



Minutes

TEES VALLEY COMBINED AUTHORITY CABINET

Friday 19th July, 2024 at 10.00am

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 Stephen Harker	Leader, Darlington Borough Council
Councillor Brenda Harrison	Leader Hartlepool 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	
Julie Gilhespie	Group Chief Executive, Tees Valley Combined Authority
Gary Macdonald	Group Director of Finance and Resources, Tees Valley Combined Authority
Emma Simson	Acting Group Chief Legal Officer and Monitoring Officer, Tees Valley Combined Authority
Tom Bryant	Director of Infrastructure, Tees Valley Combined Authority
Shona Duncan	Head of Business Solutions
Ian Williams	Chief Executive, Darlington Borough Council
Denise McGuckin	Managing Director, Hartlepool Borough Council
Richard Horniman	Director of Regeneration, Middlesbrough Council
John Sampson	Chief Executive, Redcar and Cleveland Borough Council



Garry Cummings	Deputy Chief Executive and Director of Finance, Stockton-on-Tees Borough Council
Sally Henry	Governance Officer, TVCA
Apologies	
Councillor Brenda Harrison	Leader Hartlepool Borough Council
Siobhan McArdle	Chair, Tees Valley Business Board
Mike Greene	Chief Executive, Stockton on Tees Borough Council

	<p><u>CHAIR'S OPENING REMARKS</u></p> <p>The Chair opened the meeting and welcomed everyone.</p>
TVCA 05/24	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were received and noted as above.</p>
TVCA 06/24	<p>DECLARATIONS OF INTEREST</p> <p>Cllr Bob Cook declared an interest in the Stockton Housing Partnership item. All Local Authority Leaders declared an interest in the Adult Skills item.</p>
TVCA 07/24	<p>MINUTES OF PREVIOUS MEETING</p> <p>RESOLVED that the minutes of the meeting held on 27 June 2024 were confirmed as an accurate record.</p>
TVCA 08/24	<p>GOVERNANCE AND APPOINTMENTS</p> <p><i>Appendix 1 to this report is not for publication by virtue of paragraphs 1 (information relating to any individual) and 2 (information which is likely to reveal the identity of any individual) of schedule 12A of the Local Government Act 1972.</i></p> <p>The Chair advised Cabinet that the appendix to this report is confidential so if the details of it are to be discussed, the members of the press and public would need to be excluded.</p> <p>The Chair introduced a report which detailed a number appointments for agreement and confirmation by the Combined Authority Cabinet.</p> <p>The Acting Group Chief Legal Officer and Monitoring Officer provided Cabinet with an explanation of all the recommendations within the report and members were given an opportunity to comment or ask questions.</p>

	<p>No comments were made or questions asked.</p> <p>RESOLVED that Cabinet:-</p> <ul style="list-style-type: none"> i. APPROVED the appointment of Councillor Steve Nelson as the Chair of Overview and Scrutiny Committee and Councillor Ian Blades as Vice Chair of Overview and Scrutiny Committee; ii. NOTED and ENDORSED the appointment of the Substitute Member on the Hartlepool Development Corporation Board as Councillor Tom Feeney, Deputy Leader of Hartlepool Borough Council; and iii. APPROVED the appointment of Andrew Cottrell to the Freeport Board and CONFIRMS that the appointment made following verbal notification at its meeting on 27 June 2024, was in error and that the appointment should not stand.
<p>TVCA 09/24</p>	<p>OVERVIEW AND SCRUTINY COMMITTEE ANNUAL REPORT 2023/24</p> <p>Cabinet were provided a report which summarised the work of the Overview & Scrutiny Committee for the period July 2023 to June 2024.</p> <p>The Mayor introduced the report and then the Chair of the Overview & Scrutiny Committee, Councillor Steve Nelson was introduced to Cabinet members. The Mayor congratulated him on his new role as Chair of the Overview & Scrutiny Committee and thanked him for playing a key role in achieving some positive outcomes over the previous municipal year.</p> <p>Cllr Nelson then highlighted some key areas of the annual report before thanking his predecessor Cllr Haszeldine, the Governance & Scrutiny officers at TVCA and the Group Legal Manager who have, collectively played a key role in helping make improvements of the scrutiny function.</p> <p>Members were given an opportunity to comment or ask questions. No comments were made or questions asked.</p> <p>RESOLVED that Cabinet noted the Overview & Scrutiny Annual Report 2023/24.</p>
<p>TVCA 10/24</p>	<p>TRANSPORT PROGRAMME UPDATE</p> <p>Cabinet received a report from the Director of Infrastructure providing an update on the transport programme approved by Cabinet, to be delivered with the second round City Region Sustainable Transport Settlement (CRSTS2) published indicative allocation of £978m.</p>

	<p>Cabinet were advised that a Transport Programme Update report is presented to Cabinet at every meeting and that this report shows there has been significant progress made across the programme.</p> <p>Tom Bryant advised Cabinet that Department of Transport guidelines are still needed but the work being undertaken puts TVCA in a strong position for when guidelines are received. TVCA continues to work closely with officer teams across all the Local Authorities.</p> <p>The Mayor commented that there is a lack of certainty over the CRSTS allocation as a result in the change in Government but hopes to have that clarified at the Budget.</p> <p>Members were given an opportunity to comment or ask questions. No comments were made or questions asked.</p> <p>RESOLVED that Cabinet noted the update on the development of the CRSTS2 programme</p>
<p>TVCA 11/24</p>	<p>QUARTER 4 BUDGET REPORT AND MEDIUM-TERM FINANCIAL PLAN UPDATE</p> <p>Cabinet received a report which provided an update on the financial position of the Combined Authority for the period ending 31 March 2024 and presented a revised Medium-Term Financial Plan (MTFP).</p> <p>The Group Director of Finance & Resources provided an overview of the report. He advised Cabinet that some assumptions have been made on borrowing and as a result the team are keeping a close eye on borrowing interest rates. He also advised that a prudent approach is being maintained with regards transport allocations.</p> <p>The report also included a breakdown of each thematic area in terms of key changes and further explanations are included throughout the report.</p> <p>Members were given an opportunity to comment or ask questions.</p> <p>Ian Williams enquired why there is a significant drop in the Place figure for 2025/26 and 2026/27. He commented that regeneration projects are often long-term projects. He was advised that the main projects within this area were the RGF programmes and Local Authority programmes. It is difficult to forecast that far in advance however TVCA keep a close eye on fiscal events and will be guided and steered by those.</p> <p>Cllr Harker commented that appendix B references reserves and asked whether this is unallocated funds, unearmarked money?</p>

	<p>He was advised that the majority of reserves are earmarked for projects. Often government grant allocations are received in advance or span financial years. There is a very small general reserve fund of approximately £1m which is to cover any risks associated with TVCA's core costs.</p> <p>RESOLVED that Cabinet:-</p> <ul style="list-style-type: none"> i. Noted the quarter 4 outturn position for 2023/24; and ii. Approved the revised Medium-Term Financial Plan.
<p>TVCA 11/24</p>	<p>TREASURY MANAGEMENT OUTTURN REPORT 2023/24</p> <p>Cabinet were provided a report which informed them of the 2023/24 performance against the treasury management and prudential indicators set in the Treasury Management Strategy, approved by the Authority in March 2023.</p> <p>The Group Director of Finance & Resources provided an overview of the report and invited members to comment or ask questions. No comments were made or questions asked.</p> <p>RESOLVED that Cabinet noted the contents of the report.</p>
<p>TVCA 12/24</p>	<p>TEES VALLEY INVESTMENT ZONE UPDATE</p> <p>Cabinet were provided a report which provided an update on progress with the Tees Valley Investment Zone, prior to the announcement of the UK General Election.</p> <p>The Group Chief Executive advised Cabinet members that, following discussions with civil servants, she has been advised to continue with Investment Zones and that government hope to provide sign-off on ours asap. She further advised that it still may be rolled into the Single Pot and if this is the case, it should be viewed positively as it will increase the flexibility on what we can spend it on.</p> <p>Members were given an opportunity to comment or ask questions.</p> <p>Cllr Cook enquired whether, in paragraph 5 of the report, it was possible to also include the high growth cluster in Stockton's Care, Health & Innovation zone. He was advised that it is important that we get this right at the beginning because if it isn't right at the start of the process, civil servants will not allow it to be changed further down the line. We have a high level of flexibility on what can be spent on business support across the whole Tees Valley and this is a Tees Valley wide Investment Zone. We have worked closely with civil servants to maximise the amount funding that is in the categories that can be spent across the Tees Valley.</p>



	<p>The Chair advised Cllr Cook that his request has been noted and that officers will continue to liaise with civil servants on the subject.</p> <p>RESOLVED that Cabinet noted the contents of the report.</p>
<p>TVCA 13/24</p>	<p>TEES VALLEY REVIEW UPDATE</p> <p>Cabinet were provided an update report on the Independent Review into the Tees Valley Combined Authority's oversight of the South Tees Development Corporation and Teesworks Joint Venture (Teesworks Limited). The update also included the process for implementation of the recommendations within that Report.</p> <p>Emma Simson advised Cabinet members that a full report will be presented to the Overview & Scrutiny Committee and then both TVCA and STDC Audit & Governance Committees before being presented to Cabinet in September.</p> <p>Members were given an opportunity to comment or ask questions. No comments were made, or questions asked.</p> <p>RESOLVED that Cabinet noted the progress of the work of the Statutory Officers Working Group and the progress towards implementation of the recommendations in the Tees Valley Review.</p>
<p>TVCA 14/24</p>	<p>STOCKTON HOUSING PARTNERSHIP</p> <p>Cabinet were provided a report which provided an overview of the vision for the Stockton Municipal Quarter.</p> <p>The Group Chief Executive JG provided an overview of the report and advised members that TVCA have been working closely with Stockton to redevelop civic centre area of the town centre. There is an issue in providing suitable housing because of viability gaps so Stockton brought a proposal to the Combined Authority. The details of this Joint Venture have not been finalised yet but the proposal is that TVCA will co-invest.</p> <p>Agreement was sought from Cabinet in principle for TVCA and SBC to establish the joint venture vehicle to invest. Cabinet were advised that it is anticipated that the TVCA borrowing facility, available for access by Stockton Borough Council, will be required. Access to this borrowing facility was approved at the TVCA Cabinet meeting in January 2024. Any applications to access this facility will need to follow the processes as set out by TVCA Cabinet.</p>

	<p>Members were given an opportunity to comment or ask questions.</p> <p>Councillor Cook commented that the blueprint for Central Stockton and North Thornaby Central will be presented to Stockton’s Cabinet meeting on 18th July 2024 however the decision cannot be implemented until the end of July to allow for any possible Call-In.</p> <p>The Mayor commented that it has been good to work with Cllr Cook and his team at Stockton Borough Council on this project.</p> <p>Cllr Cook advised that there is a video which shows the project and agreed that this would be forwarded on to TVCA to share.</p> <p>Cllr Brown commented that Redcar & Cleveland are currently reworking its Local Plan and would welcome a conversation to see what assistance TVCA could offer. The Mayor agreed that he would be more than happy for that conversation to take place.</p> <p>RESOLVED that Cabinet:-</p> <ul style="list-style-type: none"> i. Noted the blueprint produced for Central Stockton and North Thornaby. ii. Approved the agreement in principle for TVCA and SBC to establish a joint venture vehicle to invest in the Municipal Quarter. iii. Approved a TVCA allocation of £450,000 to contribute 50% towards specialist independent advisors (to be matched equally by SBC) to inform the detailed plans which will be brought back to Cabinet.
<p>TVCA 15/24</p>	<p>ADULT SKILLS</p> <p><i>(Appendix 1 to this report is not for publication by virtue of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) of schedule 12A of the Local Government Act 1972)</i></p> <p>The Chair advised Cabinet that the appendix to this report is confidential so if the details of it are to be discussed, the members of the press and public would need to be excluded.</p> <p>Cabinet were provided a report which recommended, for approval, the allocations to be made to the adult skills providers for the 2024/25 academic year, for the Adult Skills Fund¹ (ASF) (formerly Adult Education Budget (AEB)), and the Level 3 Free Courses for Jobs (FCFJ).</p> <p>Members were given an opportunity to comment or ask questions.</p>

Ian Williams advised that, following previous discussions at Chief Executives meetings, it is felt that they would prefer skills to move into outcome, job-ready based opportunities and asked if this was an approach that had been considered.

Shona Duncan advised that we are considering moving to an outcome based model for delivery for 2025/26 which is when we need to go back out to procurement.

Julie Gilhespie then provided comments that had been submitted by the Business Board.

The Chair of the Business Board was disappointed that nobody was able to attend Cabinet due to prior arrangements and that there was nothing in the Constitution to allow for anyone other than the Chair and nominated substitute to attend. Julie Gilhespie agreed that this could be looked at when the Constitution is next reviewed.

The Business Board also expressed a desire to be more involved in the Adult Skills process going forward, including the procurement process. They were disappointed at not being able to do that this year but that is because we are on a 3 year contract. They would like to see this become more business focussed in the future. If Cabinet approve this paper today, the Business Board will take a key role in making sure that we do take a more business approach to skills.

Cabinet were advised that the Business Board have expressed disappointment that this hasn't been progressed as they would have liked this year. The Chair agreed to share the comments received from the Business Board.

The Mayor commented that he felt everyone would like more involvement and input into the process going forward rather than receiving the recommendation at the end of the process so requested some sessions are arranged for this to happen.

Middlesbrough Mayor Chris Cooke advised Cabinet that a concern that is raised with him on a regular basis is from Middlesbrough Community Learning who deliver a lot of the Adult Skills training for Middlesbrough. The funding allocated is per learner and not for every course. This does not allow for rewarding progression.

The Chair agreed and highlighted that this is another reason why Cabinet members should be more involved in the procurement process for next time.

	<p>Shona Duncan confirmed that this is what is currently under consideration as part of the procurement process and TVCA are working closely with providers.</p> <p>Cllr Cook advised that a member of the Business Board sits on the Education, Employment & Skills group that he Chairs and is therefore in a good position to advise what is it that businesses need.</p> <p>Denise McGuckin commented that the average literacy age in the UK is 11 and in the North East it's a lot lower, between 7 and 9. We are doing our residents a disservice.</p> <p>RESOLVED that Cabinet:-</p> <ol style="list-style-type: none"> i. Approves the Adult Skills Fund and Level 3 Free Courses for Jobs funding allocations to the adult skills providers for the 2024/25 academic year as a ring-fenced allocation as set out in appendix 1, as the final year of the current AEB procured framework ii. Agrees that, following the approval of the allocations set out in Appendix 1, the operational management of the Adult Education Budget/Adult Skills Fund and the Level 3 Free Courses for Jobs (FCFJ) is handled in line with existing TVCA processes, including in year additional funding awards, reductions and the implementation of the required procurement process which shall be approved by the Group Director for Finance and Resources iii. Notes the national and local skills policy changes for the 2024/25 academic year set out in appendix 2. iv. Notes the approach set out to procure the next round of skills provision in the Tees Valley.
	<p>DATE OF NEXT MEETINGS</p> <ul style="list-style-type: none"> • Friday, 27 September 2024 • Friday, 20 December 2024 • Friday, 31 January 2025 • Friday, 28 March 2025 • Friday, 27 June 2025 <p>(All the above meetings to commence at 10.00am)</p>