6QY	Industrial Strategy incorporating Sector Action Plans – Presentation - Keith Wilson Mayoral Update – Andrew Lewis
29 th June 2017 at 10am	Nelson Mandela Room Town Hall Albert Road Middlesbrough TS1 2QJ	Mayoral Update – Tees Valley Mayor – TBC Housing presentation – Martin Waters Culture Presentation – TBC Culture Portfolio briefing – TBC Selection of Chair/Vice Chair

7 th September 2017 at 10am	Council Chamber Civic Centre Hartlepool TS24 8AY	
17 th October 2017 at 10am	Leisure and Community Heart, Ridley Street Redcar TS10 1TD	
30 th November 2017 at 10am	Committee Room 2 Town Hall Darlington DL1 5QT	

Items to be scheduled:

Response to the Heseltine Report – TBC

Culture – to include Portfolio briefing from David Budd – TBC

Business Growth – TBC

Alignment with the Northern Powerhouse – TBC

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