

AGENDA ITEM

REPORT TO CABINET

12 FEBRUARY 2015

**REPORT OF THE CORPORATE
MANAGEMENT TEAM**

COUNCIL DECISION

Leader of the Council – **Councillor Cook**

A COMBINED AUTHORITY FOR THE TEES VALLEY

SUMMARY

The report provides information on the outcome of the consultation results, details of the Draft Scheme and an outline of the future timetable.

RECOMMENDATIONS

Members are recommended to:

1. Note the positive nature of the consultation results.
2. Agree to the referral of the Draft Scheme to Council for consideration and endorsement prior to submission to the Secretary of State.
3. Delegate authority to the Chief Executive in conjunction with the Leader of the Council to make any minor changes which may be required to the draft scheme through the negotiation process with the Department for Communities and Local Government.
4. Note that further reports may be forthcoming to Cabinet as required following DCLG processes.

DETAIL

1. At the Cabinet meeting of 4 December 2014 a report was received in respect of the potential creation of a Combined Authority for the Tees Valley (including Darlington, Hartlepool, Middlesbrough, Stockton and Redcar & Cleveland).
2. As part of this report it was agreed to undertake consultation as outlined and receive a further report prior to the submission of a draft scheme to the Secretary of State.
3. This report incorporates a recap on the rationale for the establishment of a Combined Authority (the original report is attached at **Appendix 1 page 7**), and how it will support the achievement of our economic goals, the results from the consultation and the draft scheme for submission to the Secretary of State.

The Benefits of Moving to a Combined Authority

4. A great strength of the area has been its ability to demonstrate its unity of purpose in securing a more prosperous economic future. The five local authorities of the Tees Valley, working together with business as the Local Enterprise Partnership (LEP), have firmly established the sub-region on the national stage.
5. Building on the strengths of our partnership, we are clear that new arrangements and powers would:
 - Combine the strengths of our LEP with new powers afforded by a Combined Authority
 - Be non-bureaucratic. A Combined Authority which operates as the LEP would achieve this
 - Be cost-effective. Our analysis estimates that there is limited additional cost across the Tees Valley to deliver more effective decision-making and delivery of our strategy
 - Not re-create the former Cleveland County Council. A Combined Authority would not do this; it would assist decision-making on matters of jointly agreed priorities of economic development, skills and transport across the five Boroughs, and
 - Ensure we continue to work in harmony with business
6. The Authorities are hugely ambitious for the Tees Valley and our communities. Our existing governance arrangements have served us well but we are in a fast changing world and it is essential that we build on our success. Our economy can only grow if we all work together, and the speed at which change is occurring warrants an appraisal of options that will help us to strengthen decision-making and further develop our partnership.
7. Across the Tees Valley we want to be a big player, competing successfully alongside other, often much larger, sub-regions, both in the UK and internationally. We have always been ahead of our competition as illustrated by the establishment of our Enterprise Zone and RGF awards, for example. We have achieved this through being innovative, collaborative and creative. We must remain in the premier league, rather than risk lagging behind. We have a strong track-record of working together, recognised nationally, but we now have an opportunity to cement our partnership through a Combined Authority and benefit from the security of approach this would bring for us and our partners.
8. The funds for which TVU is currently responsible will increase substantially in size with EU Structural Funds, Local Growth Fund, the schemes approved through the City Deal (e.g. the Business and Skills Hubs) and funds returning from the Enterprise Zones. Future governments may well channel further additional resources through Combined Authorities. We will need to ensure that the decision-making, accountability and claw-back in relation to these funds are effective, efficient and meet the requirements of funders.
9. Part of the rationale for the Combined Authority is to make decision-making more efficient by requiring just one decision instead of five locally. The major prize, however, is the devolution of powers from Government and the opportunities afforded by reversing decades of centralisation in the UK.
10. As a Combined Authority, we would want to attain the same level of powers on transport as have been held by Integrated Transport Authorities (formerly Passenger Transport Authorities) which have been transferred to every one of the five newly created Combined Authorities. The Tees Valley is unique in that we do not have an Integrated Transport Authority. Attaining the same transport powers as other Combined Authorities would support our ambitions to accelerate economic growth, recognising the need to improve:

- Connectivity within the Tees Valley, improving access to work, leisure etc.,
- Connectivity between the Tees Valley and other regional and national centres to improve both mobility and our logistics industry, a key driver of economic growth, and
- Connectivity internationally, to scale up exports and inward investment

These ambitions cover road, rail, air and sea; for freight, passengers, commuters and visitors.

11. In relation to economic development we would assume broad well-being powers to promote economic prosperity, have the power to accept devolved funding for economic development purposes and to manage significant investment in transport and economic infrastructure to boost economic growth.
12. The creation of a Combined Authority would benefit our communities by improving our ability to:
 - Create employment opportunities;
 - Target resources to skills development where they are most needed;
 - Attract businesses here to make the most of opportunities especially in new and emerging industries as we diversify our economy; and
 - Create the transport infrastructure and strategy that helps people and goods move around the Tees Valley more effectively, and between the Tees Valley and other centres both nationally and internationally.
13. There has never been a better time to establish a Combined Authority.

The Operation of a Combined Authority

14. As was highlighted in the last report the Combined Authority would consist of a representative Member appointed by each of the five Tees Valley Authorities, with the intention being that this would be either the Authority's Leader or directly elected Mayor, each with one vote. Members on the Combined Authority could co-opt others (e.g. business representatives) in line with the current TVU Leadership Board. The Chair and Vice-Chair would be appointed annually for a one year term by the Combined Authority from amongst the representative Members of the constituent Local Authorities and the positions would rotate between the constituent Councils each year.
15. Part 6 of the Local Democracy, Economic Development and Construction Act 2009 states that every Combined Authority must put into place arrangements for the review and scrutiny of the discharge of its functions. The proposed scrutiny arrangements for the Tees Valley Combined Authority are based upon and incorporate CLG guidance and it is proposed that there be a Scrutiny Panel of 3 Councillors from each of the Tees Valley constituent councils. This is consistent with a number of Combined Authorities already set up and would produce a sensible number of Councillors to be a Panel for the Tees Valley. Membership of the Scrutiny Panel must be politically proportionate.

Consultation Results

16. As agreed as part of the report in December 2014 a consultation process has been running across all five local authorities. Attached at **Appendix 2, page 31** are the results of this consultation which provide more detail than is included in this section of the report.

17. The consultation ran from 10 December 2014 to 31 January 2015 and was publicised through press releases, inclusion on authority websites, social media and direct contact across the five boroughs.
18. In total there were over 1900 responses (of which 1638 were residents) which is a significant return. It was important that the numbers of responses were maximised (hence the promotion around the consultation). As context, when the consultation was undertaken in the north of the region in respect of the establishment of their Combined authority there were a total of 650 responses to the consultation (of which 450 were residents).
19. The results are supportive of the creation of a Combined Authority. A number of people did not answer the question. Of the 1828 responses almost 65% were in favour of the creation of a Combined Authority (with 27% against and 8% don't know).
20. In addition to the responses to the questions posed there have been a number of comments made. These have been both in favour and against the creation of a Combined Authority and a range of them are reflected in the attached report (**Appendix 2, page 31**).
21. The results of the consultation are clearly in favour of the creation of a Combined Authority and a strong endorsement of the proposals.

A Draft Scheme for the Establishment of the Combined Authority

22. The Authorities are required to submit a draft scheme for the operation of the Combined Authority to the Secretary of State to lay the appropriate orders in Parliament.
23. A draft Terms of Reference was submitted to Cabinet in December. Attached as **Appendix 3, page 65** is the proposed Draft Scheme for submission to the Secretary of State for the Combined Authority. There are no significant differences between the draft scheme and the draft Terms of Reference previously submitted. It sets out a comprehensive list of its functions in relation to each of the functional areas in 24(i) below. It also sets out the decisions that the Combined Authority would take, alongside the decisions to be taken by the local authorities.
24. Based on this (and shown in more detail in **Appendix 3, page 65**) the principal functions of the Combined Authority would be to:
 - (i) Set the strategic economic vision, key priorities and outcomes for the Tees Valley area, in relation to:-
 - Economic Development;
 - Strategic Transport and Infrastructure
 - Employment and Skills
 - Business Investment
 - Low Carbon; and to
 - (ii) Fulfil other duties and responsibilities including to:-
 - determine the use of funding received for joint purposes;
 - approve the commissioning of capital projects; and
 - consider funding agreements and joint venture arrangements

Update on the Timetable to Becoming a Combined Authority

25. There are a number of stages to the process of becoming a Combined Authority as defined by Government, and this dictates, in part, the timescale for securing this status.
26. Following consideration of the matter by respective Cabinets/Finance and Policy Committees officers from each of the five councils have been working on the drawing up of the "scheme" (**Appendix 3, page 65** to this report); what the Combined Authority is, what its powers are intended to be, who is on it, how it would operate. It is expected that we would have consulted locally on our scheme before submitting it to Government (see **Appendix 2, page 31** to this report and paragraphs 16-21 above).
27. Following consideration by each of the Finance and Policy Committees/Cabinets the proposals included in this report require consideration and endorsement by each of the respective Councils before submission to the Secretary of State.
28. The next stage involves Government engaging and consulting on our scheme. We have consulted locally already, effectively warming up our partners, business and stakeholders to the benefits of our proposals and providing the opportunity for any comments and views to be expressed. If Government concludes that our proposals are supported (including by our own local authorities) and meet statutory criteria of improving the efficiency and effectiveness of transport and economic development and delivering economic growth, then Government moves to the final stages.
29. The final stage involves the laying of an Order before both Houses of Parliament. Once approved by both Houses, the Order is made and then comes into force on a specified, pre-agreed date.
30. In broad terms we would be ready to submit the scheme to Government in early April 2015. The General Election takes place in May 2015 and there will undoubtedly be a delay in proceedings within Government for several weeks afterwards. There is a need for the Order to be debated in both houses of Parliament so the most likely conclusion is that the earliest our Combined Authority could come into being is October 2015 or during the winter of 2015/16.

Contact Officer: Neil Schneider, Chief Executive
Telephone No: 527000
Email: neil.schneider@stockton.gov.uk

Background Papers

Cabinet report 4 December 2014

PAGE INTENTIONALLY BLANK

(for double-sided printing purposes)

AGENDA ITEM

REPORT TO CABINET

4 DECEMBER 2014

REPORT OF CORPORATE
MANAGEMENT TEAM

CABINET DECISION

Leader of the Council – Councillor Cook

TEES VALLEY UNLIMITED GOVERNANCE – A COMBINED AUTHORITY FOR THE TEES VALLEY

1. Summary

The purpose of the report is to:

- Highlight our ambition for establishing a Combined Authority for the Tees Valley to achieve our economic goals and to receive greater devolved powers
- Clarify what the Combined Authority would do
- Clarify its membership
- Clarify its relationship with the LEP
- Describe the scrutiny arrangements and how they would be funded
- Provide an update on timescales following a recent discussion with DCLG
- Set out plans for consulting on our Combined Authority
- Outline the decision-making process going forward

2. Recommendations

Cabinet is asked to:

- Endorse the progress being made towards the creation of a Combined Authority for the Tees Valley as set out in this report
- Request that appropriate consultation is carried out as outlined in the report
- Receive a further report to all five Borough Councils at the conclusion of the consultation prior to submission of a scheme to the Secretary of State.

3. Reasons for the Recommendations

To obtain in principle support for the establishment of a Combined Authority for the Tees Valley, in order to deliver the maximum economic benefits for the Borough and the Tees Valley; and to ensure appropriate consultation about the proposals is carried out with all interested parties, prior to a further report to all five Councils and the submission of a scheme to the Secretary of State.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, 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 and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

TEES VALLEY UNLIMITED GOVERNANCE – A COMBINED AUTHORITY FOR THE TEES VALLEY

SUMMARY

The purpose of the report is to:

- Highlight our ambition for establishing a Combined Authority for the Tees Valley to achieve our economic goals and to receive greater devolved powers
- Clarify what the Combined Authority would do
- Clarify its membership
- Clarify its relationship with the LEP
- Describe the scrutiny arrangements and how they would be funded
- Provide an update on timescales following a recent discussion with DCLG
- Set out plans for consulting on our Combined Authority
- Outline the decision-making process going forward

RECOMMENDATIONS

Cabinet is asked to:

- Endorse the progress being made towards the creation of a Combined Authority for the Tees Valley as set out in this report
- Request that appropriate consultation is carried as outlined in the report
- Receive a further report to all five Borough Councils at the conclusion of the consultation prior to submission of a scheme to the Secretary of State.

DETAIL

A Combined Authority to help us achieve our economic ambitions

1. A great strength of the area has been its ability to demonstrate its unity of purpose in securing a more prosperous economic future. The five local authorities of the Tees Valley, working together with business as the Local Enterprise Partnership (LEP), have firmly established the sub-region on the national stage. An obvious example of our unity is the Statement of Ambition with its clear explanation of the policies to be pursued in achieving sustainable prosperity.
2. Our partnership is robust. It is a matter of great credit acknowledged by the Government, Business Representative Organisations such as Confederation of British Industries, Chamber of Commerce, Federation of Small Businesses, the Manufacturers' Organisation for Britain (EEF), and Institute of Directors and neighbouring areas that the grasping of opportunities to help implement our economic strategy has only been possible because of the area's local authorities'

steadfast ability to work together and in concert with the private sector. There is a focussed and proactive approach to growth which is pursued at the sub-regional level. This approach has led to a successful Enterprise Zone and numerous Regional Growth Fund (RGF) awards for local companies.

3. We are hugely ambitious for the Tees Valley and our communities. Our existing governance arrangements have served us well but we are in a fast changing world and it is essential that we build on our success. Our economy can only grow if we all work together, and the speed at which change is occurring warrants an appraisal of options that will help us to strengthen decision-making and cement our partnership. The reasons for this are:
 - We are securing more money to deliver our economic ambitions and we need to make sure we spend the money wisely, in line with our agreed priorities and to generate outcomes for our Boroughs and communities as quickly as possible.
 - We need to move fast in the modern world. Opportunities are presented to us which often require a fleet of foot approach so that we can compete effectively with other sub-regions for available resources.
 - We need to offer our communities and businesses the certainty that comes with cementing our partnership and the consistency of approach that this will bring.
 - We need proper scrutiny of what we do as a partnership in the spirit of openness, transparency and accountability.
 - We need to continue to consider the views of business in a proper, democratically accountable governance structure.
4. We want to be a big player, competing successfully alongside other, often much larger, sub-regions, both in the UK and internationally. We have always been ahead of our competition as illustrated by the establishment of our Enterprise Zone and RGF awards, for example. We have achieved this through being innovative, collaborative and creative. We must remain in the premier league, rather than risk lagging behind. We have a strong track-record of working together, recognised nationally, but we now have an opportunity to cement our partnership through a Combined Authority and benefit from the security of approach this would bring for us and our partners.
5. Our partnership needs to be supported by specific powers (as may be secured through a Combined Authority) so that its decisions, made by democratically elected members alongside business representatives, are speedily made – once instead of five times - and implemented. This will allow us to respond rapidly to opportunities to secure further resources, and to provide certainty to our communities and businesses about our purpose.
6. The funds for which TVU is responsible will increase substantially in size with EU Structural Funds, Local Growth Fund, the schemes approved through the City Deal (e.g. the Business and Skills Hubs) and funds returning from the Enterprise Zones. Future governments may well channel further additional resources through Combined Authorities. We will need to ensure that the decision-making, accountability and claw-back in relation to these funds are effective, efficient and meet the requirements of funders.

7. Building on the strengths of our partnership, we are clear that new arrangements and powers would:
- Combine the strengths of our LEP with new powers afforded by a Combined Authority.
 - Be non-bureaucratic. A Combined Authority which operates as the LEP would achieve this.
 - Be cost-effective. Our analysis estimates that there is limited additional cost across the Tees Valley to deliver more effective decision-making and delivery of our strategy.
 - Not re-create the former Cleveland County Council. A Combined Authority would not do this; it would assist decision-making on matters of jointly agreed priorities of economic development, skills and transport across the five Boroughs, and
 - Ensure we continue to work in harmony with business

Getting ready for greater devolved powers from Government

8. In the light of the Scottish referendum and commitment by all major political parties in the UK to greater devolution, the creation of a Combined Authority is our opportunity to seize the moment by having the right governance arrangements in place to make the case for and receive devolved powers and associated additional resources. It is right that we have been reviewing our own governance arrangements at the Tees Valley level and can position ourselves to maximise our involvement in shaping the devolution agenda.
9. At the heart of our governance review has been an options appraisal. There are essentially four types of governance model, each with variations within them:
- (i) Enhancements of the status quo.
 - (ii) Joint Committees
 - (iii) Combined Authority models;
 - (iv) Company models;
10. These four options have been assessed against a set of 11 criteria. The assessment criteria relate to operational efficiency and effectiveness, capability to enhance our economic development, local authority governance, public sector financial management, and engaging the private sector.
11. Our appraisal of the options concludes that the most desirable model would be a Combined Authority for the Tees Valley. The status quo does not deliver the kinds of improvements needed as set out earlier in the report. The Joint Committee could be implemented relatively quickly but could not receive new powers in the way an authority could. The company, whilst having some advantages, could not recover VAT, there could be issues around Corporation Tax and the company's autonomy.
12. Part of the rationale for the Combined Authority is to make decision-making more efficient by requiring just one decision instead of five locally, and this is rightly covered in **Appendix i**. The major prize, however, is the devolution of powers from Government and the opportunities afforded by reversing decades of centralisation in the UK.

13. As a Combined Authority, we would want to attain the same level of powers on transport as have been held by Integrated Transport Authorities (formerly Passenger Transport Authorities) which have been transferred to every one of the five newly created Combined Authorities in the North East, West Yorkshire, South Yorkshire, Greater Manchester and Merseyside. The Tees Valley is unique in that we do not have an Integrated Transport Authority. Attaining the same transport powers as other Combined Authorities would support our strategic transport functions as set out in **Appendix i**, and support our ambitions to accelerate economic growth, recognising the need to improve:-

- Connectivity within the Tees Valley, improving access to work, leisure etc;
- Connectivity between the Tees Valley and other regional and national centres to improve both mobility and our logistics industry, a key driver of economic growth; and
- Connectivity internationally, to scale up exports and inward investment

These ambitions cover road, rail, air and sea; for freight, passengers, commuters and visitors

14. The main powers exercised by ITAs are:

- a) Subsidising bus services which are not profitable to run but are considered socially necessary.
- b) Providing/maintaining bus stations and shelters and planning and funding new public transport facilities.
- c) Providing travel information about transport services.
- d) Funding/managing concessionary travel schemes for the elderly, disabled, students, etc. including free passes and "Dial-a-Ride" services.
- e) Potentially obtaining more powers over buses through Quality Contracts (QC) or Quality Partnerships.
- f) Certain powers over local train services including influencing setting of fares and timetables.
- g) Producing a Joint Local Transport Plan for the area.

15. In relation to economic development we would assume broad General Powers of Competence for Combined Authorities to promote economic prosperity, have the power to accept devolved funding for economic development purposes and to manage significant investment in transport and economic infrastructure to boost economic growth.

16. The scope for devolution of greater powers in future is significant. Greater Manchester Combined Authority has developed a Framework for Planning Cooperation which is designed to take a collaborative approach to land use for housing and economic growth across its 10 local authority areas. This is one example.

17. The report 'Northern Futures' outlines some key asks, including devolved powers and resources to create competitive advantage with other regions nationally and internationally across key areas of energy, skills, international trade, transport and connectivity, resources, culture and tourism. The 'asks' range from rebalancing resource distribution to a more equitable share to support growth in northern regions, but devolved responsibilities around skills (to target STEM skills needs, for example), support for renewable energy, carbon capture and storage, and greater development of new and emerging markets / economies in support of international trade.
18. There has never been a better time to establish a Combined Authority.

What Would the Combined Authority do?

19. The principal functions of the Combined Authority would be to:-
 - (iii) Set the strategic economic vision, key priorities and outcomes for the Tees Valley area, in relation to:-
 - Economic Development;
 - Strategic Transport and Infrastructure
 - Employment and Skills
 - Business Investment
 - Low Carbon; and to
 - (iv) Fulfil other duties and responsibilities including to:-
 - determine the use of funding received for joint purposes;
 - approve the commissioning of capital projects; and
 - consider funding agreements and joint venture arrangements
20. **Appendix i** shows the proposed Terms of Reference for the Combined Authority setting out a comprehensive list of its functions in relation to each of the functional areas in (i) above. It also sets out the decisions that the Combined Authority would take, alongside the decisions to be taken by the local authorities.

Who would be Members of the Combined Authority and how would Membership work?

21. The Combined Authority would consist of a representative Member appointed by each of the five Tees Valley Authorities, with the intention being that this would be either the Authority's Leader or directly elected Mayor, each with one vote. The term of office of each Member would be for one year. Each Leader / Elected Mayor could take responsibility for a specific portfolio within the Combined Authority's remit, working with the support of other Members through a designated Sub-Committee (see 27 below)
22. Each constituent Authority would nominate a specified Member (e.g. relevant Cabinet portfolio Member / Committee Chair) to be a substitute to attend meetings of the Combined Authority, when a representative Member is unable to attend, or at a time when there is a vacancy in respect of the Authority's representative Member.
23. A constituent Local Authority may terminate the appointment of its representative Member and nominated substitute at any time and may appoint others in place of those Members. A representative Member or nominated substitute may resign

his/her membership of, or position on, the Combined Authority at any time by providing for the appropriate notice.

24. A representative Member or nominated Substitute would cease to be a representative Member or Substitute if they cease to be a Member of the constituent Council that appointed them. Appropriate notice would be given. As soon as practicable, the relevant Authority would arrange to appoint a new representative Member or nominated substitute.
25. Members on the Combined Authority could co-opt others (e.g. business representatives) in line with the current TVU Leadership Board.
26. The Chair and Vice-Chair would be appointed annually for a one year term by the Combined Authority from amongst the representative Members of the constituent Local Authorities and the positions would rotate between the constituent Councils each year.
27. The constitution of the Combined Authority would include the ability to create a sub-committee for transport functions given the extent of the powers of an Integrated Transport Authority that would need to be managed by the Combined Authority.
28. **Appendix ii** sets out some detail of the current TVU management and financial arrangements. It then goes on to set out the detailed proceedings of the Combined Authority.

What would be the Relationship with the LEP?

29. We want our Combined Authority to be as efficient and effective as possible. One means of achieving this is to make the business and meetings of both the LEP and the Combined Authority seamless. In other parts of the country where Combined Authorities have been set up, they continue to operate the LEP in a separate, if coordinated, cycle of meetings to the Combined Authority. Our intention is to join them together, supported by a single officer team (TVU staff), with a single agenda.
30. It would be necessary to ensure that meetings are chaired and managed appropriately. There is a requirement for LEPs to be chaired by someone from the private sector and constitutionally a Combined Authority should be chaired by an Elected Member. Local authorities are involved in, advise and are represented on the LEPs, usually through the Council Leader, and businesses can be involved in, advise and be represented on a Combined Authority. This model brings to decisions the expertise of business in the Tees Valley, and ensures through the Combined Authority that the local authorities are accountable for the money that is being spent. Business members would effectively be expert non-executive directors of the Combined Authority.
31. It would be possible to enhance governance arrangements by ensuring Leaders and the Elected Mayor, when not chairing the Combined Authority, each acts as a spokesperson for a specific theme in a similar way to the current arrangements with the LEP, e.g. Cllr Dixon speaking on transport issues and with these roles each having a corresponding business “shadow”, maintaining and enhancing the strength of the current arrangements.

32. It is important as part of any future developments that the excellent delivery and working arrangements that we have currently (through our LEP) are preserved but that transparency and accountability of democratic decision-making is at its core.
33. To facilitate and provide for effective governance arrangements going forward LEP and Combined authority meetings would essentially be one meeting with a two-part agenda.
34. The LEP element of the meeting would be chaired by a representative of the Business Community (with a local authority Vice Chair who would be the Chair of the Combined Authority). Local authorities would continue to be involved in, advise and influence the business of the LEP, as now. This is not a decision making body as decisions would be taken by the Combined Authority.
35. The meeting would then seamlessly move to the business of the Combined Authority. For that aspect which is decision-making, the Chair would be a local authority elected member. The decisions would be taken by those representatives with voting rights, with others in attendance.
36. If the intention is that membership of the Combined Authority is afforded to all LEP members, then this would aid a seamless approach.

How would Scrutiny Arrangements work?

37. Part 6 of the Local Democracy, Economic Development and Construction Act 2009 states that every Combined Authority must put into place arrangements for the review and scrutiny of the discharge of its functions.
38. CLG has set out to all local authorities what it sees as good practice in relation to governance and scrutiny and this formed the basis of its recent consultation on Combined Authorities and Economic Prosperity Boards, to which the Tees Valley responded. CLG's proposal to amend the legislation is expected to be confirmed.
39. The proposed scrutiny arrangements for the Tees Valley Combined Authority are therefore based upon and incorporate the CLG guidance, plus items which have been included in the current Orders for the new Combined Authorities published by the Secretary of State.
40. We propose a Scrutiny Panel of 3 Councillors from each of the Tees Valley constituent councils. This is consistent with a number of Combined Authorities already set up and would produce a sensible number of Councillors to be a Panel for the Tees Valley. Membership of the Scrutiny Panel must be politically proportionate.
41. The quorum of the Combined Authority Scrutiny Committee is proposed to be 7, which must include representatives of 3 out of the 5 Tees Valley Authorities. There could not be a minority of councils making recommendations on behalf of the majority.
42. Whilst it is anticipated that it would have the ability to 'call-in' decisions of the Combined Authority, the work programme of the Scrutiny Panel is intended to encompass upstream work: reviewing, informing and shaping policy and decisions and the direction of the Combined Authority. This would help to ensure that any decisions which are made by the Combined Authority are in line with its agreed policies. The Greater Manchester Scrutiny Panel is deemed to be working well under this model

with Members examining significant areas of policy in relation to the Combined Authority's business.

43. The support necessary to run the Combined Authority Scrutiny Committee arrangements (i.e. any necessary resources and staff) is intended to be provided by the Authority of the Chair, and is to rotate annually between the Tees Valley Authorities in the same way.
44. It is intended that by operating the support in this way that the Scrutiny arrangements can be run at little or no extra cost to the Combined Authority, with the support work being absorbed into the relevant Authority's day to day work. This is similar to the arrangement already in place at the Greater Manchester Combined Authority, where it is working effectively. The democratic services officers already in place at Manchester City Council run the scrutiny panel in practice, and have been able to absorb the extra work into their own department. West Yorkshire Combined Authority have also confirmed that there is to be no additional cost associated with their own scrutiny arrangements. As part of the development of the new arrangements further work will be undertaken to establish the support arrangements and model for scrutiny. More detail behind the scrutiny arrangements is set out in **Appendix iii**.

Update on the Timetable to becoming a Combined Authority

45. There are 4 stages to the process of becoming a Combined Authority as defined by Government, and this dictates, in part, the timescale for securing this status.
46. First, we have to review our governance arrangements and we did this in the form of our detailed options appraisal that was reported to Leaders and the Elected Mayor in the Spring. Having concluded that the Combined Authority is right for the Tees Valley (and this will be subject to confirmation through the Cabinet / Finance and Policy Committee reports indicated in the Next Steps below), we move to stage 2.
47. Stage 2 is the drawing up of what is known as our "scheme"; what the Combined Authority is, what its powers are intended to be, who is on it, how it would operate. The contents of this report would form the basis of the scheme. We would work closely with officials at the Department for Communities and Local Government to prepare this. Much of the detail within this report and its appendices would form the basis of our scheme. It is expected that we would have consulted locally on our scheme before submitting it to Government. In accordance with our own good practice as local authorities we would want to do this anyway. Outline plans for consultation are set out below.
48. Stage 3 involves Government engaging and consulting on our scheme. We will have consulted locally already, effectively warming up our partners, business and stakeholders to the benefits of our proposals. If Government concludes that our proposals are supported (including by our own local authorities) and meet statutory criteria of improving the efficiency and effectiveness of transport and economic development and delivering economic growth, then Government moves to stage 4.
49. Stage 4 involves the laying of an Order before both Houses of Parliament. Once approved by both Houses, the Order is made and then comes into force on a specified, pre-agreed date.
50. In broad terms, this report to Cabinets / Finance and Policy committee in November /

early December seeks approval to progress to local consultation. We anticipate that, subject to the outcome of consultation, we would be ready to submit our scheme to Government in February / March 2015. The General Election takes place in May 2015 and there will undoubtedly be a delay in proceedings within Government for several weeks afterwards. There is a need for the Order to be debated in both houses of Parliament so the most likely conclusion is that the earliest our Combined Authority could come into being is October 2015 or during the winter of 2015/16.. It may be desirable to consider our Combined Authority as operating in shadow form, through our LEP, ahead of its formal approval by Parliament. This would aid a seamless transition.

How would we Consult on our Proposals?

51. A detailed consultation plan has been developed and will be implemented subject to all five Cabinets' / Finance & Policy Committee's approvals. Considerable work has already been undertaken to inform key stakeholders about our ambitions and the rationale for a Combined Authority for the Tees Valley, but consultation will commence in earnest as soon as all five authorities have approved this report. Set out below is a summary of the approach to consultation.

Who

52. There are a range of organisations, groups, individuals which may form part of the proposed consultation arrangements.

- Association of North East Councils/North Yorkshire Councils
- Businesses and Business Organisations
- Colleges/Schools
- Durham Tees Valley Airport
- Government Departments and Agencies
- Members of Parliament and House of Lords representatives
- North Yorkshire LEP
- Parish and Town Councils
- Ports
- Regional and Sub Regional Newspaper Editors
- Residents
- TVLEP/NE Combined Authority
- Trade Unions
- Universities
- Other partners

When

53. The consultation with those groups detailed above is to be arranged and delivered in December 2014 and January 2015.

What

54. For each of the target groups there are a range of potential options. Taking the examples cited from the NE Combined Authority , which was recommended to us by CLG, the proposal would be as follows:

- Key documents and FAQ and contact information for feedback on each LA website.
- Letter to key stakeholders inviting direct response to proposals.
- Key contacts for each key consultee for more detailed discussion for feedback if required.
- Online consultation with residents via each authority website.

FINANCIAL AND LEGAL IMPLICATIONS

Financial

55. The financial implications of establishing a Combined Authority are set out in **Appendix ii** and **Appendix iii** (Scrutiny). In summary, based on the analysis undertaken to date, it is estimated that there will be minimal additional costs to each local authority in establishing and running the Combined Authority. There will, for instance, be some costs associated with the setting up of the new body, such as Audit Fees, but these will be kept to a minimum.

Legal

56. Part 6 of the Local Democracy, Economic Development and Construction Act 2009 (“the Act”) enables the creation of combined authorities. They are public corporate bodies that can be given local authority functions (powers and duties) relating to economic development and regeneration, and also transport functions that are available to integrated transport authorities. The Act establishes a framework and process for the creation of combined authorities. This report and its proposals are the initial stage in complying with the statutory process for establishing a combined authority for the Tees Valley.

RISK ASSESSMENT

57. Risks associated with establishing a combined authority for the Tees Valley, or perhaps more importantly not doing so, have been considered during the governance review and as part of the options appraisal referred to in the report. In particular, although the LEP works very well and is well-regarded as a model by other areas, there is a danger that we could be left behind other regions who already have the full range of powers of a Combined Authority. We need to be able to compete nationally and internationally, so it is vital that we have the same legal status through a Combined Authority. The risk is that if we get left behind, we will miss out on devolution of powers and resources from Government and that our economy and communities suffer while others prosper. Risks will continue to be considered as the process of establishing the combined authority develops. The combined authority itself, if and when established and operational will consider risk as an essential part of its governance arrangements.

COUNCIL PLAN IMPLICATIONS

58. The Combined Authority would set the strategic economic vision, key priorities and outcomes for the Tees Valley in relation to economic development; strategic transport and infrastructure; employment and skills; business investment and low carbon.

EQUALITY IMPACT ASSESSMENT

59. An assessment will be undertaken during the development of the proposals for the combined authority, but the most significant impact will be as a result of our strengthened ability to create more jobs, to target skills and training to local people, so that they can share in the future prosperity of the Borough and the wider Tees Valley. All five Councils in the Tees Valley have effective services to help unemployed and low paid people to gain skills and confidence to move into work or to progress up the jobs ladder. With this kind of support in place, we are all well placed to ensure the benefits of accelerated economic growth through the Combined Authority are shared with people from low income households.

CONSULTATION

60. Details of the intended consultation process are set out in the report, specifically at paragraphs 51 to 54 inclusively.

Director of Law and Democracy

Contact Officer: David Bond

Telephone No: 01642 527060

E-mail Address: david.bond@stockton.gov.uk

Background Papers:

None

Ward(s) and Ward Councillors:

Not Ward Specific

Property Implications:

None at this stage

TERMS OF REFERENCE AND PROCEEDINGS OF THE PROPOSED COMBINED AUTHORITY

Terms of Reference

The Combined Authority, and the Joint Committee before it should we need one, would have the following terms of reference and delegated powers:-

NB the Terms of Reference are still draft and subject to development and further consideration through the Working Group.

Economic Development

- Prepare, monitor and review the Tees Valley-level economic strategy (Statement of Ambition, Investment Plan, Business Plan, Action Plans etc) for approval by each of the Member Authorities
- Undertake economic assessment, research and provide an evidence base for economic strategy at the Tees Valley level and at the Borough level.
- Prepare and submit policy responses to consultations that impact on the economy of the Tees Valley
- Develop and manage interventions, projects and programmes which respond to the economic strategy of the Tees Valley
- Prepare and submit funding bids for interventions, projects and programmes which respond to economic strategy at a Tees Valley level.
- Be responsible for ensuring that core business advisory services are available to SMEs across the Tees Valley, with additional business support services being delivered, in consultation with the Local Authorities, to meet each Borough's individual sector priorities.

The Combined Authority would approve the Tees Valley-level economic strategy (comprising e.g. the Statement of Ambition, Investment Plan, Business Plan, Action Plans etc).

The constituent Local Authorities would, in the interests of each of their respective administrative areas, provide such input into the preparation of the economic strategy as may be required.

The Combined Authority would approve the submission of responses to consultations.

The constituent Local Authorities would provide such input as may be required to support such preparation and submission.

The Combined Authority would approve the submission of funding bids.

The Constituent Councils would provide any necessary support for the preparation of such bids.

The local authorities would continue to prepare and agree their own economic development and regeneration strategies and plans as they wish, for the delivery of locally elected members' ambitions. These plans and those of the Combined Authority should be consistent and mutually complementary

Employment and Skills

- Take a lead role in relation to Employment and Skills policy initiatives.
- Lead on activities to drive the TVU Employment Skills Advisory Group.
- Lead activities to develop the Tees Valley Employment, Learning and Skills Framework and encourage implementation across the five Local Authority areas.
- Influence high level content of the DWP Work Programme and FE provision.
- Develop links and Employment and Skills policy alignment with 14-19 activities.
- Influence DWP prime provider performance through attending regular reviews and ensuring that TVU priorities are fed through to delivery programmes, and on a borough level depending on need.
- Engage with DWP providers/employers on the ground to facilitate closer working between partners and create additional/sustainable job opportunities across the Tees Valley.
- Provide intelligence to providers (including primary and secondary schools) on future skills and labour market requirements, aligned to the growth plan whilst working with colleagues and other learning providers to develop a more labour market focus to their delivery, share emerging markets and skills sector knowledge
- Work with partners to join up the employer offer across Tees Valley and link with similar regional/local aims to provide dedicated access points for employers (via websites and key contacts).
- Coordinated the production of Tees Valley materials and resources to support and develop aspirations and choice, working closely with all partners.
- Co-ordinate a sub-regional network of key partners/providers to manage co-ordinated employer support for multiple vacancies etc.
- Work with employers, Sector Skills Councils etc to develop/facilitate sector focussed training opportunities linked to areas of future growth in the labour market.
- Ensure that employment and worklessness initiatives are effectively targeted at those farthest from the labour market.

Ensures that local and national initiatives are coordinated into a coherent programme of support for young people, adult learners and employers
- Work with partners/key employers to develop more structured opportunities for unemployed people to access jobs.

Business Investment

- Undertake business engagement and support including SMEs in consultation with the Local Authorities.
- Develop and approve a strategy and action plans for work of Tees Valley level significance in relation to:

- Investment by both UK and foreign owned companies
 - Relocation into the Tees Valley from another UK source
 - Investment for the first time by non-UK companies
 - Exporting by Tees Valley companies
 - Supply chain development
- Take responsibility for enquiry and client handling, liaising with clients and public and private sector partners across the Tees Valley; Site allocation, site briefs, identifying business synergies.
 - Identify existing and emerging opportunities, defining marketing targets by industry sectors/sector analysis and developing strategy.
 - Undertake marketing to attract Tees Valley level opportunities into the Tees Valley.

The Combined Authority would approve a Tees Valley wide strategy for business investment, inward relocation, exporting and supply chain development.

The constituent Local Authorities would inform the development of the strategy, providing such input as may be appropriate or required in respect of their respective administrative areas.

Local authorities would continue to be able to provide their own levels of business investment and support, in relation to their own economic development and regeneration strategies and plans aligned with but mutually complementary to those of the Combined Authority.

Low Carbon

- Undertake project and financial management of studies linked to the Low Carbon Strategy.
- Liaise with Government departments and agencies to address barriers to investment.
- Coordinate consultation responses to a range of related consultations from Government, including National Planning Statements and energy policy, as well as EU legislation.
- Provide support to industry to develop low carbon infrastructure such as Carbon Capture and Storage, district heating, energy hubs, novel waste technologies and energy from waste plants.
- Assist in the preparation of funding bids for industry projects for national and European funds and the Green Investment Bank.
- Further developing relationships with NEPIC, CPI and other groups such as PICCSI and other relationships to assist in the delivery of key projects.
- Help to develop and articulate Tees Valley's offer as one of the largest integrated low carbon networks in Europe.
- Examine new delivery vehicles for the key projects.

Transport

The main powers exercised by ITAs are:

- a) Subsidising bus services which are not profitable to run but are considered socially necessary.
- b) Providing/maintaining bus stations and shelters and planning and funding new public transport facilities.
- c) Providing travel information about transport services.
- d) Funding/managing concessionary travel schemes for the elderly, disabled, students, etc. including free passes and "Dial-a-Ride" services.
- e) Potentially obtaining more powers over buses through Quality Contracts (QC) or Quality Partnerships.
- f) Certain powers over local train services including influencing setting of fares and timetables.
- g) Producing a Joint Local Transport Plan for the area.

The Tees Valley does not have an ITA, therefore specific functions for the Tees Valley Combined Authority would be:-

- Develop and approve the Rail Strategy
- Develop and approve the Transport and Infrastructure Strategy including transport topics of significant importance e.g. Rail, Strategic road network and Airports.
- Manage and develop the successful on-going strategic relationship with the Highways Agency, and other Government departments and agencies (ie DfT, Network rail, rail franchise holders)
- Deliver modelling and analytical support for scheme and strategy schemes.
- Approve and submit bids for funding for Tees Valley level transport schemes.
- Develop, approve and implement in collaboration with the Local Authorities capital project procurement for transport schemes at a Tees Valley level.
- Represent those Authorities comprising the Combined Authority within regional, pan-northern and national fora lobbying for more investment in infrastructure

The Combined Authority would approve the Rail Strategy and the Transport and Infrastructure Strategy.

The constituent Local Authorities would provide such input and support as may be required.

The Combined Authority would approve and submit bids for transport scheme funding.

The constituent Local Authorities would provide support for and input to the development of such bids.

The Combined Authority would approve the procurement of Tees Valley level transport schemes.

The constituent Local Authorities would assist with the development and implementation of such procurement.

Other Duties/Responsibilities

- Determine the use of money that comes to TVU for joint purposes, such as Growing Places Fund, DfT Major Schemes, and any Regional Growth Fund, ERDF, ESF etc coming to TVU collectively.
- Decide strategic enablement and investment from the monies generated from TVU activities such as recycling of business rates uplift funds generated by Enterprise Zones.
- Determine the use of money allocated to TVU, such as funding allocated to TVU by local authorities and other bodies.
- We should include the General Power of Competence as far as it relates to the delivery of the Combined Authority's functions.

The Combined Authority would approve the use of monies received for joint purposes.

The constituent Local Authorities would provide such support and advice as may be required.

The Combined Authority would approve strategic enablement and investment from funding generated by TVU activities.

The constituent Local Authorities would provide appropriate advice and support to ensure that the most advantageous strategic enablement and investment takes place.

The Combined Authority would approve the use of funds allocated to TVU.

The constituent Local Authorities would assist TVU to put such funds to the most appropriate use by providing such support and guidance as may be required or necessary.

Underpinning the powers of the Combined Authority (and those of the local authorities) would be the notion of subsidiarity: doing the right thing, in the right place, at the right level.

TVU, TVU COSTS, FINANCIAL ARRANGEMENTS, EFFECTIVE COLLABORATION AND PROCEEDINGS OF THE COMBINED AUTHORITY

TVU

TVU staff are employees of Stockton-on-Tees Borough Council (“SBC”) and would continue to be managed by the Managing Director and his management team.

For the purposes of the Combined Authority, the head of paid service would be known as the Chief Executive. The Chief Executive would continue to provide high level strategic direction for TVU, and would be accountable to the Combined Authority and LEP and work closely with the Local Authority Chief Executives and their Senior Officers.

TVU staff would provide all necessary professional expertise and support to enable the Combined Authority to discharge its functions; to advise the Combined Authority on matters within its terms of reference and to provide secretarial and administrative support to the Combined Authority.

TVU Costs

TVU costs are the costs of TVU/SBC employees, provisions, transport, supplies and service and support services.

Financial Arrangements

SBC would continue to be the administering body for the Combined Authority as it is for TVU currently.

TVU costs and any costs related to the operation of the Combined Authority would be allocated to each Local Authority in the following agreed proportions:-

Darlington Borough Council	15.80%
Hartlepool Borough Council	14.67%
Middlesbrough Borough Council	20.89%
Redcar & Cleveland Borough Council	20.98%
Stockton-on-Tees Borough Council	27.66%

*(NB – taken from the 31 March 2011 Joint Agreement for the Governance of Tees Valley Unlimited)

The Local Authorities and Combined Authority would agree the TVU Costs and costs related to the operation of the Combined Authority prior to the 28 February of each year. There would be a timetable for discussion between the local authorities and the Combined Authority on budget requirements in advance of this date and it is intended that budget requirements would be considered on a three year rolling programme.

Each Local Authority’s contributions (except for SBC) would be paid on the 1 April, July, October and January of each year.

The Combined Authority would be required to draw up its own financial regulations and standing orders. Like any organisation there are a number of financial practices that the Combined Authority would need to undertake such as the production of a medium term financial plan, audit, payroll, treasury management, etc. There are, however, a number of additional requirements a Combined Authority would need to undertake. These include, the production of a statement of accounts, the appointment of an independent external auditor, a separate bank account and separate government returns such as VAT.

It is proposed, to minimise costs and streamline the process, that financial support, including the Statutory Section 151 Officer role, would be provided by one of the constituent authorities. Financial procedures and practices would also follow those of the constituent authority.

The costs attributable to the Combined Authority in exercise of its functions relating to economic development, transport and skills including economic investment (such as the Growth Fund, EZ income and European Funding) (together with any start-up costs) would be apportioned between the constituent authorities as outlined under the arrangements above.

Based on the analysis undertaken to date, it is estimated that there will be minimal additional costs for each local authority in the running of the Combined Authority. There will, however, be some additional costs associated with the set-up of the new body, such as Audit Fees, but these will be kept to a minimum.

If the Combined Authority has assets, we may need to consider the powers required for the Combined Authority to borrow against those assets.

Effective Collaboration

Although the Chief Executive of the Combined Authority would be accountable to that authority (through the Chair - a Leader or Elected Mayor), made up of its constituent members, it must be seen that in all purposes this is within an effective collaboration across all five of the Tees Valley 'family' of authorities, as it is now. The Chief Executive would work very closely with all the local authority Chief Executives (as now). S/he would be fully cognisant of the political drivers and strategic imperatives of the member authorities (and business community) as now. S/he would meet regularly with local authority Chief Executives, as now, to conduct LEP and Combined Authority business, ensuring all authorities are 'lined up', as now, to facilitate a smooth approach to decision-making at the Combined Authority. It should be noted that the Combined Authority would be expecting this collaborative approach, so accountability of the Combined Authority Chief Executive through the Chair would also be, in effect, accountability to the wider family of Leaders and elected Mayor and their Chief Executives.

Proceedings of the Combined Authority

The Combined Authority would hold an Annual Meeting each year, and at least three other meetings during the year.

In the event of a casual vacancy occurring in the office of Chair or Vice Chair of either the Combined Authority the constituent Authority by whom the previous Chair or Vice Chair was nominated, would nominate a successor to hold office for the remainder of the term of office of the member in respect of whom the vacancy arose.

If both the Chair and Vice-Chair are absent from a meeting of the Combined Authority, one of the other representative Members would be appointed to preside over the meeting.

The Chair in consultation with the Vice-Chair, may call a meeting of the Combined Authority at any time and would call a meeting within seven working days if required by at least 3 of the representative Members.

The agenda for the Combined Authority meetings would be agreed in consultation with the Chair and Vice Chair.

A summons to attend a meeting, specifying the business proposed to be transacted at the meeting would be sent to each representative Member and a copy would also be sent to the Chief Executive of and two other officers specified by each constituent Authority.

Meetings would be held at such place and at such times as the Chair shall, in consultation with the Vice Chair determine.

Decision-making would be structured to ensure that issues of critical importance to the Boroughs, such as those which placed costs or risks on the Borough Councils, were taken only by Leaders and the elected Mayor. The Combined Authority would not have the power to incur expenditure on other authorities, nor would it have the power to place additional risks on other authorities over and above expenditure and risk that is a result of what is agreed by each authority and covered by the Combined Authority constitution, including the investment, business and financial plans (see below).

To retain unity of purpose across work done by local authorities individually and the work of the Combined Authority, joint decision-making on strategy and business planning would be put in place. For example, the constitution of the Combined Authority would set out that decisions would be taken in accordance with the following framework agreed by the Combined Authority AND formally by each local authority individually:

- Statement of Ambition: the strategy in accordance with which TVU and the Combined Authority will work
- Investment Plan
- Annual rolling TVU / CA Medium-Term (3-4 year) Financial Plan, including local authority financial contributions
- Annual Business Plan

Beyond these, each matter arising at a meeting of the Combined Authority would be determined by a majority of the votes of the Members present and voting; each representative Member or substitute Member acting in that Member's place would have one vote and no Member would have a casting vote.

If a vote on any matter is tied, it would be deemed not to have been carried.

Three representative Members and/or nominated substitutes would represent a quorum.

Minutes of the proceedings of the Combined Authority would be taken and would be submitted to the next ordinary meeting (or Annual Meeting, as appropriate) for approval.

Copies of the minutes of the meetings would be provided for each of the Local Authorities within 7 working days of a meeting.

The Combined Authority may appoint such Committees or Sub-Committees (e.g. in connection with the EU Structural and Investment Fund), with such quorum of representative Members as may be determined.

The meetings of the Combined Authority's Committees, or any of its Sub-Committees, would be public meetings unless exempt or confidential information is to be discussed.

The Tees Valley LEP has already transferred Investment Panel part A meetings into the Tees Valley ESIFS Committee in 'shadow' form (October 2014) to comply with EU regulations. This is a sub-committee of Government (CLG) and its relationship with the LEP will simply transfer to become a relationship with the Combined Authority.

Duration, Variation and Termination

The Combined Authority would be established by the Secretary of State through a statutory order approved by resolution of each House of Parliament. It can only be abolished by order of the Secretary of State, and with the consent of a majority of the constituent Councils.

That consent would make appropriate provision for:-

- the redeployment, transfer or secondment and/or payment of the costs of redundancy, including pensions liabilities, of any employees who would no longer be required following termination/abolition.
- the closing of any related redundant accounts and the payment of any relevant outstanding costs.
- the sharing of any costs or other liabilities relating to the continued occupation and/or termination of occupation of any accommodation no longer required.
- the sharing of any costs or liabilities regarding any funding arrangements, other agreements or contracts.
- the disaggregation of any (non-personnel) assets (financial or otherwise), rights and liabilities.
- all of these costs or liabilities to be shared in the same proportions as the Local Authority contributions to the funding of TVU costs (the costs of employees, premises, transport, supplies and services and support services)

Withdrawal from the Combined Authority can only take place in accordance with the relevant legislative requirements.

A withdrawing Local Authority would have to make appropriate provision for:-

- the redeployment, transfer or secondment and/or payment of the costs of redundancy, including pension liabilities, of any employees who would no longer be required following the withdrawal of the relevant Council and for the relevant Council to be responsible for such costs.
- the payment by the relevant Council of its share of any accounts or outstanding costs.
- the sharing of any costs or other liabilities relating to the continued occupation and/or termination of occupation of any accommodation no longer required for the purposes of the arrangements.
- the sharing of any costs or liabilities regarding any funding arrangements, other agreements or contracts
- the disaggregation between the relevant Council and the other Councils of any assets (financial or otherwise), rights and liabilities at the time of the relevant Council's withdrawal, and assuming that the relevant arrangement (Combined Authority) is to continue in operation.
- all of these costs or liabilities be shared in the same proportions as the Local Authority contributions previously referred to.

The disaggregation of any assets, rights and liabilities may, however be deferred by the remaining Councils to a future date which they determine, where they consider that the disaggregation would prejudice the operation of the relevant arrangements.

Where a Council has given notice of withdrawal and the remaining Councils consider that it would be more appropriate for the relevant arrangement as a whole to be terminated by mutual agreement, the relevant provisions about mutual agreement would apply

Dispute Resolution

Any dispute or question arising between the Local Authorities in relation to the arrangements for the operation of the Combined Authority would be referred for determination to an independent expert, in accordance with provisions regarding the experts appointment; timescale for making of a determination; opportunity for the parties to the dispute to make representations; expert's fees and expenses; costs; and the binding nature of the determination.

DETAIL OF THE SCRUTINY ARRANGEMENTS

The term of office for representatives is to be for one year from the date of the annual Council meeting. If a representative ceases to be a Councillor, or wishes to resign from the Scrutiny Panel, the relevant Council shall inform the Combined Authority secretariat and the replacement representative shall serve for the remainder of the original representative's term of office. This mirrors the arrangements in the South Tees Heath Scrutiny Committee.

The draft Scrutiny Protocol also provides that a Chair and Vice Chair (to come from different political groups) shall be elected annually, with the position to rotate between the Constituent Councils each year. Additionally, the Chair is required to be a member of the opposition.

The support necessary to run the Combined Authority Scrutiny Committee arrangements (ie any necessary resources and staff) is intended to be provided by the Authority of the Chair, and is to rotate annually between the Tees Valley Authorities in the same way.

It is intended that by operating the support in this way that the Scrutiny arrangements can be run at little or no extra cost to the Combined Authority, with the support work being absorbed into the relevant Authority's day to day work. This is similar to the arrangement already in place at the Greater Manchester Combined Authority, where it is working effectively. The democratic services officers already in place at Manchester City Council run the scrutiny panel in practice, and have been able to absorb the extra work into their own department. West Yorkshire Combined Authority have also verbally confirmed to us that there is to be no additional cost associated with their own scrutiny arrangements, as the work would be absorbed by existing staff, in their case staff at what used to be their Passenger Transport Executive

With regard to the call in procedure, Members of the Scrutiny Panel shall have the power to call in any decision by the Executive Board or of the Combined Authority.

5 Members of the Scrutiny Panel are required to object to a decision before a call-in can be implemented, and are to have a 5 day period following the publication of any decision to effect the call-in.

Manchester Scrutiny Panels work involves a high level overview of their own Combined Authority's growth or reform plans. Recent items from their 2013 and 2014 calendar include an overview of the Greater Manchester Growth and Reform Plan which proposes to eliminate the gap between public spending and tax generated in that region, and overview of various growth or reform projects relating to housing, worklessness, youth unemployment and infrastructure. It is therefore anticipated that the Combined Authority's work programme would encompass reviews of the Combined Authority's policies and overview of any projects which the Combined Authority set up once in existence.

This approach would ensure a greater role for elected Members in the governance of the Combined Authority (when compared to current arrangements with TVU).



Proposal for a Tees Valley Combined Authority

Consultation Report

February 2015

1. Introduction

The five councils have been working together to investigate the potential of a Combined Authority for the Tees Valley. As part of this work they have sought the views of a range of stakeholders across the area on the proposal including the proposed priorities for the Combined Authority. Detail on the consultation process and the responses received will be set out over the following sections:

- Consultation Process
- Summary of responses
- Responses (detailed)
- Conclusions
- Appendix A – Consultation Timeline
- Appendix B – Consultation Documents
- Appendix C – Letters received in response to the consultation

As advised by DCLG the consultation has been modeled on that undertaken by the seven councils to the north of the Tees Valley in the development of the North East Combined Authority. We have taken account of the approach which they utilised and have developed this to enhance response rates through the consultation. This has been effective and a better response rate has been achieved with 1,911 responses received to our consultation compared to the North East Combined Authority total of 650 stakeholders (including over 450 residents).

2. Consultation Process

Consultation on the proposal for a Tees Valley Combined Authority ran between 10th December 2014 and 31st January 2015 (consultation timeline included as appendix A).

Within this time a range of methods were used to promote access to the consultation in a variety of ways across the five authorities including but not limited to:

- Online survey;
- Reports/presentations to a variety of committees/partnerships/groups;
- Letters to businesses/organisations/groups providing the link to the online survey;
- Dedicated webpage on each council website and the Tees Valley Unlimited (TVU) website which linked through to the online survey;
- Press releases;
- Articles in council magazines.

The following information was made available on the websites of each of the 5 councils and Tees Valley Unlimited:

- Consultation document
- Online survey
- Frequently Asked Questions (FAQs)
- Draft Governance Review
- Background report that went to the councils cabinet/committee

- Press releases
- Video

Links were also provided from the online survey to the consultation document (included as appendix B) and FAQs so that those completing the survey could access them easily to ensure they have the information available to understand the basis for the consultation.

A range of organisations, groups and individuals have been contacted directly during the consultation period including:

- Association of North East Councils (ANEC)
- Businesses and Business Organisations
- Colleges / Schools
- Durham Tees Valley Airport
- Elected Members
- Government Departments and Agencies
- Members of Parliament and House of Lords representatives
- North East Local Enterprise Partnership / North East Combined Authority
- North Yorkshire County Council
- North Yorkshire Local Enterprise Partnership
- Parish and Town Councils
- Ports
- Regional and Sub Regional Newspaper Editors
- Residents
- Trade Unions
- Universities
- Other partners

3. Summary of Responses

In total 1,911 responses were received to the consultation.

74.46% agreed that the partnership approach was important.

64.77% agreed that the Tees Valley should strengthen its partnership approach through a new Combined Authority.

86.39% agreed that Economic Development was an important area of economic growth for the Tees Valley.

90.59% agreed that Employment and Skills were an important area of economic growth for the Tees Valley.

89.55% agreed that Business Investment was an important area of economic growth for the Tees Valley.

89.09% agreed that Transport and Infrastructure was an important area of economic growth for the Tees Valley.

68.14% agreed that Low Carbon was an important area of economic growth for the Tees Valley.

4. Responses (detailed)

In total 1,911 accessed the survey. It should be noted that not all of those who looked at the survey answered every question and therefore we have identified the number who skipped each question. The number of responses received was significantly higher than that achieved by the other North East authorities when they consulted on their proposal for a North East Combined Authority. In total 650 stakeholders (including over 450 residents) participated in their local consultation exercise.

Question 1

We asked...

Please tell us who you are (choose 1)

The response was...

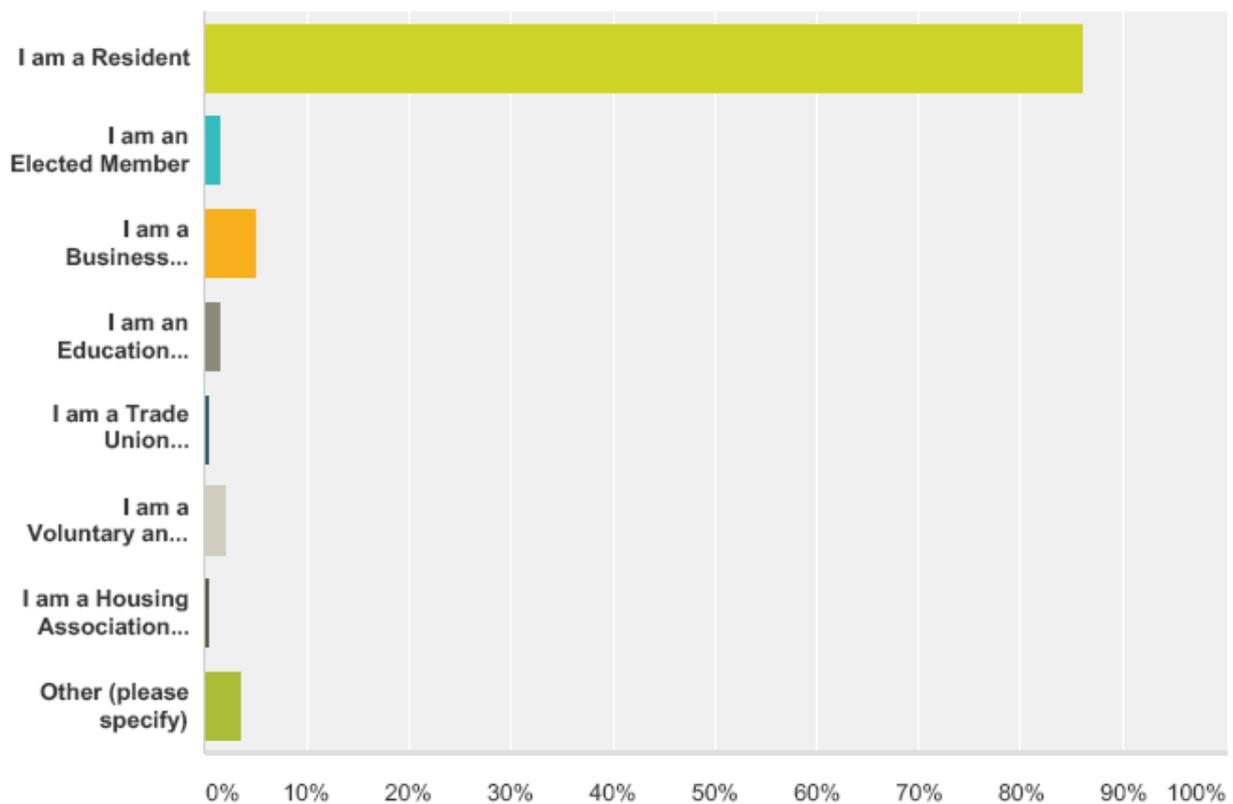
	Number	Percentage
Resident	1,638	85.98%
Elected Member	28	1.47%
Business	94	4.93%
Education Provider	27	1.42%
Trade Union	6	0.31%
VCS	39	2.05%
Housing Association	7	0.37%
Other	66	3.46%
TOTAL	1,905	100%

6 skipped this question.

Others include the following:

- Local Healthwatch representative
- English Heritage
- NHS Foundation Trust
- Individuals who work in the Tees Valley

- Employees from the 5 Local Authorities in the Tees Valley
- Parish Councils
- North Yorkshire County Council
- Member of Parliament
- Partner Organisation
- NHS staff
- Business owner
- Individuals who identified as being from more than one group e.g. resident and business owner



Question 2

We asked...

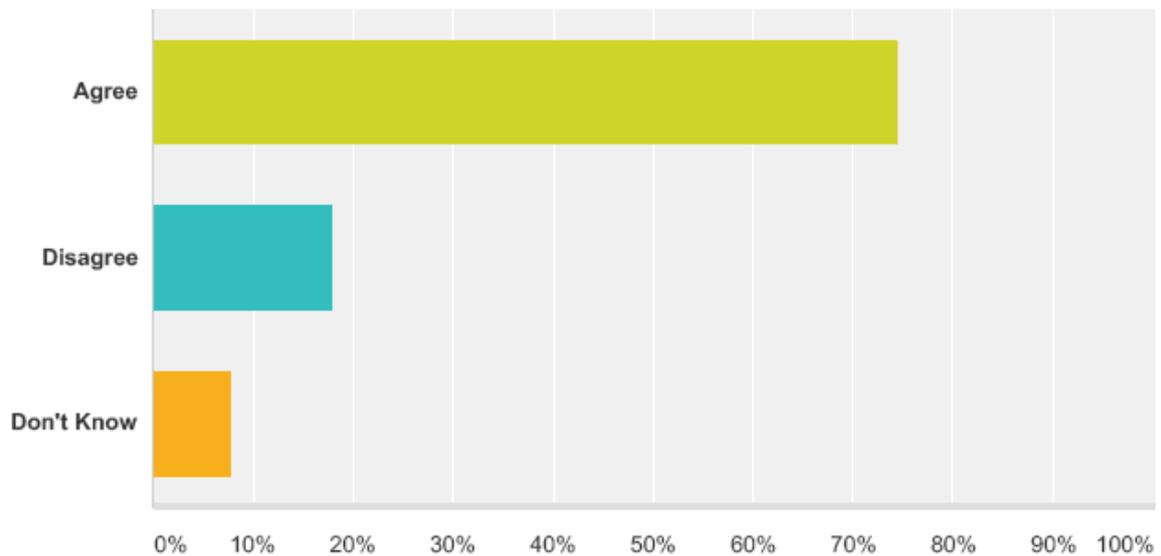
The five Tees Valley local Councils are committed to working together with business to create more jobs, support businesses to flourish and attract new investment into the Tees Valley. Do you think that this partnership approach is important?

The response was...

Agree 74.46% (1,382)	Disagree 17.89% (332)	Don't Know 7.65% (142)
--------------------------------	---------------------------------	----------------------------------

	Agree	Disagree	Don't know
Resident	1,153	307	131
Elected Member	22	5	0
Business	84	5	4
Education Provider	25	0	2
Trade Union	5	1	0
VCS	32	2	3
Housing Association	3	2	2
Other	56	7	0
Skipped Q1	2	3	0
TOTAL	1,382	332	142

55 skipped this question.



Question 3

We asked...

Do you think that we should strengthen the way the five councils work together through a new Combined Authority, cementing our partnership in law, speeding up decision-making,

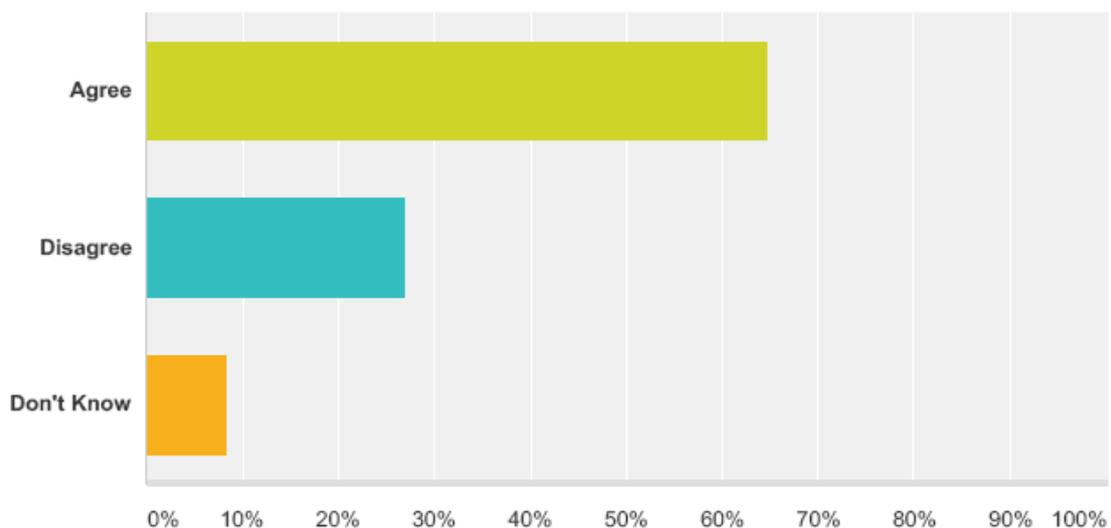
and being ready to accept new powers and resources from Government on these key issues?

The response was...

Agree 64.77% (1,184)	Disagree 26.91% (492)	Don't Know 8.32% (152)
---------------------------------------	--	---

	Agreed	Disagreed	Don't know
Resident	982	463	130
Elected Member	15	6	2
Business	78	7	5
Education Provider	20	3	3
Trade Union	6	0	0
VCS	26	3	7
Housing Association	3	2	1
Other	52	5	4
Skipped Q1	2	3	0
TOTAL	1,184	492	152

83 skipped this question.



Question 4

We asked...

Please say whether you agree or disagree with the importance of each of the five areas of economic growth for the Tees Valley area:

220 skipped this question.

Economic Development

(i.e. understanding our economy and having the right strategies in place to meet Tees Valley economic needs, to secure new resources to create more jobs)

The response was...

Agree 86.39% (1,460)	Disagree 8.70% (147)	Don't Know 4.91% (83)
---------------------------------------	---------------------------------------	--

	Agreed	Disagreed	Don't know
Resident	1,239	134	78
Elected Member	19	3	0
Business	84	0	2
Education Provider	24	1	0
Trade Union	5	0	0
VCS	28	1	3
Housing Association	4	2	0
Other	55	4	0
Skipped Q1	2	2	0
TOTAL	1,460	147	83

Employment and Skills

(i.e. making sure there are local jobs for local people and that local people have the skills they need to do those jobs)

The response was...

Agree 90.59% (1,530)	Disagree 6.10% (103)	Don't Know 3.32% (56)
---------------------------------------	---------------------------------------	--

	Agreed	Disagreed	Don't know
Resident	1,304	93	53
Elected Member	20	2	0
Business	84	0	2
Education Provider	24	1	0
Trade Union	5	0	0
VCS	31	0	1

Housing Association	4	2	0
Other	56	3	0
Skipped Q1	2	2	56
TOTAL	1,530	103	56

Business Investment

(i.e. attracting new, and keeping and growing existing, local businesses)

The response was...

Agree 89.55% (1,499)	Disagree 6.27% (105)	Don't Know 4.18% (70)
--------------------------------	--------------------------------	---------------------------------

	Agreed	Disagreed	Don't know
Resident	1,277	95	65
Elected Member	20	2	0
Business	83	0	2
Education Provider	25	0	0
Trade Union	5	0	0
VCS	29	1	2
Housing Association	4	2	0
Other	54	3	1
Skipped Q1	2	2	0
TOTAL	1,499	105	70

Transport and Infrastructure across the Tees Valley and beyond

(i.e. helping ensure that travel by road, rail, air and sea are fit for current and future purposes in order to keep the economy moving)

The response was...

Agree 89.09% (1,494)	Disagree 7.51% (126)	Don't Know 3.40% (57)
--------------------------------	--------------------------------	---------------------------------

	Agreed	Disagreed	Don't know
Resident	1,272	115	53
Elected Member	20	2	0
Business	84	0	2
Education Provider	23	1	0
Trade Union	5	0	0
VCS	30	1	1
Housing Association	4	2	0
Other	54	3	1
Skipped Q1	2	2	0
TOTAL	1,494	126	57

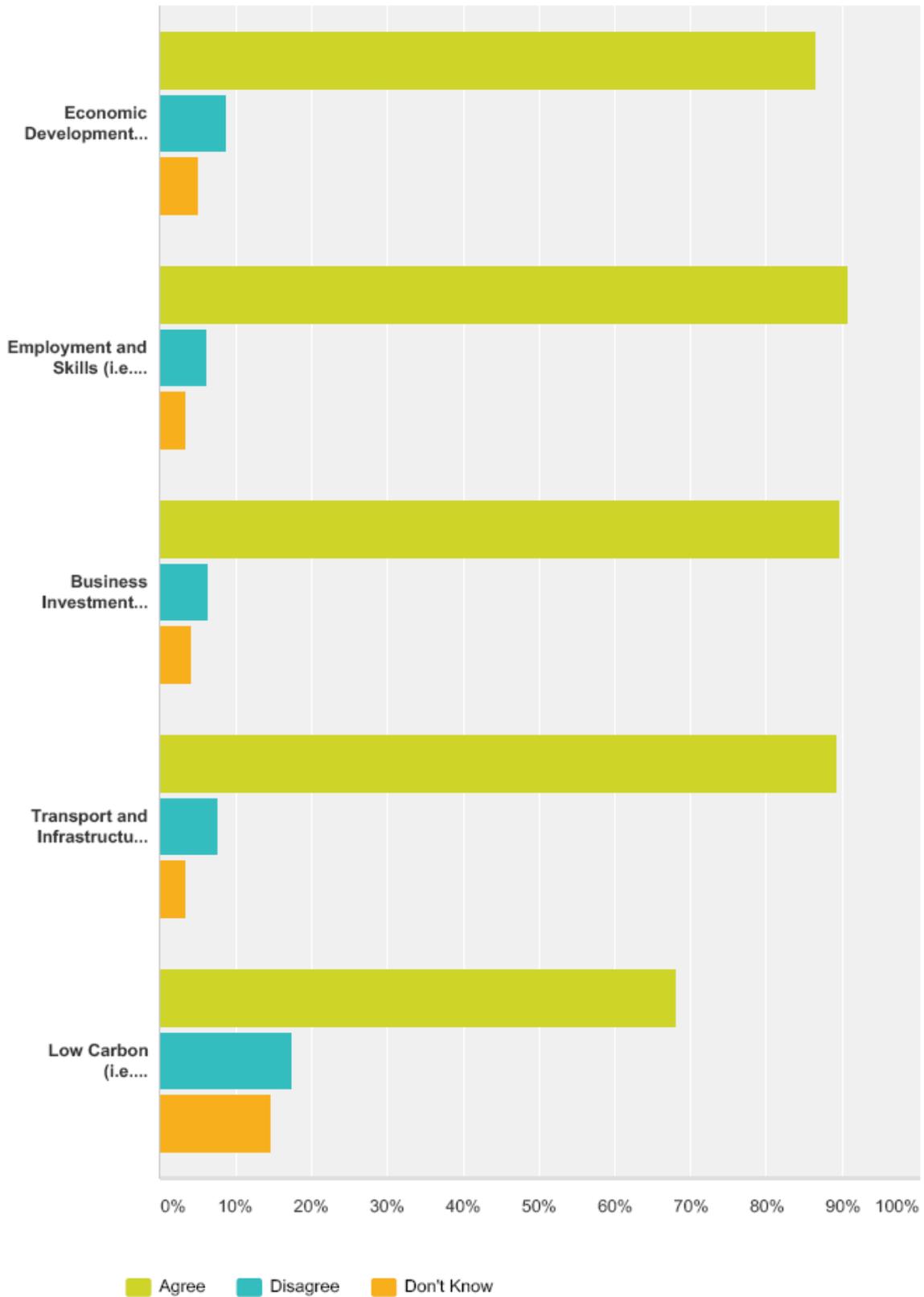
Low Carbon

(i.e. maintaining and growing the local economy whilst using less energy, limiting the effects of energy use on the local environment and growing low carbon businesses)

The response was...

Agree 68.14% (1,140)	Disagree 17.33% (290)	Don't Know 14.52% (243)
---------------------------------------	--	--

	Agreed	Disagreed	Don't know
Resident	963	254	218
Elected Member	17	5	0
Business	62	10	14
Education Provider	18	4	3
Trade Union	5	0	0
VCS	22	5	4
Housing Association	3	2	1
Other	49	7	3
Skipped Q1	1	3	0
TOTAL	1,140	290	243



Question 5

We asked...

Please use the box below to make any additional comments.

The response was...

In total 750 chose to provide additional comments whilst 1,161 skipped this question. That means that less than 40% of the total respondents chose to answer this question.

The additional comments provided covered a range of topics and included both positive and negative views. In addition some raised questions about the detail of the Combined Authority.

A number of concerns were anticipated in advance of the consultation and were included within the Frequently Asked Questions. Unfortunately this has not stopped people raising those concerns in their additional comments.

The following section provides a summary of the main themes that came through from the additional comments provided. This reflects just a flavour of the comments received:

- Many comments were supportive of the development of a Combined Authority for the Tees Valley as they felt it would put the area into a better position to attract funding and investment.
- Some were concerned about the Combined Authority being a recreation of the old Cleveland County and felt that their Local Authority should either remain autonomous or would be better placed with another area e.g. North Yorkshire or County Durham.
- However, there were also a number of comments in support of the Local Authorities going even further and becoming a single authority or combining other functions such as education support services or health and social care.
- Many felt that working together in partnership would give the area a stronger voice and take it out of the shadow of the other North East local authorities so that the Tees Valley would not lose out to places like Newcastle.
- But there were others who felt that the Tees Valley should join the rest of the local councils in the north east as part of the North East Combined Authority.
- A number raised concerns about how equally funding and resources would be spread across the 5 local authority areas and also between the urban centres / principal towns and the rest of the area.

- Some comments were made on the proposed scrutiny arrangements. These included the need to include business representatives in the proposed membership and queried whether the Chair should be from the “opposition party” due to the complexity of local politics within the Tees Valley.
- There were a number of comments about the potential cost of the Combined Authority and particularly concerns that this may have implications for residents through increasing Council Tax bills. Some felt that there should be an aim to make the new structure cheaper and that there was a need for greater transparency about what the Combined Authority would cost.
- Concern was raised about the Combined Authority being an added layer of local bureaucracy or that there would be duplication with existing arrangements. This links to other comments which questioned whether the change would result in redundancies within Local Authorities. Some were against this whilst other felt that jobs should be reduced where there was duplication.
- Many welcomed the potential opportunities for the Tees Valley that could come from the devolution of further powers from central government. However, some were wary about such additional powers including concern that if this included setting local tax revenues we may lose out to the South East.
- Some queried how local people, businesses and groups (e.g. Residents Associations, the VCS and Parish Councils) would be involved in the shaping of policy for the Combined Authority. This included queries around future consultation arrangements.

A range of comments were also received on what should be priorities for the Combined Authority. These included:

- Transport and access - particularly in reference to rural and peripheral areas within the Tees Valley. One respondent felt that there should be one Tees Valley Transport Plan with Borough chapters to ensure a strategic approach to transport issues.
- Durham Tees Valley Airport - Improving and developing the airport was identified by a number of respondents.
- Training and skills - Whilst many noted that this should include young people it was also felt that there should be opportunities for all ages, particularly around re-training. Workplace skills for graduates was also highlighted.

5. Other responses to the consultation

In addition to those completing the online survey a number of letters of support were received from local partners (letters included as appendix C):

Association of North East Councils
Cleveland Police & Crime Commissioner and Cleveland Police
North East Chamber of Commerce (NECC)
North East Combined Authority (NECA)
PD Ports
Tees Valley Unlimited
UNISON (Northern Region)

6. Conclusion

The results of the consultation demonstrate that there is broad support for the proposal to develop a Combined Authority for the Tees Valley.

Almost two thirds of those who responded to the consultation (64.77%) agreed that the 5 councils should strengthen the way that they work together through a new Combined Authority, cementing the partnership in law, speeding up decision-making and being ready to accept new powers and resources from Government.

Appendix A – Consultation Timeline

When?	What?
W/C 24 th Nov	Explanation of Combined Authority proposals set up and made public on all council websites & TVU website.
10 th Dec	Consultation opened – council websites (except Middlesbrough) updated with consultation details and link to online survey.
10 th Dec – 23 rd Jan	Promotion of consultation through press releases to local media & inclusion in council magazines. Letters sent out to consultees by identified lead organisation.
17 th Dec	Consultation goes live in Middlesbrough (following Call-In period), website updated with consultation details and link to survey.
31 st Jan	Online consultation closes.



Have your say on:

**The proposals for a Tees Valley
Combined Authority**

Consultation Document

This document is available in alternative formats and in different languages on request. If you need support or assistance to help you read and/or understand this document, please contact your Council on 01429 266522

Please complete the [online survey](#) by 31st January 2015

Introduction

The five local councils in the Tees Valley (Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees) are asking for your views on proposals to form a Combined Authority for the Tees Valley.

This note is intended to explain what a Combined Authority is, as well as what it isn't, and why we think it's a good idea.

Building on our strength

The five councils already work closely together with local business to strengthen our local economy, attract new business investment, create more jobs, support businesses to grow, and improve transport and local skills. To do this, the five councils already jointly fund an organisation called Tees Valley Unlimited (TVU) to work for the whole Tees Valley.

As well as attracting investment from businesses, TVU has, since 2010, secured over £186m of European funds and well over £165m of UK Government funds.

We work very closely in partnership with businesses, through the Tees Valley Local Enterprise Partnership (LEP). This partnership has served us well for many years and the way we work across all five councils and with business is often seen as a good example for other areas of the country to follow. The strength of our LEP has helped TVU to secure the large resources detailed above.

So why change?

We are hugely ambitious for the Tees Valley and our communities. Our existing governance arrangements have served us well but we are in a fast changing world and it is essential that we build on our success.

We want to cement our partnership in law, so that it offers all of us, including our businesses, certainty that we are working together for the long-term. And we want to be ready to accept new powers and resources from Government which may be given to Combined Authorities in the future.

We want to continue to be a big player, competing successfully alongside other, often much larger regions, both in the UK and internationally. Some areas already have greater powers and resources as a result of creating a Combined Authority – we believe we should not be left behind. This is about a new era of joint working, building on the strengths we have created together.

What options have we considered?

We have examined four potential models overall:

- Enhancement of the status quo;
- Joint committee;
- Combined Authority; and
- Company models

These were assessed against criteria including operational efficiency and effectiveness; capability to enhance our economic development; local authority governance; public sector financial management; and engaging with the private sector. We have concluded that the Combined Authority model is the most effective model for us and a summary of the rationale is included in the detailed governance report (see the link below).

What would a Combined Authority do?

We have produced a more detailed report and a set of Frequently Asked Questions which you can read by clicking on this link.

www.hartlepool.gov.uk/TeesValleyCombinedAuthorityConsultation

This sets out what the Combined Authority would do and what the local councils would continue to do. In summary, the Combined Authority would focus on economic growth and our ambition to create 25,000 new jobs for the Tees Valley.

What impact will this have on our existing local councils?

The role of each of the five councils will be undiminished. Each council will still be responsible, for example, for social care of young people and adults, local regeneration strategies, highways repairs and maintenance, libraries and the many other services we currently run.

This also means that a Combined Authority is NOT a recreation of the former Cleveland County Council.

Resource Implications

We estimate that there would be minimal additional running costs. For more information on this, please refer to the report and FAQs in the link above. In summary, the small additional running costs would be dwarfed by the potential financial gains from Government.

How do I have my say?

Please complete the online survey by no later than **31st January 2015**. There is space for your own wording too. Please complete the online survey at:

<https://www.surveymonkey.com/s/TeesValleyCombinedAuthorityConsultation>

What happens next?

We will report the conclusions of the consultation to all five councils no later than March 2015. If feedback is supportive, we intend to formally ask each Borough Council to approve our 'scheme' in March, which is when we have to submit our proposal to the Secretary of State.

The Secretary of State will then carry out further consultation before placing an 'Order' before both Houses of Parliament. Because of the General Election in May 2015, this is likely to mean that the earliest chance to have the Order approved before both Houses of Parliament would be Autumn 2015.



email: melanie.laws@northeastcouncils.gov.uk
tel: 0191 261 3910

28 January 2015

Councillor C Akers-Belcher
Leader of the Council
Hartlepool Borough Council
Civic Centre
HARTLEPOOL
TS24 8AY

Dear Christopher

Tees Valley Combined Authority proposal

Thank you for inviting the Association to respond to the consultation on the proposal for a Combined Authority in the Tees Valley.

On behalf of the Association, I am writing to confirm that we support the proposal, which builds on established and successful working across the local authorities in the area. We very much welcome the core ambition expressed in the proposal aimed at boosting the economy of the area.

This is an objective which is very much shared across all places in the region and we wish you well in your endeavours. We look forward to working with you in the coming months and years.

Yours sincerely

Councillor Paul Watson
Chair



Cleveland Police Headquarters
Ladgate Lane
Middlesbrough
TS8 9EH

Police and Crime Commissioner:
Acting Chief Constable:

Barry Coppinger
Iain Spittal

Tel: 01642 301653
Tel: 01642 301217

30 January 2015

Mr Ray Mallon
Mayor
Middlesbrough Borough Council
Town Hall
Middlesbrough
TS1 2QQ

By email only
ray_mallon@middlesbrough.gov.uk

Dear Ray

Proposed Combined Authority for the Tees Valley

We write in connection with the current consultation on the subject of the Tees Valley Combined Authority.

Although, as an elected Local Policing Body and Chief Officer respectively, we are neither statutory nor discretionary consultees in respect of the proposal, we felt it important to ensure that we make a submission setting out our positive view of the proposal.

We note the key features of the intended scheme and its overall intended purpose of setting the strategic vision, key priorities and outcomes for the Tees Valley and to deal with certain strategic funding matters.

Turning to the specific features of the TVCA we would wish to highlight the following

Approach and Ways of Working

We note and endorse the overall statements of strategic ambition for the Tees Valley in terms of achieving its economic potential. We agree that failure to progress this proposal at this time would represent a significant missed opportunity and we entirely agree that for the reasons set out in the reports that underpin your recent decision making, there has never been a better time to establish a Combined Authority.

We would be keen to engage closely with the Combined Authority's decision-making on economic development, skills and transport across the proposed TVCA area and would be willing to consider, should the Authority in due course think fit, any proposal which might arise in due course for co-opted involvement on the Authority.



The Police & Crime Commissioner for Cleveland is an accredited Living Wage Employer with the Living Wage Foundation.

As you would expect, we share the overall vision of the potential this proposal offers for achieving devolution of central government powers and we endorse the intention to operate the TVCA in a way which is cost-effective, which minimises bureaucracy and which achieves alignment with the decision-making of the Tees Valley Unlimited Local Enterprise Partnership.

Transport, Skills and Economic Growth

We are particularly anxious to underline our shared view that economic growth for the area can make a vital contribution to our goal of reducing crime, by addressing a key feature of its root cause. We note and would especially wish to endorse the proposal that TVCA should pursue targeted measures to increase employment and address worklessness, as well as committing to a coordinated programme of support for young people, adult learners and employers.

We are particularly interested in exploring the potential for co-commissioning of services generally, but in particular within this context those that focus upon young people.

Similarly, we support the ambitions of the TVCA's transport remit; improvement in the transport infrastructure being

- important on its own merits and in terms of the link with our remit over road traffic matters; and
- vital, we agree, in terms of its contribution to accelerating economic growth.

We note and endorse the opportunity for the TVCA as Integrated Transport Authority to ensure that investment is maintained in socially-necessary public transport routes.

Summary

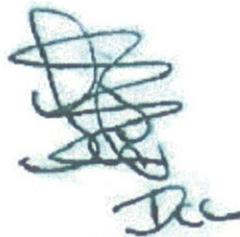
We support the proposal and would wish to make clear, at the outset, that we would wish to work closely with the TVCA and with partners in order to assist it to realise its potential.

We would be delighted to expand upon this submission in due course as the process develops.

Yours sincerely



Barry Coppinger
Police & Crime Commissioner



Iain Spittal
Acting Chief Constable

cc: Chief Executive



The Police & Crime Commissioner for Cleveland is an accredited Living Wage Employer with the Living Wage Foundation.

05 February 2015

Mrs Amanda Skelton
Chief Executive
Redcar & Cleveland Borough Council
Redcar & Cleveland House
Kirkleatham Street
Redcar TS10 1RT

Dear Amanda

Re: Proposals for a Combined Authority

Thank you for the opportunity to comment on the proposals for a Combined Authority for the Tees Valley, please accept this letter as the formal response from the North East Chamber of Commerce. NECC is the largest business representative organisation representing about 1,000 businesses in the Tees Valley area across all sectors and covering an estimated one third of the area's workforce.

The proposals for a Combined Authority have been circulated to our members in the Tees Valley for comment and discussed at a number of the NECC's Committee meetings in the five boroughs. This response therefore represents the considered view of our members from all parts of the Tees Valley.

We strongly support the proposals for a Combined Authority and see a move for the five Boroughs to work more closely together as a positive and sensible approach. Changes in Government policy and the possibility of attracting new areas of funding will require such co-operation if the Tees Valley is to have a strong voice.

Members also support the proposal to locate the Combined Authority with the LEP and to utilise the same staffing arrangements. We believe this is a sensible approach which will maximise expertise and minimise costs.

The Combined Authority will require clear, strong leadership to provide a strong voice for the Tees Valley and enhance connectivity with key decision makers in Government and the Business Sector.

However, whilst we support the proposals, there are a number of areas where we would like to see further commitments from the Combined Authority and LEP.

NECC
Commerce House,
Exchange Square,
Middlesbrough TS1 1DW
Tel: 0300 303 6322
E-mail: enquiries@necc.co.uk www.necc.co.uk

North East Chamber of Commerce Trade and Industry.
A Company Limited by Guarantee. Registered in England No 2938084.
Registered Office: Aykley Heads Business Centre, Aykley Heads, Durham DH1 5TS

Accredited by



Supporters of

north east
england

1. Working with other LEPs and Combined Authorities

A Combined Authority will give the Tees Valley a stronger voice but we would not wish to see the organisation being Tees Valley centric and would expect to see it working in a meaningful and transparent way with surrounding Areas or Areas with similar interests. As funding comes to the North of England through initiatives like “One North” Tees Valley should be seen to be working strategically with neighbouring authorities to make sure the strongest possible case is made for transport, infrastructure and resource investment. This may include giving support to projects which technically lie outside the political boundaries of Tees Valley but nevertheless are strategically important to the growth of the business footprint of the area. A Combined Authority offers the Tees Valley huge opportunity but it is not an island and it will need strategic allies and neighbours going forward to support the wider growth of the region.

It would also be hugely beneficial and cost effective to work more closely with other Authorities, LEPs and partnering organisations on matters relating to inward investment. Whilst we accept that the Tees Valley has its own sector specific strengths and particular offers, co-operation on inward investment support must be a sensible approach and one we would like to see taken forward.

2. Visitor Economy

Tees Valley has an economically significant visitor economy and so must work together with organisations such as NGI, Visit Durham and Visit Yorkshire. Too many opportunities to promote the Tees Valley alongside other key visitor attractions are being missed because there is no named contact with authority and the ability to speak for the Tees Valley on the Tourism and Visitor agenda.

3. Private Sector Representation

Whilst we acknowledge that the private sector board members on the LEP will be present at the joint board meetings, we would not wish to see a “two tier” board with Combined Authority matters being decided away from the official board meeting and then effectively “rubber stamped”. We have a very good record of working together across all sectors in the Tees Valley and will need to continue to attract good quality private sector board members to the LEP.

NECC will continue to support all the Local Authorities and the LEP through this process and if you require any further clarification on these or other issues, please do not hesitate to contact Rachel Anderson on 08450 768357.

Yours sincerely

Kiersten Avery
Chair – NECC Tees Valley Committee

NECC
Commerce House,
Exchange Square,
Middlesbrough TS1 1DW
Tel: 0300 303 6322
E-mail: enquiries@necc.co.uk www.necc.co.uk

North East Chamber of Commerce Trade and Industry.
A Company Limited by Guarantee. Registered in England No 2938084.
Registered Office: Aykley Heads Business Centre, Aykley Heads, Durham DH1 5TS

Accredited by



British
Chambers of
Commerce
Accredited

Supporters of

north east
england



Contact: Cllr Simon Henig
Direct Tel: 03000 268 820
Fax: 0191 383 3662
email: simon.henig@durham.gov.uk

BY EMAIL

Councillor Akers-Belcher
Leader
Hartlepool Borough Council
Civic Centre
HARTLEPOOL
TS24 8AY

26 January 2015

Dear Councillor Akers-Belcher

On behalf of the North East Combined Authority I am pleased to submit our response to the proposals to establish a Combined Authority for the Tees Valley.

The local authorities in the North East and Tees Valley share a commitment to creating the conditions for economic growth in the region, and this is underpinned by the strong working relationships that exist between the authorities and the two LEPs across the area.

We welcome the opportunity to respond, and believe that whilst identifying the most appropriate governance model for an area is clearly a matter for the authorities involved, the creation of a combined authority offers an effective statutory framework to take advantage of a range of opportunities to accelerate the economic prosperity of the North East. We are pleased to support the proposal for a combined authority in the Tees Valley as the preferred model for collaboration, and as arrangements evolve we look forward to a continued partnership approach on the key issues affecting the North East.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Simon Henig', written in a cursive style.

Councillor Simon Henig
Chair, North East Combined Authority

cc Dave Stubbs, Chief Executive

Principal Office: Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY

Seven Councils Working Together

Durham County Council • Gateshead Council • Newcastle City Council • North Tyneside Council
Northumberland County Council • South Tyneside Council • Sunderland City Council

29th January 2015

Amanda Skelton
Chief Executive Officer
Redcar & Cleveland Brough Council
Town Hall
Fabian Road
Eston
MIDDLESBROUGH
TS6 9AR

Dear Amanda

Re: Proposals for a combined authority

Thank you for the opportunity to comment on the proposals for a combined authority for the Tees Valley, please accept this letter as the formal response from PD Ports. We have already responded to the online survey issued by Tees Valley Unlimited.

PD Ports is one of largest employers in the Tees Valley region and is a significant contributor to the North East economy as well as a major player in the UK ports sector.

The proposals for a combined authority have been discussed at length within our business and amongst our customers, supplier and stakeholders enabling us to give a considered and informed response.

PD Ports strongly supports the idea of a combined authority and we believe that together we can be stronger and have greater impact on the region's growth and development as well as long-term economic prosperity.

Whilst our view is one of support for the proposals there are a number of important factors that we feel need to be put into place to ensure real benefits delivered.

- Clear leadership across the organisation, providing a stronger united voice for the region.
- Strong collaboration with other LEP and City Regions on matters relating to the Northern Powerhouse agenda.
- Private sector inclusion on transport and infrastructure to support the wider growth of the region.
- A specific focus on developing an Inward Investment team, which has strong links to partnering organisations.
- Act as hub for co-ordination for the Skills and Education agenda to ensure we meet the demands of business and invest in young people.
- Develop a more visible and stronger brand for the region and our connectivity with key decision makers in Government and the business sector.

Page 2

At PD Ports we look forward to working with the TVU to achieve our collective growth ambitions and deliver some world class infrastructure to our region.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Robinson', followed by a long horizontal line extending to the right.

**David Robinson MBE
Chief Executive Officer
PD Ports**

Mr Rob Mitchell
Head of Policy and Performance
Redcar and Cleveland BC
Redcar and Cleveland House
Kirkleatham Street
Redcar
TS10 1RT

29th January 2015

Dear Rob,

I write on behalf of Tees Valley Unlimited, the Local Enterprise Partnership for the Tees Valley area, to express our full support for the proposal that the five local authorities should establish a combined authority to undertake the functions set out in the Consultation documentation. TVU believes that a combined authority with responsibility for economic development, skills and transport will help greatly to achieve the task of creating sustainable prosperity for the area.

Building on the already excellent relationships that exist not only between the five authorities themselves but also with the LEP and the private sector the Combined Authority will provide an improved focus on devising and delivering strategies that will transform the Tees Valley economy as well as accessing greater resources and devolution of powers.

In this context the proposal to ensure that the combined authority and the LEP work as one in a seamless fashion will help keep the private sector at the heart of the partnership working needed to achieve all our aims and aspirations.

Best Wishes



Stephen Catchpole
Managing Director
Tees Valley Unlimited



NORTHERN REGION

**UNISON NORTHERN REGION RESPONSE TO THE
CONSULTATION ON A COMBINED AUTHORITY FOR
TEES VALLEY**

INTRODUCTION

UNISON, the public sector trade union represents 80,000 public sector workers, including 44,00 local government workers across the Northern Region. In addition we also represent workers in health, transport, higher and further education, community and voluntary sector, police and fire services. UNISON is committed to quality public services that deliver for the needs of our communities.

In a period of unprecedented change in the public sector UNISON works in partnership with public sector and private sector employers, retaining our commitment to the value of quality public services.

UNISON Northern Region therefore welcomes the opportunity to contribute to the consultation process offered by Hartlepool, Middlesbrough, Redcar & Cleveland, Darlington and Stockton-On-Tees councils.

UNISON has both an industrial workplace negotiating and bargaining, as well as a campaigning focus to maintain both quality public services for our communities, and also good public sector employment terms and conditions for public sector workers. UNISON Northern Region has been calling for the implementation of an alternative economic strategy which is based on investment in the public sector, create a climate for economic growth, reduce unemployment levels especially targeting youth unemployment, and delivers fairness for all. A growth strategy for the Region is needed, and there needs to be an understanding of the symbiotic relationship between public sector employment and economic spending power in the private sector. As this region has the highest level of unemployment in the country, with youth unemployment remaining at critical level, and the continuing public sector job losses set to increase, UNISON is also committed to tackling the issue of regional poverty given that we have some of the worst areas of deprivation in the UK. With one in two jobs in the public sector done by women we are also concerned about the increase in women's unemployment and underemployment in the region and its effect on families and the local economy.

The public sector is a major contributor to the regional economy and job market, particularly in local government and health which represent the largest employers in the region.

UNISON has a footprint across all public sector services in the region. UNISON members contribute to the quality of life in our communities and economy. UNISON's alternative economic strategy is geared to delivering economic growth, good jobs and social justice.

The public sector is a major contributor to the regional economy and job market, particularly in local government and health which represent the largest employers in the region.

UNISON is a key voice for public sector workers. We have a footprint across the region. Our members are active not only at work but in their communities. They contribute to the quality of life in our communities and economy. UNISON's alternative economic strategy is geared to delivering economic growth, good jobs and social justice.

The key issues for UNISON are:

- Quality public services that deliver for communities across the region;
- Apprenticeships and quality jobs;
- An integrated transport system that includes rural communities;
- Democratic accountability;
- Skills development, lifelong learning and retraining;
- Ensuring people from under-represented parts of our communities are supported into quality employment;
- The opportunity for UNISON to be included in consultation and negotiation on future delivery of public sector services in the region, especially in shared services and functions;
- The position of how the proposed Combined Authority will be led.

UNISON Northern Region's response concentrates on the issues that are of significance to us. As a major voice for working people in the region, this response is based on our perspective of the proposals and our industrial priorities.

REGIONAL ECONOMY

Since 2011 UNISON has been campaigning for an economic strategy that will create demand in the economy, will create employment through investment in skills and the infrastructure, and that sees investment in public services as a boost to the economy. While we recognise that this region has a reliance on public sector employment, and with Government spending cuts affecting the region drastically, UNISON still believes, along with leading economists, that the Government's austerity measures are hindering the region's economic recovery; a view that was shared by the International Monetary Fund in its review of the UK economy in May 2013. Investment in the public sector will help a regional transition to a more balanced economy and attract inward investment.

Public sector workers make a significant contribution to the regional economy. For every pound earned by a public sector worker 70p will be spent in the local economy. With 8.5% unemployment in the region, further public sector job losses will potentially see unemployment rise. The private sector is not creating jobs at the rate

that they are being lost in the public sector. Since 2010 the region has lost approximately 59,000 public sector jobs. However, the sector still represents 1:4 jobs in the region.

The scale of the public sector cuts means that the region is facing a significant impact on our economy as a result. One in three children in the region lives in poverty. The Child Poverty Action Group has highlighted how the job shortage in the region exasperated by further public sector job losses will lead to rising child poverty. 10 of the North East local authorities have child poverty levels above the UK average. Shelter has identified the North East as the UK hotspot for house repossessions.

UNISON would wish to see a Combined Authority tackle the issue of unemployment across the 5 Local Authority areas as a matter of urgency, especially youth unemployment. UNISON supports the view, the region needs “more and better jobs”. It is also UNISON’s contention that new jobs, if they are to be better jobs have to provide at least a Living Wage, and we have been actively campaigning as a trade union against zero hours contracts, particularly in the public sector. It is to be hoped that this would be a consideration for a Combined Authority. In addition secure employment is vital to address the problem of the growth in short term temporary low paid jobs within the region, especially in the Teesside area. Better paid jobs make for a better economy and quality of life.

SCOPE AND REMIT OF THE COMBINED AUTHORITY

UNISON is committed to democratic accountability and the right of citizens to be consulted on the creation of a Combined Authority, especially as it would be funded on a levy basis from council taxation.

UNISON recognises that the Combined Authority draft proposals do not indicate a merger of existing local authority functions, but the councils already work closely together with local business to strengthen the local economy, attract new business investment, create more jobs, support businesses to grow, and improve transport and local skills. The five councils already jointly fund an organisation called Tees Valley Unlimited (TVU) to work for the whole Tees Valley.

Clearly UNISON would wish to be included in discussions on any move to share services or integrate functions, at the earliest stage, and that would include not just in local government but in the wider public sector if such issues arise.

Local authorities have recently taken over responsibility for public health, and under the Health and Social Care Act 2012 is part of health commissioning. In respect of transparency, democracy and accountability UNISON would wish to see engagement by the Combined Authority to consult with other sectors of the public sector.

While recognising that a Combined Authority is not a replacement for the former Regional Development Agency, UNISON would anticipate that there would be an interface with trade unions in the remit of the Combined Authority, as there was with the RDA.

UNISON supports the Combined Authority being strategic with local authorities charged with delivering the strategy. UNISON would seek clarification of whether there would be standard terms and conditions of employment across the seven local authorities, which would require industrial bargaining.

The current proposal for a Combined authority involves 5 local authorities. Should the Combined Authority go ahead UNISON would require clarification of the implications if one of the 5 withdrew.

SKILLS

It is recognised that a means of addressing unemployment is through tackling the skills shortage within the region.

UNISON has been committed to providing lifelong learning within the public sector. Through our educational partnership agreements, we have worked closely with local authorities and health trusts to deliver essential skills training, skills acquisition and vocational training. UNISON would want to see this continuing, and given our experience believe that we have a contribution to make to develop the lifelong learning initiatives which we have run in conjunction with the Open University and Bridges to Learning.

Given the anticipated further job losses in the public sector UNISON would hope that the Combined Authority would include skills training for those public sector employees faced with redundancy or already made redundant.

In respect of Apprenticeships, the public sector has played a crucial part in creating apprenticeship opportunities both in local government and the NHS. The priority for UNISON would be to see quality apprenticeships that deliver quality jobs. Apprenticeships are a means of addressing youth unemployment and in addition developing skills for long term unemployed and the underemployed.

A major concern is how the funding is going to be channelled from central government to the Combined Authority to deliver the vision for skills. Further clarification is required about the role of further and higher education in delivering the skills agenda and the implication of funding for this sector. It is also important to retain graduates in the region to boost the regional economy which also means that there needs to be job opportunities for them to encourage them to stay.

Equality is at the heart of UNISON and we would expect that a Combined Authority would enshrine equality into its skills agenda. UNISON would wish to see skills training deliver equality and quality.

In addressing women's unemployment as part of a skills vision for the region consideration would also need to be given to the barriers to women, particularly the access to quality affordable childcare.

Further clarification is required in respect of how and by whom career advice will be delivered. UNISON represented members in the Connexions services and those staff who transferred to local authority responsibility. It is an area that we consider to be crucial for both young people and the long term unemployed.

Given the divergent quality of training provider that has been experienced, additional clarification is also required on what is defined as a "learning provider" and how quality can be maintained.

TITLE OF THE NEW BODY

In respect of the title for the new body, UNISON would favour Economic Prosperity Board rather than Combined Authority, as we believe the former is more inclusive than a Combined Authority which implies that the only stakeholders are local authorities and not the wider economic community. As a trade union we would aspire to be part of an industrial partnership that can contribute to economic growth and skills within the region.

CONCLUSION

UNISON at regional level welcomes being given the opportunity to contribute to the consultation exercise for the Combined Authority. UNISON has concerns that if a second Combined Authority is created in the region there will be competition between the two instead of one strategic voice for our region. UNISON has and is keen to continue on a collaborative basis to work with the local authorities involved in proposal for a Tees Valley Combined Authority. A disappointment for UNISON is that despite this partnership approach there is no formal inclusion of the trade unions to the strategic development of the Tees Valley, especially as we are an engine of change, and we would welcome that formal links be considered with the trade unions and UNISON in particular.

UNISON would also seek clarification, as a matter of urgency, as to whether there is an intent to introduce an Elected Mayor for Tees Valley.

UNISON looks forward to a continued dialogue with the 5 local authorities for which we have had a commitment. UNISON is committed to contributing to the economic sustainability of the region and as a significant stakeholder within the North East.

Draft Final Scheme for the Establishment of a Combined Authority for the Tees Valley

Background

The findings of the Review of governance arrangements relating to transport, economic development and skills pursuant to Section 108 of the Local Democracy Economic Development and Construction Act 2009 (LDEDC) and Section 82 of the Local Transport Act 2008, are that a Combined Authority (CA) shall be created both as the best option for the area going forward because it would be likely to improve:

- the exercise of statutory functions relating to economic development and transport in the area;
- the effectiveness and efficiency of transport in the area; and
- economic conditions in the area.

This document is the proposed Final Scheme prepared by the five Tees Valley Authorities (the 'Constituent Councils') pursuant to the LDEDC for approval by the Secretary of State by which it is proposed a CA be created.

Establishment of Authority

1. A Combined Authority for the Tees Valley shall be established pursuant to Section 103 of the Local Democracy Economic Development and Construction Act 2009 (LDEDC). It is intended that this shall come into existence from October 2015.

Area

2. The area of the CA shall be the whole area of each of the five Constituent Councils namely:
 - Darlington Borough Council
 - Hartlepool Borough Council
 - Middlesbrough Council
 - Redcar & Cleveland Borough Council
 - Stockton-on-Tees Borough Council
3. The evidence suggests that the Tees Valley represents a self-contained functional economic market area (FEMA) in its own right and that there would likely be an improvement in economic prosperity should a CA for the area of the Tees Valley be established.

Name

4. The name of the CA shall be the Tees Valley Combined Authority.

Membership

5. The CA shall consist of a total of 5 Members comprised as set out below:-
6. Each of the five Constituent Councils shall appoint one of its elected members as a Member of the CA. All appointments shall be for a one year term.
7. We want our CA to be as efficient and effective as possible. One means of achieving this is to make the business and meetings of both the LEP and the CA seamless. Our intention is to join the meetings together, supported by a single officer team (TVU staff), with a single agenda.
8. Representatives of the business community comprising the members from Tees Valley Unlimited Board (the 'LEP') shall also become non-voting board members of the CA, to be appointed for a term of 3 years.
9. This model brings to decisions the expertise of business in the Tees Valley, and ensures through the CA that the local authorities are accountable for the money that is being spent. Business members would effectively be expert non-executive directors of the CA.
10. In the event that any of the LEP members referred to above cease to be a LEP board member, they shall also automatically cease to be a CA board member.
11. The LEP board members shall also have a right to resign in their own right from the CA board by providing reasonable notice of the same.
12. The Constituent Councils shall each appoint another of its elected members to act as a substitute Member of the CA in the absence of the Member appointed in accordance with the terms above.
13. A council may at any time terminate the appointment of a local authority Member or a substitute Member appointed by it to the CA.
14. Where a local authority Member or substitute Member of the CA ceases (for whatever reason) to be a Member of the council that appointed them, the Member shall cease to be a Member of the CA and the relevant council shall appoint a replacement as soon as practicable.
15. No remuneration shall be payable by the CA to its members other than standard allowances for travel and subsistence.
16. Intention - Recognising that membership of the CA cannot be determined by reference to a particular office of an appointing council, it is nevertheless the intention that the most appropriate membership for the CA would be the five Leaders or the Directly Elected Mayors of the Constituent Councils, as appropriate.

17. The Chair and Vice Chair of the CA shall be appointed annually for a one year term from amongst the representative Members of the Constituent Councils, with the intention that the positions shall rotate between the Constituent Councils on an annual basis.

Voting

18. The following voting arrangements will be applied:

- a) Un-weighted voting based on one member one vote, with no casting vote for the Chair or Vice Chair.
- b) Five representative Members and/or nominated substitutes represent a quorum.
- c) Decision-making shall be structured to ensure that issues of critical importance to the Boroughs, such as those which placed costs or risks on the Borough Councils, are taken only by Leaders and the elected Mayor.
- d) The constitution of the CA shall set out that decisions will be taken in accordance with the following framework agreed by the CA and formally by each local authority individually:
 - Statement of Ambition: the strategy in accordance with which the LEP and the CA will work
 - Investment Plan
 - Annual rolling LEP / CA Medium-Term (3-4 year) Financial Plan, including local authority financial contributions
 - Annual Business Plan
 - Local Transport Plan
- e) The CA shall not have the power to incur expenditure on behalf of other authorities, nor the power to place additional risks on other authorities over and above expenditure and risk that is a result of what is agreed by each authority and covered by the Combined Authority constitution, including the investment, business and financial plans.
- f) Beyond the above, each matter arising at a meeting of the CA shall be determined by a majority of the votes of the Members present and voting; each representative Member or substitute Member acting in that Member's place shall have one vote and no Member has a casting vote.
- g) If a vote on any matter referred to at (f) above is tied, it shall be deemed not to have been carried.

Executive Arrangements

19. Executive Arrangements (within the meaning of the Local Government Act 2000) shall not apply to the CA. However, the discharge of the functions of the CA will be subject to the scrutiny arrangements set out in this scheme.

Scrutiny arrangements

20. The CA shall appoint one scrutiny committee which shall comprise members appointed to it by each of the Constituent Councils. In order to achieve this, it is intended to request the Secretary of State to apply Section 9JA of the Local Government Act 2000 to the CA as it does to a committee system local authority but with these amendments.
- The Combined Authority shall appoint one scrutiny committee under s9JA(1); and
 - The Secretary of State will be requested to make regulations under s9JA(2)(b) with respect to its functions composition and procedure.

Functions of the Combined Authority

21. A great strength of the area has been its ability to demonstrate its unity of purpose in securing a more prosperous economic future. The five local authorities of the Tees Valley, working together with business as the LEP, have firmly established the sub-region on the national stage. An obvious example of our unity is the Statement of Ambition with its clear explanation of the policies to be pursued in achieving sustainable prosperity.
22. Our partnership is robust. It is a matter of great credit acknowledged by the Government, Business Representative Organisations such as Confederation of British Industries, Chamber of Commerce, Federation of Small Businesses, the Manufacturers' Organisation for Britain (EEF), and Institute of Directors and neighbouring areas that the grasping of opportunities to help implement our economic strategy has only been possible because of the area's local authorities' steadfast ability to work together and in concert with the private sector. There is a focussed and proactive approach to growth which is pursued at the sub-regional level. This approach has led to a successful Enterprise Zone and numerous Regional Growth Fund (RGF) awards for local companies.
23. Building on the strengths of our partnership, we are clear that new arrangements and powers would:
- Combine the strengths of our LEP with new powers afforded by a Combined Authority.
 - Be non-bureaucratic. A Combined Authority which operates as the LEP would achieve this.
 - Be cost-effective. Our analysis estimates that there is limited additional cost across the Tees Valley to deliver more effective decision-making and delivery of our strategy.
 - Not re-create the former Cleveland County Council. A Combined Authority would not do this - it would assist decision-making on matters of jointly agreed priorities of economic development, skills and transport across the five Boroughs, and
 - Ensure we continue to work in harmony with business.

Transport Functions

24. In the application of s101 of the Local Government Act 1972 any other transport functions delegated to the CA from time to time by the constituent Councils shall be functions of the CA.
25. This shall include the full range of powers available to an Integrated Transport Authority pursuant to the Local Transport Act 2008.
26. The Power of Wellbeing under chapter 3 of the LTA 2008 will apply to the CA by virtue of that Act.
27. The CA will have ancillary general powers pursuant to section 113A of the LDEDC 2009.
28. Specific transport functions for the CA shall include to:
 - a) Develop and approve the Rail Strategy
 - b) Develop and approve the Transport and Infrastructure Strategy including transport topics of significant importance e.g. Rail, Strategic road network and Airports.
 - c) Manage and develop the successful on-going strategic relationship with the Highways Agency, and other Government departments and agencies (i.e. DfT, Network rail, rail franchise holders)
 - d) Deliver modelling and analytical support for scheme and strategy schemes in relation to economic development.
 - e) Approve and submit bids for funding for Tees Valley level transport schemes.
 - f) Develop, approve and implement in collaboration with the Local Authorities capital project procurement for transport schemes at a Tees Valley level.
 - g) Represent those Authorities comprising the CA within regional, pan-northern and national for a lobbying for more investment in infrastructure.
 - h) To approve the Rail Strategy and the Transport and Infrastructure Strategy.
 - i) To approve and submit bids for transport scheme funding.
 - j) To approve the procurement of Tees Valley level transport schemes.

Economic Development Functions

29. By virtue of sections 99 and 102A of the Local Transport Act 2008, the CA will have broad well-being powers to promote economic prosperity, which can be exercised together with general ancillary powers granted by section 113A of the LDEDC Act 2009 (as amended by the Localism Act 2011).
30. It is proposed that the CA will be focussed on strategic economic development issues which shall include a remit to:
- a. Prepare, monitor and review the Tees Valley-level economic strategy (Statement of Ambition, Investment Plan, Business Plan, Action Plans etc) for approval by each of the Member Authorities
 - b. Undertake economic assessment, research and provide an evidence base for economic strategy at the Tees Valley level and at the Borough level.
 - c. Prepare and submit policy responses to consultations that impact on the economy of the Tees Valley
 - d. Develop and manage interventions, projects and programmes which respond to the economic strategy of the Tees Valley
 - e. Prepare and submit funding bids for interventions, projects and programmes which respond to economic strategy at a Tees Valley level.
 - f. Be responsible for ensuring that core business advisory services are available to SMEs across the Tees Valley, with additional business support services being delivered, in consultation with the Local Authorities, to meet each Borough's individual sector priorities.
 - g. To approve the Tees Valley-level economic strategy (comprising e.g. the Statement of Ambition, Investment Plan, Business Plan, Action Plans etc).
 - h. To approve the submission of responses to consultations.
 - i. To approve the submission of funding bids.
31. The primary focus of the CA will be to manage a significant programme of investment in transport and economic infrastructure, and to influence and align with government investment, in order to boost economic growth. The related interventions will have differential spatial impacts across the CA area but should aid delivery of key growth projects in the emerging and future local plans of Constituent Councils. Having regard to the duty to co-operate, effective alignment between decision making on transport and decisions on

other areas of policy such as economic development, employment and skills initiatives, business investment and low carbon strategies will be a key aim.

Incidental Provisions

32. The CA shall exercise any function of the Secretary of State delegated to the CA by order of the Secretary of State pursuant to Section 86 of the LTA 2008 and Section 104(1) (b) of the LDEDCA 2009. Such functions shall be exercised subject to any condition imposed by the order.
33. The CA shall also have the following terms of reference and delegated powers in relation to Employment and Skills:
- a. Take a lead role in relation to Employment and Skills policy initiatives.
 - b. Lead on activities to drive the TVU Employment Skills Advisory Group.
 - c. Lead activities to develop the Tees Valley Employment, Learning and Skills Framework and encourage implementation across the five Local Authority areas.
 - d. Influence high level content of the DWP Work Programme and FE provision.
 - e. Develop links and Employment and Skills policy alignment with 14-19 activities.
 - f. Influence DWP prime provider performance through attending regular reviews and ensuring that TVU priorities are fed through to delivery programmes, and on a borough level depending on need.
 - g. Engage with DWP providers/employers on the ground to facilitate closer working between partners and create additional/sustainable job opportunities across the Tees Valley.
 - h. Provide intelligence to providers (including primary and secondary schools) on future skills and labour market requirements, aligned to the growth plan whilst working with colleagues and other learning providers to develop a more labour market focus to their delivery, share emerging markets and skills sector knowledge
 - i. Work with partners to join up the employer offer across Tees Valley and link with similar regional/local aims to provide dedicated access points for employers (via websites and key contacts).

- j. Coordinate the production of Tees Valley materials and resources to support and develop aspirations and choice, working closely with all partners.
- k. Co-ordinate a sub-regional network of key partners/providers to manage co-ordinated employer support for multiple vacancies etc.
- l. Work with employers, Sector Skills Councils etc to develop/facilitate sector focussed training opportunities linked to areas of future growth in the labour market.
- m. Ensure that employment and worklessness initiatives are effectively targeted at those farthest from the labour market.
- n. Ensure that local and national initiatives are coordinated into a coherent programme of support for young people, adult learners and employers
- o. Work with partners/key employers to develop more structured opportunities for unemployed people to access jobs.

34. The CA shall also have the following terms of reference and delegated powers in relation to Business Investment:

- a. Undertake business engagement and support including SMEs in consultation with the Local Authorities.
- b. Develop and approve a strategy and action plans for work of Tees Valley level significance in relation to:
 - o Investment by both UK and foreign owned companies
 - o Relocation into the Tees Valley from another UK source
 - o Investment for the first time by non-UK companies
 - o Exporting by Tees Valley companies
 - o Supply chain development
- c. Take responsibility for enquiry and client handling, liaising with clients and public and private sector partners across the Tees Valley; Site allocation, site briefs, identifying business synergies.
- d. Identify existing and emerging opportunities, defining marketing targets by industry sectors/sector analysis and developing strategy.
- e. Undertake marketing to attract Tees Valley level opportunities into the Tees Valley.
- f. To approve a Tees Valley wide strategy for business investment, inward relocation, exporting and supply chain development.

35. The CA shall also have the following terms of reference and delegated powers in relation to Low Carbon

- a. Undertake project and financial management of studies linked to the Low Carbon Strategy.
- b. Liaise with Government departments and agencies to address barriers to investment.
- c. Coordinate consultation responses to a range of related consultations from Government, including National Planning Statements and energy policy, as well as EU legislation.
- d. Provide support to industry to develop low carbon infrastructure such as Carbon Capture and Storage, district heating, energy hubs, novel waste technologies and energy from waste plants.
- e. Assist in the preparation of funding bids for industry projects for national and European funds and the Green Investment Bank.
- f. Further developing relationships with NEPIC, CPI and other groups such as PICCSI and other relationships to assist in the delivery of key projects.
- g. Help to develop and articulate Tees Valley's offer as one of the largest integrated low carbon networks in Europe.
- h. Examine new delivery vehicles for the key projects.

Funding

36. It is intended that the running costs of the CA shall not in themselves result in any significant increase in the cost of delivery of the functions ascribed to it over and above the current costs associated with the delivery of those functions by the LEP and the Constituent Councils.

37. The running costs of the CA, unless mutually agreed to be amended, shall be apportioned as follows:

DARLINGTON	15.8%
HARTLEPOOL	14.7%
MIDDLESBROUGH	20.9%
REDCAR & CLEVELAND	21.0%
STOCKTON-ON-TEES	27.7%

38. The revenue expenditure and funding of the CA shall be agreed on an annual basis as determined at paragraph 18(d) above.

39. Any additional expenditure in excess of that determined at paragraph 18(d) should be apportioned at the time of approval.
40. The CA will have the power to access other sources of funding as they become available.

Sub structures

41. The CA will act as a strategic decision making body. Therefore in order to fulfil the significant range of operational duties, powers and functions transferred, the Constituent Councils may put in place appropriate arrangements to ensure fit for purpose sub structures.
42. The Constitution of the CA is to include the ability to create the following sub-committees/panels:
- transport committee
 - an investment panel

Tees Valley Unlimited Local Enterprise Partnership (LEP)

43. The Review sets out the importance of a strong LEP which effectively brings together the private and public sector in driving the economic prosperity of the Tees Valley.
44. By making provision for continuing to work closely with the LEP, for example by integrating CA and LEP meetings, decisions taken by the CA will more fully reflect business views. These views, both in terms of shaping prioritisation and scheme design, will ensure that any public investment is targeted to maximise local business benefit which is key to economic growth.

10 February 2015