
TEES VALLEY COMBINED AUTHORITY CABINET

**Cavendish House, Teesdale Business Park, Stockton-On-Tees at 10.00am on
Thursday 27th July, 2017**

ATTENDEES**Members**

Mayor Ben Houchen (Chair)
Mayor David Budd
Councillor Christopher Akers-
Belcher
Councillor Bob Cook
Councillor Chris McEwan
Councillor Christopher Massey
Paul Booth

Tees Valley Mayor
Mayor of Middlesbrough
Leader, Hartlepool Borough Council
Leader, Stockton-on-Tees Borough Council
Cabinet Member, Darlington Borough Council
Deputy Leader, Redcar and Cleveland Borough Council
Member of Tees Valley LEP

Associate Members

Alistair Hudson
Jerry Hopkinson
Albert Pattison
Mike Matthews

Member of Tees Valley LEP
Member of Tees Valley LEP
Member of Tees Valley LEP
Member of Tees Valley LEP

Apologies for Absence

Councillor Bill Dixon
Councillor Sue Jeffrey
Angela Howey
Phil Cook
Siobhan McArdle
David Soley
Graham Robb

Leader, Darlington Borough Council
Leader, Redcar and Cleveland Borough Council
Member of Tees Valley LEP
Member of Tees Valley LEP
Member of Tees Valley LEP
Member of Tees Valley LEP
Member of Tees Valley LEP

Officers

Ada Burns
Neil Schneider
Steven Newton
Andrew Lewis
Sarah Brackenborough
David New
Sarah Tennison

Chief Executive of Darlington Borough Council
Chief Executive of Stockton-On-Tees Borough Council
Monitoring Officer, Redcar and Cleveland Borough Council
Managing Director, Tees Valley Combined Authority
Governance Manager, Tees Valley Combined Authority
Senior Finance Manager, Tees valley Combined Authority
Innovation and Technology Manager, Tees Valley
Combined Authority

Zoe Lewis
Mark Ladyman

Principal, Middlesbrough College
Director for Economic Growth, Redcar and Cleveland
Borough Council

Sarah Glendinning
James Ramsbotham
Paul Campbell

Regional Director, CBI
Chief Executive, North East Chamber of Commerce
Head of Investments and Treasury Management,

Middlesbrough Borough Council

<p>TVCA 15/17</p>	<p>DECLARATIONS OF INTEREST</p> <p>Councillor Massey declared an interest in the item regarding the Teesside Pension Fund, as a Teesside Pension Fund Member.</p>
<p>TVCA 16/17</p>	<p>MINUTES</p> <p>Consideration was given to the minutes of the meeting held on 13th June 2017.</p> <p>RESOLVED that the minutes of the meetings held on 13th June 2017 be confirmed and signed as a correct record.</p>
<p>TVCA 17/17</p>	<p>ANNOUNCEMENTS FROM THE CHAIR</p> <p>The Chair confirmed that all matters were covered on the agenda.</p>
<p>TVCA 18/17</p>	<p>SUPPORTING APPRENTICESHIPS</p> <p>Consideration was given to a report requesting approval of a new Apprenticeship Grant. The grant would be used to boost the number of high quality apprenticeships and to help smaller businesses to recruit and train apprentices. The Mayor thanked the lead Cabinet Member, Councillor Akers-Belcher, for the work done to date on the delivery of the previous scheme.</p> <p>Cabinet noted that it would be important to track the progress of employees and apprenticeships and also to ensure full consideration of the impact of the Apprenticeship Levy. It was noted that any issues and concerns would be picked up in a further report to be presented to Cabinet in Spring, and also through the Education, Employment and Skills Partnership Board.</p> <p>RESOLVED that:</p> <ol style="list-style-type: none"> i. the latest information on the delivery of the Combined Authority's existing support for apprenticeships and the new national policy framework within which we now operate be noted; ii. a revised model of delivery for support for apprenticeships be funded, with three key elements: <ul style="list-style-type: none"> • A grant to support apprenticeships in priority sectors as identified in the Strategic Economic Plan; • Support for small employers to create new apprenticeships; • An initiative to promote the creation of high quality, higher and degree apprenticeships in priority sectors; and to consult on proposals for additional support. iii. a further report be received in spring 2018, with updated information on

	<p>apprenticeships in the Tees Valley, including an assessment of the operation of the new Apprenticeships Levy within our area, and recommendations for further actions by the Combined Authority and/or central government.</p>
TVCA 19/17	<p>EXERCISE OF COMBINED AUTHORITY BORROWING POWERS</p> <p>Consideration was given to a report updating the Cabinet on progress in establishing the Combined Authority's borrowing powers, and the principles to be established for use of those powers to deliver on our ambitious plans for investment.</p> <p>RESOLVED that:</p> <ul style="list-style-type: none"> i. the paper be noted; ii. Cabinet agree in principle to the Combined Authority receiving borrowing powers, with maximum local flexibility subject to the application of the Prudential Code.
TVCA 20/17	<p>INVESTMENT CO-OPERATION WITH TEESSIDE PENSION FUND</p> <p>Consideration was given to a report which set out a proposal to enter in to a Memorandum of Understanding with Teesside Pension Fund. The pension fund had proposed that 5% of its funds (approximately £200m) should be made available to support projects which promote the economic development of the Tees Valley, and that this investment programme is developed in partnership with Tees Valley Combined Authority. The Cabinet welcomed the report and acknowledged the opportunities that could be presented.</p> <p>It was advised that the Memorandum of Understanding had now been approved by the Pension Fund.</p> <p>RESOLVED that:</p> <ul style="list-style-type: none"> i. the commitment of the Teesside Pension Fund to direct investment to support local economic development, and to deliver this in partnership with the Combined Authority, be welcomed; ii. the progress in developing a joint approach to the identification and development of investment proposals be noted; iii. the Memorandum of Understanding be signed, and the authority to finalise the agreement in partnership with the Teesside Pension Fund be delegated to the Managing Director.
TVCA 21/17	<p>TRANSPORT PLAN UPDATE</p> <p>Cabinet considered a report which provided an update on progress with the Strategic Transport Plan, following consultation on the Transport Framework. It was noted that the plan would have strong links to the Strategic Economic Plan and the Tees Valley Investment Plan and would also provide a framework for</p>

	<p>partnership working with Department for Transport, Highways England, Network Rail and Transport for the North.</p> <p>The Cabinet noted their disappointment that national plans for electrification had been cancelled and agreed to continue to try to push for this locally. It was acknowledged however that rail gauge enhancements were equally as important for increasing capacity.</p> <p>It was advised that the Transport Plan would be submitted to the Cabinet early in 2018.</p> <p>RESOLVED that the update on progress towards development of a Strategic Transport Plan and supporting documents be noted.</p>
<p>TVCA 22/17</p>	<p>TRANSPORT FOR THE NORTH – INCORPORATION AS A SUB-NATIONAL TRANSPORT BODY</p> <p>Consideration was given to a report requesting the consent of the Cabinet to the making of regulations by the Secretary of State to establish Transport for the North (TfN) as a Sub-National Transport Body under section 102E of the Local Transport Act 2008. The consent of each Constituent Authority of TfN was required to the making of regulations by the Secretary of State.</p> <p>Cabinet was also asked to approve in principle the transfer of Rail North Limited to TfN following its inauguration, and the signing of a new Rail Franchise Management Agreement with TfN replicating as far as possible the arrangements previously entered into in respect of Rail North Limited.</p> <p>The Mayor thanked the Lead Cabinet Member, Councillor Bill Dixon, for the work done to date on transport.</p> <p>RESOLVED that consent be given to:</p> <ul style="list-style-type: none"> i. the making by the Secretary of State of Regulations under section 102E of the Local Transport Act 2008 to establish Transport for the North as a Sub-National Transport Body; ii. the transfer of Rail North Limited to TfN so that it can be subsumed within TfN; iii. the signing of a new Rail Franchise Management Agreement with TfN replicating as far as possible the current Rail North Limited Members Agreement.
<p>TVCA 23/17</p>	<p>CARBON CAPTURE AND STORAGE</p> <p>Consideration was given to a report updating the Cabinet on the Carbon Capture and Storage (CCS) project. It was noted that Tees Valley was now home to the UK's leading CCS project, Teesside Collective, which was a consortium of large industrial companies, supported by NEPIC and co-ordinated by the Combined Authority.</p> <p>Cabinet noted that the government, through the Department of Business, Energy and Industrial Strategy (BEIS), was refocusing its policy approach to CCS, which</p>

	<p>was expected to be published in the autumn. Teesside Collective had an extensive engagement and communication programme in order to influence this policy, and to secure government agreement to resolve regulatory barriers, provide initial financial support for the build and operation of a major project in this region.</p> <p>RESOLVED that:</p> <ul style="list-style-type: none"> i. the report and progress that has been made be noted; ii. support for Teesside Collective continue, and its development of proposals for industrial-scale CCS; iii. proposals to Government for CCS, through the Clean Growth Plan, be supported, with Tees Valley at the forefront of its development
<p>TVCA 24/17</p>	<p>BUSINESS COMPASS GROWTH SPECIALIST PROVISION</p> <p>Consideration was given to a report regarding Business Compass Growth specialist provision. The report informed Cabinet of a bid that had been submitted to the European Regional Development Fund for a Specialist Support Service, and requested confirmation of the match funding. The service would form part of Tees Valley Business Compass and be complementary to the existing Tees Valley Business Compass Growth Service (“the Growth Service”).</p> <p>The Cabinet discussed the implications of Brexit for the future of European funding and the importance of securing replacement funding.</p> <p>RESOLVED that:</p> <ul style="list-style-type: none"> i. the match funding of £511k be approved and that the submission of a final ERDF application for the enhanced business compass specialist advice service on 11th July be noted; ii. the Combined Authority makes the case to NEA2F and DCLG to unlock legacy funds allocated to the Tees Valley, to help reduce our contribution to the match; iii. subject to a successful ERDF application, and use of existing procurement rules, the Combined Authority place an additional c. £1m (including fund management costs) of ERDF funds in to the existing business compass investment fund, currently held by Business Enterprise Group. iv. subject to a successful ERDF application, the Combined Authority procure the specialist growth advice service.
<p>TVCA 25/17</p>	<p>GOVERNANCE AND APPOINTMENTS</p> <p>Consideration was given to a report detailing a number of issues for decision by Cabinet, relating to Governance of the Combined Authority, delegation of decisions and appointments</p>

	<p>Cabinet discussed the proposal for a financial delegation, to be signed off jointly by the Mayor and the Cabinet Member, following a proposal put to them by the Managing Director. The Cabinet agreed that the delegation would allow for more efficient decision making between Cabinet meetings, but reiterated the importance of transparency of decisions. The Cabinet agreed to increase the maximum limit of the delegation to £1 million, to reflect the higher scale of investments being dealt with at the Tees Valley level, subject to appropriate transparency, reporting and monitoring procedures.</p> <p>A further appointment was agreed in the statutory appointments, Councillor Matt Vickers to replace Councillor Phil Dennis on the Overview and Scrutiny Committee.</p> <p>Councillor Akers-Belcher, supported by Councillor David Budd, advised that Councillor Sue Jeffrey should be appointed as Vice-Chair to the South Tees Development Corporation. The Mayor suggested that this was a matter for decision by the South Tees Development Corporation Board.</p> <p>RESOLVED that:</p> <ul style="list-style-type: none"> i. the delegation be approved, with the financial limit to be set as £1 million; ii. the appointments, as set out in the appendix, be approved; iii. Julie Gilhespie be appointed as Finance Director; iv. The appointments to the South Tees Development Corporation be approved (to be published when the corporation is formally established on 1st August 2017).
<p>TVCA 26/17</p>	<p>DATE OF NEXT MEETING</p> <p>The next meeting would be on Friday 29th September.</p>