AGENDA

1. Apologies for absence

2. Declarations of Interest

3. Minutes
   The minutes of the meetings of 22nd February, 2017 for confirmation

4. Announcements from the Chair
5. Industrial Strategy Consultation
   Report Attached

6. South Tees Development Corporation
   Report Attached

7. Combined Authority Investment Plan
   To Follow

8. Combined Authority Budget 2017/18
   Report Attached

9. Culture and Tourism
   Report Attached

10. Tees Valley Housing Agreement
    To Follow

11. Scrutiny Rules of Procedure
    Report Attached

12. LEP Board Membership*
    To Follow

13. Date of Next Meeting
    Friday 28th April, 10.00am

* = exempt item
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: Sarah Brackenborough – 01642 524423 – sarah.brackenborough@teesvalley-ca.gov.uk

<table>
<thead>
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<th>Members’ Interests</th>
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<td>Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in paragraphs 9 and 11 of the Tees Valley Combined Authority’s (TVCA) code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of paragraphs 12 - 17 of the code.</td>
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Where a Member regards him/herself as having a personal interest, as described in paragraph 16 of the code, in any business of the TVCA he/she must then, in accordance with paragraph 18 of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member’s judgement of the public interest and the business:

- affects the Member’s financial position or the financial position of a person or body described in paragraph 17 of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the Member or any person described in paragraph 17 of the code.

A Member with a personal interest, as described in paragraph 18 of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a Member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (paragraph 19 of the code).

**Disclosable Pecuniary Interests**

It is a criminal offence for a Member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) (paragraph 20 of the code).

Members are required to comply with any procedural rule adopted by the TVCA which requires a Member to leave the meeting room whilst the meeting is discussing a matter in which that Member has a disclosable pecuniary interest (paragraph 21 of the code).
TEES VALLEY COMBINED AUTHORITY BOARD

Cavendish House, Teesdale Business Park, Stockton-on-Tees at 10.00am on Wednesday, 22nd February, 2017

ATTENDEES

Members
Mayor David Budd (Chair)                               Mayor of Middlesbrough
Councillor Bob Cook                                    Leader, Stockton-on-Tees Borough Council
Councillor Bill Dixon                                  Leader of Darlington Borough Council
Councillor Christopher Akers-Belcher                   Leader of Hartlepool Borough Council
Councillor Sue Jeffrey                                 Leader of Redcar and Cleveland Borough Council
Paul Booth                                             Chair of Tees Valley Local Enterprise Partnership (LEP)

Associate Members
Phil Cook                                              Member of Tees Valley LEP

Apologies for absence
Paul Cronen                                            Member of Tees Valley LEP
Ian Kinnery                                            Member of Tees Valley LEP
Alastair MacColl                                       Member of Tees Valley LEP
Nigel Perry                                            Member of Tees Valley LEP
David Robinson                                         Member of Tees Valley LEP
David Soley                                            Member of Tees Valley LEP

Officers
David Bond                                             Monitoring Officer, Tees Valley Combined Authority
Sarah Brackenborough                                   Governance Manager, Tees Valley Combined Authority
Garry Cummings                                         Chief Finance Officer, Stockton Borough Council
Shona Duncan                                            Head of Skills Education & Employment, Tees Valley Combined Authority
Alison Fellows                                          Investment Director, Tees Valley Combined Authority
DECLARATIONS OF INTEREST

Councillor Sue Jeffrey declared a Pecuniary interest in Agenda Item 6, ‘Tees Valley Mayor’s Remuneration’ (minute number 88/16), as a candidate for the Tees Valley Mayoral Election, and left the room for the consideration and decision of the item.

MINUTES

Councillor Christopher Akers-Belcher requested that the second resolution for minute number 80/16 be amended to reflect the agreement that the funding should be aligned to the needs of the Strategic Economic Plan.

RESOLVED that the minutes of the meeting held on 31st January, 2017 be amended to add “It was further agreed that additional funding should be aligned to the needs of the Strategic Economic Plan”, and then be confirmed as a correct record.

ANNOUNCEMENTS FROM THE CHAIR

The Chair confirmed that all matters were covered on the agenda.

COMBINED AUTHORITY CONSTITUTION

The Board considered a report that presented the Combined Authority Constitution for formal adoption by the Board. The Constitution represented an important step towards the governance arrangements for the Combined Authority, post-election of the Tees Valley Mayor, and upheld the strong principles of collaboration and partnership.

It was noted that the procedures for Overview and Scrutiny, including Call-in arrangements, would follow for agreement at the next Board meeting, and subject to this agreement, would be inserted in to the Constitution.

The Board commented on the importance of the Constitution in ensuring the right checks and balances for the Combined Authority and for the residents of Tees Valley. The Board thanked all those who had been involved in the development of the Constitution.
RESOLVED that the Combined Authority Constitution be adopted, subject to the approval of the Overview and Scrutiny Committee Call-in arrangements.

**TEES VALLEY MAYOR’S REMUNERATION**

The Board considered a report that set out the recommendations of the Independent Remuneration Panel (IRP) for the allowance of the Tees Valley Mayor, once elected in May 2017. The IRP had been appointed by the Combined Authority Board, slightly in advance of the legislation, with a representative drawn from each of the IRPs or Audit Committees in place for each of the five Local Authorities.

The IRP discussed a number of considerations including the role and powers of the Mayor within the Tees Valley context and in conjunction with the existing roles of the five Council Leaders, comparator information (where available) from other Combined Authority areas, taking into account the different areas, powers and responsibilities which different Mayors will be fulfilling.

As the over-riding consideration, the IRP acknowledged the clear principle within the Tees Valley Combined Authority constitution that the role of the Tees Valley Mayor will be to work collaboratively and in partnership with the other Tees Valley Council Leaders through the TVCA Cabinet. In keeping with this spirit of partnership, the Panel felt that the levels of remuneration for the existing council leaders was an appropriate peer group and reference point.

Taking all of this information in to account, the Panel recommended that the Mayor’s allowance should be set at the average of the Council Leaders allowances for the period of the municipal year 2017-18. 7. The Panel also recommended that this allowance be reviewed by a meeting of the IRP in one year’s time.

RESOLVED that:

1. The allowance of the Tees Valley Mayor, for the period 8th May 2017 to 7th May 2018, be the average of the allowances for the five Constituent Authorities’ Leaders;

2. The allowance of the Tees Valley Mayor be reviewed by the Independent Remuneration Panel in one year’s time, with a recommendation to be reported back to the Combined Authority Cabinet at the appropriate point.

**EXCLUSION OF THE PUBLIC**

RESOLVED that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

**REMOVING BARRIERS TO WORK**

The Board considered a report that outlined details of a competitive bidding
process to the Department for Work and Pensions Hardest to Help Fund.

RESOLVED that:

1. The bid to the Department for Work and Pensions Hardest to Help Fund be approved.

2. Submission of the bid be delegated to the Managing Director of the Combined Authority, in consultation with the Portfolio Holder for Education, Employment and Skills.

TVCA 91/16

DATE OF THE NEXT MEETING

22nd March 2017
AGENDA ITEM 5
REPORT TO THE TEES VALLEY COMBINED AUTHORITY BOARD
22 MARCH 2017
REPORT OF THE STRATEGY DIRECTOR

INDUSTRIAL STRATEGY CONSULTATION

SUMMARY

The Department for Business, Energy and Industrial Strategy (BEIS) published in January 2017, a Green Paper entitled: Building our Industrial Strategy. This paper provides an update on the preparation of the Combined Authority’s response to the Green Paper, which is to be submitted on 17 April 2017.

The Tees Valley Strategic Economic Plan (SEP) is the Industrial Strategy for the area. The SEP highlights a number of areas where the Tees Valley will play a major role in delivering not only the Industrial Strategy for the area but also for the UK. For example, Tees Valley is leading the way in the development of Industrial Carbon Capture and Storage / Utilisation and in new energy production.

There are elements of the Government’s Industrial Strategy that need further development such as on skills.

The Combined Authority’s response will have the following structure:

- Summary – key messages
- Policy Context: Importance of Tees Valley to the UK’s economy
- Critique of 10 Pillars; and
- Detailed response to the 38 questions.

RECOMMENDATION

The Combined Authority is recommended to discuss the key points which should feature in the Tees Valley’s response, and delegate the preparation of the final submission to the Managing Director in consultation with the Chairs of the Combined Authority and the LEP, on the basis outlined in this report.
DETAIL

1. The Department for Business, Energy and Industrial Strategy (DBEIS) published in January 2017, a Green Paper entitled: Building our Industrial Strategy. This paper provides a summary of Tees Valley Combined Authority’s (the Combined Authority) proposed response to the Green Paper, which is to be submitted on 17 April 2017.

Background

2. The Green Paper, ‘Building Our Industrial Strategy’ (the Industrial Strategy) takes as its starting premise that a modern industrial strategy must:

   • Build on our strengths and extend excellence into the future;
   • Close the gap between the UK’s most productive companies, industries, places and people and the rest; and
   • Make the UK one of the most competitive places in the world to start or grow a business.

3. The Green paper then goes on to draw lessons from other countries and identifies some of the key approaches that have enabled stronger productivity and more balanced growth in other economies. These lessons have led to the development of 10 pillars for growth (see Appendix 1 for 10 pillars), including:

   • Investing in science, research and innovation;
   • Developing skills;
   • Upgrading infrastructure;
   • Supporting businesses to start and grow;
   • Improving procurement;
   • Encouraging trade and inward investment;
   • Delivering affordable energy and clean growth;
   • Cultivating world leading sectors;
   • Driving growth across the whole country; and
   • Creating the right institutions to bring together sectors and places.

Our response

1. We are currently preparing the detailed submission to Government but it is worth highlighting a few issues / opportunities in this report.

2. The Tees Valley Strategic Economic Plan is the Tees Valley’s Industrial Strategy identifying our key sectors with growth potential to create 25,000 additional jobs over the next 10 years. To ensure that these jobs will be realised we are currently preparing detailed sector action plans working directly with businesses and key partners. The initial findings from this these plans will also be used to inform our response to Government on their Industrial Strategy. Government has proposed “sector deals” and it will be essential that we join up with businesses in Tees Valley through the Sector Action Plan work to support them to be part of national sector deals and to ensure that these deals benefit Tees Valley.

3. We have a number of flagship opportunities in Tees Valley that will help to deliver the Tees Valley and the national Industrial Strategies. For example the work of the Teesside Collective on the development of the Industrial Carbon Capture and
Storage / Utilisation network will provide a national solution to the challenges facing large industrial businesses and is key to retaining a strong UK industrial base.

4. The area’s research and commercialisation assets are fundamental to the UK’s success in the process sector including the evolution of the pharmaceutical sector and Tees Valley has the opportunity to become the flagship for modern methods of construction.

5. The Industrial Strategy highlights the significant skills challenge we are facing which is welcomed as an integral part of developing such a strategy. As the Tees Valley SEP has a strong focus on skills and the devolved arrangements for skills to the Combined Authority we are well placed to assist in developing and implementing the resultant activity from the strategy. However, there is little recognition of the progress made by devolved areas or indeed a suggestion that there will be a significant role for local areas, including employers. In particular, we would welcome building upon our existing work by greater involvement in delivering; the suggested pilots to assessing employers skills needs, trialling new qualifications, creating a high quality careers education and advice system, basic skills improvement including digital skills and developing a local solution to the call for new Institutes of Technology.

6. The Combined Authority’s response will have the following structure:
   - Summary – key messages
   - Policy Context: Importance of Tees Valley to the UK’s economy
   - Critique of 10 Pillars; and
   - Detailed response to the 38 questions.

7. The deadline for the submission is not until 17 April and we are continuing to develop our response including stakeholder inputs.

RECOMMENDATION

8. The Combined Authority is recommended to discuss the key points which should feature in the Tees Valley’s response, and delegate the preparation of the final submission to the Managing Director in consultation with the Chairs of the Combined Authority and the LEP, on the basis outlined in this report.

FINANCIAL IMPLICATIONS

9. This is an update report; consequently there are no financial implications.

LEGAL IMPLICATIONS

10. This is a briefing note; consequently there are no direct legal implications.

RISK ASSESSMENT

11. This is an advisory note. There is a low reputational risk to the Combined Authority, if there is a public divergence of opinion amongst signatories.

CONSULTATION

12. Consultation was undertaken with key personnel within Tees Valley Combined Authority.
Name of Contact Officer: Keith Wilson
Post Title: Economic Strategy and Intelligence Manager
Telephone Number: 01642-632004
Email Address: Keith.wilson@teesvalley-ca.gov.uk
The pillars

1. **Investing in science, research and innovation** – we must become a more innovative economy and do more to commercialise our world leading science base to drive growth across the UK.

2. **Developing skills** – we must help people and businesses to thrive by: ensuring everyone has the basic skills needed in a modern economy; building a new system of technical education to benefit the half of young people who do not go to university; boosting STEM (science, technology, engineering and maths) skills, digital skills and numeracy; and by raising skill levels in lagging areas.

3. **Upgrading infrastructure** – we must upgrade our standards of performance on digital, energy, transport, water and flood defence infrastructure, and better align central government infrastructure investment with local growth priorities.

4. **Supporting businesses to start and grow** – we must ensure that businesses across the UK can access the finance and management skills they need to grow; and we must create the right conditions for companies to invest for the long term.

5. **Improving procurement** – we must use strategic government procurement to drive innovation and enable the development of UK supply chains.

6. **Encouraging trade and inward investment** – government policy can help boost productivity and growth across our economy, including by increasing competition and helping to bring new ways of doing things to the UK.

7. **Delivering affordable energy and clean growth** – we need to keep costs down for businesses, and secure the economic benefits of the transition to a low-carbon economy.

8. **Cultivating world-leading sectors** – we must build on our areas of competitive advantage, and help new sectors to flourish, in many cases challenging existing institutions and incumbents.

9. **Driving growth across the whole country** – we will create a framework to build on the particular strengths of different places and address factors that hold places back – whether it is investing in key infrastructure projects to encourage growth, increasing skill levels, or backing local innovation strengths.

10. **Creating the right institutions to bring together sectors and places** – we will consider the best structures to support people, industries and places. In some places and sectors there may be missing institutions which we could create, or existing ones we could strengthen, be they local civic or educational institutions, trade associations or financial networks.
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AGENDA ITEM 6

REPORT TO THE TEES VALLEY COMBINED AUTHORITY BOARD

22 MARCH 2017

REPORT OF THE MANAGING DIRECTOR

SOUTH TEES DEVELOPMENT CORPORATION

SUMMARY

The Combined Authority opened a period of consultation on the proposal to create a Mayoral Development Corporation in the South Tees Area on 23rd December 2016. The consultation closed on 10th March 2017. This report sets out a summary of the responses (a detailed response document is attached at Appendix 1) and the next steps in establishing the South Tees Development Corporation.

RECOMMENDATIONS

It is recommended that the Combined Authority Board:

i. Note that the Tees Valley (Functions) Order 2017 has now been approved by parliament, giving the Tees Valley the statutory power to establish Mayoral Development Corporations.

ii. Note the outcome and responses to the consultation, to apply these powers to create a South Tees Development Corporation;

iii. Agree, in principle, to the proposal that the South Tees Development Corporation is progressed as a Mayoral Development Corporation, with its area of responsibility set out at Appendix 2;

iv. Seek the view of Overview and Scrutiny Committee;

v. Mandate officials to work with DCLG on the development of the necessary legislation, and to prepare draft constitutional and financial arrangements for the proposed Corporation;

vi. Bring forward formal proposals for the creation of the South Tees Development Corporation, its constitution and financial arrangements, for approval at a future meeting, and notification to the Secretary of State – with a view to establishing the new body in Summer 2017.
DETAIL

1. The Combined Authority continues to make progress in establishing the South Tees Development Corporation as a formal Mayoral Development Corporation. A consultation process has now been completed. The parallel legislative process also continues to progress with the appropriate general legislation conferring the power on the Combined Authority to create Mayoral Development Corporations now being in force. Tees Valley Combined Authority is the first area outside of London to be granted these powers.

2. This report sets out a summary of the responses (full detail at appendix 1) and the proposed next steps. The purpose of the consultation was to review and consider the objectives, powers, structure and boundary of the proposed Development Corporation. The minimum requirement of the legislation was to consult with designated statutory consultees, but the Combined Authority carried out a wider consultation with all organisations likely to be affected. The consultation was also available on the Combined Authority’s website for the full period.

3. The consultation document asked six specific consultation questions:

   - Do you agree that the establishment of a Mayoral Development Corporation for the South Tees area is the most effective way to deliver regeneration to the area? If not, what other arrangements could be put in place?
   - Do you think the creation of a Mayoral Development Corporation will support the economic transformation of the area?
   - What powers do you think the South Tees Development Corporation should have?
   - Is the proposed boundary correct or should any other areas be omitted or included?
   - Do you agree with the proposed name of the mayoral Development Corporation of “South Tees Development Corporation”?
   - Do you think the Mayoral Development Corporation should have planning functions and the functions of making decisions whether to grant discretionary relief to business (non-domestic business rate relief)?

4. The Combined Authority received 29 responses in total. As a statutory consultee, the full response of Redcar and Cleveland Borough Council is attached at Appendix 3.

5. Responses have been positive on the whole with respondents agreeing that the establishment of the Mayoral Development Corporation is the most effective way to deliver regeneration and support the economic transformation of the area. In general, most respondents have also expressed the need to ensure that the Corporation does not create any adverse impact on the operation of business both inside and outside the boundary, particularly in relation to the service dependencies running through the site, or by creating displacement from other parts of the region.

6. Many respondents also stressed the importance of ensuring appropriate robust management of risks and liabilities that may arise from the management of the site. In particular, a number of respondents reinforced the need for Government to meet
its obligations to fund the costs arising from the closure of the Redcar Steelworks, and to support the regeneration of the SSI-owned sites.

7. Respondents agreed with the proposed name of South Tees Development Corporation.

8. All respondents supported the proposals for inclusion of the area of land set out in the consultation document. Tata Steel submitted a request to extend the boundary to include all Tata Steel owned land, which increases the area by around 60ha, bringing into the area the Coatham Marshes, managed by Tees Valley Wildlife Trust. Discussions were held with Tees Valley Wildlife Trust, who confirmed their support for this proposal, identifying potential benefits to the long-term environmental management of the site.

9. The Institute of Directors also highlighted that they saw an opportunity to include Wilton within the boundary. Due to the stage in the consultation process that this was highlighted there was not adequate time to consider the implications of this in full and provide a response at the time of the publication of the Board agenda and papers. This will be further considered in consultation with all relevant parties and, if possible, a verbal update provided at the Combined Authority Board meeting on 22 March.

10. No other proposals were made to amend the boundary. It is therefore proposed that the area covered by the Development Corporation is as set out in Appendix 2, but with the acknowledgement that this is subject to further consideration of the request as highlighted in paragraph 9 above (the dashed line in Appendix 2 indicates the additional Tata Steel land that has been included within the boundary, as described above).

11. All respondents agreed that powers should be extensive to allow the Corporation to fulfil its duties. Some respondents identified the need to ensure that the powers were applied in partnership with complementary powers of other organisations both inside and outside of the proposed development area, including those of the Port Authority.

12. Specific consideration was given by Redcar and Cleveland Council, as the planning authority and a statutory consultee, on the appropriate use of planning powers within the Development Corporation area. While the option exists to pass planning powers to the Development Corporation itself, on balance the Council concluded that this would not be necessary at this stage. Redcar and Cleveland Council’s planning function has considerable experience with complex industrial sites, which would be applied in close partnership with the Development Corporation. Proposals to deliver fast-track planning approvals could also be delivered in partnership, to deliver the Masterplan for the site being developed by the Shadow Development Corporation. On this basis, it is not recommended to seek planning powers for the Development Corporation, although this could be considered in future if the prove unfit for purpose.

11. Many respondents made specific proposals for representation on the future Board for the Corporation. Board appointments will be proposed by the elected Mayor, and confirmed by the Combined Authority Cabinet, before the Development Corporation takes effect in the Summer.

12. More detail on the responses received is at Appendix 1.

13. Following the Board, a 21 day consideration period is opened to allow any comments from the Combined Authority Board Members. The views of the Overview and
Scrutiny Committee will be sought on 4th April. Drafting of the specific legislation will also begin and the Constitutional and financial arrangements will be developed.

14. Subject to the 21 day period and the views of the Overview and Scrutiny Committee, the Mayor (due to be elected in May 2017) is expected to formally designate the South Tees Development Corporation at a future meeting of the Cabinet. The proposal will require majority agreement by the Combined Authority Cabinet, which must include the Leader of Redcar and Cleveland Borough Council. The Mayor will also propose Board appointments to the South Tees Development Corporation.

RECOMMENDATIONS

15. It is recommended that the Combined Authority Board:

i. Note that the Tees Valley (Functions) Order 2017 has now been approved by parliament, giving the Tees Valley the statutory power to establish Mayoral Development Corporations.

ii. Note the outcome and responses to the consultation, to apply these powers to create a South Tees Development Corporation;

iii. Agree, in principle, to the proposal that the South Tees Development Corporation is progressed as a Mayoral Development Corporation, with its area of responsibility set out at Appendix 2.

iv. Seek the view of Overview and Scrutiny Committee;

v. Mandate officials to work with DCLG on the development of the necessary legislation, and to prepare draft constitutional and financial arrangements for the proposed Corporation;

vi. Bring forward formal proposals for the creation of the South Tees Development Corporation, its constitution and financial arrangements, for approval at a future meeting, and notification to the Secretary of State – with a view to establishing the new body in Summer 2017.

FINANCIAL IMPLICATIONS

16. Any costs associated with conducting the consultation process are being met from the Combined Authority’s existing resources. Costs associated with the operation of the Development Corporation are currently met by central government, and any future financial implications for the Combined Authority will be subject to negotiations with government. Costs incurred by the Combined Authority on behalf of the Development Corporation will be set out through the annual budget process.

17. Any subsequent decisions for the South Tees Development Corporation to incur expenditure and risk would be a decision for the board of the Development Corporation, and any consequential impact on the Combined Authority would need to be agreed by the Combined Authority. There are significant liabilities associated with the SSI sites in the South Tees area, and a process is underway led by the Official Receiver, with responsibilities which fall to central government. It is therefore important to stress that the creation of a South Tees Development Corporation, which includes sites owned by SSI, does not in any way constitute a transfer of risk or liabilities for those sites.
18. The Managing Director of the Combined Authority and Chief Executive of the shadow development corporation have established a Working Group to oversee the financial relationships between the Combined Authority and Development Corporation, including the coordination of negotiations with government on the future costs associated with the site.

LEGAL IMPLICATIONS

19. The legislation enabling the powers to create Mayoral Development Corporations has now been enacted by ministers. A further Order will be required, in response to a proposal from the Tees Valley, to create the South Tees Development Corporation.

20. It is necessary to refer the proposal to the Authority’s Overview and Scrutiny Committee. The incoming mayor would propose the board membership for the Development Corporation, and its constitution would need to be approved by the Combined Authority Cabinet.

RISK ASSESSMENT

21. Existing management and operational requirements are sufficient to control and reduce risks regarding the proposal.

CONSULTATION

22. Consultation with all statutory bodies and wider consultation with all organisations affected by the proposals took place between 23rd December and 10th March and this report sets out the results of this. Consultation with the Combined Authority’s Overview & Scrutiny Committee will take place at their next meeting on 4th April.

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Appendix 1

Introduction

The Combined Authority opened a period of consultation on the proposal to create the South Tees Development Corporation on 23rd December 2016. The purpose of the consultation document was to review and consider the objectives, powers, structure and boundary of the proposed Development Corporation. It formed part of the statutory requirements for establishing a Mayoral Development Corporation. In addition to the statutory consultees, the Combined Authority undertook a wide consultation with all organisations likely to be directly affected. The consultation was publicly available on the Combined Authority’s website and closed on 10th March 2017.

The consultation asked respondents to answer 6 specific questions in their response. This document provides a summary of the responses received to the specific consultation questions. The Combined Authority received 29 responses in total from a wide range of businesses and organisations. A full list of those who responded to the consultation is provided at the end of the Appendix. As a statutory consultee, the full response of Redcar and Cleveland Borough Council has also been provided at Appendix 3.

Q1. Do you agree that the establishment of a Mayoral Development corporation for the South Tees area is the most effective way to deliver regeneration to the area? If not, what other arrangements could be put in place?

Respondents agreed that the establishment of the Mayoral Development Corporation is the most effective way to deliver regeneration and support the economic transformation of the area. In general, most respondents also expressed the need to ensure that the Corporation does not create any adverse impact on the operation of business both inside and outside the boundary, particularly in relation to the service corridors (including pipe lines, electricity etc) running through the site, or by creating displacement from other parts of the region.

Many respondents also highlighted the importance of close working and communication between the Corporation and key stakeholders and businesses to ensure complementary activity and funding, development of opportunities and alignment with the Tees Valley Strategic Economic Plan. In particular, PD Ports, as the Statutory Port Authority, raised the importance of the Business Plan for the Corporation being commercially focused and realistic in terms of availability of funding.

A strong theme of building upon and encouraging partnership working emerged from many responses and a number of businesses and organisations expressed a willingness to engage with and support the Corporation going forward. The responses from the SSI Taskforce and Anna Turley, MP, highlighted the strong partnership model that had been developed through the SSI Taskforce between public agencies, private business, Trade Unions and the wider community and encouraged the Corporation to adopt this approach.

Some respondents made representations on Board membership. Board appointments will be made at a future meeting of the Combine Authority Cabinet.

Q2. Do you think the creation of a Mayoral Development Corporation will support the economic transformation of the area?
Respondents agreed that the creation of a Mayoral Development Corporation would support the economic transformation of the area and that there was strong links between the plans for the area and the government’s Industrial Strategy. A number of responses highlighted the international importance of the site and its development potential, and also the role of the Corporation in helping to create jobs. The role of the Corporation in further developing key areas, such as the Port, to improve competitiveness and capability for key sectors was raised by a number of responses.

Natural England and the Environment Agency noted opportunities for sustainable development and a high quality environment for people, businesses and wildlife, but noted that the draft objectives for the Corporation could be more ambitious in relation to the environment. Historic England recognised the potential for linking the industrial heritage in the area to new developments to create a unique sense of place.

PD Ports responded that the role of the Corporation should be ‘enabling’, providing assistance where there is market failure to encourage private sector investment. AV Dawson highlighted a concern that the strong focus on the SSI site has left people inside and outside of the region believing that there is no longer a steel industry in the area and the importance of the Corporations role in ensuring that this perception is changed, alongside other partners.

The response from Redcar and Cleveland Borough Council detailed the potential for the site to create several thousand jobs for residents and benefits for businesses. The Council requested that the Development Corporation works closely with the Combined Authority and the Council to look at developing complementary plans and strategies for opportunities for children and young people, adult skills and employment, transport links, environment, culture and heritage, image and reputation and inward investment.

A number of responses highlighted the importance of the Corporation’s role in working with the business community and supporting them to grow. In particular, the responses from Confederation of British Industry’s (CBI), the Federation of Small Businesses (FSB) and the North East Chamber of Commerce (NECC) raised that the structure and the powers of the Corporation should allow it to meet the needs of businesses and highlighted the importance of ensuring that there is no duplication of business support activity with other organisations.

Each constituent Local Authority raised the issue of risks and the extent of potential liabilities which may come with the Corporation. They reiterated the importance of managing this through constitutional and financial arrangements for the Corporation, to be agreed through the Combined Authority Cabinet, to mitigate the possible risks to the Combined Authority and the constituent Local Authorities.

Linked to the issue of risk and liability many respondents also expressed strong feelings on the importance of securing government commitment over the longer term to meet its obligations to fund the costs arising from the closure of the Redcar Steelworks, and to support the regeneration of the SSI-owned sites, not only in terms of ongoing remediation and management but in support of alternative economic uses for the SSI site.

Q3. What powers do you think the South Tees Development Corporation should have?
Respondents were supportive of the powers to be granted to the South Tees Development Corporation, as set out in the consultation document. There was general feeling that the Corporation should have the appropriate powers to enable it to achieve economic transformation of the area and to function efficiently and effectively.

PD Ports raised that the powers of the Corporation should allow it to bring in additional public sector investment to invest in infrastructure in order to attract private sector investment and that it should have the ability to “ring-fence” tax revenues generated in the area to be reinvested in the area.

Some respondents highlighted the importance of ensuring that appropriate checks and balances are in place and arrangements for accountability and scrutiny of decisions. Some respondents also highlighted the importance of clear communication and clarity of how the proposed powers will work in practice and interact with businesses and stakeholders located both inside and outside the proposed boundary, to ensure no adverse impacts on existing operations and any future investments. In particular, some respondents highlighted the need for close consultation and partnership working with relevant parties on any discussions on land ownership and changes to site infrastructure.

It was also highlighted that powers need to be applied in partnership with complementary powers of other organisations, particularly acquisition powers, including those of the Port Authority, Redcar and Cleveland Borough Council, the Homes and Communities Agency and various utility companies.

Q4. Is the proposed boundary correct or should any other areas be omitted or included?

All respondents supported the proposals for inclusion of the area of land set out in the consultation document. Tata Steel submitted a request to extend the boundary to include all Tata Steel owned land, which increases the area by around 60ha, bringing into the area the Coatham Marshes, managed by Tees Valley Wildlife Trust. Discussions were held with Tees Valley Wildlife Trust, who confirmed their support for this proposal, identifying potential benefits to the long-term environmental management of the site. Redcar and Cleveland Borough Council and Anna Turley, MP, as statutory consultees, were also made aware of the proposal to extend the boundary and have indicated their support for this.

The Institute of Directors responded that they would like to see this be a success for the region and further afield and highlighted that they saw an opportunity to include Wilton within the boundary. Due to the stage in the consultation process that this was highlighted there was not adequate time to consider the implications of this in full and provide a response at the time of the publication of the Board agenda and papers. This will be further considered in consultation with all relevant parties and, if possible, a verbal update provided at the Combined Authority Board meeting on 22 March.

No other proposals were made to amend the boundary.

Q5. Do you agree with the proposed name of the Mayoral Development Corporation of "South Tees Development Corporation"?

All respondents agreed with the proposed name of “South Tees Development Corporation”.

Q6. Do you think the Mayoral Development Corporation should have planning functions and the functions of making decisions whether to grant discretionary relief to business (non-domestic business rate relief)?

Specific consideration was given by Redcar and Cleveland Council, as the planning authority and a statutory consultee, on the appropriate use of planning powers within the Development Corporation area. While the option exists to pass planning powers to the Development Corporation itself, on balance the Council concluded that this would not be necessary at this stage. Redcar and Cleveland Council’s planning function has considerable experience with complex industrial sites, which would be applied in close partnership with the Development Corporation. Proposals to deliver fast-track planning approvals could also be delivered in partnership, to deliver the Masterplan for the site being developed by the Shadow Development Corporation.

PD Ports also highlighted that the existing planning powers under the Tees and Hartlepool’s Port Authority Act should be retained by PD Ports.

On this basis, it is not recommended to seek planning powers for the Development Corporation, although this could be considered in future if the prove unfit for purpose.

On the same basis, specific consideration was given by Redcar and Cleveland Council on powers to grant discretionary rate relief. While the option exists to pass powers to grant discretionary relief from non-domestic rates to the Corporation itself, on balance the Council concluded that this would not be necessary at this stage. The Council proposes that the Corporation should work jointly with the Council on any proposals of this nature so that the implications can be considered in full.

The Health and Safety Executive reiterated the guidance around land use planning in the vicinity of major hazards sites.

Full list of those who responded:

1. Alex Cunningham, MP
2. Anna Turley, MP
3. AV Dawson
4. Bran Sands, Northumbrian Water
5. British Steel
6. Confederation of British Industry’s (CBI)
7. Darlington Borough Council
8. Deep Ocean
9. Federation of Small Businesses (FSB)
10. Hartlepool Borough Council
11. Homes and Communities Agency (HCA)
12. Historic England
13. Health and Safety Executive
14. Institute of Directors (IoD)
15. MGT Teesside Limited
16. Middlesbrough Council
17. Natural England and the Environment Agency (joint response)
18. North East Chamber of Commerce (NECC)
19. Northern Power Grid
20. PD Ports
Appendix 1

21. Redcar Bulk Terminal
22. Redcar and Cleveland Borough Council
23. Sembcorp
24. Sirius
25. SSI Task Force
26. Stockton-on-Tees Borough Council
27. Tata Steel
28. The Tees Valley Wildlife Trust
29. Unite the Union

Copies of all responses to the consultation are available on request from the Combined Authority.
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APPENDIX 3

REDCAR & CLEVELAND BOROUGH COUNCIL RESPONSE TO TVCA CONSULTATION ON THE CREATION OF THE SOUTH TEES DEVELOPMENT CORPORATION

1. Introduction

1.1 Redcar & Cleveland Borough Council agrees that the establishment of a Mayoral Development Corporation (MDC) would be an effective way to deliver regeneration to the South Tees area and support its economic transformation. The site is of international importance in terms of its development potential due to its scale, location and connectivity.

1.2 The site is absolutely pivotal to the future growth of both the Tees Valley and UK economy and provides a unique opportunity to:

- Transform the skills and fortunes of the local community by creating sustainable, high quality employment for local people.
- Expand business, wealth creation and productivity through inward investment and indigenous growth.
- Set new standards in terms of sustainable development by creating a circular economy which builds a perpetual supply chain.
- Create a healthy, attractive working environment which complements and enhances the natural and urban context.
- Project the image of Tees Valley as an aspirational place in which to live, work and invest.

1.3 To achieve this at scale and pace the new Mayoral Development Corporation will need to be supported by sufficient Government resources to remediate the site, facilitate development and market the opportunity on the worldwide stage.

1.4 Redcar and Cleveland Council, along with the other Tees Valley authorities, recognise that this comes with significant, potential, residual liabilities which, if unfunded, could fall to the Combined Authority (as the parent body of the MDC) and, in turn, to the constituent Councils. It is imperative that Government meets its commitments to the site and that any agreement to accept local responsibility is accompanied by agreements with Government
which remove, or at least significantly mitigate the risks.

1.5 The MDC will need to work collaboratively with the Tees Valley Combined Authority, Redcar and Cleveland Council and the SSI Task Force to become part of a wider partnership driving the growth of the region.

1.6 The council agrees with the MDC boundary as set out in the consultation, as well as the proposed name: South Tees Development Corporation.

2. The Benefits of South Tees Development Corporation for the Local Community

2.1 The council considers that the site has the potential to create several thousand jobs across a range of professions and trades. It is important that through the MDC the redevelopment brings tangible and lasting benefits to the local community by making sure that;

- Local people have the right skills to access the many jobs which will be created during the site reclamation, construction and operating phases of the development.
- Existing local businesses benefit from the potential investment both in the supply chain and the wider service sector.
- The site contributes to the developing entrepreneurial culture by encouraging business start ups and indigenous growth as well as new, additional inward investment.

2.2 This can be achieved by the MDC working collaboratively with Tees Valley Combined Authority and Redcar and Cleveland Council on a shared agenda with complementary strategies and plans. In particular the Council wishes to see the MDC address the following;

2.3 Opportunities for Children and Young People

It is essential that local children and young people can look forward to a bright future in this area with the realistic prospect of accessing a well paid job and a fulfilling career. The Council has established a partnership between local schools, colleges and employers to ensure that this ambition becomes reality.

2.4 Foundation for Jobs aims to improve the employment prospects of every child and the Council would want to see South Tees Development Corporation as an active partner, working with business to create new opportunities for young people, including apprenticeships and higher level skills training.

2.5 It is essential that collectively we inspire the next generation of skilled workers, develop and retain local talent, and help those furthest from the jobs market to bring about lasting social and economic change.
2.6 **Adult Skills and Employment**

The recent closure of SSI has severely affected wage levels and employment prospects in the area. Prior to October 2015 Redcar and Cleveland enjoyed the highest income levels in the North East and now has the lowest. The majority of former SSI workers have now stopped claiming benefits but over 60% have taken a substantial cut in wages by accepting any job available to support their families.

2.7 What is evident from the work of the SSI Task Force is the enthusiasm for work and the willingness to undertake training to improve skills and employment prospects. The council would want to see the MDC playing an active part in this agenda by;

- Working with the SSI Task Force to target former workers, using their skills to reclaim and develop the site.
- Working with inward investors and local training providers to plan and deliver an appropriately skilled local workforce.
- Developing clear targets for job creation, improving skills and recruiting local labour.
- Setting clear social value targets to demonstrate how investment is being recycled for maximum local benefit.

2.8 **Transport Links**

One of the issues which prevents access to work in the region is the quality of public transport links. This is a particular barrier in areas like East Cleveland which are disadvantaged by poor connectivity. The Council would want to see the MDC work with strategic partners and new employers to help address this issue by improving access to the site and ensuring that new jobs are truly accessible to people from all parts of the Tees Valley. The region’s emerging strategic transport plan “Connecting Tees Valley” which is due to be published in 2017, will provide a useful framework for the MDC.

2.9 **Environment**

The Tees Valley has a key aim to develop a high value, low carbon economy. The council would wish the MDC to embrace this ambition, developing the site in an environmentally sustainable way using cutting edge technology to create a working environment which positively contributes to good health and wellbeing and minimises environmental impact.

2.10 There are many development opportunities on the periphery of the site which could enhance the natural environment, conserve wild habitats and provide recreation and leisure facilities to complement new industry.
2.11 Culture and Heritage

The visitor economy is a key strand of Redcar and Cleveland’s growth strategy. The heritage coastline, National Park and historic settlements all contribute to a growing tourism offer. Local people are passionate about their industrial heritage and the loss of steel making has been a huge blow culturally as well as economically. Recognising that the top priority is the creation of new jobs and facilitating the economic growth potential of the site, the council would wish the MDC to respect and where appropriate take steps to preserve key historic elements. The council would also wish to see the MDC working in partnership with the Tees Valley Cultural Partnership to explore the arts, heritage and tourism potential of South Tees, taking note of international best practice where culture has been a key driver for regeneration, and the arts are an integral part of the industrial working environment.

2.12 Image and Reputation

The transformation of the South Tees site has the potential to be a beacon for improving the image of the Tees Valley, an aspirational place where people enjoy an excellent quality of life in a beautiful part of the world with access to great facilities and high quality employment. The council wants the MDC to demonstrate a real ambition in this regard.

3.0 Benefits of South Tees Development Corporation for Business

South Tees will present a major opportunity to attract inward investment and accelerate indigenous growth on a scale of international significance. In particular the Council wishes to see the MDC address the following;

3.1 Development at Scale

The Council would wish to see a masterplan for South Tees which fully realises the potential of the site, takes advantage of the scale and the unique strategic assets to bring transformational development built on the principles of the circular economy. The Council has ambitions to see world class manufacturing anchor tenants which will utilise the potential of the port, enhance air, road and rail links, prioritise research and development to maximise productivity, and build a thriving, sustainable supply chain in the locality.

3.2 The MDC should balance the need to make progress and work at pace with the imperative to maintain the integrity of the site to attract large scale development.

3.3 Working Within a Strategic Context

The TVCA has an ambitious Strategic Economic Plan which is supported by
3.4 The Council will expect the MDC to work within the context of these strategies to grow and diversify the local economy, and to develop specific plans for South Tees which complement the existing business and industrial base. The Council would wish to see the MDC enhance planned inward investment and help capture new opportunities for the broader Tees Valley area even if they cannot be accommodated on the South Tees site.

3.5 The SSI Task Force has set new standards in collaborative partnership working and it is important that the MDC complements rather than competes with the economic development teams across Tees Valley, using their high profile shop window to promote the whole region as a great place to invest. To this end it is important that the MDC team develops excellent working relationships with all stakeholders and develops complementary strategies, plans and operating model.

4 Proposed Powers Of The MDC

4.1 The Council considers it essential that appropriate powers are vested in the MDC to enable the new organisation to function efficiently and effectively. The MDC will require sufficient autonomy to deliver against agreed objectives with credibility and pace but this needs to be balanced with appropriate checks and balances to ensure arrangements for accountability and scrutiny are robust.

4.2 In order for this to happen the Council would wish to see

- An agreed constitution setting out the relationship with TVCA the specific operating model and arrangements for checks and balances.
- Alignment of strategic plans as outlined in section 3.2.
- Agreement around legacy and the transfer of assets and liabilities at the close of the MDC.
- An open book approach to the finances of the MDC with transparency on assets and liabilities.

4.3 The Council would wish to see the masterplan for South Tees developed in accordance with the Redcar and Cleveland Local Plan which highlights the area for employment and industrial use.

4.4 It would also want to work with the MDC on a long term financial plan to ensure that legacy issues are considered early in the process.

4.5 Powers in relation to Infrastructure

These are to provide or facilitate:

- water, electricity, gas, telecommunications,
- roads
- retail and other business facilities
- health, educational, employment or training facilities;
cremation or burial facilities

4.6 The Council agrees that the full suite of powers under this heading should transfer to the MDC.

4.7 The Council would wish the MDC to ensure that any new facilities did not jeopardise the viability of existing retail business, health, education or training facilities across the wider Tees Valley.

4.8 **Powers in relation to Land**

These are powers to:
- acquire land
- compulsorily purchase land (CPO, with Secretary of State approval)
- regenerate or develop land
- provide buildings or other land
- acquiring, holding, improving, managing, reclaiming, repairing or disposing of buildings, other land, plant, machinery, equipment or other property, carrying out building and other operations

4.9 The Council agrees that the full suite of powers under this heading should be transferred to the MDC and consider these essential to the effectiveness of the new organisation.

4.10 **Powers in relation to Financial Assistance**

These are:
- with the consent of the Mayor, give financial assistance to any person in the form of grants, loans, guarantee or indemnity, investment or incurring expenditure for the benefit of the person assisted
- powers in relation to discretionary relief from non-domestic rates
- power to review and dissolve the MDC

4.11 The full suite of powers in this element should be transferred to the MDC, with the exception of rate relief which should be retained by Redcar and Cleveland Council. It is proposed that the MDC should work jointly with the Council on any proposals in relation to non domestic rate relief so that the full implications for the Council’s sustainability can be considered. In any Regulation/Order, it should be clear that RCBC continues to be the billing and collecting authority with RCBC retaining rates except in areas of the MDC site that are already designated as Enterprise Zones.

4.12 **Section 106 Agreements**

In relation to Section 106 agreements, the Council proposes that;
- they should be considered on a case-by-case basis between the
MDC and Redcar & Cleveland Council.
- this process should comply with open-book transparency about income and expenditure in relation to all developments.
- decisions about section 106 investment should consider the impact of the development on the South Tees site and surrounding area and make provision accordingly. For example new developments may need facilitating work outside of the site boundary.

4.13 **Powers in Relation to Planning**

The Council proposes that planning powers be retained by the local authority for the following reasons;

- The Council has an excellent reputation for industrial development and a highly experienced and well respected team of specialist officers.
- The Council’s local plan is now at an advanced stage and confirms the South Tees area for employment and industrial development, providing the necessary context for the MDC’s masterplan.
- The Council will agree fast track processes with the MDC and will produce a prospectus for potential investors to demonstrate the speed, efficiency and professionalism of the service offer.
- Politically, the Council is committed to the regeneration of South Tees as a top priority.
- The Council has huge experience of public engagement in relation to industrial and commercial development and has an excellent track record in this regard.

4.14 The South Tees site is contained within the boundary of Redcar and Cleveland Council and consequently the MDC will have a single point of contact on all planning matters. The Council will provide a dedicated team and will develop bespoke processes (such as Local Development Orders) whenever appropriate, to speed up regeneration and provide certainty to investors.

4.15 The South Tees Masterplan, once adopted, would be given appropriate weight as a ‘material planning consideration’ in any decision on development applications.

5. **Conclusion**

The South Tees site is unique in terms of the potential contribution it can make to economic growth and prosperity in Redcar and Cleveland, Tees Valley and the UK. Working in partnership, as described in this consultation response, the STDC will be able to exploit the area’s international importance, accelerate business investment and jobs growth, whilst retaining and respecting efficient and effective local strategy and governance.
AGENDA ITEM 8
REPORT TO THE TEES VALLEY COMBINED AUTHORITY BOARD
22 MARCH 2017
REPORT OF MANAGING DIRECTOR AND CHIEF FINANCE OFFICER

COMBINED AUTHORITY BUDGET 2017/18

SUMMARY
The Board considered the Combined Authority’s Core Budget for 2017/18 at its meeting on 31st January 2017 prior to commencing a period of consultation. This report brings back that budget for final approval.

The paper also updates the Board on allocations of funding secured by the Combined Authority since the last report and which form part of the Combined Authority’s resource position.

RECOMMENDATIONS
That the Combined Authority:-

i. Note that the Budget agreed in principle by Cabinet on 31st January has now been considered by the Overview and Scrutiny Committee, without any request for amendment.

ii. Therefore confirm the approval of the Budget, as presented at the 31st January Board meeting.

iii. Note the new funding allocations granted to the Combined Authority as outlined in paragraphs 3 to 7.

iv. Agree to allocate funding from the Pothole Action Fund to constituent councils, as set out in paragraph 6.

v. Agree the funding position on concessionary fares in paragraph 8 and delegate to the Managing Director in consultation with the Chair of the Board any final amendments needed.
Combined Authority Medium Term Financial Plan – Core Budget

1. The Board considered the 2017/18 core budget at its meeting on 31st January and agreed that it be subject to a period of consultation until 3rd March 2017. During the consultation period the budget report was presented to Overview & Scrutiny Committee. Scrutiny Members had the opportunity to question the Managing Director and Finance Officer on the detailed provisions within the document, and made no proposals for amendment. Cabinet are therefore recommended to confirm their agreement, as set out in the 31st January meeting.

Combined Authority Resource Position - Update

2. Since the budget report was presented to the Board on 31st January there have been several formal approvals of funding secured by the Combined Authority and other funding changes which impact on the Authority’s resource position and these are set out in the following paragraphs.

3. The Government announced that the Tees Valley had been awarded £21.8m from Local Growth Fund Round 3. This funding will form part of the overall investment plan across the medium term.

4. Following a bid to the Governments Access to Transport Programme 2017-20 the Combined Authority had been successful in securing £3.322m. The Access Fund will support delivery of sustainable transport projects that seek to grow the economy by boosting levels of cycling and walking, and by improving access to jobs, skills, training and education.

5. In the Autumn Statement a new National Productivity Investment Fund was announced, which aims to reduce congestion at key locations, upgrade or improve the maintenance of local highway assets. The purpose being to improve access to employment, housing and develop economic and job creation opportunities. For 2017/18 the Tees Valley has been awarded funding of £2.298m for which individual projects are currently being identified.

6. The pothole action funding for 2017/18 will be paid to the Combined Authority by Government as part of the local highways maintenance funding. Since management of the standard of local highways is a responsibility of the constituent authorities, rather than the Combined Authority, it is recommended this will be passported out to each local authority at the amounts determined by Government as set out in the table below.
7. The Combined Authority has been successful in securing £68,750 to support the preparation of the required Services and Assets Delivery Plan to enable participation in the next phase of the One Public Estate (OPE) Programme. A further £325,000 has also been awarded from OPE for three specific projects relating to Darlington Town Centre Fringe South, redevelopment of Hartlepool’s Civic quarter and a South of Tees Children’s Hub.

8. The Tees Valley Combined Authority order 2016 places specific powers for Concessionary Fares and these costs have to be attributable across the constituent councils by way of agreed contributions. The total net 2017/18 estimated expenditure following negotiations to date with bus providers is £16.6m which is the same as in the current year. However, the position will not be finalised until after the end of March when the level of income is known, but any changes are expected to be minor. The estimated charges are therefore set out in the table below and it is proposed to delegate to the Managing Director in consultation with the Chair of the Board approval of any final amendments needed.

<table>
<thead>
<tr>
<th>Council</th>
<th>2017/18 Concessionary Fares £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hartlepool</td>
<td>2,259</td>
</tr>
<tr>
<td>Middlesbrough</td>
<td>4,173</td>
</tr>
<tr>
<td>Redcar and Cleveland</td>
<td>2,966</td>
</tr>
<tr>
<td>Stockton-on-Tees</td>
<td>4,075</td>
</tr>
<tr>
<td>Darlington</td>
<td>3,126</td>
</tr>
<tr>
<td><strong>Total Payments To Bus Operators</strong></td>
<td><strong>16,599</strong></td>
</tr>
</tbody>
</table>

**FINANCIAL IMPLICATIONS**

9. This report sets the core budget for the Combined Authority

**RECOMMENDATIONS**
10. That the Combined Authority:-

i. Note that the Budget agreed in principle by Cabinet on 31st January has now been considered by the Overview and Scrutiny Committee, without any request for amendment.

ii. Therefore confirm the approval of the Budget, as presented at the 31st January Board meeting.

iii. Note the new funding allocations granted to the Combined Authority as outlined in paragraphs 3 to 7.

iv. Agree to allocate funding from the Pothole Action Fund to constituent councils, as set out in paragraph 6.

v. Agree the funding position on concessionary fares in paragraph 8 and delegate to the Managing Director in consultation with the Chair of the Board any final amendments needed.

LEGAL IMPLICATIONS

11. None

RISK ASSESSMENT

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

CONSULTATION

13. This Core budget has been subject to consultation, including review by Overview and Scrutiny Committee which ended on 3rd March 2017.

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AGENDA ITEM 9
REPORT TO THE TEES VALLEY COMBINED AUTHORITY BOARD
22 MARCH 2017
REPORT OF THE HEAD OF CULTURE AND TOURISM

CULTURE AND TOURISM

SUMMARY

This report identifies proposals for initial investment in culture and tourism using devolution and development funds. The focus is on taking the first steps to ensure that our heritage, cultural and landscape assets realise their full potential, and that we invest in existing and new festivals and events which significantly impact on the visitor economy and have the potential to increase cultural engagement and attract new visitors. We will also begin to build the cultural capacity - infrastructure and skills which will be needed to develop a more sustainable vibrant cultural offering, whilst putting in place a destination marketing function which will promote our culture and tourism offer within the region, nationally and internationally. The proposals listed will begin to lay the groundwork for a successful bid to be 2025 City of Culture.

RECOMMENDATIONS

It is recommended that the Tees Valley Combined Authority Board:

i. Consider the focus of the initial culture and tourism investment programme which will begin to:
   - Deliver the SEP Objectives around Skills, Social Inclusion, Business Growth and Jobs
   - Leverage additional cultural investment
   - Prepare the groundwork for the 2025 Capital of Culture Bid
   - Create vibrancy, cultural infrastructure, capacity, workspace and Civic Pride
   - Communicate powerfully about the great experiences Tees Valley can offer

ii. Agree to the development of the four areas of activity identified as important initial steps to reach our cultural potential and a successful bid to be 2025 City of Culture:
   - Heritage and Attraction Asset Capital Development £250,000
   - Festivals and Events £200,000 x 2 years
   - Building Cultural Capacity £100,000
   - Destination Marketing £350,000 x 3 years

Total Programme: £1.8m
DETAIL

Background

1. Lord Heseltine indicated in his independent report “Tees Valley: Opportunity Unlimited” published and launched on 7 June 2016, that ‘Tees Valley is one of Britain’s best kept secrets’. Previous work on cultural development in Tees Valley has included a Task and Finish report led by Graham Henderson, formerly of Teesside University, which brought together many of the cultural leaders, authorities and practitioners to develop a deeper understanding of the needs and opportunities of the sector. The Group identified opportunities to develop a more sustainable and thriving cultural life which will improve social inclusion, health and well-being, community cohesion whilst helping to attract further investment, build the visitor economy and create a greater number of jobs. The report concluded that:

   • Our existing cultural venues and arts /heritage organisations are stretched in terms of staff and resource to increase their activity both within and without their venues.
   • More cultural practitioners are needed – both developed from within Tees Valley, and some from further afield to bring new ideas. Career development opportunities are limited which means retention of skills and people is severely compromised. We need more consistent activity to allow consolidation of the sector.
   • The private sector, both in cultural activity and in tourism respond to sustained development and promotion. It gives them the confidence to open new venues, hotels, attractions, retail, employ more people, and upgrade facilities as the market now demands (better quality accommodation, more great restaurants etc.)

City of Culture 2025 Preparation

2. Tees Valley Combined Authority and partners in Tees Valley have declared our intention to bid to be UK City of Culture 2025 and begin the process of wider consultation on the bid and programme priorities. The process of bidding is hugely beneficial in itself. It can bring the people, communities, business and others agencies together for a common cause. It provides a focus for promotion of cultural and tourism assets and for addressing issues of perception and image. Hull achieved over £3 million media coverage in the bid phase alone including major articles in national broadsheets. There are several stages and requirements to begin the process:

   • Building capacity. An early audit and analysis of strengths and areas for improvement will inform any work programme for tackling weaknesses.
   • Research – getting baseline data in place which will help tell the story and identify the potential for step change
   • Capacity analysis – we would build a more in depth report on this and what would be needed
   • An understanding of readiness (or not) and legacy planning and the governance model
   • Visioning – to find the vision, distinctive stories and themes of Tees Valley that will bring the programme to life and inspire local communities
   • Programme development to quite a detailed level
   • Marketing and communications
• Fundraising for the bid – then for the year itself
• Community engagement

3. Tees Valley strengths include experienced programmers at ARC, SIRF, mima, Festival of Thrift, Theatre Hullabaloo and at many of the existing museums and heritage sites. Substantial expertise exists in the community and Street arts, public art, festival development and children’s theatre, and these are great strengths in Tees Valley. Teesside University and Cleveland College of Art and Design are developing capacity in digital, creative and art education. The private sector in Tees Valley can be hugely supportive and we believe will back this bid. There are important heritage and thematic cultural opportunities to be developed around exploration, maritime history, nature, engineering, railways and innovation.

4. A bid to be Capital of Culture would create the possibility for step-change in tourism, place-making, perceptions, creative business growth and social inclusion in Tees Valley. The Combined Authority and its partners will begin the process of wider consultation on the bid and programme priorities to support this ambition in the late autumn of 2017.

Initial Investment Programme

5. The Strategic Economic Plan aim is to build cultural vibrancy in our communities and change external perceptions of Tees Valley through the arts, cultural and leisure offer whilst creating places that attract and retain businesses and business leaders and make the area more attractive to investors, workers and visitors.

Our resources overall are:

![Culture £10.7 million](image)

6. With these resources we want to:

• Build capacity across art forms and heritage – visual arts, dance, literature, performance, music and other cultural activity towards enabling a successful 2025 bid to be Capital of Culture;
• Provide training, skills development and sustainable jobs in the cultural, creative and tourism sectors – the outcome is to develop our offer and strengthen our economy whilst creating a stronger career structure for those working in these sectors;
• Build audiences through innovative creative digital technologies, partnerships and communications;
• Build capacity in cultural venues, events and festivals, and in the workforce required to improve social inclusion and community cohesion; and
• Develop cultural venues and attractions which have the greatest potential to build the visitor economy and facilitate greater engagement with people and in more communities, and bring inherent Tees Valley arts, heritage and culture to the fore in a coherent and innovative way.
7. And grow the visitor economy:

- Develop businesses, tourism products and experiences which meet potential visitor needs; and
- Build awareness of those products and experiences and attract more, longer staying visitors through building destination marketing capacity.

**The initial areas for investment proposed are:**

**Festivals and Events:**

8. We propose to invest in significant existing festivals giving national and international profile to Tees Valley and consolidate the artistic, cultural, business and administrative capacity to ensure world class activity takes place eg currently SIRF and Festival of Thrift. To develop festivals for 2017 activity, investment must be made now to allow for artists to be commissioned, administration and organisation to be consolidated, and allow greater scope of promotion both within Tees Valley and nationally. The funding cannot replace existing funding support - the new investment is to create additional cultural activity, encourage cross Tees Valley engagement, and ensure stronger promotion.

9. The funding for this activity allows capacity to also support additional new and existing festival and event development. The key initial investment will be to create capacity to develop the major event which will celebrate the 2025 Anniversary of the world’s First Passenger Railway between Stockton and Darlington. This event will require immediate commissioning of steam and other engines, scoping of the ideas of communities and authorities to create a programme of international standing worthy of this innovation of world-wide influence and impact.

10. In addition, The Great Exhibition of the North, to be hosted in Newcastle, offers Tees Valley the opportunity to evidence our innovation, world influencing heritage, cultural strengths and exploration aptitude. We will bid to create a stunning and surprising ‘pavillion’ as part of the Exhibition.

**Heritage and Attraction Development:**

11. We will invest in developing world class heritage and attractions capital projects now in readiness for 2025 and beyond and prepare feasibility, business planning, interpretation and architectural design options to underpin attracting wider capital investment

12. Ensure powerful heritage with the potential to attract national and international visitors is a focus of investment and develop Tees Valley’s strongest stories with the potential to reflect local identity and become significant attractions.

13. The initial major opportunities for investment with the potential to attract significant additional visitor numbers:

- The North Road Railway Heritage site connected with interpretation at related sites in Stockton, Darlington, Shildon and Middlesborough Station.
- The Royal Naval Museum and Maritime Heritage in Hartlepool.
- The 17th Century landscape and buildings at Kirkleatham - strengthening the cultural offer and tourism potential.
• Maximise the use of the River Tees, its existing leisure, natural, outdoor activity assets and potentially investigating the opening up of new riverside spaces, moorings, pontoons, riverside café, festival and event space. Creating greater access to the River.
• Investigate other cultural space potential for exhibitions and collections of Tees Valley heritage and explore potential outdoor event spaces (with some access facilities) which could take much larger numbers of people.

Cultural Capacity Building:

14. Capacity building within the cultural sector in Tees Valley is essential – building the skills, increasing the number of cultural practitioners, engaging creative businesses, reaching wider audiences. This will enable the delivery of a much wider range of arts and cultural activity and underpin the City of Culture bid. There are fewer art form teachers who are based in Tees Valley – it is difficult and expensive to ask people to travel from other conurbations. Excellent work is being done in our venues and organisations – ARC, mima, Theatre Hullabaloo, SIRF, Tees Valley Arts etc… but all need additional resource to employ more people and manage more activity for a greater number of people and communities. We are in discussion with Arts Council England over a longer term reappraisal of the levels of investment in Tees Valley.

15. This investment will support partnership developments across art form, cultural and private sector organisations for innovative projects such as the Great Exhibition of the North and wider programmes of work. It will support research into potential event space and infrastructure needs and examine technical skills development to improve event development capacity in Tees Valley.

16. Within the Capacity Building Programme, one major Tees Valley partnership bid has been successful and one is currently under consideration:

17. **Great Places Fund** (Arts Council England, Heritage Lottery Fund, Historic England): Tees Valley Combined Authority and partners have been successful in winning £1.33 million of additional funding resources to run 10 different culture development projects around community engagement with the arts, and cross Tees Valley skills development.

18. **Museums National Portfolio Organisation** (Arts Council England): if successful this will add £2.8 million over four years from 2018-2022. That is £700k per annum to capacity building in museums around collections management and learning capacity, digitising the collections. There will be additional capacity and new skills available to each museum.

The Destination Marketing Function

19. It is critical to future cultural development success that we begin to celebrate and communicate about the very strong tourism assets Tees Valley already has, and that we are ready to promote those which will be developed over the coming years. It is important we understand the challenge involved and it can help to compare Tees Valley and neighbouring destinations. In the North East the STEAM model (Scarborough Tourism Economic Activity Monitor) of tourism economic impact has been used since 2003. This model uses local data sources to provide outputs on visitor numbers, economic impact and job creation and is widely used across Britain.
20. The last full report produced for Tees Valley was the 2011 report. These figures are given below, with comparable figures for 2011 for Newcastle Gateshead (NG) given in brackets. The report stated that:

- 18.3 million visitors spending 20.1 million days (NG 17.6 m visitors; 20 million days)
- Visitor expenditure of £714m (NG £1.26 billion)
- Direct employment of 8,230 with total employment of 10,503 attributable to tourism (NG 18,321 jobs)

21. In 2011, Tees Valley accounted for 22% of all visits to the North East (includes all Tyneside, Weardale, Northumberland, County Durham and Tees Valley), 17% of visitor expenditure and 16% of tourism employment in the North East.

22. Visit England measure overnight domestic tourism through the Great Britain Tourism Survey (GBTS). This can be broken down to local authority and regional level on a three year rolling average. There has been an overall fall in the number of visitors to the North East over recent years, however this has been mainly due to a fall in day visits. Overnight visitor numbers have increased dramatically across the region. As an example of this, between 2011 and 2015 the number of visitors staying overnight in Newcastle Gateshead has risen by 14% from 1.7 million to 1.95m. Overnight visitors give a greater yield to Newcastle Gateshead the destination, and this increase in visitor numbers has contributed to an increase in expenditure of 15% from £403 million in 2011 to £464m in 2015.

23. The data for Tees Valley can be seen in the table below. As we can see from this, there were 77,000 less overnight visitors in the last round of data compared to levels seen in 2006-08 however the number has grown by 33,000 (5%) when compared to that seen between 2009-11. Expenditure has also grown by 11% since 2009-11. However, this does not compare well to the equivalent growth period in Newcastle Gateshead where the figures are 14% growth in numbers and 15% growth in visitor spend as indicated above.

24. The most important point is that similar numbers of visitors staying overnight in both destinations of Newcastle Gateshead and Tees Valley (approximately 1.7 million) are delivering very different levels of visitor spend in each location: £403 million (in 2011) in Newcastle Gateshead and only £90 million (in 2015) in Tees Valley. This indicates very poor leverage of our assets, fewer people staying to visit our attractions and people spending much less per visit overall.

<table>
<thead>
<tr>
<th>Year</th>
<th>Trips (000's)</th>
<th>Nights (000's)</th>
<th>Spend (£mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-08</td>
<td>737</td>
<td>2,072</td>
<td>90</td>
</tr>
<tr>
<td>2007-09</td>
<td>707</td>
<td>2,073</td>
<td>91</td>
</tr>
<tr>
<td>2008-10</td>
<td>626</td>
<td>1,821</td>
<td>82</td>
</tr>
<tr>
<td>2009-11</td>
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<td>1,660</td>
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<td>2010-12</td>
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<td>96</td>
</tr>
<tr>
<td>2012-14</td>
<td>654</td>
<td>1,595</td>
<td>92</td>
</tr>
<tr>
<td>2013-15</td>
<td>660</td>
<td>1,696</td>
<td>90</td>
</tr>
</tbody>
</table>

The destination marketing function:
• Will help change perceptions and create a national and international profile
• Introduce Tees Valley to new audiences and encourage longer length of stay
• Will capitalise on our existing strengths and assets and project our offer more clearly around defined experiences to attract more visitors
• Encourage business confidence and investment in, and upgrading of, facilities
• Create a place where visitors have great experiences, people enjoy working, businesses are confident to invest and grow, and local people can enjoy their leisure time
• Will put Tees Valley and its distinct towns, culture and landscapes on a level playing field with other destinations – able to attract investment and participate at a national level with VisitBritain. The team will work with our neighbouring destinations in the North – Welcome to Yorkshire, Visit County Durham, NewcastleGateshead

25. The proposed function will be small and embedded within the Combined Authority with access to many resources across business investment and support, inward investment, economic intelligence, transport development and information. It will be small and efficient - focused initially on website development, private sector engagement, product development, PR and marketing, and work closely with relevant colleagues in partner organisations to maximise success.

FINANCIAL IMPLICATIONS

26. The funding will come from the Combined Authority devolved funds and will be subject to due diligence through the Tees Valley Single Pot Assurance Framework.

- Events and Festivals £200,000 x 2ys
- Heritage and Attractions Capital Development £250,000
- Cultural Capacity Building £100,000
- Destination Marketing £350,000 x 3yrs
- Initial Programme Total: £1,800,000

27. Other funding potential which our investments will attract may come from:

- Arts Council England
- Heritage Lottery Fund
- Historic England
- Museums National Portfolio Organisations
- European Funding
- Private Sector
- Trusts and Foundations

RECOMMENDATIONS

28. The Tees Valley Combined Authority Board is asked to consider the focus of the initial culture and tourism investment programme which will begin to:

- Deliver the SEP Objectives around Skills, Social Inclusion, Business Growth and Jobs
- Leverage additional cultural investment
- Prepare the groundwork for the 2025 Capital of Culture Bid
- Create vibrancy, cultural infrastructure, capacity, workspace and Civic Pride
- Communicate powerfully about the great experiences Tees Valley can offer
29. Tees Valley Combined Authority Board is asked to agree to the development of the four areas of activity identified as important initial steps to reach our cultural potential and a successful bid to be 2025 City of Culture:

- Heritage and Attraction Asset Capital Development £250,000
- Festivals and Events £200,000 x 2 years
- Building Cultural Capacity £100,000
- Destination Marketing £350,000 x 3 years

LEGAL IMPLICATIONS

30. There are no direct legal implications arising from this report.

RISK ASSESSMENT

31. This (subject matter of report) is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION

32. Consultation has taken place with the Cultural officers Group, the Cultural Thematic Group, Tees Valley Combined Authority Management Group, Tees Valley Combined Authority CEX, and Leaders.

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Members' Interests (the text below is fixed and should not be altered by the author).

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in paragraphs 9 and 11 of the Tees Valley Combined Authority’s (TVCA) code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of paragraphs 12 - 17 of the code.

Where a Member regards him/herself as having a personal interest, as described in paragraph 16 of the code, in any business of the TVCA he/she must then, in accordance with paragraph 18 of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member’s judgement of the public interest and the business:-

- affects the members financial position or the financial position of a person or body described in paragraph 17 of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in paragraph 17 of the code.

A Member with a personal interest, as described in paragraph 18 of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (paragraph 19 of the code)

Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) paragraph 20 of the code.

Members are required to comply with any procedural rule adopted by the TVCA which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (paragraph 21 of the code)
PROCEDURES FOR OVERVIEW AND SCRUTINY

SUMMARY

The Combined Authority’s Overview and Scrutiny function is to be given a new, stronger statutory basis, under the provisions agreed as part of our Devolution Deal. Parliament have recently agreed a Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order, this will come into force on 8th May 2017.

This paper provides members with the opportunity to agree the final rules of procedure, which includes the call-in process, for the Tees Valley Combined Authority Overview & Scrutiny Committee. The Rules of Procedure for the Committee will be inserted into the Combined Authority Constitution, which the Board approved at their last meeting.

RECOMMENDATIONS

That the Board agree the rules of procedure, including the call-in arrangements, for Overview and Scrutiny Committee in advance of the above order coming into force.

DETAIL

1. At their meeting on 24th Nov 2016 the Overview and Scrutiny Committee considered a report regarding the new emerging statutory framework. The Order makes general provision for overview and scrutiny of a combined authority and includes the power to call-in decisions. The practical procedure for operating the call-in power needs to be agreed locally between the Cabinet and Scrutiny Committee. The committee discussed how call-in could be implemented within the Tees Valley Combined Authority and it was agreed to produce a draft call-in procedure document.

2. The proposed procedure for how call-in could operate was drafted, drawing on experience within each of the five constituent councils, but also reflecting the different nature of decision making in a Combined Authority context compared to a Local Authority.

3. A workshop of the Tees Valley Combined Authority Overview and Scrutiny Committee was then held on 3rd February 2017 where a full discussion took place around the proposed call-in procedure.
4. Scrutiny members were broadly supportive of the proposed procedure but made a number of specific comments and suggestions, which the Managing Director agreed to incorporate into the procedure.

5. The final call-in procedure was then written in, as a separate section, to the Overview and Scrutiny rules of procedure document (see Appendix 1). The Call in procedure includes:
   - A set of criteria established to assist members in citing their reasons for requesting a decision be called in. (A form will be provided by the Combined Authority to be completed by members who wish to trigger a call-in)
   - The agreement that call-in can only be triggered if requested by five members of the Overview and Scrutiny Committee, representing at least three of the constituent authorities
   - Clear timescales for each part of the process which must be adhered to
   - A format for the decision review meeting
   - A choice of action that may be taken, by majority decision, before the close of the review meeting
   - Guidance around urgent decisions where call-in does not apply
   - An agreement that each decision can only be called in once
   - A commitment to review the procedure after a period of 12 months

6. The final Overview and Scrutiny rules of procedure and call-in process were agreed by the Committee members at their meeting on 23rd February 2017.

FINANCIAL IMPLICATIONS

7. There are no financial implications arising directly from this report.

RECOMMENDATIONS

8. That the Board agree the rules of procedure, including the call-in arrangements, for Overview and Scrutiny Committee in advance of the above order coming into force.

LEGAL IMPLICATIONS

9. The order is carried out under S117(2) of the Local Democracy, Economic Development and Construction Act 2009. The Rules of Procedure will be inserted as an appendix in to the Combined Authority Constitution, which will come in to effect from May 2017.

RISK ASSESSMENT

10. Existing management systems and daily routine activities are sufficient to control and reduce risk associated with the order.

CONSULTATION

11. Consultation has been undertaken with members of the Combined Authority Overview and Scrutiny Committee during the 3rd February workshop. The relevant documents have also been circulated to Cabinet members and Leaders for comments.

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Appendix 1

OVERVIEW AND SCRUTINY COMMITTEE RULES OF PROCEDURE

1. Introduction

1.1 These rules of procedure provide a framework for carrying out the scrutiny work of the Tees Valley Combined Authority (“Combined Authority”).

2. Objectives and key principles of scrutiny of the Combined Authority

2.1 The Combined Authority 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 (“the Cabinet”) and the Tees Valley Mayor (“the Mayor”).

2.2 The purpose of these arrangements will include:-

- 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;

- Reviewing the strategies and policies of the Combined Authority and holding the Mayor, other Cabinet Members, and Officers, to account for their delivery.

2.3 The Overview and Scrutiny Committee shall be 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.

2.4 The scrutiny process will be open and transparent and designed to engage all relevant organisations, residents and other stakeholders.
2.5 The terms of reference, timescale and outline of any review shall be agreed by the Overview and Scrutiny Committee.

2.6 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.

2.7 The Committee may also establish temporary working groups to consider specific issues in more depth and to report back to the Committee. Working Groups cannot however receive delegated authority from the Committee, who retain responsibility for all decisions.

3. Meetings of the Overview and Scrutiny Committee

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

3.2 Notice of the annual meeting and any other meetings will be sent to each Overview and Scrutiny Committee Member in accordance with the requirements of the Local Government Act 1972.

3.3 Meetings will be held in public, unless the meeting decides to convene in private in order to discuss confidential or exempt information, in accordance with the relevant provisions of the Local Government Act 1972.

4. Functions of the Overview and Scrutiny Committee

4.1 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.

4.2 The Overview and Scrutiny Committee has developed and agreed written arrangements in connection with the exercise of the power at
paragraph 4.1(iv), and has obtained the consent of the Cabinet to those arrangements. These arrangements are detailed in section 9 of these rules. The Overview and Scrutiny Committee and Cabinet will exercise the powers specified in sub paragraph 4.1(iv) in accordance with these arrangements.

4.3 The Overview and Scrutiny Committee, acting reasonably, may:-

- Require the members or statutory officers of the Combined Authority (including the Mayor and Deputy Mayor), to attend before it to answer questions and give evidence and may

- Invite other persons, including Officers of the Constituent Authorities, to attend meetings of the Committee

4.4 Any invitations under 4.3 must be made through the Managing Director of the Combined Authority, or the Chief Executive of the relevant Constituent Authority. If any request is declined by the Managing Director or Chief Executive, he/she must indicate the reasons for so doing.

4.5 A person on whom a requirement is imposed under the preceding sub-paragraph is required to comply with the requirement.

4.6 A person is not obliged by paragraph 4.5 to answer any question which the person would be entitled to refuse to answer in, or for the purposes of proceedings in a court in England and Wales.

5. Functions of the Overview and Scrutiny Committee Regarding the Combined Authority’s Budget

5.1 Before the end of December each year, the Combined Authority Cabinet will approve a draft Budget for the purposes of consultation with interested parties.

5.2 The Overview and Scrutiny Committee shall consider the draft Budget at a Committee meeting and shall ensure that the outcome of the meeting, insofar as the Committee’s consideration of the draft Budget is concerned, is brought to Cabinet’s attention before the end of the consultation period.

6. Agendas and Business of the Overview and Scrutiny Committee

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

6.2 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.
6.3 Any member of the Combined Authority or of a Constituent Council of the Combined Authority may also raise with the Chair an item which is relevant to the functions of the Committee, for the Committee's consideration.

6.4 In considering whether or not to exercise any of the powers specified in sub paragraph 4.1(iv) of these rules in relation to a matter referred to it by a member of the Combined Authority or a member of a Constituent Council in accordance with the agreed arrangements regarding the exercise of those powers, the Overview and Scrutiny Committee must have regard to any representations made as to why it would be appropriate for the Committee to exercise any of those powers.

6.5 If the Committee decides not to exercise any of those powers in relation to the matter, it must notify the relevant member of its decision and the reasons for it.

6.6 The Committee must also provide the relevant member with a copy of any report or recommendations which the Committee makes regarding the exercise of its powers in connection with the matter referred to it by the Members concerned, subject to the provisions of paragraph 7.5 (confidential and exempt information)

7. Reports or Recommendations of the Overview and Scrutiny Committee:

7.1 Where the Overview and Scrutiny Committee makes a report or recommendations, the Committee may:-

- Publish the report or recommendations;

- By notice require the Combined Authority or the Mayor to:-
  
  o Consider the report or recommendations;

  o Respond to the Committee indicating what (if any) action the Combined Authority proposes to take; and

  o If the Committee has published the report or recommendations, to publish the response.

7.2 Notice given under the preceding paragraph 7.1 must require the Combined Authority or the Mayor to comply with it within two months beginning with the date on which the Combined Authority or the Mayor received the report or recommendations or (if later) the notice.

7.3 The Combined Authority or the Mayor must respond to a report or recommendations made by the Committee as a result of a referral made in accordance with these rules, within two months beginning with
the date on which the Authority or the Mayor received the report or recommendations or (if later) the notice.

7.4 When publishing any document comprising such report(s) or recommendation(s), or a response of the Combined Authority or the Mayor to any of those report(s) or recommendation(s), the Overview and Scrutiny Committee must exclude any confidential information, and may exclude any relevant exempt information.

7.5 When the Overview and Scrutiny Committee provides a copy of any such documents to a Member of the Combined Authority, or to a member of a Constituent Authority, the Committee may exclude any confidential information or relevant exempt information.

7.6 Where the Committee excludes information under the preceding paragraphs of these rules, the Committee in publishing or providing a copy of the document(s) may replace so much of the documents as disclose the information, with a summary which does not disclose that information, and must do so if, in consequence of excluding the information the document(s) published, or the copy provided, would be misleading or not reasonably comprehensible.

7.7 Notwithstanding that the Committee, in publishing or providing a copy of a report or recommendations, has excluded information, or has replaced part of a report or the recommendations with a summary, it is nevertheless to be taken to have published the report or recommendations.

7.8 “Confidential information” has the meaning given by section 100A(3) of the Local Government Act 1972.

7.9 “Exempt information” has the meaning given by section 100I of the 1972 Act.

7.10 “Relevant exempt information” means:-

- in relation to a report or recommendations of the Overview and Scrutiny Committee, exempt information of a description specified in a resolution of the Committee under section 100A(4) of the 1972 Act which applied to the proceedings, or part of the proceedings of the Committee at which the report was, or the recommendations were considered; and

- in relation to a response of the Combined Authority or the Mayor, exempt information of a description specified in such a resolution of the Authority which applied to the proceedings, or part of the proceedings, at any meeting of the Authority at which the report or response was, or the recommendations were considered.
8. Rights of Overview and Scrutiny Committee Members to documents

8.1 A member of the Overview and Scrutiny Committee is entitled to a copy of any document which is in the possession or under the control of the Combined Authority or the Mayor, and contains material relating to any business that has been transacted at a meeting of a decision-making body of the Authority, or to any decision that has been made by an individual Member of the Authority.

8.2 Where a member of the Overview and Scrutiny Committee requests a document which falls within the preceding paragraph, the Combined Authority or the Mayor must provide that document as soon as reasonably practicable, and in any case no later than 10 clear days after the Authority receives the request.

8.3 However, no member of the Overview and Scrutiny Committee is entitled to a copy of any such document or part of a document as contains exempt or confidential information unless that information is relevant to:

- An action or decision that the Member is reviewing or scrutinising; or
- Any review contained in any programme of work of the Committee or of a working group of the Committee.

8.4 Where, as a result, the Combined Authority or the Mayor, or the Managing Director determines that a member of the Overview and Scrutiny Committee is not entitled to a copy of a document or part of any such document for a reason set out in the preceding paragraph 8.3 it must provide the Committee with a written statement setting out its reasons for that decision.


9.1 The power of the Overview & Scrutiny Committee to call-in decisions for review and scrutiny is intended to apply in exceptional circumstances.

In exercising this power, members of the Overview and Scrutiny Committee will need to determine that a decision of the Combined Authority has been made:

- in a manner inconsistent with the constitution and procedures of the Combined Authority;
- without adequate consultation with parties directly affected by that decision;
- without adequate evidence to inform that decision, or with inaccurate or misleading evidence;
- in a manner which gave inadequate weight to professional advice
• without sufficient regard to the financial consequences or financial risk;
• without sufficient regard to social and/or environmental consequences, or to respect for equality and human rights;
• in a manner which is inconsistent with the policies of a majority of the constituent councils; or
• without adequate consideration of the impact on business.

9.2 All decisions made by Cabinet, all decisions delegated to sub committees, and all officer key decisions shall be published within 2 working days of being made. Overview & Scrutiny Committee members will be sent a copy of all such decisions, within the same timescale.

9.3 The notice shall bear the date on which it was published and shall specify that the decision will come into force and be implemented on the expiry of at least five clear days after the publication of the decision, unless the decision is subject to call in by the Overview and Scrutiny Committee.

9.4 During that period the Monitoring officer shall (having deemed that the call in request is valid according to the criteria established at paragraph [9.1]) call-in a decision for scrutiny by the Committee if so requested in writing by five Members of the Overview & Scrutiny Committee, representing at least three of the constituent authorities. He/she shall notify the decision maker of the call-in.

9.5 A meeting of the Committee shall be called as soon as possible, after consultation with the Chair of the Committee and, in the first instance, within ten days of the expiry of the call-in period unless there are exceptional circumstances as to why this cannot be achieved (Exceptional circumstances shall be determined by the Monitoring officer in consultation with the Chair of Overview and Scrutiny).

9.6 The written request that call-in should be effected should always include specific details clearly explaining why the members making the request consider that a decision has not been taken in accordance with the principles set out in 9.1; identifying which principle applies, and describing the reasons which the member has for believing that that principle applies. Wherever possible, the request shall also indicate whether the member wishes to invoke the powers in paragraph 4.3 to require or invite persons to attend the Committee. The Combined Authority will provide a form for completion by the members making the call-in request, to ensure the proper application of the call-in procedure.

9.7 On receipt of a valid call-in request, the Committee meeting to review the decision shall follow the following format:-

• The members requesting the call-in will explain the reasons for calling in the decision
• Other Scrutiny members may ask questions or seek clarification on the reasons for call in.
• The decision maker and/or supporting Officer/s will explain the reasons for the decision being made and respond to any issues raised by the call in
• Scrutiny members may ask questions or seek clarification
• Scrutiny members will then deliberate and come to a decision

Timings for each element of the meeting may be determined by the Chair, and proposed for agreement by the Committee, in order to ensure the efficient conduct of the meeting.

9.8 The Committee may, by majority decision, take one of the following actions:
A. agree that the original decision should stand, no further action should be taken and the decision can be implemented without further delay
B. agree that the original decision should stand, but can make comments on the decision.
C. agree that the original decision should be referred back to the decision-maker with a recommendation it be reconsidered, providing a statement of the reasons for the referral
D. (Where the decision was made under delegated arrangements) agree that the original decision should be referred to the Cabinet with a recommendation it is considered, providing a statement of the reasons for the referral.
E. agree to defer the meeting for further consideration (the meeting can only be deferred once).

Where options C, D or E are chosen Scrutiny Committee can direct that the decision not be implemented for a further period not exceeding 14 days; where doing so is necessary for effective scrutiny and/or reconsideration to take place and further deferral doesn't create a risk of serious prejudice to the interests of the Combined Authority.

9.9 If following a valid call in, a quorate meeting of the Overview & Scrutiny Committee is not held within 10 days (unless there are exceptional circumstances for holding the meeting at a later date), or does meet but does not refer the matter back to the decision making person or body, or where appropriate refer the matter to Cabinet, the decision shall take effect on the date of the Scrutiny meeting, or the expiry of the 10 day period as appropriate.

9.10 If the matter is referred to Cabinet, the Cabinet shall meet within 10 days of the request, unless there are exceptional circumstances as to why this cannot happen, to reconsider the particular matter. Following the meeting Cabinet shall respond to the Overview and Scrutiny Committee indicating what, if any, action Cabinet propose to take.

9.11 The call-in procedure set out above shall not apply where an urgent decision needs to be made. An urgent decision is one that needs to be
implemented before the call-in period, to avoid a risk of serious prejudice to the interests of the Combined Authority. In these circumstances:

- The Managing Director shall determine whether a risk of serious prejudice exists. In the event that the Managing Director is the decision-maker, this assessment shall be confirmed by the Monitoring Officer;
- The Managing Director must secure the agreement of the Decision-maker, and the Chair of Overview and Scrutiny.
- The decision shall be communicated to Overview & Scrutiny Committee in advance of implementation.
- The fact that a decision is exempt from call-in shall be recorded alongside the decision itself.

9.12 The operation of the provisions relating to call-in and urgency shall also be monitored and reviewed annually.

9.13 Each decision can only be called in once.