



Overview and Scrutiny Committee

Date: Thursday, 11 January 2024 at 10.00a.m.

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

Membership:

Councillor Haszeldine (Chair – Darlington Borough Council)
Councillor Nelson (Vice Chair – Stockton-on-Tees Borough Council)
Councillor Kane (Darlington Borough Council)
Councillor Keir (Darlington Borough Council)
Councillor Harrison (Hartlepool Borough Council)
Councillor Lindridge (Hartlepool Borough Council)
To be confirmed (Hartlepool Borough Council)
Councillor Branson (Middlesbrough Council)
Councillor McCabe (Middlesbrough Council)
Councillor Storey (Middlesbrough Council)
Councillor O'Donoghue (Redcar and Cleveland Borough Council)
Councillor Nightingale (Redcar and Cleveland Borough Council)
Councillor Salvin (Redcar and Cleveland Borough Council)
Councillor Beall (Stockton-on-Tees Borough Council)
Councillor Riordan (Stockton-on-Tees Borough Council)

AGENDA

1. Apologies for Absence

To receive any apologies for absence.

2. Declarations of Interest

To receive any declarations of interest.

3. Minutes

To approve as a correct record the minutes of the meeting held on 8 November 2023.

4. Update on Buses Sub-Committee

To receive an update from Councillor Branson, Chair of Buses Sub-Committee, on progress made to date, following meetings with bus service providers Arriva and Stagecoach on 7 and 20 December 2023.



5. Update on South Tees Development Corporation Sub-Committee

To receive an update from Councillor Storey, Chair of South Tees Development Corporation Sub-Committee, on progress made to date, following its meeting with officers on 6 December 2023.

6. Budget Consultation

To receive an update from Councillor Haszeldine, Chair of the Finance and Resources Sub-Committee following its meeting with officers on Monday, 11 December 2023.

A final response will be submitted by the Overview and Scrutiny Committee for consideration by Cabinet on Friday, 26 January 2024, as part of the overall budget consultation process.

7. Delegated Decisions

A copy of delegated decisions is attached for members' information.

8. Work Programme 2023/24

The Overview and Scrutiny Committee to consider and agree its work programme for the remainder of 2023/24.

9. Date and Time of Next Meeting:

Thursday, 22 February 2024 at 1.00pm.

For information:

10. Terms of Reference

Attached for information purposes.

11. Group Update

Attached for information purposes.



Members of the Public - Rights to Attend Meeting

With the exception of any item identified above as containing exempt or confidential information under the Local Government Act 1972 Section 100A (4), members of the public are entitled to attend this meeting and/or have access to the agenda papers.

Persons wishing to obtain any further information on this meeting or for details of access to the meeting for disabled people, please contact:

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Governance and Scrutiny Manager
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Tees Valley Combined Authority Declaration of Interests Procedures

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

Personal Interests

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

Declarations of interest relating to the Councils' commercial role

Anything is possible

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. If no declaration is received from elected members within 28 days the matter may be referred to the Head of Paid Service of your local authority and Leader of the political group you represent on your council for action. If a Declaration is not submitted within an appropriate timescale you may be prevented from attending committee meetings.
7. 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

8. 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.
9. 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.



10. 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

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



Tees Valley Combined Authority Overview and Scrutiny Committee
Tees Valley Combined Authority Offices; Teesside Airport Business Suite, Teesside
International Airport, Darlington, DL2 1NJ
Wednesday, 8 November 2023 at 1.30pm

(These Minutes are in draft form until approved at the next Committee meeting and are therefore subject to amendments)

Present	
Members:	
Councillor Ian Haszeldine, (Chair) Darlington Borough Council	
Councillor Sonia Kane, Darlington Borough Council	
Councillor Andy Keir, Darlington Borough Council	
Councillor Brenda Harrison, Hartlepool Borough Council	
Councillor Jim Lindridge, Hartlepool Borough Council	
Councillor David Branson, Middlesbrough Borough Council	
Councillor Matt Storey, Middlesbrough Borough Council	
Councillor Margaret O'Donoghue, Redcar and Cleveland Borough Council	
Councillor Paul Salvin, Redcar and Cleveland Borough Council	
Councillor Steve Nelson, (Vice Chair) Stockton Borough Council	
Officers in attendance:	
Julie Gilhespie, Group Chief Executive	
Tom Bryant, TVCA Assistant Director of Infrastructure	
Emma Simson, TVCA Interim Chief Legal Officer (Monitoring Officer)	
Guy Close, TVCA Governance and Scrutiny Manager	
Apologies for absence:	
Mayor Ben Houchen, Tees Valley Mayor, Councillor Stephen Harker, Darlington Borough Council, Councillor Dennis McCabe, Middlesbrough Borough Council, Councillor Jim Beall, Stockton Borough Council and Councillor Tony Riordan, Stockton Borough Council.	
OSC 12/23	WELCOME AND INTRODUCTIONS The Chair welcomed everyone to the meeting and a round of introductions were made. Members were reminded about the importance of adhering to the members' code of conduct, particularly the need to ensure that questions to officers and other representatives in attendance were respectful.

	<p>In response to a query, it was advised that a recording of the recent member induction sessions had not been provided to members. Whilst the intention was to produce a recording for members who had been unable to attend the sessions, some members had since raised concerns about the prospect of the recording being shared more widely. Members were advised that it was necessary for data protection purposes to seek consent from everyone present at the sessions before the recording could be made available to members.</p>
OSC 13/23	<p>DECLARATIONS OF INTEREST</p> <p>There were no declarations of interest.</p>
OSC 14/23	<p>MINUTES OF THE MEETING HELD ON 14 JULY 2023</p> <p>RESOLVED THAT: The minutes of the meeting held on 14 July 2023 be approved as a correct record.</p>
OSC 15/23	<p>MATTERS ARISING FROM THE MINUTES</p> <p>Members discussed setting up a WhatsApp group to follow up on the work of the Committee.</p> <p>RESOLVED THAT: The Chair's e-mail address be shared with the rest of the Committee with the aim of setting up a WhatsApp group for members to follow up on the work of the Committee.</p>
OSC 16/23	<p>SOUTH TEES DEVELOPMENT CORPORATION (STDC) SUB COMMITTEE INTERIM UPDATE</p> <p>The Chair of the STDC Sub Committee, Councillor Matt Storey (MS) presented an update on progress made to date and next steps.</p> <p>It was advised that the focus of the review was to better understand the relationship between TVCA and STDC, particularly in relation to inward investment and ensuring value for money. The Sub Committee had already received a breakdown of high value / risk projects and the intention was now to focus on some of these in greater detail.</p> <p>One member queried the types of information that could be sought as part of the scrutiny review. It was advised that valid reasons were to be provided if information was not to be disclosed. Members were reminded about the importance of following the objectives outlined in the scoping document.</p> <p>RESOLVED THAT:</p> <ul style="list-style-type: none"> a) The contents of the report and appendices, be noted; and b) That the next session focussed on some of the high value / risk projects in greater detail. MS to advise officers on specific projects to focus on having consulted with the Sub-Committee.
OSC 17/23	<p>BUSES SUB COMMITTEE INTERIM UPDATE</p>

	<p>The Chair of the Buses Sub Committee, Councillor David Branson (DB) presented an update on progress made to date and next steps.</p> <p>Members were informed that the initial focus had been on four of the five key areas of the Bus Services Improvement Plan (BSIP), as follows;</p> <ul style="list-style-type: none"> • Sustainable network for the future, including financing of routes that were not commercially viable; • Bus priority improvements; • Improved fare offer; and • Enhanced customer experience. <p>The Sub Committee discussed the need for greater engagement with bus users, particularly in addressing the above key areas of the BSIP.</p> <p>The next stage was to meet with bus service providers Arriva and Stagecoach. One member reported issues using bus operator apps, which were considered unreliable. This issue was to be raised with the bus service providers.</p> <p>Tom Bryant (TB), Assistant Director for Infrastructure, advised that it may be beneficial to schedule two separate meetings with the bus service providers. It was important to bear in mind that there may be information that the bus services providers were unable to disclose to each other due to commercial sensitivity reasons.</p> <p>The Chair of the Sub Committee, DB, advised that it might prove challenging to agree suitable meeting dates with the bus service providers in December (as previously scheduled). This could result in a delay to the final report being presented to Overview and Scrutiny Committee in January 2024.</p> <p>RESOLVED THAT:</p> <ol style="list-style-type: none"> a) That the contents of the report, be noted; and b) That two separate sessions be arranged with bus service providers Arriva and Stagecoach to focus on key areas of the Bus Services Improvement Plan (BSIP).
<p>OSC 18/23</p>	<p>FINANCE AND RESOURCES SUB COMMITTEE – SCRUTINY PROCESS AND MEMBERSHIP</p> <p>It was reported that the Overview and Scrutiny Committee had previously established the practice of convening a Finance and Resources Sub Committee (made up of the Committee Vice Chair and other members) to scrutinise the budget in more detail by conducting a full analysis of the draft documents and contributing to the consultation process.</p> <p>RESOLVED THAT:</p> <ol style="list-style-type: none"> a) The previously adopted process undertaken by Overview and Scrutiny Finance and Resources Sub Committee to scrutinise the budget, be noted and approved for 2023/24. b) That membership of the Finance and Resources Sub Committee for 2023/24 to comprise of the following members: Councillors Haszeldine (Chair), Branson, Lindridge, Salvin plus Stockton member to confirm.

<p>OSC 19/23</p>	<p>DELEGATED DECISIONS</p> <p>The Committee received a list of the delegated decisions approved by TVCA covering the period July 2023 and September 2023.</p> <p>RESOLVED THAT: The delegated decisions approved by TVCA covering the period July 2023 and September 2023, be noted.</p>
<p>OSC 20/23</p>	<p>REVIEW OF FORWARD PLAN AND WORK PROGRAMME 2023/24</p> <p>The Committee received a copy of the draft work programme for 2023/24.</p> <p>Members noted the need to allow flexibility within the work programme to consider new and emerging areas of work.</p> <p>RESOLVED THAT: The draft work programme for 2023/24, be approved.</p>
<p>OSC 21/23</p>	<p>TVCA LEGAL ADVICE SOUGHT</p> <p>In response to a query, it was advised that TVCA had sought legal advice on whether it was possible to defame a public body. Whilst technically possible, TVCA had opted against pursuing this course of action.</p>
<p>OSC 10/23</p>	<p>DATE AND TIME OF NEXT MEETING</p> <p>Thursday, 11 January 2024 at 10.00 a.m.</p>
<p>OSC 11/23</p>	<p>GROUP UPDATE (FOR INFORMATION)</p> <p>A group update was provided for members' information.</p> <p>Julie Gilhespie (JG), Chief Executive, advised that whilst it had originally been announced that the findings of the independent review were to be published by the end of October, it was now expected to be in the next couple of weeks.</p> <p>In response to a query, TB undertook to provide clarification to all members of the Committee regarding the new Middlesbrough to Newcastle semi-fast service.</p>

Members of the Public - Rights to Attend Meeting

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Persons wishing to obtain any further information on this meeting or for details of access to the meeting for disabled people, please contact: Governance and Scrutiny Officer, Nicola Dean, Nicola.dean@tvca-ca.gov.uk

REPORT TO OVERVIEW AND SCRUTINY COMMITTEE

11 JANUARY 2024

REPORT OF ACTING CHIEF LEGAL OFFICER (MONITORING OFFICER)

UPDATE ON BUSES SUB-COMMITTEE

The Overview and Scrutiny Committee agreed at its meeting on 14 July 2023 to undertake a review of Buses, particularly focussing on progress made against key areas of the Bus Service Improvement Plan (BSIP).

This report presents an update on recent scrutiny activity and next steps.

RECOMMENDATIONS

It is recommended that the Overview and Scrutiny Committee notes the content of the report.

REPORT

1. The Buses Sub-Committee is made up of five elected members as follows:
 - Councillor David Branson (Chair) (Middlesbrough Council);
 - Councillor Sonia Kane (Darlington Borough Council);
 - Councillor Brenda Harrison (Hartlepool Borough Council);
 - Councillor Margaret O'Donoghue (Redcar and Cleveland Borough Council);
 - and
 - Councillor Steven Nelson (Stockton Borough Council).
2. The scope of the review and terms of reference were agreed at an initial meeting of the Sub-Committee held on 7 September 2023.
3. The Sub-Committee agreed to focus its attention on four of the five key areas of the BSIP as follows:
 - Sustainable Network for the Future, including financing of routes that aren't commercially viable;
 - Bus Priority Improvements;
 - Improved Fare Offer; and
 - Enhanced Customer Experience.
4. The following officers from Tees Valley Combined Authority (TVCA) attended a meeting of the Sub-Committee on 16 October 2023 to respond to members' questions and comments as part of its ongoing review work:

- Tom Bryant (Assistant Director of Infrastructure);
 - Alan Weston (Head of Transport); and
 - Emily Campbell (Transport Delivery Manager).
5. Following a meeting with officers, the Sub-Committee requested to meet with the Managing Directors of the two main bus service providers in the Tees Valley, Arriva and Stagecoach. The aim of the sessions was to establish the level of progress made against the key areas of the BSIP and identify potential improvements.
 6. The following Sub-Committee meetings took place with bus service providers:
 - Thursday, 7 December 2023 – Kim Cain, Commercial Director of Arriva, Yorkshire and North East; and
 - Wednesday, 20 December 2023 – Steve Walker, Managing Director of Stagecoach North East.
 7. The Chair of the Sub-Committee, Councillor David Branson, will present a summary of the findings arising from meetings with the bus service providers and outline next steps.

FINANCIAL IMPLICATIONS

8. There are no financial implications associated with this report.

LEGAL IMPLICATIONS

9. There are no legal implications associated with this report.

RISK ASSESSMENT

10. Existing management systems and daily routine activities are sufficient to control and reduce risk.

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REPORT TO OVERVIEW AND SCRUTINY COMMITTEE

11 JANUARY 2024

REPORT OF ACTING CHIEF LEGAL OFFICER (MONITORING OFFICER)

UPDATE ON SOUTH TEES DEVELOPMENT CORPORATION SUB-COMMITTEE

The Overview and Scrutiny Committee agreed at its meeting on 14 July 2023 to undertake a review of South Tees Development Corporation (STDC), particularly focussing on quarterly returns to government.

This report presents an update on recent scrutiny activity and next steps.

RECOMMENDATIONS

It is recommended that the Overview and Scrutiny Committee notes the content of the report.

REPORT

1. The STDC Sub-Committee is made up of five elected members as follows:
 - Councillor Matt Storey (Chair) (Middlesbrough Council);
 - Councillor Andy Keir (Darlington Borough Council);
 - Councillor Brenda Harrison (Hartlepool Borough Council);
 - Councillor Margaret O'Donoghue (Redcar and Cleveland Borough Council);
 - and
 - Councillor Steven Nelson (Stockton Borough Council).
2. The scope of the review and terms of reference were agreed at an initial meeting of the Sub-Committee held on 11 September 2023.
3. One of the key aims was to develop a greater understanding of the relationship that exists between Tees Valley Combined Authority (TVCA) and STDC. The Sub-Committee was keen to review whether funding received from the Government for the Teesworks site had achieved value for money.
4. As part of its review, the Sub-Committee received details of the top ten areas of spend on the site with the aim of focussing on some of these in greater detail.
5. The Sub-Committee requested to meet with relevant witnesses from TVCA and STDC as part of its ongoing review work.



6. A meeting with witnesses from TVCA and STDC took place on Wednesday, 6 December 2023.
7. The Chair of the Sub-Committee, Councillor Matt Storey, will present a summary of the findings and outline next steps.

FINANCIAL IMPLICATIONS

8. There are no financial implications associated with this report.

LEGAL IMPLICATIONS

9. There are no legal implications associated with this report.

RISK ASSESSMENT

10. Existing management systems and daily routine activities are sufficient to control and reduce risk.

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REPORT TO OVERVIEW AND SCRUTINY COMMITTEE

11 JANUARY 2024

REPORT OF ACTING CHIEF LEGAL OFFICER (MONITORING OFFICER)

BUDGET CONSULTATION

SUMMARY

Tees Valley Combined Authority (TVCA) is required to set a budget on an annual basis and undertake public consultation before the budget proposals are submitted to Cabinet for approval.

The Overview and Scrutiny Committee has previously established the practice of convening a Finance and Resources Sub-Committee to scrutinise the budget and conduct an analysis of the draft budget documents submitted to Cabinet.

This report details the findings of the Finance and Resources Sub-Committee meeting held on 11 December 2023, prior to submitting its final response to Cabinet for consideration on 26 January 2024.

RECOMMENDATION

That the Overview and Scrutiny Committee considers and approves the response from Finance and Resources Sub-Committee arising from its meeting on 11 December 2023, to be submitted to Cabinet for consideration at its meeting on 26 January 2024.

REPORT

1. The Overview and Scrutiny Committee agreed at its meeting on 8 November 2023 to establish a Finance and Resources Sub-Committee to scrutinise the budget and conduct an analysis of the draft budget documents submitted to Cabinet.
2. The Sub-Committee is chaired by Councillor Ian Haszeldine (Darlington Borough Council). The other members of the Sub-Committee are Councillor David Branson (Middlesbrough Council), Councillor Jim Lindridge (Hartlepool Borough Council), Councillor Steven Nelson (Stockton Borough Council) and Councillor Paul Salvin (Redcar and Cleveland Borough Council).
3. The Sub-Committee met to scrutinise the budget for 2023/24 on Monday, 11 December 2023, following publication of the draft budget documents on Thursday, 7 December 2023.
4. The Group Director of Finance and Resources attended the Finance and Resources Sub-Committee meeting to present the draft budget documents and respond to members' questions and comments.
5. Relevant officers also attended the meeting to respond to specific questions and comments.

6. The key points of discussion arising from the Finance and Resources Sub-Committee meeting held on 11 December 2023 are included below for consideration and approval by Overview Scrutiny Committee. A final response is to be submitted to Cabinet for consideration at its meeting on 26 January 2024.
- Clarification sought about usable reserves. Members were advised that there was a relatively small general reserve budget to undertake core functions and then one consisting of grants received in prior years which were earmarked for larger projects approved by TVCA Cabinet.
 - A query about a reduction in expenditure in key areas over future years. It was advised that the budget information showed identified funding and provisional allocations. Some areas required bidding for funding that was not included. Net zero was one example of this.
 - A query about whether a change of Mayor at TVCA provided scope for making changes to budget proposals. It was advised that budget proposals were presented to Cabinet and any changes to the Investment Plan required unanimous approval. As part of this there was a consultation process to undertake.
 - In response to a query, it was advised that a settlement had been negotiated with local bus operators in relation to concessionary fares ensuring collective agreement with all local authorities across the Tees Valley area.
 - Clarification was sought regarding the cost of borrowing and whether the current interest rate was sustainable. It was advised that TVCA had gradually increased the amount it had borrowed. Treasury advisors assisted with tracking movements in the market over the short, medium, and long term against agreed borrowing parameters which allowed TVCA to react quickly to any favourable changes in interest rates.
 - Concern that the 30 minutes service frequency (as part of the transformation of the Tees Valley rail system) was aspirational. It was advised that the current investment programme was focussed on creating capacity to operate more trains. Opportunities existed as part of rail devolution to make better use of the current infrastructure.
 - Members of the Sub-Committee emphasised the point that the constant use of acronyms in the report was confusing.
 - Options for decarbonisation of trains. It was advised that Northern had previously pursued options for decarbonisation, but progress had stalled due to lack of funding. It was also advised that new technology was in place to address issues. There was a need to establish the most effective means of decarbonising the rail network and then to identify ways to fund it.
 - Concern that some of the information about Teesside Airport was difficult to find in the report. Members were advised that a business plan for Teesside Airport had been published on the TVCA website, which contained further information. Members emphasised the need to include all key financial information in the report and ensure that it was easy to find.
 - It was reported that approximately £34m per year was devolved to the Combined Authority to deliver adult education and skills. The provision was for

adults aged 19 and above and the value confirmed on an annual basis. The focus of this funding was to support businesses to address current and future skills needs, particularly in growth sectors; for example, hydrogen and net zero.

- A request that all members of the Overview and Scrutiny Committee were provided with the medium-term financial strategy on an ongoing basis. It was agreed to provide Members with this information as part of the quarterly reports to Cabinet.
- Members were advised about the types of engagement with businesses to establish levels of support required, particularly in terms of ensuring that businesses remained and invested in the Tees Valley area.
- One Member pointed out that there was a need to develop ways to attract tourists to the Tees Valley area. Also, whether there was potential to invest in tourist information points. It was advised that this had been considered, including the identification of resources required to undertake the work and whether it required development of a physical or digital resources. It was acknowledged that there was more work to be done. Members were advised that there were opportunities for TVCA thematic groups to work in partnership with local authorities to review this area of work and consider different approaches.

FINANCIAL IMPLICATIONS

7. There are no financial implications associated with this report.

LEGAL IMPLICATIONS

8. There are no legal implications associated with this report.

RISK ASSESSMENT

9. Existing management systems and daily routine activities are sufficient to control and reduce risk.

Name of Contact Officer: Guy Close
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**TEES
VALLEY**

Anything is possible

DELEGATED DECISIONS (COVERING THE PERIOD OCTOBER – DECEMBER 2023)

SUMMARY

A standing item on the agenda of all Overview and Scrutiny Committees is delegated decisions which have been signed off by the Combined Authority since the last meeting of the Committee. Since the last meeting in November 2023, there have been no delegated decisions signed off by the Combined Authority.

RECOMMENDATIONS

That the Overview and Scrutiny Committee notes that there have been no delegated decisions signed off by the Combined Authority since the last meeting of the Committee in November 2023.

DETAIL

1. Since the last meeting of the Overview and Scrutiny Committee in November 2023, there have been no delegated decisions signed off.
2. All key decisions are sent to the Overview and Scrutiny Committee within two days of being made. All other delegated decisions are provided for information at the next scheduled Committee meeting.

FINANCIAL IMPLICATIONS

3. There are no direct financial implications arising from this report. The report derives from the Constitution and Assurance Framework for the Combined Authority, which have embedded within them the statutory financial regulations.

LEGAL IMPLICATIONS

4. The report derives from the Constitution and the Assurance Framework for the Combined Authority which sets out the appropriate statutory framework and is legally binding.



RISK ASSESSMENT

5. The report is categorised as low risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

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REPORT TO OVERVIEW AND SCRUTINY COMMITTEE

11 JANUARY 2024

REPORT OF ACTING CHIEF LEGAL OFFICER (MONITORING OFFICER)

WORK PROGRAMME 2023/24

The Overview and Scrutiny Committee agreed its work programme at its meeting on 14 July 2023.

RECOMMENDATIONS

Members are requested to consider the Committee's work programme for the remainder of the 2023/24 municipal year.

BACKGROUND

1. The draft work programme is presented at appendix one for members' consideration.
2. The work programme is set at the beginning of the year and, as a live document, is a standing item for consideration at each meeting where it can be amended as the year progresses.
3. Items include standing items that are ordinarily required at specific times in the municipal year, for example the budget report and the annual report.
4. It also includes other areas of work where specific scrutiny activity has been identified by the Committee.
5. In addition, the Committee can select areas for scrutiny from the Tees Valley Combined Authority (TVCA) Forward Plan (as detailed on the (TVCA) website), the Group Update (included on the agenda for information purposes at each meeting), Cabinet meetings and decision records, which are circulated to Committee Members after each Cabinet meeting.
6. The Committee has the power to review the strategies and policies that have been implemented by TVCA, particularly in terms of evaluating the effectiveness of those decisions.
7. Two Sub-Committees have been appointed in 2023/24 to undertake scrutiny reviews in relation to Buses and South Tees Development Corporation (STDC) Government Returns.
8. A further Sub-Committee was appointed with the specific aim of scrutinising the draft budget. It's anticipated that the Committee will submit its final



response for consideration by Cabinet on 26 January 2024 as part of the overall budget consultation process.

9. In agreeing its work programme, the Committee should consider the resources, remit and powers available to it whilst also prioritising which areas of scrutiny would be of most value and considering the achievability of any further scrutiny exercises.
10. In considering the work programme the Committee should be reminded that any items that can't be included in this municipal year, can be carried over to the following municipal year (further scrutiny topics are presented at appendix two).
11. The role and remit of the Committee is set out fully in the TVCA Constitution (Part 3). These functions derive from Schedule 5A of the Local Democracy, Economic Development and Construction Act 2009 (paragraph 1).

FINANCIAL IMPLICATIONS

12. There are no financial implications associated with this Overview and Scrutiny Committee report.

LEGAL IMPLICATIONS

13. There are no legal implications associated with this Overview and Scrutiny Committee report.

RISK ASSESSMENT

14. Existing management systems and daily routine activities are sufficient to control and reduce risk.

Name of Contact Officer: Guy Close
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Appendix one

Overview and Scrutiny Work Programme 2023/2024

Overview and Scrutiny Committee		
Date	Venue	Item / Responsible Officer
14 July 2023	TVCA Offices	<ul style="list-style-type: none"> Nominations and Appointment of Chair and Vice-Chair Role of the Overview and Scrutiny Committee Finance and Resources Sub-Committee Membership Approval of Terms of Reference Approval of Work Programme 2023/2024 Presentation on South Tees Development Corporation (STDC) Government Returns Presentation on Buses
7 September 2023	MS Teams	<ul style="list-style-type: none"> Buses Sub-Committee Scoping Meeting
11 September 2023	MS Teams	<ul style="list-style-type: none"> STDC Sub-Committee Scoping Meeting
16 October 2023	MS Teams	<ul style="list-style-type: none"> Buses Sub-Committee (Session one)
8 November 2023	TVCA Offices	<ul style="list-style-type: none"> Finance and Resources Sub-Committee – Process and membership Update on Buses – Chair of Sub-Committee, Councillor David Branson Update on STDC – Government Returns, Chair of Sub-Committee, Councillor Matt Storey
6 December 2023	MS Teams	<ul style="list-style-type: none"> STDC – Government Returns Sub-Committee (Session one)

7 December 2023	MS Teams	<ul style="list-style-type: none"> Buses Sub-Committee (Session two) – Attendance from Arriva representative.
11 December 2023	MS Teams	<ul style="list-style-type: none"> Finance and Resources Sub-Committee: Draft Budget 2024/25 Consultation meeting (Gary Macdonald, Group Director of Finance and Resources)
20 December 2023	MS Teams	<ul style="list-style-type: none"> Buses Sub-Committee (Session three) – Attendance from Stagecoach representative.
11 January 2024	TVCA Offices	<ul style="list-style-type: none"> Update on Buses Sub-Committee – Chair of Sub-Committee, Councillor David Branson Update on STDC – Government Returns – Chair of Sub-Committee, Councillor Matt Storey Budget Consultation – Chair of Finance and Resources Sub-Committee, Councillor Ian Haszeldine
22 February 2024	TVCA Offices	<ul style="list-style-type: none"> Final report on Review of Buses Final report on Review of STDC – Government Returns
14 March 2024	TVCA Offices	<ul style="list-style-type: none"> Overview and Scrutiny Committee Annual Report Work planning for 2024/25
3 April 2024	TVCA Offices	<ul style="list-style-type: none"> Details to be confirmed.

Appendix two

Overview and Scrutiny – Potential areas identified for future scrutiny

Scrutiny Area	Position	Returning Full Report to Committee
Buses Sub-Committee	In Progress	February 2024
STDC – Government Returns – Sub-Committee	In Progress	February 2024
Budget Consultation – Finance and Resources Sub-Committee	December 2023	January 2024 (final report to be presented to January Cabinet)
Hartlepool Development Corporation (HDC) and Middlesbrough Development Corporation (MDC)	TBC	TBC
Teesside International Airport (TIA)	TBC	TBC
Business	TBC	TBC
Education, Employment and Skills	TBC	TBC

Tees Valley Combined Authority Overview and Scrutiny Committee

Terms of Reference

NB: These Terms of Reference should be read alongside and in conjunction with the Tees Valley Combined Authority Constitution including the Rules of Procedure for Statutory Committees at Part 3.

Background and Introduction

Tees Valley Combined Authority (TVCA) has established an Overview and Scrutiny Committee in accordance with the relevant statutes and the Combined Authority's own Constitution, in order to scrutinise and support the decision-making of the Combined Authority Cabinet and the Tees Valley Mayor. TVCA recognises that its ways of working and formal governance need to support transparent and publicly accountable decision making.

The Terms of Reference will be reviewed annually by the Overview & Scrutiny Committee.

Purpose of the Overview and Scrutiny Committee

The purpose of the Overview and Scrutiny Committee includes:

- 1) Monitoring the decisions of or other action taken by the Cabinet and Mayor and to submit reports and make recommendations for improvement and/or change;
- 2) Reviewing the strategies and policies of the Combined Authority and holding the Mayor, other Cabinet Members, and Officers, to account for their delivery.

The Committee acknowledge the need for it to act in accordance with the Member Code of Conduct and the Rules of Procedure as detailed in the TVCA Constitution. The scrutiny element of activities should always be undertaken in the best interests of the people of the Tees Valley with the objective of achieving positive outcomes. Members agree for that reason, the Committee should be apolitical, taking an unbiased position in regard to political matters.

The Overview and Scrutiny Committee is responsible for determining their own work programme, having taken advice from relevant Officers. When considering their work programme, they shall:

- Determine whether an issue is more appropriately dealt with by one of the Constituent Authorities or by some other organisation or in some other way and will not duplicate the work of existing bodies or agencies.
- Take into account the resources available to support that programme, and avoid establishing priorities for which the costs exceed the likely benefits.
- Avoid initiating enquiries at a time, or in a manner which disrupts the effective and efficient operation of the Combined Authority, or unnecessarily delays the conduct of its business.



Functions of the Overview and Scrutiny Committee

The Overview and Scrutiny Committee has power to:

- i. Review or scrutinise decisions made or other action taken, in connection with the discharge of any functions which are the responsibility of the Mayor or Combined Authority;
- ii. Make reports or recommendations to the Mayor or Combined Authority with respect to the discharge of any of their functions;
- iii. Make reports or recommendations to the Mayor or Combined Authority on matters that affect the Authority's area or the residents of the Tees Valley.
- iv. To "call-in" for review or scrutiny decisions made by the Combined Authority, but not implemented, and to direct that that decision is not implemented while it is under review or scrutiny.

The Committee may invite Members or statutory officers of the Combined Authority or of the Constituent Authorities to attend before it to answer questions and give evidence. Such invitations must be made through the Chief Executive of the Combined Authority or the relevant Constituent Authority.

Membership

Fifteen members (3 from each Constituent Authority) will form the overview and scrutiny committee with a substitute pool of an additional fifteen members (3 from each Constituent Authority), appointed annually by the TVCA Cabinet.

Membership must reflect (as far as reasonably practicable) the political balance of the whole TVCA area.

The overview and scrutiny committee will appoint its own Chair and Vice Chair. These requirements also apply to the Chairing of any temporary working groups or Task and Finish Groups established.

Meetings

As a minimum, the Committee will meet quarterly and will carry out their work in accordance with the TVCA Constitution.

The Overview and Scrutiny Committee shall hold at least four meetings per year and may convene additional meetings if necessary.

Quorum for any Committee meeting is ten members representing no fewer than four Constituent Authorities.

The Chair will approve the agenda for each annual meeting and any other meetings to be held.

Any member of the Overview and Scrutiny Committee may raise with the Chair a matter which is relevant to the functions of the Committee, for consideration by the Committee.



Different approaches to scrutiny reviews may be taken in each case, but members shall seek to act in an inclusive manner and take evidence from a wide range of opinion. The Committee shall make specific efforts to engage with groups who would otherwise be excluded.

The Committee may establish temporary working groups to consider specific issues in more depth and to report back to the Committee.

Secretariat and Other Support to the Panel

Administrative support will be provided by the Tees Valley Combined Authority from its Monitoring Officer and Governance and Scrutiny Officer who will provide guidance, administrative support and be present at meetings.



AGENDA ITEM 11

REPORT TO OVERVIEW AND SCRUTINY COMMITTEE

11 JANUARY 2024

REPORT OF THE GROUP CHIEF EXECUTIVE

GROUP UPDATE

SUMMARY

This report (originally submitted to the December Cabinet Meeting) provides a general update on the key activities of the Mayor and Combined Authority

DETAIL

INDEPENDENT REVIEW

1. On 7 June, it was announced that Angie Ridgwell, Chief Executive of Lancashire County Council had been appointed to lead a review into Teesworks following allegations about the organisation being made by the press and in the Commons. The investigation commenced at the beginning of June, with the panel reviewing TVCA's oversight of STDC and the Teesworks Joint Venture, including consideration of specific allegations made in relation to the Joint Venture, of corruption, illegality and wrongdoing. It is also looking at governance and financial management, reflecting the Government's existing approach to external assurance reviews.
2. In total we have provided more than 700 documents to the panel and have answered more than 185 questions. At this stage, we don't have a date for the publication of the independent review panel's report.

INVESTMENT ZONES

3. The government published the Investment Zones (IZ) policy prospectus on 15th March 2023. Tees Valley has been identified as one of eight areas (in England) to work with government to co-develop proposals for a Tees Valley Investment Zone (TVIZ).
4. The TVIZ has been proposed by the Tees Valley Mayor and is being developed by TVCA. TVCA is working closely with Teesside University (as significant research institution/co-signatory) on the Tees Valley Investment Zone.
5. IZs aim to catalyse high potential clusters in areas in need of levelling up to boost productivity and growth. They will support the development of clusters to increase local innovation capacity, attract investment and strengthen the private sector.



6. The Chancellor announced an extension to Investment Zones at the Autumn Statement. The total funding available to each IZ is now £160m over 10 years (commencing April 2024), with an expectation of 60% match coming from private sector, third sector and local government. This funding can be used flexibly, including a five-year tax offer. Places can also receive 100% of the business rates growth in designated sites above an agreed baseline for 25 years.
7. TVCA and TU are currently working with the Department for Levelling Up, Homes and Communities to co-develop the Tees Valley IZ. The TVIZ is focused on digital and technology as our priority sector, with identified high growth clusters in Middlesbrough, Hartlepool and Teesside International Airport.
8. TVCA is seeking fully flexible spend of the £160m funding plus Business Rate Retention for dedicated sites. Retained Business Rates will be over and above the £160m. Interventions are being developed from the full policy menu which includes infrastructure, skills, business support, planning and R&D.
9. Co-development of the TVIZ with government continues to move at pace and we are broadly in line with other areas in terms of progress against the 'gateways'. However due to the ongoing Independent Review into Teesworks government will not make formal decisions or announcements on the TVIZ until this has concluded.

NETWORK NORTH

10. On the 4th October 2023, government published Network North. It was announced that TVCA has an indicative second round City Region Sustainable Transport Settlement (CRSTS2) allocation of £978m for the period 2027/28 to 2031/32. This follows the £310m CRSTS1 allocation for the period 2022/23 to 2026/27. The funding will enable TVCA to continue to take a long-term strategic approach to transformative transport investment.

BUS SERVICE IMPROVEMENT PLAN

11. TVCA has now had confirmation of £1.53m of Bus Service Improvement Plan (BSIP)+ funding for 2023/24 and £1.53m for 2024/25. Following the publication of Network North, it has also been announced that TVCA will receive an additional £3.85m of BSIP funding in 2024/25. The total allocation across 2023/24 and 2024/25 is £6.91m.
12. The Tees Valley Mayor and Local Authority leaders have previously agreed to use a proportion of the funding to mitigate the impact of the Arriva service cuts made in July 2023, extending a number of services to March 2025. In addition, a new Riverside



Park Service (Middlesbrough) and Wynyard Service (Stockton-on-Tees) will be introduced early in 2024 through to March 2025.

13. TVCA will develop a proposal for allocating the remaining £4.99m for 2024/25.

BILLINGHAM STATION IMPROVEMENTS

14. The upgrade to Billingham Station is now complete. TVCA provided £1m of funding, together with £0.2m of funding from Stockton-on-Tees Borough Council, as a local contribution to the £3.6 million project. This has enabled the station platforms to be rebuilt; a new and improved bridge with lifts to be installed, connecting the station platforms and providing step-free access; and car park and access improvements.

CREATIVE PLACE

15. Through its Festival Collectives, TVCA has confirmed £150k investment in Pride in Tees Valley - a partnership of charities and councils, working together to deliver quality & LGBT+ community-led events & festivals (Prides), developing/increasing LGBT+ Cultural infrastructure, festival products, visitors, investment and best practice in the sector across Tees Valley.

16. A new Challenge Fund – “The Great Outdoors” – launched on 17th November, inviting proposals for annual events/festivals which celebrate Tees Valley’s natural landscape and engage audiences through outdoor activity. Investment will be made over two years, with up to four event products likely to be supported at around £100k each. Proposals must demonstrate the potential for events to be self-sustaining/non-reliant on TVCA investment beyond 2025/26.

ONE PUBLIC ESTATE (OPE)

17. The OPE programme provides practical and technical support and funding to deliver ambitious property-focused programmes in collaboration with central government and other public sector partners. It aims to generate efficiencies, create economic growth and deliver better, more integrated customer services. The Combined Authority is the accountable body for the OPE programme in Tees Valley.

18. The Tees Valley OPE Partnership has been awarded £262,450 from the Brownfield Land Release Fund Round 2 for the Darlington Borough Council Skinnergate project.



TEES VALLEY LOCAL NATURE RECOVERY STRATEGY

19. Local Nature Recovery Strategies (LNRS) were introduced in the Environment Act 2021 to support efforts to recover nature across England; help planning authorities incorporate nature recovery objectives; Support the delivery of Biodiversity Net Gain; and help deliver the governments national environment targets.
20. There are 48 strategy areas covering the whole of England and each LNRS will agree priorities for nature recovery and propose actions to achieving those priorities.
21. TVCA has been appointed as the Responsible Authority for preparing and publishing a LNRS for the Tees Valley and will work with other organisations and partners in the area to agree priorities for nature recovery in the region.

INNOVATE UK (IUK) LOCAL ACTION PLANS

22. Place and Levelling up is one of six foundations in IUK Plan for Action. To strengthen the innovation capability in Tees Valley and drive economic growth for the region and nationally, a co-created and jointly owned plan is being developed by IUK and Tees Valley Combined Authority, with involvement from partners across the regional and national innovation eco system.
23. The Local Plan will enable us to align the strategic objectives of Tees Valley and focus on the clusters and activities that are most important to the Tees Valley enabling us to connect national to local with a shared purpose to drive growth through innovation. The Local Action Plan is scheduled to be launched in February 2024.

TEESSIDE INTERNATIONAL AIRPORT

24. Teesside Airport has been voted by the public as the best UK Airport for Leisure Travel at the British Travel Awards. This following its success at being named UK & Irish Airport of the Year at the TTG Travel Awards and its Highly Commended honour for International Airport Review's Airport Experience Award.
25. The airport has revealed its annual financial results, reporting a significant reduction in losses. Accounts show the airports EBITDA loss for 2022/23 was £2.26million, down from £9.03million in 2021/22 and ahead of the forecast business plan, which predicted losses of £5.04million for the period. It came after revenues doubled to more than £15million during the year.
26. The airport is working with SSE Energy Solutions to create a new solar farm at the site, which would help meet the energy needs of the airport and tenants, as it aims to become operationally net zero by 2030. Work is also under way on the first of two



new hangars to provide additional space for aircraft storage and maintenance. Finally, the airport's Aviation Academy, in partnership with Teesside University, has now opened its doors to students.

TEESWORKS

27. A key obligation imposed on the South Tees Development Corporation in the original Business Case when the South Tees Site Company (STSC) transitioned to local control, was to deliver the Decontamination Project. COMAH inventory materials quantities are now below the required COMAH thresholds. As of 15th November, the EA confirmed COMAH status has been removed from site. This has been a huge effort on behalf of many people and their hard work should be recognised.
28. British Steel has selected its Lackenby plant as the location for a new electric arc furnace, which uses greener technology to melt scrap and produce new steel. The multimillion-pound investment will link with British Steel's Teesside Beam Mill and Special Profiles Mill at Skinningrove which processes steel for industrial uses.
29. A new 43 modern business units will be built at South Bank, offering almost 100,000sq ft of industrial, commercial and office space. New parking for South Bank railway station will feature in the development.

BUSINESS SOLUTIONS

30. Made Smarter is a government-backed initiative designed to improve the productivity of manufacturers through the adoption of Industrial Design Technologies (IDTs). TVCA continues to work as part of a NE Cluster with the North-East LEP to deliver the 2023/24 programme. Tees Valley has an allocation of £800k, that will continue to support c.30-40 manufacturing businesses. Confirmation of funding was received for 2024/25 of £800K. Government will expand the Made Smarter Adoption programme to 2030.
31. The Rural REF Fund allocation is £624,909. Two thirds of the overall allocation will be supporting rural businesses £416,606 and one third supporting rural communities £208,303 in eligible postcodes of Redcar and Cleveland. Capital grants of between £3-15K were available to access. The first round closed on 15th November and the fund has received 72 applications in total. Assessment and scoring of the applications will commence w/c 20th November and a moderation panel will be held on the 4th December. Early indications are the business allocation will be over subscribed as opposed to the communities which received a small number of applications.
32. UKSPF People and Skills allocation £4.8m. The People and Skills Investment Priority is to deliver support to economically inactive people. Four providers were successful and



£4,487,441 of the available funding has been allocated, the remaining £312,559 will be retained, with further consideration being given as to how to allocate this after the Year 1 review point in March 2024. The target group for Lot 1 is those economically inactive people who are: temporary sick (less than 12 months), in retirement or looking after family/home. The target group for Lot 2 is inactive individuals on long term sick (more than 12 months) and those completely disengaged from the benefit and support system.

NET ZERO

33. The full Tees Valley Cluster Plan for Decarbonisation has now been published, and its digital model continues to be improved and updated with data from industrial partners. The Industrial Net Zero Leadership Group has established both skills and communications workstreams to develop the cluster's thinking in this area. This group, alongside the Tees Valley Business Board and Local Authority partners will feed into the region's Local Area Energy Plan, a key deliverable of the Net Zero Strategy which will tackle issues relating to energy grid constraints and future power needs.
34. TVCA's flagship Trees on Tees scheme continues to progress. This year's resident and community tree giveaway has launched, with 5,000 trees available from 25 local collection points across the region. Trees on Tees has been designated a Community Forrest in an announcement from DEFRA on 29th November, necessitating the production of a Forest Plan, and making significant capital funding available for tree planting across the Tees Valley. The Trees on Tees team has also supported a successful Urban Tree Challenge Fund bid led by Redcar and Cleveland Council
35. The North East and Yorkshire Net Zero Hub has launched its Community Energy programme, as well as continuing delivery of its £81 million Social Housing Decarbonisation Fund Wave 2.1 programme, which is upgrading 5,500 homes in partnership with 19 housing providers including Thirteen and Beyond. The Hub's Local Energy Advice Demonstrators programme has also progressed into the delivery phase. The Hub is launching a procurement framework to support TVCA and other Hub partners in obtaining technical expertise for the delivery of their Net Zero Projects, this will be available in early 2024 following contractual matters being concluded with framework members. The hub has appointed four new Board Members who will bring a wealth of private sector experience to its governance.

FINANCIAL IMPLICATIONS

36. There are no financial implications to this report.

LEGAL IMPLICATIONS

37. There are no legal implications to this report.



RISK ASSESSMENT

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

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