

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

## TEES VALLEY COMBINED AUTHORITY OVERVIEW & SCRUTINY COMMITTEE

Cavendish House, Stockton-On-Tees, TS17 6QY

Thursday 7th June 2018 at 10.00am

### MEETING

#### ATTENDEES

##### Members

Cllr Norma Stephenson OBE	Stockton on Tees Borough Council	SBC
Cllr Derrick Brown	Stockton on Tees Borough Council	SBC
Cllr Matt Vickers	Stockton on Tees Borough Council	SBC
Cllr Ian Haszeldine	Darlington Borough Council	DBC
Cllr Sonia Kane	Darlington Borough Council	DBC
Cllr Matthew Storey	Middleborough Borough Council	MBC
Cllr Vic Walkington	Middlesbrough Borough Council	MBC
Cllr Glyn Nightingale	Redcar & Cleveland Borough Council	R&CBC
Cllr Phillip Thompson	Redcar & Cleveland Borough Council	R&CBC
Cllr Mike McLaughlin	Hartlepool Borough Council	HBC

##### Apologies for absence

Cllr Stephen Akers-Belcher	Hartlepool Borough Council	HBC
Cllr Rob Cook	Hartlepool Borough Council	HBC
Cllr Jean Sharrocks	Middlesbrough Borough Council	MBC
Cllr Heather Scott	Darlington Borough Council	DBC
Cllr Neil O'Brien	Redcar & Cleveland Borough Council	R&CBC

##### Officers

John Hart	Governance & Scrutiny Officer	TVCA
Andrew Lewis	Managing Director	TVCA
Julie Gilhespie	Interim Managing Director	TVCA

##### Other Attendees

Joan Stevens	Scrutiny Officer	HBC
Dan Johnson	Political Officer	MBC

<b>OSC 1/18</b>	<p><b>INTRODUCTIONS</b></p> <p>John Hart, Governance and Scrutiny Officer updated members on changes to the membership of the Committee following the Combined Authority Annual General Meeting on Friday June 1<sup>st</sup> 2018 and welcomed Cllr Walkington and Cllr McLaughlin to their first meeting</p>	
<b>OSC 2/18</b>	<p><b>DECLARATIONS OF INTEREST</b></p> <p>There were no interests declared</p>	
<b>OSC 3/18</b>	<p><b>MINUTES</b></p> <p>The minutes of the meeting on 26<sup>th</sup> April 2018 were agreed and signed as a correct record.</p> <p>Cllr Thompson requested that, following the discussion of the work of the Educational Improvement Board at this meeting, the committee receive minutes of meetings held by the body, and for the Regional Schools Commissioner to attend a future meeting of the Overview and Scrutiny Committee. Andrew Lewis, Managing Director, advised that the meeting was facilitated by the Department of Education, but the Combined Authority were looking at the possibility of publishing them alongside the minutes of our own committee. He continued that while it was possible for the Committee to invite the Regional Schools Commissioner to attend a committee meeting, as an official accountable to central government the Committee did not have the power to compel attendance. Officers of the Combined Authority and constituent councils could be made available to advise the Committee on educational improvement matters, if the Committee were to establish a work programme item on these functions.</p>	
<b>OSC 4/18</b>	<p><b>OUTGOING CHAIR/VICE-CHAIR REMARKS</b></p> <p>Cllr Stephenson thanked Committee members for their efforts over the course of the preceding civic year and thanked Combined Authority staff for their support.</p> <p>She highlighted that attendance remained an issue for the committee, something she had raised with the Combined Authority Cabinet whilst presenting the Committee's Annual Report at the previous week's Annual General Meeting. She reported that an attendance record for the committee, including the percentages of meetings attended by individual members, had been circulated to the leaders of the Constituent Authorities.</p> <p>Cllr Haszeldine thanked members for their enthusiasm over the past year, particularly those who had participated in the Committee's Budget Task and Finish Group.</p>	
<b>OSC 5/18</b>	<p><b>APPOINTMENT OF CHAIR</b></p>	

	<p>John Hart, Governance and Scrutiny Officer, invited nominations for the position of Committee Chair for the forthcoming civic year.</p> <p>Cllr Norma Stephenson was nominated by Cllr Sonia Kane, with the nomination seconded by Cllr Derrick Brown.</p> <p>No further nominations being forthcoming, Cllr Stephenson was duly and unanimously elected.</p> <p><b>RESOLVED:</b> Cllr Norma Stephenson was elected Chair of the Tees Valley Combined Authority Overview and Scrutiny Committee for the 2018/2019 municipal year, subject to Cabinet ratification.</p>	
<p><b>OSC 06/18</b></p>	<p><b>APPOINTMENT OF VICE-CHAIR</b></p> <p>The Chair invited nominations for the position of Committee Vice-Chair for the forthcoming civic year.</p> <p>Cllr Ian Haszeldine was nominated by Cllr Sonia Kane, with the nomination seconded by Cllr Derrick Brown.</p> <p>No further nominations being forthcoming, Cllr Haszeldine was duly and unanimously elected.</p> <p><b>RESOLVED:</b> Cllr Ian Haszeldine was elected Vice-Chair of the Tees Valley Combined Authority Overview and Scrutiny Committee for the 2018/2019 municipal year, subject to Cabinet ratification.</p>	
<p><b>OSC 07/18</b></p>	<p><b>ANNOUNCEMENTS FROM THE MANAGING DIRECTOR</b></p> <p>Andrew Lewis, Managing Director, congratulated the Chair and Vice-Chair on their re-election. He stated that no substantive changes had been made to the Combined Authority constitution at the Annual General Meeting, and the Scrutiny arrangements were seen to be working well.</p> <p>He reported to the Committee that Cabinet had requested that the Overview and Scrutiny Committee examine the diversity of membership of the Combined Authority as part of its annual work programme.</p> <p>He then updated members on key activities currently being undertaken by the Combined Authority, in particular those agreed by Cabinet the previous week, specifically:</p> <ul style="list-style-type: none"> <li>• The agreement in principle achieved with the Thai Banks with regards to the South Tees Development Corporation area and plans for the process of transition to the Corporation of responsibility for the land.</li> <li>• The Chemical and Processing Sector Audit currently being undertaken by the Combined Authority on behalf of HM Government.</li> <li>• Cabinet's agreement to allocate £3m of funding to the Tees Valley Careers Initiative.</li> <li>• Cabinet's agreement to allocate £3m of funding towards plans to develop Darlington Station and the surrounding rail</li> </ul>	

infrastructure.

- Meetings with representatives of Heathrow Airport to discuss the Tees Valley becoming a logistics hub for the airport's third runway.
- The progress of plans for the Tees Valley to secure Freeport status post-Brexit
- The Tees Valley's £59m allocation under the government's Transforming Cities Fund, and investment priorities for allocating the funding – including a substantial local contribution towards the Darlington Station project.
- The Combined Authority's membership of the "reinvigorated" East Coast Mainline Authorities Group, which lobbies for investment and improved services on the line. Andrew Lewis updated members that although local Northern Rail services in the Tees Valley had been less affected by the difficulties created by the implementation of a new timetable experienced in other areas of the country, the issue was impacting on Transpennine Services and emergency meetings on the matter had been held by both the Transport For The North executive and board.
- Tees Valley's ongoing bid to be named a host city for the Rugby League World Cup.
- The Combined Authority's plans to maximise funds available through the European Structural Investment Funds.
- The creation of a Local Content Working Group, seeking to maximize the benefits to local firms of significant regional capital projects and inward investment.
- £1m of funding allocated by the Combined Authority to upgrade IT systems at Redcar & Cleveland College as part of its planned merger with Stockton Riverside College.

The Chair reported that the Committee would accept an investigation into diversity onto its work programme, but warned that the study was likely to be difficult and comprehensive.

The Chair asked what role the Committee would play in the selection of the Combined Authority's new Managing Director and for the Committee to be informed of transitional arrangements. She also requested that Committee members be provided with copies of all reports going before Cabinet.

Andrew Lewis reported that the process for selecting the new Managing Director had not yet been finalised, but a precedent had been established by previous appointments for appropriate stakeholder involvement.

Julie Gilhespie, Interim Managing Director, reported that arrangements would be put in place to ensure support for the finance functions of the Combined Authority and the South Tees Development Corporation, in the light of her appointment as Interim Managing Director. The STDC appointment would be on a permanent basis, while for TVCA the arrangements would back-fill during the interim period. She continued that legal advice had been sought as to whether it was appropriate for her to remain the Combined Authority's Section 73 Officer whilst also

acting as Head of Paid Service, and that the Authority had been advised that this was appropriate during an interim period.

Members asked if investment was planned in other Tees Valley railway stations. The Managing Director referred to the Cabinet discussion of priorities for the Transforming Cities Fund, which identified the need for investment across the rail network and on the interface of rail and bus services.

Members then discussed the need for elected members of the Constituent Authorities to receive briefings on the emerging responsibilities of the Tees Valley Combined Authority. Andrew Lewis reported that a conference was planned in order to undertake this, supplementing the regular attendance by Combined Authority officers at ad hoc member briefing sessions in all five authorities.

The Chair requested that the Committee be provided with details of confidential agreements recently signed by the Mayor with regards to Durham Tees Valley Airport. Andrew Lewis reported that those agreements had been signed by him on behalf of the Combined Authority, but agreed that confidential information could be shared with the committee, as required by the needs of the scrutiny role.

Cllr Haszeldine asked if the Mayor had commented publically on the news of planned closures of House of Fraser stores in the Combined Authority area, following earlier store closure announcements from Marks & Spencer and asked what the Authority's plans were for High Streets. Andrew Lewis replied that he expected that the Mayor would want to express his concern about the implications for local town centers, and that vibrant town centers form an important element of the Tees Valley's Strategic Economic Plan.

Cllr Thompson requested that the committee be provided with the Authority's Sector Action plans for examination, and it was agreed that completed plans would be circulated to members.

Cllr Nightingale asked if there was a role for the Combined Authority in the development of school curriculums as a part of the Authority's Skills Strategy. Andrew Lewis confirmed that, while the Tees Valley had limited influence over curriculum matters more generally, the Tees Valley Careers Initiative was successfully supporting schools to enhance the opportunities to reflect local labour market opportunities within the curriculum.

Cllr Storey asked what involvement Trade Unions and the Police were having in the development of the Freeport plans, given the potential for criminality and working practice deregulation. Andrew Lewis stated that deregulation of workers' rights was not part of the Freeport model under consideration, and that the risk of fraud would form part of the assessment of Freeport options.

Cllr Storey asked what funding had been made available by HM Government for the remediation of the SSI site. Andrew Lewis confirmed that £126m had been allocated for this work in the recent Budget and that current discussions with government recognised the

	<p>need for additional funding. He continued that local investment may also be required for the site, but that this would take place on the basis of prudential investment with a view to that investment being recovered and income generated.</p> <p>The Chair asked Andrew Lewis what the most difficult challenges he believed his successor would face. Andrew Lewis stated that he believed the biggest challenges facing an incoming Managing Director were:</p> <ul style="list-style-type: none"> <li>• The management and completion of complex projects</li> <li>• Managing relationships with central government</li> <li>• Supporting regional partnership and political relationships.</li> </ul> <p>The Chair thanked Andrew Lewis for his openness and helpfulness with the committee throughout his time as Managing Director, and wished him all the best in his new role.</p> <p><b>RESOLVED:</b> The Committee received the Managing Director's Update.</p>	
<b>OSC 08/18</b>	<p><b>FORWARD PLAN</b></p> <p>A verbal update about pre-planned committee appearances from portfolio holders for the coming civic year was provided by John Hart, Governance and Scrutiny Officer. Members agreed to proceed with the current meeting format of inviting one portfolio holder to come before the committee at each meeting.</p> <p>Members then agreed to hold a specific meeting on the subject of the South Tees Development Corporation, proposing October 25<sup>th</sup> 2018 as a date of this meeting, and requested that Mayor Ben Houchen and Jonathan Bretherton, Chair and Chief Executive Officer of the Development Corporation attended to update members and take questions.</p> <p>Members then held a wide-ranging discussion of areas of investigation by the committee for the forthcoming year, and resolved:</p> <ul style="list-style-type: none"> <li>• Cllr Haszeldine would again lead a Task &amp; Finish group examining the Combined Authority Budget, with the group provisionally made up of Cllrs Thompson, Brown and Storey. It was proposed that this group would meet immediately following ordinary committee meetings for the duration of the Budget-setting period as required.</li> <li>• Cllr Storey would compile a report into the possible remuneration of committee members for discussion at a future meeting. The Managing Director pointed out that an Independent Remuneration Panel is established to consider these matters.</li> <li>• Cllr Stephenson would lead on work examining the diversity of appointments of the Tees Valley Combined Authority, including those made by its Constituent Authorities.</li> </ul>	
<b>OSC 09/18</b>	<p><b>DATE OF THE NEXT MEETING</b></p> <p>19th July 2018 at 10.00am</p>	