

Overview and Scrutiny Committee Agenda

Date: Thursday 6th December 2018 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 (Darlington Borough Council)
Cllr Sonia Kane (Darlington Borough Council)
Cllr Stephen Akers-Belcher (Hartlepool Borough Council)
Cllr Mike McLaughlin (Hartlepool Borough Council)
Cllr Rob Cook (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 Thursday 25th October 2018 for confirmation and signature

4. Interim Managing Directors Update

To follow

5. Portfolio Update: Investment and Business Growth – Cllr Sue Jeffrey

Attached

Overview and Scrutiny Committee Agenda

6. **Budget Sub-Committee: Update on preliminary Budget 2019/20 briefing**
7. **Scrutiny Study Update: Diversity and the Tees Valley Combined Authority**
8. **Forward Plan**
9. **Date of the next Meeting**

17th January 2019 at 2pm – Cavendish House, Stockton-On-Tees,
TS17 6QY

Members of the Public - Rights to Attend Meeting

With the exception of any item identified above as containing exempt or confidential information under the Local Government Act 1972 Section 100A(4), members of the public are entitled to attend this meeting and/or have access to the agenda papers.

Persons wishing to obtain any further information on this meeting or for details of access to the meeting for disabled people please contact: Sarah Brackenborough – 01642 524423 – sarah.brackenborough@teesvalley-ca.gov.uk

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 25th October 2018 at 10.00am

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 Ian Haszeldine	Darlington Borough Council	DBC
Cllr Sonia Kane	Darlington Borough Council	DBC
Cllr Matthew Storey	Middleborough Borough Council	MBC
Cllr Vic Walkington	Middleborough Borough Council	MBC
Cllr Phillip Thomson	Redcar & Cleveland Borough Council	R&CBC
Cllr Glynn Nightingale	Redcar & Cleveland Borough Council	R&CBC
Cllr Neil O'Brien	Redcar & Cleveland Borough Council	R&CBC

Apologies for absence

Cllr Stephen Akers-Belcher	Hartlepool Borough Council	HBC
Cllr Mike McLaughlin	Hartlepool Borough Council	HBC
Cllr Rob Cook	Hartlepool Borough Council	HBC
Cllr Jean Sharrocks	Middlesbrough Borough Council	MBC

Officers

John Hart	Governance & Scrutiny Officer	TVCA
Julie Gilhespie	Interim Managing Director/Finance Director	TVCA/STDC
Martin Waters	Head of Finance, Resources and Housing	TVCA
Fran Manancourt	Strategic Transport Planning Officer	TVCA

Other Attendees

Cllr Stephen Harker	Portfolio Holder for Transport	TVCA/DBC
Cameron Brown	Special Advisor to the Tees Valley Mayor	TVCA
Craig Peacock	Communications and Marketing Manager	TVCA
Joan Stevens	Statutory Scrutiny Manager	HBC

<p>OSC 27/18</p>	<p>INTRODUCTION/APOLOGIES FOR ABSENCE</p> <p>The Chair opened the meeting by stating that members were now in receipt of a briefing statement from the Combined Authority on the subject of hydraulic fracturing, as requested by members.</p> <p>Apologies for interest were received from Councillors Akers-Belcher, Cook, McLaughlin and Sharrocks.</p>	
<p>OSC 28/18</p>	<p>DECLARATIONS OF INTEREST</p> <p>There were no interests declared.</p>	
<p>OSC 29/18</p>	<p>MINUTES</p> <p>The minutes of the meeting on 13th September 2018 were agreed and signed as a correct record.</p>	
<p>OSC 30/18</p>	<p>ANNOUNCEMENTS FROM THE INTERIM MANAGING DIRECTOR</p> <p>Julie Gilhespie, Interim Managing Director, updated members on:</p> <ul style="list-style-type: none"> • The Combined Authority’s ongoing prioritisation exercise. • An internal Culture, Vision and Values exercise, and how this exercise will inform the Combined Authority’s relationship with stakeholders and local authority partners. • The ongoing development by the Combined Authority of a Local Industrial Strategy – and it’s complimentary relationship with its existing Strategic Economic Plan – as part of a national pilot. • Reports to be considered at the 30th November meeting of the Tees Valley Combined Authority Cabinet. <p>ClIr Phillip Thomson suggested that in future the Committee receive prior notification of topics the Managing Director intended to brief the Committee on as part of this agenda item.</p>	
<p>OSC 31/18</p>	<p>UPDATE: SOUTH TEES DEVELOPMENT CORPORATION</p> <p>Julie Gilhespie, who also acts as Finance Director of the South Tees Development Corporation, updated the Committee on progress made by the Corporation over the past year, including:</p> <ul style="list-style-type: none"> • The signing of a partnership agreement with energy and utilities firm Sembcorp aimed at maximising investment opportunities on the site. • A supplementary planning document being agreed with Redcar & Cleveland Borough Council. • Assessment of the ground condition of 90% of the site, including the drilling of over 1500 holes. • Negotiations to acquire the Development Corporation land reaching an advanced stage, with plans for the Compulsory Purchase of the site also being developed as a contingency, although this was not the Corporation’s preferred course of action. • Over 100 expressions of interest have now been received from 	

	<p>potential investors. Announcements were expected in the next 6 to 12 months, but remained commercially sensitive at this time.</p> <p>Cllr Vic Walkington asked if the Thai Banks were the only land owners with whom the corporation was currently negotiating. Julie Gilhespie stated that negotiations were also active with Tata Group.</p> <p>Cllr Glyn Nightingale asked if the completion of one of these negotiations would allow development to begin on this land before negotiations were completed with the other party. Julie Gilhespie confirmed that it could.</p> <p>Cllr Philip Thomson requested details of the tendering for the servicing of the site, and whether the result of the ground condition assessment investigations could be shared with the Committee. Julie Gilhespie stated that servicing of the site was the responsibility of the South Tees Site Company, owned by the Department of Business, Energy, and Industrial Strategy.</p> <p>Members held a discussion into the governance relationship between the Tees Valley Combined Authority and the South Tees Development Corporation with members being provided details of how the Corporation must refer decisions which may result in a financial, environmental or statutory liability to the Combined Authority for ratification, at which point it would be permissible for the Overview and Scrutiny Committee to consider the matter. Members were also provided with details of the Corporation's own governance arrangements, in particular its Audit & Risk Committee, upon which two members of the Combined Authority's Audit & Governance Committee sit.</p> <p>The Chair requested that members be provided with a copy of the Development Corporation Constitution.</p>	
<p>OSC 32/18</p>	<p>UPDATE: BUDGET 2019/20</p> <p>Martin Waters, Head of Finance, Resources and Housing, briefed the committee on the timetable for the setting of the Combined Authority Budget for 2019/20.</p> <p>Cllr Matt Vickers asked for confirmation that the Mayor of the Tees Valley was not intending to introduce a Mayoral Precept as part of this year's budget. Julie Gilhespie confirmed that this was the case.</p> <p>Cllr Ian Haszledine, Vice-Chair of the Committee and Chair of the Budget Sub-Committee stated that the Sub-Committee's areas of interest while scrutinising the budget were likely to include the impact of Brexit, the devolution of the Adult Education Budget, remediation work on the South Tees Development Corporation site and Durham Tees Valley airport, and reiterated the committee's desire for further details to be provided on the nature of legal advice procured with regards to the airport to date.</p> <p>A discussion by members – including Cllrs Heather Scott, Matt Vickers, Sonia Kane, Glynn Nightingale and the Chair – concluded</p>	

	<p>with the Chair stating that it may be necessary for the Committee to hold an extraordinary meeting on the subject of the airport – in private in the event of commercially and legally sensitive issues being discussed – as it had previously done in March 2018.</p>	
OSC 33/18	<p>PORTFOLIO UPDATE: TRANSPORT</p> <p>Cllr Stephen Harker, portfolio holder for Transport and leader of Darlington Borough Council introduced a portfolio update by highlighting the Combined Authority’s ambition to simultaneously improve the Tees Valley economy’s global connectivity and improve intra-region transport for residents.</p> <p>He drew the committee’s attention to:</p> <ul style="list-style-type: none"> • The need to upgrade Darlington Station in preparation for the arrival of HS2 in the region. • A recent meeting of Transport for the North critically assessing the performance of train operators and Network Rail. • Key actions relating to transport being developed by the Combined Authority, including a new Tees Crossing. <p>The Chair inquired if the Combined Authority had been involved in a recent meeting addressing the accessibility of Billingham Station to residents with a disability, as reported in the press. Julie Gilhespie confirmed that the Combined Authority was involved in this process but had not attended that specific meeting.</p> <p>Cllr Heather Scott requested timescales for the investigation into bus franchising as stated in the report. Fran Manancourt, Strategic Transport Planning Officer reported that the evidence-gathering necessary for this investigation was complicated and lengthy, but likely to be concluded within the next few months.</p> <p>Cllr Philip Thomson requested a more detailed timetable for the delivery of the new Tees Crossing. Cllr Stephen Harker stated that these timetables were dependent on Highways England but attempts would be made to provide this for the committee.</p> <p>Cllr Thomson asked if consideration was also being given to a further Tees Crossing to the east of the region. Fran Manancourt confirmed that a defeasibility study was being undertaken.</p> <p>The Chair congratulated Cllr Harker on his recent election to the position of leader of Darlington Borough Council and thanked him for his attendance.</p>	
OSC 34/18	<p>OVERVIEW AND SCRUTINY STUDY: DIVERSITY IN THE TEES VALLEY COMBINED AUTHORITY</p> <p>John Hart, Governance and Scrutiny Officer updated members on the progress of the study, and in particular the results of the recently concluded electronic survey of members of the Local Enterprise Partnership and the Constituent Local Authorities of the Tees Valley.</p> <p>Cllr Matt Vickers asked if the timing of meetings had been considered as part of the survey. The Governance and Scrutiny Officer confirmed</p>	

	<p>that it had.</p> <p>Cllr Heather Scott asked if the final report would be shared with members of the five Constituent Authorities. The Chair confirmed that it would.</p> <p>Cllr Ian Haszeldine thanked the Chair and the Governance & Scrutiny Officer for their work on the study to date.</p>	
OSC 35/18	<p>FORWARD PLAN</p> <p>Members agreed to the Forward Plan as presented, with the requested addition of a presentation on Combined Authority plans relating to the devolution of the Adult Education Budget.</p>	
OSC 36/18	<p>DATE OF THE NEXT MEETING</p> <p>6th December 2018 at 10.00am</p>	

Minutes agreed as a true record

Councillor Norma Stephenson OBE:.....

Date:.....

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

Meeting Date	Item	Action	Owner	Target Date	Details	Status
7 th 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 th December 2018	The investment plan is currently under review. Committee will be updated as part of the 6th December portfolio update on Investment and Business Growth)	To be delivered at committee meeting of 6th December 2018
19 th 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	1 st March 2019	To be delegated to Committee Finance Sub-Committee for reporting back following the completion of the 2019/20 Budget process.	
19 th July 2018	Portfolio Update (OSC 13/18)	The Mayor to provide further details of the legal advice received with regards to DTVA	Mayor of the Tees Valley	6 th December 2018	Information still to be supplied.	Request reiterated on October 25th (OSC 32/18)
19 th October 2018	n/a	Committee to receive briefing on TVCA position on Hydraulic Fracturing	Governance and Scrutiny Officer	25 th October 2018	Provided to Committee on 23rd October 2018.	COMPLETE
25 th 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 th January 2018	To be included in future papers	
25 th October 2018	Portfolio Update (OSC 33/18)	A flowchart to be provided detailing an indicative timescale	Head of Transport	6 th December 2018	Provided to Committee on 18th November 2018.	COMPLETE

AGENDA ITEM 4

		for the development of the new Tees Crossing				
25 th 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 st March 2019	To be included on the Agenda alongside EES Portfolio Update on 1st March (TBC)	
25 th October 2018	South Tees Development Corporation	Committee to be provided with a copy of the South Tees Development Corporation Constitution	Governance and Scrutiny Officer	6 th December 2018	Provided to Committee on October 25th 2018.	COMPLETE

AGENDA ITEM 4

REPORT TO THE OVERVIEW AND SCRUTINY COMMITTEE

6th DECEMBER 2018

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.

Appointment of Head of Paid Service

The Tees Valley Combined Authority Cabinet last week formally approved the appointment of Julie Gilhespie as the Head of Paid Service (Chief Executive)

The final selection process involved a final assessment of shortlisted candidates by a formal appointment panel (the TVCA Cabinet), a panel of business representatives from the Local Enterprise Partnership, a panel of other public sector and voluntary representatives – including the Chair of the TVCA Overview and Scrutiny Committee - and a panel of the Local Authority Chief Executives.

Clean Gas Project

A consortium of six global energy giants – including BP, Shell and Total - has announced multi-billion pound plans to create a huge clean gas power plant in the Tees Valley which will capture its carbon emissions and store them in pipelines under the North Sea.

The Tees Valley has been selected from 50 potential sites and the infrastructure created will also enable wider industry on Teesside and elsewhere to capture and store CO₂ from their processes.

Budget 2018

The Chancellor of the Exchequer's Budget Statement of Monday 28 October 2018 contained a number of significant announcements relating to the Tees Valley, including:

- An extension to the Transforming Cities Fund by a year to 2022-23, providing an extra £16.5m for the Tees Valley and bringing the total allocated for the delivery of priority transport schemes to £75.5million;

- The creation of a Special Economic Area on the South Tees Development Corporation site, allowing for the local retention of business rates to reinvest into site remediation;
- £14million of funding to enable the early redevelopment of a part of the Development Corporation site to attract two specific metal works projects, bringing total Government investment announced on the site in the last year to £137million.

Investment in Transport Infrastructure

On November 30th 2018 Cabinet approved plans to allocate £45m of Combined Authority funding to improving the Tees Valley's rail infrastructure, including:

- Introduction of new platforms on the eastern side of Darlington station with an improved track layout and signalling; improvements to the fabric of the station including a new bridge, western and eastern entrance, improved passenger facilities, car parking and public transport interchange and regeneration of the wider area around the station.
- Improvements to the fabric of the Middlesbrough Station to improve passenger experience, including interim measures to re-open the southern entrance and remediation of the under-croft of the station, alongside a review of the capacity needs of the station to ensure current and planned future rail services can be accommodated.

Opportunity North East

Combined Authority officials are working together with the five Local Authorities to influence the government's recently announced £24million 'Opportunity North East' programme. The programme is aimed at raising the number of students attending the country's top Universities and inspiring them to access education, employment and training post-year 11.

The programme will see an initial £12m invested in targeted approaches to improve the transition from primary to secondary school, drive up standards at secondary level and improve outcomes for pupils post 16 years of age. A further £12m will be used to boost early career training for new teachers, and to raise standards in the region's secondary schools.

TVCA Cabinet 30th November 2018

In addition to the items detailed above, Cabinet on 30th November 2018 resolved to:

- Approve the TVCA draft Budget 2019-20 go out to consultation.
- Appoint Brenda McLeish, Vikki Jackson-Smith and Annabel Turpin to the Tees Valley Local Enterprise Partnership.
- Approve a request for £1.625m grant and £5.437m loan funding from Fujifilm Diosynth Biotechnologies UK Limited ("FDBUK") for investment to support the development of its Phase 1 Biocampus at its Billingham site.
- Approves a governance operating model relating to the devolution of the Adult Education Budget to the Combined Authority in August 2019.

Name of Contact Officer: Julie Gilhespie
Post Title: Chief Executive
Telephone Number: 01642 528 7091
Email Address: julie.gilhespie@teesvalley-ca.gov.uk

AGENDA ITEM 5

REPORT TO THE OVERVIEW AND SCRUTINY COMMITTEE

6th DECEMBER 2018

REPORT OF PORTFOLIO HOLDER FOR INVESTMENT AND BUSINESS GROWTH

Overview and Scrutiny Committee Portfolio Update: Cllr Sue Jeffrey (Investment Portfolio)

1. Overview of Investment Activity

- 1.1 The Investment Plan agreed by TVCA's Cabinet in April 2017 was built on our Tees Valley Strategic Economic Plan ("SEP"), reflecting our shared priorities for this region. The SEP sets out the growth ambitions and priorities for the Tees Valley over the period to 2026 and provides a framework for economic development activities. It has been refreshed to ensure it includes all the latest priorities to diversify and accelerate growth in the local economy, to benefit businesses and residents and to contribute to the overarching objectives of enhancing productivity and improving lifetime opportunities through the provision of more and better jobs accessible to all. The principle of inclusive growth underpins all that we do.
- 1.2 This financial year we have not made any fundamental changes to those SEP priorities or overall funding allocations. Over the year we have particularly focused on:-
- accelerating delivery of the investment programme;
 - prioritising projects that will inform our 10 year investment strategy;
 - developing projects that can be funded and delivered through the Transforming Cities Fund (funding for transport connectivity);
 - streamlining our application and decision making processes, to make sure that projects are agreed and can get into delivery as soon as possible;
 - using development funding to ensure projects are planned and developed robustly, so they can come forward and get into delivery quickly once they are approved; and
 - "Testing" projects to make sure that they are funded commercially where this is feasible, to generate potential returns that can be recycled into other projects.
- 1.3 Set out below are:-
- an update on the Single Pot Arrangements;
 - the work TVCA has been carrying out to prioritise projects for investment;
 - an update on how we are investing our existing European funding and what we know about its successor programme - the UK Shared Prosperity Fund;
 - an update on our investment into projects and events in town centres;

- an update on investment into projects that are being brought forward by the private sector;
- a summary of the financial aspects of our Investment Plan, including the funding we have invested during the year;
- an update on the project investments highlighted in the previous OSC report; and
- highlights for the first six months of this year in terms of investment milestones and projects.

2. Single Pot arrangements

TVCA has a significant funding pot available for the region of around £500m of investment for the period 2016 to 2021. This is clear evidence that the decision of the five local authorities to negotiate a devolution deal with Government has paid off. Using our collective voice has put us in a stronger position to secure funds from Whitehall and manage them directly.

3. Prioritisation of Projects for TVCA Funding

Despite this success in securing additional funding, much of this has already been allocated and we now find ourselves with more project proposals than we have available resources for.

In early autumn we undertook the assessment of over 60 project proposals as part of a prioritisation exercise that will inform our 10 year investment strategy. Projects are being prioritised that will deliver the greatest economic and wider benefits for all, at the same time as focusing on delivering strong investment performance that will support our future requests to Government for additional funding.

There will also be a number of other projects which we will work to develop as commercial propositions or develop as part of a specific programme that will deliver on our strategic objectives. We will also continue to work on attracting new funding into our region and leveraging other public and private sector investment into our projects.

We expect to be able to publish this list of projects in early 2019.

4. European Funding

One particular issue for us is making sure that we maximise the European funding that is still available to us as a region, which will continue until 2020/21.

4.1 Examples of projects that have successfully applied or are now applying for European Regional Development Funds (“ERDF”) funding are:-

- Teesside University’s new National Horizons Centre - construction of integrated research, training & innovation facility - includes £3.1m of ERDF (University’s application) as match for TVCA’s funding;
- New office accommodation at Feethams, Darlington – includes £2m of ERDF (DBC’s application) as match for funding from TVCA and DBC;
- CPI proposed Healthcare Futures Centre at Central Park - £6m of ERDF (CPI’s application) matching TVCA’s funding; and
- TWI proposed Materials Integrity, Research & Validation Centre in Middlesbrough - £4m ERDF (TWI’s application).

4.2 Tees Valley is forecast to spend £12.91m of ERDF against a performance target for the end of December 2018 of £15.55m. For European Social Fund (“ESF”), Tees Valley has committed £32.5m of the performance target at the end of December 2018 of £34.1m; MHCLG are responsible for monitoring the contracts and spend with

the applicants. It may be difficult to access all the funding that is technically available to the region, as the parameters and conditions for its use are limited. We know from TVCA's experience of delivering Business Compass that there have been challenges in delivering some of the funds – the demand from businesses against the Innovation, ICT and Low Carbon funds has not been as high as we had hoped. This is partly due to the administrative bureaucracy of ERDF, the need for businesses to provide the match funding (just under 70%, which is their key challenge) and the restrictions on the eligible activities.

- 4.3 £21.1m of ERDF and £35m of ESF remain to be committed in Tees Valley through to the end of the European programme. An update report was presented to Cabinet in June 2018 and an action plan has been put in place that sets out measures to maximise our access to the funds. We are currently in the process of updating progress on the action plan.
- 4.4 An open call for all ERDF priorities was held recently with a closing date of 23 November. As applications are made to MHCLG directly we do not yet know how many projects have been submitted against each of the priority themes. The theme that is at most risk of underspending is Priority 3 (SME Competitiveness) – this call included the opportunity for a project to provide business grants to be delivered under the Business Compass brand, as a follow on to the current Business Compass Grants currently operated by BE Group on behalf of TVCA. If no other organisation has bid to do this TVCA will need to consider whether it bids to deliver (direct or externally procure) ongoing Business Compass grants.
- 4.5 The Government is planning to replace European Union funding with a new UK Shared Prosperity Fund (“UKSPF”) which will start in 2021. A Government consultation paper is due to be published shortly and we have been feeding into discussions on its development. In summary we have four key asks:-
- Our share of the UKSPF should be at least as much as we get now;
 - Government should continue to provide the equivalent in match funding;
 - The new framework for economic development and growth funds should also include successor funding to the Local Growth Fund at equivalent levels to what we currently receive; and
 - All funding should be provided without restrictions as part of the TVCA Single Pot.

5. Investment in Town Centres

The Committee has previously asked about town centre investment by TVCA.

- 5.1 The Investment Plan refers to the need to enhance town centres as the location for professional and business services, providing suitable space for business growth and supporting creative, cultural, digital and professional & business services. Supporting the creation of new business accommodation and improving access to and services in town centres will create new jobs and enable our residents to have better access to our key employment sites and leisure venues.
- 5.2 The table below lists the town centre investments that TVCA has either already committed or has for consideration in its pipeline of projects.

<i>Approved Projects</i>	
Central Park Darlington - Infrastructure	£2.2m
Teesside University National Horizons Centre, Darlington	£17.5m
Darlington Station	£3m

New Offices at Feethams, Darlington	£3.23m
Hartlepool Innovation & Skills Quarter Phase 1	£5.5m
Northern School of Art, new college building at Hartlepool	£8.3m
Middlesbrough Station	£2.5m
<i>Project Development Funding</i>	
Middlesbrough Boho Centre – further accommodation	£100,000
Hartlepool ISQ Phase 2	£505,000
Northern School of Art - new premises for relocation into central Middlesbrough	£580,000
Rail Heritage Programme (including new visitor attraction in Darlington)	£370,000
District Energy Network in Middlesbrough - ongoing development work on a new heat and energy network to link South Tees NHS Trust, Teesside University, Council buildings and other buildings in the town centre, with potential for further offtakers in the future	£500,000
Redcar Railway Station Business Quarter	£50,000
<i>Pipeline projects under consideration</i>	
Darlington Rail Station (November Cabinet)	£25m
Middlesbrough Rail Station (November Cabinet)	£20m
CPI new Healthcare Futures Centre (Central Park)	£10m
Rail Heritage Programme (including new visitor attraction in Darlington)	£7.3m
Northern School of Art Middlesbrough relocation	£14.5m
Hartlepool ISQ Phase 2	£6.7m
<i>Sustainable Access to Employment Programme</i>	
Parkgate Bridge - second pedestrian/cycle bridge linking Central Park to Darlington Station and improvements to Adelaide Street	£945,000
Newport Rd/Acklam Rd Middlesbrough Improvements – stop lines at junctions, upgrading of footway improving access and providing new cycle infrastructure	£409,000
<i>Town centre cultural projects/events</i>	
“Periplum – The Glass Ceiling” - held at Darlington Market Square, Hartlepool Ward Jackson Park, Middlesbrough Centre Square, Redcar Kirkleatham and Stockton Town Centre	£85,000
Stockton International Riverside Festival	£40,000
Middlesbrough Art Weekender – various locations in Middlesbrough Town Centre	£14,900

- 5.3 As TVCA is focusing on projects that will potentially have a Tees Valley wide impact, specific local actions aimed at improving high streets/retail facilities themselves remain the responsibility of our councils.

6. **Private Sector Projects**

- 6.1 We are now seeing approaches from private sector companies who have propositions for funding for new projects that could potentially have a significant effect on economic growth in the Tees Valley, and we are looking at the potential for TVCA to invest in those under the Research & Development/Innovation Theme of our Investment Plan. Recent Cabinet approvals for specific investments of this type of project are:-

- Liberty Steel – investment of £4.6 million (loan/grant) to support Liberty Steel with an R&D project focused on developing and manufacturing new speciality alloy metal powders was approved by TVCA Cabinet in September; and
- Fujifilm Diosynth – Cabinet will receive a report on 30 November to approve TVCA investment of £7m funding (a mix of grant and loan) to support the development of Fujifilm’s Phase 1 bio-campus at their existing Billingham site.

Both projects have the potential to deliver significant jobs growth in the future.

6.2 A number of other private sector projects are also currently under review to see if they are suitable for investment under this Theme.

7. **Investment Plan – Financial Performance**

7.1 The table below sets out the projected spend from the TVCA single pot for projects that have been approved at the date this report was produced, for the period to March 2021 (this excludes specific grant funding programmes).

2016-18	2018/19	2019/20	2020/21	TOTAL
£'000	£'000	£'000	£'000	£'000
35,993	47,747	28,843	16,307	128,890

- We are aiming to spend £47.7m this financial year, consisting of £41.7m investment into specific projects and programmes with £6m to be invested by way of development funding. While TVCA staff are not directly delivering the majority of these projects we are working closely with their delivery teams to support progress.
- The major projects with projected expenditure of over £1m for 18/19 are set out below:-

Single Pot Funds 2018-19	Forecast Spend
	£'000
Teesside University National Horizons Centre	14,255
Kirkleatham Catering Academy, Walled Garden & Infrastructure	6,060
Development Funding (27 projects)	6,000
Darlington Station	3,000
Sustainable Access To Employment Programme	2,957
Middlesbrough Rail Station	2,500
Hartlepool Innovation Skills Quarter (Workspace and Public Realm)	1,992
Hartlepool Western Growth Corridor (Elwick Bypass)	1,500
Billingham Bio-Pharmaceutical Campus	1,000
Liberty Steel Grant	1,000

8. **2017 /18 Investment Highlights – updates on progress since previous report**

Middlehaven	Work has been completed on construction of the new bridge at Middlehaven in Middlesbrough.
Routes to work	TVCA secured the largest ‘Routes to Work’ pilot scheme in the country with £6 million from DWP alongside £1.5m from TVCA.

	The scheme provides a wrap-around service to help those furthest from the labour market into work. Since March 2018 our Councils have engaged with local job centres and communities to provide support to help local people move into sustainable employment. The pilot is continuing to develop and use innovative methods to provide support.
STDC	The 25 year master plan for the South Tees site was launched and aims to convert assets in the South Tees area into industrial opportunities for business investment. Progress to date includes significant work to understand the level of contamination on the site, but issues around land ownership and funding continue. Once fully developed the vision will see 20,000 jobs created and add an additional £1 billion per annum to the local economy.
Ingenium Park & Salters Lane	TVCA Cabinet approved a £3.9 million TVCA investment into Salters Lane/Ingenium Park infrastructure at Darlington. It will unlock 11.5 hectares of employment land and directly address the challenge of providing industrial sites and premises for business growth. Morton Palms car park has been completed. Infrastructure works on the Ingenium Park site are progressing with the McMullen Road roundabout on target for completion by 31 March 2019.
Transforming Cities Fund	In this year's Autumn Budget statement we received a further £16.5m for TCF. Work is currently being undertaken to develop the programme of investment to be delivered.
TeesAMP	TVCA Cabinet approved a £7.65 million investment in the new Teesside Advanced Manufacturing Park in Middlesbrough to remediate and develop the Enterprise Zone site. This will deliver 180,000sqft of advanced manufacturing space which can host 500 direct skilled jobs. Land has been acquired for development and work is progressing on the site. The TeesAMP development was officially launched on 20th September 2018.
Innovation and Skills Quarter – Phase 1	Work started on the Innovation & Skills Quarter in Hartlepool - this is an £8 million project with £5.5 million of TVCA investment. It will deliver 1,608sqm of high quality, affordable studio and workspace for start-up businesses and deliver a range of streetscape and connectivity improvements to connect the ISQ to Northern School of Art and the waterfront. The work on Church Street and Church Square is nearing completion, and work is due to start on improving access to Stockton Street in Quarter 4. Work is continuing on the BIZ managed workspace.
Teesside University National Horizons Centre	Construction began on the new Teesside University National Horizons Centre on the Central Park site in Darlington. The £17.5 million investment from TVCA will drive growth in the bioscience industries. The building is on target to be completed by the end of January 2019 with fit out completed by March 2019.
Feethams Office Accommodation	TVCA Cabinet also approved an investment of £3.23 million to deliver top quality office accommodation at Feethams in Darlington Town Centre. This is on a shared risk and reward basis with a potential return from rental income. Formal approval of Darlington Council's application for ERDF is expected imminently.
Kirkleatham	TVCA Cabinet approved a further £3.36 million (added to £2.7 million already allocated) for work to commence on the new Catering Academy, Walled Garden and site infrastructure at Kirkleatham Hall Estate in Redcar, which is currently on site and under way.

Middlesbrough Rail station	TVCA cabinet approved an investment of £2.5 million into works on Middlesbrough Rail Station, to be matched with £2 million funding from Network Rail and £0.5 million from Middlesbrough Council. There is a further report to November Cabinet recommending a further commitment of £20m to improve the station and enable it to handle the planned new direct London services.
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9. Investment Highlights – April to September 2018

Overall	<p>Over the first six months of this financial year:-</p> <ul style="list-style-type: none"> • TVCA has approved budget for development funding of £10.36m; • We have seen a £59m Transforming Cities Fund allocation to the Combined Authority, which was increased by a further £16.5m in this year's Autumn Budget; ▪ A further £8.3m NPIF was secured for investment into local roads which would be channelled directly to the lead local authorities. ▪ As a result of an increase in Enterprise Zones business rate income estimated receipts have been increased by £6.7m across the MTFP; ▪ A further £2.2m additional funding has been secured for a range of projects: <ul style="list-style-type: none"> ○ £0.5m from BEIS to extend the business growth hub; ○ £0.3m to help to protect local roads from severe weather conditions, passported direct to councils; ○ £0.2m to contribute towards further development of the business case for the Middlesbrough District Heating Network; ○ £0.5m from DfT for the ongoing development of the New Tees Crossing project; and ○ £0.77m from BEIS for the delivery of the Local Energy Capacity Support programme.
April 2018	A689 Wynyard Improvements – this project aims to enable essential infrastructure improvements to unlock further growth at Wynyard. £333,872 of development funding was approved to re-design the original scheme to ensure the infrastructure will be fit for purpose, with a revised focus on the increased development of the area.
May 2018	Darlington Sports Village was awarded £449,950 of development funding to identify the viability of establishing a sports village of regional significance, based around the existing Darlington Arena. Work will include a range of site investigations and feasibility works as well as undertake a business planning and financial viability exercise to support the development of a robust case for investment which can underpin applications to potential funders and attract commercial development.
July 2018	The Northern School of Art is looking to re-locate to a new purpose built building in a central location in Middlesbrough. Development funding of up to £580,000 was approved to enable the project to progress with design & planning to RIBA Stage 3 and to business case submission.
August 2018	Stockton Riverside College & Redcar & Cleveland College – funding of £968,436 was awarded to support the IT Infrastructure at Redcar College following the merger of the two colleges in August 2018.
September 2018	Investment of £4.6 million (loan/grant) was approved by TVCA Cabinet to support Liberty Steel with an R&D project focused on developing and manufacturing new speciality alloy metal powders. The project is in

alignment with both the emerging UK Industrial Strategy and Northern Powerhouse agendas and will have direct productivity and reshoring benefits for a range of sectors, including aeronautics, aerospace and the wider advanced manufacturing sector. It will create an initial 20 new jobs and an increase in GVA of £4m p.a.

Note: this paper does not include spend over the period on specific programmes that are reported to OSC under specific themes – e.g. Education & Skills, Culture & Tourism and Transport.

10. Conclusion

10.1 We are continuing to focus on ongoing spend and delivery of projects on the ground - we are currently on target to meet our spend commitment to Government for 2018/19 based on commitments already made, but the target is challenging and we need to be able to demonstrate to Government what our future spend priorities are and that we will be bringing forward projects in our investment programme pipeline. The outcome from the prioritisation exercise will see us set out further key priority projects and programmes which will inform our 10 year investment plan.

10.2 In the coming months it will be vital that we understand and work through the detail on the UK Shared Prosperity Fund, which will be key to TVCA's future funding post Brexit. We also need to look at the potential to use our devolution agreement and available TVCA funds to secure greater ongoing investment from national agencies including Arts Council England and lottery distributors, as the potential to secure ongoing revenue to support the cultural sector is substantial.

10.3 In conclusion, our plans are ambitious but there has been a lot of great work by everyone involved and we can now see projects coming out of the ground that demonstrate our commitment to increase economic growth in Tees Valley as a place to work, live and visit. We are driving towards stronger partnerships across both the public and private sectors to ensure that together we deliver our investment programme.

Tees Valley Combined Authority Overview & Scrutiny

Work Programme 2018/19

Standing Items

Minutes from the Previous Meeting

Announcements from the Chair

Announcements from the Managing Director – **TO INCLUDE WRITTEN ELEMENT**

Forward Plan

Date and Venue of the Next Meeting

Date	Venue	Item / Responsible Officer
17 th January 2019 at 2pm	Room 1 Cavendish House Teesdale Business Park Stockton On Tees TS17 6QY	Diversity and the Tees Valley Combined Authority: Draft Report – John Hart Budget Sub-Committee: Approval on Draft Budget Report
1 st March February 2019 at 12noon	Room 1 Cavendish House Teesdale Business Park Stockton On Tees TS17 6QY	Portfolio update: Cllr Christopher Akers-Belcher (Education, Employment and Skills) Janet Renou, Regional Schools Commissioner Adult Education Budget – Shona Duncan/Jacqui Banks
25 th April 2019 at 10am	Room 1 Cavendish House Teesdale Business Park Stockton On Tees TS17 6QY	Full-Year Budget Performance (2018/2019)

Items to be scheduled

Durham Tees Valley Airport

Budget Sub-Committee (Members: Cllrs Haszeldine, Thompson, Storey, Scott, Brown)	
Monday 3rd December 3 2018 at 1.30pm	Draft 2019/2020 Budget (Circulated to members 23rd November)
<i>Thursday 6th December 2018 at 10am</i>	<i>Full Committee Meeting to agree areas for investigation.</i>
Monday 10th December at 1.30pm	<ul style="list-style-type: none"> • Draft 2019/20 Budget Meeting • Half-year Budget Performance (2018/2019)
<i>Thursday 17th January at 10am</i>	<i>Full Committee to agree Draft Report</i>
<i>Friday 31st January at 10am</i>	<i>Cabinet receives Final Budget and Committee Report</i>
Tuesday 26th February TBC	Expenses incurred by Combined Authority Members
Tuesday 26th March TBC	Full-Year Budget Performance (2018/2019)
<i>Thursday 25th April TBC</i>	<i>Full Committee to receive report on Expenses Incurred by Combined Authority Members</i>

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