
Tees Valley Combined Authority Overview and Scrutiny Committee

**Microsoft Teams meeting
Thursday, 11th March, 2021 at 10:00 am.**

Present:

Cllr Stephenson (Chair) (Stockton-on-Tees Borough Council)
Cllr Hobson (Vice Chair) (Middlesbrough Council)
Cllr Barlow (Stockton-on-Tees Borough Council)
Cllr Harker (Darlington Borough Council)
Cllr Jeffrey (Redcar and Cleveland Borough Council)
Cllr Jones (Redcar and Cleveland Borough Council)
Cllr Culley (Darlington Borough Council)
Cllr Renton (Darlington Borough Council)
Cllr Riordan (Stockton-on-Tees Borough Council)
Cllr Rooney (Middlesbrough Council)
Cllr Wells (Redcar and Cleveland Borough Council)

Officers:

Gary Macdonald - Group Director of Finance and Resources
Alison Fellows - Group Director of Commercial and Delivery
Chris Beck - Director of Business and Skills
Peter Judge - Group Chief Legal Officer (Monitoring Officer)
Sharon Jones - Governance & Scrutiny Officer
Sally Henry - Governance Officer

Also in attendance:**Apologies for absence:**

Cllr Rathmell (Middlesbrough Council)
Cllr Loynes (Hartlepool Borough Council)
Cllr Jones (Darlington Borough Council)

1 Declarations of interest

Cllr Culley declared an interest as a TIAL reserve Board Member.

2 Minutes of last meeting and matters arising

The Chair informed the Committee that she has contacted The Mayor regarding 2 matters. Firstly regarding Chair & Vice Chair of this Committee being allowed to remain in Cabinet meetings for confidential items. Secondly to request that a member of this Committee is given a seat on the Freeport Board once it is established. No response has been received to either of these requests as of yet. These will be chased again with the Mayor's office.

OSC 21/20 - A response was provided to a Member question relating to Airline subsidy information. This was circulated to Members as a follow up action, but it is felt this does not answer the question that was asked. Further information on airline incentivisation to be provided. Action AF.

OSC 21/20 – The minute states that Devolution funding is not the only pot with flexibility. This needs to be amended to state Devolution funding is the only pot with total flexibility.

Resolved that with the amendments made as noted the minutes of the meeting on 7th January 2021 were agreed as a true record.

3 Group Chief Executive Update

A report was provided detailing the key activity of the Combined Authority since the last meeting.

Discussion took place around the following areas:

Number of jobs to be created across Tees Valley in line with the Investment Plan - Reports regarding Investment Plan progress are point in time reports so currently numbers of jobs reported will relate to the construction and set up stage but as projects progress the numbers will change as we move to outputs and operational stages. Announcements regarding job numbers give the total anticipated numbers but these should be broken down into the different stages of construction and operation. The impact of Covid has meant jobs have been lost in areas where it wasn't expected but there is a lot of work ongoing to try to retain and create jobs. Foundations are being put in place via Teesworks, clean growth, offshore wind etc. to help us to create more jobs and to make these jobs accessible at all levels. Teesworks academy has been set up to link future jobs to current training courses so when the jobs arrive the right people are available locally to fill these.

Buy local Tees Valley - How is success of the businesses that have signed up to this being measured? Data will be reviewed and shared with the Committee following the meeting. Action CB.

The Cultural Development & Innovation Fund - more information regarding which businesses have benefitted from the fund will be circulated after the meeting. Action AF.

Tees Valley-wide Creative Education Partnership - more information to be provided on the expected future costs of this project. Action AF.

Resolved that the detail of the report is noted.

4 Investment Plan Delivery Update - Q2

An Investment Plan delivery update paper was circulated.

Discussion took place around the following areas:

The target within the Investment Plan to create 25,000 jobs - Press report figures for newly created jobs add up to more than the 25,000 target but TVCA will continue to report against this target as that's what was set at the start of the plan. It's possible that figures may stagger over the next few years, but reporting will continue to show the target, and how we are performing against that. It will be factually correct at each point in time. We are only in year 2 of the Investment plan so it is still very early days and there are the consequences of

the Covid pandemic and economic recovery plans to consider. TVCA will continue to develop proposals and business cases to work towards achieving the 25,000 jobs target.

Apprenticeships - The number of apprenticeships created has been provided. Data regarding the number of dropouts against these figures is to be circulated following the meeting. Action CB

Resolved that the detail of the report is noted.

5 Delegated Decisions

A report was circulated detailing the Delegated Decisions made by the Combined Authority since the last meeting.

Resolved that the details of the report are noted.

6 Meetings & Forward Plan

The next meeting is set to take place on 20th May, which is post-election.

STDC quarterly monitoring report is an agenda item for May. It was agreed that this report should incorporate delivery against planned progress. Action GM.

Resolved that the detail is noted

7 Freeport Bid

The Chair passed a resolution to exclude the press and public under paragraph 3 of schedule 12A of the Local Government Act 1972.

A paper regarding the Freeport Bid and supporting documents were circulated to the Committee. A presentation was delivered to explain the detail of the Freeport bid.

Discussion took place regarding the following:

Redcar Bulk Terminal is a key part of the Freeport proposal. This is owned by SSI and Thai Banks. Is it right that they should reap the benefits of the Freeport and Tax relief? It was explained that economic analysis has been carried out right across Tees Valley and landowners have been awarded land on the basis of the greatest likelihood for successfully delivering additional economic benefits to the Tees Valley. There are 3 companies on RBT land and discussions have taken place separately with all 3. The land that the proposed Tax incentives are on are for 3 projects with investors ready to go to create jobs within Tees Valley and support the wider jobs market both inside and outside Tees Valley. The tax incentives offered will get the projects over the line. These are all investments that are decades long and whilst the emotional impact is understood the investment is to benefit the full Tees Valley region.

Proposed trunk road flyover – This is not a TVCA matter and needs to be discussed with RCBC planning department.

Displacement of existing jobs – In order to attract international investors there will be active marketing of all the incentives within Tees Valley. Not all investors are looking for the same incentives. Governance will also be in place to oversee

any displacement and it has been made clear by Government that any displacement of existing activity would be challenged and represent non-compliant activity.

What public scrutiny will there be? - This will be dictated by Government. There are to be 8 Freeports in England and Treasury are putting a lot of checks and balances in place. The Freeport Governance Body will have a lot of things mandated to look at, customs, tax etc. The Governance Body structure needs to be right to ensure it delivers. A cross section of stakeholder groups will be represented also. There will be a credible, robust approach to governance. It will be important to ensure there are effective structures in place and that the personnel are right. The next stage is to clarify the requirements with Government and then we can provide this committee with the responsibilities that will be held by the Governance Body and by central Government themselves.

Jobs and Investment – It will be confirmed following the meeting if the figures referred to on slide 1 are over a 10 or 20 year period. Action CB.

Business rate relief – Government will subsidise the business rates to the Local Authority so no Local Authority will lose out on income due to this.

Resolved that the detail of the report is noted.

Freeports: PD Ports Enquiry

The Chair added that members may wish to consider the correspondence received by members of the committee from PD Ports after the main discussion of the Freeports Agenda Item.

Members of O&S Committee have all individually received correspondence from PD Ports stating that STDC have refused to provide information requested under the Freedom of Information Act and also making a complaint regarding STDC interfering in PD Ports business matters.

The Chair advised the Committee, that in training provided previously by the Centre for Public Scrutiny, members were advised that if they ask for information that is relevant to O&S matters they are entitled to be provided with this, and that they can also choose to bring in an independent scrutineer to investigate matters should this be deemed necessary.

The Monitoring Officer advised Members that TVCA have yesterday received a letter from PD Ports dated 4th March. This letter contains an additional FOI request which asks for minutes of a meeting referred to within the letter. It also contains a number of allegations towards about South Tees Development Corporation. It was explained that it is believed that all FOI requests received from PD Ports to date have been responded to accordingly but that the allegations that have been made are serious and need to be fully investigated. The Investigation would be undertaken in accordance with the complaints procedure by the Monitoring Officer. The Group Chief Legal Officer is Monitoring Officer for both TVCA and STDC,

Members were reminded that if the outcome of such an investigation was to find

anything unlawful or improper then in accordance with the Statutory duties the Monitoring Officer must report these to Cabinet (in the case of TVCA) or the STDC Board (in the case of STDC).

It was noted that the issues raised in the letter refer to STDC and not TVCA. It is therefore important to ascertain if the scope of activity is within the remit of this committee as a TVCA Overview & Scrutiny Committee.

The Chair requested that the complaint investigation be launched as a matter of urgency. Once the outcome of this investigation is available it should be shared with the Chair and Vice Chair to determine if the outcome is acceptable or the chair feels O&S Committee should commence a formal investigation and appoint an independent investigator.

Resolved that:

- The Committee Delegate to the Chair and Vice Chair to work with the Monitoring Officer and Scrutiny Officer to establish whether an investigation by the O&S Committee is required.
- The Chair to Acknowledge in writing receipt of the detail from PD Ports and advise them of the process as agreed in this discussion.