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

Thursday 12th January 2023 at 10.00am

Present:
Members Cllr J Hobson (Chair – Middlesbrough Council) Cllr Smith (Vice Chair - Redcar & Cleveland Borough Council) Cllr Beall (Stockton Borough Council) Cllr Renton (Darlington Borough Council) Cllr Harker (Darlington Borough Council) Cllr Harrison (Hartlepool Borough Council) Cllr Branson (Middlesbrough Council) Cllr Jeffrey (Redcar & Cleveland Borough Council) Cllr Nelson (Stockton Borough Council) Cllr Little (Hartlepool Borough Council) Cllr Donoghue (Darlington Borough Council Borough Council) Cllr Riordan (Stockton Borough Council)
Apologies for Absence:
Cllr C Hobson (Middlesbrough Council) Cllr Nicholson (Hartlepool Borough Council)
Officers in Attendance:
Julie Gilhespie (Group Chief Executive) Gary Macdonald (Group Director of Finance & Resources, TVCA) Emma Simson (Acting Chief Legal Officer and Monitoring Officer, TVCA) John McNicholas (Engineering and Programme Director, Teesworks) Helen Kemp (Director of Business & Skills, TVCA) Martin Waters (Business Growth Manager, TVCA) Nicola Dean (Governance & Scrutiny Officer, TVCA)
Also in Attendance: Mayor Ben Houchen Matt Greaves (Principal Engineer – Water & Maritime, Haskoning) Paul Scott (Contracts Director, Graham Construction)

OSC 11/22	**CHAIR'S WELCOME & APOLOGIES FOR ABSENCE** The Chair welcomed Committee Members, Officers, the press, and members of the public to the Committee meeting. Apologies for absence were submitted as detailed above and it was confirmed that the meeting was quorate.

	The Chair informed the Committee that Mayor Houchen was attending the meeting remotely as he was in London at Parliament. Members of the press and public were reminded of the role they play as observers and the requirements of a statutory Committee. The Committee was informed that a member of the public was recording proceedings and no objections were raised. A round table of introductions were made.
OSC 12/22	**DECLARATIONS OF INTEREST** No declarations of interest were received.
OSC 13/22	**MINUTES OF MEETING HELD ON FRIDAY 14th OCTOBER 2022** The minutes of the previous meeting were agreed as a true record, with no amends required and it was confirmed that outstanding actions from that meeting were complete. Members were informed that the Freeport Business Case, previously requested by the Committee, was now published on the Combined Authority website. **RESOLVED that: the Minutes were agreed as a true record.**
OSC 14/22	**FORWARD PLAN** The Forward Plan for 2022/23 was presented to the Committee for information. Members were asked if there were any comments on content. Discussion took place on forward planning for the next municipal year and the Chair explained that local elections in May would create delays after the March meeting as the Purdah period would be in place before the elections. It was confirmed that outcomes from LA AGMs would determine membership to the Committee for 2023/24 and the Chair agreed to avoid the long gap that was experienced last year because of Covid and LA AGMs. It was confirmed that once LA AGMs have passed, and nominations and appointments have been approved, a Committee meeting will be held. **RESOLVED that: the Forward Plan was noted.**
OSC 15/22	**DELEGATED DECISIONS** A report was circulated to members detailing the Delegated Decisions taken by the Combined Authority since the last meeting. **RESOLVED that: the details of the Report were noted.**
OSC 16/22	**GROUP UPDATE**

	Julie Gilhespie (JG), Group Chief Executive, provided a summary of the Group Update which was circulated to Members in advance of the meeting. The Committee was updated on the key activities of the Combined Authority since the last meeting, including updates in the following areas: • Teesworks • Freeport • Teesside International Airport • Tees Valley Business • Education, Employment & Skills • Transport: City Regional Sustainable Transport Settlement/Hydrogen Transport Hub/Active Travel • Clean Growth & Innovation • Creative Place • Business Investment The floor was opened to Members for any clarification questions. Members asked: • How do we encourage people to use public transport when putting Teesworks' park and ride infrastructure in place? JG advised that with the number of jobs set to be created there, there is always going to be a mixed economy in terms of transport. The aspiration to have trains running every 15 minutes on that route was noted, though it was advised that to achieve that, there is a need to finish the Darlington railway project first, which will allow the operators to run more trains. The Committee was informed it was anticipated there will be enough people going to site to make the train and bus services viable and work continues with providers, but it was acknowledged that there is a challenge across the country to make public transport cost effective. John McNicholas (JM), Engineering & Programme Director at Teesworks, added that the initial demand for the car park is from the construction jobs that will be created. It was explained that Net Zero Teesside will peak at 2,000 construction jobs but there will also be other construction jobs and it has been assessed there will be a rolling figure of circa 5,000 people entering the site so other modes of transport will be crucial for access. It was explained that, over time, the permanent job demand would take over usage of the car park and without this provision there would be congestion on the A1085 Trunk Road as workers try to get on-site at the same time each day. The intention has been to try to remove this impact from the public highway network and so the 1,500 parking spaces for the park and ride is therefore in proportion. • Will there be consultation with RCBC on the service complex as it impacts on the retail and leisure offer across the Greater Eston and Redcar area? JG advised that there would not be at that stage, but the plan is to make the complex additional to the offer in Redcar town centre. She underlined that it is not designed to take travel from Redcar but to have additional facilities to allow people to stay in Redcar and not go elsewhere. Mayor Houchen added that there would be a consultation process with RCBC on the service area, so it doesn't impact on the good work that's been going on in Redcar. • If the car park is to facilitate the peak employment around construction, would having a temporary car park not be preferable so this capacity can be reduced in future? JM clarified that the peak will initially be from construction but over time will transition to permanent jobs and figures will increase in this area as schemes move from development to operation, with the car park a twin-purpose facility. Many of

	the programmes have a long construction schedule with Net Zero over four years and SeAH two years. • We all want to see the Airport do well but in December there were reports of some routes being scrapped and the member wondered why this wasn't in the Report. JG advised this hadn't been deliberately missed and explained it had been understood that this update was provided in the previous report. It was advised that a response will come back to the Committee on this. • Cllr David Branson (DB) highlighted poor transport in the Middlesbrough area, specifically in relation to expansion plans in Nunthorpe and Hemlington, and existing issues in Coulby Newham. It was suggested there was a need for agreement and forward planning between builders and transport providers as there was concern people would become reliant on cars if there are no transport provisions. JG agreed that this was a good idea and suggested taking this up with the Local Authority Planning Team. The Chair agreed it may be useful for DB to take this point up with the Head of Transport at Middlesbrough. • Cllr Sue Little (SL) declared an interest in Transport as a transport provider in the Hartlepool area and asked how people will be encouraged to use public transport. The Mayor informed the Committee that all five LAs had been asked where their economic centres are to determine demand for public transport, so the 101 service model could be used elsewhere in future. He advised that responses had not been received. Members were encouraged to speak to their respective LAs in regard to this and to ask they respond to this call from the TVCA Transport team. The Mayor advised that the Teesport 101 bus service will eventually stand on its own and, in the long term, won't need a subsidy as it has been proven there is demand in that area. The importance of the call to each LA was emphasised with the 101 service being shown as an example of how services could become sustainable. The Committee agreed that bus providers need to re-evaluate, there is a need to push them to give value for what they do, and agreed people need to be encouraged to use public transport. The Mayor acknowledged the cuts in public transport and advised he would speak with Chancellor about that this afternoon. • Have the flights to London made an impact on the Airport and is there a sense of trying to get flights back, as it is important to have flights to London? JG explained the Airport Managing Director has regular conversations with airlines, and this issue is high on the agenda but explained again that demand needs to be there for routes to be financially viable. It was confirmed that, when demand can be demonstrated, there are numerous airlines who would provide the London flight but without this demand the airport would not subsidise the route with large amounts of public money. The Mayor added it doesn't make sense to subsidise routes because when the subsidy ends, those routes fail. • What strategy do we have in place to make Teesworks accessible? The Mayor reiterated that the 101 bus service is becoming sustainable without TVCA support from October as providers see benefit and value to it. Work commenced with private companies which has now resulted in a commitment with the bus provider to continue this service, so this will result in more frequent services which will build up over time. Members were again reminded of the importance of them to encourage their LAs to respond to the open call request. **RESOLVED that: the content of the Group Update was noted.**

OSC 17/22	**DRAFT FINANCE & RESOURCES SUB COMMITTEE BUDGET 2023/2024 CONSULTATION REPORT** In advance of the meeting, the Committee was provided with a Report detailing the findings from the Finance & Resources Sub Committee. It was recommended that the Committee reviews, comments on and agrees the Report for submission at the next meeting of TVCA Cabinet on 27th January 2023. The Chair of the Sub Committee invited Member comments or questions on the report: • Is the process we have delivering a result that's useful to the organisation, considering the resources that go into it? Is there anything we can do to make the process work better to be of more value to TVCA? Gary Macdonald (GM), Group Director of Finance & Resources, thanked members of the Sub Committee for their time and explained the two meetings involved a page turn of the budget report, guided by the Sub Committee's interest. It was explained that the process was established in 2018 to carry out a deep dive into each of the areas, given previous experience at these meetings of members having questions about non-financial areas with financial consequences. The Committee was assured that feedback on the content of the Budget was always useful from an officer perspective. The scope of the meetings is dependent on the Sub Committee and GM noted that there was value in having that dedicated time available to discuss the draft budget report, and that he would be guided by the Committee on how they see that working in the future. It was explained that the Report would go to January Cabinet if approved by Members of this Committee. The report would then form part of the budget report with the content considered by Cabinet as part of the review and approval process. **RESOLVED that: Members endorsed the Report for submission at the January Cabinet meeting.**
	The Chair proposed a comfort break at this point and the Committee broke for 10 minutes from 11am to 11:10am
OSC 18/22	**UK SHARED PROSPERITY FUND – BUSINESS UPDATE (UKSPF)** A presentation was delivered to the Committee on the Business element of the UK Shared Prosperity Fund by Helen Kemp (HK), Group Director of Business & Skills. The main elements of the presentation were covered as detailed below: • Delivery Planning • Communities & Place • Supporting Local Businesses • People & Skills (to bring back to future O&S meeting) • Multiply • Rural England Prosperity Fund • Next Steps JG advised the Committee that there was a need to be mindful of the time, with the meeting scheduled to run to 12noon, and asked if it was worth moving the detailed

	business presentation that was scheduled to follow to the next meeting. The Committee agreed this was the best approach and that Martin Waters, Business Growth Manager at TVCA, would be invited to the next meeting. The Committee was invited to comment or pose questions on the presentation. Members asked: • Is every project that was previously funded by ESF stopped, with each needing to start from scratch? HK noted that some programmes are ongoing with different endpoints so part of the aim of UKSPF is to make sure the programmes in place are needed. Evaluations of those programmes are being compiled and feedback is being collated from LAs and delivery agents to ensure future support provision is what is needed and is having an impact. It was explained that some providers may be kept in some form and new delivery will take those elements forward, for example, some of the start-up work to help businesses secure finance. • Are you worried that skills and expertise will be lost as programmes come to an end? HK advised there is always a risk with time-bound programmes but would hope this wouldn't happen in the Tees Valley as work is being undertaken with partners. • What was the amount of EU funding in the Tees Valley and what is the projected funding post-EU? JG advised that ongoing funding was £28m a year and this is expected to become £25m a year. It was explained this is not 'like for like' as it is a transitional arrangement (over the next three years) but in terms of ongoing funding, it was confirmed there had been a reduction. **RESOLVED that: Members noted the content of the presentation and that the further business update would be presented to the Committee at its next meeting.**
OSC 19/22	**CRUSTACEAN DEATHS** Emma Simson, Acting Chief Legal Officer and Monitoring Officer, advised the Committee that this agenda item is a discussion on crustacean deaths and the reason for the discussion is surrounding the concerns around dredging at South Bank. A presentation was delivered to the Committee by John McNicholas (JM), Teesworks Engineering & Programme Director, to bring members up to speed on the work on the South Bank Quay, covering the following areas: • Project need • Project scope • Dredging requirements • Licensing and consents • Timelines • Project status • Summary The Committee was invited to ask any questions on the content of the presentation, and the Chair advised the Committee that the Acting Chief Legal Officer would be monitoring questions to ensure questions that should be handled in the private session were not asked. Members asked:

	• Is there an issue with pyridine? JG explained that the work taking place is based on the guidance from DEFRA and she can't comment on the science. Members were advised that DEFRA is looking at this and it was reiterated that the issues with crustacean deaths started 11 months before work began. The Committee was advised that a more detailed conversation on this could be had in the private session due to the ongoing legal action. • Although there was no capital dredging going on at that time, was there other work on land that might have disturbed the marine environment, such as at South Bank Coke Ovens? JM advised that the work being carried out at South Bank at that time was earthworks for the SeAH development and these works didn't extend down as far as the ground water level. The Committee was informed that a precursor to the demolition of the coke ovens was full decontamination of the assets and work is now under way on the cleaning of cellars of the coke ovens, which finishes at the end of the month. JM further advised that coke ovens works did not commence until after the 2021 crustacean die-off incident. It was confirmed there had been nothing proven on hydraulic connectivity between the ground water in these two areas and the river, based on the technical consultant's analysis. Reassurance was given on the major earthworks, that work was not being carried out deeply enough to cause the contaminated elements to enter the river, and that the first phase dredging involved all excavated material being brought to shore, while excavations around the redundant piles in the riverbed were outside the mandated exclusion zones. • Could any of the capital dredging be being done already? JM informed the Committee that PD Ports carries out routine maintenance dredging to maintains the prescribed navigation clearances within the river. It was noted that comment couldn't be made if anyone else is currently dredging and inadvertently causing any potential issues. It was confirmed that the main capital dredging is scheduled to begin in Quarter 1. • If PD Ports dredge to -10.4m – will the capital dredge be deeper? Matt Greaves, (MG), (Principal Engineer, Water & Maritime, Haskoning) explained the various depths that the river is maintained to. It was advised that at the turning circle it's already maintained to -10.4m, so work is being undertaken to complete the circle on the other side to -10.4m and the berth pocket is going down to -15.6m. • How can a ship requiring -15.6m turn in a -10.4m area? MG explained that vessel movements in the channel will be tidally restricted and there will be a difference in time between the period a ship can berth and when it can arrive/depart. • When putting the piles in, when all the debris was taken out, did none of that go into the sea or maybe disturb something? JM noted that South Bank Quay is being built quite far inland from the water's edge. So there is a wide margin of land between the piling works and the river, with the material from the piles coming up onto land, being stored on land, and then re-engineered for use in the land-based works about 50m behind the quay wall. It was confirmed that nothing from the drilling for the piles ended up in the river and that these works did not commence until 2022, and that the first dredging started in September 2022. JG acknowledged that everyone has enormous sympathy for the fishermen impacted and the environmental issues associated with the die off but emphasised that this happened 11 months before the dredging started.

	• When you did the investigations into the material present, was pyridine found? JM explained that as part of the MMO Marine Licence application process there is no requirement to test for pyridine and advised that the investigations and related sampling and testing undertaken in support of the Licence were in compliance with MMO requirements. • Has the Mayor got any further insight into the independent expert panel being set up? The Mayor advised that he didn't know any more than what was already in the public domain. • What if the report links the crustacean deaths to dredging and pyridine – is there a Plan B? JG explained that whatever the outcome, government guidance will be followed and confirmed there are alternative options, but these are time consuming and expensive and would probably mean contractual obligations wouldn't be met. However, it was confirmed that whatever the outcome, it will be abided by. • All companies are struggling to get highly skilled workers so are there any issues in recruitment and do we know how many of those to be employed will live in the Tees Valley? JG explained that regarding skills, the main employer being engaged with is SeAH, which is already building its factory. The Committee was advised that the TVCA Skills team is working closely with SeAH on recruitment to ensure the right skills are being determined and the right people are being trained. The Teesworks Skills Academy is also working with the company so that by the time the factory is built the number of jobs for local people can be maximised. • The crustacean deaths occurred before the capital dredging started and there was maintenance dredging taking place before that, so is that the cause of the die off? JG advised that she can't speak for anyone else, and any statements made refer to the dredging by South Tees Development Corporation (STDC) and not PD Ports. It was advised that for years, PD Ports has carried out this maintenance dredging on the river. At this point it was noted that if the discussion is to move into the possible causes of the die-off, this should be kept for the private session. • Even if STDC are not the cause of the crustacean die offs, if it is an external agency, should we not be looking at that? JG explained that the number of Officer hours spent on this issue in the last few months is enormous and there is regular contact with DEFRA, that we trust the science and that the independent panel will hopefully report in the next few days. The Committee was advised there is nothing in the reports to suggest the work shouldn't continue and it was noted there are contractual obligations that need to be met in delivering the quay as well as new jobs to deliver. Members were assured that licences will continue to be conformed to and the advice from scientists adhered to. Members were advised that this discussion can continue but it would need to be in the private session. • Who makes the decision on the environment against the jobs as to what is more important? JG explained that moving ahead with the development of the quay was a Cabinet-approved decision. The Committee was assured that if STDC was told to stop, another solution would need to be determined as the jobs and contractual obligations are of significant importance and this will have to be addressed. It was explained it was understood Sir Patrick Vallance has been advised to obtain a specific solution, because of the nature of the concerns.

	• In spirit of transparency and preventing reputational damage, how much would it cost to test for pyridine? JG advised that STDC hasn't tested for pyridine, but DEFRA and the Environmental Agency have, and it was advised the cost of such tests are not known. The Chair asked that any further questions would need to go into the private session, explaining that it was understood that Mayor Houchen had to leave at 12:30pm. The Chair informed the Committee that there were questions which had been submitted in advance of the meeting from members of the public and responses were provided as follows: • From where have you referenced evidence in the compiling of your report *(this was clarified with the requestee prior to the meeting as 'report' meaning the presentation for Item 9)*? JM advised that the presentation was compiled by STDC, Royal HaskoningDHV and Graham Construction. • Do you have any concerns that the sediment to be removed from the south bank quay has not been tested for Pyridine. Taking into consideration Pyridine having been found by academics throughout the Tees and its lethal nature to crabs and humans if ingested? JM advised that the process undertaken to secure the MMO licence was shown in the presentation and work continues to operate in accordance with those licences. • I understand STDC received specific funding from the government to remove COMAH status, has this money been spent, what has it been spent on and when will COMAH status be removed? GM explained that the removal of the COMAH status was linked to the demolition of the former Steelworks assets and that work is ongoing with the HSE (Health & Safety Executive) to remove this status in coming months. The specific budget referred to is for the decommissioning and the demolition of the Coke Oven Gas Main. It was noted that it was expected for all to be completed within this financial year. • Originally it was stated that explosive demolition wouldn't be used on the South Tees site, why was it used? JM explained that the method of any demolition is determined by the specialist contractors with a wealth of experience in this field, with approval from the HSE. It was suggested, and the Chair agreed, if the Independent Report is compiled and released before the March meeting, it may require another discussion subject to the report's content and conclusions. **RESOLVED that: the content of the presentation was noted**
	A RESOLUTION WAS PROPOSED TO EXCLUDE THE PRESS & PUBLIC UNDER THE TERMS OF PARAGRAPH 1 AND PARAGRAPH 5 OF SCHEDULE 12a OF THE LOCAL GOVERNMENT ACT 1972. Cllr Sue Jeffrey (SJ) objected to moving into a private session, suggesting that what was to be discussed should be in the presence of the public. The Acting Chief Legal Officer explained that certain matters could not be discussed in public due to ongoing legal issues

	and discussing this publicly may affect the legal action. Members were asked if they agreed with the proposed objection. Members gave a show of hands and, in line with the TVCA Constitution, a majority decision was made with members not agreeing to pass the proposed resolution to move into private session. The Acting Chief Legal Officer advised members that if they were unable to pass the required resolution, the meeting could not move into private session and therefore the meeting would be brough to a close. The Chair closed the meeting.
OSC 20/22	**CRUSTACEAN DEATHS** A report was circulated to the Committee in advance of the meeting detailing the situation regarding mass crustacean die-offs along the North East coast and the subsequent dredging activity carried out on Teesworks 11 months after the crustacean deaths. This could not be discussed in private session as members did not pass the appropriate resolution to move into private session.
OSC 21/22	**DATE & TIME OF NEXT MEETING** 2nd March 2023 at 10am at the TVCA Offices.