

TEES VALLEY COMBINED AUTHORITY BOARD

**Meeting Room 1, Cavendish House, Teesdale Business Park,
Stockton-on-Tees at 2.00pm on Tuesday, 19th July 2016**

ATTENDEES

Members

Mayor David Budd (Chair)	Mayor of Middlesbrough Council	MBC
Councillor Bill Dixon	Leader of Darlington Borough Council	DBC
Councillor Sue Jeffrey	Leader of Redcar and Cleveland Borough Council	R&CBC
Councillor Bob Cook	Leader of Stockton-on-Tees Borough Council	SBC
Paul Booth	Chair of Tees Valley LEP	LEP

Associate Members

Phil Cook	Member of Tees Valley LEP	LEP
David Soley	Member of Tees Valley LEP	LEP

Apologies for absence

Councillor Christopher Akers-Belcher	Leader of Hartlepool Borough Council	HBC
Paul Croney	Member of Tees Valley LEP	LEP
Ian Kinnery	Member of Tees Valley LEP	LEP
Alastair MacColl	Member of Tees Valley LEP	LEP
Naz Parkar	Member of Tees Valley LEP	LEP
Nigel Perry	Member of Tees Valley LEP	LEP
David Robinson	Member of Tees Valley LEP	LEP

Officers

Peter Bell	Stockton-on-Tees Borough Council	SBC
David Bond	Monitoring Officer (TVCA)	SBC
James Bromiley	Redcar and Cleveland Borough Council	R&CBC
Ada Burns	Chief Executive of Darlington Borough Council	DBC
Garry Cummings	Section 151 Officer (TVCA)	SBC
Linda Edworthy	TVCA	TVCA
Neil Kenley	TVCA	TVCA
Richard McGuckin	Stockton-on-Tees Borough Council	SBC
Mike Robinson	Chief Executive of Middlesbrough Council	MBC

Jonathan Spruce

TVCA

TVCA

Also in attendance

Councillor Philip Thomson

Redcar and Cleveland Borough Council
and Member of the TVCA Overview and
Scrutiny Committee

Action

TVCA 36/16 DECLARATIONS OF INTEREST

There were no interests declared.

TVCA 37/16 TRANSPORT FOR THE NORTH (TfN) – PROPOSAL TO ESTABLISH A SUB-NATIONAL TRANSPORT BODY

Consideration was given to a report on Transport for the North (TfN) and a proposal for TfN to become the first sub-national transport body (STB) in early 2017, applying new legislation introduced in 2016. This would ensure that the North had greater influence over decisions on transport investment and services, with statutory powers devolved from central government.

The report, and its supporting information, set out the rationale behind the draft proposal, as well as the draft proposal itself, and sought endorsement from the Combined Authority to submit the draft to Government.

Once government had responded to TfN's proposal, the Combined Authority would need to separately consider whether to become a member of the proposed statutory body. An equivalent process was being taken forward through all of the North's transport authorities.

The Cities and Local Government Devolution Act 2016, enabled the Secretary of State for Transport to establish statutory sub-national transport bodies (STBs) following receipt of a proposal from authorities in that area, provided that two conditions were met:

- The STB would facilitate development and implementation of transport strategies for the area; and
- Economic growth would be furthered by development and implementation of such strategies.

From its establishment, it had always been envisaged that Transport for the North (TfN) would become the first STB. Over the last six months, TfN's Governance Working Group, chaired by the TVCA Managing Director, had been developing the scope and functions of the STB, as well as a formal draft proposal to be submitted to Government. During this process, the TfN Executive and Partnership Boards, on which the Tees Valley was represented, had had several opportunities to discuss and shape the proposals.

Attached to the report was a copy of the finalised proposal, which was

being presented to each of the North's transport authorities. The proposals included:

- The development of a statutory strategy for transport across the North;
- Drawing down significant powers from Central Government to specify the strategic pan-Northern transport objectives for Highways England and Network Rail, enhancing the North's influence over those agencies to deliver agreed pan-northern priorities;
- Progressive devolution of responsibility for franchised northern and trans-Pennine rail services, building on the existing Rail North partnership which would be incorporated within TfN;
- powers exercised concurrently with Combined Authorities and Local Transport Authorities, to support coordination on issues such as Smart Ticketing, and which would only be exercised with the agreement of the individual authorities.

New statutory responsibilities needed to be effectively governed. TfN had already established effective partnership arrangements, but these would need to move towards more formal governance arrangements.

It was proposed that all transport authorities across the North be invited to become full members, with authorities in the Midlands being granted "associate" member status to reflect the fact that some northern services ran into their areas. It was proposed that decisions would be reached by consensus, but as a statutory body a provision needed also to also be made for voting. It was proposed that authorities would receive one vote for each 200,000 population or part thereof. The recommended voting share arrangements were attached to the report. There was also a provision for a super-majority, requiring a 75% vote and a majority of individual members, for any votes on the following key issues:

- The approval and revision of TfN's transport strategy;
- The approval of TfN's annual budget; and
- Any changes to TfN's constitution.

There were provisions for continued partnership with business, and for scrutiny by elected members through a new cross-northern scrutiny panel on which all authorities would be represented.

Many of the Tees Valley's transport priorities needed to be taken forward in partnership with the rest of the North. The proposals to improve the A1, A19 and A66, the East Coast Mainline, and franchised northern and trans-pennine rail services could not be delivered solely through devolution to the Tees Valley. TfN therefore represented an opportunity for the Tees Valley to accelerate delivery of the most significant priorities, by making common cause with others across the North. By enhancing the statutory powers of TfN, the Tees Valley would benefit from greater influence over long-term transport investment decisions which would otherwise be made in Whitehall without sufficient involvement from the Tees Valley. The governance proposals also built in an effective role for the Tees Valley Combined Authority, with the proposed voting weights giving a slightly greater weight than its population share.

Once comments from Government had been received, the final proposal for legislation would require formal endorsement from each constituent TfN Authority who wanted to become members. A further report would be brought to the Combined Authority at that stage.

RESOLVED that the draft proposal for the establishment of a STB be endorsed, in order that it can be submitted to Government before the Summer Recess, for the reasons set out within the report.

TVCA 38/16 DEVOLUTION OF THE APPRENTICESHIP GRANT FOR EMPLOYERS (AGE)

Consideration was given to a report on the devolution of the Apprenticeship Grant for Employers (AGE).

In the Tees Valley Powerhouse Plan (the Blue Book) the Combined Authority proposed to 'become the commissioning authority as soon as practically possible for the Apprenticeship Grant for Employers 16-24 (AGE)'. The AGE scheme provided government support for certain small businesses to recruit individuals aged 16 to 24 into employment, through the apprenticeship programme (where they would not otherwise be in a position to do so).

The Skills Funding Agency (SFA) currently had responsibility for AGE funding and delivered it to employers through a national network of Training Providers. Eligibility was subject to a set of national criteria – except in three of the devolved areas (Greater Manchester, West Yorkshire / Leeds, Sheffield) where the Grant was already managed locally through devolution, therefore eligibility criteria was different for those areas.

As a consequence of the devolution deal, the Tees Valley Combined Authority had reached agreement in principle with government for devolved funding in respect of the AGE grant, for the year 1st August 2016 to 31st July 2017. Funding would need to be transferred across to the Combined Authority with effect from 1st August 2016, hence the urgency in submitting this report to the Combined Authority. The AGE grant was expected to cease from 31st July 2017 (unless there was a change of plan by Government), in which case the Combined Authority would need to consider a potential role in respect of any successor arrangements.

The answers to a number of potential questions around how the AGE grant could potentially work within Tees Valley were attached to the report.

Tees Valley Combined Authority had now been approached by the SFA to discuss the opportunity to take responsibility for the AGE Grant through the devolution deal.

It was reported that one and a half posts would be created through the AGE Grant on a 12 month temporary basis. Members felt that the post holders would need to go out and actively engage with companies in the Tees Valley and that this should be included in the job descriptions

for the posts. It was also felt that it was important to map in the 5 Tees Valley Authorities into the process.

It was felt that the greater eligibility / flex to the new scheme was really important. Going forward it was considered that the 16 plus market would create a bigger challenge than the 19 plus market. Training providers welcomed this report and had felt engaged in what was being proposed. It was also indicated that a collective response to businesses was key as this would prevent duplication and people being appointed to do the same tasks.

In response it was reported that the 5 Tees Valley Authorities would play an important role in the delivery of the training. A group had been set up to look at the criteria and because the TVCA could decide how to spend the funding, it could offer incentives for the 16 to 18 schemes. This was one of the significant benefits of getting the money locally.

RESOLVED that Tees Valley Combined Authority accept the transfer of responsibility for the Apprenticeship Grant for Employers (AGE) in Tees Valley, from the Skills Funding Agency with effect from 1st August 2016.

Chair