

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

15TH MARCH 2007

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

***Leader of Stockton Borough Council – Lead Cabinet Member - Councillor Gibson
Regeneration and Transport - Councillor Cook***

TEES VALLEY UNLIMITED: PROPOSED GOVERNANCE ARRANGEMENTS

1. Summary

This report sets out the new governance arrangements for Tees Valley Unlimited (TVU), the proposed joint working arrangements for local authorities in the Tees Valley and their partners, which will replace the existing Tees Valley Partnership arrangements.

The report sets out the principle, which will guide the operation of Tees Valley Unlimited, including the terms of reference composition and accountability arrangements. It also includes an outline implementation programme.

2. Recommendation

Cabinet is asked to endorse the governance proposals and the implementation timetable set out in this report.

3. Reason for the Recommendation

This recommendation will allow Stockton Borough Council to play a full and active role in the new partnership arrangements for the Tees Valley.

4. Members Interests

Members (including co-opted members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (paragraph 8) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (paragraph 10 of the code of conduct).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting is being held, whilst the matter is being considered; not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (paragraph 12 of the Code).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc.; whether or not they are a member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting, and if their interest is prejudicial, they must also leave the meeting room during consideration of the relevant item.

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SUMMARY

This report sets out the new governance arrangements for Tees Valley Unlimited (TVU), the proposed joint working arrangements for local authorities in the Tees Valley and their partners, which will replace the existing Tees Valley Partnership arrangements.

The report sets out the principals, which will guide the operation of Tees Valley Unlimited, including the terms of reference composition and accountability arrangements. It also includes an outline implementation programme.

RECOMMENDATION

1. Cabinet is asked to endorse the governance proposals and the implementation timetable set out in this report.

BACKGROUND

1. Over the last twelve months considerable progress has been made in developing an increasingly focused and co-ordinated approach to economic development in the Tees Valley. Following on from the City Region Development Programme, developed in response to the Northern Way, the Tees Valley Unlimited model has been developed to recognise the crucial role that the City Region plays as a driver of economic growth. The business case supporting Tees Valley Unlimited is aligned with the City Region Development Programme to ensure consistency of approach, and includes an investment plan, which is helping to shape the Regional Economic Strategy Action Plan.
2. The Tees Valley City Region Business Case was presented to Government in October 2006 following the visit by Ruth Kelly, Secretary of State for Communities and Local Government in May 2006. The Business case is a robust evidence based appraisal of how the economic performance of Tees Valley can be improved over the next 10 years. It was prepared with the full cooperation of the Tees Valley Local Authorities together with Durham and North Yorkshire County Councils, Sedgefield Borough Council, Business Link, the Learning and Skills Council, Tees Valley Regeneration (TVR), One NorthEast (ONE), Government Office North East (GO-NE), and the North East Chamber of Commerce.

3. The Tees Valley Unlimited proposals suggest an innovative new partnership structure to replace the existing Tees Valley Partnership. It is a new polycentric decision making model based around a multi area agreement (MAA), the first of its kind in the country. The intention is to retain local authorities at the heart of decision-making in the key areas of Economic Regeneration, Planning, Transport and Housing, and ensure a co-ordinated approach to decision making to increase economic prosperity across Tees Valley.
4. In a follow up to the Ruth Kelly visit a team of top civil servants from a number of Government Departments came to review the new model in January, as a peer assist review. Their feedback was very positive in encouraging the Tees Valley to continue to move forward with the proposals.

DETAIL

5. The proposed structure for Tees Valley Unlimited is set out in **Appendix 1**. It is based around a leadership board with officer support and a number of sub boards dealing with the areas of planning and economic strategy, transport, employment and skills, housing and tourism. The timescales for implementation is set out in **Appendix 2**.
6. There are a number of key principles which underlie the Tees Valley Unlimited proposals. These are set out below.

PRINCIPLES

Subsidiarity

7. It is important to recognise Tees Valley Unlimited will deal with issues which can be dealt with by Tees Valley Unlimited at a city region level to improve the economic performance of the Tees Valley.

Partnership

8. It is envisaged that Tees Valley Unlimited is a partnership coordinating activities across the Tees Valley appropriate to a city region level. It is not proposed at least in the first year for the local authorities to delegate any powers to Tees Valley Unlimited. As progress is made on developing the work of the Boards, and where the partners agree it would be sensible, it may be necessary to delegate powers, but at least for the first year of operation, this is not expected to be the case. Minutes of the Leadership Board will be reported through Cabinet to ensure a decision trail.

Joint Strategy Committee

9. Tees Valley Unlimited effectively takes over the function of the Joint Strategy Committee. There will need to be a process put in train to wind up the JSC .

Voting

10. There is an issue over where it is appropriate for the local authority members to have a vote and where all members of the Board can vote. In certain cases where there is local authority statutory functions e.g. a response to the Regional Spatial Strategy, Transport it is proposed that only local authority members can vote. In other areas such as economic development, all members can vote. There is a concern that unless partners can vote on non-statutory matters, they will feel unable to influence policy .

Accountable Body

11. The Multi Area Agreement between the five local authorities and ONE, the Regional Housing Board /DCLG and DfT will need to be ratified by each of the authorities. One authority will act as accountable body for the resources set out in the multi area agreement.

LSP

12. The link with Stockton Renaissance will be via the Leaders position on the Leadership Board and the Renaissance Partnership.

FINANCIAL AND LEGAL IMPLICATIONS

13. There are no direct financial or legal implications arising from this report.

RISK ASSESSMENT

14. By being part of Tees Valley Unlimited Stockton Borough Council will be able to influence the key development agendas in the Tees Valley. The key risk is not having that influence by not being part of the new arrangements.

COMMUNITY STRATEGY IMPLICATIONS

15. The new Tees Valley Unlimited proposals will help the Council to implement all of the key Community Strategy themes.

CONSULTATION INCLUDING WARD/COUNCILLORS

16. Consultation has been undertaken with the Leaders of all of the Tees Valley Authorities and Cabinet Member for Regeneration and Transport. A presentation on Tees Valley Unlimited was also made by the JSU at the Members seminar on the White Paper in November 2006.

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Background Papers

Appendix 1 – Tees Valley Unlimited Component Groups
Appendix 2 – Outline Implementation Timetable

Ward(s) and Ward Councillors:

Note ward specific

Property Implications

None

TEES VALLEY UNLIMITED COMPONENT GROUPSa). Leadership Board

“The Leadership Board will consist of about 10 members. Five of the members will be representatives of the five Tees Valley Authorities. There would be five other members representing other sectors (such as businesses, education/universities and the voluntary sector). Board level representation of regional agencies would not be formally members of the Board but would be invited to attend and actively contribute to discussions ... The Chair of the Leadership Board would be a non-local authority chair with a local authority representative as the vice chair. The Chair would be appointed for 3 years.”

Terms of Reference	<ul style="list-style-type: none"> • To ensure delivery of the Tees Valley Investment Plan • To achieve the targets set out in the Multi Area Agreements • To deliver the City Region Development Programme • To agree and changes to programme/funding as required to the Tees Valley Investment Plan • Approve any reviews of the Tees Valley City Region Development Programme and other City Regional strategies • Ensure the City Region Development Programme and other strategic reports are reflected in regional, pan-regional and national policies • Engage with local MPs • Meet on a quarterly basis
Composition	<ul style="list-style-type: none"> • Mayors and Leaders of the Tees Valley Authorities • Five representatives from the private/third sector
Accountability	<ul style="list-style-type: none"> • To Government through the MAA • To other funding partners • All members of the Board, including the private sector, have a vote <p>(Save on matters arising from Sub Boards upon which only Local Authority representatives could vote)</p>

- The intention would be to appoint a Shadow Chair then to identify, with the agreement of Leaders and Mayors, which private/third sector partners should be approached.
- The Chair and non-Local Authority members would serve for a period of three years.

b). Executive

“To advise the Leadership board there needs to be an Executive. The Executive will comprise the five Tees Valley Authority Chief Executives, together with Chief Executives or leaders of other key Tees Valley organisations.”

Terms of Reference	<ul style="list-style-type: none">• Policy and strategic service to the Board• Monitoring and delivery of the Investment Strategy, the CRDP and the MAA• To report, by exception, progress on project delivery• To make recommendations to the Leadership Board on changes to programme/funding as required• Monthly meetings (in the initial stages, and then may be quarterly to feed into Leadership Board meetings)
Composition	<ul style="list-style-type: none">• Tees Valley Local Authority Chief Executives and other key public sector sub regional chief executives/private sector organisations chief executives• Observers from ONE, GONE, LSC, Jobcentre Plus, CBI, Chamber of Commerce, Communities England
Accountability	<ul style="list-style-type: none">• To the Leadership Board

The Executive will be serviced by the Director of the JSU

c). Private Sector Business Group

“The Private Sector Business Leadership Group [will] provide a very direct engagement of the private sector with decisions taken by the City Region as a whole.”

Terms of Reference	<ul style="list-style-type: none">• To provide two-way relationship between the Leadership Board/Executive and the private sector• Quarterly meetings, timed between meetings of the Leadership Board
Composition	<ul style="list-style-type: none">• 10 – 15 members from key private sector partners. 10 core members with provision of a further 5 to be invited depending on the issue.
Accountability	<ul style="list-style-type: none">• N/A

- The Chair, when appointed, will work with the private sector partners to form the Group.
- The JSU will service the Group.

d). City Region Policy Forum

“A Tees Valley City Region Policy Forum is [proposed to be] set up with the County Durham and North Yorkshire authorities to develop policy in particular looking at not only how these areas can benefit from the improvement of the economic performance of the Tees Valley but also how they can contribute to improving the economic performance of the City Region.”

Terms of Reference	<ul style="list-style-type: none">• To share information on strategic developments that will affect either parties' forward strategy, such as large scale planning applications, transport proposals, housing and spatial planning• Probably six monthly meetings to coincide with the Leadership Board meetings, although may also depend on the Executive and the need for any special meetings to deal with specific issues
Composition	<ul style="list-style-type: none">• 5 nominated representatives from the Tees Valley, together with representatives from the 2 County Councils and 5 District Councils
Accountability	<ul style="list-style-type: none">• No direct accountability within Tees Valley Unlimited, but relationship with existing (and future) arrangements in other authorities needs to be clarified

- It is intended that this Forum should be entirely an Officer group, concerned primarily with the co-ordination of strategy.

e) Planning and Economic Strategy

“Coordinating the input of the City Region into the Regional Spatial Strategy, Regional Economic Strategy and the Northern Way and taking forward the strategic economic issues set out in the Business Case.”

<p>Terms of Reference</p>	<ul style="list-style-type: none"> • Co-ordinate delivery of the spatial priorities as set out in the Investment Plan • Co-ordinate the input of the City Region into the RSS, RES, The Northern Way and European policy • Produce research reports into economic issues • Produce an annual monitoring report on the economic performance of the City Region and the success of the CRDP • Take a lead on sector working, eg a logistics sector strategy related to ports and airports • Develop and implement the green infrastructure strategy • Co-ordinate the implementation of the regeneration/place programme and the key spatial initiatives • Liaise with One NorthEast on the key sector initiatives taking place in the Tees Valley
<p>Composition</p>	<ul style="list-style-type: none"> • A Member/Officer group with Cabinet Members for planning/economic development and Officers from the five Tees Valley Authorities • Representatives from CBI, Chamber of Commerce, NEPIC, Renew Tees Valley, Centre for Process Innovation, Tees Valley Engineering Partnership, ONE, LSC, Business Link North East, NEA, North Yorkshire County Council (1 Officer), Durham County Council (1 Officer), Environment Agency, Tees Valley JSU, Tees Valley Regeneration
<p>Accountability</p>	<ul style="list-style-type: none"> • To the Leadership Board (through the Executive) • To funding partners • Local Authority Cabinet Members have a vote on any planning matters – all can vote on economic development matters

f). Transport for Tees Valley

“To develop City Region transport strategy and develop the Tees Valley Metro, Bus Network Improvements and transport issues affecting the trunk road network.”

<p>Terms of Reference</p>	<ul style="list-style-type: none"> • Co-ordinate delivery of the City Region Transport Strategy • Prepare the business case and co-ordinate the delivery of the Bus Network Improvements • Examine options for operating the system and take forward the Tees Valley Metro proposals after they have been progressed to a suitable degree • Prepare the Tees Valley Monitoring Report • Co-ordinate the implementation of transport resources delegated through TIF and the RFA process • Liaise with the Highways Agency and Network Rail on issues relating to the strategic road and rail network • Represent the Tees Valley and making the case for further investment through regional and national bodies, The Northern Way and European Funds
<p>Composition</p>	<ul style="list-style-type: none"> • A Member/Officer group with Cabinet Members for transport and Officers from the five Tees Valley Authorities • Representatives from GONE, ONE, NEA, Highways Agency, Network Rail, Arriva, Stagecoach, Chamber of Commerce, CBI, PD Ports, Peel Holdings, North Yorkshire County Council (1 Officer), Durham County Council (1 Officer), Tees Valley JSU
<p>Accountability</p>	<ul style="list-style-type: none"> • To the Leadership Board (through the Executive) • To funding partners • To Government in delivering major transport schemes • Only Local Authority Cabinet Members have a vote

- There may be a need to set up a limited company to act as the Contracting Authority for the bus and rail network improvements. Composition reflects initial strategy stage- there may be a need to separate out in the future the provider organisations

g). Employment and Skills Board

“To develop a Tees Valley Skills Strategy.”

<p>Terms of Reference</p>	<ul style="list-style-type: none"> • Develop a City Region Employment and Skills Strategy • Identify the key skills needs of the City Region and the programmes required • Address issues relating to Employability, in particular the 20% of the working population with no qualifications • Co-ordinate delivery of the employment and skills work being undertaken by partners and advise statutory agencies on commissioning of mainstream funded delivery • Engage key City Region employers within the process • Encourage people to recognize the value of education and training • Improve the employment offer • Encourage people to become more innovative and enterprising in business, work and training • Prevent issues of underachievement and non-engagement arising at the outset • Ensure that the outputs are aligned with the RES and Regional Employability Framework
<p>Composition</p>	<ul style="list-style-type: none"> • LSC, Jobcentre Plus, five Tees Valley Authorities (Children’s Services and Economic Development/Regeneration Departments), Colleges of Further Education (1), HEFCE, University of Durham, University of Teesside, Business Link North East, CBI, Chamber of Commerce, Federation of Small Businesses, TUC, training providers (1), voluntary sector (1), Tees Valley JSU
<p>Accountability</p>	<ul style="list-style-type: none"> • To the Leadership Board (through the Executive) • It is intended that the Board will advise LSC/Jobcentre Plus on the skills needs of the Tees Valley. As such, it is a strategic advisory body • Primarily an Officer Board, since it is concerned with strategy and co-ordination

h). Housing Board

“To coordinate the delivery of the housing market renewal strategy.”

Existing Arrangements	<ul style="list-style-type: none">• Tees Valley Living
Terms of Reference	<ul style="list-style-type: none">• As existing TVL arrangements• Delivery of the housing market renewal strategy• Liaise with the Regional Housing Board
Composition	<ul style="list-style-type: none">• As existing TVL arrangements
Accountability	<ul style="list-style-type: none">• As existing TVL arrangements, but to the Leadership Board rather than TVP• Cabinet Members only will have voting rights as of now

i). Tourism Board

“To develop and realise the potential for tourism in the Tees Valley.”

Existing Arrangements	<ul style="list-style-type: none">• Area Tourism Partnership (Visit Tees Valley)
Terms of Reference	<ul style="list-style-type: none">• As existing ATP arrangements• Promote tourism• Co-ordinate the development of a programme of major events• Develop programmes to support the development of tourism business and the skills needs of this growing sector• Further items being delivered by the ATP
Composition	<ul style="list-style-type: none">• As existing ATP arrangements
Accountability	<ul style="list-style-type: none">• As existing ATP arrangements, but to the Leadership Board instead of ONE

OUTLINE IMPLEMENTATION TIMETABLE

January/February

- Leaders and Mayors agree terms of reference and composition of sub boards
- Appoint Shadow Chair
- Visit of Peer Assist Group
- Local Authority Cabinet Approval for proposed arrangements
- Advice on legal issues re wind up of JSC and establishment of TVU

February/March

- Discussions with private sector on the proposals
- Discussions with North Yorkshire and Durham authorities on proposals
- Negotiate with ONE the translation of the Investment Plan into an agreed programme which can form the basis of an agreement with ONE and inclusion in ONE corporate plan
- Discussions continue with DfT on transport projects and DCLG on governance
- Formally respond to City Development Companies consultation paper
- Prepare report restructuring JSU to be able to service TVU
- Response of the Peer Assist Review Group which will be the Government's formal response to the City Region Business Case

April/May

- Agree board appointments where necessary
- Deal with implications of CSR 2007 Review

June/July

- Boards meet for the first time