

Overview and Scrutiny Committee Agenda

Date: Tuesday 16th January 2018 at 10.00am

Venue: Cavendish House, Teesdale Business Park, Stockton-On-Tees,
TS17 6QY

Membership:

Chair - Cllr Norma Stephenson OBE (Stockton-on-Tees Borough Council)
Vice-Chair - Cllr Ian Haszeldine (Darlington Borough Council)
Cllr Heather Scott – (Darlington Borough Council)
Cllr Sonia Kane (Darlington Borough Council)
Cllr Shane Moore (Hartlepool Borough Council)
Cllr Katie Trueman (Hartlepool Borough Council)
Cllr Denise Rooney (Middlesbrough Council)
Cllr Jordan Blyth (Middlesbrough Council)
Cllr Jean Sharrocks (Middlesbrough Council)
Cllr Glyn Nightingale (Redcar and Cleveland Borough Council)
Cllr Neil O'Brien (Redcar and Cleveland Borough Council)
Cllr Philip Thomson (Redcar and Cleveland Borough Council)
Cllr Derrick Brown (Stockton-on-Tees Borough Council)
Cllr Matt Vickers (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 30th November 2017 for confirmation and signature

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

Overview and Scrutiny Committee Agenda

7. Budget 2018/19 – Overview & Scrutiny Budget Task & Finish Group Report

Attached

8. Forward Plan

Attached

9. Date of the next Meeting

27th February 2018 at 10.00am – Cavendish House, Stockton-On-Tees,
TS17 6QY

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

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.

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**TEES VALLEY COMBINED AUTHORITY
OVERVIEW & SCRUTINY COMMITTEE**

Cavendish House, Stockton-On-Tees, TS17 6QY

Thursday 30th November 2017 at 10.00am

MEETING

ATTENDEES

Members

Cllr Norma Stephenson OBE	Stockton On Tees Borough Council	SBC
Cllr Derrick Brown	Stockton on Tees Borough Council	SBC
Cllr Ian Haszeldine	Darlington Borough Council	DBC
Cllr Sonia Kane	Darlington Borough Council	DBC
Cllr Denise Rooney	Middlesbrough Borough Council	MBC
Cllr Glyn Nightingale	Redcar & Cleveland Borough Council	R&CBC
Cllr Philip Thomson	Redcar & Cleveland Borough Council	R&CBC
Cllr Neil O'Brien	Redcar & Cleveland Borough Council	R&CBC
Cllr Heather Scott	Darlington Borough Council	DBC
Cllr Shane Moore	Hartlepool Borough Council	HBC
Cllr Matt Vickers	Stockton Borough Council	SBC

Apologies for absence

Cllr Jean Sharrocks	Middlesbrough Borough Council	MBC
Cllr Jordan Blyth	Middlesbrough Borough Council	MBC

Officers

Sharon Jones	Governance & Scrutiny Officer	TVCA
Andrew Lewis	Managing Director	TVCA
Julie Gilhespie	Finance Director	TVCA
Shona Duncan	Head of Education, Employment & Skills	TVCA

OSC 25/17	DECLARATIONS OF INTEREST	
	There were no interests declared	
OSC 26/17	MINUTES	
	The minutes of the meeting on 17 th October 2017 were agreed and signed as a correct record.	
OSC 27/17	ANNOUNCEMENTS FROM THE CHAIR	
	<p>The Chair made the following announcements:</p> <ul style="list-style-type: none"> • Two Councillors from Hartlepool Borough Council have resigned from the Committee since the last meeting. The Council meeting for HBC is to be held on 19th December where two new Councillors' will be put forward to sit on this Committee. • The members for the budget task and finish group have been agreed. The Chair will be Cllr Haszeldine and the other members will be Cllr Rooney, Cllr Brown, Cllr Thomson and Cllr Scott. Any questions regarding the budget should be put forward to Cllr Haszeldine who will collate these in advance of the first meeting of the group on 7th December. <p>RESOLVED that the Chair's update be noted.</p>	
OSC 28/17	ANNOUNCEMENTS FROM THE MANAGING DIRECTOR	
	<p>The Managing Director made the following announcements:</p> <ul style="list-style-type: none"> • STDC – the Masterplan for the site has been launched and there are a series of events arranged within the Tees Valley to consult with communities. The Chancellor's budget announced an additional £123 million for STDC. This consists of £68million to maintain the site and keep it safe, £50 million for the first phase of remediation work and to bring sites forward for development, and £5 million to support the delivery of the Development Corporation itself. There are already over 60 enquiries received regarding the site and potential investors in this. • The budget also saw £59 million allocated to the Tees Valley Combined Authority from the Transforming Cities Fund. This will improve connectivity within regions and can be used to significantly improve public transport within Tees Valley. • We have been shortlisted for the Heathrow logistics hub. This will support local firms to supply to the £16 billion investment in Heathrow expansion, through a supply and logistics hub proposed for the STDC site. • The UK industrial Strategy has been launched and the Tees Valley was given high profile in the document as a case study for the work to establish the South Tees Development Corporation. We will continue to build on the work we have done and bring forward a local industrial strategy by March 	

	<p>2019.</p> <p>The Managing Director had received some pre-submitted questions which he gave a response to:</p> <ul style="list-style-type: none"> • Housing Infrastructure Fund – Proposals have been put forward in conjunction with individual councils for the fund. Local authorities have also put forward their own smaller proposals. The fund was 8 times oversubscribed, and the Government has therefore now doubled the fund available. We are continuing to work to secure funding through this Fund; announcements are expected in spring and potentially in further phases beyond next year. • District Heating project – An update on this was delivered to Cabinet at their meeting on 23rd November. This is a significant project which has been several years in development and is of huge importance to the Tees Valley. The project offers cheaper heat to large organisations, with the prospect of extension to residential areas over time, whilst also reducing the carbon footprint. Proposals were put to cabinet for further work around the centre of Middlesbrough, specifically with James Cook hospital and Teesside University. The proposals will be brought to Overview & Scrutiny Committee when the project is further forward. • Sector Action Plans – The overview document is near completion and will be published soon. This will be followed by 7 executive summaries. These documents will be made available to Overview & Scrutiny once they are ready for publication. <p>RESOLVED that the Managing Director's update be noted.</p>	
OSC 29/17	Budget 2018/19 and Investment Plan	
	<p>Julie Gilhespie, Finance Director presented the Budget and Investment Plan documents.</p> <p>There were a number of questions put forward following the overview of the documents but it was agreed that these questions should be collated and sent to Cllr Haszeldine as Chair of the task and finish group to be answered fully in the meeting arranged for 7th December.</p> <p>RESOLVED that all questions for the task and finish group be submitted by Tuesday 5th December at the latest.</p>	
OSC 30/17	Education, Employment & Skills Strategy	
	<p>Shona Duncan, Head of Education, Employment and skills gave a presentation regarding the draft Education, Employment and Skills Strategy. It was explained that as per cabinet's agreement the draft Strategy is currently out for public consultation until 19th January 2018. There are two additional partner events planned to discuss the draft strategy further, all Tees Valley Councillors', including members of this committee are invited to a workshop on 18th December and a separate</p>	

	<p>Education, Employment and Skills Partnership Board meeting will also be held. The final Strategy will be presented to Cabinet on 5th February for final sign off.</p> <p>Discussion took place around the following areas:</p> <ul style="list-style-type: none"> • Are those in self-employment included in the Strategy? They are included in general terms but there is nothing specifically related to self-employment. This will be looked at to see if this should be included. • Timescales for the jobs that will be created – will these be permanent, long term positions. Temporary jobs are included in the Strategy and these do have their worth for a period of time. The long term plan however is to create sustainable, permanent roles. • What will the Strategy do to assist those young people who are less educated and more manually skilled – The Strategy definitely intends to support those people who are not following an academic route. If this has not been made clear in the document then this will be amended to reflect this. <p>Resolved that the Strategy be noted by the Committee and any feedback to the strategy be put forward during the consultation period.</p>	
OSC 23/17	FORWARD PLAN	
	<p>It was proposed by the Chair that the update to the Committee regarding high rise buildings/cladding would be removed from the forward plan. After discussions with the Local Authorities, it was proposed instead that each individual authority would provide a progress report to the members of their authority who sit on the Combined Authority Overview & Scrutiny Committee. Some Councillors' advised this has already been carried out in their Authority.</p> <p>RESOLVED that the forward plan be noted.</p>	
OSC 24/17	DATE OF THE NEXT MEETING	
	16 th January 2018 at 10.00am	

AGENDA ITEM 7

REPORT TO THE TEES VALLEY COMBINED AUTHORITY OVERVIEW & SCRUTINY COMMITTEE

16th JANUARY 2018

REPORT OF BUDGET TASK & FINISH GROUP

OVERVIEW & SCRUTINY BUDGET TASK & FINISH GROUP

SUMMARY

The Combined Authority is required to set out its Budget on an annual basis, and to consult publicly before its submission to Cabinet. The draft Budget and Investment Plan documents were presented to Overview & Scrutiny Committee at their meeting on 30th November 2017 to allow consultation with the Committee to commence. Following this meeting the Overview & Scrutiny Committee set up a task and finish group, consisting of 4 members of the full committee, to allow them to focus on the budget in more detail and conduct a full analysis of the draft documents.

The task and finish Group met on 7th December where they presented a number of questions to the Managing Director and Finance Director with regard to the budget and Investment Plan. The session allowed the questions to be answered in detail and further information to be provided where necessary.

This report details the findings of the task and finish group and their consultation response to be provided to Cabinet at their meeting on 5th February 2018

RECOMMENDATIONS

It is recommended that the Combined Authority Overview & Scrutiny Committee:

Agree that the information in this report is presented to Cabinet as the consultation response with regard to the Budget 2018/19 and Investment Plan.

DETAIL

1. The Overview & Scrutiny Committee agreed to establish a small task and finish group to focus on the budget in detail, and to report back to the main Committee.
2. The task and finish group was chaired by Councillor Ian Haszeldine. The other members of the group were Councillor Denise Rooney, Councillor Heather Scott and Councillor Derrick Brown.

3. The task and finish group met on 7th December, after studying the draft documents in detail. At this meeting they were able to question the Managing Director and Finance Director around the proposed budget and the detail of this.
4. The Chair noted that the format of the budget of the Combined Authority is different to the format of the budget of a Local Authority. A local authority budget will be broken down line by line over a 12 month period where the Combined Authority budget is more complex, showing resources coming in, and investments going out, over a longer period of time.
5. The task and finish group put forward a list of the questions for response by the Managing Director and Finance Director. The full list of these questions and the responses provided can be found at **Appendix A**
6. The questions covered various areas of the budget and investment plan and a summary of these is provided below:
 - i. A detailed explanation of the different categories of the funds referred to in the investment plan was requested. A full explanation of secured funds, committed funds and available funds was provided.
 - ii. SSI Site – an explanation of the funding for the site, and a breakdown of how these funds are being spent, was requested.

It was advised that prior to the budget funding of £40m had been allocated but this funding ceased in March 2017. The new settlement announced in the Budget covers a period from 1 April 2017 – 31 March 2022 and is analysed as follows:

 - £68 million will be used to maintain the site in a safe and secure condition over the next 4 years;
 - £50 million will be used for our first phase of remediation work to make areas of the site ready for investment and
 - £5 million to support the delivery of the Development Corporation itself, including technical investigations and marketing the site to investors (this element is for 2 years rather than 4).

Discussion took place regarding the high cost of maintaining the site and this was explained in further detail. It was also noted that in the medium term financial plan table SSI Task Force is mentioned twice, this was agreed to be confusing and will be amended for the final document.
 - iii. Examples were requested of projects funded via the development fund. An explanation was given of how the development fund works and a list of projects awarded development funding was provided, see **Appendix B**
 - iv. The financial level for delegated powers was requested. These powers were agreed by Cabinet in July 2017. The Mayor and Cabinet Portfolio holder may jointly approve expenditure between Cabinet meetings where the following conditions are met:

- Any commitment of funds have already been assigned by Cabinet for that purpose; for example through the specification of an overall programme within the Investment Plan;
- The total sum involved is no more than £1 million;
- The proposal reflects an established Combined Authority policy position, and not raise novel or contentious issues which require debate with the full Cabinet. (In order to assure this, discussions would generally have taken place through the appropriate officer forum); and
- The proposal is subject to the established Combined Authority assurance framework, as agreed with central government.

Cabinet has also delegated to the Managing Director, in consultation with the Mayor, the authority to approve development funding.

- v. Durham Tees Valley Airport – concerns were raised by the group regarding the £500,000 shown as allocated to the airport. It was explained that this is not money that has been spent but money that is put aside to work on the project. To date £46,000 has been spent and this has been on legal and financial advice. There are concerns from the public that the money spent on anything related to the airport will be wasted funds but it was agreed that it is necessary to do some work up front to understand if future developments are likely to happen. There is no financial proposition yet available for the airport as no agreement has been reached. We are in discussions with Peel and these are ongoing. Any decisions or proposals made would need to be agreed by Cabinet.
- vi. An explanation of the savings made in the 2017/8 budget was requested alongside an explanation of how and where future savings will be made. This also linked to a question around staffing of the Combined Authority and expenditure on external consultants. The group were advised that a review of all staff posts had been carried out before the end of the financial year and that this had led to a deletion of some posts. Alongside this some services were brought in house, for example the recruitment of a Legal and Commercial Manager, which created a saving in comparison to paying for this via an external source. A review of this type will be carried out annually to ensure any efficiencies are realised. The increase in staff costs in the new budget is due to the growth of the Combined Authority and new responsibilities not due to costs for existing staff. The detailed breakdown of staff costs can be found at **Appendix C**.
- vii. An explanation of the general reserve figure was requested. This was explained to the group and a table showing the breakdown was provided.
- viii. EU Investment – an explanation was requested regarding the current and future situation with EU funding. This was explained to the group.
- ix. It was asked when the strategic transport plan will be published. The plan will be published for consultation purposes in February 2018.

7. Following the question and answer session the members of the task and finish group agreed that they were satisfied with the responses given and now felt they had a good understanding of the budget and the investment plan.
8. It was agreed that all of the questions and queries put forward by the Overview & Scrutiny committee had been answered sufficiently and there were no further questions to be put to the Managing Director and Finance Director.
9. The Chair closed the session thanking everyone for their time and relaying that the group were satisfied with the responses and had no further areas that they felt needed to be examined in relation to the budget and investment plan.

FINANCIAL IMPLICATIONS

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

LEGAL IMPLICATIONS

6. As a Mayoral Combined Authority we are 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 our constitution, we are also required to have an Investment Plan.

RISK ASSESSMENT

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

CONSULTATION

8. Consultation will be undertaken with the public and key stakeholders for a period from 24th November 2017 to 5 January 2018.

Name of Contact Officer: Sharon Jones
Post Title: Finance Governance & Scrutiny Officer
Telephone Number: 01642 524580
Email Address: Sharon.jones@teesvalley-ca.gov.uk

Overview & Scrutiny Committee – Information/Questions for 7th December Task & Finish session.

1. Can we have a detailed explanation in relation to the investment plan and secured funds, commitments and available funds?

SECURED FUNDS

This is in two categories:

- Direct TVCA Resources:
- European Funding
-

Direct TVCA Resources - £306 million

This represents all of the income that TVCA obtains under its management control that is available for investment, including devolved funding, Local Growth Funding, direct grants, Enterprise Zone income but excluding European funds which are treated separately. There are sources of income that come to TVCA and are administered by us that we do not control which are not, therefore included within the Direct TVCA resources figure but are shown for completeness in the MTFP. Examples of these are concessionary fares and the SSI funds.

European Funding - £171million.

European funding is the funding that is available for TVCA to access to support European eligible projects. Some of this funding comes through TVCA to administer when we deliver the project, other funds pass directly to applicants and so never feature in TVCA's income projections.

COMMITTED FUNDS

The committed funds are either committed to projects where funding was awarded specifically to undertake that project or they are committed via approval by Cabinet, or in accordance with Cabinet's agreed scheme of delegation in accordance with the Assurance Framework agreed with Government.

AVAILABLE FUNDS

Available funds is the difference between secured funds and committed funds.

The details of each fund are as follows:

- Local Growth Fund – Capital grant funding secured from Government through competitive process to invest in Projects.
- Devolution - £15 million funding received from Government as part of the devolution deal to be invested in the Tees Valley

- Enterprise Zones – As part of the creation of enterprise zones it was agreed with Government that any business rate uplift received on the zones is 100% retained locally until March 2037
- Local Transport Plan – As the Transport Authority for the Tees Valley the LTP capital grants are paid to the Combined Authority annually to be distributed to the constituent authorities.
- Loan Repayments & Investment Income – Where possible the Combined Authority seeks to generate returns on Investments to be re-invested in future projects.
- Local Enterprise Partnership Grant – grant from DCLG to fund the activities of the LEP.
- Growing Places Fund – Grant funding made available to LEPs to invest in the local area for developments.
- Education, Employment & Skills Specific Grant Schemes – These are grants which have been secured by the Combined Authority for specific projects.
- Transport Specific Grant Schemes - These are grants which have been secured by the Combined Authority for specific projects.
- Other Specific Grant Schemes - These are grants which have been secured by the Combined Authority for specific projects.
- European Structural Investment Fund – Where the Combined Authority is the lead applicant for a specific ESIF project the funds will flow through the Combined Authority and is therefore included in the Medium Term Financial Plan
- ERDF Legacy – This funding has been allocated to the Combined Authority as a return from investment by previous North East regional funds.
- SSI Task Force – The SSI Task force funding is available for specific projects agreed between Government and the Task Force.
- Concessionary Fares Income – As the Transport Authority for the Tees Valley the Combined Authority collects the concessionary fares income from each of the Local Authorities to be distributed to the bus operators.
- Local Authority Contributions – Each Local Authority contributes £50k towards the Combined Authorities running costs – so that this can be used as match funding against the LEP grant.
- Other Income – These are various income streams which contribute towards the Combined Authorities medium term financial plan.

2. Can we have information relating to previous funding commitments to SSI and new funding secured? A clearer explanation of the funding needed to clean up the SSI site and how much we have towards this.

BEIS has directly funded the keep safe requirements to date through the BEIS owned South Tees Site Company. The funding commitment initially provided was to 31 March 2018, and c£40m has been incurred to date. Before the Budget, there was no further commitment from government to the South Tees site.

The new settlement announced in the Budget covers a period from 1 April 2017 – 31 March 2022 and is analysed as follows:

- £68 million will be used to maintain the site in a safe and secure condition over the next 4 years;
- £50 million will be used for our first phase of remediation work to make areas of the site ready for investment and

- £5 million to support the delivery of the Development Corporation itself, including technical investigations and marketing the site to investors (this element is for 2 years rather than 4)

3. Can we have information around SSI task force projects and funding?

	ALLOCATION £'000
Flexible Fund to remove barriers to work for ex SSI and supply chain employees. Includes careers advice, training programmes, travel to courses etc...	8,158
Support to place the ex SSI apprentices into companies and complete their apprenticeships.	1,700
Jobs and Skills Investment Scheme – grants available to any business that employs and ex SSI or supply chain employee affected by the closure	5,310
Start-up advice and start-up grants – A scheme to provide business advice and grants to any employee affected by the closure who is starting up a business.	3,900
Grants to businesses to support business growth and job creation in the region to stimulate the local economy.	16,000
Wider Economic Impact - Redcar Growth Zone	5,000
Devolved Funding Pot – proposals have been submitted by the local authorities and are currently being appraised	6,491
TOTAL	46,559

4. Are any of our pension funds being used to support or finance Fracking operation in the UK?

Questions about the general investments by the Pension Fund need to be directed to Middlesbrough Council, as lead authority.

We can confirm that, in respect of the projects that we are being considered jointly between the Combined Authority and the pension scheme, these are locally projects and do not include any fracking operations.

5. Can you please give examples on project development fund including monies allocated?

One of the major barriers to delivery for projects is the upfront expenditure required to develop proposals into full business cases. It was therefore agreed that a development fund would be created in order to assist applicants to progress their business cases to a stage where it would provide cabinet members with as much information as possible to make an informed decision on investment. The development fund is also used to support bids to central Government where a fully developed business case is required to be submitted into competitive processes. By using the fund in this way it assists the Combined Authority in

securing additional resources into the area. **Appendix B** gives a list of all the projects that have been awarded development funding in order to progress their business cases to enable them to be deemed investment ready.

6. To what financial level are the delegated powers?

All decisions are taken by Cabinet unless specifically delegated.

Under delegated arrangements agreed by Cabinet in July 2017, the mayor and cabinet portfolio holder may jointly approve expenditure between Cabinet meetings, where the following conditions are met:

- Any commitment of funds have already been assigned by Cabinet for that purpose; for example through the specification of an overall programme within the Investment Plan;
- The total sum involved is no more than £1 million;
- The proposal reflects an established Combined Authority policy position, and does not raise novel or contentious issues which require debate with the full Cabinet. (In order to assure this, discussions would generally have taken place through the appropriate officer forum); and
- The proposal is subject to the established Combined Authority assurance framework, as agreed with central government.

Cabinet has also delegated to the Managing Director, in consultation with the Mayor, the authority to approve development funding for projects and programmes, funding by the Development Fund. The Development Fund and this delegated authority was set up through a report of the Chief Finance Officer to Cabinet in June 2016.

Cabinet may also delegate decisions to the Transport Committee, or to Audit and Governance Committee. Cabinet may delegate to senior officers in order to deliver projects and conduct due diligence, once they have been agreed by Cabinet.

7. Why do we need a separate finance for business can this not be incorporated into the project development fund?

The Development Fund has been created by Cabinet for the specific purpose of developing projects, prior to their approval by Cabinet, or to prepare bids to central government. It is therefore not available to provide direct financial support to business.

Finance for Businesses is designed to address the gaps in the financial support currently available to local businesses. It is not necessarily intended to be fund project development, it is likely that this will address growth funding or other similar needs. There are a number of funds that currently exist and the plan is to ensure that opportunities are being provided to the right organisation, but where gaps exist in provision, to be able to fill those gaps when appropriate.

8. What are perceived as the financial implications of the sector action plans?

It is anticipated £1.97 million of TVCA funds will be required to delivery these plans.

9. In the additional priorities the proposals for DTVA There is no financial information, is there a financial implication report or study? If so where would the financing of this come from?

There is no financial proposition yet available for DVTA because no agreement has been reached with Peel. Once proposals are available these will be submitted to cabinet for approval in the normal way.

10. Project development, Finance for business and Business growth would all look to achieve similar outcomes i.e. Good sustainable business growth in new, current and developing business, within the plan all have separate budgets, could this not be managed under a single heading and single budget?

As mentioned in response to Q7, project development has different objectives and outcomes.

The Finance for business project is included under the Business growth theme within the investment plan

11. Paragraph 34 - what would the Expectation of the TVCA be on this?

The level of investment into the region on this project would be dependent upon the number of suppliers who would bid into the fund

12. Can you identify the savings in the 2017/18 budget and where future savings will be made in 2018/19?

A review of all posts was carried out and posts which were no longer required were deleted from the structure.

Some services were brought in house where this was deemed to provide value for money. Within the current structure efficiency savings were sought on existing functions to enable new functions to be incorporated into the current structure at no extra cost.

13. Can we have details of staffing levels including future staffing level?

See **Appendix C**

14. Can we have details of costs of consultants for the 2017/2018 Budget period?

See separate spreadsheet for costs to date in 2017/18 (to add)

15. Can we have a breakdown of risk based revenue as paragraph 71 in the proposed budget paper

See separate spreadsheet (to add)

16. There are several references to the Government honouring EU investment. Can we have more detail on this, including how much matched funding has been set aside? Also what is the risk if the money remains unspent?

The Government has guaranteed that they will honour any financial commitments entered into prior to April 2019, therefore we have continued to support the delivery of the programme. At present there is £101 million of grant funds to be committed to projects with a current pipeline of £35 million. DCLG/DWP are regularly going out for calls for projects to come forward – there is a £15million call being released next week. At present TVCA has put no match funding aside for projects but will continue to monitor the situation and where an opportunity arises we would assess this investment opportunity on its individual merits.

17. What is the difference between the funding allocated for project development and funding to Finance Business who cannot access other sources? Is it possible that a Business will access both pots?

See response to Q7

18. Can we have a formal response from Peel Developments in relation to the Durham Tees Valley airport and why £500,000 has been allocated from the Development fund?

Early discussions are underway with Peel but these are not yet at the stage of having any proposals. The £500,000 is an allocation that has been made from the development fund to allow TVCA to develop proposals and allow a robust proposition to be brought to cabinet in due course. This is an allocation set aside for this purpose, and only £46,000 has currently been drawn down at this stage, in respect of financial and legal preparatory work.

19. When will the Strategic Transport Plan be published and how will it fit with the timetable for this budget?

The Strategic Transport Plan is expected to be published for consultation in February 2018. The Investment Plan / Budget sets the overall financial parameters applicable to the priority themes, and the Strategic Transport Plan will identify projects that will be delivered within that. Some of these projects are likely to be local projects and the £59 million allocated in the budget will assist in funding these. Others are significant projects which cannot be locally funded, and we will use the Development Fund to work up bids for additional funding to Highways England and Network Rail.

APPENDIX B

Allocations from the Development Fund

Since the Combined Authority was created, the following projects have been allocated support from the Development Fund:

DEVELOPMENT FUNDED PROJECT	AMOUNT
CPI LGF	250,000
South Bank Wharf LGF	75,000
HBC ISQ LGF	233,000
South Tees Development Corp Loan	400,000
Highways Challenge Fund	200,000
Buses Act	80,000
Waste Strategy	400,000
Government Relocation Study	19,000
Ministry of Building Innovation	350,000
Development of Light Industrial Units at Kirkleatham Business Park EZ	30,000
Redcar Railway Station Business Quarter	50,000
Skippers Lane Industrial Estate Expansion	100,000
Feethams Grade A Office Development	100,000
Energy Life-Cycle Centre Potential Institute of Technology	300,000
Hartlepool Innovation & Skills Quarter Phase 2	505,000
Hartlepool Waterfront	680,000
Kirkleatham Estate Investment Project	415,000
River Tees Development Plan	130,000
Faverdale (Phase 1)	220,000
Darlington Station	300,000
South Tees Development Corporation Site Investigations	750,000
Durham Tees Valley Airport	500,000
Teesside Advanced Manufacturing Park	120,000
Eaglescliffe Station Western Access	576,000
Boho Next Generation	100,000
COMMITTED FUNDS	6,883,000

There are a number of other proposals for development funding currently under consideration with partners: for Middlesbrough station and the Teesside Media and Innovation Village; and for further local contributions to develop the Tees Crossing and Darlington Link Road proposals.

APPENDIX C

Staffing Costs

Post Name	17/18 BUDGET		18/19 BUDGET	
	FTE	Total	FTE	Total
Mayoral Office	3.00	157,300	4.00	170,665
MD & Directors	4.00	519,674	5.00	640,724
Finance			2.00	81,818
Legal & Commercial			3.00	169,257
Governance, Policy & Office Support	9.00	327,860	9.47	330,565
Comms & Marketing	4.00	172,336	5.50	289,498
Housing	1.00	96,787	1.00	97,766
Business Support	6.00	283,948	6.00	290,451
Business Finance			1.80	102,604
Education, Employment & Skills	4.00	242,676	9.00	447,561
Economic Strategy & Intelligence	4.00	177,904	4.81	220,100
Transport	6.00	313,501	7.00	368,055
Strategic Investment & Planning	5.00	224,719	10.81	415,907
Culture	2.00	147,621	2.00	149,121
Insurance - budget moved to non staffing		15,000		
Redundancy - no longer required		6,260		
Training		5,000		15,000
Core Staffing	48	2,690,586	71	3,789,092

Post Name	17/18 BUDGET		18/19 BUDGET	
	FTE	Total	FTE	Total
ERDF Business Compass	3.00	95,782	3.00	97,370
ERDF / ESF Technical Assistance	3.00	120,233	3.00	120,716
SSI	4.00	125,834		
Careers & Enterprise	2.00	87,354	3.00	133,416
Routes to Work			4.50	201,804
Tourism			3.50	160,372
Great Places			1.00	51,759
Heritage Capital			1.00	63,095
One Public Estate			1.00	51,759
Non-Core Staffing	12.00	429,203	20.00	880,291

Teess Valley Combined Authority Overview & Scrutiny

Work Programme 2017/18

Standing Items

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

Date	Venue	Item / Responsible Officer
27 th February 2018 at 10am	Room 1 Cavendish House Teesdale Business Park Stockton On Tees TS17 6QY	Alignment with the Northern Powerhouse – TBC

Items to be scheduled:

Transport – TBC
 Durham Tees Valley Airport - TBC

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