

TEES VALLEY COMBINED AUTHORITY CABINET

**Cavendish House, Teesdale Business Park, Stockton-On-Tees at 10.00am on
Friday 30th November 2018**

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

<u>ATTENDEES</u>	
<u>Members</u>	
Mayor Ben Houchen (Chair)	Tees Valley Mayor
Mayor David Budd	Mayor of Middlesbrough
Councillor Christopher Akers-Belcher	Leader, Hartlepool Borough Council
Councillor Bob Cook	Leader, Stockton-on-Tees Borough Council
Councillor Stephen Harker	Leader, Darlington Borough Council
Councillor Sue Jeffrey	Leader, Redcar and Cleveland Borough Council
Paul Booth	Chair, Tees Valley LEP
<u>Associate Members</u>	
David Soley	Member of Tees Valley LEP
Darren Hankey	Member of Tees Valley LEP
Professor Paul Croney	Member of Tees Valley LEP
Jerry Hopkinson	Member of Tees Valley LEP
Graham Robb	Member of Tees Valley LEP
Sarah Glendinning	Observer, on behalf of the Tees Valley Business Representative Bodies
<u>Apologies for Absence</u>	
Angela Howey	Member of Tees Valley LEP
Mike Matthews	Member of Tees Valley LEP
Mark South	Member of Tees Valley LEP
Nigel Perry	Member of Tees Valley LEP
Albert Pattison	Member of Tees Valley LEP
Siobhan McArdle	Member of Tees Valley LEP
<u>Officers</u>	
Julie Danks	Deputy Chief Executive, Stockton Borough Council
Tony Parkinson	Chief Executive, Middlesbrough Borough Council
Paul Wildsmith	Managing Director, Darlington Borough Council
Julie Gilhespie	Interim Managing Director, Tees Valley Combined Authority
Andrew Nixon	Monitoring Officer, Tees Valley Combined Authority
Sarah Brackenborough	Governance Manager, Tees Valley Combined Authority
Martin Waters	Head of Finance, Resources and Housing, Tees Valley Combined Authority
Shona Duncan	Head of Education, Employment & Skills, Tees Valley Combined Authority
Alison Fellows	Investment Director, Tees Valley Combined Authority

TVCA 39/18	<p>DECLARATIONS OF INTEREST</p> <p>Jerry Hopkinson, PD Ports, declared an interest in agenda item 7, Investment Plan Delivery Report.</p> <p>Cllr Christopher Akers-Belcher, Cllr Chris Massey, Cllr Bob Cook, Cllr David Budd, Cllr Stephen Harker and Darren Hankey declared an interest in agenda item 11, Adult Education Budget.</p>
TVCA 40/18	<p>MINUTES OF PREVIOUS MEETING</p> <p>RESOLVED that the minutes of the meeting held on 28th September 2018 be confirmed and signed as a correct record.</p>
TVCA 41/18	<p>MATTERS ARISING</p> <p>Councillor Jeffrey noted that the session on the Local Industrial Strategy had not yet taken place.</p>
TVCA 42/18	<p>TEES VALLEY MAYOR'S UPDATE</p> <p>Cabinet received a report providing a general update on the key activities of the Mayor and the Combined Authority since the last Cabinet meeting.</p> <p>Councillor Jeffrey made the following comments:</p> <ul style="list-style-type: none"> • Plans for the Special Economic Area are yet to be agreed, with arrangements for business rate retention also to be discussed; • The £14m is subject to a business plan and it is disappointing that there are so many hoops to jump through to get the investment; • £118m of the £137m for the South Tees Development Corporation is for the South Tees Site Company for day to day keep safe costs. <p>Councillor Akers-Belcher was disappointed that government had not communicated directly with the Combined Authority on the £24m Opportunity North East Programme. He had written to the Secretary of State to express his concerns.</p> <p>Cabinet also discussed the current position of the energy plant and details on the emitter cluster.</p> <p>Cabinet resolved that the report be noted.</p>
TVCA 43/18	<p>GOVERNANCE AND APPOINTMENTS</p> <p>The Cabinet noted the excellent progress made with further appointments to the Local Enterprise Partnership.</p> <p>Cabinet resolved the following appointments be approved:</p>

	<ul style="list-style-type: none"> i. Councillor Bob Norton as the Tees Valley Combined Authority's Audit & Governance Committee's representative on the South Tees Development Corporation's Audit & Risk Committee; ii. Brenda McLeish, Vikki Jackson-Smith and Annabel Turpin to the Tees Valley Local Enterprise Partnership; iii. David Soley as Deputy Chair of the Local Enterprise Partnership; iv. Cllr Stephen Harker as the Tees Valley Combined Authority's substitute member for Transport for the North's Rail North Committee.
TVCA 44/18	<p>INVESTMENT PLAN DELIVERY REPORT</p> <p>The Cabinet agreed to arrange a separate discussion on Freeports.</p> <p>Cabinet discussed the issue of negative coverage of the Tees Valley area in the national press and all the work being done locally to counter this.</p> <p>The Combined Authority Cabinet resolved that:</p> <ul style="list-style-type: none"> i. The current position of the investment programme and project updates since the previous report to July Cabinet be noted; ii. The general update on the strategic prioritisation exercise be noted; iii. The current position on the SQW review work be noted; iv. The current position on reviewing the Assurance Framework be noted.
TVCA 45/18	<p>DARLINGTON STATION UPGRADE</p> <p>Cabinet considered a report on Darlington Station, and welcomed the investment as a critical element of the Combined Authority's Investment Plan. The importance of government funding for the project, through the Department for Transport, was highlighted.</p> <p>The Combined Authority Cabinet resolved to:</p> <ul style="list-style-type: none"> i. Note progress to date. ii. Approve investment of up to £25million of Combined Authority funding, subject to due diligence and on the basis that the project is funded and brought forward by Department for Transport as detailed in the report. iii. Authorise the Interim Managing Director and the Investment Director to fully develop the project subject to the availability of all of the funding needed to deliver the Project, and to bring forward appropriate contractual proposals for the delivery of the Project and further updates to Cabinet in due course.
TVCA 46/18	<p>MIDDLESBROUGH STATION REDEVELOPMENT</p> <p>Cabinet considered a report on Middlesbrough Station, and welcomed the investment. The time critical nature of the project was highlighted.</p> <p>The Combined Authority Cabinet resolved to:</p> <ul style="list-style-type: none"> i. Note the progress with the delivery of the project ii. Approve in principle the investment of an additional up to £20million of Combined Authority funding as set out in the report, subject to compliance with the Tees Valley Assurance Framework; iii. Authorise the Interim Managing Director and Investment Director to:

	<ul style="list-style-type: none"> a. Continue to work in conjunction with all stakeholders to identify potential temporary measures which can be funded from this allocation and put in place to accommodate additional train services, until a permanent solution to the development and delivery of additional station platform capacity can be agreed; b. Work in conjunction with MBC, DfT, TfN and NR to develop a Strategic Outline Business Case (“SOBC”) (RNEP Stage 1) for the station platform, track and signaling capacity component of the Project and (subject to Government endorsement and a positive investment decision) to progress to the development stage (RNEP Stage 2) to develop an Outline Business Case (“OBC”) to identify the preferred option for delivering the additional capacity; c. Bring a further report back to Cabinet when the OBC is completed and the preferred option for delivering the additional capacity, total cost, funding proposal and timescale is known; and d. continue to work in conjunction with MBC and NR to develop proposals for the remediation of the station undercroft to bring it back into use, including the creation of new business workspace (which will also allow the permanent re-opening of the southern entrance building upon the current interim solution) and also to develop the approach to identifying the preferred options for delivering further phases of station facility improvements.
<p>TVCA 47/18</p>	<p>FUJI FILM BIOCAMPUS – PHASE 1</p> <p>Cabinet considered a report on a request for investment to support the Fujifilm BioCampus project Phase 1. The Cabinet welcomed the investment and discussed the importance of the biologics sector in the Tees Valley.</p> <p>The Combined Authority Cabinet resolved to:</p> <ul style="list-style-type: none"> i. note the request from FDBUK for £7.062m of Combined Authority funding to support the £14.5m Project as described in this report; ii. approve the request for £1.625m grant and £5.437m loan funding on the basis of the recommendations of the funding appraisal; and iii. authorise the Interim Managing Director to take all necessary steps to negotiate and complete appropriate funding agreements (including appropriate collateral / security arrangements) with FDBUK on the basis set out in this report and taking into account any issues arising as a result of the due diligence process.
<p>TVCA 48/18</p>	<p>ADULT EDUCATION BUDGET</p> <p>Cabinet considered a report on progress made by the Combined Authority towards the devolution of the Adult Education Budget to the Tees Valley in August 2019. Councillor Akers-Belcher, Portfolio Holder for Education Employment and Skills, thanked the officers for their work to date.</p> <p>The Combined Authority Cabinet resolved to:</p> <ul style="list-style-type: none"> i. Approve the governance operating model; ii. Approve a list of related policies and the approach for amendments made as presented in the report; iii. Note the proposed timings of further papers to Cabinet.

<p>TVCA 49/18</p>	<p>SUPPORTING APPRENTICESHIPS</p> <p>Cabinet considered a report on apprenticeships. The Cabinet discussed lobbying government for the retention of the levy in Tees Valley and agreed to request a meeting with government once the recent work on apprenticeships commissioned by Teesside University had been completed.</p> <p>The Combined Authority Cabinet resolved to:</p> <ul style="list-style-type: none"> i. Amend the current criteria for the Apprenticeship Support for Employers grant to: <ul style="list-style-type: none"> a. Widen the range of Businesses from priority sectors eligible for the grant. b. Increase the value of individual Grants available to employers and provide incentive grants for retention and progression of apprentices.
<p>TVCA 50/18</p>	<p>COMBINED AUTHORITY BUDGET 2019/20</p> <p>Cabinet considered a report presenting the draft financial framework within which the Combined Authority proposed to operate in the forthcoming financial year (2019-20) and over the medium-term.</p> <p>The Combined Authority Cabinet resolved to approve that the draft Budget be published for consultation.</p>
<p>TVCA 51/18</p>	<p>COMBINED AUTHORITY BUDGET 2018/19 – QUARTER 2</p> <p>Cabinet considered the financial position of the Combined Authority for the period ending 30 September 2018 and a revised Medium Term Financial plan.</p> <p>The Combined Authority Cabinet resolved to:</p> <ul style="list-style-type: none"> i. Note the quarter 1 financial position as at 30 September 2018; and ii. Note the revised Medium Term Financial Plan.
<p>TVCA 52/18</p>	<p>TREASURY MANAGEMENT ANNUAL REPORT</p> <p>Cabinet considered performance against the treasury management and prudential indicators, set in the Treasury Management Strategy approved in January 2017.</p> <p>The Combined Authority Cabinet resolved to note the report.</p>
<p>TVCA 53/18</p>	<p>ANNUAL AUDIT LETTER</p> <p>Cabinet considered the Annual Audit Letter, setting out the work that the Combined Authority’s external auditors (Mazars) undertook in the year ended 31st March 2018.</p> <p>The Combined Authority Cabinet resolved to note the Annual Audit Letter.</p>
<p>TVCA</p>	<p>APPOINTMENT OF HEAD OF PAID SERVICE</p>

54/18	<p>Cabinet considered the formal appointment of the Head of Paid Service (Chief Executive) for Tees Valley Combined Authority (TVCA) in accordance with paragraph 89 of TVCA Constitution.</p> <p>The Combined Authority Cabinet resolved to approve the appointment of Julie Gilhespie as TVCA Head of Paid Service (Chief Executive).</p>
TVCA 55/18	<p>DATE OF NEXT MEETING</p> <p>Thursday 31st January 2019</p>