



TEES VALLEY COMBINED AUTHORITY CABINET

Friday, 31 January 2025 at 10.00am

Meeting held at Teesside Airport Business Suite, Teesside International Airport,
Darlington

(These Minutes are in draft form until approved at the next Cabinet meeting and are therefore subject to amendments.)

<u>ATTENDEES</u>	
Members	
Mayor Ben Houchen (Chair)	Tees Valley Mayor
Councillor Brenda Harrison	Leader Hartlepool Borough Council
Councillor Stephen Harker	Leader, Darlington Borough Council
Mayor Chris Cooke	Leader, Middlesbrough Council
Councillor Alec Brown	Leader, Redcar and Cleveland Borough Council
Councillor Bob Cook	Leader, Stockton-on-Tees Borough Council
Officers	
Gary Macdonald	Group Director of Finance and Resources, Tees Valley Combined Authority (part of meeting)
Emma Simson	Chief Legal Officer and Monitoring Officer, Tees Valley Combined Authority
Tom Bryant	Director of Infrastructure, Tees Valley Combined Authority (part of meeting)
Sarah Brackenborough	Director of Operations, Tees Valley Combined Authority
Elaine Braham	Governance Officer, Tees Valley Combined Authority
Charlotte Benjamin	Monitoring Officer, Middlesbrough Council
Mike Greene	Chief Executive, Stockton on Tees Borough Council
Ian Williams	Chief Executive, Darlington Borough Council
Apologies	
Helen Kemp	Business Solutions Director, Tees Valley Combined Authority
Erik Scollay	Chief Executive, Middlesbrough Council
Denise McGuckin	Managing Director, Hartlepool Borough Council

Julie Gilhespie	Group Chief Executive, Tees Valley Combined Authority
Siobhan McArdle	Chair, Business Board
John Samson	Chief Executive, Redcar and Cleveland Borough Council
Brian Archer	Executive Director, Growth, Enterprise and Environment, Redcar and Cleveland Borough Council
Tony Hanson	Director of Neighbourhoods and Regulatory Services

TVCA 43/24- 25	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were noted as above.</p>
TVCA 44/24- 25	<p>DECLARATIONS OF INTEREST</p> <p>Mayor Houchen declared a non-pecuniary interest in his capacity as Chair of South Tees Development Corporation (STDC) Board, Hartlepool Development Corporation (HDC) Board and Middlesbrough Development Corporation (MDC) Board.</p> <p>Councillor Alec Brown declared a non-pecuniary interest in his capacity as a member of the STDC Board and Freeport Board.</p> <p>Councillor Brenda Harrison declared a non-pecuniary interest in her capacity as a member of the HDC Board.</p> <p>Mayor Chris Cooke declared a non-pecuniary interest in his capacity as a member of the MDC Board.</p>
TVCA 45/24- 25	<p>MINUTES OF PREVIOUS MEETING</p> <p>RESOLVED – That the minutes of the meeting held on 20 December 2024 were confirmed as a true and accurate record.</p>
TVCA 46/24- 25	<p>MAYORS UPDATE</p> <p>The Tees Valley Mayor provided a verbal update to members in respect of recent announcements.</p> <ul style="list-style-type: none"> Amazon had confirmed that its Darlington fulfilment centre will host the maiden UK flights of Prime Air, its drone-based delivery service. He acknowledged the extensive work undertaken by Teesside International Airport in securing this contract, and thanked Darlington Borough Council for their support.

	<ul style="list-style-type: none"> • Draken announced that they had renewed their agreement with the Ministry of Defence, securing its Teesside operations for a further four years. • A planning application in respect of the Gresham project had been submitted, and members were being briefed around next steps. <p>Members had the opportunity to ask questions, and these are noted below:</p> <ul style="list-style-type: none"> • The Leader of Redcar & Cleveland Borough Council asked for a meeting outside of Cabinet to discuss the repairs needed to the footbridge at South Bank. The Mayor explained that discussions are ongoing with Network Rail and agreed to a meeting. <p>RESOLVED – That Cabinet noted the update.</p>
<p>TVCA 47/24- 25</p>	<p>ADOPTION OF INVESTMENT PLAN, BUDGET 2025-2026 AND MEDIUM-TERM FINANCIAL PLAN</p> <p>Cabinet members had received a report from the Group Director of Finance and Resources in respect of the Investment Plan, Draft Budget for 2025-2026 and the Medium-Term Financial Plan (MTFP).</p> <p>It recommended that the Combined Authority Cabinet:</p> <ol style="list-style-type: none"> Approves the final Budget for 2025-2026, Medium-Term Financial Plan, and the adoption of the Investment Plan. Approves the pay policy statement for 2025-2026 as set out in Appendix H. <p>The Director of Finance and Resources advised that the budget report was post consultation period. Consultation with Overview & Scrutiny had taken place before Christmas and their feedback had been included in the documentation, alongside additional responses from the public consultation. The response to any public questions submitted in respect of today's meetings would be published online. The investment for 2025/2026 is just over £300m across a number of areas, there had been some very recent notifications from central government in terms of UKSPF funding at £21m, this had been projected at £6m in MTFP and will be updated before the Cabinet in March.</p> <p>In addition other allocations that had not been covered as announced post draft were an estimated £5m in Youth Trailblazer funding and a further estimated £5m in Connect to Work funding, once this had been worked through with partners this will be reported back to Cabinet.</p>

Other points to note are borrowing levels and interest rates, the draft budget is based on an average of 5%, Tees Valley Combined Authority (TVCA) have secured some debt which is lower than this to date, this will remain under review and will be reported back to Cabinet.

An indicative average had been included in respect of CRST2, the Transport team are working with government, and once numbers are known will be updated in the MTFP.

Members had the opportunity to ask questions, and these are noted below:

- The Leader of Redcar & Cleveland Borough Council noted the dip in reserves from the previous years. The Director of Finance and Resources explained that the reserves are made up of two elements. The 'Earmarked' element is monies that TVCA holds where projects are spread over a number of years. The 'General Reserves' are relative to the core budget, this is reviewed regularly, and if TVCA think it is prudent to amend the level of reserves this will be brought to Cabinet for approval.
- The Leader of Redcar & Cleveland Borough Council asked if TVCA were concerned about the level of reserves. The Director of Finance and Resources explained that TVCA protect the organisation through funding agreements, in doing so derisking projects. The national picture of inflation can affect the market, and there is a need to take a view, therefore there is a potential risk to reserves.
- The Leader of Hartlepool Borough Council noted the positive ongoing rail projects, but felt there was a need to improve the rail network. Whilst they acknowledged that TVCA does not have control over this, they felt it would be beneficial to discuss this further outside of Cabinet. The Tees Valley Mayor felt it would be beneficial for the Transport team to provide Cabinet members with an update. He noted that in 2017 the Darlington station key project was about improving services, but in resolving this problem it has shifted the problem down the line to other stations. The infrastructure that is currently being put in place will impact the services that could be delivered, and a timely detailed conversation is needed with the operators as any improvements are likely to take 9-12 months to implement. The government is accelerating rail devolution, and some preliminary work is underway with neighbouring areas, a collective officer group is working on the basics, and a rail board is to be set up for the region as a whole. This will be a long-term plan over 5-7 years.
- The Leader for Redcar & Cleveland Borough Council asked for a meeting in respect of Land of Iron to discuss continued funding. They

	<p>noted that for 2027-2028 there was currently no funding allocated for tourism. The Director of Finance and Resources explained that TVCA had advised up until the funding expires, a new funding programme will be developed, and Cabinet will be advised once this is known. It was agreed that a meeting would be convened to discuss outside of Cabinet. The Tees Valley Mayor advised that once there is more clarity this will be fed into the budget process and will filter down into these programmes.</p> <ul style="list-style-type: none"> • The Leader of Redcar & Cleveland Borough Council asked if the Business Board had provided comment on the budgets. The Director of Finance and Resources advised that he had met with the Chair of the Business Board, who are lobbying around the next three years spending review period. The next cycle TVCA are in with government is in terms of the latest spending review which is envisaged to cover a three year period. Once the spending review levels are known this will be included in future budget planning. The Tees Valley Mayor noted the need to project to funding cycles and that the one-year cycles had not been helpful. • The Middlesbrough Mayor asked if there were any pots of funding where due to slippage time was running out to spend it, noting one of the pots was only 8% allocated. He noted the need to understand when those projects are scheduled to come to an end and if unachievable consideration be given to monies potentially being reallocated elsewhere. The Director of Finance and Resources explained that it may not have a hard stop date of the end of March, and advised that the finance team works on this proactively. <p>RESOLVED – That Cabinet:</p> <ul style="list-style-type: none"> i. Approved the final Budget for 2025-2026, Medium-Term Financial Plan, and the adoption of the Investment Plan. ii. Approved the pay policy statement for 2025-2026 as set out in Appendix H.
<p>TVCA 48/24- 25</p>	<p>ANNUAL GOVERNANCE STATEMENT</p> <p>The Group Chief Legal Officer proposed that this item be deferred as the latest version of the Annual Governance Statement had not been shared with Cabinet. They did however advise that the correct version had been approved by TVCA Audit and Governance Committee.</p> <p>It was agreed that this would be brought back for Cabinet approval. The Group Director of Finance and Resources advised that all legal timeframes would need to be adhered to.</p>

	<p>The auditors were to be updated immediately, and was subject to sign off by Cabinet.</p> <p>RESOLVED – That Cabinet to review the Annual Governance Statement at the Cabinet meeting in March.</p>
<p>TVCA 49/24- 25</p>	<p>GOVERNANCE AND APPOINTMENTS</p> <p>Cabinet received a report from the Group Chief Legal Officer setting out a number of appointments to be approved by the TVCA Cabinet and provided an update to Cabinet in relation to any Delegated Decisions taken by officers since the last Cabinet meeting on 20 December 2024.</p> <p>It recommended that the Combined Authority Cabinet:</p> <ol style="list-style-type: none"> i. Approve the appointment of the Cllr Paul Salvin as a substitute member of the South Tees Development Corporation (STDC) Audit and Governance Committee, and Delegate Authority to the Monitoring Officer to enact the Constitutional changes proposed in Appendix 1. ii. Approve the appointment of Cllr Aaron Roy as a substitute member to the Hartlepool Development Corporation (HDC) Audit and Governance Committee, and Delegate Authority to the Monitoring Officer to enact the Constitutional changes proposed in Appendix 1. iii. Approve the appointment of Cllr Jill Ewan as a substitute member of the Middlesbrough Development Corporation (MDC) Audit and Governance Committee, and Delegate Authority to the Monitoring Officer to enact the Constitutional changes proposed in Appendix 1. iv. Approve the appointment of the individual named in paragraph 1 of Appendix 2 to this Report. v. Ratify the appointment of the individual names in paragraph 2 of Appendix 2 to this Report. vi. Approve the individual named in Appendix 2 of this Report as Deputy Monitoring Officer. <p>The Group Chief Legal Officer highlighted that Appendix 2 to the report was confidential, <i>by virtue of paragraph 1 (information relating to any individual) and paragraph 2 (information which may identify an individual) and Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information) of</i></p>

	<p><i>Schedule 12A of the Local Government Act 1972</i>, and any discussion of that element of the paper would need to be in closed session.</p> <p>Cabinet were given the opportunity to ask questions, and none were asked.</p> <p>RESOLVED – That Cabinet</p> <ul style="list-style-type: none"> i. Approved the appointment of Cllr Paul Salvin as substitute member to the STDC Audit and Governance Committee. ii. Approved the appointment of Cllr Aaron Roy as substitute member to the HDC Audit and Governance Committee. iii. Approved the appointment of Cllr Jill Ewan as substitute member to the MDC Audit and Governance Committee. iv. Approved the appointment of the individual named in paragraph 1 of Appendix 2 to the Teesside Freeport Board. v. Delegated Authority to the Monitoring Officer to enact the Constitutional changes proposed in Appendix 1. vi. Ratified the appointment of the individual named in paragraph 2 of Appendix 2 to be a substitute on the Teesside Freeport Board. vii. Approved the appointment of the individual named in Appendix 2 as the Deputy Monitoring Officer.
	<p>The following two agenda items were deemed to be exempt. The Leader of Hartlepool Borough Council proposed the exclusion of press and public and the Middlesbrough Mayor seconded this.</p> <p>Those in the public gallery left the meeting.</p> <p>The Director of Finance and Resources and the Director of Infrastructure left the meeting.</p>
<p>TVCA 50/24- 25</p>	<p>Appoint Process (1) in accordance with the Authority's Constitution and Pay Policy Statement</p> <p>RESOLVED: That Cabinet accepted the recommendations.</p>
<p>TVCA 51/24- 25</p>	<p>Appoint Process (2) in accordance with the Authority's Constitution and Pay Policy Statement</p> <p>RESOLVED: That Cabinet noted and approved the recommendations.</p>

TVCA 52/24- 25	PUBLIC QUESTIONS The Chair informed members that 26 public questions had been received and these would to be answered in line with the public participation protocol.
TVCA 53/24- 25	DATE AND TIME OF NEXT MEETING Friday, 28 March at 10.00am

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