

## Overview & Scrutiny Committee Agenda

**Date:** Thursday April 25<sup>th</sup> 2019 at 10am

**Venue:** Cavendish House, Teesdale Business Park, Stockton-On-Tees, TS17 6QY

**Membership:**

Cllr Norma Stephenson OBE - Chair (Stockton-on-Tees Borough Council)  
Cllr Ian Haszeldine – Vice Chair (Darlington Borough Council)  
Cllr Heather Scott OBE (Darlington Borough Council)  
Cllr Sonia Kane (Darlington Borough Council)  
Cllr Stephen Akers-Belcher (Hartlepool Borough Council)  
Cllr Mike McLaughlin (Hartlepool Borough Council)  
Cllr Paddy Brown (Hartlepool Borough Council)  
Cllr Vic Walkington (Middlesbrough Council)  
Cllr Matthew Storey (Middlesbrough Council)  
Cllr Jean Sharrocks (Middlesbrough Council)  
Cllr Glyn Nightingale (Redcar and Cleveland Borough Council)  
Cllr Neil O'Brien (Redcar and Cleveland Borough Council)  
Cllr Philip Thomson (Redcar and Cleveland Borough Council)  
Cllr Derrick Brown (Stockton-on-Tees Borough Council)  
Cllr Matt Vickers (Stockton-on-Tees Borough Council)

### AGENDA

1. **Apologies for Absence**
2. **Declarations of Interest**
3. **Minutes**  
The minutes of the meeting held on 17<sup>th</sup> January for confirmation and signature
4. **Chief Executive's Update**  
Attached
5. **Portfolio Update: Local Enterprise Partnerships – Paul Booth**  
Attached
6. **Portfolio Update: Education, Employment and Skills – Cllr Christopher Akers-Belcher**  
Attached
7. **Diversity and the Tees Valley Combined Authority – Draft report for approval**  
Attached

8. **Finance & Resources Sub Committee – Investment Plan draft report**  
Attached
9. **Overview & Scrutiny Annual Report – Draft report for approval**  
Attached
10. **Forward Plan**  
Attached
11. **Date and Time of Next Meeting:**  
Thursday 13<sup>th</sup> June 2019 at 2pm

**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: Sharon Jones – 01642 524580 – [sharon.jones@teesvalley-ca.gov.uk](mailto:sharon.jones@teesvalley-ca.gov.uk)

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 17th January 2019 at 2.30pm

### MEETING

#### ATTENDEES

##### Members

Cllr Norma Stephenson OBE (Chair)	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 Heather Scott OBE	Darlington Borough Council	DBC
Cllr Sonia Kane	Darlington Borough Council	DBC
Cllr Ian Haszeldine	Darlington Borough Council	DBC
Cllr Matthew Storey	Middlesbrough Borough Council	MBC
Cllr Jean Sharrocks	Middlesbrough Borough Council	MBC
Cllr Vic Walkington	Middlesbrough Borough Council	MBC
Cllr Phillip Thomson	Redcar & Cleveland Borough Council	R&CBC
Cllr Glyn Nightingale	Redcar & Cleveland Borough Council	R&CBC
Cllr Neil O'Brien	Redcar & Cleveland Borough Council	R&CBC
Cllr Paddy Brown	Hartlepool Borough Council	HBC

##### Officers

John Hart	Governance & Scrutiny Officer	TVCA
Julie Gilhespie	Chief Executive	TVCA
Martin Waters	Head of Finance, Resources and Housing	TVCA
Allison Fellows	Investment Director	TVCA
Linda Edworthy	Strategy Director	TVCA
Andrew Nixon	Monitoring Officer	TVCA/R&CBC

##### Other Attendees

Ben Houchen	Tees Valley Mayor	TVCA
Chris Duggan	Chief of Staff to the Tees Valley Mayor	TVCA
Neal Smith	Head of Communications	TVCA
Craig Peacock	Communications and Marketing Manager	TVCA

<b>OSC 49/18</b>	<p><b>INTRODUCTION/APOLOGIES FOR ABSENCE</b></p> <p>The Chair opened the meeting by giving introductions for the benefit of members of the public in attendance.</p> <p>The Chair then welcomed Cllr Paddy Brown, newly-nominated representative of Hartlepool Borough Council. She outlined how following consultation with the Monitoring Officer Cllr Brown was attending despite his appointment not being ratified by the Tees Valley Combined Authority (TVCA) Cabinet, but that he would not participate in any votes if required.</p> <p>No apologies for absence were received.</p>	
<b>OSC 50/18</b>	<p><b>DECLARATIONS OF INTEREST</b></p> <p>There were no interests declared.</p>	
<b>OSC 51/18</b>	<p><b>MINUTES</b></p> <p>The minutes of the meetings of 6<sup>th</sup> December 2018 and 20<sup>th</sup> December 2018 were agreed and signed as a correct record.</p>	
<b>OSC 52/18</b>	<p><b>ANNOUNCEMENTS FROM THE CHIEF EXECUTIVE</b></p> <p>Julie Gilhespie, Chief Executive of the Tees Valley Combined Authority, introduced a report outlining significant activities undertaken by the Combined Authority since the last meeting of the Committee.</p> <p>Further to the report presented she briefed members that the proposed purchase of land at the South Tees Development Corporation (STDC) site had now been approved by the SDTC board and would be presented to TVCA Cabinet for ratification.</p> <p>With reference to the item updating members on revised Combined Authority funding for Apprenticeships, Cllr Ian Haszeldine asked if this funding was available for all apprenticeships or just those relating to particular employment areas. Julie Gilhespie stated that separate packages were available for priority employment sectors – as defined by Standard Industrial Classification (SIC) codes - and other sectors. Cllr Heather Scott welcomed the funding and requested consideration be given to how best to publicise the offer.</p>	
<b>OSC 53/18</b>	<p><b>DURHAM TEES VALLEY AIRPORT</b></p> <p>Ben Houchen, Tees Valley Mayor, opened a presentation outlining the economic and financial case for the proposed acquisition of Durham Tees Valley Airport, and associated Business Plan, by reporting unanimous backing for the plan by the private sector members of the Local Enterprise Partnership. He also reported that the proposals had also been presented to the Combined Authority's Transport and Audit &amp; Governance Committees, the North East Chamber of Commerce and Tees Valley local authority leaders and</p>	

Chief Executives.

The Mayor then restated the current owner's announcement that the airport would close in 2021 without a change in ownership, and stated that this would have a significantly negative economic and reputational impact on the Tees Valley. He also stated that the cost of a replacement airport had been estimated at £200m, with a 10-15 year gap in provision.

He continued by reporting the due diligence and options appraisal process conducted by the Combined Authority or on its behalf by independent analysts, before detailing the economic and financial case for the acquisition and Business Plan. Julie Gilhespie then detailed the proposed governance arrangements for the relationship between the Combined Authority and the airport delivery vehicle in the event of the proposal proceeding.

The Chair asked for details of what impact the proposed acquisition would have on shares currently held by local authorities. The Mayor responded that this would be addressed in the event of Cabinet approving the proposal but that the acquisition itself did not impact on their shares.

Cllr Sonia Kane requested for details of interest rates relating to loans detailed in the business plan. The Mayor stated these rates would be regulated by State Aid requirements, which would necessarily be in line with commercial rates.

Cllr Heather Scott requested further details of what input local authority leaders had had into the development of the business plan. The Mayor stated that he believed they had been fully involved and that their contributions had added to the strength of the proposals.

Cllr Jean Sharrocks asked for details of the likely impact if a low-cost airplane operator was not attracted to run services from the airport, as envisaged in the Business Plan. The Mayor stated his view that the preferred operator would not be involved in this project if they did not believe this was an achievable outcome, but that even the delivery of additional seasonal flights from the airport would raise passenger numbers to between 400,000 and 600,000 per annum, significantly eliminating current losses.

Cllr Ian Haszeldine requested clarity on the borrowing arrangements necessitated by the acquisition and ownership of the airport. Martin Waters, Head of Finance, Resources and Housing, stated that Combined Authority borrowing requirements would relate to the Investment Plan as a whole, rather than the airport and would be prudential borrowing at a low interest rate through the Public Works Loan Board. He continued that the Combined Authority would be lending money to the delivery vehicle to be established for the administration of the airport, which would be paid back at higher commercial rates than initially borrowed by the Combined Authority, when the airport finances returned to surplus. He stated that over the long term all Combined Authority costs would be covered. Julie Gilhespie stated that the Combined Authority's ability to repay loans would not be dependent on the profitability of the airport, also

highlighting how the majority of TVCA investments are made in the form of grants rather than loans, on which the Combined Authority received no direct financial return.

Cllr Ian Haszeldine asked why little reference was made in the Business Plan to income generated by non-aviation commercial activities developed on the airport site. The Mayor stated that the Business Plan was designed to be a cautious document focused on the minimum possible returns.

Cllr Haszeldine asked if any further investment in transport infrastructure would be necessary to improve the viability of the airport. The Mayor responded that provision for transport infrastructure for had been included in the Investment Plan.

Cllr Glynn Nightingale asked if the preferred operator was also intending to make efforts to attract business travel customers the airport. The Mayor confirmed that it would.

Cllr Matt Vickers asked if a mayoral precept would be levied on taxpayers to fund the acquisition and ownership of the airport. The Mayor stated that it would not.

Cllr Vickers asked for details of the estimated value of the airport land. The Mayor stated that an independent evaluation had set the value of the land at £170m, although if the land was disposed of it was unlikely to realise this amount in full.

Cllr Phillip Thomson requested details on the future role of the Committee should the acquisition proceed. Julie Gilhespie stated that a similar procedure was envisaged to the current arrangements with the South Tees Development Corporation, where representatives periodically attended Overview and Scrutiny Committee to allow organisational oversight of the corporation. She also undertook to make regular updates to the committee in her Chief Executive Update and ensure that information was provided in the Investment Plan Update presented at every Cabinet meeting.

Cllr Vic Walkington asked if passenger numbers would be a Key Performance Indicator (KPI) for managing the relationship between the Combined Authority and the airport delivery vehicle. Julie Gilhespie confirmed that they would.

Cllr Glynn Nightingale asked if it would be necessary for investment to be made in the airport terminal. The Mayor stated that the existing terminal had sufficient capacity, but that improvements to passenger experience would be made.

Cllr Sonia Kane asked why local authority representatives were not included in the Airport Acquisition Project Group. Alison Fellows, Investment Director, stated that this group was purely for the mechanics of the proposed acquisition at an organisational level.

Cllr Ian Haszeldine asked if the Business Plan had considered the regularity prohibition of night flights from the airport. The Mayor

	<p>stated he understood that this was a staffing issue, not a regulatory one.</p> <p>The Chair closed the item by thanking the Mayor for his attendance, Committee Members for the quality of their questions, and officers for their work on the project to date.</p> <p>The Chair departed the meeting at this point, with Cllr Ian Haszeldine assuming the chair.</p>	
<b>OSC 54/18</b>	<p><b>FINANCE AND RESOURCES SUB-COMMITTEE: APPROVAL OF DRAFT BUDGET REPORT</b></p> <p>Chair of the Finance and Sub-Committee Cllr Ian Haszeldine presented a draft report detailing the sub-committee's consultation with officers relating to the Combined Authority's 2019-20 budget, recommending that members endorse the budget.</p> <p>Cllr Hazeldine expressed disappointment that the committee had not had the opportunity to scrutinise the Combined Authority's Investment Plan alongside the budget, as had been the case the previous year, and received assurances from the Chief Executive and Tees Valley Mayor that this would be addressed in future years.</p> <p>Sub-committee members Cllrs Heather Scott and Derrick Brown stated that all questions raised by members had been satisfactorily answered by officers, as detailed in Appendix II of the report.</p> <p>Sub-committee member Cllr Phillip Thomson welcomed the commitment by officers that a full briefing on the impact of Special Enterprise Zones and their impact on the Tees Valley, as requested by members, was to be supplied to the full committee in due course.</p> <p><b>RESOLVED: Members agreed that the report be approved and presented to Cabinet on 31<sup>st</sup> January by the Chair and Vice Chair of the Committee.</b></p>	
<b>OSC 55/18</b>	<p><b>FORWARD PLAN</b></p> <p>John Hart, Governance &amp; Scrutiny Officer, drew the committee's attention to a change in the time to the meeting of 1<sup>st</sup> March 2019 published in papers from 12noon to 1pm.</p> <p>Cllr Heather Scott asked if it was possible for substitute members to attend committee meetings. The officer confirmed that no constitutional provision currently existed for this.</p> <p>Members agreed the Forward Plan as presented.</p>	
<b>OSC 56/18</b>	<p><b>DATE OF THE NEXT MEETING</b></p> <p>Friday March 1<sup>st</sup> 2019, 1pm.</p>	

**Minutes agreed as a true record**

Councillor Norma Stephenson OBE:.....

Date:.....

## **Tees Valley Combined Authority Declaration of Interests Procedures**

1. The purpose of this note is to provide advice and guidance to all members (the Mayor, elected and co-opted members, substitute members and associate members) of the Combined Authority Cabinet, Sub-Committees and Local Enterprise Partnership Board, on the procedure for declaring interests. The procedure is set out in full in the [Combined Authority's Constitution](#) under the "Code of Conduct for Members" (Appendix 8).

### **Personal Interests**

2. The Code of Conduct sets out in full, the principles on the general conduct of members in their capacity at the Combined Authority. As a general principle, members should act impartially and should not use their position at the Combined Authority to further their personal or private interests.
3. There are two types of personal interests covered by the constitution:
  - a. "disclosable pecuniary interests". In general, a disclosable pecuniary interest will involve any financial interests, such as paid employment or membership of a body, interests in contracts, or ownership of land or shares. Members have a pecuniary interest in a matter where there is a reasonable likelihood or expectation that the business to be considered will affect your well-being or financial position, or the well-being or financial position of the following persons:
    - i. a member of your family;
    - ii. any person with whom you have a close association;
    - iii. in relation to a) and b) above, their employer, any firm in which they are a partner, or a company of which they are a director;
    - iv. any person or body in whom persons described in a) and b) above have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
    - v. any body as described in paragraph 3 b) i) and ii) below.
  - b. Any other personal interests. You have a personal interest in any business of the Combined Authority where it relates to or is likely to affect:
    - i. any body of which you are a member (or in a position of general control or management) and to which you are appointed or nominated by the Combined Authority;
    - ii. any body which:
      - exercises functions of a public nature;
      - is directed to charitable purposes;
      - one of whose principle purposes includes influencing public opinion or policy (including any political party or trade union) of which you are a member (or in a position of general control or management).

### **Declarations of interest relating to the Councils' commercial role**

4. The constituent councils of the Combined Authority are closely integrated with its governance and financial arrangements, and financial relationships between the Combined Authority and Councils do not in themselves create a conflict of interest for Council Leaders who are also Combined Authority Cabinet members. Nor is it a conflict

of interest if the Combined Authority supports activities within a particular council boundary. Nevertheless, there are specific circumstances where the Cabinet is considering entering into direct contractual arrangements with a council, for example in relation to a particular commercial investment project, or in which that council is a co-funder. In these circumstances a non-pecuniary declaration of interest should be made by the Council Leader or their substitute.

### **Procedures for Declaring Interests**

5. In line with the Code of Conduct, members are required to adhere to the following procedures for declaring interests:

#### **Register of Interests**

6. Each member is required to complete a register of interests form with their personal interests, within 28 days of their appointment to the Combined Authority. Details of any personal interests registered will be published on the Combined Authority's website, with the full register available at the Combined Authority's offices for public inspection. The form will be updated on an annual basis but it is the responsibility of each member to notify the Monitoring Officer of any changes to the register throughout the year. Notification of a change must be made to the Monitoring Officer within 28 days of becoming aware of that change.

#### **Declaration of Interests at Meetings**

7. The Combined Authority will include a standing item at the start of each meeting for declaration of interests. Where members are aware that any of their personal interests are relevant to an item of business being considered at a meeting they are attending, they must declare that interest either during the standing item on the agenda, at the start of the consideration of the item of business, or when the interest becomes apparent, if later.
8. Where members consider that their interest could be considered by the public as so significant that it is likely to prejudice the members' judgement then they may not participate in any discussion and voting on the matter at the meeting, but may attend the meeting to make representations, answer questions or give evidence relating to the business, before it is discussed and voted upon.
9. If the interest is a disclosable pecuniary interest (as summarised in paragraph 3a) then the member must leave the meeting room during discussion and voting on the item of business, but may make representations, give evidence and answer questions before leaving the meeting room. Failure to comply with the requirements in relation to disclosable pecuniary interests is a criminal offence.

### **Sensitive Information**

10. Members can seek the advice of the monitoring officer if they consider that the disclosure of their personal interests contains sensitive information.

## TEES VALLEY OVERVIEW & SCRUTINY COMMITTEE ACTION TRACKER: 2018-19

Meeting Date	Item	Action	Owner	Target Date	Details	Status
7 <sup>th</sup> June 2018	Announcements from Managing Director (OSC 7/18)	Committee to be updated on how “vibrant Town centres” are supported within the TVCA Investment Plan	Investment Director	6 <sup>th</sup> December 2018		<b>COMPLETE</b>
19 <sup>th</sup> July 2018	Portfolio Update (OSC 13/18)	Committee to be provided with update of expenses occurred by TVCA Senior Members and Officers	Head of Resources, Housing and Communities	TBC	To be delegated to Committee Finance Sub-Committee	
19 <sup>th</sup> July 2018	Portfolio Update (OSC 13/18)	The Mayor to provide further details of the legal advice received with regards to DTVA	Tees Valley Mayor	6 <sup>th</sup> December 2018	<b>Replaced with additional scrutiny meetings</b>	<b>COMPLETE</b>
19 <sup>th</sup> October 2018	n/a	Committee to receive briefing on TVCA position on Hydraulic Fracturing	Governance and Scrutiny Officer	25 <sup>th</sup> October 2018	<b>Provided to Committee on 23<sup>rd</sup> October 2018.</b>	<b>COMPLETE</b>
25 <sup>th</sup> October 2018	Announcements from Managing Director (OSC 30/18)	Notification of contents of Interim Managing Director's report to be included in future meeting papers	Interim Managing Director	17 <sup>th</sup> January 2018	<b>To be included in future papers</b>	<b>COMPLETE</b>
25 <sup>th</sup> October 2018	Portfolio Update (OSC 33/18)	A flowchart to be provided detailing an indicative timescale for the development of the new Tees Crossing	Head of Transport	6 <sup>th</sup> December 2018	<b>Provided to Committee on 18<sup>th</sup> November 2018.</b>	<b>COMPLETE</b>
25 <sup>th</sup> October 2018	Budget Briefing (OSC 32/18)	Committee to receive a presentation on the devolution of the Adult Education Budget	Head of Education Employment and Skills	1 <sup>st</sup> March 2019	<b>Agenda Item on 1<sup>st</sup> March</b>	<b>COMPLETE</b>
25 <sup>th</sup> October 2018	South Tees Development	Committee to be provided with a copy of the South Tees	Governance and Scrutiny Officer	6 <sup>th</sup> December 2018	<b>Provided to Committee on October 25<sup>th</sup> 2018.</b>	<b>COMPLETE</b>

	Corporation (OSC 31/18)	Development Corporation Constitution				
21 <sup>st</sup> December 2018	Durham Tees Valley Airport (OSC 47/18)	Published proposals for the acquisition of Durham Tees Valley airport to be examined by the Committee at its next scheduled meeting and Tees Valley Mayor attend this meeting to answer questions from members relating to the proposals.	Tees Valley Mayor	17 <sup>th</sup> January 2019	<b>Completed by 17<sup>th</sup> January 2019</b>	<b>COMPLETE</b>
17 <sup>th</sup> January 2019	Durham Tees Valley Airport (OSC 53/18)	Committee to conduct for thorough investigation of TVCA Investment Plan	Governance and Scrutiny Officer	25 <sup>th</sup> April 2019	To be delegated to Committee Finance Sub-Committee for reporting back to Committee on 25 <sup>th</sup> April	
1 <sup>st</sup> March 2019	Chief Executives Report (OSC 60/18)	Committee to be provided with briefing note on TVCA activities aimed at reducing Carbon Footprint of Tees Valley region	Governance and Scrutiny Officer	25 <sup>th</sup> April 2019	<b>Provided to the Committee on March 12<sup>th</sup> 2019</b>	<b>COMPLETE</b>
1 <sup>st</sup> March 2019	Portfolio Update EES (OSC 61/18)	Committee to be provided with statistics demonstrating how many teachers have left the profession in the Tees Valley over recent years	Head of Education Employment and Skills	25 <sup>th</sup> April 2019	<b>Provided to Committee</b>	<b>COMPLETE</b>

**AGENDA ITEM 4****REPORT TO THE OVERVIEW AND SCRUTINY COMMITTEE****APRIL 25TH 2019****REPORT OF CHIEF EXECUTIVE****UPDATE FROM CHIEF EXECUTIVE****SUMMARY**

This report updates members of the Overview and Scrutiny Committee on significant recent developments at the Tees Valley Combined Authority, in addition to further verbal updates to be provided at the meeting.

**DETAIL****ENJOY TEES VALLEY**

1. A new Tees Valley mini-guide has been produced, detailing attractions and culture in the Tees Valley. Over 100,000 copies are to be circulated in all hotel and attraction racks within a two-hour drive of the Tees Valley.
2. The Tees Valley City Games, which will take place in September 2019 were formally launched with Brendan Foster and local athlete Richard Kilty in February. Marketing is now taking place to attract runners from all over the country.
3. The Mayoral Combined Authority has also attended two major walking and cycling shows in Ghent with 15,000 attendees and Utrecht with 30,000 attendees, profiling the excellent walking and cycling routes in Tees Valley. The Dutch and Belgian markets offer great potential for building awareness and attracting visits to Tees Valley.
4. The National Premier League for Tennis has announced the finals of its contest will take place in Tees Valley. The competition, which takes place from Thursday 25 – Sunday 28 April, will see 16 men's and eight women's teams qualify for the finals from regional leagues across the UK.

**TEES CROSSING CONSULTATION**

5. Public consultation has been launched on proposals for a new Tees Crossing. The event at Riverside Stadium on 13<sup>th</sup> March unveiled two options for the new crossing.
6. A series of four events will run across Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-On-Tees. Copies of documents will be available in municipal buildings across the five Local Authority boroughs and a virtual consultation will be available online until it closes on 17 May 2019.

7. The preferred route will be announced in autumn and following confirmation of funding from the Department for Transport, construction is set to take place from 2023 to 2027.

#### **DURHAM TEES VALLEY AIRPORT**

8. Stobart Group has been revealed as the operator of Durham Tees Valley Airport following its return to public ownership.
9. Stobart Group will be responsible for the oversight and strategic development of the airport, and to implement a 10 Year Rescue Plan to increase passenger numbers to 1.4million, secure a low cost carrier by 2022, and drive the creation of 7,600 jobs.
10. Stobart has a proven track record having successfully run London Southend Airport since 2008. Last June, the company signed a \$300million deal with Ryanair, providing 13 routes to eight European countries from London Southend. According to official figures, it is one of the fastest expanding airports in the UK.
11. The Group also owns Carlisle Lake District Airport, which will re-open its doors in summer 2019 for the first time in 25 years.

#### **SOUTH TEES DEVELOPMENT CORPORATION**

12. The South Tees Development Corporation has signed an executive order to instigate Compulsory Purchase proceedings in respect of 870 acres of land at the former SSI Steelworks.
13. Negotiations to secure the former SSI land had been ongoing since May 2017 with the three banks in Thailand who hold a charge over the SSI UK's assets; Krung Thai Bank Public Company Limited, The Siam Commercial Bank Public Company Limited and TISCO Bank Public Company Limited.
14. A successful Compulsory Purchase Order will see the ex-SSI steelmaking assets be brought back into public ownership and in control of the Development Corporation

#### **ASSURANCE FRAMEWORK**

15. The Combined Authority has published its revised Assurance Framework. The Assurance Framework is required for all Mayoral Combined Authorities and Local Enterprise Partnerships. It replaces the last published Assurance Framework (2016) and takes on board the national guidance published by the Ministry of Housing, Communities and Local Government for National Local Growth Assurance Framework (January 2019) which incorporates many of the recommendations of the national review of Local Enterprise Partnerships.
16. The Framework ensures accountable and transparent decision making with regards to our use of public money and project appraisal, monitoring and evaluation.

## **LOCAL INDUSTRIAL STRATEGY**

17. Work is continuing on the development of the Local Industrial Strategy with a view to local sign off in May 2019.
18. Stakeholder engagement sessions have been held throughout January and February 2019 and the information collated will be used to inform development, policy choices and priorities of the Strategy.
19. Detailed discussions will take place with Cabinet members and private sector LEP members, Local Authorities and other key stakeholders throughout March and April, to refine policy priorities.

**Name of Contact Officer: Julie Gilhespie**

**Post Title: Chief Executive**

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**AGENDA ITEM 6****REPORT TO THE TEES VALLEY  
COMBINED AUTHORITY OVERVIEW & SCRUTINY COMMITTEE****APRIL 25<sup>TH</sup> 2019****REPORT OF CHAIR OF THE TEES VALLEY LOCAL ENTERPRISE  
PARTNERSHIP****PORTFOLIO UPDATE: PAUL BOOTH (CHAIR OF TEES VALLEY LOCAL  
ENTERPRISE PARTNERSHIP)****SUMMARY**

This report updates members of the Overview and Scrutiny Committee on recent developments in the Tees Valley Local Enterprise Partnership (LEP), in addition to further verbal updates to be provided at the meeting.

**DETAIL****Role and Development of the Local Enterprise Partnership in Tees Valley**

- 1.1 The Tees Valley has a strong history of collaboration between local business leaders and the five Local Authorities, which has seen Tees Valley lead the way in setting a regional economic agenda and become a flagship for devolution. This has included the Joint Strategy Unit, developing into Tees Valley Regeneration, then to Tees Valley Unlimited (the Local Enterprise Partnership).
- 1.2 The governance model adopted for the Combined Authority extended this collaboration into the full integration of the LEP and the Combined Authority, with the two operating as one body and one brand, with shared priorities and objectives, and with LEP members acting as associate Combined Authority Cabinet members.
- 1.3 The current LEP Chair has been in place since the start of the Combined Authority in 2016. The initial appointment was for a one year term, as specified in the Constitution. In 2017, the Constitution for the Mayoral Combined Authority set out a two year term for the LEP Chair, with the potential to extend for a further two years. Based on these arrangements, a new Chair will need to be appointed by the AGM in June 2019, or by 2021 by agreement of the incumbent and the Cabinet.
- 1.4 The 2018 Government review 'Strengthened Local Enterprise Partnerships' outlined the role and responsibilities of Local Enterprise Partnerships in driving local growth and made a number of recommendations for how LEPs could strengthen their leadership functions and improve accountability, including:
  - Agreement of an open and transparent process for appointing the Chair
  - The appointment of a Deputy Chair
  - The recruitment of additional private sector members.

- Improved diversity of LEP membership.

- 1.5 The Tees Valley Combined Authority (TVCA) provided a response to Government in October 2018, including an Action Plan of how the Tees Valley LEP intended to deliver on these recommendations.
- 1.6 The appointment of a Deputy Chair was formalised at the TVCA Cabinet Meeting of November 2018, with private sector representative David Soley assuming the role.
- 1.7 The Combined Authority has committed to achieving a 50/50 gender balance by 2020, and to increase overall diversity. A recruitment campaign undertaken in the autumn of 2018 culminated in the appointment of an additional 3 female private sector LEP Board members. Work is ongoing to achieve this ambition.
- 1.8 The TVCA website has been improved to increase transparency and better communicate the distinctive role of private sector representatives in the Combined Authority decision-making process. This includes their role to influence and shape Combined Authority policy through Cabinet, engagement in LEP networks and engagement in specific areas of work.
- 1.9 SME representatives and private sector themed leads have been identified, as outlined below. Each lead is also in the process of developing a supporting workstream comprising regional theme and sector experts.

<b>Theme</b>	<b>Portfolio Lead</b>
Business Growth	David Soley
Culture	Annabel Turpin
Education, Employment & Skills	Brenda McLeish
Health	Siobhan McArdle
Research, Development, Innovation & Clean Growth	Nigel Perry
Transport & Infrastructure	Jerry Hopkinson

<b>Sector</b>	<b>LEP Champion</b>
Advanced Manufacturing	Mike Matthews
Business & Professional Services	Angela Howey
Construction	TBC
Digital	Mark South
Energy / Circular Economy	Vikki Jackson-Smith
Health & Biologics	Alby Pattison
Logistics	Jerry Hopkinson
Process & Chemicals	Paul Booth

<b>SME Representatives</b>
David Soley
Graham Robb
Mark South
Vikki Jackson-Smith
Alby Pattison

## **Local Industrial Strategy**

- 2.1 A key area of policy development for Tees Valley at the current time is the Local Industrial Strategy (LIS), a long-term evidence-based strategy designed to maximise local productivity.
- 2.2 In July 2018 the Government announced that Tees Valley would be in Wave 2 for the development of Local Industrial Strategies. The Combined Authority is developing a draft LIS for Cabinet agreement in July 2019. The LIS will be a jointly agreed strategy with Government, and national sign-off is expected soon after July.
- 2.3 A Leadership Group is in place to guide development of the LIS. The LEP Chair is represented on this group. Work to date to develop the LIS has included:
  - Development of a robust evidence base.
  - Commissioning in-depth research into key economic sectors.
  - Extensive consultation with local economic sectors and stakeholders at 8 Sector Challenge sessions (January) and 5 Policy Choice sessions (February) aimed at identifying future opportunities and challenges.
  - One-to-one meetings with key stakeholders and industry bodies.
- 2.4 The core proposition for the LIS will focus on how the foundations of productivity (ideas, people, business environment, infrastructure and place) can be developed in the Tees Valley to accelerate productivity in priority sectors.
- 2.5 The LEP has been involved throughout the process for developing the LIS with policy discussions and updates at all LEP meetings and members invited to attend all LIS engagement sessions.

## **Involvement in NP11**

- 3.1 NP11 is a Government-funded group consisting of the Chairs of the 11 Local Enterprise Partnerships in the North of England. The group was established in July 2018 to support the government's Northern Powerhouse agenda.
- 3.2 The group is designed to act as a unified voice representing the North, working with and advising the Government on increasing productivity and overcoming regional disparities in economic growth.
- 3.3 NP11 has established a number of specific workstreams, with the Tees Valley appointed as lead for the Energy workstream.
- 3.4 The scope of this workstream will be to collaborate between LEP areas to identify specific strengths and opportunities which can be harnessed to support the development of a sustainable energy economy across the NP11 geography. It will also influence national policy affecting the energy economy and the development of a low carbon future.

## **Involvement with LEP Network**

- 4.1 The Tees Valley LEP plays an active role in the national LEP Network. This provides the opportunity to influence national policy, share information and best

practice between LEPs, including at an annual LEP Chairs' meetings with the Prime Minister.

- 4.2 This network provides a valuable mechanism for the Tees Valley LEP. We are pleased to continue our involvement and agree with the areas of focus identified.
- 4.3 A Peer Review process is being developed by the LEP Network. Tees Valley has volunteered to take part in one of the initial reviews.

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**AGENDA ITEM 6****REPORT TO THE TEES VALLEY  
COMBINED AUTHORITY OVERVIEW & SCRUTINY COMMITTEE****APRIL 25th 2019****REPORT OF PORTFOLIO HOLDER FOR  
EDUCATION EMPLOYMENT AND SKILLS****OVERVIEW AND SCRUTINY COMMITTEE PORTFOLIO UPDATE: CLLR  
CHRISTOPHER AKERS-BELCHER****SUMMARY**

In February 2018 Cabinet agreed the publication of the Education, Employment and Skills strategy; “Inspiring Our Future-our 2018-21 plan to build the skills we need for a modern economy”.

This strategy set out the opportunities to build upon current joint working and existing initiatives. It highlighted the current and future challenges of high unemployment, particularly in our young people and the low skills base of our residents; alongside the challenge to businesses to better engage to provide the opportunities of work experience, training, apprenticeships and jobs. The strategy included the actions to be taken and the investment to be attributed to these actions.

The strategy set six key priorities:

- i. Supporting Education, innovation and collaboration
- ii. Developing a skills system for business growth
- iii. Addressing long-term unemployment
- iv. Creating a Tees Valley Careers and Enterprise initiative
- v. Creating a Business challenge and workforce planning approach
- vi. Enhancing the Higher Education role in driving economic growth

The strategy also set out a detailed governance structure to fully engage the many key stakeholders and partners that are key to delivering the change required.

**DETAIL****1. Supporting Education, innovation and collaboration**

1.0 This strand of work includes providing investment of £2m to improve the outcomes of our young people when they leave statutory education. A proposal has been developed that built upon the pilot activity delivered by “Transforming Tees”, a programme of activity delivered in schools.

1.1 The proposal focused upon four key areas:

- i. Retention and recruitment of teachers

- ii. Leadership and governance in schools
- iii. Science, technology, engineering, English and maths curriculum support
- iv. Inclusion, particularly for those pupils that struggle with the mainstream curriculum

1.2 As this proposal has been developed a national Department of Education initiative; Opportunity North East has been launched that mirrors the proposal developed in Tees Valley and will provide £24m for targeted North East and Tees Valley schools. This initiative will target 25 schools (at least 11 from Tees Valley) that are rated by Ofsted as “Requiring Improvement”. As a result the Tees Valley proposal is being reviewed to consider how best to compliment the national initiative and maximise the use of all local and national funding streams.

1.3 A Tees Valley School Improvement Board has been set up to lead this work, is currently being led by Sally Robinson, Director of Children’s Services at Hartlepool Council. An independent chair may be appointed in due course.

## **Developing a skills system for business growth**

### **2.0 Adult Education Budget**

2.1 The key activity during the previous 12 months has included preparing for the devolution of the Adult Education Budget from academic year 2019/20. This budget will be devolved as part of the devolution deal agreed in 2016. The budget will be confirmed on an annual basis subject to the Autumn Statement, the 2019/20 budget has been confirmed as £29 446 518.

2.2 Devolution of this budget provides greater local control of what training and skills provision, including community learning is provided to Tees Valley residents. Extensive working has taken place with the Department of Education and the Education Skills Funding Agency to fully understand the complexity of the current system and the impact on learners and providers of any suggested changes.

2.3 Cabinet has agreed the strategy and operational approach to be taken to commission activity for August 2019. This is well underway and provision will be in place for August.

2.4 A full report on Adult Education Budget is presented as a separate item.

### **3.0 Apprenticeships**

3.1 Tees Valley has a strong track record of creating and delivering quality apprenticeships. In recent years there has been a national significant reduction in the numbers of apprenticeships created. Tees Valley has also seen this pattern of change. A summary of the national and local performance is as follows:

#### **3.2 Apprenticeships created up to April 2018**

<b>Tees Valley</b>	2014/15	2015/16	2016/17	2017/18 (to April 18)
Under 19	2240	2250 (+0.44%)	1970 (-12.44%)	1550 (-21%)
19-24	2760	2830 (+2.53%)	2600 (-8.12%)	1410 (-46%)

24+	3850	4850 (+24.97%)	4590 (-5.36%)	1860 (-59%)
<b>Overall</b>	<b>8850</b>	<b>9930 (+12.20%)</b>	<b>9160 (-7.75%)</b>	<b>4820 (-47%)</b>

<b>North East</b>	14/15	15/16	16/17	17/18 (to April 2018)
Under 19	8590	8660 (+0.81%)	7850 (-9.35%)	5980 (-25%)
19-24	10,040	10,420 (+3.78%)	9,350 (-10.26%)	5,050 (-46%)
24+	16,590	19,120 (+15.25%)	16,610 (-13.12%)	6850 (-59%)
<b>Overall</b>	<b>35,220</b>	<b>38,200 (+8.46%)</b>	<b>33,810 (-11.49%)</b>	<b>17,880 (-47%)</b>

<b>Nationwide</b>	14/15	15/16	16/17	17/18 (to April 2018)
Under 19	124,300	129,800 (+4.42%)	119,700 (-7.78%)	90,290 (-26%)
19-24	158,500	152,400 (-3.84%)	139,500 (-8.46%)	88,950 (-38%)
24+	211,500	221,700 (+4.82%)	226,300 (+2.07%)	111,240 (-52%)
<b>Overall</b>	<b>494,300</b>	<b>503,900 (+1.94%)</b>	<b>485,500 (-3.65%)</b>	<b>290,470 (-41%)</b>

3.3 An apprenticeship is a paid job which includes a significant training component to allow an individual to develop the knowledge, skills and behaviours needed to be competent in their chosen occupation. Individuals are assessed at the end of the programme to test and certify their skills.

3.4 Part of the devolution deal in 2016 was the inclusion of funding for 12 months to provide an Apprenticeship Grant for Employers, this was successful in supporting the creation of over 1000 apprenticeships and Cabinet has agreed annually to continue to provide grants for employers that create apprenticeships. The eligibility and criteria for support has been reviewed annually, most recently in December 2018 to respond to employers demands and to support growth in the strategic priority sectors.

3.5 The current grant offer is:

- **Grant A**

This grant is offered for small to medium businesses (249 or fewer employees) in high demand and priority sectors that employ an apprentice aged 19+ and on a sliding scale related to the level of the apprenticeship:

- i. Levels 2 & 3      £2,000
- ii. Levels 4 & 5      £3,000
- iii. Levels 6 & 7      £4,000

If the apprentice is progressing between levels 3 to 7, an additional grant of £2,000 would be offered for each progression.

- **Grant B**

This grant is available for small employers (49 or fewer employees) from any sector that employ an apprentice aged 19+ and offers a sliding scale relating to the apprenticeship level:

- i. Levels 2 & 3      £500
- ii. Levels 4 to 7      £1,000

If the apprentice is progressing between levels 3 to 7, an additional grant of £1,000 is offered for each progression. From the launch in December 13 further applications for a grant have been received.

4.0 In addition the Education, Employment and Skills team are also:

- i. Working with the Education Skills Funding Agency and Learning and Work Institute to identify and develop a workable model for engaging with employers to work with them to utilise their apprenticeship levy payment.
- ii. Working with levy-paying employers to maximise the use of the Apprenticeship Levy for the Tees Valley economy.
- iii. Working with Teesside University and Further Education Colleges to promote the creation of Higher and Degree apprenticeships.
- iv. Liaising with careers teams within local schools; raising awareness of apprenticeships among staff, students and parents as a career option.
- v. Supporting events for Apprenticeship week in March 2019.

## **5.0 Technical Education Reform – T Levels**

5.1 T Levels are new technical skills programmes that will sit alongside Apprenticeships within a reformed skills training system for 16-19 year olds. This technical option aims to better prepare individuals for skilled employment, which requires technical and practical skills valued by industry. Technical reform provides two options for technical education for young people via T Levels and apprenticeships to skilled employment.

5.2 T Levels will generally be studied over two years and will include a new technical qualification, which may be taught in a classroom, workshop or simulated work environment.

The programme will include:

- a technical qualification
- a work placement of approximately three months
- maths, English and digital requirements
- any other occupation-specific requirements/qualifications
- employability, enrichment and pastoral (EEP) provision
- an end point assessment

5.3 A small number of Training Providers outside of the Tees Valley are trialling the introduction of T Levels with additional training providers will be able to express an interest to start T Level delivery in 2021. The Education, Employment and Skills team are also working with the local Further Education colleges to support them in their curriculum transition to T Levels and are also engaging with the Education and Skills Funding Agency to consider how a sufficient number of employers are engaged to provide the Industrial Placement part of the qualification.

5.4 The Skills Routeway work stream has been set up to support and advise on this work theme and is chaired by Zoe Lewis, Principal of Middlesbrough College.

## **Addressing long-term unemployment**

### **6.0 Tees Valley Routes to Work**

6.1 Tees Valley Routes to Work (RTW) is a Department of Work and Pensions Innovation Pilot, the Combined Authority as part of the devolution deal negotiations secured via a competitive process £6m to deliver this pilot. Cabinet agreed to provide £1.5m as match funding, creating a total fund of £7.5m. The Pilot commenced in April 2018 and will deliver until 31st March 2021. Routes to Work will support at least 2,500 individuals who are long term unemployed and most distant from the labour market or who have significant barriers to employment. It will aim to move at least 375 individuals (15%) in to sustainable employment. The Pilot is co-ordinated by the Combined Authority and delivered locally by the five Tees Valley Local Authorities.

6.2 The pilot aims to work with those most disengaged from the labour market, to support them to engage, identify and address any potential barriers they may face in gaining employment. This approach includes the supply of an intensive key worker that provides individualised support to the people engaging. It also provides extended in-work support, for up to 12 months, to those successful in gaining employment.

6.3 Routes to Work is an opportunity to test new ways of collaborative working at a local level which takes a holistic individually centred approach, with the innovative use of dedicated Key Workers. By working together, we will develop multi-agency delivery teams to embed focussed activities within existing Local Authority and third party services. A key outcome of the pilot is to test intensive support, multi-agency working and in-work support to measure the overall impact on outcomes for the people engaged and the value for money to the overall public purse.

6.4 Eligibility criteria for individuals to access the Routes to Work programme includes:

- i. aged 30 or over,
- ii. not be in work and
- iii. disengaged from the benefits system or receiving benefit

6.5 Plus fall within any of 1-4 below:

- i. Be long term (2yrs +) unemployed.
- ii. Had a claim for Employment and Support Allowance rejected.
- iii. Be in the Employment and Support group (health/disability).
- iv. Have been out of work for a minimum of 13 weeks and be unlikely to find work in the next 12 months, due to having significant or multiple barriers to work. These barriers could be related to ex-offenders, health/mental health issues, disability, ethnic isolation, ESOL (English for speakers of other languages), Special Educational Needs, drug/alcohol dependencies, Aged 50+, lone parents, returners to the labour market, roma/travellers, refugees, and carers.

6.6 A customer journey has been developed which provides clear guidelines and a measure for the agreed performance outputs, it consists of six stages with four stages being measurable.

- 6.7 The four measurable key elements of the customer journey and brief definitions are:
- i. **Engaged** – Defined as where the customer has shown to have continued to attend after first meeting and agreed to take part in a progression activity.
  - ii. **Making Positive Outcomes** – Defined as where the customer has now completed one agreed activity or started another.
  - iii. **Making Significant Improvements/moving closer into work** – defined as where a customer has completed activities/training and is now ready to apply for work or work experience.
  - iv. **Moved into Work** – Defined as where a customer moves into paid work of at least 16 hours per week (or an average of this over a 4 week period).

## 7.0 Targets

7.1 The number of registered economically inactive residents of working age in Tees Valley is circa 107,600 and approximately 25% of the Tees Valley working age population are economically inactive.

## 7.2 Performance to date

The table below provides a Tees Valley wide summary of the targets and performance to date.

	Stage 2 – Engaged	Stage 3 – Making Positive Outcomes	Stage 4 – Making Significant Improvements	Stage 5 – Moved in to Work
<b>Targets March 2021</b>	<b>2500</b>	<b>2250</b>	<b>939</b>	<b>375</b>
<b>Targets March 2019</b>	<b>1100</b>	<b>975</b>	<b>210</b>	<b>50</b>
<b>January performance</b>	<b>949</b>	<b>547</b>	<b>215</b>	<b>86</b>

## 8.0 Evaluation

8.1. An external evaluation is a significant requirement of the Pilot, the successful innovations in the programme will be utilised to influence future national policy and funding award to move more people towards the labour market. Following an open tender process Rocket Science have been appointed to deliver the Routes to Work evaluation.

8.2 The initial project set up report has been produced and stage 2 of the evaluation is in progress. Stage 2 will develop an outcome logic model that will test the wider impact of the programme and the specific elements of support it offers. The Combined Authority are working with the national “What Works” centre and Department of Work and Pensions experts in this field to create a robust model of evaluation.

8.3 The programme has been managed by a multi-agency Steering Group. This group will now become integrated into the Pathways to Work work stream that is chaired by Denise Ogden, Director of Regeneration and Neighbourhoods at Hartlepool Borough Council.

## **Creating a Tees Valley Careers and Enterprise initiative**

9.0 In September 2018 the TeesValleyCareers.com initiative was launched for all schools and colleges in Tees Valley. TeesValleyCareers.com will aim to provide more effective, informed and high quality Careers and Enterprise Education in all educational establishments. This includes primary schools, Special Educational Needs and Disability Schools (SEND), Pupil Referral Units, Secondary Schools, Sixth Form Colleges and Further Education Colleges to include all young people in Tees Valley.

9.1 TeesValleyCareers.com provides direct support to schools, has led to increased employer engagement, improved the availability of labour market information and funding to schools. The careers work stream has been set up and is chaired by Professor Jane Turner, Pro-vice Chancellor, University of Teesside, to develop further the specific items and activities to be implemented.

9.2 In June 2018 cabinet agreed £3m to be allocated to this item and agreed the five key areas for development highlighted below. £2.1m of the £3m is directed to provide funding for schools to deliver improved Careers Education. An operating model has been agreed that schools develop a careers action plan with the Local Authority, employers and the Combined Authority.

9.3 These will identify specific items that require funding that they will then draw down from the Combined Authority. This funding is available to all schools, including primary schools, Special Educational Needs and Disability Schools (SEND), Pupil Referral Units, Secondary Schools and Sixth Form Colleges.

9.4 The Careers initiative has five constituent parts:

### **I. Extend the Tees Valley Enterprise Adviser Network to all schools and colleges in Tees Valley**

The Enterprise Adviser Network programme is the main flagship programme for the national Careers and Enterprise Company and provides support to connect local businesses with schools and colleges. The Tees Valley Enterprise Adviser Network recruits Enterprise Advisers who are employees from local business to work at a strategic level with a school/ college's Senior Leadership Team to devise and implement an inclusive and consistent careers strategy for all students. The Enterprise Adviser role is less focused on direct delivery to students but focuses on supporting the schools/ colleges to provide sufficient opportunities for young people to be exposed to the world of work.

In Tees Valley 64 out of 67 schools/colleges (95%) have engaged with the programme. They have access to 71 Enterprise Advisers recruited from 50 Tees Valley businesses.

### **II. Tees Valley Schools Careers Framework**

The Tees Valley Careers Framework has been developed for Key stages 3 and 4. It provides the guidance and infrastructure to help schools to deliver a consistent, coordinated and impartial Careers Education offer for every young person. The Framework maps out key activities/ interventions that should take place in each year group. Each of the activities is mapped against the eight Gatsby Careers Benchmarks and indicates the activities that will deliver the schools duty on providing careers education that is assessed as part of the Ofsted inspection framework. Embedding the

Tees Valley careers framework will also enable schools to apply for a national quality careers kite mark award.

### III. **Tees Valley Young Persons Careers Pledge**

The pledge ensures that all Tees Valley young people will have access to the same opportunities regardless of where they live or the education establishment that they attend. The young person's pledge will present what young people and their parents/carers can expect to experience by the age of 16 in their Careers Education. The pledge has been developed for 11-18 year olds and is in the process of being developed further to include primary age pupils.

The pledge includes an expectation that young people can expect:

- i. At least seven meaningful and progressive contacts with employers to showcase the world of work.
- ii. Open access to information and tools to find out where job vacancies are to learn about employment sectors that are growing and what jobs are available locally.
- iii. Opportunity to attend at least one externally organised fair/workshop per academic year that highlights skills needed for the workplace (such as: Tees Valley Skills Event; North East Skills Show; Global Entrepreneurs' Week or a Local Authority organised Careers Event).
- iv. Objective information and guidance about the range of both work and school/ college based learning, apprenticeships and study opportunities available to them after Year 11.
- v. Assistance to complete a Curriculum Vitae, job application forms, Higher Education applications and take part in at least two mock interviews.

### IV. **Provide an employer menu of activity to deliver the Framework and Pledge**

In order to deliver a high quality, consistent and improved Careers Education programme across Tees Valley a range of employer led activities, events and resources will be made available to schools. The menu of activity has been developed with schools and is widely marketed to employers as a means of engaging them in specific activities. The activities have a key focus on positive, progressive and meaningful encounters with employers from all sectors. These include activities to gain experiences in the workplace, curriculum linked careers learning and projects set with business to encourage enterprise and entrepreneurship.

Alongside engaging more employers, support will be provided to schools to manage the greater engagement of employers in specific activities, to audit and improve the impact of these by measuring pupil's achievements and feedback, and develop long term, developmental relationships with employers. Since November 2018, 130 new businesses have formally engaged with the programme with approximately 270 known businesses now engaging with schools and colleges. This figure will in reality be higher as many schools do engage with employers but do not share this information.

### V. **Develop a standalone website linked to the Combined Authority's website**

[TeesValleyCareers.com](http://TeesValleyCareers.com) will be launched during Careers Week in March 2019 and is linked to the Combined Authority's main website. It will provide better information

regarding careers education and a more responsive approach to engaging key stakeholders, including employers. The website will also ensure that information and activities are made available to all young people in Tees Valley.

The content will include:

- i. a point of contact for new enquiries from all stakeholders, including new employers;
- ii. a showcase of activities and career opportunities available to young people, parents/ guardians and practitioners within the Tees Valley;
- iii. an easily accessible enquiry route for employers, education establishments and individuals
- iv. a Tees Valley live apprenticeship vacancies; and
- v. The 'Tees Valley Careers Toolkit of self-serve resources for pupils, teachers, careers advisors and employers.

### **Tees Valley Careers Hub Pilot**

10.0 In August the Combined Authority were successful in a bid to the Careers and Enterprise Company to be one of 20 national careers hubs. The Tees Valley Careers Hub consists of 35 Secondary/Special Educational Needs and Disability schools, Pupil Referral Units and Colleges across the five Local Authority areas. The aim of the Hub is to support schools and colleges to meet the Gatsby Benchmarks and ultimately improve outcomes for young people. The Hub Manager was appointed in October 2018 and the formal launch took place in November 2018. The Hub manager works alongside the existing Enterprise Adviser Network utilising their support to provide an extensive all round offer of support to the schools and colleges.

10.1 Each school within the Hub received a virtual wallet of £3700 which enabled them to choose activities from a list of identified providers to help them to meet the benchmarks in the different areas. They have also had the opportunity to undertake Careers Leaders training to enable their staff to be fully equipped to achieve the benchmarks. Termly monitoring is taking place to track progress against set targets using the Careers and Enterprise Compass tool.

10.2 Monthly workshops are provided for all Hub schools to share learning, increase the skills and knowledge around each of the Gatsby benchmarks and how to achieve these. A community of best practice has also been established enabling and encouraging all hub schools and colleges to share their experiences around meeting the benchmarks both within their own geographical region and further afield across the Tees Valley. Bespoke support to individual schools is also in place where the need has been identified to ensure progress is made and impact measured.

10.3 All Hub schools and colleges are making progress towards achieving the benchmarks supported by the Hub Manager and Enterprise Coordinators.

10.4 The Combined Authority was invited to apply to extend the Careers Hub pilot, an application was submitted on 22<sup>nd</sup> February, at the time of writing 19 schools had volunteered to be included in this extension.

## **Creating a Business challenge and workforce planning approach**

11.0 Engaging business to provide the jobs, work experience, labour market information and apprenticeships is a key challenge, but is critical to ensure we both create the opportunities for our local population but also to assist in preparing our young people for their future careers.

11.1 There is a target to engage 1 000 business in schools to achieve better careers education, we have made huge improvements in increasing the number of employers engaged but there is much more to do.

11.2 Work has commenced with the Local Enterprise Partnership to challenge business members to be better engaged and for them to engage their supply chain. The employer engagement work stream is about to be set up with the chair being a LEP member, Brenda Mcleish, Chief Executive of Learning Curve.

## **Investment**

12.0 In the Education, Employment and Skills Strategy £12m was identified to deliver the required activities highlighted above. £6.5m has been allocated and delivery commenced or planned. Plans are being developed to allocate the remaining funding for delivery to 2021. In addition to this investment there has been just under £3.8m allocated to Apprenticeships and to provide match funding for the European Social Funded Youth Employment Initiative.

## **European Social Fund (ESF)**

13.0 The Combined Authority is an Intermediary Body for European Funding, this role was agreed early in 2018 for ESF funding. This entails undertaking the LEP function to set the ESF strategy, develop specifications for projects in the Tees Valley and engage in performance management processes with the Department of Work and Pensions and the Department of Education.

13.1 The Tees Valley has an allocation of £84.5m of ESF to support activities linked to inclusion and engagement of vulnerable groups to move towards work, support employed people with low skills and support businesses to increase and improve their approach to skills development.

13.2 In July 2018, the Government announced an extension to their previous guarantee of European funding, which will now cover the full 2014-20 European programme period and allocation in the event of a no-deal. The extension means that government departments will continue to sign new projects after EU exit during 2019 and 2020, up to the value of the full Tees Valley allocation.

13.3 To date, a total of £73.7m ESF funding has been committed, this includes the following activity recently agreed:

- i. An Education and Skills Funding Agency match funded programme for £21.4m. This programme will commence in April 2019, to provide support for the unemployed, Community Grants, support for young people Not in Education, Employment or Training (NEET) and low skilled employees.

- ii. A proposal to extend the Big Lottery Fund Step Forward Tees Valley project that helps those most distant from the labour market, to the value of £4.1m
- iii. Agreement to over-commit funding to the Youth Employment Initiative.

13.4 Taking the over commitment into consideration Tees Valley has £17.6m unallocated.

13.5 Work is underway to develop Direct Bid Open Calls with a view to committing the £17.6m unallocated ESF funding. At its meeting on 22 January, the Tees Valley ESIF Sub-committee approved the proposed approach to the development of Open Calls which will look to commit the unallocated ESF.

13.6 The Combined Authority is working with the Department of Work and Pensions, the Managing Authority; to develop the calls and agree a timetable to launch the calls, which is anticipated to be spring and summer 2019. Assuming all Opt-ins and Open Calls go ahead as planned and to the full ESF values, Tees Valley would fully commit the available allocation.

### **Skills Advisory Panels**

14.0 Skills Advisory Panels are a key initiative highlighted in the UK Industrial Strategy with an aim to address mismatches between skills supply and employer demand more effectively. The Panels aim to bring together local employers, both public and private sector, and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges.

14.2 It is expected that Skills Advisory Panels will reflect the geography of the Local Industrial Strategies, and where existing employment and skills boards are functioning well, they will take on the Skills Advisory Panel function rather than a new body needing to be created.

14.3 In developing Skills Advisory Panels (SAPs), including the guidance that was launched in December 2018, the Department for Education (DfE) have worked with the Combined Authority to develop the guidance and plans for implementation.

14.4 In Tees Valley, with the constitution and existing governance arrangements, it is proposed that the Education, Employment and Skills Partnership Board would be the appropriate Board to take on the function and role of the Skills Advisory Panel.

14.5 The Employment and Skills Partnership Board has previously led the strategic approach, including the data analysis, which led to the development of the Tees Valley Education, Employment and Skills Strategy, 'Inspiring Our Future'. As such, the Board has already demonstrated that it can effectively undertake the functions associated with that of a Skills Advisory Panel and is better established compared to many other regions.

14.6 The Combined Authority is continuing to work with the Department for Education Skills Advisory Panel Programme Team through a Data Discovery project to gain an understanding of local area data needs and gaps on all local skills needs for the respective Skills Advisory Panel. A one-off grant payment, is being made available to each area. This funding is to be used to build/support data analysis capacity to support the role and function of the Skills Advisory Panel.

14.7 Skills Advisory Panels are expected to be implemented by October 2019. The Department of Education will be undertaking reviews with local areas during summer 2019 to assess progress towards implementation.

**AGENDA ITEM 7****REPORT TO THE TEES VALLEY  
COMBINED AUTHORITY OVERVIEW & SCRUTINY COMMITTEE****APRIL 25<sup>TH</sup> 2019****REPORT OF THE STRATEGY DIRECTOR****OVERVIEW & SCRUTINY STUDY: DIVERSITY IN THE TEES VALLEY  
COMBINED AUTHORITY MEMBERSHIP****SUMMARY**

At its 7<sup>th</sup> June 2018 meeting the Committee agreed to the Tees Valley Combined Authority Cabinet's request that an Overview & Scrutiny Study be carried out into the diversity of the membership of the Cabinet and Statutory Committees of the Tees Valley Combined Authority.

This Study is now complete and a draft report has been prepared for approval by the Committee.

**RECOMMENDATION**

The Committee is asked to:

- i. Approve and publish the attached draft report "Genuinely representing the Tees Valley: Seizing the opportunity to write equality into the Constitution of the Tees Valley Combined Authority" and the recommendations detailed within.
- ii. Refer the report to the Tees Valley Combined Authority Cabinet with a request that a formal response be received within two months of the Cabinet Meeting at which it is received.

**DETAIL**

1. At its Annual General Meeting on 1<sup>st</sup> June 2018 members of the Tees Valley Combined Authority requested that Overview & Scrutiny Committee carry out a study into a perceived lack of diversity in gender, sexuality, disability and ethnicity in the membership of the Tees Valley Combined Authority Cabinet and Committee membership. The Committee agreed to this request at its meeting of 7<sup>th</sup> June 2018.
2. This work has been conducted by a working group consisting of the Chair and Vice Chair of the Committee and Cllr Matthew Storey, supported by the Combined Authority Strategy Director and Governance & Scrutiny Officer.
3. At its meeting of July 19<sup>th</sup> 2019 the Committee agreed to a recommendation that a completed report containing recommendations be presented to Cabinet before the commencement of the pre-election period in March 2019.

4. Over the past year the working group has taken evidence from the Mayor of the Tees Valley, the Leaders and Mayor of its Constituent Authorities, the Chair and other members of the Local Enterprise Partnership, the Chief Executives and Managing Director of its Constituent Authorities, a survey completed by 78 local councillors and 7 individual members of the Local Enterprise Partnership and the Regional Secretary of the Trades Union Congress. The working group has also examined relevant academic research and studied best practice from other Combined and Local Authorities.
5. Key findings of the investigation include:
  - i. The observation of an overwhelming and unanimous desire for both the Tees Valley Combined Authority and the five Tees Valley Councils to have memberships which more closely represent the communities they serve – and a recognition that this is currently not being achieved.
  - ii. Evidence that although women make up an above average percentage of the total number of Tees Valley councillors, they appear not to be progressing into leadership roles and roles in which they regularly engage with the Combined Authority– with councillors surveyed citing a lack of confidence and a perceived lack of knowledge as the reasons for this.
  - iii. The suggestion of a lack of engagement with and understanding of the Tees Valley Combined Authority’s purpose and ambitions, which even extends to councillors.
6. The working group subsequently met to develop a list of recommendations aimed at tackling these issues, including:
  - i. The creation of a second Deputy Mayor of the Tees Valley, of a differing gender or protected characteristic group to the incumbent Mayor and with a specific responsibility for driving the diversity and equality agenda across the Tees Valley.
  - ii. The introduction of named substitutes for the Overview and Scrutiny Committee, where practicable of a different gender or from a different protected characteristic group to the regular member.
  - iii. That the Tees Valley councils should immediately begin recording and reporting the ethnicity, gender and sexuality of members in the same way as they already do with staff members.
  - iv. TVCA should commit itself to the ambition of becoming the first Combined Authority to secure Diversity Champion status.
  - v. Asking Local Authority Leaders to publically commit to a gender balanced cabinet and committee system where practicable and acknowledge the risk of unconscious bias influencing the allocation of portfolios.
7. This report asks the full committee to endorse these recommendations and to approve the draft Scrutiny Study.
8. Article 7 of the Constitution of the Tees Valley Combined Authority states that where the Overview & Scrutiny Committee makes a report or recommendations, the committee may:
  - i. Publish the report or recommendations;

- ii. By notice require the Combined Authority or the Mayor to consider the report or recommendations, respond to the committee indicating what (if any) action the Combined Authority proposes to take; and if the Committee has published the report or recommendations, to publish the response.
  - iii. The Combined Authority or Mayor is required to comply with the above “within two months beginning on the date on which the Combined Authority or the Mayor received the report or recommendations”.
9. This report therefore asks the Committee to agree to the publication of the Scrutiny Study and that the study be referred to the Tees Valley Combined Authority Cabinet with a request that a formal response be received within two months of the Cabinet Meeting at which it is received, as per the requirements of the Constitution.

### **FINANCIAL IMPLICATIONS**

10. Implementation of some of the recommendations would incur modest financial costs to the Combined Authority, subject to plans coming forward for formal approval.

### **LEGAL IMPLICATIONS**

11. Not Applicable.

### **RISK ASSESSMENT**

12. Not Applicable

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# Genuinely representing the Tees Valley

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Seizing the  
opportunity to write  
equality into the  
Constitution of the  
Tees Valley  
Combined Authority

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A Scrutiny Study Conducted by  
the Tees Valley Combined  
Authority Overview & Scrutiny  
Committee – August 2018-  
January 2019

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## 1. Chair's Executive Summary

**Women and minorities have historically been under-represented in public life. Whilst devolution deals offer a new way forward for public services, they have so far done nothing to make public bodies more representative of the communities they serve.**

In June of 2018 the Cabinet of the Tees Valley Combined Authority requested that the Overview and Scrutiny Committee carry out an in-depth scrutiny study into the diversity of its membership, struck by how appointments to its statutory and non-statutory committees were extraordinarily male-dominated and undeniably unrepresentative of our region's population.

Over the past year a working group of three councillors, supported by two officers, has taken evidence from the Mayor of the Tees Valley, the Leaders and Mayor of its constituent authorities, the Chair of the Local Enterprise Partnership, the Chief Executives and Managing Director of its constituent authorities, a survey of 78 local councillors and 7 individual members of the Local Enterprise Partnership and the Regional Secretary of the Trades Union Congress. The working group has also examined relevant academic research and studied best practice from other Combined and Local Authorities.

Amid all this research, one particular quote stands out.

*"This is overdue. This is an issue I have flagged up again and again. Just look at the pictures of the signing of the devolution deal... its all grumpy old men! You still see that in meetings and you still see it too often. From Tees Valley Unlimited to the LEP to the Shadow Combined Authority we've never been representative of our communities and we need to be"*

The key findings of this study are as follows:

- **There is an overwhelming and unanimous desire for both the Tees Valley Combined Authority and the five Tees Valley Councils to have memberships which more closely represent the communities they serve– but that at this moment this is not close to being achieved. In gender especially, the Authority and its constituent authorities remain significantly unrepresentative - and this will not be addressed without action.**
- **Although women make up an above average percentage of the total number of Tees Valley councillors, they appear not to be progressing into leadership roles – with councillors surveyed citing a lack of confidence and a perceived lack of knowledge.**

- **There exists a lack of engagement with and understanding of the Tees Valley Combined Authority's purpose and ambitions within the region, which even extends to councillors.**

Paragraph 2.6 of the Constitution of the Tees Valley Combined Authority states that the Overview and Scrutiny Committee itself must make "specific efforts to engage with those groups who would otherwise be excluded".

We have to acknowledge as a Committee that our membership is not achieving that goal, and it is debatable how well the Tees Valley Combined Authority as whole is currently delivering on it.

Whilst recognising that the ability of the Tees Valley Combined Authority to take unilateral action to address an unbalanced elected membership coming forward from its constituent councils is highly limited, its ability to show leadership in this area is unmatched.

The Combined Authority has already taken measures to improve diversity of its Associate Cabinet Membership level through aiming to achieve a 50/50 gender balance of the Local Enterprise Board by 2020 and proactively recruiting three new female members. But more needs to be done.

This report sets a number of practical and realistic recommendations – **including the creation of a second Deputy Mayor, additional to the existing Deputy Mayor, with a specific responsibility for driving the diversity and equality agenda across the Tees Valley** – which the committee believes represent a reasonable roadmap toward more representative politics in the region, which offers the Combined Authority an opportunity to cement its place as a role model for other mayoral and combined authorities, enhance its profile and reputation inside and outside of the Tees Valley and even to deliver more emphatically on its strategic aims.

Other recommendations include:

- **Named substitutes for the Overview and Scrutiny Committee should be introduced, where practicable of a different gender or from a different protected characteristic group to the regular member.**
- **Tees Valley councils should immediately begin recording and reporting the ethnicity, gender and sexuality of members in the same way as they already do with staff members.**
- **TVCA should commit itself to the ambition of becoming the first Combined Authority to secure Diversity Champion status.**

- **Asking Local Authority Leaders to publically commit to a gender balanced cabinet and committee system where practicable and acknowledge the risk of unconscious bias influencing the allocation of portfolios.**
- **The Combined Authority should lobby central government to extend entitlement to time off from work for the conduct of public duties to Combined Authorities, Local Authorities and Local Enterprise Partnerships and to conduct a review of financial disincentives preventing political engagement, in particular by currently under-represented groups.**
- **The Combined Authority must comprehensively define the roles and responsibilities of portfolio positions and provide job descriptions to portfolio holders.**
- **Recommending both TVCA and its constituent authorities consult on the most appropriate timing of meetings to maximise attendance, and investigate what technological solutions are available to allow remote attendance at meetings.**
- **The Tees Valley Combined Authority should commission an independent audit of its premises to ensure accessibility, and seek to secure Disability Confident status at the earliest opportunity.**
- **The Tees Valley Combined Authority should ensure that all Cabinet reports include a thorough and meaningful Equalities Impact assessment, and that this assessment is carried out only by suitably qualified staff.**

As another interview subject noted:

*“If we get this right it will make the Combined Authority more visible and relevant, and it will encourage other businesses and organisations to be the same. A lot of people look to us for leadership, we have to be an exemplar and put it at the heart of what we do”*

**Cllr Norma Stephenson OBE, Chair of Overview and Scrutiny Committee**

## **2. Why this matters**

Achieving more representative membership of the Tees Valley is not about window-dressing. There are significant organisational benefits to achieving a more representative membership.

### **Better Decision Making**

The Tees Valley Combined Authority exists to better meet the employment and transport needs of the people of the Tees Valley – but these needs vary, for example, between genders.

In employment terms, women in the Tees Valley earn 20% less as a whole and 13.9% less an hour than men. They are 6.8% more likely to be economically inactive. They are three times more likely to work part-time (source: Office of National Statistics)

In transport terms, the North East is the only region in the country where women undertake longer commutes than men. Women are twice as likely as men to commute as a car passenger and are twice as likely as men to commute by bus. Men are five times more likely to commute by bicycle (source: Office of National Statistics)

It would be unfair to suggest that councillors are capable only of representing people whose attributes match their own, but there can be little debate that the Tees Valley would benefit from a wider range of human experience being represented within its elected membership.

### **Delivering Organisational Priorities**

Research from consultants McKinsey has shown a significant relationship between more diverse leadership teams and the elevated presence of women in the organisation and corporate performance.

Companies in the top quartile of racial diversity are 35% more likely to record above average financial returns. More diverse companies appear better able to win top talent and improve customer and employee satisfaction and decision-making. The study concludes that its findings indicate “that companies that commit to diverse leadership are more successful”.

There is also the possibility that improved organisational diversity could even contribute towards the Combined Authority’s strategic aims. For example 31% of Tees Valley IT employers have reported a skills shortage – compared to 6% nationally. Over the past three years the percentage of females starting apprenticeships has however consistently fallen – prominent women in organisations such as ours have the power to inspire younger women, to aspire to the sorts of careers in which the Tees Valley’s economy needs them to aspire to.

## **Bridging the Confidence Gap**

A Combined Authority is new concept which is not yet fully embedded in the consciousness of the region. If it is to achieve this the Tees Valley Combined Authority need to command the confidence of and appear credible to the people it serves.

To do that it needs to look like its local communities or risk under-represented groups believing that their needs have been overlooked or are unimportant, causing them to disengage from both the organisation and the democratic process in general.

### 3. Initial Findings from surveys of memberships of Constituent Authorities and Combined Authorities.

#### Diversity and elected representation in the Tees Valley

52% of people in the Tees Valley are women – but only 42% of its councillors, and **15% of councillors involved in the Tees Valley Combined Authority**

Although the regions proportion of female councillors is **higher than the national average of 33% and equivalent to the average of 45% found in other metropolitan boroughs**, it thins out dramatically at the top of our political organisations and does not translate into leadership positions and cabinet positions, where:

- **80% of Tees Valley Council Leaders are male**
- **100% of Deputy Leaders are male**
- **70% of Cabinet Members are male**

	<b>Total Councillors</b>	<b>Total Male Councillors</b>	<b>Total Female Councillors</b>	<b>Percentage Male Councillors</b>	<b>Percentage Female Councillors</b>
<b>Darlington</b>	49	28	21	57	43
<b>Hartlepool</b>	33	22	11	67	33
<b>Middlesbrough</b>	46	25	21	54	46
<b>Stockton</b>	56	31	25	55	45
<b>Redcar &amp; Cleveland</b>	58	33	25	57	43
<b>TEES VALLEY</b>	242	139	101	58	42

As a result, when the elected Mayor is included in these figures, **81% of elected members** on the Tees Valley Combined Authority Cabinet are male.

At the start of this study, just **14% of the Tees Valley Combined Authority Cabinet**, 13% of its Local Enterprise Partnership board and **16% of the members of its statutory committees** were female.

	<b>Total Members</b>	<b>Total Male Members</b>	<b>Total Female Members</b>	<b>Percentage Male Members</b>	<b>Percentage Female Members</b>
<b>DBC Cabinet</b>	7	5	2	71	29

<b>HBC Policy Committee Chairs</b>	6	5	1	83	17
<b>MBC Cabinet</b>	9	5	4	56	44
<b>SBC Cabinet</b>	7	5	2	71	29
<b>R&amp;BC Cabinet</b>	8	6	2	75	25
<b>Total LA Cabinet</b>	37	26	11	70	30
<b>TVCA Cabinet</b>	7	6	1	86	14
<b>LEP Board/Associate Cabinet Members</b>	12	10	2	83	17
<b>Total Cabinet</b>	19	16	3	84	16
<b>Overview &amp; Scrutiny Committee</b>	15	11	4	73	27
<b>Audit &amp; Governance Committee</b>	8	6	2	75	25
<b>Transport Committee</b>	6	6	0	100	0
<b>Total TVCA Committees</b>	48	39	9	81	19

It should be noted that since the commencing of this study, the Local Enterprise Partnership (associate members of Cabinet) has publically committed itself to achieving a 50/50 gender balance by 2020, and undertaken a recruitment campaign aimed at diversifying its membership. This process culminated in the appointment of 3 additional female members at the Cabinet meeting of November 2018.

According to the Office of National Statistics, as of November 2018, 5% of the working age population of the Tees Valley were classified as being members of ethnic minorities, breaking down on an area-by-area basis as follows:

- **Middlesbrough 11%**
- **Stockton 5%**

- **Darlington 4%**
- **Hartlepool 2%**
- **Redcar & Cleveland 1%**

At a council level it is impossible to say with any authority how representative Tees Valley elected memberships are, as this data is regrettably not recorded by councils.

We estimate that in the region of 3% of Tees Valley councillors are from ethnic minority backgrounds, slightly lower than the population as a whole. On an area-by-area basis these figures break down as follows:

- **Middlesbrough 7%**
- **Darlington 4%**
- **Hartlepool, Stockton and Redcar & Cleveland 0%**

It was not possible to identify any Black, Asian or Minority Ethnic members represented in the Cabinets of the five Constituent Authorities, the Tees Valley Combined Authority Cabinet or any of the statutory committees of the Combined Authority, and just one member of the Local Enterprise Partnership.

It was also not possible to identify any members of these groups who considered themselves to have a disability.

On an officer level, the Combined Authority has a very good story to tell on diversity. Out of 105 staff members employed by the organisation in November 2018, **62% were women** and **6%** came from BAME backgrounds.

At a management level, **75% of directors** (including the Chief Executive, Strategy Director and the Investment Director) and 42% of Heads of Service and Managers were women. This is replicated at local authority level where two of the five Tees Valley council Chief Executives are currently women, a figure scheduled to rise to three out of five early in 2019.

The Annual Population Survey published by the Office of National Statistics found that 2% of UK residents over the age of 16 identify as lesbian, gay or bisexual.

At a council level it is again near-impossible to say with any authority how representative Tees Valley elected memberships are in terms of LGBT+ members as this data is also not recorded by councils.

### **How this compares with other local authorities**

The gender balance of the Tees Valley council membership is currently better or in line with other councils, as demonstrated in the below table (source LGIU)

	<b>Percentage Councillors Male</b>	<b>Percentage Councillors Female</b>
<b>Tees Valley</b>	58	42
<b>North East Councils</b>	59	41
<b>UK Councils</b>	67	32
<b>UK Metropolitan Boroughs</b>	64	36

The Fawcett Society Local Government Commission (July 2017 and September 2018) however painted a stark picture of the lack of progress being made toward equality in council memberships, reporting:

- **3000 women councillors must be elected in order to reach 50/50 gender balance.**
- **At current rates of progress it will take English County Councils 48 years to reach equality.**
- **17% of council leaders are women.**
- **6 in 7 of council cabinet jobs that lead to the leadership go to men.**
- **Men out-number women in 97% of councils.**
- **30% of councils returned fewer women in 2018 than 2017**

These findings prompted Sam Smethers from the Fawcett Society to state: *“This is really disappointing. We are literally crawling along. As we mark the centenary of women’s suffrage, women’s representation across local government is stuck in the past”*

In response, Cllr Marianne Overton, from the Local Government Association noted: *“This report rightly recognises that progress must be made at a faster pace to ensure a greater representation of women in our local authorities... local government must be at the forefront of driving change”.*

The now-disbanded Centre for Women and Democracy in 2011, made a number of key observations about the councils and their leadership, including:

- **76% of leaders appointed that year were men replacing men.**
- **Women leaders are “very unlikely to have children of school age” – just 4%**

- **From a total of 2804 portfolio-holders in England, only 26% of positions are held by women.**
- **There is no correlation between the number of women councillors and the number of women portfolio holders.**

The Green Park 500 Public Leadership survey, a review of diversity of the UK's public sector also reported that **“the presence of ethnic minorities at the highest level of local government remains well short of parity”**, with 4.1% of the leadership of metropolitan boroughs of the kind found across the Tees Valley from non-White British backgrounds, compared to 13% of the wider population.

### **How this compares with other Combined Authorities.**

The diversity of the membership of the Tees Valley Combined Authority is broadly in line with those of the fully-established Mayoral Combined Authorities, in which:

- **100% of Elected Mayors of Combined Authorities are men**
- **88% of Combined Authority Cabinet Members are Men**
- **68% of Combined Authority Committee Elected Members are Men**

As with our own figures it is difficult to accurately assess the ethnic background of members of other Combined Authorities, but it would superficially appear that those Authorities representing areas of higher diversity have higher subsequent representation at Combined Authority level.

Other Combined Authorities have made high profile efforts to improve the diversity of their membership, including:

- Constitutionally recognised Deputy Mayors of differing gender to the incumbent mayor (Greater London, Greater Manchester)
- Each Constituent Authority contributes two Cabinet Members (one man, one woman) to the Cabinet with second member acting as deputy portfolio holder (Liverpool City Region)
- The co-option of more representative Associate Cabinet Members (Greater Manchester)
- Co-opted committee members (West Midlands/Cambridge and Peterborough).

#### **4. Findings from interviews with Local Authority Leaders and Chief Executives, Local Enterprise Partnership Members and the Mayor of the Tees Valley.**

Between August and November 2018, the Committee held formal face-to-face interviews with the following key stakeholders of the Tees Valley Combined Authority.

- Ben Houchen, Tees Valley Mayor
- Cllr Stephen Harker, Leader of Darlington Borough Council
- Paul Wildsmith, Managing Director of Darlington Borough Council
- Cllr Christopher Akers-Belcher, Leader of Hartlepool Borough Council
- Gillian Alexander, Chief Executive of Hartlepool Borough Council
- David Budd, Mayor of Middlesbrough
- Tony Parkinson, Chief Executive of Middlesbrough Council
- Cllr Bob Cook, Leader of Stockton on Tees Borough Council
- Neil Schneider, Chief Executive of Stockton on Tees Borough Council
- Cllr Sue Jeffrey, Leader of Redcar & Cleveland Borough Council
- Amanda Skelton, Chief Executive of Redcar & Cleveland Borough Council
- Paul Booth, Chair of the Tees Valley Local Enterprise Partnership
- Siobhan McArdle, Member of the Tees Valley Local Enterprise Partnership
- Angela Howey, Member of the Tees Valley Local Enterprise Partnership
- Beth Farhat, Secretary of the Trades Union Congress North and Member of the Tees Valley Combined Authority Education, Employment and Skills Partnership Board.

Although a wide range of views were voiced, a number of key themes and observations emerged from this process.

##### **1. Stakeholders unanimously recognised that the current membership of the Tees Valley Combined Authority is inadequately representative of the population of the region.**

Not a single interview subject expressed the view that the current membership of the Tees Valley Combined Authority was desirable or representative of the population it exists to serve.

Indeed, many stakeholders frequently expressed pronounced frustration with the lack of progress being made in this area and its potential negative impact upon the reputation and effectiveness of the Combined Authority.

*“We’re definitely not representative... a retired men’s club? You’re not far wrong”*

*“Any public body should reflect the community it serves in terms of gender – not just men and women but other genders too –and other under-represented groups...When it comes to diversity, ours is very poor, one of the worst”*

*“The ideal gender balance should be 50/50. Females are currently under-represented on the LEP and TVCA and I feel you are not close to achieving this. TVCA and the LEP do need to take a more pro-active approach to encouraging females to sit on the board. Presently it is full of white middle-class males who have been long-serving members so it feels like a clique”*

*“This is overdue. This is an issue I have flagged up again and again. Just look at the pictures of the signing of the devolution deal... its all grumpy old men! You still see that in meetings and you still see it too often. From Tees Valley Unlimited to the LEP to the Shadow Combined Authority we’ve never been representative of our communities and we need to be”*

*“The gender split should be 50/50”*

*“You’ve got to...make people see that this organisation is open to everyone... TVCA is the opposite of that. It’s overwhelmingly male”*

*“Ideally we should be reflecting the make-up of the population, which is 51% female and 49% male but half the population think it’s just an old boys club. When you see publicity photos I think people switch off because they think ‘it’s nothing to do with people like me’”*

*“I’m not saying we need a 50/50 gender split but it would be good for the Cabinet to have more lady members and ethnic minorities. We need to represent everyone in the Tees Valley. You can see that we don’t have that diversity by looking around the room”*

Interview subjects also noted that their experience of their own organisations demonstrated that improved diversity could only be achieved through pro-active effort and not a patient belief in organic progress.

*“When I was appointed I asked for a report into how under-represented women were at senior level and how under-represented other groups were too. It didn’t tell us anything we didn’t already know. I gave a senior staff member a specific corporate role for changing things”.*

**2. Interview subjects universally recognised the value of a more representative Combined Authority membership to both the organisation itself and the wider Tees Valley region.**

A significant proportion of those interviewed agreed that a more representative membership could have a significantly positive impact on the quality of policy and decision-making by the Tees Valley Combined Authority, assist in the delivery of its strategic vision for the region and improve the visibility and reputation of the organisation.

*“We want a diverse range of views, but we have a homogenous group of people from similar backgrounds, which churns out very similar ideas about what we need to do”*

*“When we put out publications I get very frustrated because all the images are male. Men in hard hats, men in hi-vis jackets. Imagery is important and this just reinforces that. It’s a self-fulfilling prophecy... If we’re going to have a broader economy we need a much more diverse workforce”*

*“If we get this right it will make the Combined Authority more visible and relevant, and it will encourage other businesses and organisations to be the same. A lot of people look to us for leadership, we have to be an exemplar and put it at the heart of what we do.... when we send all male panels to conferences it reflects us as a region”*

*“If you have a male-dominated management team you are definitely missing something”*

*“You don’t get better policy coming forward if you exclude 50% of the population from the process. You get better decisions from a more diverse group of people”*

*“Whilst the number of women interested in technology-related career falls, the tech job market is growing faster than any other. If we’re going to meet the technology workforce needs, then we need to start appealing more to the gender that makes up 51% of the population. When it comes to recruitment, diversity can help you build your business and attract talent that wouldn’t normally apply for positions with your company. If you can build a leadership team to have a fair gender representation you can inspire other females to aim higher in their career”*

**3. Representatives of both the Combined Authority and its Constituent Authorities reported the existence of significant obstacles making it hard for them to deliver on aspirations of a more representative elected membership.**

It is beyond question that improving representation in the elected element of the Tees Valley Combined Authority is a far from simple process. The vast majority of positions are constitutionally granted to council leaders and cabinet portfolio holders. As 80% of Tees Valley Council leaders are men, 100% of deputy leaders and 75% of cabinet members, there is very little room for manoeuvre at Combined Authority level when it comes to achieving a balanced cabinet.

Subjects were quick to point out that improving the diversity of elected membership was more difficult in practice than in theory, in particular highlighting both a lack of female and minority councillors to seek such positions, and a lack in particular of willingness from female members to put themselves forward.

Put simply, stakeholders pointed out that there are simply not enough women and even fewer ethnic minority members within their elected memberships to choose from, fewer still wish to or feel able to be chosen.

*“It’s up to the Local Authorities to put forward their members. All political parties should be getting better representation of women. Councils should be doing much more, but we are at the whim of those councils”*

*“We elect on portfolios and women don’t put themselves forward for positions like resources or regeneration. Where women perceive their focus to be, or other people perceive their focus to be, tends to be ‘softer’ areas like Children’s Services”*

*“In an ideal World you’d have an equal split, but the difficulty is where your councillors come from. Cabinet has always been dominated by men. It’s usually 2 or 3 women. I did have a conversation with my deputy about how we could have a gender balanced leader, deputy and cabinet, but then we have the problem of who would be able to do it and who would want to do it. I only have 29 people to choose from”*

*“We need more women leaders of councils. That’s what we really need”*

*“It’s difficult for me in a committee system. I can’t select a 50/50 cabinet, although I have to intervene at some points I allow committees to select their own Chair. I try to encourage gender balance but a lot of people don’t want the responsibility of being Chair”*

*“The way I select my Cabinet is very simple – who can do the job! We have to play around with factors like geography and even availability; it’s a lot like juggling. When you come to the end you think ‘look at that, that’s not great for equality’”*

*“It’s difficult to get women to put themselves forward. As a group we need to think about how to make all members put their names forward”*

*“The problem is the gender balance of the leaders. The long term solution is to get more women involved in politics, which will percolate upwards”*

Although as one respondent noted, with sufficient will, these obstacles can be overcome.

*“We have equality written into our Constitution. It’s hard for some of our (constituent groups) who don’t have a lot of female members – but it’s about making them think about bringing through members who are women, minority, trans and LGB”.*

**4. There was widespread acknowledgement that the purpose and significance of the Tees Valley Combined Authority is yet to become fully embedded in the consciousness of the population of the region – including its councillors.**

A tangential but significant theme to emerge from discussions is a concern of stakeholders that progress being made by TVCA is being hampered to some extent by a lack of awareness of its role and the value of engagement, and that this lack of understanding extends not just to the population as a whole but councillors of its constituent authorities.

With particular regard to this study, this factor is perceived as a reason why the membership of statutory committees such as the Overview and Scrutiny Committee itself are so lacking in diversity.

*“Nobody wants to come onto the Combined Authority. It takes a lot of pressing to make people aware of the importance of being here. They think because it’s in its infancy there’s no point in being part of it”*

*“There is an issue about how seriously members beyond the leaders take the Combined Authority and whether or not they want to engage with it constructively. There is a lack of understanding... and a legacy of people who don’t believe in the Authority or the elected Mayor”*

*“I think people are still working out what these roles are as people haven’t grown up with a Combined Authority. It’s not something people have grown up wanting to do... Members are chosen by the Labour Group but they can only do that on the basis of who volunteers. I don’t exactly have to encourage people but an explanation is often required as to why it’s necessary and why it’s important”*

*“If you are asked to represent your area on a Combined Authority it can be very daunting. It’s complex and technical and people may not feel able to do it”*

*“TVCA’s profile is driven by the mayor. People are aware of the person but lack understanding of what the body does”*

*“More work has to be done explaining to members more about what we do and how it is relevant to them and their communities. We need people to understand that it’s a positive thing”*

*“In terms of people coming onto TVCA one councillor put his hand up as he has always had an interest in scrutiny. As for the rest of the group, there was very little interest”*

##### **5. Interview subjects recognised a significant value of inspiring improved diversity through the promotion of prominent role models.**

A significant proportion of stakeholders questioned put forward the notion that the prominent female and minority figures were essential to encouraging more women and people from ethnic minority groups to engage with the political process.

*“I feel a more prominent female member of the TVCA would be beneficial, i.e. Deputy Mayor”*

*“We have to have more role models. At one time we had a full female line-up on the top table of our council, leader, mayor, Chief Executive, opposition leader and the MP too. You’ve got to use that to make people see that this organisation is open to everyone, this could be you, it isn’t just an exclusive male club”*

*“The Combined Authority is not just a small group of people in this building, people need to see that”*

*“We need people to look up and say ‘I could get there’. With people like Sue Jeffrey or Amanda Skelton and Gill Alexander those people are out there but we could have more. A female Deputy Mayor could have the benefit of doing that”*

##### **6. Stakeholders recognised a need for the Combined Authority, its Constituent Authorities and local political parties to engage far better with ethnic minority communities of the Tees Valley.**

*“Our council isn’t very diverse or representative of (the borough). But it depends on who the candidates are. For example, we have a Bangladeshi community but they aren’t party members”*

*“Is our council representative? Nothing like it. We have two BAME members, one Asian and one Caribbean, and they are both standing down”*

*“BAME members are a lot more difficult to engage with. With Asian groups in particular there seems to be a scepticism of local bodies. We have to change that.”*

*“As a council we have a BAME population of 3 or 4%, but we have a lot less employed by the council. We need to do more to encourage those communities to apply for jobs and ensure they have the skills and qualifications to apply for those jobs”*

#### **7. Interview subjects – including previous and current role-holders - agreed that the current Deputy Mayoral system is vague, undefined and under-utilised.**

Whilst the Constitution of the Tees Valley Combined Authority explicitly states that the Mayor must appoint a Deputy, and that this Deputy be appointed from the leadership of the Constituent Authorities, almost no further instruction as to purpose of this role is provided. As a result, Cabinet Members questioned the value of the role in its present form.

Indeed, some Cabinet members felt that their own portfolio roles were equally under-developed, contributing towards them being sceptical towards the value of the establishment of junior cabinet roles introduced by other Combined Authorities.

*“Very early on we looked at the appointment of Deputy Mayors, concerned in part by a lack of diversity – but the idea was not well received and the Constitution makes it difficult. It doesn’t make sense to me that there is no strategy or agenda for who we have doing that. It seems very arbitrary to me”*

*“The Deputy Mayor position is not defined at all. There was no role apart from it being a statutory requirement. I think I opened one project, which was in my area, when the Mayor couldn’t make it and maybe chaired a couple of meetings when he was away. It is pointless having a statutory Deputy Mayor if they have nothing to do. It needs defining”*

*“Our portfolio role is so under-developed anyway what would a deputy portfolio holder do?”*

*“I’m not sure I’d increase the number of positions. What would they do? We don’t want jobs that don’t do anything because, who would want those jobs?”*

*“I think the Mayor should be allowed to appoint deputies, people expect that”*

There was however one significant observation from a Cabinet Member relating to this issue.

*“We need to make sure that the narrative is all about equality, not just gender. I’m set to become Deputy Mayor next year and as a gay man if I was moved aside for a woman would that serve equality?”*

## **5. Findings of survey of elected members of the Tees Valley and Local Enterprise Partnership members.**

Between August and September of 2018 electronic surveys were circulated to the all councillors of the Tees Valley councils and members of the Tees Valley Local Enterprise Partnership in order to learn more about the gender, sexuality and ethnic background of the memberships, and to see if members felt their background impacted upon their council and board duties and engagement with the Tees Valley Combined Authority.

Of particular interest to the working group was ascertaining what factors prevent female and minority councillors from progressing from the backbenches of councils to positions of leadership and which prevent them from coming into contact with the Combined Authority.

78 council members completed the survey – 33% of the total.

7 Local Enterprise Partnership Members completed the survey – 58% of the total at the time.

Full results are attached as Appendix 1, but significant findings are detailed below.

What is clear from the survey is that a significant number of female councillors feel held back by their caring responsibilities, not feeling qualified to participate in the TVCA and not having enough confidence to participate.

We have also learned that Tees Valley Councillors are already in many case working full-time or more than full-time hours in their council responsibilities, ethnic minority members believe their backgrounds hold them back and LGBT+ members believe TVCA does not do enough to engage with their community.

What is also highly worthy of note is how LEP members unanimously believed the aims and objectives of TVCA are unclear to wider communities.

- **What the survey tells us about the membership of the Tees Valley councils**
  - 63% of Tees Valley Councillors are over 60
  - 64.5% identify as Christian, 32.9% as having no religion, 1.3% Muslim and 1% are an “other” religion.
  - 97% of councillors identify as “white British” or “white other” with 1.3% identifying as “British Asian”.
  - 100% of these “British Asian” councillors believe their ethnic background has held them back, and 100% believe TVCA would be more representative and effective with BAME people represented at cabinet or committee level.

- 25% of councillors have a caring responsibility (possibly as high as 30% when 'prefer not to say' results are included)
  - 52% of councillors are spending 21-50 hours on their council duties, equivalent to a full-time or mostly-full-time job.
  - 22% believe themselves to have a disability, but 88% of those respondents do not believe it has made it more difficult for them to progress as councillors. 69% of those councillors felt the CA would be more effective or representative with people with disabilities represented at cabinet or committee level,
  - 5% of councillors are bisexual, 1% gay, 0% lesbian and 2.7% would rather not disclose their sexual orientation.
  - 80% of these councillors do not think the CA does enough to engage with their community.
  - 11% of councillors – 8 in total – do not identify as being the gender they were assigned at birth.
- **The obstacles faced by female councillors in the Tees Valley**
    - 26% of female councillors thought their gender was an obstacle to progress.
    - Obstacles female members reported included:
      - Caring commitments (43%)
      - Not feeling qualified (57%)
      - A lack of confidence (29%)
      - Professional commitments (14%)
      - A lack of interest (14%)
    - Obstacles they thought other women faced included:
      - Caring commitments (50%)
      - Professional commitments (36%)
      - A lack of confidence (36%)
      - Not feeling qualified enough (29%)
      - A lack of interest (29%)
      - Sexism (18%)

- 87% think it is important to increase the number of women in Cabinet and Committee roles.
  - 43% believed senior appointments were made with an intentional or unintentional gender bias.
- **What do councillors think should be done?**
    - 48% believe proactive steps should be taken to promote prominent female role models
    - 62% backed the creation of junior portfolio roles
    - 31% supported help with caring expenses
    - 17% backed specific positions or positions for women, 21% a dedicated equalities portfolio holder, 21% an equalities committee
    - 44% supported additional training and 41% mentoring opportunities.
    - 45% supported more flexible meeting times.
    - 34% supported the use of technology to attend meetings remotely.
- **What the survey tells us about the membership of the Local Enterprise Partnership**
    - 86% of LEP board members identified as White British, 14% as “Other”.
    - 43% identified as Christian, 43% as having no religion and 14% would prefer not to say.
    - 100% gave their sexual orientation as “heterosexual”
    - 1 member reported that their gender was different to the one assigned at birth.
    - 71% were male, 29% female (indicating that 100% of women on the LEP board at the time of the survey participated)
    - 100% reported that they were working full-time.

- 66% of LEP members reported that they work in their substantive jobs for at least 41 hours a week, and in the case of 33% more than 61 hours.
- 43% felt materials such as recruitment adverts and personal specifications gave potential candidates a false impression that they are not qualified or experienced enough to join the LEP.
- Reasons LEP members believe prevented people from applying to serve on the LEP Board – women and ethnic minorities in particular included:
  - A lack of understanding about the role and responsibilities of the LEP (100%)
  - Not feeling the role is for people like us (71%)
  - Not having the time to commit (71%)
  - Family or personal reasons (43%)
  - Disagreeing with the concept of the LEP or the Tees Valley Combined Authority (14%)

## 6. Recommendations

Having considered the evidence gathered through an extensive research-gathering process, the Overview and Scrutiny has the following recommendations to make.

As laid out in the Constitution of the Tees Valley Combined Authority it requests that a formal response be received within two month of this report's presentation to Cabinet.

### **1. The Tees Valley Combined Authority should introduce an additional Deputy Mayor – who constitutionally must be of a different gender or protected characteristic group to the incumbent Mayor.**

This study has not just revealed a need and desire for more prominent representation at the heart of the leadership of the Tees Valley Combined Authority, but the need for enhanced capacity within the organisation for engaging with communities and promoting the work and significance of the Combined Authority. The creation of the position for a prominent, high profile and credible Deputy Mayor, in addition to the existing local authority deputy mayor, would be the ideal way of meeting these needs.

This study has also revealed that many female and ethnic minority councillors – and prospective councillors - feel held back by a lack of expertise and a lack of confidence. Although some individual councils reported making efforts to address these issues, provision was inconsistent and lacking in central leadership and drive. Again, a prominent, high profile and credible Deputy Mayor would be ideally placed to co-ordinate work tackling these issues and lead on a regional level on removing the structural barriers to progress.

This position would be in addition to and not in replacement of the existing Deputy Mayor (Local Authority) who would continue to substitute for the Mayor as required.

Although the precise role and responsibilities of this post holder would be subject to wider consultation and development, we envisage this individual having a specific portfolio responsibility for Equalities and Opportunity and being tasked collaborating with local councils, community, faith and interest groups and businesses to overcoming the obstacles to public participation with politics revealed by this study, adding value to the work of the Mayor and the wider Combined Authority in engaging with communities and councils across the Tees Valley and working with Local Authorities to co-ordinate the development of networks, training programmes and mechanisms aimed at inspiring and creating a new generation of local leaders better reflecting the population of the region and proactively seek out women and minority councillors and potential councillors for leadership programmes.

*“How do you get more women involved? It has to come from the organisations who are sending people forward”* said one Cabinet Member interviewed for this study. The appointment of such a Deputy Mayor would allow the Combined Authority to empower its constituent councils to do just that.

In preparation for the creation of this position we additionally recommend that Local Authorities consult with the Chair of Overview and Scrutiny to comprehensively establish existing support aimed at attracting, retaining and developing under-represented councillors with a view to establishing how best the Combined Authority could add value to these efforts.

- 2. Constituent Authorities should nominate named substitutes for the Tees Valley Overview and Scrutiny Committee, where practicable of a different gender or from a different protected characteristic group to the regular member. These substitute members would also be invited to attend Committee meetings as non-voting members.**

TVCA’s 5 constituent council’s currently nominate 3 councillors from their elected membership to sit on TVCA’s Statutory Overview and Scrutiny Committee.

This committee does not currently require the local authorities to nominate substitute members to attend in the absence of full members, as it does with other statutory committees. As a result, achieving quorum has from time to time been problematic and representation from the differing local authorities varies significantly from an average membership of 2.8 members for one council to 0.8 to another.

Not only would the nomination of substitute members potentially tackle these attendance issues, by inviting them to attend and even participate in meetings it would encourage more councillors to participate more actively in the working of Combined Authority, in a limited and manageable capacity, and allow newer and less experienced councillors to develop their skills, confidence and familiarity of local government in preparation for progressing to more prominent roles.

- 3. The Tees Valley’s Constituent Authorities Councils should commit to immediately recording and reporting of the ethnicity, gender and sexuality of members in the same way as they do with staff members.**

It is not possible to assess the representativeness of council membership in terms of BAME and LGBT+ membership as no reliable statistics exist.

This study has been unable to comprehensively assess how representative the councillors of the Tees Valley are of the communities they serve as none of those councils are currently

recording details of their councillor's ethnicity, gender and sexual orientation in the same manner as they are legally required to for staff members. This is an unfortunate oversight which could and should be rectified almost overnight.

- 4. The Tees Valley Combined Authority should lobby government to extend the legal entitlement to time off work for public duties enjoyed by public role holders such as magistrates, to councillors carrying out activities relating to Combined Authorities, Local Authorities and Local Enterprise Partnerships and to conduct a review of financial disincentives preventing political engagement, in particular by currently under-represented groups.**

*"It's relatively difficult to find women to stand in the first place, there are a huge number of ways in which we don't make it easy for councillors"*

*"Would remuneration help? Remuneration is a dilemma. There are some people where it would be true, especially people in low paid jobs or who can't afford to go part-time. But people outside of the process still see it as something that should be done in a voluntary capacity. But that doesn't buy food or pay the mortgage. There's a conversation to be had with the electorate who don't see the complexity and commitment of being a councillor"*

It is clear that significant obstacles exist preventing willing volunteers from maximising their participation in public life – issues such as domestic and caring duties and attendant cultural attitudes, and working and financial commitments which tend to disproportionately affect female, younger, less affluent and working councillors.

Whilst it goes beyond the ability of the Combined Authority or its constituent authorities to address these issues alone, the committee believes a national conversation is necessary about what we expect from our councillors and what practical measures can be implemented to allow them to better exercise their duties.

- 5. The Tees Valley Combined Authority must comprehensively define the roles and responsibilities of portfolio positions and provide job descriptions to portfolio holders.**

Portfolio holders reported a lack of clarity with regards to the specific expectations and responsibilities of their roles. Once this work is carried out, it will be possible to accurately assess what support those portfolio holders require in this role, including but not exclusive to additional political support.

Although the Committee is stopping short at this stage of outright recommendation of the introduction of assistant portfolio holder roles, this may be revisited at a later date. In the meantime we would ask Council Leaders to consider formally mentoring a junior councillor from their own authority, whose responsibilities may include assisting with work relating to the Tees Valley Combined Authority.

**6. Both the Tees Valley Combined Authority and its Constituent Authorities should consult with members on meeting times to ensure that they are as accessible as possible to all members.**

Given the prevalence of shift-work in the Tees Valley and the comparative decline of the traditional nine-to-five employment, alternative meeting times alone should not be considered a panacea to improved political engagement from currently under-represented groups, but it cannot be overlooked that 44% of councillors surveyed endorsed more flexible meeting times as a means of addressing gender imbalance.

Both the Combined Authority and Local Authority should commit to carrying out periodic reviews that all meetings are timetabled or order to maximise accessibility and attendance of both members and prospective members.

**7. Both the Tees Valley Combined Authority and its Constituent Authorities should investigate potential use of technology to enable the remote attendance of meetings.**

It is clear that many elected members face practical difficulties in terms of physically attending meetings both their own councils and the Combined Authority, related to professional and caring commitments and even mobility.

In 2019 this should not be physically necessary for members to attend these meetings in person when adequate and affordable technology allows them to participate remotely, and both TVCA and its constituent councils should investigate the procurement of such technology if they have not already done so.

**8. The Tees Valley Combined Authority should commission an independent audit of its premises to ensure accessibility, and seek to secure Disability Confident status at the earliest opportunity.**

88% of survey respondents identifying as having a disability led reported that their disability did not prevent them from engaging with the TVCA, but there is nonetheless significant merit in commissioning of independent analysis of TVCA premises, and even more value in being able to publically emphasise that this is an organisation which takes disability rights seriously.

**9. The Tees Valley Combined Authority should set itself the ambition of becoming the first Combined Authority to secure Diversity Champion status.**

The Tees Valley Combined Authority is uniquely placed in both the Tees Valley, the North East and other Combined and Mayoral Authorities to offer leadership on LGBT+ equality. Working with the charity Stonewall to become the first Combined Authority to achieve the recognised standard organisational excellence in LGBT+ equality, Diversity Champion status, represents the ideal way of catalysing this work.

**10. The Tees Valley Combined Authority should ensure that all Cabinet reports include a thorough and meaningful Equalities Impact assessment, and that this assessment is carried out only by suitably qualified staff.**

The Combined Authority must guard against the temptation of assuming that issues like gender are irrelevant in economic development decisions and ensure that all relevant staff have the appropriate training to factor these issues into their proposals.

**11. Constituent Authority Leaders are asked to publically commit to a gender balanced cabinets and committees in their councils, where practicable, and acknowledge the risk of unconscious bias influencing the allocation of portfolios. Constituent Authority Leaders should also commit to reviewing mental health support offered to councillors.**

At present just 30% of local authority cabinet members are women, and those women are overwhelmingly to be found in the same “caring” portfolios with little interaction with TVCA.

43% of those surveyed believed that the appointment of senior councillors was made with an intentional or unintentional gender bias.

While acknowledging the practical difficulties leaders face when building balanced cabinets and the interests and ambitions of individual councillors, leaders should be aware of how striking it is that only two female Tees Valley Cabinet members currently hold portfolios

relating to economic development, resources, transport and housing – the most likely portfolios to engage with the Combined Authority and statistically the most likely positions from which cabinet members progress to council leadership.

**12. The Tees Valley Combined Authority should consider how existing local authority-specific events showcasing the diversity of the Tees Valley – such as Pride and Mela- can be developed into region-wide events.**

The individual authorities of the Tees Valley have a good deal to be proud of in terms of specific cultural events showcasing our region's diversity. The Combined Authority should use its position and leverage to add maximum value, capacity to these events, driving their popularity and profile.

**AGENDA ITEM 9****REPORT TO OVERVIEW AND SCRUTINY COMMITTEE****25<sup>th</sup> APRIL 2019****REPORT OF FINANCE AND RESOURCES SUB-COMMITTEE****EXAMINATION OF THE TEES VALLEY TEN YEAR INVESTMENT PLAN****SUMMARY**

The Overview and Scrutiny Committee has previously agreed to periodically convene a Finance and Resources Sub-committee - made up of the committee's Vice-Chair and four other members - to examine the Combined Authority's policy and decisions relating to finance and resources in greater detail.

At the Committee meeting of January 17<sup>th</sup> 2019, members expressed a wish to undertake a more in-depth examination of the Combined Authority's 10-year Investment Plan, agreed by Cabinet on January 24<sup>th</sup> 2019. Members agreed at the Committee meeting of March 1<sup>st</sup> 2019 to delegate this work to the Finance and Resources Sub-committee.

This report details the subsequent findings of the sub-committee and makes a number of recommendations for consideration by the Full Committee.

**RECOMMENDATIONS**

It is recommended that Overview and Scrutiny Committee:

- i. Notes that the Finance & Resources Sub-Committee is satisfied that it has enough understanding of the aims, intentions and provisions of the Tees Valley Ten Year Investment Plan to recommend that the Full Committee endorse the Plan.
- ii. Notes the report of the Chair of the Sub-Committee, to be provided in the meeting.
- iii. Notes the questions posed by Sub-Committee members to Senior Officers and the answers provided, detailed in Appendix 1.
- iv. Gives consideration to the Sub-Committee's recommendation that similar sub-groups of full Committee members, and other councillors from the Combined Authority's Constituent Authorities - if practicable and appropriate - be periodically convened for similar examination of investment areas detailed within the plan, when deemed necessary by Full Committee.

**DETAIL**

1. The Overview and Scrutiny Committee agreed at its meeting of 13<sup>th</sup> September 2018 to establish a standing Finance and Resources Sub-committee in order to examine Combined Authority financial policy and decisions in greater detail, and to then report back to the main Committee.
2. This sub-committee is chaired by Councillor Ian Haszeldine (Darlington Borough Council) Vice-chair of the full committee. The other members of the group are Councillor Philip Thomson (Redcar and Cleveland Borough Council) Councillor

Heather Scott (Darlington Borough Council), Councillor Matthew Storey (Middlesbrough Borough Council) and Councillor Derrick Brown (Stockton Borough Council).

3. At the Committee meeting of January 17<sup>th</sup> 2019, members expressed a desire to undertake a more in-depth examination of the Combined Authority's 10-year Investment Plan, agreed by Cabinet on January 24<sup>th</sup> 2019. Members agreed at the Committee meeting of March 1<sup>st</sup> 2019 to delegate this work to the Finance and Resources Sub-committee.
4. The sub-committee met on Thursday March 21<sup>st</sup> 2019. At this meeting they were able to question the Head of Finance and Resources and Finance Manager at length on the Investment Plan, and other finance and resource matters of interest to members.
5. Members received a presentation providing an overview of the £588.2m of investment set out in the Plan with intention of creating 16,800 jobs and adding £1.48bn of GVA to the Tees Valley economy between 2019 and 2029, including:
  - Transport: £256m
  - Education, Employment and Skills: £55m (not including £29m of funding devolved under the Adult Education Budget)
  - Business Growth: £146.5m
  - Culture and Tourism: £60m.
  - Research & Development and Innovation: £20m
  - Place: £50m.
6. The Committee had a particular interest in the following topics:
  - The financial implications – if any – to the Combined Authority of Cabinet's agreement on March 15<sup>th</sup> 2019 to consent to the South Tees Development Corporation progressing to the making of a Compulsory Purchase Order (CPO) with regard to land on the Development Corporation site.
  - The sustainability of current levels of investment by the Combined Authority.
  - The process of evaluating outputs of projects detailed within the Investment Plan.
  - The Combined Authority's revised Assurance Framework.
  - The most appropriate means of the Full Overview and Scrutiny Committee examining the development and delivery of projects and proposals detailed within the development plan, reaching a consensus that it would recommend to Full Committee that additional sub-groups be convened for this purpose, and, if deemed appropriate by the Monitoring Officer, Constituent Authority council members from outside the full committee with a specific interest or expertise relevant to the study be invited to participate in these groups.
7. A summary of this meeting will be provided by the Chair. A full list of questions posed by members and officer responses is attached in Appendix 1.
8. The Committee were content with the information provided by officers and agreed to recommend that Full Committee endorse the Investment Plan.

## **FINANCIAL IMPLICATIONS**

9. There are no financial implications to this specific report. The Investment Plan sets out the high level activities that the Combined Authority will consider over the ten year period 2019-29 within an initial funding envelope of £588.2m. Each project or programme will come forward as a detailed business case for due diligence and final approval by Cabinet.

## **LEGAL IMPLICATIONS**

10. There are no legal implications to this specific report. Under its Constitution the Tees Valley Combined Authority is required to have an Investment Plan.

## **RISK ASSESSMENT**

11. There are no risk associated with this specific report. The risks associated with the Investment Plan are that the Combined Authority does not pass the Government gateway process to unlock the devolution deal funding. Appropriate programme and project management will be put in place to ensure that the delivery is achieved and the prioritised activity will achieve the outputs and outcomes to address the Strategic Economic Plan priorities.

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**QUESTIONS SUBMITTED BY MEMBERS OF FINANCE AND RESOURCES  
SUBCOMMITTEE AS PART OF EXAMINATION OF COMBINED AUTHORITY TEN YEAR  
INVESTMENT PLAN**

The Finance and Resources Sub-Committee, acting with the authority of the Combined Authority Overview and Scrutiny Committee, are satisfied with the information provided by officers and are content to endorse the Combined Authority's Ten Year Investment Plan.

During its examination of the Investment Plan, members posed the following questions to officers, and received answers detailed below.

- 1. Are there any financial implications for the Combined Authority of the Cabinet's agreement on March 15<sup>th</sup> 2019 to consent to the South Tees Development Corporation (STDC) progressing to the making of a Compulsory Purchase Order (CPO) with regard to land on the Development Corporation site?**

There are no financial implications to the Combined Authority of this action, which is being undertaken by the Development Corporation.

- 2. What will be the costs to the Combined Authority of the acquisition of land at the Development Corporation site?**

The Investment Plan has allocated £55m – in loans available to STDC – for the acquisition of land on the Development Corporation site. £11m has been utilised to acquire the land previously owed by Tata Steel. Details are still to be finalised for how much of this amount will be necessary to acquire the remaining land.

- 3. Does the Combined Authority intend to draw down on the annual investment funding guaranteed by its Devolution Deal in a lump sum to frontload investment?**

The Combined Authority intends to maximise available investment resources using borrowing secured against future income from guaranteed Devolution Deal funding.

- 4. Are current investment levels sustainable? Will funding be available to address investment needs which may emerge over the lifetime of the Investment Plan but which are not currently detailed within?**

Levels of investment will decline towards the end of the ten year period, but intentionally so as the strategy behind the Investment Plan is that early investment will negate the need for initial levels of funding to be sustained.

The Investment Plan also does not include income from emerging or future funding streams, such as the Government's anticipated Shared Prosperity Fund or the recently announced Future Towns package. It also does not factor in income from loan repayments or assets secured against those loans.

The Combined Authority has secure income streams for 25 years of investment and flexibility to address any emerging need.

**5. What interest levels does the Combined Authority charge recipients of loan funding and does the Combined Authority derive income from these loans?**

We never issue loans that are purely for financial return. Loans are only issued to support economic development. However due to state aid rules these loans will sometimes require interest, the rate at which interest is charged is set by state aid rules and regulations. Any financial return to the Authority from these loans is available to be re-invested in future projects by the Authority.

**6. With regards to the Combined Authority's Treasury Management Strategy – provided to members of the subcommittee – are borrowing levels detailed in the Revenue Budget Implications not high by typical local government standards, which are usually held below 10% but forecast to rise to 31.9% by 2022-23.**

While Local Authorities do usually keep these levels below 10% to finance statutory service delivery, this is not a requirement for TVCA as the organisation is entirely investment focused and has no other commitments outside of running costs.

**7. How are outputs such as job creation evaluated in relation to the Investment Plan?**

A specific monitoring framework is being developed and will be brought to Cabinet shortly.

All Combined Authority Investments are subject to the recently revised Assurance Framework.

**8. Can the Full Overview and Scrutiny Committee be given the opportunity to scrutinise the revised Assurance Framework?**

Consideration to being given to this being added to the Committee's Forward Plan.

**9. How is Combined Authority cash-flow managed to ensure that funds are borrowed only in the event of proven and demonstrable need?**

Borrowing is managed on a day-to-day level, often from internal or short-term sources, with external long-term borrowing only ever sought in the event of proven need.

**10. What has happened to the money allocated to Durham Tees Valley Airport in previous Budgets?**

This allocation was utilised during 2018/19.

**11. Why do certain staff members not appear in the breakdown of core staff costs provided to sub-committee members?**

A certain number of Combined Authority staff members are employed as part of specific funded projects, with their posts funded through the resources allocated to these projects. They have the exact same employment terms and rights as all Combined Authority Staff but are not part of the core staff costs.

**AGENDA ITEM 9****REPORT TO THE TEES VALLEY  
OVERVIEW AND SCRUTINY COMMITTEE****APRIL 25<sup>th</sup> 2019****REPORT OF CHAIR OF OVERVIEW & SCRUTINY COMMITTEE****OVERVIEW & SCRUTINY COMMITTEE ANNUAL REPORT****SUMMARY**

This report summarises the work of the Overview & Scrutiny Committee for the period of May 2018 to April 2019.

The report will be presented to Cabinet by the Chair of the Overview & Scrutiny Committee.

**RECOMMENDATIONS**

It is recommended that Cabinet note the report.

**DETAIL****THE COMMITTEE**

1. The Overview and Scrutiny Committee consists of 15 members, 3 nominated from each Constituent Authority. The Committee is required, as far as reasonably practical, to reflect the balance of political parties of the Constituent Authorities collectively.
2. The objective of the Overview and Scrutiny Committee is to scrutinise and support the decision-making of the Combined Authority Cabinet and the Tees Valley Mayor.
3. This includes:
  - monitoring the decisions or other actions taken by the Cabinet and/or Mayor and submitting reports and making recommendations for improvements 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.
4. The Committee has the power to “call-in” for review or scrutiny decisions made by the Combined Authority before they are implemented.
5. The Chair of the Committee for the period of 2018-2019 has been Councillor Norma Stephenson OBE, Stockton Borough Council. The Vice-Chair has been Councillor Ian Haszeldine, Darlington Borough Council.
6. For the period of May 2018- April 2019 the Committee have had 8 scheduled meetings. They usually meet every 6 weeks where possible to do so.

7. In addition to the ordinary meetings the Committee have also met for one additional special meeting to discuss Durham Tees Valley Airport.
8. The Committee have also established a smaller task & finish group who meet to focus on financial aspects of the Combined Authority. The group have held regular meetings throughout the year to scrutinise both the budget and the Tees valley Investment Plan.
9. The Chief Executive provides a written update of key activities undertaken by the Combined Authority in advance of each meeting and also attends the meetings to give a verbal update and answer any questions. There is also the facility for the committee to provide written questions to the Chief Executive in advance of meetings.
10. The Tees Valley Mayor has attended 4 of the 8 scheduled meetings and the additional special meeting to present information and answers questions from the Committee.
11. The Committee has not felt it necessary to utilise their power of “call-in” throughout the period of May 2018-April 2019.
12. Of the 8 meetings held to date 1 of these has not been quorate and therefore no decisions could be made. Attendance has continued to be an issue at a number of meetings with some of the Constituent Authorities being continually better represented than others. This issue will continue to be fed back to the authorities via Chief Executives and Leaders in the hope that attendance at the meetings will improve in future.

## **2018-2019 WORK PROGRAMME**

13. The Committee have carried out their Overview and Scrutiny duties in some of the key areas of Combined Authority business.

### **i. Portfolio Updates**

The Committee received a full update from the Portfolio holder in each of the following areas of Combined Authority business:

- Culture, Tourism & Innovation – Mayor David Budd
- Transport – Cllr Stephen Harker
- Investment & Business Growth - Cllr Sue Jeffrey
- Education, Employment & Skills – Cllr Christopher Akers-Belcher
- Local Enterprise Partnership – Paul Booth

For each briefing the Committee were presented with a paper giving a full overview of the work ongoing and priorities in each specific Portfolio area. The Portfolio holder for each area then attended the meeting of the Committee to answer questions and provide any further information where requested.

**ii. South Tees Development Corporation**

The Committee have had regular updates from the Chief Executive with regard to the progress of the South Tees Development Corporation. They have had the opportunity to ask questions regarding the Corporation and request further information where required. The Governance relationship between the Tees Valley Combined Authority and South Tees Development Corporation has been explained and the Committee are aware that any decisions which may result in a financial, environmental or statutory liability to the Combined Authority must be referred to Cabinet for ratification. In this scenario it would then be permissible for the Overview & Scrutiny Committee to scrutinise such decisions.

**iii. Budget**

The committee agreed to continue to utilise the smaller task and finish group previously assigned to look specifically at the budget and this group was subsequently named as "Finance and Resources Sub Committee".

Membership of this Committee consists of 5 councillors representing 4 of the 5 Constituent Authorities. The Chair of the Committee is Cllr Ian Haszeldine of Darlington Borough Council.

Questions from the Overview & Scrutiny Committee members regarding the budget for 2019-2020 were collated by Cllr Ian Haszeldine and these were put forward to the Head of Finance and Finance Manager at two meetings designated specifically for budget scrutiny. The sessions allowed the questions to be answered in detail and further information to be provided where necessary.

A full report from the Overview & Scrutiny Committee was provided to Cabinet as part of the budget consultation process, this details all of the questions submitted from the Committee and the full responses to these.

**iv. Tees Valley Investment Plan**

As part of the final budget report presented to Cabinet disappointment was expressed that the Committee had not been given the opportunity to scrutinise the Tees Valley Investment Plan alongside the budget. The Committee received assurances that in future this would be made possible. Subsequently the Finance and Resources Sub-committee have convened for a meeting to allow them to scrutinise the newly published ten year Investment Plan. In the same format as the budget the questions and answers and outcomes of the meeting were fed back to the full committee.

**v. Durham Tees Valley Airport**

A special meeting of the Committee was held on 20<sup>th</sup> December 2018 for discussion around the purchase of the airport. Members of Audit & Governance Committee and Transport Committee were also invited to attend this meeting. The meeting allowed members to understand the proposals for acquisition of the airport and ask any questions in light of these proposals.

Proposals were discussed further at the next scheduled meeting of the Committee with Mayor Houchen outlining the economic and financial case for the proposed acquisition and associated Business Plan. The Committee members were once again able to ask any questions to allow them to gain full understanding and insight into the process undertaken by the Combined Authority

**vi. Scrutiny Study: Diversity in the Tees Valley Combined Authority membership**

At its 7<sup>th</sup> June 2018 meeting the Committee agreed to the Combined Authority Cabinet's request that an Overview & Scrutiny Study be carried out into the diversity of the membership of the Cabinet and Statutory Committees of the Tees Valley Combined Authority. A working group, consisting of the Chair and Vice Chair of the Committee and Cllr Matthew Storey, supported by the Combined Authority Strategy Director and Governance & Scrutiny Officer, was established to carry out this study. Extensive research and evidence gathering has been carried out by the working group and a draft report has been compiled. Once finalised the report will be submitted to Cabinet and the Overview & Scrutiny Committee will ask for the Combined Authority or the Mayor to consider the report and any recommendations and respond to the committee, within 2 months of submission, indicating what (if any) action the Combined Authority proposes to take.

**vii. Briefings and updates**

During this civic year members have requested, and been provided with, briefing notes from the Combined Authority relating to Hydraulic Fracturing, regional teacher numbers, efforts being made to reduce the Carbon Footprint of the Tees Valley and the devolution of the Adult Education Budget.

**2019 - 2020 WORK PROGRAMME**

14. The committee has 7 proposed meetings scheduled from May 2019 – April 2020. A discussion on the priorities and work programme for these meetings will be taking place at the first meeting of the Committee following the AGM. A work programme for the year ahead will be drafted following this meeting.

**FINANCIAL IMPLICATIONS**

15. None

**LEGAL IMPLICATIONS**

16. None

**RISK ASSESSMENT**

17. Not Applicable

## **CONSULTATION**

18. Not Applicable

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**Tees Valley Combined Authority Overview & Scrutiny: Work Programme  
2018/19**

**Standing Items**

Minutes from the Previous Meeting  
Announcements from the Chief Executive  
Forward Plan  
Date and Venue of the Next Meeting

<b>Date</b>	<b>Venue</b>	<b>Item / Responsible Officer</b>
13 <sup>th</sup> June 2019 at 2pm	Room 1 Cavendish House Teesdale Business Park Stockton On Tees TS17 6QY	Election of Chair and Vice Chair  Annual Reports  Meetings and Forward Plan for Civic Year 2019/2020

**Items to be scheduled**

Special Enterprise Zones

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