



# Minutes

## TEES VALLEY COMBINED AUTHORITY CABINET

Friday, 15 March 2024 at 10.00am

Teesside Airport Business Suite, Teesside International Airport, Darlington

These Minutes are in draft form until approved at the next Cabinet meeting and are therefore subject to amendments.

<u>ATTENDEES</u>	
<b>Members</b>	
Mayor Ben Houchen (Chair)	Tees Valley Mayor
Councillor Stephen Harker	Leader, Darlington Borough Council
Mayor Chris Cooke	Leader, Middlesbrough Council
Councillor Carrie Richardson	Deputy Leader, Redcar and Cleveland Borough Council
Councillor Robert Cook	Leader, Stockton-on-Tees Borough Council
Siobhan McArdle	Chair, Tees Valley Business Board
<b>Officers and Others in Attendance</b>	
Julie Gilhespie	Group Chief Executive, Tees Valley Combined Authority
Gary Macdonald	Group Director of Finance and Resources, Tees Valley Combined Authority
Tom Bryant	Director of Infrastructure, Tees Valley Combined Authority
Helen Kemp	Head of Business and Skills, Tees Valley Combined Authority
Mike Greene	Director of Corporate Services, Stockton-on-Tees Borough Council
Ian Williams	Chief Executive, Darlington Borough Council
John Sampson	Managing Director, Redcar and Cleveland Borough Council
Guy Close	Governance and Scrutiny Manager, TVCA
Sally Henry	Governance Officer, TVCA

<b>Apologies</b>	
Councillor Alec Brown	Leader, Redcar and Cleveland Borough Council
Emma Simson	Acting Group Chief Legal Officer and Monitoring Officer, Tees Valley Combined Authority
Clive Heaphy	Managing Director, Middlesbrough Council
Denise McGuckin	Managing Director, Hartlepool Borough Council

<b>TVCA 35/23</b>	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>Apologies for absence were received and noted as above.</p>
<b>TVCA 36/23</b>	<p><b>DECLARATIONS OF INTEREST</b></p> <p>Mayor Houchen declared an interest in his capacity of Chair of STDC Board, MDC Board and HDC Board.</p>
<b>TVCA 37/23</b>	<p><b>MINUTES OF PREVIOUS MEETING</b></p> <p>The minutes of the meeting held on 26 January 2024 were agreed as an accurate record.</p> <p>There were no matters arising.</p> <p><b>RESOLVED</b> that the minutes of the meeting held on 26 January 2024 were confirmed as an accurate record.</p>
<b>TVCA 38/23</b>	<p><b>MAYOR'S UPDATE REPORT</b></p> <p>The Chair introduced a report providing a general update on the key activities of the Mayor and Combined Authority since the last Cabinet meeting.</p> <p>Cabinet members were invited to ask questions or comment on the report.</p> <p>Councillor Bob Cook welcomed the announcement from government on the Investment Zones. He commented that, as confirmed by the Mayor at the December meeting of Cabinet, he was pleased that there was a full commitment to work with Stockton in the delivery of the Investment Zone. A focus on care and medical technology in the Stockton based Care and Health Investment Zone enabled us to establish a regional facility, with significant opportunities to increase productivity across digital and the care/health sectors – both of which had high growth potential. Over one third of all Tees Valley digital business were already based in Stockton-on-</p>

	<p>Tees, giving it a strong and existing cluster from which to build. The Care and Health sector was the largest employment sector in Tees Valley, with digital skills shortages already impacting recruitment and productivity.</p> <p><b>RESOLVED</b> that Cabinet noted the update.</p>
<p>TVCA 39/23</p>	<p><b>TEES VALLEY REVIEW</b></p> <p>Cabinet was provided with an update on the Independent Review into the Tees Valley Combined Authority’s oversight of the South Tees Development Corporation and Teesworks Joint Venture (Teesworks Limited). They were also advised of the process for implementation of the recommendations within that report.</p> <p>The Chair thanked officers of the Combined Authority along with all the Local Authorities for the work that has gone into the process so far and advised that it was the intention to adopt changes and make some robust improvements. There had been some concern expressed surrounding timelines. The Secretary of State had indicated that he expected progress within six months.</p> <p>Cabinet members were invited to ask questions or comment on the report.</p> <p>Mayor Cooke expressed concern that the final proposals would be presented to Cabinet without any opportunity for members to input. He was assured that all Cabinet members were to be invited to attend workshops where members will be fully briefed on progress and their views could be incorporated. It was the officer’s job to advise and make proposals, but it was the member’s role to determine whether the proposals were accepted.</p> <p>A project plan was currently being formulated which was to include all actions and dates.</p> <p>Councillor Harker enquired whether clarification from government had been requested relating to the deficiencies in legislation referred to in the report.</p> <p>He was advised that those recommendations were not for us but were a recommendation for government from the review team. It was however agreed that the Group Chief Executive would contact government to seek clarification.</p> <p>Cabinet was also advised that an independent lawyer was being appointed to assist with identifying any areas where renegotiating with the JV partners may be possible and to lead those negotiations so that they were being led by an independent party.</p>

	<p>Siobhan McArdle enquired at which point in the process would the Business Board become involved. It was agreed that a workshop for the Business Board was to be built into the process once Cabinet and the other TVCA Committees had reviewed the recommended actions.</p> <p><b>RESOLVED</b> that;</p> <ul style="list-style-type: none"> <li>i. Cabinet noted the response to the Secretary of State and the action plan within it;</li> <li>ii. Cabinet noted the recommendations for His Majesty’s Government within the report;</li> <li>iii. Cabinet endorsed the proposed process to respond to the recommendations from the Tees Valley Review report, detailed in Paragraph 5 of this Report</li> <li>iv. Cabinet approved the Terms of Reference for the Statutory Officers Working Group;</li> <li>v. Cabinet approved the process of oversight by TVCA Cabinet and its statutory committees detailed in Paragraph 11 of the report;</li> <li>vi. The Group Chief Executive contact government to seek clarity on the deficiencies in legislation referred to in the report; and</li> <li>vii. TVCA include a workshop for the Business Board into the action plan.</li> </ul>
<p><b>TVCA 40/23</b></p>	<p><b>QUARTER 3 BUDGET REPORT AND MEDIUM-TERM FINANCIAL PLAN UPDATE</b></p> <p>Cabinet was provided an update on the financial position of the Combined Authority for the period ending 31 December 2023 and presented a revised Medium-Term Financial Plan (MTFP).</p> <p>Gary Macdonald highlighted the key points to note.</p> <p>Cabinet members were invited to ask questions or comment on the report.</p> <p>Councillor Bob Cook enquired whether the Airport MTFP could be included in future reporting to Cabinet. Following a brief discussion, it was agreed that advice was to be sought from the Monitoring Officer in relation to Local Authority airport Board directors sharing board papers with colleagues within their own Local Authority.</p> <p>Mayor Cooke enquired why the Adult Education Budget remained at the same level and was advised that inflationary rises for allocations were not provided. If more funding was required to deliver what was initially indicated, it needed to be brought through the delivery plan process.</p> <p>Councillor Harker enquired why the Innovation and Clean Growth was only 21% of initial outturn. It was explained that the programme was part of the hub so was often in arrears as they had robust procedures of checks and</p>

	<p>balances throughout the region. The financial profile was behind rather than the delivery. Gary Macdonald advised he has requested further information from the Net Zero team regarding the outturn forecasts and agreed to circulate to Cabinet once it was available.</p> <p><b>RESOLVED</b> that;</p> <ul style="list-style-type: none"> <li>i. Cabinet notes the quarter 3 outturn position for 2023/24;</li> <li>ii. Cabinet notes the revised Medium-Term Financial Plan;</li> <li>iii. TVCA’s Monitoring Officer to be consulted regarding the airport board members sharing board papers with Local Authority colleagues; and</li> <li>iv. Further information on Net Zero outturn forecast to be circulated to Cabinet once available.</li> </ul>
<p>TVCA 41/23</p>	<p><b>REFERRAL FROM STDC BOARD REGARDING ESTABLISHMENT OF SITE MANAGEMENT COMPANY</b></p> <p>Cabinet members were provided a request from the South Tees Development Corporation (STDC) Board for TVCA to approve the establishment of a wholly owned subsidiary of STDC to deliver STDC’s site management obligations.</p> <p>S212(2)(a) of the Localism Act 2011, grants STDC the power to establish a body corporate with the consent of TVCA.</p> <p>At its meeting on 29 February 2024, STDC approved plans for site management which included the establishment of a wholly owned subsidiary to manage its obligations for maintenance of the Teesworks site in accordance with RICS regulations for management of service charges to tenants.</p> <p>Cabinet was therefore asked to give TVCA the authority to establish a wholly owned subsidiary to take forward the site management plans set out in the STDC Board Report dated 29 February 2024, a copy of which was attached to the report at appendix 1.</p> <p>Cabinet members were invited to ask questions or comment on the report.</p> <p>Councillor Bob Cook enquired about the governance structure and was advised that this was to be circulated to Cabinet members.</p> <p><b>RESOLVED</b> that;</p> <ul style="list-style-type: none"> <li>i. Cabinet approved the establishment by STDC of a wholly owned subsidiary to undertake site management obligations; and</li> <li>ii. Governance structure to be circulated.</li> </ul>

<p>TVCA 42/2023</p>	<p><b>OVERVIEW AND SCRUTINY COMMITTEE FINAL REPORTS</b></p> <p>Cabinet was advised that Councillor Ian Haszeldine, the Chair of the Overview and Scrutiny Committee, had intended to present the reports but unfortunately had to submit apologies.</p> <p>Guy Close, Governance and Scrutiny Manger, presented the final reports on behalf of the Chair of the Overview and Scrutiny Committee.</p> <p>At its meeting on 14 July 2023 the Overview and Scrutiny Committee established two separate Sub-Committees to undertake in-depth scrutiny activity and report back its findings to the Overview and Scrutiny Committee.</p> <p>The first Sub-Committee was set-up to review the area of buses (attached as appendix one to the Cabinet report) with a particular focus on identifying whether TVCA decisions and policies were improving bus services for the residents of the Tees Valley.</p> <p>A second Sub-Committee was setup to review the South Tees Development Corporation (STDC) (attached as appendix two to the Cabinet report) with the key aim to better understand the relationship that exists between STDC and Tees Valley Combined Authority (TVCA).</p> <p>It was reported that the Overview and Scrutiny Committee had approved the recommendations within the reports which had been presented to Cabinet to endorse.</p> <p>Cabinet members were invited to ask questions or comment on the report.</p> <p>The Chair commented that they were good pieces of work and thanked those officers who were involved.</p> <p><b>RESOLVED</b> that Cabinet endorsed the Overview and Scrutiny reviews into a) Buses; and b) South Tees Development Corporation, as set out in appendices to the report.</p>
<p>TVCA 43/2023</p>	<p><b>TRANSPORT PROGRAMME UPDATE</b></p> <p>Cabinet was provided an update on the Transport Programme, previously approved by Cabinet on 26 January 2024. The programme was to be delivered with the second round City Region Sustainable Transport Settlement (CRSTS2) published indicative allocation of £978m.</p> <p>Cabinet members were invited to ask questions or comment on the report.</p>

	<p>Councillor Harker requested an update on recruitment within the transport team. He also asked whether the level of reporting will ramp up as schemes commenced. He was advised that three additional staff had been recruited to date and that interviews were scheduled to recruit three further officers. An informed decision was to be taken once projects were underway as to whether there was sufficient capacity. He was further advised that governance arrangements were to be established and included in further reporting to Cabinet.</p> <p>Mayor Cooke enquired whether a decision had been made on the capital/revenue split. He was advised that discussions with government were still ongoing, but it was likely to be capital weighted.</p> <p><b>RESOLVED</b> that Cabinet;</p> <ul style="list-style-type: none"> <li>i. Notes the update on the development of the CRSTS2 programme as detailed in paragraph 1; and</li> <li>ii. Notes the funding strategy to facilitate development work on the CRSTS2 programme in 2024/25 as outlined in paragraph 3.</li> </ul>
<p><b>TVCA 44/2023</b></p>	<p>The Governance and Scrutiny Manager reported that members of the public had submitted over thirty questions in advance of the meeting. Those that pertained to items on the agenda, along with answers had been published on TVCA’s website.</p> <p>Other questions were to be automatically dealt with through the Freedom of Information (FOI) process.</p>
	<p><b>DATE OF NEXT MEETING</b> – To be confirmed.</p> <p>The Chair closed the meeting by thanking everyone round the table and wished them luck going forward.</p>