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## TEES VALLEY COMBINED AUTHORITY BOARD

**Cavendish House, Teesdale Business Park, Stockton-on-Tees at 9.00am on  
Wednesday, 22<sup>nd</sup> March, 2017**

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### ATTENDEES

#### Members

Mayor David Budd (Chair)	Mayor of Middlesbrough
Councillor Christopher Akers-Belcher	Leader, Hartlepool Borough Council
Councillor Bob Cook	Leader, Stockton-on-Tees Borough Council
Councillor Bill Dixon	Leader, Darlington Borough Council
Councillor Sue Jeffrey	Leader, Redcar and Cleveland Borough Council

#### Associate Members

Phil Cook	Member of Tees Valley LEP
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#### Apologies for absence

Paul Booth	Chair of Tees Valley Local Enterprise Partnership (LEP)
Paul Croney	Member of Tees Valley LEP
Ian Kinnery	Member of Tees Valley LEP
Alastair MacColl	Member of Tees Valley LEP
Nigel Perry	Member of Tees Valley LEP
David Robinson	Member of Tees Valley LEP
David Soley	Member of Tees Valley LEP

#### Officers

Sarah Brackenborough	Governance Manager, Tees Valley Combined Authority
James Bromiley	Strategic Director of Governance & Finance, Middlesbrough Council
Garry Cummings	Chief Finance Officer, Stockton Borough Council
Julie Danks	Deputy Chief Executive of Stockton-on-Tees Borough Council
Alison Fellows	Investment Director, Tees Valley Combined Authority
Andrew Lewis	Managing Director, Tees Valley Combined Authority
Amanda Skelton	Chief Executive of Redcar & Cleveland Borough Council

**TVCA 92/16 DECLARATIONS OF INTEREST**

Councillors Sue Jeffrey, Christopher Akers-Belcher, Bill Dixon, Bob Cook and David Budd declared an interest in Agenda Item 6, South Tees Development Corporation, as members of the Shadow South Tees Development Corporation Board.

**TVCA 93/16 MINUTES**

Consideration was given to the minutes of the meeting held on 22<sup>nd</sup> February 2017.

RESOLVED that the minutes of the meetings held on 22<sup>nd</sup> February 2017 be confirmed and signed as a correct record.

**TVCA 94/16 ANNOUNCEMENTS FROM THE CHAIR**

The Chair confirmed that all matters were covered on the agenda.

**TVCA 95/16 INDUSTRIAL STRATEGY CONSULTATION**

The Board considered a report that provided an update on the preparation of the Combined Authority's response to the Industrial Strategy consultation.

It was noted that the Tees Valley's Strategic Economic Plan, as the Industrial Strategy for Tees Valley, identifies the strong contribution that the area will make to the UK's Strategy.

The Board asked that the following comments be factored in to the response:

- Importance of ensuring the supply of energy and raw materials;
- The importance of the Tees Valley economy to national productivity;
- Ensuring a bigger profile abroad in light of Brexit;
- The 'Developing Skills' Pillar being closely aligned with the Investment Plan and activity should be tailored to the needs of the Tees Valley;
- Ensuring recognition of new enabling technologies (e.g. Carbon Capture and Storage) and their role in sustaining traditional industry;
- The above average business startup rates in Tees Valley.

The closing date for the industrial strategy consultation was 17<sup>th</sup> April.

RESOLVED that the preparation of the final submission be delegated to the Managing Director in consultation with the Chairs of the Combined Authority and the Local Enterprise Partnership.

**TVCA 96/16 SOUTH TEES DEVELOPMENT CORPORATION**

The Board considered a report that set out the summary of responses to the

consultation on the proposal to create a Mayoral Development Corporation (MDC) in the South Tees Area and the proposed next steps to progress the area.

The statutory provisions giving the power to the Combined Authority to create MDCs had now gone through Parliament. The Tees Valley was the first area outside of London to be given these powers.

The Combined Authority had received 29 responses to the consultation and a summary of the responses was provided to the Board. Responses had been positive on the whole with respondents agreeing that the establishment of the Mayoral Development Corporation was the most effective way to deliver regeneration and economic transformation on the site.

The following areas of the consultation summary were highlighted to the Board:

- Tata Steel had requested that the boundary be extended to include all Tata Steel owned land. This extended the boundary by 60ha and brought Coatham Marshes in to the area, which was managed by Tees Valley Wildlife Trust. Consultation on the proposal had been undertaken with all appropriate parties and had been agreed;
- The Institute of Directors had also highlighted that they saw an opportunity to include Wilton within the boundary. A verbal update on this was given at the meeting. A partnership between Wilton and the South Tees Development Corporation was considered to be the most effective way of ensuring support and opportunities were available on both sites;
- Planning powers were to be retained by Redcar and Cleveland Borough Council. The Council's planning function had considerable experience with complex industrial sites and this would be applied in close partnership with the Development Corporation;
- Robust management of risks and liabilities arising from the site and a strong commitment from Government to meet its obligations to fund the costs came through in a number of responses.

The Board welcomed the positive responses and the process undertaken so far to progress the establishment of the Mayoral Development Corporation. The Board reiterated the importance of the need for continuing government support.

The Chair laid the proposal to the Combined Authority Board that the South Tees area, as defined in the map presented to the Board, be progressed as a Mayoral Development Corporation. This would then enact a 21 day consideration period to allow Combined Authority Board members to make any further comments. During this period, the views of the Overview and Scrutiny Committee would be sought on 4<sup>th</sup> April. The drafting of specific legislation would also begin and financial and constitutional arrangements would be developed.

Subject to the 21 day consideration period, and the views of the Overview and Scrutiny Committee, it was expected that the Mayor would formally designate the South Tees Development Corporation at a future meeting of the Cabinet.

RESOLVED that:

1. The approval of the Tees Valley (Functions) Order 2017 by parliament be noted.
2. The outcome and responses to the consultation on applying the powers to the South Tees Development Corporation be noted;
3. The proposal to progress the South Tees Development Corporation as a Mayoral Development Corporation be agreed in principle, with its area of responsibility as set out at Appendix 2;
4. The views of Overview and Scrutiny Committee be sought;
5. Officials be mandated to work with DCLG on the development of the necessary legislation, and prepare draft constitutional and financial arrangements for the proposed Corporation;
6. Proposals for the creation of the South Tees Development Corporation, its constitutional and financial arrangements, be brought forward for approval at a future meeting, and notification to the Secretary of State – with a view to establishing the new body in Summer 2017.

**TVCA 97/16 COMBINED AUTHORITY INVESTMENT PLAN**

The Board considered a report which presented the first Investment Plan of the Combined Authority – “Investing in Tees Valley’s Future”. The Investment Plan brought together all of the funding sources the Combined Authority’s had to invest in to a single pot, over the period 2017 – 2021.

It set out how the Combined Authority was delivering existing commitments, the approach to future investment, including the impact of Brexit, the headline programme for future investment and highlighted some specific priorities. The Plan had been developed in close partnership with key partners, including the five Local Authorities. As a key document of the Combined Authority, the Investment Plan required the unanimous approval of the Board.

The Board welcomed the Investment Plan and the importance of its role as a framework for investment over the longer term. In particular, the commitment to the development pot to allow the pump priming of projects was welcomed.

The Investment Plan would now be published and used as a framework to bring forward proposals to the Board in the coming months. It was noted that the Investment Plan would be reviewed in autumn 2017, in line with the requirements of the Assurance Framework.

RESOLVED that the Investment Plan be approved.

**TVCA 98/16 COMBINED AUTHORITY BUDGET 2017/18**

The Board considered a report that presented the Combined Authority Budget for 2017/18. The Board considered the Budget at its meeting on 31<sup>st</sup> January, prior to the commencement of a consultation period. As part of the consultation period the Budget was considered by the Overview and Scrutiny Committee, and the Committee had indicated their endorsement. The consultation period had now closed and the Budget had been brought

back to the Board for final approval.

The Board was also informed of a number of funding allocations that had been secured by the Combined Authority since the 31<sup>st</sup> January, and these were reflected within the Budget.

The Board welcomed the additional funding that had been secured but reiterated their disappointment with government over the Local Growth Fund allocation for the area.

RESOLVED that:

1. The Overview and Scrutiny Committee's endorsement of the Budget be noted;
2. The Budget for 2017/18 be approved;
3. The new funding allocations secured since 31<sup>st</sup> January be noted;
4. The funding from the Pothole Action Fund be allocated to the Constituent Councils, as set out in the report;
5. The funding position on concessionary fares, as set out in the report, be agreed, with any final amendments to be delegated to the Managing Director in consultation with the Chair.

## **TVCA CULTURE AND TOURISM**

**99/16**

The Board considered a report which identified proposals for initial investment in culture and tourism using devolution and devolvement funds. The focus was on expanding the visitor economy and ensuring a strong contribution to the Strategic Economic Plan from the Culture and Tourism sector. Investment activity would be focused around heritage and attraction asset capital development, festivals and events, building cultural capacity and putting in place a destination marketing function to promote the culture and tourism offer within the region, nationally and internationally.

The Board welcomed the programme and acknowledged the role it would have in beginning to lay the groundwork for a successful bid for the Tees Valley to be 2025 City of Culture. The importance of Executive Member involvement in the process going forward was highlighted and the Board requested that governance proposals be presented to a future meeting.

RESOLVED that:

1. The focus of the initial culture and tourism investment programme be noted;
2. The total programme of £1.8m be agreed for the following activities (subject to due diligence through the Assurance Framework):
  - a. Heritage and Attraction Asset Capital Development (£250,000);
  - b. Festivals and Events (£200,000 x 2 years);
  - c. Building Cultural Capacity (£100,000);
  - d. Destination Marketing (£350,000 x 3 years).

## **TVCA TEES VALLEY HOUSING AGREEMENT**

**100/16**

The Board considered a report which provided an update on progress with

the Tees Valley Housing Agreement. As part of the devolution deal signed in October 2015, the government committed to working with the Tees Valley Combined Authority to explore the devolution of housing funding.

Proposals for the Agreement have therefore been developed, working with key partners both locally and nationally, to put in place a collaborative framework in which government makes available over £100m of funding for an accelerated home building programme. The programme would enable more than 2,500 good quality affordable homes to be built by 2021.

The Combined Authority had submitted a proposal to the Homes and Communities Agency in this respect and this was currently under consideration however it was noted that at this stage, full devolution was not an option.

Following the election of the Mayor in May, the Combined Authority would bring forward a strong proposal to the Cabinet, with government to invest alongside this.

RESOLVED that progress on the Tees Valley Housing Agreement be noted.

#### **TVCA SCRUTINY RULES OF PROCEDURE**

**101/16** The Board considered a report that presented the final Rules of Procedure for the Overview and Scrutiny Committee, including the call-in arrangements, for inclusion in the Combined Authority Constitution.

The Board acknowledged the important role of the Overview and Scrutiny Committee since the establishment of the Combined Authority

RESOLVED that the Overview and Scrutiny Committee Rules of Procedure be approved for inclusion within the Combined Authority Constitution.

#### **TVCA EXCLUSION OF THE PUBLIC**

**102/16** RESOLVED that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1 and 2 of Part 1 of Schedule 12A of the Act.

#### **TVCA LEP BOARD MEMBERSHIP**

**103/16**

The Board considered a report that made recommendations for a number of appointments to the Local Enterprise Partnership Board. It also notified the Board that Alastair MacColl and David Robinson had taken the decision to stand down to focus upon other business opportunities.

The Combined Authority had also received a a proposal from six business representative groups (North East England Chamber of Commerce; Confederation of British Industry; Federation of Small Businesses; Engineering Employers Federation; Tees Valley Business Club; and Entrepreneurs Forum), to appoint a single representative to the Board with 'Observer Status'. This appointment would be confirmed at the AGM in May.

The Board indicated their full support for the new appointments and acknowledged the contribution of retiring members.

RESOLVED that the following individuals be appointed to the Local Enterprise Partnership Board:

- Siobhan McArdle (South Tees NHS Trust);
- Mike Matthews (NIFCO);
- Alistair Hudson (mima);
- Angela Howey (EE);
- Jerry Hopkinson (PD Ports).

**TVCA DATE OF THE NEXT MEETING**

**104/16**

As there were currently no items of business scheduled for the meeting on the 28<sup>th</sup> April the Chair informed the Board that the meeting would be cancelled. The next meeting would be on 31<sup>st</sup> May, 2017.