



Minutes

TEES VALLEY COMBINED AUTHORITY CABINET

Friday 22nd September 2023 at 10am

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>	
<u>Members</u>	
Mayor Ben Houchen (Chair)	Tees Valley Mayor
Councillor Stephen Harker	Leader, Darlington Borough Council
Councillor Mike Young	Leader, Hartlepool Borough Council
Chris Cooke	Mayor of Middlesbrough
Councillor Alec Brown	Leader, Redcar and Cleveland Borough Council
Councillor Robert Cook	Leader, Stockton-on-Tees Borough Council
Siobhan McArdle	Chair, Business Board
<u>Officers and Others in Attendance</u>	
Julie Gilhespie	Group Chief Executive, Tees Valley Combined Authority
Emma Simson	Acting Group Chief Legal Officer and Monitoring Officer, Tees Valley Combined Authority
Gary Macdonald	Group Director of Finance & Resources, Tees Valley Combined Authority
Tom Bryant	Assistant Director Transport & Infrastructure, Tees Valley Combined Authority
Helen Kemp	Head of Business & Skills, Tees Valley Combined Authority
Mike Greene	Managing Director, Stockton-on-Tees Borough Council
John Sampson	Managing Director, Redcar & Cleveland Borough Council
Denise McGuckin	Managing Director, Hartlepool Borough Council

Ian Williams	Chief Executive, Darlington Borough Council
Tony Campbell	Chair of the Independent Remuneration Panel
Sally Henry	Governance Officer, TVCA
Apologies	None

TVCA 11/23	<p>APOLOGIES FOR ABSENCE</p> <p>There were no apologies for absence.</p>
TVCA 12/23	<p>DECLARATIONS OF INTEREST</p> <p>Mayor Houchen declared a conflict in relation to Item 5, Appendix 1 and recommendation ii, being the Independent Remuneration Panel's recommendation to Cabinet on the Tees Valley Mayoral Allowance.</p>
TVCA 13/23	<p>MAYOR'S UPDATE REPORT</p> <p>The Chair introduced a report providing a general update on the key activities of the Mayor and Combined Authority since the last Cabinet meeting.</p> <p>In addition to the contents of the report, Cabinet was also advised that Take That will appear at the Riverside Stadium next year and tickets go on sale next week</p> <p>The Mayor invited Cabinet to ask questions or comment on the report.</p> <p>Mayor Cooke enquired about the expected dates of completion of the works on both Middlesbrough Railway Station and Darlington Railway Station. He was advised that works are on track to be completed on schedule.</p> <p>Cllr Brown enquired whether there was funding available to assist with the necessary repairs of the bridge at Southbank station. He was advised that officers from Redcar & Cleveland and TVCA have a meeting with Network Rail in a few weeks to discuss the bridge at Southbank and that he will be informed of the outcome of the meeting.</p>

	<p>Cllr Young advised Cabinet that Hartlepool Station is close to completion, looks fantastic and has been a success with passengers.</p> <p>He also advised that the Tall Ships event had been a huge success and thanked the Combined Authority for its help and support.</p> <p>Councillor Harker enquired as to what the long-term projections are for the balance between passenger and freight income at Teesside International Airport. He was advised by the Chair that, long term, freight income will far exceed passenger income. The Chair also confirmed that he was confident that the airport financial situation is ahead of the target set in the 10-year Business Plan.</p> <p>It was also confirmed that growth is as a result of income from cargo and property estate, including ad-hoc income from Nissan who have used the cargo facility to bring in car parts, and also from automotive companies based in the Midlands.</p> <p>RESOLVED that Cabinet noted the update.</p>
<p>TVCA 04/23</p>	<p>GOVERNANCE & APPOINTMENTS</p> <p>Mayor Houchen declared a conflict in relation to Appendix 1 and recommendation ii, being the Independent Remuneration Panel's recommendation to Cabinet on the Tees Valley Mayoral Allowance.</p> <p>Cabinet was invited to:-</p> <ul style="list-style-type: none"> • Ratify the appointments as detailed in the Report; • Confirm the Portfolio responsibilities of Cabinet members as detailed in the Report; • Note the progress of the Business Board; • Approve the proposed amendments to the TVCA Constitution and; • Approve the Annual Governance Statement. <p>Cabinet was invited to ask questions or comment on these items. Mayor Cooke commented on the layout of the report and the way in which the recommendations were recorded, which the Acting Monitoring agreed to consider for future reporting to Cabinet.</p> <p>Mayor Houchen then left the meeting while Cabinet discussed Appendix 1 to the report, being the Independent Remuneration Panel's recommendation to Cabinet on the Tees Valley Mayor's allowance.</p> <p>As Deputy Mayor, Councillor Harker took on the role of Chair for this section of the meeting.</p>

	<p>Tony Campbell, the Chair of the Independent Remuneration Panel, introduced the report. Councillor Cook commented that, while he had been part of the Cabinet which had requested the Mayoral Allowance be looked at again, he had not voted for it. He also commented that the report was not factually correct as it refers to the Stockton Leader’s salary not having increased since at least 2019. The Stockton Leader’s salary has not increased since 2013.</p> <p>In response to the report suggesting the need to ‘incentivise’ candidates for the role of Mayor, it was commented that Mayoral candidates should be incentivised enough coming into the role to make a difference to the area they represent, not because of the salary.</p> <p>Following a detailed discussion, Cllr Brown proposed that Cabinet reject the recommendation within the report. Cllr Young seconded the proposal. Cabinet then unanimously agreed to reject the recommendation of the Independent Remuneration Panel.</p> <p>On returning to the meeting and being informed of the decision, Mayor Houchen commented that it was a vote for common sense.</p> <p>RESOLVED that Cabinet:-</p> <ul style="list-style-type: none"> i. agreed the appointments set out in Paragraphs 1 to 5 of the Report; ii. considered and rejected the recommendations of the Independent Remuneration Panel with regards to the Mayoral Allowance as set out in Appendix 1; and iii. agrees the proposed amendments to the TVCA Constitution – a copy of which is attached as Appendix 2 with tracked changes shown.
<p>TVCA 15/23</p>	<p>QUARTER 1 BUDGET REPORT AND MEDIUM TERM FINANCIAL PLAN UPDATE</p> <p>Cabinet was provided a report which provided an update on the financial position of the Combined Authority for the period ending 30 June 2023 and presented a revised Medium-Term Financial Plan (MTFP).</p> <p>Cabinet members were invited to ask questions or comment on the report.</p> <p>Cllr Cook enquired whether the increase in borrowing is affordable with the increase in interest rates and revenue payments. He was advised that TVCA have made assumptions within the financial plan and sometimes we borrow below that number and sometimes TVCA borrows over it, so it averages out across the plan. It is kept under close observation by</p>

specialist advisers and if it is felt changes are required, proposals will be brought forward to Cabinet. This will be looked at again as part of the budget setting process which will be brought to Cabinet in December and January.

Cabinet enquired whether risk assessments have taken place on reducing the amount of reserves from £4m to £2m and if reducing the reserves leaves the investment plan vulnerable. They were advised that, in terms of expenditure, all projects are risk assessed. When grants are issued, they are fixed cash sums so the people we are providing the funding to are responsible for any costs over and above the grants issued. TVCA receives regular returns and updates to ensure they can still deliver the projects and the outputs we require.

In terms of funding, TVCA often receives funding in advance - at the beginning of the year or at the start of programmes. Therefore, TVCA's earmarked reserves are for money it has received for projects that it knows about, and TVCA expects to be consumed at the end of the programme.

The general reserves are a modest amount linked to core operating costs and is smaller proportionately to all the capital projects we have.

Members were informed that TVCA monitors interest rates closely to see if the Investment Plan needs to be adjusted accordingly. A medium to long term view is taken on this.

The Chair commented that the teams delivering projects should be very proud that projects are being delivered which had funding allocated pre-covid and before the global and national economy changed so significantly.

Mayor Cooke asked why there was no table showing the general reserves. It was explained that TVCA does not operate like a Local Authority. It do not have the revenue cost pressures that Local Authorities have. TVCA invests in capital projects, and its revenue costs are mainly our core operating costs.

The Chair highlighted that Stockton Council still have £6m unspent for Billingham which was given out last July. With current inflation rates, the buying power of the £6m is not what it was over a year ago. Councillor Cook commented that the money will be going towards a Sports Hub in Billingham.

Cllr Harker asked about concessionary fares allocations and was advised that TVCA has made an assessment for the year, based on the same level until TVCA hears differently from Government.

	<p>Tom Bryant advised that, to date, deals have been done will all operators except Arriva. The DfT is adjusting its calculator for the new financial year so TVCA has based the budget on our current position. Tom Bryant further advised that we should manage expectations around what operators think they are entitled to.</p> <p>Cllr Harker commented that there is nothing in the report relating to individual projects, their milestones and expected expenditure. Ian Williams advised that Darlington receive quarterly project variance reports on all major projects and any significant variances are reported to Cabinet.</p> <p>The Group Chief Executive advised Cabinet that quarterly Investment Plan delivery reports could be brought to Cabinet meetings in future.</p> <p>RESOLVED that Cabinet:-</p> <ul style="list-style-type: none"> i. Approve the quarter 1 outturn position for 2023/24; and ii. Approve the revised Medium-Term Financial Plan.
<p>TVCA 16/23</p>	<p>TEES VALLEY UK SHARED PROSPERITY FUND – PROGRAMME UPDATE</p> <p>Cabinet was presented a report which provided an update on the Tees Valley UK Shared Prosperity Fund (UKSPF) programme 2022-2025 including delivery activity to date under each of the Investment Priorities and set out a proposed Forward Plan for the remaining duration of the 2022-25 programme.</p> <p>Cabinet members were invited to ask questions or comment on the report.</p> <p>Councillor Cook requested clarity that, if Business Cases are not submitted by 31st December, funding will be not withdrawn. He pointed out that Stockton Council would meet that deadline.</p> <p>Cabinet was advised that there is a deadline to spend the funding to reduce the threat of clawback from Government. Ian Willaims suggested that if any LAs were concerned that they would not meet the deadlines, they should flag it either through Tees Valley Management Group or Chief Executives.</p> <p>Mayor Cooke asked if available grants could be clearly marked capital or revenue as there has been some confusion in Middlesbrough in the past.</p> <p>RESOLVED that Cabinet:-</p> <ul style="list-style-type: none"> i. Noted the content of report.

	<ul style="list-style-type: none"> ii. Agreed the UKSPF Forward Plan 2022-25 update (September 2023-March 2025) – ensuring all remaining UKSPF funding is brought to market leaving sufficient timescales for project delivery. iii. Agreed the date of 31 December 2023 as the deadline for Local Authorities to submit Community Safety proposals – mitigating the risk that would result in having uncommitted Tees Valley UKSPF programme funding.
<p>TVCA 17/23</p>	<p>TEES VALLEY BUSINESS BOARD UPDATE</p> <p><i>At this point in the meeting, a resolution was proposed to exclude the press and public under paragraph 3 of schedule 12a of the Local Government Act 1972, in order that Cabinet could consider matters of a confidential nature. The resolution was proposed by Cllr Young and seconded by Cllr Cook.</i></p> <p>Cabinet was advised that the recruitment process for the membership of the Tees Valley Business Board has concluded and a list of the proposed members was detailed within appendix 1 of the report.</p> <p>Membership is aligned, where possible, to the economic priorities of the Combined Authority to ensure that business leaders can fully integrate with Combined Authority structures to influence and effect change. The Board will deliver for Business, Work and Visit.</p> <p>The Chair of the Business Board advised Cabinet members that 90 expressions of interest were received including recommendations from the Local Authorities. She then drew up a short list and spent the summer interviewing, along with Matthew Ord who is the only remaining member of the LEP Board.</p> <p>The proposed list of Business Board members was then circulated to Cabinet members in advance of the Cabinet meeting and no objections were received.</p> <p>Cabinet enquired what the expectations of Board members is and they were advised that there will be quarterly meetings. Also, business engagement in the form of attendance at business forums and events.</p> <p>The Group Chief Executive explained that the reason the appendix to this report is confidential is that it contains the names of individuals. Once the appointment letters have been issued and the appointments accepted, the names will made public.</p> <p>Mayor Houchen expressed his thanks to The Business Board Chair for her work on this.</p>



	RESOLVED that Cabinet confirmed the appointment of the proposed Business Board members.
	DATE OF NEXT MEETING Friday 15 th December 2023 at 10am