



## **Tees Valley Combined Authority Cabinet**

### **Cabinet Meeting**

**Date:** Friday 27 June 2025 at 10:30am

**Venue:** Teesside Airport Business Suite, Teesside International Airport, Darlington, DL2 1NJ

#### **Membership:**

Mayor Ben Houchen (Tees Valley Mayor)

Councillor Stephen Harker (Leader of Darlington Borough Council)

Councillor Brenda Harrison (Leader of Hartlepool Borough Council)

Mayor Chris Cooke (Mayor of Middlesbrough)

Councillor Alec Brown (Leader of Redcar and Cleveland Borough Council)

Councillor Lisa Evans (Leader of Stockton-on-Tees Borough Council)

TBC (Chair of Tees Valley Business Board)

## Agenda

### **1. Apologies for Absence**

To receive any apologies for absence.

### **2. Declarations of Interest**

To receive any declarations of interest.

### **3. Tees Valley Mayor's Update**

To receive a verbal update on the key activities since the last Cabinet meeting not covered elsewhere on the agenda.

### **4. Appointment of Director of Inward Investment & Marketing**

To receive a report from the Director of Operations to consider the approval for the appointment of the recommended candidate.

### **5. (a) Appointment of Chief Executive – public report**

To receive a report from the Director of Operations to consider the approval for the appointment of the recommended candidate.

### **5. (b) Exclusion of the Press & Public – in relation to Item 5(c)**

To consider passing a Resolution Pursuant to Section 100A (4) Part 1 of the Local Government Act 1972 (the Act) excluding the press and public from the meeting during consideration of the following items on the grounds that if present there would be disclosure to them of exempt information falling within paragraph 1 of Part 1 of Schedule 12A of the Act (which exempts information relating to an individual) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

### **5. (c) Appointment of Chief Executive – confidential appendix**

Cabinet to consider the content of the Confidential Appendix referred to in the Report at Item 5(a) of this Agenda.

### **6. (a) Best Value Notice and Improvement Plan - public report**

To receive an update from the Interim Chief Executive in respect of the Best Value Notice and to consider approval of the Improvement Plan.

## **6. (b) Exclusion of the Press & Public – in relation to Item 6(c)**

To consider passing a Resolution Pursuant to Section 100A (4) Part 1 of the Local Government Act 1972 (the Act) excluding the press and public from the meeting during consideration of the following items on the grounds that if present there would be disclosure to them of exempt information falling within paragraph 1 (which exempts information relating to an individual) and paragraph 2 (which exempt information which is likely to identify an individual) and para of Part 1 of Schedule 12A of the Act ) and the interest in maintaining the exemption outweighs the public interest in disclosing the information.

## **6. (c) Best Value Notice and Improvement Plan – confidential appendix**

Cabinet to consider the content of the Confidential Appendix referred to in the Report at Item 6(a) of this Agenda.

## **7. Quarter 4 Budget Report and Medium-Term Financial Plan Update**

To receive and consider a report from the Group Director of Finance and Resources presenting an update on the financial position of the Combined Authority for the period ending 31 March 2025 and the reviewed Medium-Term Financial Plan.

## **8. Treasury Management Outturn Report 2024/2025**

To receive and consider a report from the Group Director of Finance and Resources presenting the 2024/2025 performance against the treasury management and prudential indicators set in the Treasury Management Strategy, approved by the Combined Authority in March 2025.

## **9. South Tees Development Corporation Medium-Term Financial Plan**

To receive a report from the Group Director of Finance and Resources providing an update on the South Tees Development Corporation Medium-Term Financial Plan.

## **10. Hartlepool Development Corporation Medium-Term Financial Plan**

To receive a report from the Group Director of Finance and Resources providing an update on the Hartlepool Development Corporation Medium-Term Financial Plan.

## **11. Middlesbrough Development Corporation Medium-Term Financial Plan**

To receive a report from the Group Director of Finance and Resources providing an update on the Middlesbrough Development Corporation Medium-Term Financial Plan

## **12. Teesworks Limited Accounts**

To receive a report from the Group Director of Finance and Resources providing the 2023/24 Teesworks Limited Accounts.

## **13. Transport Update**

To receive and consider a report from the Interim Director of Infrastructure presenting an update on the transport investment programme.

## **14. Overview and Scrutiny Committee: Recommendations of the Transport Sub-Committee**

To receive a report from the Group Chief Legal Officer presenting the recommendations of the Overview and Scrutiny Committee's Transport Sub-Committee for consideration by Cabinet.

## **15. Local Growth Plan & Investment Pipeline**

To receive and consider a report from the Interim Chief Executive presenting an update on the development of the Local Growth Plan, a proposed way forward and suggested publication date, and setting out the proposed approach to developing a Tees Valley strategic investment pipeline.

## **16. Get Tees Valley Working Plan**

To receive and consider a report from the Interim Chief Executive presenting an update on the development of the Get Tees Valley Working Plan, and the initial summary of proposals for the plan.

## **17. Adult Skills Update**

To receive a report from the Interim Director of Business Solutions presenting an update on the Adult Skills Procurement for 2025/26 and the proposed collaborative approach to 2026/27 development.

## **18. Connect to Work**

To receive and consider a report from the Interim Director of Business Solutions seeking Cabinet approval of the proposed Connect to Work Delivery Model.

## **19. Business Growth – Service Delivery Plan**

Cabinet will be invited to approve a new approach and UKSPF 2025/26 funding allocations.

## **20. Delegated or Urgent Decisions**

To receive a report from The Group Chief Legal Officer providing an update on any delegated or urgent decisions made since the last Cabinet meeting.

## **21. Date and Time of Next Meetings**

### **Members of the Public – Rights to Attend Meeting**

With the exception of any item identified above as containing exempt or confidential information under the Local Government Act 1972 Section 100A(4), members of the public are entitled to attend this meeting and/or access to the agenda papers.

Persons wishing to obtain any further information on this meeting or for details of access to the meeting for disabled people, please contact: The Governance Team – [tvtagovernance@teesvalley-ca.gov.uk](mailto:tvtagovernance@teesvalley-ca.gov.uk)

**BLANK PAGE**



## **Tees Valley Combined Authority Declaration of Interests Procedures**

1. The purpose of this note is to provide advice and guidance to all members (the Mayor, elected and co-opted members, substitute members and associate members) of the Combined Authority Cabinet, Sub-Committees and Tees Valley Business Board Board, on the procedure for declaring interests. The procedure is set out in full in the [Combined Authority's Constitution](#) under the "Code of Conduct for Members" (Appendix 8).

### **Personal Interests**

2. The Code of Conduct sets out in full, the principles on the general conduct of members in their capacity at the Combined Authority. As a general principle, members should act impartially and should not use their position at the Combined Authority to further their personal or private interests.
3. There are two types of personal interests covered by the constitution:
  - a. "disclosable pecuniary interests". In general, a disclosable pecuniary interest will involve any financial interests, such as paid employment or membership of a body, interests in contracts, or ownership of land or shares. Members have a pecuniary interest in a matter where there is a reasonable likelihood or expectation that the business to be considered will affect your well-being or financial position, or the well-being or financial position of the following persons:
    - i. a member of your family;
    - ii. any person with whom you have a close association;
    - iii. in relation to a) and b) above, their employer, any firm in which they are a partner, or a company of which they are a director;
    - iv. any person or body in whom persons described in a) and b) above have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
    - v. any body as described in paragraph 3 b) i) and ii) below.
  - b. Any other personal interests. You have a personal interest in any business of the Combined Authority where it relates to or is likely to affect:
    - i. any body of which you are a member (or in a position of general control or management) and to which you are appointed or nominated by the Combined Authority;
    - ii. any body which:
      - exercises functions of a public nature;
      - is directed to charitable purposes;
      - one of whose principle purposes includes influencing public opinion or policy (including any political party or trade union) of which you are a member (or in a position of general control or management).

### **Declarations of interest relating to the Councils' commercial role**

4. The constituent councils of the Combined Authority are closely integrated with its governance and financial arrangements, and financial relationships between the Combined Authority and Councils do not in themselves create a conflict of interest for Council Leaders who are also Combined Authority Cabinet members. Nor is it a conflict

Anything is possible



of interest if the Combined Authority supports activities within a particular council boundary. Nevertheless, there are specific circumstances where the Cabinet is considering entering into direct contractual arrangements with a council, for example in relation to a particular commercial investment project, or in which that council is a co-funder. In these circumstances a non-pecuniary declaration of interest should be made by the Council Leader or their substitute.

### **Procedures for Declaring Interests**

5. In line with the Code of Conduct, members are required to adhere to the following procedures for declaring interests:

### **Register of Interests**

6. Each member is required to complete a register of interests form with their personal interests, within 28 days of their appointment to the Combined Authority. If no declaration is received from elected members within 28 days the matter may be referred to the Head of Paid Service of your local authority and Leader of the political group you represent on your council for action. If a Declaration is not submitted within an appropriate timescale you may be prevented from attending committee meetings.
7. Details of any personal interests registered will be published on the Combined Authority's website, with the full register available at the Combined Authority's offices for public inspection. The form will be updated on an annual basis but it is the responsibility of each member to notify the Monitoring Officer of any changes to the register throughout the year. Notification of a change must be made to the Monitoring Officer within 28 days of becoming aware of that change.

### **Declaration of Interests at Meetings**

8. The Combined Authority will include a standing item at the start of each meeting for declaration of interests. Where members are aware that any of their personal interests are relevant to an item of business being considered at a meeting they are attending, they must declare that interest either during the standing item on the agenda, at the start of the consideration of the item of business, or when the interest becomes apparent, if later.
9. Where members consider that their interest could be considered by the public as so significant that it is likely to prejudice the members' judgement then they may not participate in any discussion and voting on the matter at the meeting, but may attend the meeting to make representations, answer questions or give evidence relating to the business, before it is discussed and voted upon.
10. If the interest is a disclosable pecuniary interest (as summarised in paragraph 3a) then the member must leave the meeting room during discussion and voting on the item of business, but may make representations, give evidence and answer questions before leaving the meeting room. Failure to comply with the requirements in relation to disclosable pecuniary interests is a criminal offence.

### **Sensitive Information**

Anything is possible



11. Members can seek the advice of the monitoring officer if they consider that the disclosure of their personal interests contains sensitive information.

**BLANK PAGE**

## DIRECTOR OF INWARD INVESTMENT & MARKETING

### SUMMARY

This Report sets out the options available to Cabinet in respect of the conclusion of a recruitment exercise for the post of Director of Inward Investment & Marketing.

### OPTIONS AVAILABLE TO CABINET AND RECOMMENDATIONS

In respect of proposals set out in this Report, the following options are available to TVCA Cabinet:

- (1) In relation to the proposals in respect of the Director of Inward Investment & Marketing
  - a. APPROVE the appointment of Craig Peacock as Director of Inward Investment & Marketing
  - b. NOT APPROVE the appointment of Craig Peacock as Director of Inward Investment & Marketing

### RECOMMENDED OPTION

The recommended option is Option 1(a).

### REASON FOR THE RECOMMENDATION

As detailed in this Report, this recommendation is made, following a thorough and robust recruitment process.

If the appointment proposed in this paper is not approved, there is a risk that, minus dedicated resourcing, TVCA will not be able to deliver against the announced Devolution White Paper published on 16 December 2024. The Government has expressed the intention

for the Office of Investment to work with Combined Authorities to maximise the attraction of large-scale Inward Investment into the UK.

## DETAIL

1. At its meeting on 31<sup>st</sup> January 2025, Cabinet approved the new post of Director of Inward Investment & Marketing and delegated authority to the Director of Operations in Consultation with the Section 73 Officer, Chief Legal Officer (Monitoring Officer), Head of People and Tees Valley Mayor to ensure the following is effected by TVCA:
  - i. the creation of, and recruitment to the new Director post in the TVCA structure in readiness for an open recruitment process in accordance with the provisions of this Report, any appointment to be subject to Cabinet approval.
2. In early March 2025, the services of Penna recruitment agency were procured, via a process that involved obtaining three quotations from agencies experienced in delivering local government executive recruitment, with the brief to assist with a recruitment campaign for a Director of Inward Investment & Marketing.
3. The role was advertised from 28<sup>th</sup> March to 22<sup>nd</sup> April 2025. Platforms included Penna and TVCA social media accounts, website and LinkedIn, and a comprehensive nationwide talent search undertaken by Penna.
4. On 29<sup>th</sup> April 2025, a longlisting meeting was held to discuss the candidate applications received. Attendees were Neil Schneider (former Chief Executive Officer - Stockton Borough Council and external support to process up to shortlisting), Julie Towers (Penna Recruitment Agency), Clare Winter (Assistant Director People & Operations – TVCA), Ben Houchen (Tees Valley Mayor), Cllr Brenda Harrison (Leader - Hartlepool Borough Council), Mike Greene (Chief Executive Officer - Stockton Borough Council) and Tom Bryant (Interim Chief Executive - TVCA).
5. Twenty-nine candidate applications were received. Eighteen were considered as not recommended by Penna for progression, and the longlist panel agreed with that analysis. Seven candidates were recommended and two were considered as needing further discussion taken. Following review and deliberation, the outcome of longlisting meeting was that nine candidates progressed to the next stage of technical interviews.
6. Between 29<sup>th</sup> April to 22<sup>nd</sup> May 2025 the nine candidates engaged in:
  - a) Technical interviews undertaken by Richard McGuckin, Executive Director, Place, Liverpool City Region Combined Authority with a Penna representative.
  - b) A candidate testimonial video submission
  - c) One-to-one conversations with Tom Bryant.

The outcome of this stage was that five candidates were recommended to progress to the shortlisting stage.

7. On 22<sup>nd</sup> May 2025, a shortlisting meeting was held. The attendees were the same as at the longlisting meeting prior. Reports from the technical interviews were reviewed ahead of the meeting. It was determined that a second meeting, with Richard McGuckin in attendance would be prudent to discuss the reports, and this meeting was held on 28<sup>th</sup> May.

Following this meeting, it was agreed that four candidates were agreed as suitable to take forward to the final assessment day.

8. On 4<sup>th</sup> June 2025, an assessment day was held with the following panels:
  - a) **An internal panel**  
Comprising Phil Forster (Managing Director - Teesside International Airport), John Barnes (Chief Operating Officer – South Tees Development Corporation) and Clare Winter.
  - b) **A stakeholder panel**  
Comprising Cllr Mandy Porter (Chair - TVCA Audit and Governance Committee), Cllr Ian Blades (Chair - TVCA Overview and Scrutiny Committee) and Brenda McLeish OBE (Board Member - Hartlepool Development Corporation).
  - c) **An appointments panel.**  
Comprising Mike Greene, Cllr Brenda Harrison, Tom Bryant, and Tees Valley Mayor Ben Houchen.

Candidates answered a series of questions and delivered a presentation to the appointment panel. It was agreed that the Internal and Stakeholder panels would provide feedback and a recommendation to the appointments panel to enable it to deliberate holistically, having been appraised of the candidate performance at the respective panels. The campaign yielded a strong field. Both the Internal and Stakeholder Panels equally arrived at the proposed appointee being appointable and the recommended candidate.

9. Following formal interview, feedback from the panels and a deliberation meeting held that day, the Appointments panel selected Craig Peacock as the preferred candidate.
10. Cabinet were collectively communicated with throughout this process on 21<sup>st</sup> March, 19<sup>th</sup> May and 23<sup>rd</sup> May by email.

## Remuneration

11. The salary for the Director of Inward Investment & Marketing post is £129,103.00 gross per annum.

## LEGAL IMPLICATIONS

12. Paragraph 119 of the TVCA Constitution provides that Cabinet shall appoint:

*'Other Directors as necessary, reporting to the Group Chief Executive.'*

The role contemplated by this Report falls within the above definition.

13. The TVCA Constitution provides, at paragraph 25, the decisions of TVCA Cabinet that require unanimous decision. They can be summarised as follows:
  - changes to the Constitution;
  - adoption, approval, amendment, withdrawal or revocation of the Tees Valley Investment Plan;
  - the adoption, approval, amendment, withdrawal or revocation of any medium-term financial plan, including the determination of any contribution from a constituent council;
  - the setting of any transport levy under Section 74 of the Local Government Finance Act 1988;
  - the adoption, approval, amendment, withdrawal or revocation of the Strategic Economic Plan and such other plans and strategies as may be determined unanimously by the Combined Authority and recorded in the Constitution.
14. The decision sought in this Report does not therefore require unanimous approval by Cabinet.
15. Paragraph 26 of the TVCA Constitution proves that where a decision does not need to be made unanimously, reasonable efforts should be taken to secure a consensus. Where a consensus cannot be reached, decisions shall be taken according to a simple majority vote, except that the Mayor must be part of the majority.
16. Each Cabinet member (including the Tees Valley Mayor) has one vote. Where a vote is tied, a decision is deemed not to have been carried.
17. In the event that the Tees Valley Mayor does not form part of a majority, the proposal shall be deemed to have been neither carried nor rejected. In these circumstances, a decision shall be deferred for a future meeting, to allow adequate time for the scope for consensus to be explored, after which time an alternative proposal may be brought forward for consideration.



## FINANCIAL IMPLICATIONS

18. The salary for the Director of Inward Investment & Marketing post is £129,103.00 gross per annum. This will be funded through core costs. The salary is subject to employers' national insurance and pension on costs.

## CONSULTATION AND COMMUNICATION

19. In line with the delegation, the process for the recruitment of the Director of Inward Investment and Marketing has now been undertaken and the recommendation is presented to Cabinet for consideration. Cabinet was collectively communicated throughout this process on 21<sup>st</sup> March, 19<sup>th</sup> May and 23<sup>rd</sup> May by email.

## RISK ASSESSMENT

20. The risk of not appointing, and the consequential resource and delivery gap has been explained within this Report.

## EQUALITY AND DIVERSITY

21. No specific impacts on groups of people with protected characteristics have been identified.

<b>Name of Contact Officer:</b>	Sarah Brackenborough
<b>Post Title:</b>	Director of Operations
<b>Telephone Number:</b>	01325 792600
<b>Email Address:</b>	<a href="mailto:sarah.brackenborough@teesvalley-ca.gov.uk">sarah.brackenborough@teesvalley-ca.gov.uk</a>

**BLANK PAGE**



The Appendix to this report is not for publication by virtue of paragraph 1 (information relating to any individual) of Schedule 12A of the Local Government Act 1972 which refers to information relating to any individual.

Agenda Item 5  
Report to the TVCA Cabinet  
27 June 2025  
Report of the Director of Operations

## TVCA CHIEF EXECUTIVE

### SUMMARY

This Report sets out the options available to Cabinet in respect of the conclusion of a recruitment exercise for the post of TVCA Chief Executive.

### OPTIONS AVAILABLE TO CABINET AND RECOMMENDATIONS

In respect of proposals set out in this Report, the following options are available to TVCA Cabinet:

- (1) In relation to the proposals in respect of the **TVCA Chief Executive role**:
  - a. **APPROVE** the appointment of Tom Bryant as TVCA Chief Executive.
  - b. **NOT APPROVE** the appointment of Tom Bryant as TVCA Chief Executive and to agree to:
    - i. The next steps to secure a permanent appointment to the post of TVCA Chief Executive; and
    - ii. the approval of the continuing appointment of Tom Bryant as Interim Chief Executive until a permanent appointment has been secured.

### RECOMMENDED OPTION

The recommended option is Option 1(a).

## REASON FOR THE RECOMMENDATION

As a public authority, TVCA is required by the Local Government and Housing Act 1989, to make appointments to three Statutory Officer roles – Head of Paid Service (Chief Executive Officer) s73 Officer and Monitoring Officer.

Tom Bryant has been in position as Interim Chief Executive since March 2025, and has demonstrated suitability for the post following the conclusion of a rigorous and wide-reaching, multi-staged recruitment process, the details of which are covered in this Report at points 5 to 14 inclusive.

If the appointment proposed in this paper is not approved, Cabinet would need to consider what options are available to ensure TVCA meets its Statutory obligations to have in place a Head of Paid Service, whilst considering other options for recruitment of a permanent post holder.

In the absence of a permanent appointment, the only option at this stage would be to continue with the appointment of an Interim Chief Executive, whilst an approved permanent appointment is secured. Cabinet would need to consider whether this would provide the sustainable leadership required for TVCA to continue its improvement journey and drive forward the transformation required. In this instance, as set out above, Cabinet would need to determine a way forward from options of:

- a) Continuing with the current interim arrangement for a set duration before re-commencing an external agency-supported recruitment campaign.
- b) Continuing with the current interim arrangement and immediately commence an external agency-supported recruitment campaign.

## DETAIL

1. At the TVCA Cabinet Meeting on 31<sup>st</sup> January 2025, Cabinet noted that the Group Chief Executive role was at risk of redundancy and the consultation process that would commence in relation to that role. A consultation period of four weeks was entered into with the Group Chief Executive. The result of this consultation was that no suitable alternative employment was found, and the post was made redundant on 28<sup>th</sup> February 2025. The Group Chief Executive worked three months of contractual notice and left the organisation on 31<sup>st</sup> May 2025.
2. The at risk of redundancy position of the Group Chief Executive role, resulted in the proposal of the creation of a TVCA Chief Executive post. Also at its meeting on 31 January 2025, Cabinet approved the proposal that the selection panels for the post of TVCA Chief Executive, would include a Chief Executive from one of TVCA's Constituent Authorities and a Leader from a different Constituent Authority of TVCA,

amongst other selection panel members to be agreed as part of the internal TVCA HR process.

3. In relation to the recruitment of the TVCA Chief Executive, Authority was delegated to the Director of Operations, in consultation with the Section 73 officer, Chief Legal Officer (Monitoring Officer), Head of People and Tees Valley Mayor to:
  - a) manage all work necessary to put in place the revised structure;
  - b) commence recruitment to the revised TVCA Chief Executive post in line with the proposals set out in this report, such appointment to be subject to the approval of Cabinet;
  - c) make arrangements for appropriate interim Chief Executive Officer cover as appropriate and required (subject to the remuneration for this interim post to be no more than that proposed for the TVCA Chief Executive Post); and
  - d) to notify the South Tees Development Corporation Board, at the earliest opportunity of the proposal to remove the Group Chief Executive role, with proposed timescales, to enable South Tees Development Corporation to ensure a smooth transition of its Chief Executive Functions.
4. On 1<sup>st</sup> March 2025, and pursuant to the delegation from Cabinet on 31 January 2025, Tom Bryant was appointed as interim Chief Executive until such time as a recruitment process had found a recommended candidate for the permanent post of TVCA Chief Executive Officer.
5. Following the conclusion of the consultation process with the former TVCA Group Chief Executive across February 2025, resulting in that post being made redundant, in early March 2025, the services of Penna recruitment agency were procured with the brief to assist with a recruitment campaign for a Chief Executive for TVCA. Three proposals and quotations were obtained from agencies that were experienced in Local Government executive recruitment and these proposals were evaluated based on the quality of the proposal and cost, arriving at Penna as the appointed agency.
6. The role of TVCA Chief Executive was advertised from 28<sup>th</sup> March to 22<sup>nd</sup> April 2025. Platforms included a full page in The Municipal Journal, on Penna's social media, TVCA's own promotion via social media, website and LinkedIn, and a comprehensive nationwide talent search undertaken by Penna.
7. On 29<sup>th</sup> April 2025, a longlisting meeting was held to discuss the candidate applications received. Attendees were Neil Schneider (former Chief Executive Officer - Stockton Borough Council and external support to process up to shortlisting), Julie Towers (Penna Recruitment Agency), Clare Winter (Assistant Director People & Operations – TVCA), Ben Houchen (Tees Valley Mayor), Cllr Brenda Harrison (Leader - Hartlepool Borough Council), Mike Greene (Chief Executive Officer - Stockton Borough Council) and Adele Gritten (LGA Representative).

8. Nineteen candidate applications were received. Fourteen were not recommended for progression. Five candidates were taken to the next stage of technical interviews.
9. Between 29<sup>th</sup> April to 22<sup>nd</sup> May 2025 the five candidates engaged in:
  - a) Technical interviews. Neil Scheider undertook the interviews with a Penna representative.
  - b) A candidate testimonial video submission
  - c) One-to-one conversations with Tees Valley Mayor Ben Houchen

The outcome of this stage was that three candidates were recommended to progress to the shortlisting stage.

10. On 22<sup>nd</sup> May 2025, a shortlisting meeting was held. The attendees were the same as at the longlisting meeting prior. Reports from the technical interviews were reviewed ahead of the meeting. One Candidate had withdrawn ahead of this meeting. The remaining two candidates were agreed as suitable to take forward to the final assessment day. It was agreed that a matrix of assessment questions would be designed, and this was undertaken by Mike Greene, Chief Executive Stockton Borough Council and Penna, in shared dialogue with the appointments panel members Brenda Harrison (Leader - Hartlepool Borough Council) and Tees Valley Mayor Ben Houchen.
11. On 4<sup>th</sup> June 2025, an assessment day was held which comprised:

**a) An internal panel**

Comprising Phil Forster (Managing Director - Teesside International Airport), John Barnes (Chief Operating Officer – South Tees Development Corporation), Siobhan McArdle (Chair – Tees Valley Business Board) and Clare Winter.

**b) A stakeholder panel**

Comprising Cllr Mandy Porter (Chair - TVCA Audit and Governance Committee), Cllr Ian Blades (Chair - TVCA Overview and Scrutiny Committee) and Brenda McLeish OBE (Board Member - Hartlepool Development Corporation).

The panel was joined by Adele Gritten of the LGA.

**c) An appointments panel.**

Comprising Mike Greene, Cllr Brenda Harrison and Tees Valley Mayor Ben Houchen.

The panel was joined by Rob Whiteman, as a representative of the LGA improvement panel working with TVCA on the development and implementation of the Organisational Improvement Plan, following receipt of the Best Value Notice.

Candidates answered a series of questions and were required to deliver a presentation to the appointment panel.

12. It was agreed that the Internal and Stakeholder panels would provide feedback and a recommendation to the Appointments Panel to enable it to deliberate holistically, having been appraised of the candidate performance at the respective panels. The Internal and Stakeholder panels both arrived at a recommended candidate of Tom Bryant.
13. Following formal interview, feedback from the panels and a deliberation meeting held 8<sup>th</sup> June 2025, the Appointments panel selected Tom Bryant as the preferred candidate.
14. If Cabinet approves this appointment, it is proposed that appointment is subject to Tom Bryant engaging in The Chief Executive Foundation Programme which is a framework developed by the Local Government Association (LGA) and Solace. This programme delivers core training for local government chief executives on the seven foundational themes set out in the Local Government Chief Executives' Development Framework. These themes are public ethics, continuous improvement, resource management, good governance, managerial leadership, the core chief executive role and politics and the political interface.
15. There are further recommended conditions in respect of the proposed appointment detailed in this paper, which are confidential to the appointee and TVCA as their employer and which are therefore *exempt from publication under Paragraph 1 of Part 1, Schedule 12A, Local Government Act 1972* which exempts from publication any information relating to an individual.
16. Cabinet members were collectively communicated with updates throughout the recruitment process on 21<sup>st</sup> March, 19<sup>th</sup> May and 23<sup>rd</sup> May 2025 by email.

## Remuneration

17. The salary for the post is the same as the Interim Chief Executive salary, £160,000 gross per annum. The remuneration (including the rationale for the remuneration level) was approved by Cabinet at its meeting on 31 January 2025.

## LEGAL IMPLICATIONS

18. Section 4 of the Local Government and Housing Act 1989 provides that it is the duty of a relevant authority to:
  - (a) designate one of its officers as the head of paid service; and
  - (b) provide that officer with such staff, accommodation and other resources as are, in his opinion, sufficient to allow his duties under this section to be performed.

The Tees Valley Combined Authority is a 'relevant authority' for the purposes of that section, and the obligation sits with TVCA Cabinet as the decision-making body of the Authority.

19. Paragraph 119 of the TVCA Constitution provides that:

*'Cabinet shall appoint, and may dismiss as Senior Officers of the Combined Authority:*  
- *a [Group] Chief Executive, fulfilling the responsibility of the Head of Paid Service with overall responsibility for the Combined Authority's operations and staff.*

## Decision Making

20. The TVCA Constitution provides, at paragraph 25, the decisions of TVCA Cabinet that require **unanimous** decision. They can be summarised as follows:
  - changes to the Constitution;
  - adoption, approval, amendment, withdrawal or revocation of the Tees Valley Investment Plan;
  - the adoption, approval, amendment, withdrawal or revocation of any medium-term financial plan, including the determination of any contribution from a constituent council;
  - the setting of any transport levy under Section 74 of the Local Government Finance Act 1988;
  - the adoption, approval, amendment, withdrawal or revocation of the Strategic Economic Plan and such other plans and strategies as may be determined unanimously by the Combined Authority and recorded in the Constitution.
21. The decision sought in this Report **does not therefore require unanimous** approval by Cabinet.

22. Paragraph 26 of the TVCA Constitution proves that where a decision does not need to be made unanimously, reasonable efforts should be taken to secure a consensus. Where a consensus cannot be reached, decisions shall be taken according to a simple majority vote, except that the Mayor must be part of the majority.
23. Each Cabinet member (including the Tees Valley Mayor) has one vote. Where a vote is tied, a decision is deemed not to have been carried.
24. In the event that the Tees Valley Mayor does not form part of a majority, the proposal shall be deemed to have been neither carried nor rejected. In these circumstances, a decision shall be deferred for a future meeting, to allow adequate time for the scope for consensus to be explored, after which time an alternative proposal may be brought forward for consideration.

## FINANCIAL IMPLICATIONS

25. The salary for the post is the same as the Interim Chief Executive salary, £160,000 gross per annum. The budget for this post is within the Core Costs budget and fully accounted for. Including on-costs (national insurance, pension).
26. The Local Government Association (LGA) and Solace Local Government Chief Executives' Development Framework, as part of the LGA's Sector Support programme 2023/24, is funded by the UK Government.

## CONSULTATION AND COMMUNICATION

27. In line with the delegation, the process for the recruitment of the TVCA Chief Executive has now been undertaken and the recommendation is presented to Cabinet for consideration. Cabinet was collectively communicated throughout this process on 21<sup>st</sup> March, 19<sup>th</sup> May and 23<sup>rd</sup> May by email.

## RISK ASSESSMENT

28. The risk of not appointing, and the consequential effect on sustained leadership for TVAC and the requirement to appoint the Statutory Officer role of Head of Paid Service, has been detailed in this Report.

## EQUALITY AND DIVERSITY

29. No specific impacts on groups of people with protected characteristics have been identified.



**Name of Contact Officer:**

**Post Title:**

**Telephone Number:**

**Email Address:**

Sarah Brackenborough

Director of Operations

01325 792600

[sarah.brackenborough@teesvalley-ca.gov.uk](mailto:sarah.brackenborough@teesvalley-ca.gov.uk)

**BLANK PAGE**



Appendix 5.1 to this report is not for publication by virtue of paragraphs 1 (Information relating to an individual) and 2 (Information which is likely to reveal the identity of an individual) of Schedule 12A of the Local Government Act 1972

Agenda Item 6  
Report to the TVCA Cabinet  
27 June 2025  
Report of the Interim Chief Executive

## BEST VALUE NOTICE AND ORGANISATIONAL IMPROVEMENT PLAN

### SUMMARY

This report seeks Cabinet approval of the TVCA Organisational Improvement Plan and accompanying detailed Action Plan, which must be submitted to the Ministry of Housing, Communities and Local Government by 3 July 2025.

Furthermore, it seeks Cabinet endorsement for the establishment of an Independent Advisory Board and the Terms of Reference for the Board, whose role is to support and challenge TVCA on its improvement journey. It also seeks Cabinet approval for the proposed reporting arrangements to track progress against delivery of the Organisational Improvement Plan.

### RECOMMENDATIONS

It is recommended that the Cabinet:

- i. **NOTES:** the Tees Valley Combined Authority Best Value Notice letters issued on the 3 April 2025, included as **Appendix 1**.
- ii. **NOTES:** the extensive engagement that has been undertaken with members and officers to inform the Organisational Improvement Plan, summarised in paragraphs 10 to 12 and detailed in **Appendix 2**.
- iii. **APPROVES:** the proposed Organisational Improvement Plan, summarised in paragraphs 13 – 16 and included as **Appendix 3**, and the accompanying detailed Action Plan included as **Appendix 4**.
- iv. **ENDORSES:** the proposed membership of the Independent Advisory Board and Chair, summarised in paragraphs 17 – 22, with biographies detailed in **Appendix 5** and **Confidential Appendix 5.1**.

- v. **DELEGATES:** authority to the Interim Chief Executive, in consultation with the Section 73 Officer and Monitoring Officer, to finalise contracts with each of the proposed Board members, specifying the number of days to be worked and day rates for an initial twelve-month period, as summarised in paragraphs 30 – 31.
- vi. **ENDORSES:** the proposed Terms of Reference for the Independent Advisory Board, referenced in paragraph 23 and included as **Appendix 6**.
- vii. **APPROVES:** the proposed reporting arrangements to track progress against delivery of the Organisational Improvement Plan, summarised in paragraphs 24 – 25.

## DETAIL

### Background

1. On 3 April 2025 Tees Valley Combined Authority (TVCA) was issued with a non-statutory Best Value Notice by the Ministry of Housing, Communities and Local Government (MHCLG) (see **Appendix 1** for the letters issued to the Tees Valley Mayor and TVCA Interim Chief Executive).
2. The MHCLG letter addressed to the TVCA Interim Chief Executive acknowledges the letter sent by the Tees Valley Mayor on 27 September 2024 updating the department on the work of TVCA and local partners to address the recommendations identified in the January 2024 report of the independent Tees Valley review. This letter from the Tees Valley Mayor followed a Cabinet meeting on the same day, where a report was presented providing the outcome of the work undertaken in respect of the Tees Valley Review, within which Cabinet approved several recommendations. The MHCLG letter also notes that the authority engaged constructively with the Tees Valley review and is already taking steps to address the concerns raised.
3. Notwithstanding the above, the MHCLG letter states that the department has ongoing concerns regarding TVCA and requests that the authority engages with the department to provide assurance of improvement. The letter makes it clear that the department expects authorities that have been issued with a best value notice to continue leading their own improvement. The department's concerns relate primarily to governance, culture, partnerships and continuous improvement.
4. The letter sets out the requirement to produce a clear, overarching and holistic improvement plan, which should be agreed by members of the authority within three months of the date of the notice – with the deadline therefore 3 July 2025.
5. Furthermore, TVCA's external auditors (EY) wrote to Cabinet on the 15 April 2025 issuing three recommendations under Section 24, Schedule 7 (2) of the Local Audit

and Accountability Act 2014. The TVCA response was approved at a meeting of the Cabinet on the 14 May 2025.

6. The proposed Organisational Improvement Plan therefore seeks to address in a coherent manner:
  - existing actions identified in response to the Tees Valley Review;
  - issues identified in the Best Value Notice; and
  - issues identified in the external auditor letter.

### Activity since receipt of the Best Value Notice

#### **Establishment of dedicated team**

7. Whilst the TVCA Interim Chief Executive is overseeing the process, a dedicated team to lead on the development and implementation of the Organisational Improvement Plan has been created, including:
  - Director of Operations leading the team;
  - newly created Head of Improvement (internal secondee);
  - newly created Programme Manager (internal secondee); and
  - dedicated resource from finance, governance and HR.
8. Furthermore, the Organisational Improvement Plan will be embedded across the organisation and all staff will be expected to support the required continuous improvement.
9. TVCA has also procured an organisational development partner, Change & Transformation, to support the improvement process.

#### **Engagement activity**

10. A series of engagement workshops have been undertaken to ensure a wide range of members and officers have been able to express their views and help shape the Organisational Improvement Plan. These workshops have been facilitated by either the Local Government Association (LGA) or Change & Transformation. Workshops have been held with:
  - Cabinet
  - Overview & Scrutiny Committee
  - TVCA Audit & Governance Committee
  - Transport Committee
  - Chief Executives of the Combined Authority and its Constituent Authorities.
  - Management Group (which includes the Directors of Regeneration of the TVCA Constituent Authorities)
  - Finance Directors & Monitoring Officers of the Combined Authority and its Constituent Authorities.

11. There have also been discussions with the TVCA senior leadership team and engagement with all staff through a staff survey, staff forum and all staff briefings.
12. The themes emerging from these workshops have been used to shape the Organisational Improvement Plan. The notes from each workshop are included at **Appendix 2**.

## Organisational Improvement Plan

13. The proposed Organisational Improvement Plan is included at **Appendix 3**. It should be recognised that the plan is a 'live' document, intended to drive the required organisational improvement. It is likely to evolve during the implementation phase as actions are complete and embedded and potentially new actions are added.
14. The plan has been structured as follows:
  - **Statement of Understanding** – to provide clarity on the purpose of the plan
  - **Insights From Engagement & Self-Assessment** – summarising the outputs from the workshop and internal reflections
  - **Our Ambition** – defining the ambition for TVCA
  - **Strategic Priorities** – five proposed strategic priorities to drive continuous improvement
  - **Action Plan** – overview of the actions to achieve the priorities
15. The five proposed strategic priorities are:
  1. **Rebuild Trust and Shared Ownership Across the Combined Authority**  
*Consolidate TVCA as a collective of six authorities, not a single entity. Strengthen Cabinet and portfolio holder roles, embed joint ownership of strategic planning and decisions, and rebuild mutual confidence with stakeholders.*
  2. **Strengthen Governance, Oversight and Accountability**  
*Embed effective, transparent and inclusive governance and scrutiny arrangements, learning from best practice, with a clear constitutional and operational framework, including recommendations identified in the Best Value Notice and external audit statutory letter.*
  3. **Build a High-Performing Organisation with a Strong Operating Model**  
*Address resource challenges, ensuring sufficient capacity and capability, implement robust processes and systems, and establish an effective and stable senior leadership team to ensure TVCA has the operating model and culture needed for consistent, high-quality delivery. Coupled with this will be an enhanced strategic leadership team made up of the six chief executives, supporting the delivery of priority workstreams.*

4. **Embed a Culture of Continuous Improvement and Openness**

*Foster a reflective, honest and improvement-focused culture across the organisation through strong communication, staff development, benchmarking and transparent challenge – and seek further opportunities for external validation of improvement.*

5. **Deliver Strategic Clarity, Long-Term Planning and Prepare for the Next Phase of Devolution**

*Shift from more reactive delivery to proactive joined-up long-term planning. Ensure readiness, both in terms of capacity, capability and accountability, for additional powers and fiscal responsibility through the Devolution White Paper.*

16. The plan itself includes an overview of the actions, but a more detailed action plan is provided in **Appendix 4**. The detailed action plan provides more granularity under each headline action and responsibility, timescale and measure of success.

Independent Advisory Board

17. TVCA has been working with an independent LGA panel for several months, as part of the Tees Valley review, to provide support and challenge. The MHCLG letter addressed to the TVCA Interim Chief Executive requests that the composition and scope of the LGA panel is reviewed to strengthen the emphasis on governance, commercial expertise and officer capabilities. It is proposed that the existing panel evolves into the Independent Advisory Board. The membership of the Independent Advisory Board requires endorsement from Cabinet, therefore following receipt of the Best Value Notice and to enable preparatory work for the proposals in this paper, the LGA panel has met with officers as a 'shadow' Independent Advisory Board.
18. In the period since receipt of the Best Value Notice on 3 April 2025, the 'shadow' Independent Advisory Board has met on three occasions (4 April, 25 April and 30 May). Furthermore, there has been on-going engagement between TVCA and the 'shadow' Board to support the development of the Organisational Improvement Plan. The Chair of the Independent Advisory Board has also met with the Tees Valley Mayor, leaders and Chief Executives.
19. The 'shadow' Board has led on the 'recruitment' of the proposed additional Board members. TVCA has stressed the need for independence and has therefore not put forward any potential additional Board members. The priority for TVCA has been to ensure that the Board has the requisite expertise and experience to provide the necessary support and challenge.

20. The proposed Independent Advisory Board membership is set out below and biographies are included in **Appendix 5**, except for the former Government Minister, which is included in a confidential **Appendix 5.1** as this is subject to approval from the Advisory Committee on Business Appointments (ACOBA):

- **Rob Whiteman** – retired public sector leader, most latterly the Chief Executive of the Chartered Institute of Public Finance and Accountancy (CIPFA)
- **Adele Gritten** – Chief Executive, Local Partnerships
- **Mark Edgell** – Principal Adviser, Local Government Association
- **Former Government Minister** – confidential as subject to approval from ACOBA (if approval is not granted, it will be for the Independent Advisory Board to identify if a further Board Member is required and if so, endorsement will be sought from Cabinet)
- **Helen Edwards** – Monitoring Officer, West Midlands Combined Authority
- **Sir Steve Bullock** – former directly elected Mayor of the London Borough of Lewisham

21. The table below summarises the skill set that each proposed member brings to the Board. The skill set is aligned to the areas identified in the MHCLG letter and the seven best value themes identified in the '*Best value standards and intervention: a statutory guide for best value authorities*'.

		Leadership	Governance	Culture	Use of Resources	Service Delivery	Partnerships	Continuous Improvement	Commercial	Officer Capabilities
Rob Whiteman	Chair of Panel	√	√	√	√	√	√	√	√	√
Adele Gritten	Member of existing LGA Panel	√	√	√	√	√	√	√	√	√
Mark Edgell	Member of existing LGA Panel	√	√	√	√	√	√	√		√
Former Government Minister		√	√	√	√	√	√	√	√	√
Helen Edwards		√	√	√	√	√		√		√
Sir Steve Bullock		√	√	√	√	√	√	√		√

22. Rob Whiteman currently chairs the panel, and it is proposed that he continues to chair the Independent Advisory Board. It is felt that Rob has a good understanding of TVCA and has built relationships with senior officers and Cabinet in recent months.

## Terms of Reference

23. The proposed Terms of Reference (ToR) for the Independent Advisory Board is included at **Appendix 6**. The ToR outline the Board's responsibilities and how it will operate, providing a framework to ensure that the Board maximises its impact.

## Proposed reporting arrangements

24. It is proposed that TVCA produce a monthly report to summarise progress against the Organisational Improvement Plan, specifically the actions contained in the action plan. This will be provided to the bodies listed below and published on the TVCA website:

- TVCA Cabinet
- Independent Advisory Board
- MHCLG
- EY (External auditor)

25. More detailed progress on implementing the Organisational Improvement Plan will be a standing item on all Cabinet agendas. This will include a detailed progress report produced by TVCA and, as a separate item, an independent report produced by the Chair of the Independent Advisory Board.

26. Furthermore, it is suggested that Overview & Scrutiny, Audit & Governance Committee and Transport Committee review progress against the actions relevant to their remit.

27. For context, the MHCLG letter states that the department will look to the Independent Advisory Board and EY (our external auditor) for updates and broader assurance that the necessary changes are being made at sufficient pace.

## **FINANCIAL IMPLICATIONS**

28. There are financial implications in terms of establishing a dedicated team to lead on the development and implementation of the Organisational Improvement Plan. The initial cost of establishing this team is £150k per annum, due to the need to backfill the internal secondees. This additional cost can be accommodated within the core staffing budget.

29. There are also financial implications resulting from procuring Change & Transformation as an organisational development partner on a three-year contract, with an estimated annual cost of £50k.

30. There is a further cost implication because of remuneration for the members of the Independent Advisory Board. The table below sets out the proposed number of

days to be worked and day rates for each Board member, for an initial twelve-month period:

Board member	Estimated number of days to be worked (initial twelve-month period)	Day rate (£)	Total cost (£)
Rob Whiteman (Chair)	24	£1,250	£30,000
Adele Gritten	24	£1,500	£36,000
Mark Edgell	24	£0	Covered by LGA
Former Government Minister	24	£1,000	£24,000
Helen Edwards	24	£750	£18,000
Sir Steve Bullock	24	£1,000	£24,000
<b>Total</b>			<b>£132,000</b>

31. The total cost for the Board over an initial twelve-month period is therefore £132,000. It has been agreed that the total cost will be split 50/50 with the LGA, and the TVCA element (£66,000) can be funded from the TVCA core budget.
32. To facilitate the TVCA funding contribution, the use of TVCA general reserves is necessary given this cost was not able to be predicted at budget setting time. The general reserve levels are expected to be higher than the current £1m as part of the 2024/25 year-end process and will be sufficient to meet this requirement, whilst maintaining an adequate level of general reserve.
33. Where the Organisational Improvement Plan actions lead to additional capacity and capability requirements across the organisation, these will be considered from a funding perspective on a case-by-case basis and factored into the 2026-27 budget process. At this point in time only the costs of the teams facilitating the development and co-ordinating delivery of the Organisational Improvement Plan are captured in this report. The resource requirements will be kept under continual review and any future financial implications will be reported to Cabinet.
34. The MHCLG letter confirms that the Best Value Notice does have implications for the authority's progress towards Enhanced Mayoral Strategic Authority status and the granting of an Integrated Settlement. The letter also states that TVCA can continue to receive and be awarded government funding whilst under the Best Value Notice.

## LEGAL IMPLICATIONS

35. The letter from MHCLG states that ministers are concerned as to the authority's capacity to comply with its best value duty under the Local Government Act 1999

and have therefore decided to issue TVCA with this best value notice (“notice”). The notice is a formal notification that the department has concerns regarding the authority and requests that the authority engages with the department to provide assurance of improvement.

36. This notice is issued outside the statutory powers held by the Secretary of State under the Local Government Act 1999 to inspect or intervene in local authorities where there is evidence of best value failure and, separately, under Section 230 of the Local Government Act 1972 to request information from local authorities.
37. In accordance with the MHCLG letter, TVCA has been asked to strengthen the existing LGA Panel, which will evolve into the Independent Advisory Board. The six proposed Board members have been proposed as they are considered to have the requisite expertise and experience to provide the necessary support and challenge.
38. It is therefore proposed that TVCA award contracts to the six proposed Board members outside of a competitive procurement process, which is felt to be justified for the following reasons:
  - The contract values are below threshold and will not be subject to the Procurement Act 2023 regulations.
  - The circumstances which have led to the need for the appointments were not foreseen and therefore could not be planned for.
  - Specific appointments with relevant experience are required quickly, therefore a procurement process would not necessarily provide the required outcome.
39. The Organisational Improvement Plan contains numerous actions that have potential legal implications, and these will be considered fully during the development and implementation of the plan. Future update reports to Cabinet will set out any legal implications arising from this work.

## **RISK ASSESSMENT**

40. TVCA is proposing to implement robust reporting arrangements as described in paragraphs 24 – 25. These progress reports will ensure early sight of risks and outline mitigations to ensure that these risks are being appropriately managed.
41. The MHCLG letter recognises that embedding change across the organisation and ensuring that it is having the desired, long-term impacts is likely to take time and will require sustained effort from both officers and members at TVCA. The notice will be reviewed after 12 months, at which point the department will confirm whether it deems it necessary to continue to seek assurance through such a notice, in which case it will remain in place. The notice may also be withdrawn or escalated at any point based on the available evidence.

42. The MHCLG letter also states that a failure to demonstrate continuous improvement may be judged to contribute to best value failure and the Secretary of State will consider using statutory powers as appropriate. Further intervention from Government would impact the ability of TVCA to function effectively and put at risk investment in the region from Government and other sources.

## **CONSULTATION & COMMUNICATION**

43. Extensive engagement has been undertaken with members and officers to inform the development of the Organisational Improvement Plan, as set out in paragraphs 10 – 12.

44. The draft Organisational Improvement Plan has also been endorsed by the Overview & Scrutiny Committee, Audit & Governance Committee and Transport Committee ahead of it being presented to Cabinet for approval.

45. The draft Organisational Improvement Plan has been developed with input from the 'shadow' Independent Advisory Board and MHCLG colleagues.

## **EQUALITY & DIVERSITY**

46. The Organisational Improvement Plan itself does not directly impact on groups of people with protected characteristics.

47. However, TVCA considers the potential impact on groups of people with protected characteristics in the development of policy, programmes and projects. Any actions within the action plan that relate to policy, programmes and projects will be subject to Equality Impact Assessments during the development phase.

**Name of Contact Officer:** Tom Bryant  
**Post Title:** Interim Chief Executive  
**Telephone Number:** 01325 792600  
**Email Address:** [tom.bryant@teesvalley-ca.gov.uk](mailto:tom.bryant@teesvalley-ca.gov.uk)

**BLANK PAGE**



**James Blythe**  
*Deputy Director, Local Government  
Stewardship and Interventions*

**Ministry of Housing,  
Communities &  
Local Government**  
4th Floor, Fry Building  
2 Marsham Street  
London SW1P 4DF

[www.gov.uk/mhclg](http://www.gov.uk/mhclg)

Tom Bryant  
Chief Executive  
Tees Valley Combined Authority

3 April 2025

### **Tees Valley Combined Authority best value notice issued on 3 April 2025**

Dear Tom,

The department expects authorities to identify and implement arrangements to secure continuous improvement. We are grateful for the letter sent by Lord Houchen on 27 September 2024 updating the department on the work the Tees Valley Combined Authority (TVCA) and local partners have been doing to address the recommendations identified in the January 2024 report of the independent Tees Valley review. However, ministers are concerned as to the authority's capacity to comply with its best value duty under the Local Government Act 1999 and have therefore decided to issue TVCA with this best value notice ("notice").

This notice is a formal notification that the department has concerns regarding your authority and requests that the authority engages with the department to provide assurance of improvement. The department expects authorities that have been issued with a best value notice to continue leading their own improvement.

This notice is issued to TVCA following concerns highlighted by the Tees Valley review published on 29 January 2024 and the request from the then Secretary of State for the department asking the Mayor to engage with the review's recommendations. It also considers:

- the subsequent reviews of overview and scrutiny undertaken by the Centre for Governance and Scrutiny (CfGS) and the internal audit undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA) commissioned by the combined authority
- the Mayor's letter to the department dated 27 September 2024
- the evidence already submitted by the authority to the department regarding their actions and plans to address issues raised by all three reviews
- the published audit reports for TVCA and South Tees Development Corporation covering financial years 2021/22 and 2022/23 which rely on the findings of the Tees Valley Review and identify significant weaknesses in value for money arrangements across financial sustainability, governance and improving economy, effectiveness and efficiency
- the published audit reports for TVCA and South Tees Development Corporation for financial year 2023/24 which identify significant weaknesses in use of resources in relation to the Tees Valley Review and capacity in the finance and risk & assurance

teams and indicate that the auditor is considering issuing statutory recommendations in relation to these capacity issues.

The department's concerns relate primarily to governance, culture, partnerships and continuous improvement. We note that the authority engaged constructively with the Tees Valley review and is already taking steps to address the concerns raised. We also recognise that the appointment of an external Local Government Association (LGA) panel will provide valuable support and challenge as the authority continues to improve. We expect this improvement to continue at pace, with robust arrangements to monitor and assess it.

Specifically, we expect the authority to:

- Develop a clear, overarching and holistic improvement plan. This may include or draw upon improvement or action plans prepared before the date of this notice. This plan should be agreed by officers and members at the authority within three months of the date of this notice. The plan should:
  - address all recommendations from the independent Tees Valley review and reports produced by CfGS and CIPFA;
  - include milestones and measures of impact across all elements to enable transparent reporting of progress to Cabinet, the overview and scrutiny committee, and the LGA panel;
  - include specific focus on improvements to the effectiveness of the overview and scrutiny function at the authority;
  - set out how the authority will make and measure the cultural and relationship changes necessary to make a success of structural and procedural changes to governance and scrutiny in the authority; and
  - be regularly updated to take account of future recommendations from external auditors, other external scrutiny and reviews, and other relevant matters arising during the notice period.
- Review the composition and scope of the LGA panel, in particular to consider:
  - strengthening the panel's emphasis on governance, commercial expertise and officer capabilities
  - embedding the panel's involvement in live issues at TVCA, such as the appointment of a new permanent Chief Executive
  - developing the panel's terms of reference to include public reporting of its work and assessment of TVCA's progress at regular intervals.
- Engage fully with the recommendations made by the LGA panel.
- Have appropriate mechanisms in place to ensure the authority is informed on updates to government guidance or legislation and can demonstrate how the authority is responding effectively to relevant changes.
- Engage regularly with the department at official level throughout the period of this notice, on at least a quarterly basis.

The department will look to the LGA panel and your external auditor for updates and broader assurance that the necessary changes are being made at sufficient pace.

We are conscious that this decision will have implications for the authority's progress towards Enhanced Mayoral Strategic Authority status and the granting of an Integrated Settlement. We are committed to removing barriers to growth in the region and will continue to work closely with you to rebuild confidence, so that the authority can continue its journey towards further devolution. The issuance of this best value notice represents the government's commitment to the future success of the authority.

While the authority may continue to receive and be awarded government funding whilst under this notice, we would emphasise that receipt of funding does not indicate the department's

broader view of the performance of the authority, nor would it indicate any change in the status of this notice, with individual funding programmes being managed and assured independently by their respective departments.

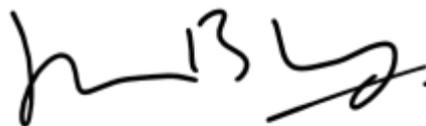
Embedding change across the organisation and ensuring that it is having the desired, long-term impacts is likely to take time and will require sustained effort from both officers and members at TVCA. This notice will be reviewed after 12 months, at which point the department will confirm whether we deem it necessary to continue to seek assurance through such a notice, in which case it will remain in place. The notice may also be withdrawn or escalated at any point based on the available evidence.

This notice is issued outside the statutory powers held by the Secretary of State under the Local Government Act 1999 to inspect or intervene in local authorities where there is evidence of best value failure and, separately, under Section 230 of the Local Government Act 1972 to request information from local authorities. However, a failure to demonstrate continuous improvement may be judged to contribute to best value failure and the Secretary of State will consider using these powers as appropriate. I also intend to keep the content of this notice under review in light of any developments.

It is important to ensure transparency in relation to the challenges faced by local authorities and the department's engagement on these. A copy of this notice will therefore be published on GOV.UK. I encourage you to make a copy of this notice available on the authority's website, and to share it with the LGA panel, the combined authority cabinet and the audit and governance committee. In line with this, we will notify your external auditor of this action.

I would encourage you to continue making use of the full range of support offered by the LGA. A member of my team will be in touch with you to arrange regular engagement on this notice. I look forward to receiving updates on your progress.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'JBlythe'.

**James Blythe**

Deputy Director, Local Government Stewardship and Interventions

**BLANK PAGE**



Ministry of Housing,  
Communities &  
Local Government

**Jim McMahon OBE MP**

*Minister of State for Local Government  
and English Devolution*

2 Marsham Street  
London  
SW1P 4DF

Lord Houchen  
Mayor Tees Valley Combined Authority  
*By email*

3 April 2025

Dear Lord Houchen,

I would like to thank you for your letter of 27 September 2024, which provided a detailed update on the work that the Tees Valley Combined Authority and local partners have been doing to address the recommendations in the Tees Valley independent review. I note that, since your update, your external auditor has reported significant weaknesses in TVCA's and STDC's value for money arrangements, citing the findings from the Tees Valley review, and capacity issues in the authority's finance and risk & assurance teams.

The government has committed to resetting the relationship with local government and by extension combined authorities alike. This means working in good faith, and in partnership to deliver better outcomes for local people. That relationship is important at all times, but more so when improvements are needed. I can assure you and members of the combined authority this commitment remains firm.

I recognise the volume of work that has been undertaken to develop and implement your action plan responding to the recommendations of the independent review and external scrutiny reviews. I particularly welcome the establishment of the independent panel, chaired by Rob Whiteman and supported by the Local Government Association, to provide external support and challenge as your authority and local partners implement the changes needed. I would like to see your engagement with the independent panel strengthened and embedded into the authority's ways of working.

Having carefully considered your response to the Tees Valley independent review and the external auditor's recent assessment finding weaknesses in value for money arrangements, I have concluded that I require further assurance. Specifically, I require assurance of how your action plan will be implemented and embedded over time, to ensure it has the necessary impact on governance, culture and relationships. To provide me with that assurance and to secure continuous improvement, I am issuing your authority with a Best Value Notice. We believe this to be proportionate and forward looking. In summary, the Notice requests that your authority engages regularly with the department; provides us with a clear and cohesive strategy for improvement across all the recommendations given to your authority, which includes milestones and measures of impact; and strengthens the capacity, scope and role of the external LGA panel.

Your letter of 27 September 2024 described the ambition you have for the Teesworks site, and we are very keen to see positive outcomes for the residents of Teesside.

The government remains of the view that, while the independent Tees Valley review was thorough within its terms of reference, it was by nature not designed to answer all the questions raised, instead to focus on the governance and finance elements of the Best Value regime. The residents of Tees Valley cannot afford to live under a shadow of uncertainty for any longer, and investment in the region demands full confidence from both the public and the private sector. I hope that this process will offer the opportunity for a reset, providing the foundations for future investment into the area oriented towards the public good, underpinned by good governance, transparency, and accountability. Authorities must demonstrate robust financial management, effective decision-making, and meaningful engagement with communities to uphold Best Value principles.

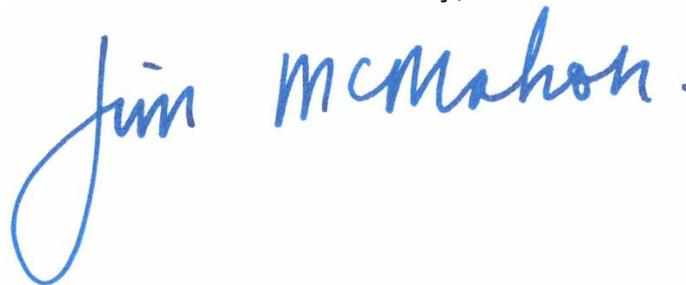
The focus now must be to ensure that the improvements needed are not only secured but also sustained, embedding a culture of continuous improvement and responsible stewardship in line with statutory Best Value obligations.

You will recall that the January 2024 review also made two recommendations for government, and I am determined to see these resolved. As such my department will publish guidance clarifying the governance, oversight and legislation of Mayoral Development Corporations. I am writing separately to you and other mayors of combined and combined county authorities about this guidance. A further recommendation covers issues around landfill tax and public sector land remediation - this is being considered, and a response will be provided in due course.

As you know, this Government is committed to working in partnership with the Combined Authority to deliver growth, our number one national mission. I want to reassure you that it is my firm intention that taking the steps I set out in this letter will support this critical task, by providing the clarity needed to reinforce confidence in the region. As you know, we are backing growth in the region through its Freeport and are finalising development of the Tees Valley Investment Zone, building on the £21.7 billion of funding over 25 years allocated to Net Zero clusters in Teesside and Merseyside. We will build on this going forward through the development of your Local Growth Plan, underpinned by the new powers unlocked through the English Devolution White Paper, and by engaging closely to identify the region's key sectoral strengths in developing our Industrial Strategy. I look forward to your continued support as we work on all these elements together, so that the authority can continue its journey towards further devolution.

My officials are writing separately to the TVCA Chief Executive about the Best Value Notice and the Notice will be published on GOV.UK. I will write to local and parliamentary stakeholders informing them of my decision to issue a Best Value Notice in line with usual practice. I look forward to receiving updates on your progress.

Yours sincerely,

A handwritten signature in blue ink that reads "Jim McMahon". The signature is written in a cursive style with a large loop for the letter 'J'.

**JIM MCMAHON OBE MP**

Minister of State for Local Government and English Devolution

**BLANK PAGE**



## Appendix 2.1: Finance Directors/Monitoring Officers: Input to the Best Value Improvement Programme

23rd May

### Clarity of Roles and Responsibilities

- There is significant uncertainty around the FD and MO roles in relation to TVCA. It is unclear where their influence is required—whether in decision-making, consultation, critique, or support.
- Clarification is also needed on how the FD/MO roles operate within TVCA and in relation to politicians. There is concern that LA FDs and MOs are being asked to guide on TVCA matters they don't have the authority to influence. Cabinet members must be advised by TVCA's own FD and MO, not LA officers.
- In some cases, the role of the FD/MO feels like a "tick-box exercise" with limited or no power.
- It is felt that the operating framework and role definitions from the recent Independent Review were not clear or useful to the group. A clearer operating framework is needed.

### Communication and Information Management

- Timeliness, clarity, and transparency of communications are all areas of concern. Even when time is provided to digest information, often it isn't sufficient for thorough review, informal checks, or stakeholder engagement.
- Reports can be intermingled or overloaded with content, making it difficult to identify what's relevant. A more compartmentalised, streamlined approach to information would be beneficial.
- There is a need for improved communication processes, which would support more accurate and timely engagement across roles.
- MOs are often expected to read large volumes of information due to their formal role, but much of it isn't directly relevant. The burden this creates is significant.
- More informal, early-stage engagement would help build understanding and improve collaborative working.

### Capacity and Resource Constraints

- There is broad awareness of capacity challenges at TVCA. From the outside, the team is perceived to be small relative to its remit and responsibilities.

# TEES VALLEY

- These constraints appear to push more demand onto LA FDs and MOs to answer questions from members or support the work of TVCA officers, creating duplication and unnecessary effort.
- This duplication is particularly problematic as it diverts FDs and MOs from their formal responsibilities and increases workload without commensurate authority or clarity.
- Several officers had minimal direct involvement with TVCA (due to newness in role or the nature of TVCA work), but echoed similar concerns based on what they had heard or observed.

## **Governance and Partnership**

- The relationships between Local Authorities, portfolio holders, and cabinet members lack clarity. TVCA is not perceived to be taking sufficient ownership of resolving this.
- There is a need for TVCA to lead on briefing their own cabinet members and ensure LAs are only drawn in when appropriate and based on a jointly agreed position.
- Doing so would increase clarity, reduce duplication, and support more effective partnership working between TVCA and the LAs.

## **Practical Improvements Needed**

- The process for funding agreements between the CA and LAs is seen as cumbersome and more onerous than central government processes. Simplification is needed.
- There is also a lack of understanding about how TVCA operates, what functions it holds, and who is responsible for what. A clear organisational structure and contact chart would support better engagement and reduce confusion.

**BLANK PAGE**

## Appendix 2.2: TVCA Best Value Notice Input Taken from Listening workshops

### Management Group: Input to the Best Value Improvement Programme

19th May

#### 1. Governance and Decision-Making

- Officer relationships are strong, and the role of the management group has improved. However, it is felt that the governance system and constitution don't provide sufficient balance. Officers understand how the organisation has developed, but this now needs to be rectified with stronger processes and guardrails.
- Governance processes often move at pace, for example business case appraisals can move through quickly, creating a sense that Cabinet is occasionally presented with a *fait accompli*.
- The balance of political and organisational communications is not right. There is too much overtly positive messaging, and not enough openness or realism. This creates a risk of adversarial communication and collateral damage on both sides. A more balanced and shared approach is needed.

#### 2. Culture and Ways of Working

- There is a culture of TVCA operating as *one organisation over* the five LAs, rather than *six organisations working together*. This creates a dynamic that can feel unbalanced.
- Officers, both within TVCA and across LAs, need to improve their ability to “speak truth to power” and move away from parochial behaviours.
- There is a growing recognition that capability challenges exist at TVCA — and that these are exacerbated by senior turnover, which disrupts relationships and trust. That said, improvements have begun, such as the increased use of informal meetings to provide early ‘heads up’ on emerging ideas or proposals.

#### 3. Relationships and Communication

- Relationships between officers are improving. The increased use of informal communication has been welcomed and is helping to rebuild trust and collaboration.
- A better understanding of each other's priorities is needed. Local Authority officers want to bring their own priorities to the table, as well as better understand the priorities of TVCA.



- Often, LAs are more directly exposed to the political consequences of decisions (e.g. residents and councillor contact), which can create sensitivity around initiatives. TVCA needs to be more attuned to this.
- The volume of verbal updates can be challenging; a simple written paper would improve internal communications and help LA officers engage others more easily. This has improved in recent months, particularly on the skills agenda, where better engagement and consultation has been noted.

#### **4. Strategic Collaboration and Local Authority Engagement**

- A more shared strategic mindset is needed. Strategic insights should be co-created — drawing from both TVCA's regional view and Local Authorities' local experience.
- A collaborative approach to developing early-stage proposals is recommended. Working jointly on early draft papers would help engage LAs and local politicians earlier in the process and build a stronger sense of shared purpose.

**BLANK PAGE**

## Appendix 2.3: Overview and Scrutiny (O&S) Committee: Input into the Best Value Improvement Programme

14<sup>th</sup> May

### Part 1: What works that members would want to build on for future

#### How the committee operates

- O&S Committee currently operates in an a-political manner which it is important to maintain.
- The stability in chair role on the O&S is important and needs to continue.
- The creation of scrutiny sub committees has enabled the O&S Committee to scrutinise in more depth which there is value in continuing. (See further details in part 2).

#### The Mayor and TVCA Cabinet

- Committee members have welcomed the recent more constructive tone of engagement and openness between the Mayor and the O&S Committee. This was particular in relation to the Mayor answering questions regularly.
- The collaborative decision-making approach by Cabinet was seen as positive.

---

### Part 2: What needs to improve and members want to see differently in the future

#### Current performance

- There was agreement that the O&C Committee needs to (a) improve how it operates to provide more robust scrutiny; and (b) to be heard more and taken more seriously by TVCA officers in its requests for information and its recommendations.

#### O&S Committee Members Engagement and Capacity

- There needs to be better commitment from both O&S Committee members and substitute members to ensure that O&S Committee can carry out its role effectively. Poor attendance is currently inhibiting it.
- There needs to be clearer communication with O&S Committee members and substitute members about the time commitment of being involved a sub-committee. The expectation needs to clear from the start.
- The fact that O&C Committee member roles are not remunerated as part of a special responsibility allowance is a barrier to engagement which members want to see addressed.

- The term of appointment for O&C Members should be two years to provide consistency and aid depth of understanding.
- There are concerns about the capacity of the O&S Committee to undertake the level of scrutiny required within its current membership and structure. There were suggestions that this would require greater prioritisation and thought to whether this would require additional select committee.

## **Sub-Committees**

- Sub-committees must feed more effectively into the overarching O&S Committee.
- Suggestion that there be a sub-committee for each Mayoral Development Company (MDC) and that membership of these Committees is linked to the O&S Committee for continuity.
- There is a desire for more time in sub-committees to be able to scrutinise more effectively.

## **Holding TVCA Cabinet Members to account**

- There needs to be stronger engagement between O&S Committee with TVCA Cabinet to be able to better hold the Cabinet to account. Currently O&S Committee members are not clear on the specific portfolios the 5 Tees Valley Leaders/Mayor hold. It was suggested that each Cabinet Member attend O&S once a year to speak on their portfolios.
- TVCA Cabinet members should take a more active role as TVCA Portfolio Holders e.g. currently there is a sense their focus is on their own authorities, as opposed to TVCA as a whole.

## **Communication and receipt of information**

- There remains a sense that information is 'hidden away' from the O&S Committee, which may in part be due to the complexity of some of the issues involved meaning information is not communicated in the most accessible way. To improve this, members would like to see:
  - Background/contextual information on what has transpired to date should be included in all reports so that members that are new to a topic can understand what has gone before.
  - Trend and performance data should be shared in reports as standard so that members can understand direction of travel and performance. Where appropriate, reports should include RAG KPIs for members can more easily scrutinise performance.
  - Hyperlinks to be embedded within reports so that background information can be easily accessible.
  - Terminology to be plain English and acronyms always explained in reports.
  - Greater communication from Cabinet meetings so that O&S Committee members are informed of decisions and developments, including prior notification of the forward plan of decisions.

## **Call-in process**

- There is a feeling that the call-in process is not effective as it does not enable discussion of reports before the call-in deadline has passed. There was not a consensus view on what a revised process should look like.

## **Greater strategic planning and pre-decision scrutiny**

- There is a desire for more pre-decision scrutiny and for scrutiny to have a more strategic role and approach to work planning. To do so, members would like to see:
  - Work Programme Forward Plan: The approach to this needs to be strengthened, with a forward plan of: (a) O&S Committee activity; and (b) TVCA Forward Plan of decisions shared with O&S members on a regular basis to have a long-term view on where the Combined Authority is going. It should be in a cycle of 'Plan, do, review'.
  - Greater pre-decision scrutiny is needed however, there was not a consensus view on how this should operate in practice.
  - Reduce duplication: Once decisions are made and scrutinised through process, the O&S Committee should not continually revisit these issues.

## **Learning and development training for O&S members**

- There is a strong desire for more training to support O&S members in their roles, with the training offered to date being inadequate. This should be bespoke training for the O&S Committee only, not for wider TVCA members.

**BLANK PAGE**

## Appendix 2.4: Transport Committee: Input to Best Value Notice Improvement Plan

23rd May

### Project Decisions and Priorities:

- Feeling that the Local Authorities (LA) have little influence upon the projects and priorities being promoted by the Combined Authority (CA).
- The LAs are consistently asked to list key projects for funding, but often these initiatives are not funded as they relate more to service related issues rather than big infrastructure projects. There is a sense that 'if you can't put a ribbon on it' (i.e. physical infrastructure projects) then the CA is not interested.
- There were consistent comments from the group around a 'disconnect' between LA and CA priorities.

### Partnership:

- The sense was that the CA was formed to provide the smaller unitary authorities a bigger voice with government, however it is felt there is little 'trust' between the LAs and CA – the CA getting a big voice, but failing to listen to the LA's needs and priorities.
- The relationship was described as performative rather than effective. It was felt that the CA is 'too political'.
- The LA committees do work well together on transport related matters, but this then gets stymied by funding and prioritising at the CA level which does not always reflect the LA priorities.
- Members talked about feeling that you had to go 'cap in hand' to meetings to ask the CA for money.

### Culture & Governance:

- LA committee members talked of a lack of effective governance in the relationship between LAs and the CA.
- They discussed the fact that they have on occasions been invited to non-statutory meetings without agendas, having had limited or no sight of the papers



and therefore felt they were being railroaded into decisions – as they were unable to effectively scrutinise or challenge decisions.

- There is a sense that the CA leadership is not very visible, and that LA officers are dictated to.
- Culturally it is a challenge – certainly not currently a positive culture.

#### **Sentiment to Best Value Notice:**

It was not a surprise but clearly was disappointing. There is a 'hope' that this may be the catalyst to start to drive much required cultural and operational change – but sceptically there is a worry that the CA will not engage fully and will simply try to brush it off.

Members of the committee were looking forwards to how the Best Value notice will trigger changes in the relationship.

**BLANK PAGE**



### TEES VALLEY COMBINED AUTHORITY

#### Audit and Governance Committee: Initial reflections from BVN Workshop held on 27/5/25

##### Scene set

- This session facilitated to secure views from member of the committee to inform the Tees Valley Combined Authority (TVCA) Improvement Action plan. The plan is a response to the MHCLG Best Value Notice (BVN) from April 2025. The plan is scheduled for submission to MHCLG on 3 July 2025.
- In attendance were 4 members of the committee and 2 members of staff from the CA.
- Members in attendance were asked what they hoped to gain from the session. In summary:
  1. Members indicated that they came with no pre-conceived expectations but would hope to have a better understanding of the public sector definition of 'value for money'. (To assist on this front further information can be accessed via this link: [Best value standards and intervention-A statutory guide for best value authorities](#))
  2. They wished for the session to support the continuation of effective collaboration between committee members and being as effective as possible in their roles and
  3. For the committee to contribute to the TVCA's drive for improvement.
- The facilitated workshop involved a presentation (slides for this provided separately) and the opportunity for those in attendance to provide feedback in response to a number of questions. The [Appendix](#) on pages 2-4 of this document contains the feedback provided by those in attendance to which the rest of the committee are invited to contribute.
- It was agreed that the feedback from the session would be circulated to all members of the committee. This would give those members who were unable to attend approximately 1 week to contribute to this working document ahead of finalisation and submission into the formal TVCA improvement planning process.

**Ernest Opuni**  
(LGA Senior Regional Adviser)

### APPENDIX: FEEDBACK FROM MEMBERS IN ATTENDANCE ON 27 MAY 2025

#### Describe TVCA 12 months from now in 3 areas:

##### **1. Improvements to how TVCA works - *what does success look like?***

- Buy in from stakeholders on how the Authority is delivering
- Take people on the journey. Do not be isolated
- More externally focused
- Less controversy by press and public alike
- Officers empowered to work effectively and efficiently. Decision makers making sound decisions based on evidence. Public Trust and confidence in TVCA. Accountable and transparent.
- Measurability of outcomes
- Success is jobs and investment. Future for our children so they do not move away.
- Deadlines and targets achieved
- Good transparent communication
- All projects fully evaluated beforehand. Measured during [delivery] and after completion. [And then] reported on.
- New jobs created in the area [resulting in] lower unemployment.
- Positive outcomes from quarterly BVN meetings with confirmation of steps in the right direction.
- Success would be the removal of the BVN.
- Collaborative working.
- Collective voice/Shared leadership
- Clarity of roles (members/officers)

##### **2. The role of effective Audit and Governance practice in this improvement – *how do the people here today contribute to this?***

- Ensuring the organisation is doing what it said it would in the most efficient and legally sustainable way .
- Being open and transparent. Confidence in TVCA by public, partners and local authorities.
- Regular meetings with support and challenge from the committee members
- Internal and external audit. Proactive areas for consideration
- Proactive communication with members on organisational activities

## Appendix 2.5: Audit and Governance Committee

- Holding organisation to account. Probative and curious. Critical to TVCA health
- Transparency is key and improved. Having the right members for the committee to learn roles and be confident in that role.
- Adding to the work plans for review.
- Open communication and dialogue.
- Scrutiny of processes and procedures
- Constructive challenge
- Timeliness of information going into the public domain (avoiding leaks)
- Being involved earlier in the process

### 3. **The difference made to all communities the CA serves – *what positive difference will be made for the communities of Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton?***

- Perception of the Combined Authority [that it is] working for the best outcomes for the area.
- [Better] connection with our communities
- Communities feel supported to contribute to growth plans.
- Open channels of communication with communities.
- Communities have confidence in TVCA to deliver
- Improved Transport links
- Training to meet employers' requirements
- New jobs brought to the area.
- Trust through making well-informed decisions. Transparency in working for Tees Valley and no personal agendas.
- World leading industries for local communities to be proud of.
- A clear vision so we can see the change in plain sight.
- Projects delivered to communities that councils [on their own] could not deliver due to costs [and lack of resources]
- Partnership working/investment into communities.

### **In order to deliver this:**

#### 1. **What is working well that you would like to build on or not lose?**

- Open dialogue in meetings.
- Being agile. Working at pace
- Continue with regular meetings and cadence from Monitoring Officer.
- Creating jobs and opportunities in the area. Lowering unemployment.
- Structure to the committee's work programme.

## Appendix 2.5: Audit and Governance Committee

- Pace not at the expense of governance.... Governance not at expense of delivery... Balanced and proportionate.
- Good relationship with [and between] committee members.
- Committee works well and are engaged in TVCA.
- [If and when] communications need to be improved they are – responsive.
- Officer contact and relationships [are positive].
- Consider voluntary waivers to enhance further smoothness of communications across the committee.

### 2. What needs to change in order for TVCA to achieve the improvements you want to see?

- Need more resources (people/technology)
- Rushing decisions. Not pushing decisions without proper planning and resource.
- Improved working/collaboration with the [constituent] local authorities.
- Local government audit availability. To complete audit deadlines.
- Agile audit plans that are tailored to risk and changes.
- Early stakeholder engagement in plans/strategies, programmes and projects.
- Clear public/stakeholder access points to influence and benefit from investment.
- Improving public perception.
- Politics within TVCA. Even membership within local committees (except cabinet)
- Outfacing [external] perception of TVCA. Review and BVN has [adversely] impacted public views.
- Openness early on with new policies – seek views earlier in the process.
- Measurable targets and deadlines adhered to.

### 3. Anything else?

- Mayoral contact [could be improved]. Visibility to committees - no presence in 2 years on the committee.
- Recruitment of more independent committees to assist

**BLANK PAGE**



## Appendix 2.6: Meeting of 5 Council CEOs/MD and the Tees Valley CA CEO

9 May

Areas for inclusion in the Improvement Plan could fit under 4 groups:

### 1. Ambition

- Needs to be wider ownership of the programme, priorities of the CA
- Perhaps work to do on a collective and holistic inspiring vision for Tees Valley. Not necessarily a change, but to ensure all signed up to it.
- Binding everyone together could mean ideally moving beyond relatively “narrow” economic development TVCA work areas within that vision.

### 2. Role of politicians and way they discharge them

- All need to see themselves COLLECTIVELY as the CA
- What is the real purpose of various meetings and are they effectively fulfilling that purpose?
- A view that Cabinet is not an effective forum to drive focus, assure delivery and outcomes
- A feeling that there is a need for wider (positive) involvement in the CA from Council Cabinets/Executives/Committees, indeed all politicians (including MPs)
- The way some politicians behave, their style, (real or perceived) power dynamics, playing politics is detrimental to success. All need to change not just 1 person.
- Politicians need to see the greater good
- Where the Cabinet meets - does it always have to be the airport?
- External communications largely seem to flow through the Mayor. Could this be more of a shared role with portfolio leads?

### 3. Role of officers and way discharge them including processes

- Capacity and capability. There are clearly some issues about this within the TVCA itself. But capacity and capability would better be considered across the 6 authorities and how we can all pull in same direction and use collective expertise and capacity. How does TVCA benchmark with other CAs (although all are different). Utilise expertise across the collective 6, not the 1 or 1 + 5
- A recognition that there can be late papers, that the quality of advice and papers can be variable, questions about whether business cases constructed effectively? Is there a good evidence base and justification for recommendations, explained in a way that allow the right decisions to be made?
- Should the decision making process be streamlined, improved?

# TEES VALLEY

- Need for greater political nous for officers, mainly, but not just, at TVCA. Need greater respect for politicians, eg rooms to meet, microphones working, basic housekeeping

## 4. Culture

- TVCA is not thought to be taking all the opportunities to network with other CAs
- Behaviour needs to match words. But what are the agreed ways of working with each other, values, expectations?
- There is a perception of arrogance, a lack of respect in many directions
- Needs to be a greater sense and reality of coproduction for the work done to help Tees Valley thrive
- Need to rebuild trust and to build an effective partnership
- Need to feel as if we are all in this together and to see and feel that all 6 authorities are actually the CA not just 1 authority or 1+5

## Some overarching actions for the Improvement Plan

Should have been doing all this (taking stock and improving) anyway. The Improvement Plan is just a way to get us back to a normally functioning and an effective "Best Value" organisation.

We should visit and talk to other CAs and get a sense of how they work. Knowing that will help us

There is perhaps a need to bring in some expertise from outside in certain roles to get change really moving.

Everyone needs to change, not just 1 person or 1 organisation.

**BLANK PAGE**

## Appendix 2.7: Meeting of 5 Council Leaders/Mayor and the Tees Valley Mayor

12 May

Recognition that there have been some positive changes already (partly due to some changes in personnel)

This opportunity/need for change and reset looks like it's coming at a good time, on fertile ground and, in some cases, is already under way.

Issues to consider as part of the Improvement Plan probably fit under 4 main, albeit overlapping, headings:

### 1. Ambition

- There is a desire to be a collective CA (ie not 1+5 but 6 acting as 1)
- Work on the new Growth Plan is a good opportunity to arrive at a collective and inspiring new vision for the Tees Valley to help bind the authorities together.
- This should recognise that each of the 6 authorities has a role to play in impacting on outcomes and their wider determinants and that economic development is a means to an end, not a means in itself. This does not necessarily mean parity on allocation of investment.

### 2. Role of politicians and way they discharge them

- There is a perception (wrongly or rightly) that, to some extent, TVCA has been officer led, or led with limited influence from other than 1 politician. There was an agreement that the authority needs to become more, collectively, politically led. Politicians need to feel they are one team
- The Mayor does have a role distinct from the Cabinet, in the same way as a Council Leader, Council Mayor does within their councils and this needs to be recognised.
- The role of portfolio leads should be strengthened. They need to be supported and served better than now (and not just through more briefing) but through working together with senior officers, influencing policy and leading conversations at formal Cabinet. The definition of their role and its boundary needs to be agreed and defined, ideally within the Constitution
- There would be benefit in informal Cabinet having 2 elements: 1 without officers and 1 with officers. This should be the forum where the 6 politicians can come together and create focus and steer policy, kicking off the decision-making process.
- There should be a properly agreed induction procedure for new Cabinet members, including meeting members of staff

- It was agreed that there needs to be greater recognition of, respect for and support to, politicians by CA staff. This includes a focus on ensuring basic housekeeping such as passes for building, microphones working and the availability of rooms that can be used for politicians in and around CA meetings

### **3. Role of officers and way they discharge them**

- Change of personnel at TVCA has been helpful in stimulating, enabling and allowing change
- The way officers work in the CA is of a different nature to that in councils. The perception is that in councils, officers listen to members, but that this is less the case in the CA.
- There are questions about the capacity and capability of the officer function, especially around “governance” in the CA. It can be poor, the clarity of the advice given in papers can be lacking (not just a governance issue obviously, but more generally as issue of how members are advised), papers can be late. There was a view that this is generally more “cock up than conspiracy,” but it certainly needs improving.
- Where officers are involving members the feeling is that this was more about being given briefing, rather than being included in decision making.
- Is the current process of decision making working? What would good look like? Formal papers are with councils 8 weeks in advance, and then with management group, then FDs, then CEOs. Are councils playing their part effectively, using that time and properly briefing Leaders and CEOs before the day a decision is due?
- Overall, the decision making process needs to be codified, processes agreed and stuck to. This should clarify where and how decisions are made including where and when politicians are involved. Ideally Cabinet should kick off the 8 week process and agree what goes into the system, what doesn't and why
- It is recognised that officers at the CA will have had less exposure to politicians than those working in councils. Some political skills training could usefully be undertaken with them.

### **4. Culture**

- Joint working between CA and the councils is not as effective as it could be, for example, communication/follow up action is often dependent on either Leader/CEO feeding back. Is there a better way that gets closer to co-production?
- Needs to be stronger joint working, a feeling of all in this together. Councils are as much responsible for this as the CA. Councils need to buy into it too and where there are pockets of talking down and bad mouthing the CA, it effectively means you are criticising yourself as the CA is 6 authorities
- All and everyone need to consider whether they need to change.

**BLANK PAGE**



# TVCA Organisational Improvement Plan

## Contents

1. Statement of Understanding
2. Insights From Engagement & Self-Assessment
3. Our Ambition
4. Strategic Priorities
5. Action Plan

## 1. Statement of Understanding

Tees Valley Combined Authority (TVCA) fully accept the Best Value Notice issued by the Ministry of Housing, Communities and Local Government on the 3<sup>rd</sup> April 2025, and the statutory recommendations letter from our external auditors (EY), issued under Section 24 of the Local Audit and Accountability Act 2014, received on the 15<sup>th</sup> April 2025.

Together, these communications set out a clear and urgent requirement for TVCA to demonstrate meaningful and sustained improvement. They highlight concerns around governance, culture, partnerships, financial management and the organisation's capacity to embed continuous improvement. TVCA acknowledge these concerns in full.

In response to these communications we began a strategic and organisation-wide process of listening, learning and re-setting. This included open engagement with Cabinet, Chief Executives, Audit & Governance Committee, Overview & Scrutiny Committee, Transport Committee and senior local authority officers. The process has involved the commissioning of a series of independent listening workshops through the Local Government Association. These conversations helped to improve our internal understanding of how others see us.

This heightened organisational self-awareness marks the first, and most essential, step towards change. We now better understand the nature of the challenges we face, including the need to recognise our collective status, and shift from a reactive, siloed culture to one with a greater focus on collaboration and accountability. This



requires not just technical fixes, but a cultural reset, which needs to strengthen identity and association.

This Organisational Improvement Plan is built on this foundation. Whilst it is a fresh plan with a fundamental reset at its heart, it brings together and builds upon existing actions from earlier reviews, including the independent Tees Valley Review, the Centre for Governance and Scrutiny (CFGs) scrutiny review and the Chartered Institute of Public Finance and Accountancy (CIPFA) governance review, alongside other new actions, into a single coherent plan. It is our roadmap for addressing both the immediate priorities and the underlying cultural changes required to restore confidence in TVCA.

It is recognised that there will always be tension between the desire for rapid decision making in an ambitious, outcome focussed organisation and the fundamental governance and accountability that needs to be in place when spending public money.

We are committed to striving to achieve organisational excellence, ensuring that we meet our statutory duties, and build trusted relationships with stakeholders, residents, and staff by:

- being open, engaging & respectful;
- developing a strong performance focus with an emphasis on value for money; and
- building a sustained approach to continuous improvement.

This Organisational Improvement Plan is the beginning of that journey.

## 2. Insights From Engagement & Self-Assessment

### Insights from Political and Senior Officer Engagement

As part of our immediate improvement response, we initiated reflective and frank conversations with TVCA Cabinet, the Tees Valley Chief Executives, our other statutory committees and local authority senior officers. These sessions provided powerful insight into how the Combined Authority is currently perceived, where it is falling short, and what needs to change.



### A Need for Shared Ambition and Identity

As a Combined Authority there is a strong desire to function as a true collective of six authorities, not a '1+5' model. Cabinet and Chief Executives expressed support for a more unified, inspiring vision for the Tees Valley, underpinned by wider ownership of the Local Growth Plan and a clear understanding that economic development is a means to wider social and place-based outcomes. There is an opportunity for TVCA to grow into a 'system' leader in the Tees Valley and take a holistic view for the region.

### Resetting Political and Governance Dynamics

There is consensus from Cabinet that TVCA must become more politically led and collaborative. While recognising the Mayor's distinct role, the need for clearer roles for portfolio leads, stronger political engagement in decision-making, and better support and advice to politicians from officers, including advice from TVCA statutory officers, was highlighted. A culture of shared leadership, rather than isolated power, must be re-built. Members must feel that TVCA priorities reflect and deliver on local priorities where this is appropriate and can add value.

Members must be prepared to respectfully and constructively scrutinise and challenge as necessary, including on-going improvement in the operation of the Overview & Scrutiny Committee, and independent oversight and assurance from the Audit & Governance Committee. Officers must ensure they adequately support members in terms of thorough, but clear and digestible briefings, and in accordance with exemplar governance and decision-making best practice.

### Improving Officer Practice and Organisational Capability

Concerns were raised about the quality, timing and clarity of officer advice and reports, especially regarding governance. Cabinet and Chief Executives noted that papers are often late or unclear, and that engagement with politicians can feel more like briefings than shared decision-making. There is a need for transparent decision-making processes, improved officer capacity and confidence, and stronger collaboration across all six authorities. The six chief executives therefore need to act and work together as a 'leadership team' supporting priority workstreams to underline collective leadership and ownership. There is also an ongoing need to ensure the appropriate balance between achieving outstanding



outcomes for the Tees Valley and the requirements of good governance and accountability when it comes to spending public money.

### **A Cultural Shift Towards Trust, Co-Production and Respect**

A recurring theme was the need to rebuild trust across the six authorities. There were calls for a new culture of openness, mutual respect, consistent communication and genuine co-production. Members and officers want to see behaviour that aligns with shared values, not just statements of intent. There is appetite for a new way of working – more inclusive, transparent, and focused on collective success. Culture will need to be a key, ongoing focus for the Chief Executive and wider senior leadership team.

### **Internal Reflection and Organisational Self-Assessment**

Alongside external engagement, the TVCA senior leadership have reflected deeply on the internal culture, systems and ways of working within the organisation, which has included engagement and feedback from staff. These reflections take place in the context of an organisation that has achieved significant impact, delivering major projects & programmes, attracting investment and building a powerful regional identity. The ambition and urgency that have driven these achievements have also created pressure, with systems, behaviours, and engagement practices not always keeping pace.

Staff describe an organisation that can be reactive and fast-paced, with multiple priorities and a high workload, creating resource challenges and limiting opportunity to step back and reflect. Governance processes and accountability need to be consistently embedded across the organisation; and key foundations, such as internal systems and strategic planning, need strengthening. Partnership working has, at times, felt transactional, with missed opportunities for shared ownership and long-term alignment.

Crucially, there is now recognition across the organisation that some of these patterns, while understandable, are no longer sustainable. There is a collective desire to rebuild trust, reset ways of working and develop a culture that matches TVCA's ambition: one that is honest, collaborative, resilient, and ready for the next phase of devolution. There is also a need to ensure that the resource challenges are addressed and that the workforce, both now and in the future, has the right level of capacity and capability. The organisation is therefore on the cusp of being



able to shift up a gear to embrace further devolution and significant growth opportunities. A new and more integrated way of working across the Tees Valley will be needed to realise this potential.

These reflections do not detract from the progress made, they build on it. The lessons learned now will strengthen the foundations for future success and ensure that the next chapter of TVCA's story is ambitious, trusted and accountable.

### **Moving Forward**

This Organisational Improvement Plan translates these insights into action. It sets out a clear ambition, priorities and actions for change. It does not just address the immediate concerns raised in the Best Value Notice and statutory recommendations made by our external auditors, it also lays the groundwork for a more effective, connected, and continuously improving Combined Authority, built on trust, purpose, and shared success.

## **3. Our Ambition**

It is recognised that there needs to be an organisational reset within TVCA and in terms of relationships with the constituent authorities. TVCA is committed to a truly collective approach, continuous improvement, striving to achieve organisational excellence, with a collaborative, open, engaging and respectful culture, and building trusted relationships with stakeholders.

## **4. Strategic Priorities**

The following five strategic priorities set out how we will improve the organisation. They reflect the insights gained from extensive engagement with politicians and local authority senior officers, and are aligned to the listening exercises and internal self-assessment. Each priority will be addressed by a focused set of actions to drive continuous improvement.



## **1. Rebuild Trust and Shared Ownership Across the Combined Authority**

Consolidate TVCA as a collective of six authorities, not a single entity. Strengthen Cabinet and portfolio holder roles, embed joint ownership of strategic planning and decisions, and rebuild mutual confidence with stakeholders.

## **2. Strengthen Governance, Oversight and Accountability**

Embed effective, transparent and inclusive governance and scrutiny arrangements, learning from best practice, with a clear constitutional and operational framework, including recommendations identified in the Best Value Notice and external audit statutory letter.

## **3. Build a High-Performing Organisation with a Strong Operating Model**

Address resource challenges, ensuring sufficient capacity and capability, implement robust processes and systems, and establish an effective and stable senior leadership team to ensure TVCA has the operating model and culture needed for consistent, high-quality delivery. Coupled with this will be an enhanced strategic leadership team made up of the six chief executives, supporting the delivery of priority workstreams.

## **4. Embed a Culture of Continuous Improvement and Openness**

Foster a reflective, honest and improvement-focused culture across the organisation through strong communication, staff development, benchmarking and transparent challenge – and seek further opportunities for external validation of improvement.

## **5. Deliver Strategic Clarity, Long-Term Planning and Prepare for the Next Phase of Devolution**

Shift from more reactive delivery to proactive joined-up long-term planning. Ensure readiness, both in terms of capacity, capability and accountability, for additional powers and fiscal responsibility through the Devolution White Paper.



## 5. Action Plan Summary

Below is a summary of the headline actions planned to achieve each of the five strategic priorities. They are organised under the dominant priority that they support, however, in many cases one action will contribute to the achievement of more than one priority. There is an accompanying detailed action plan that provides more granularity under each headline action and responsibility, timescale and measure of success.

- 1. Rebuild Trust and Shared Ownership Across the Combined Authority –**  
*Consolidate TVCA as a collective of six authorities, not a single entity.  
Strengthen Cabinet and portfolio holder roles, embed joint ownership of strategic planning and decisions, and rebuild mutual confidence with stakeholders.*
  - Review Cabinet portfolios and strengthen the role of portfolio holders, ensuring TVCA priorities reflect and deliver on local priorities where this is appropriate and can add value, including appropriate support from senior TVCA officers, and capture changes within the Constitution.
  - Implement regular informal Cabinet meetings, both with and without officers present, Cabinet workshop sessions where appropriate and portfolio meetings with senior TVCA officers and senior local authority officers where appropriate.
  - Review the Cabinet decision-making process and implement any necessary changes to ensure meaningful political engagement at the outset, including presenting Members with thorough options appraisals, and throughout the process.
  - Implement a balanced external communications plan to ensure TVCA restores public confidence, promotes itself and manages challenge & external scrutiny, with a greater role for Cabinet portfolio holders.



2. **Strengthen Governance, Oversight & Accountability** – *Embed effective transparent and inclusive governance and scrutiny arrangements, learning from best practice, with a clear constitutional and operational framework, including recommendations identified in the Best Value Notice and external audit statutory letter.*
- Review the operation of all TVCA statutory committees, ensuring appropriate officer support, and implement any necessary changes to ensure that the responsibilities of each are addressed effectively and efficiently with robust work plans.
  - Ensure committee reports consider options, are of sufficient quality and draw attention to the pertinent information, considering best practice and feedback from Cabinet and local authority officers.
  - Ensure that all TVCA statutory committees are appropriately supported and challenged to maximise effectiveness.
  - Refocus the Chief Executives meetings into a Tees Valley Strategic Leadership Team, made up of the six chief executives, supporting the delivery of priority workstreams.
  - Undertake a comprehensive review of the TVCA Constitution, including Scheme of Delegation, working closely with the constituent local authorities and Cabinet, to ensure it is fit for purpose.
  - Review all governance processes and procedures and implement any necessary changes to ensure exemplar governance and decision-making best practice, capture changes within the Constitution and improve awareness and understanding across the organisation.
  - Review TVCA staff induction process to improve organisational awareness and understanding of governance and finance processes.
  - Develop and implement a workforce development strategy, to ensure a sustainable and high-performing finance function.



- Develop and implement a workforce development strategy, to ensure a sustainable and high-performing governance function.
- Review all finance processes and procedures and implement any necessary changes to ensure exemplar finance best practice, capture changes within the Constitution and improve awareness and understanding across the organisation.
- Respond effectively and in a timely manner to address the recommendations and actions contained within the external auditor's statutory letter received on the 15<sup>th</sup> April 2025.
- Undertake a comprehensive review of the TVCA Assurance Framework, taking into account external best practice, working closely with the constituent local authorities and Cabinet, and implement any necessary changes to ensure it is fit for purpose.
- Implement a new member induction process and on-going programme of development, learning from best practice, for members of all TVCA statutory committees to ensure that they are familiar with TVCA, their roles & responsibilities and the expectations of their position.
- Review the TVCA Publication Scheme and make any necessary changes, to make the maximum amount of information readily available to the public.
- Undertake a comprehensive review of the Code of Conduct for Officers and Members and implement any necessary changes to ensure it is fit for purpose and aligns with best practice.
- Ensure that all actions from audit reports are addressed in an effective and timely manner and progress is reported to Audit & Governance Committee and Cabinet.
- Develop and implement an on-going improvement plan with the Overview & Scrutiny Committee to continue to make improvements to



the effectiveness of the overview and scrutiny function, including a more strategic approach to work planning and improving the relationship with Cabinet and portfolio holders.

- Implement a new governance e-genda and forward planning system to improve efficiency and compliance.
- Review the format and effectiveness of the existing Annual Governance Statement in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) & the Society of Local Authority Chief Executives and Senior Managers (SOLACE) Good Governance Framework, and make any necessary changes.

### **3. Build a High-Performing Organisation with a strong Operating Model –**

*Address resource challenges, ensuring sufficient capacity and capability, implement robust processes and systems, and establish an effective and stable senior leadership team to ensure TVCA has the operating model and culture needed for consistent, high-quality delivery. Coupled with this will be an enhanced strategic leadership team made up of the six chief executives, supporting the delivery of priority workstreams.*

- Review the non-statutory officer advisory group governance structure, in collaboration with the constituent local authorities and other key stakeholders, and implement any necessary changes to ensure efficiency and effectiveness.
- Recruit a permanent Chief Executive and recruit to the vacant Director posts, and ensure appropriate input from the S73 Chief Finance Officer and Monitoring Officer in the senior leadership team. All future recruitment will be undertaken in accordance with the new and emerging cultural values of the organisation. All senior leaders will be expected to exhibit, champion and inspire the behaviours of cultural change.
- Develop and implement a workforce development strategy through a demand and skills analysis, to ensure appropriate capacity and



capability across the organisation, including potentially securing external expertise, focused on Cabinet approved priorities.

- Develop and implement a workforce development strategy, to ensure expertise and experience across TVCA & the constituent local authorities are fully utilised in support of continued organisational improvement.
- Develop and implement a workforce development strategy, to enhance skills and knowledge at all levels within the organisation.
- Develop and implement a new organisation-wide operating model to improve processes, efficiency and quality.
- Implement a Programme Management Office (PMO), with standardised processes and tools, to ensure consistency in terms of how the organisation develops, manages and monitors projects and programmes.
- Initiate and undertake a programme of organisational development, with an external partner to provide support and challenge.
- Implement an internal communications plan to improve employee engagement and voice, through on-going engagement and learning activity, and to embed the actions within the Organisational Improvement Plan across the organisation.
- Ensure that the TVCA values (open, empathetic, collaborative & focused) are embedded through everyday activity, organisational development and the appraisal process.
- Embed an appraisal process that ensures individual accountability, through clear objective setting, which is aligned to team and organisational priorities, and robust performance management.
- Improve relationships between senior management and all staff through improved communication, visibility, engagement activity,



openness to receiving feedback/challenge and demonstrating that the organisation is responsive to staff.

- Develop and implement a professional development plan for the Chief Executive and all Directors to ensure continued development and establish a high performing senior leadership team.
- Create a healthier work environment by engaging with staff through the staff survey and staff forum and making changes/delivering activities that will influence staff satisfaction in terms of wellbeing and engagement.

**4. Embed a Culture of Continuous Improvement** – *Foster a reflective, honest and improvement-focused culture across the organisation through strong communication, staff development, benchmarking and transparent challenge – and seek further opportunities for external validation of improvement.*

- Take part in a Local Government Association (LGA) peer review in 18-24 months to assess progress made and seek external support and challenge from the LGA, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Centre for Governance and Scrutiny (CFGS) to support the Organisational Improvement Plan.
- Ensure progress against the actions contained within the Organisational Improvement Plan is effectively monitored, working closely with the constituent local authorities and the Independent Advisory Board, and reported in a transparent manner to Cabinet, the Independent Advisory Board, the Ministry of Housing, Communities & Local Government (MHCLG) and EY (external auditor).
- Ensure that TVCA continues to embed the organisational response to all recommendations from the independent Tees Valley review and reports produced by the Centre for Governance and Scrutiny (CfGS) and the Chartered Institute of Public Finance and Accountancy and (CIPFA).



- Undertake an assessment and identify any new actions to ensure that we are striving for excellence in the remaining categories set out in the statutory guidance on best value standards and interventions (not covered in the Best Value Notice or by the external auditor statutory letter), which are leadership, use of resources and service delivery.

**5. Deliver Strategic Clarity, Long-Term Planning & Prepare for the Next Phase of Devolution** – *Shift from more reactive delivery to proactive, joined-up long-term planning. Ensure readiness, both in terms of capacity, capability and accountability, for additional powers and fiscal responsibility through the Devolution White Paper.*

- Implement a collaborative approach to strategic long-term priority setting and planning, working closely with the constituent local authorities, with meaningful political engagement at the outset and throughout the process.
- Undertake an assessment and identify any new actions to ensure that we are striving for excellence in the remaining categories set out in the statutory guidance on best value standards and interventions (not covered in the Best Value Notice (BVN) or by the external auditor statutory letter), which are leadership, use of resources and service delivery.
- Undertake a business planning exercise and produce a readiness plan in anticipation of the expanded powers set out in the Devolution White Paper.
- Produce a readiness plan for fiscal devolution, including a potential future integrated settlement, and new accountability arrangements as set out in the Devolution White Paper.

## Reporting

TVCA will produce a monthly report to summarise progress against the Organisational Improvement Plan, specifically the actions contained in the detailed



action plan. This will be provided to the bodies listed below and published on the TVCA website:

- TVCA Cabinet
- Independent Advisory Board
- MHCLG
- EY (External auditor)

Progress on implementing the Organisational Improvement Plan will be a standing item on all Cabinet agendas. This will include a progress report produced by TVCA and an independent report produced by the Chair of the Independent Advisory Board.

Overview & Scrutiny, Audit & Governance Committee and Transport Committee will be able to review progress against the actions relevant to their remit.

**BLANK PAGE**

## Item 6 - Appendix 4: Partnerships and Continuous Improvement

Strategic Priorities (Note: Some of the below cross over into other or all areas, the below represents the dominant theme)	Headline Actions	Key Steps	Overarching Measure of Success	Target Date to Achieve
4. Embed a Culture of Continuous Improvement	Ensure progress against the actions contained within the Organisational Improvement Plan is effectively monitored, working closely with the constituent local authorities and the Independent Improvement Board, and reported in a transparent manner to Cabinet, the Improvement Board, the Ministry of Housing, Communities & Local Government (MHCLG) and EY (external auditor).	Regular engagement with all stakeholders, building relationships. Set up report structure for both internal and external reporting at agreed frequency. Set up spreadsheet to show progress against each action or KPI. Attend Improvement Board and MHCLG meetings providing previous minutes and recording any actions.	Clear & regular reporting, timely meeting papers, improved/positive feedback	Q4 2026
1.Rebuild Trust & Shared Ownership Across the Combined Authority	Implement a balanced external communications plan to ensure TVCA restores public confidence, promotes itself and manages challenge & external scrutiny, with a greater role for Cabinet portfolio holders.	Develop plan Work with partners, stakeholders and Members to embed plan Review and update monthly	Clear, easily accessible information for the public that meets with legislation and best practice	Q2 2025
4. Embed a Culture of Continuous Improvement	Take part in a Local Government Association (LGA) peer review in 18-24 months and seek external support and challenge from the LGA, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Centre for Governance and Scrutiny (CFGS) to support the Organisational Improvement Plan.	Liaise with LGA/CIPFA/CFGS for peer review and external support & challenge Agree dates & timescales	Agreed dates with each planned into TVCA timescales	Ongoing
5. Deliver Strategic Clarity, Long-Term Planning & Performance Focus & Prepare for the next phase of long term devolution	Undertake an assessment and identify any new actions to ensure that we are striving for excellence in the remaining categories set out in the statutory guidance on best value standards and interventions (not covered in the Best Value Notice (BVN) or by the external auditor statutory letter), which are leadership, use of resources and service delivery.	Undertake assessments and identify & implement any actions involving partners & key stakeholders when appropriate - using BVN guidance as the framework/benchmark	Positive benchmarking/improved position recorded & continually measured.	Ongoing/Q4 2025
5. Deliver Strategic Clarity, Long-Term Planning & Performance Focus & Prepare for the next phase of long term devolution	Implement a collaborative approach to strategic long-term priority setting and planning, working closely with the constituent local authorities, with meaningful political engagement at the outset and throughout the process.	Implement a series of workshops for priority setting, engage key partners and Members and ensure the workshops fit with the corporate calendar.	Partners and key stakeholders understand long term plans and provide positive/improved feedback on meaningful engagement.	Ongoing/Q2 2025
3. Build a High-Performing Organisation with a strong Operating Model	Develop and implement a new organisation-wide operating model to improve processes, efficiency, understanding and quality.	Set out how directorates and teams will be structured and where decision making will sit in order to create a set of general accountabilities for Directors, which are expressed through their objectives to deliver against the policies set out by the Combined Authority. Create a scheme of delegation to cover specific delegations or requirements for compliance where officers are fulfilling these accountabilities. Create a scheme of delegation that covers specific delegations or requirements for compliance where officers are fulfilling these accountabilities.	Agreed operating model is rolled out and understood. Staff can report via surveys understanding of high level objectives and where their role impacts these.	Ongoing Q4 2026
3. Build a High-Performing Organisation with a strong Operating Model	Implement a Programme Management Office (PMO), with standardised processes and tools, to ensure consistency in terms of how the organisation develops, manages and monitors projects and programmes.	Explore the structure of a PMO within TVCA to ensure it is fit for purpose and specific to TVCA. implement a fit for purpose PMO.	An appropriate PMO 'model' is in place for TVCA. Demonstrable benefits of the PMO can be seen & recorded.	Q4 2025
2. Strengthen Governance, Oversight & Accountability	Refocus the Chief Executives meetings into a Tees Valley Strategic Leadership Team, made up of the six chief executives (5 LAs and 1 CA, CEXs) supporting the delivery of priority workstreams.	Undertake a review of the TV CEXs meetings, priorities and Terms of Reference, implement changes from the review appropriately and reflect any changes in the governance structure and corporate calendar of the wider organisation and embed changes to processes.	Implementation of Tees Valley Strategic Leadership Team meetings. Positive feedback and demonstrable impact of the working arrangements received.	Q3 2025
4. Embed a Culture of Continuous Improvement	Undertake an assessment and identify any new actions to ensure that we are striving for excellence in the remaining categories set out in the statutory guidance on best value standards and interventions (not covered in the Best Value Notice or by the external auditor statutory letter), which are leadership, use of resources and service delivery.	Undertake assessment. Agree actions and develop implementation plan.	Through continuous monitoring a clear positive direction of travel can be demonstrated.	Q4 2025

## Item 6 - Appendix 4: Use of Resources

Strategic Priorities (Note: Some of the below cross over into other or all areas, the below represents the dominant theme)	Headline Actions	Key Steps	Overarching Measure of Success	Target Date to Achieve
2. strengthen Governance, Oversight & Accountability	Review all finance processes and procedures and implement any necessary changes to ensure exemplar finance best practice, capture changes within the Constitution and improve awareness and understanding across the organisation.	Produce a baseline assessment of finance processes and procedures and 'gap analysis' where applicable to form the basis of future improvement plan.	Fully documented finance business processes and procedure documentation is widely available and understood by staff	End Q3 026
		Cabinet approval of finance process changes as required in line with Constitution.		
		Roll out of processes across the organisation (including all necessary awareness raising and training)	Ownership and accountability is demonstrated through budget holder leadership for their respective areas of delegated authority.	02/03/26
		Implementation of the necessary system changes to reflect the new sub-scheme of delegation		
		Roll out training for all new budget holders and individuals with delegations		
Roll out training for document authorisation system	Document authorisation processes are compliant, timely and accurate working to agreed service standards across the Group	End Q3 2026		
2. strengthen Governance, Oversight & Accountability	Develop and implement a workforce development strategy, to ensure a sustainable and high-performing finance function.	<p>Produce baseline of Finance team capacity and capability. Produce Terms of Reference for review of Finance team and approval by Cabinet</p> <p>Benchmarking analysis and review by Tees Valley Strategic Resources Group (FDs) for feedback</p> <p>SWOT analysis and local government finance workforce action plan key recommendations analysis performed to support review of the Finance Team</p> <p>Formulation of Finance Team structure options and funding requirements as applicable and recommendations to TVCA Senior Leadership Team and stakeholder groups</p>	The Finance team has a clear structure building on current capabilities to ensure an appropriately qualified team and a development pathway to a resilient high performing service	End Q2 2025
2. strengthen Governance, Oversight & Accountability	Respond effectively and in a timely manner to address the recommendations and actions contained within the external auditor's statutory letter received on the 15 <sup>th</sup> April 2025.	Capacity review	All public inspection periods for the Annual Financial Statements (including narrative report) and Annual Governance Statement are complied with in line with legislation.	Q2 2025
		Process review		Q2 2025
		Clear timetable for production of its 2024/25 Statement of Accounts	All year-end statutory deadlines met for the production of Annual Financial Statements (including narrative report) and Annual Governance Statement to deliver before the backstop date	Q4 2026
2. Strengthen Governance, Oversight & Accountability	Produce a readiness plan for fiscal devolution, including a potential future integrated settlement, and new accountability arrangements as set out in the Devolution White Paper.	<p>Produce baseline self-assessment of readiness against best practice using models produced for MCAs who have already progressed through readiness activity.</p> <p>Produce an action plan designed to address any gaps in readiness identified through the baseline assessment work to deliver for March 2026 to inform formal readiness processes with Government. This is on the basis that the first financial year where further fiscal devolution and integrated settlement could occur for TVCA is 1 April 2027.</p> <p>Approval of readiness plan with stakeholders</p>	TVCA Cabinet approved readiness plan	Q3 2025
2. Strengthen Governance, Oversight & Accountability	Ensure that all actions from audit reports are addressed in an effective and timely manner and progress is reported to Audit & Governance (A&G) Committee and Cabinet.	The detailed activities are covered by other actions in the use of resources section. The formal reporting to TVCA AGC and TVCA Cabinet will follow the approved plan. This requires reports to be produced for circulation with these stakeholders for May, June, September and November.	External Audit recommendations evidenced as complete with Auditors	Q3 2025

## Item 6 - Appendix 4: Governance

	A	B	C	D	E
1	<b>Strategic Priorities (Note: Some of the below cross over into other or all areas, the below represents the dominant priority)</b>	<b>Headline Actions</b>	<b>Key Steps</b>	<b>Overarching measure of success</b>	<b>Target Date to Achieve</b>
2					
3	2. Strengthen Governance, Oversight & Accountability	Review all governance processes and procedures and implement any necessary changes to ensure exemplar governance and decision-making best practice, capture changes within the Constitution and improve awareness and understanding across the organisation.	Undertake internal review of processes, sub-divide to directorate/teams, identify changes to be made. Identify stakeholders and consultees and decision making needed i.e. from Cabinet. Incorporate review by formalising each process into TVCA governance structure.	Clear, demonstrable and effective governance processes demonstrated through positive feedback from Members, partners and stakeholders and understanding of key processes by TVCA staff.	Q3 2025
5	2. Strengthen Governance, Oversight & Accountability	Undertake a comprehensive review of the TVCA Constitution, including Scheme of Delegation, working closely with the constituent local authorities and Cabinet, to ensure it is fit for purpose.	Complete internal review of the Constitution, engage members and partners in the review and formalise revised version at a future Cabinet meeting.	Revised Constitution is agreed at TVCA Cabinet. TVCA has clear, demonstrable and effective governance processes	Q3 2025
6	1. Rebuild Trust & Shared Ownership Across the Combined Authority	Review Cabinet portfolios and strengthen the role of portfolio holders, ensuring TVCA priorities reflect and deliver on local priorities where this is appropriate and can add value, including appropriate support from senior TVCA officers, and capture changes within the Constitution.	Working with the LAs and Cabinet, agree how portfolio holders are identified and agreed, and how portfolio holders input into TVCA governance processes. Make any necessary changes to the TVCA Constitution and internal processes.	Feedback from Cabinet members of shared ownership and contribution. Identifiable output in decision making and wider governance, which acknowledges the role and remit of portfolio holders.	Q3 2025
7	1. Rebuild Trust & Shared Ownership Across the Combined Authority	Implement regular informal Cabinet meetings, both with and without officers present, Cabinet workshop sessions where appropriate and portfolio meetings with senior TVCA officers and senior local authority officers where appropriate.	Implement a cycle of informal cabinet meetings, workshop sessions and portfolio meetings in the corporate calendar, which have an identified and timely link to the governance processes.	Production of corporate calendar, which is agreed and owned by TVCA, partners and Members. Evidence of additional engagement with Cabinet members, with all feedback addressed and reported back to Cabinet members.	Q3 2025
8	1. Rebuild Trust & Shared Ownership Across the Combined Authority	Review the Cabinet decision-making process and implement any necessary changes to ensure meaningful political engagement at the outset, including presenting Members with thorough options appraisals, and throughout the process.	Undertake a detailed review of Cabinet decision making process, engage partners and Members in this review, and make any necessary changes to the Constitution and internal processes.	Clearly documented process from origin to decision.	Q3 2025
9	2. Strengthen Governance, Oversight & Accountability	Review the operation of all TVCA statutory committees, ensuring appropriate officer support, and implement any necessary changes to ensure that the responsibilities of each are addressed effectively and efficiently with robust work plans.	Review legislative requirements and terms of reference for each Statutory Committee, engage partners and Committee members in the review, and update the constitution accordingly.	Revised Terms of References produced. Evidence of training and feedback from Committee members. Changes reflected in governance processes and Constitution.	Q3 2025
10	2. Strengthen Governance, Oversight & Accountability	Ensure committee reports are of sufficient quality and draw attention to the pertinent information, considering best practice and feedback from Cabinet and local authority officers.	Review structure and content of reports & deliver report writing training to identified staff. Deadline for reports clearly communicated with escalation process and action taken recorded.	Demonstrable audit trail of informed decision making. Testing of the process to ensure robustness.	Q3 2025
12	2. Strengthen Governance, Oversight & Accountability	Ensure that all TVCA statutory committees are appropriately supported and challenged to maximise effectiveness.	Review governance officer capacity. Action log developed and maintained, and reported to each Committee meeting. Review use of confidential items at statutory committees. Implement staff training.	Review of effectiveness of each Committee.	Q3 2025
13	3. Build a High-Performing Organisation with a strong Operating Model	Review the non-statutory officer advisory group governance structure, in collaboration with the constituent local authorities and other key stakeholders and implement any necessary changes to ensure efficiency and effectiveness.	Review what exists, what they do and how they contribute to overall governance across the authority, engaging with key partners and stakeholders in the review.	Coherent committee and non-statutory advisory group structure that supports the authority and work of Cabinet. Demonstrated in Committee effectiveness reviews.	Q3 2025
14	2. Strengthen Governance, Oversight & Accountability	Implement a new Member induction process and on-going programme of development, learning from best practice, for members of all TVCA statutory committees to ensure that they are familiar with TVCA, their roles & responsibilities and the expectations of their position.	Request feedback from Members and stakeholders on the current induction process. Develop Member induction process for Cabinet and all Statutory Committees.		Q3 2025
15	2. Strengthen Governance, Oversight & Accountability	Review the TVCA Publication Scheme and make any necessary changes, to make the maximum amount of information readily available to the public.	Assess what is currently published against what we are able to share publicly.	Revised publication scheme linked to legislative requirements, which is regularly updated and enhanced, with scheduled reviews	Q2 2025
17	2. Strengthen Governance, Oversight & Accountability	Undertake a comprehensive review of the Code of Conduct for Officers and Members and implement any necessary changes to ensure it is fit for purpose and aligns with best practice.	Review current Code of Conduct, secure Cabinet sign off and implement changes.	Revised Code of Conduct that aligns to best practice approved by Cabinet and included in member induction processes.	Q3 2025
18	2. Strengthen Governance, Oversight & Accountability	Develop and implement an on-going improvement plan with the Overview & Scrutiny (O&S) Committee to continue to make improvements to the effectiveness of the overview and scrutiny function, including a more strategic approach to work planning and improving the relationship with Cabinet and portfolio holders.	Work with O&S Committee to develop improvement plan (merging any actions under the previous Centre for Governance & Scrutiny review where appropriate), with identified aims, objectives and timescales. Ensure improvement activity is appropriately included in the Committee's work plan.	O&S Committee have shaped and developed the plan, the effectiveness of which can be demonstrated in its work and results.	Q3 2025
19	2. Strengthen Governance, Oversight & Accountability	Implement a new governance e-genda and forward planning system to improve efficiency and compliance.	Implement modern.gov, & roll out training to staff, partners and members.	Modern.gov works for staff and members with feedback regularly sought and actions taken to address issues	Q2 2025
20	2. Strengthen Governance, Oversight & Accountability	Review the format and effectiveness of the existing Annual Governance Statement in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) & the Society of Local Authority Chief Executives and Senior Managers (SOLACE) Good Governance Framework, and make any necessary changes.	Review current format, engage partners and members as appropriate, taking into account best practice.	Production of annual governance statement which fairly reflects the position of governance across the authority with open and transparent acknowledgement where improvements need to be made, with appropriate actions to address.	Q3 2025
21	2. Strengthen Governance, Oversight & Accountability	Undertake a comprehensive review of the TVCA Assurance Framework, taking into account best practice, working closely with the constituent local authorities and Cabinet, and implement any necessary changes to ensure it remains fit for purpose.	Undertake an internal review of the Assurance Framework. Work with partners and Members to update. Seek Cabinet approval.	Approval of updated Assurance Framework. Data is available providing evidence of effective assurance processes.	Q2 2025
23	4. Embed a Culture of Continuous Improvement	Ensure that TVCA continues to embed the organisational response to all recommendations from the independent Tees Valley review and reports produced by the Centre for Governance and Scrutiny (CfGS) and the Chartered Institute of Public Finance and Accountancy and (CIPFA).	Establish baseline and progress against recommendations and develop action plan to address outstanding actions. Develop and implement continuous improvement actions.	Demonstrable progress towards embedded actions.	Q3 2026
25	5. Deliver Strategic Clarity, Long-Term Planning & Performance Focus & Prepare for the next phase of long term devolution	Undertake a business planning exercise and produce a readiness plan in anticipation of the expanded powers set out in the Devolution White Paper.	Planning exercise. Agree readiness plan.	Readiness plan is in place with clear target dates and responsibilities.	Q4 2025

## Item 6 - Appendix 4: Culture

Strategic Priorities (Note: Some of the below cross over into other or all areas, the below represents the dominant theme)	Headline Actions	Key Steps	Overarching Measure of Success	Target Date to Achieve
3. Build a High-Performing Organisation with a strong Operating Model	Initiate and undertake a programme of Organisational Development (OD), with an external partner to provide support and challenge.	Procure O&D partner to support the OD development, develop the programme of OD for consideration and agreement by TVCA Senior Leadership Team.	O&D Programme is developed and agreed with clear steps for implementation over the short, medium and long term.	Ongoing/Q4 2025
2. Strengthen Governance, Oversight & Accountability	Review TVCA staff induction process to improve organisational awareness and understanding of governance and finance processes.	Review existing induction content and work with governance, procurement & finance teams to build fit for purpose induction content.	New induction process rolled out to staff.	Q3 2025
3. Build a High-Performing Organisation with a strong Operating Model	Recruit a permanent Chief Executive (CEX) and recruit to the vacant Director posts, and ensure appropriate input from the S73 Chief Finance Officer and Monitoring Officer in the senior leadership team. All future recruitment will be undertaken in accordance with the new and emerging cultural values of the organisation. All senior leaders will be expected to exhibit, champion and inspire the behaviours of cultural change.	Engage with external recruitment agency to develop staged process for vacant CEX post. Undertake a process to recruit remaining Director vacancies. Review Senior Leadership Team to ensure appropriate input from statutory officers. Link with senior Leadership Team development. Design & implement a series of stakeholder surveys.	Recruitment concluded. High performing senior leadership team. Recoding of improved data.	Q3 2025
2. Strengthen Governance, Oversight & Accountability	Develop and implement a workforce development strategy, to ensure a sustainable and high-performing finance function.	Create baseline assessments of workforce - identify skills gaps - creation of team and individual development plans. Develop a draft strategy for consideration and agreement by TVCA Senior Leadership Team. Set out the steps for implementation over the short medium and long term.	Production of a workforce development strategy which is clear on the steps to achieve a high performing workforce. Staff Utilise staff surveys to monitor impact.	Q1 2026
2. Strengthen Governance, Oversight & Accountability	Develop and implement a workforce development strategy, to ensure a sustainable and high-performing governance function.			
3. Build a High-Performing Organisation with a strong Operating Model	Develop and implement a workforce development strategy through a demand and skills analysis, to ensure appropriate capacity and capability, across the organisation, focused on Cabinet approved priorities.			
3. Build a High-Performing Organisation with a strong Operating Model	Develop and implement a workforce development strategy, to ensure expertise and experience across TVCA & the constituent local authorities are fully utilised in support of continued organisational improvement.			
3. Build a High-Performing Organisation with a strong Operating Model	Develop and implement a workforce development strategy, to enhance skills and knowledge at all levels within the organisation.			
3. Build a High-Performing Organisation with a strong Operating Model	Ensure that the TVCA values (open, empathetic, collaborative & focussed) are embedded through everyday activity, organisational development and the appraisal process.	Design and implement a recordable system to give positive feedback where TVCA's values are lived out and demonstrated	Clear data showing increasing evidence of TVCA staff living our values	Q3 2025
3. Build a High-Performing Organisation with a strong Operating Model	Embed appraisal process that ensures individual accountability through clear objective setting, which is aligned to team and organisational priorities and robust performance management.	Run training sessions for appraising managers on effective objective setting to ensure consistency. Create a process that overlays the appraisal incremental time points (6month and annual) whereby objectives review is more fluid to create accountability.	Appraisal process is embedded. Objectives are demonstrably achieved or action is taken to address this.	Q4 2024
3. Build a High-Performing Organisation with a strong Operating Model	Create a healthier work environment by engaging with staff through the staff survey and staff forum and making changes/delivering activities that will influence staff satisfaction in terms of wellbeing and engagement.	Set up staff forum. Staff surveys acted upon to address issues/concerns - plan 12 month series of lunch & learns - provide multi-purpose space for staff as part of office refurbishment.	Staff forum is up & running. Staff survey results are analysed and areas of concern are addressed and re-surveyed to measure improvements & show positive direction of travel. Staff agree their wellbeing is valued and can see positive improvements.	Q1 2025
3. Build a High-Performing Organisation with a strong Operating Model	Develop and implement a professional development plan for the Chief Executive (CEX) and all Directors to ensure continued development, and establish a high performing senior leadership team	Develop Organisational Development (OD) road map, which details a 12 month rolling programme of OD workshops, mentoring, coaching, and supplementary interventions.	Personal Development Plans in place for the CEX and Directors.	Q3 2025
3. Build a High-Performing Organisation with a strong Operating Model	Improve relationships between senior management and all staff through improved communication, visibility, engagement activity, openness to receiving feedback/challenge and demonstrating that the organisation is responsive to staff.	Develop and embed an internal communications plan, which is shared with all staff. Continually monitor plan to ensure effectiveness.	Communications plan is agreed and staff are reporting positive feedback (through regular feedback requests) on communication and visibility.	Q1 2025
3. Build a High-Performing Organisation with a strong Operating Model	Implement an internal communications plan to improve employee engagement and voice, through ongoing engagement and learning activity and to embed the actions within the Organisational Improvement Plan across the organisation.	Regular staff updates via TVCA intranet - request feedback from staff - on-going staff surveys - Discussion at all staff meetings on progress of embedding change.	Evidence shared on TVCA intranet - staff confirm they are informed through regular feedback requests.	Q1 2025

**BLANK PAGE**

## **Appendix 5**

### **Rob Whiteman**

Rob Whiteman, CBE is Chair of NHS Dorset, and until April 2025 was the Chair of University Hospitals Dorset NHS Foundation Trust. Previously, Rob was the Chief Executive of the Chartered Institute of Public Finance and Accountancy and has held many other executive and non-executive roles including Chief Executive of the London Borough of Barking and Dagenham, Chief Executive of the UK Border Agency and leading the Improvement & Development Agency (IDeA).

Rob currently chairs improvement boards for Newham and Southampton councils and advises MHCLG on improvement.

He is a board member of National Highways and Treasurer of Queen Mary University of London (QMUL).

### **Adele Gritten**

Adele Gritten joined Local Partnerships as chief executive in November 2022. Local Partnerships is an in-house public sector delivery partner jointly owned by the LGA, HM Treasury and Welsh Government. It works solely for central government departments, the Welsh Government, councils and combined authorities.

Local Partnerships was founded to deliver value and efficacy for the public purse. As a key interface between local and central government, the company provides expert advice and practical resources alongside project and programme delivery support, enabling public services to thrive.

Whether supporting and accelerating the delivery of major infrastructure, tackling climate challenges through waste efficiency and renewable energy propositions through to wider place-making initiatives, Local Partnerships helps transform services across the public sector ecosystem.

An experienced NED and Executive Board member, Adele has recently completed a four-year term as a non-executive director of S4C, the Welsh language Public Service Broadcaster. She was appointed by the Secretary of State for Digital, Culture, Media and Sport into the role in January 2021. As well as being a main board member, she chaired the People and Remuneration Committee and sat on the Audit & Risk and Commercial Boards. Adele has recently been appointed a NED of the Housing and Finance Institute.

For over 20 years prior to joining the public sector in 2019, Adele worked in senior management roles for a range of professional services consultancies including YouGov, where she launched and oversaw the commercial consulting arm of the business. Adele also served as European managing director of research firm Lieberman Research Worldwide, and as UK managing director of Future Thinking, now a Savanta owned company. Her C-suite roles have included M&A, specifically supporting due diligence activity and preparing companies for exit on behalf of VC backers.

Adele holds an MA in Social and Political Science from Cambridge University.

### **Sir Steve Bullock DL**

Steve was the Executive Mayor of the London Borough of Lewisham for 16 years. Immediately prior to this he was serving as chair of the board at University Hospital, Lewisham. He had previously been Leader of the Council between 1988 & 1993. He led on Housing for the London Boroughs and was Vice-Chair of the Mayor of London's Homes for London Board. He was a Deputy Chair of the Local Government Association until standing down as Mayor in 2018.

Steve now chairs both the Sutton Housing Partnership which looks after The London Borough of Sutton's social housing stock and Sutton Living Limited which is developing affordable housing. In 2023 Steve was appointed as chair of Sapphire Housing Association which provides supported housing. He continues to work with the LGA on improvement projects and is an Independent External Member for "Leadership" of the London Borough of Tower Hamlet's Transformation Advisory Board.

He was born in Redcar and spends part of his time in East Cleveland area where he is a board member of the East Cleveland Youth Housing Trust and Saltburn Folk Festival.

### **Helen Edwards**

Helen Edwards is a solicitor with significant senior leadership experience. She is currently Chief Officer (Law, Governance & Audit) at the West Midlands Combined Authority, and has held Monitoring Officer roles in every level of local authority over the last 18 years.

Helen is a pragmatic and effective leader with significant experience of leading a diverse range of services and has achieved notable success in improving the performance of her teams.

She is a past President of Lawyers in Local Government and is also a Chartered Fellow of the Chartered Management Institute.

### **Local Government Association (LGA): Mark Edgell**

Mark leads for the LGA across the North East, Yorkshire & Humber and East Midlands. He is the LGA's focal point for discussions with 70+ councils in those regions, providing advice about current challenges and ensuring their improvement and support needs are met. Mark has previously chaired Council Improvement Boards himself, has significant experience as a Non Executive Director and as a national charity's deputy chair. He has also previously been a council leader.

**BLANK PAGE**



## Independent Advisory Board

### Terms of Reference

#### Purpose of Board

- This independent Advisory Board is established jointly by Tees Valley Combined Authority (TVCA) and the Local Government Association (LGA).
- This Board has been established in accordance with the Best Value Notice letter issued to TVCA on the 3 April 2025.
- The purpose of the Board is to provide oversight, advice, support and challenge to TVCA's improvement journey.
- It will focus on the development and implementation of a coherent Organisational Improvement Plan, which will address the concerns identified in the Best Value Notice issued by the Ministry of Housing, Communities and Local Government (MHCLG) to the Authority on 3 April 2025, listed below:
  - Governance
  - Culture
  - Partnerships
  - Continuous improvement
- Furthermore, the Board will oversee progress by TVCA in implementing the actions arising from the Section 24 statutory recommendations letter received by the external auditors, EY, dated 15 April 2025.
- The Board will also continue to scrutinise and seek ongoing assurance that actions pertaining to the Tees Valley Review (published January 2024) are also fulfilled and upheld and that ongoing best practice is apparent in relation to the recommendations and actions.
- The Board will provide assurance to MHCLG and the TVCA Cabinet on progress in delivering the Organisational Improvement Plan.

#### Requirement of TVCA

To ensure continuous organisational improvement, TVCA will need to:

- Work with a wide range of members and officers to enable open and honest engagement to shape the Organisational Improvement Plan and oversee its implementation.
- Ensure that the way it operates is governed through its Constitution, Assurance Framework and proposed new operating model, to ensure effectiveness and efficiency.
- Develop an Organisational Improvement Plan, including a detailed action plan, to ensure continuous improvement. This should include clarity of ownership of actions and interdependencies required to fulfil e.g. via a RACI framework or similar.



- Ensure the culture and values by which it seeks to operate are embedded throughout the organisation and that there is a continuous feedback loop to ensure on-going improvement.
- Effectively respond to feedback and issues raised by members, stakeholders and staff.
- Work with stakeholders to ensure effective partnerships that add value to the delivery of TVCA's agenda.

## Role

The role of the Board will be to:

- Review how TVCA is progressing against the Organisational Improvement Plan on its improvement journey.
- Review how TVCA is progressing against the requirements of the Best Value Notice issued on the 3 April 2025 and the external auditor's statutory recommendations letter issued on the 15 April 2025. This may also include ongoing reference to the Tees Valley Review (published January 2024) and the extent to which improvement actions from the review are consistently being upheld and / or progressed.
- Provide support, guidance and challenge to facilitate continuous improvement.
- Identify and signpost appropriate good practice and/or external support.
- Make recommendations as appropriate with regard to progress being made on the actions contained within the Organisational Improvement Plan.

## Membership of the Board

The members of the Independent Advisory Board have been proposed by the LGA, in response to a request set out in the Best Value Notice letter to TVCA around strengthening membership, and other feedback, and endorsed by Cabinet. The proposed membership is set out in the table below, including a summary of the skill set that each proposed member brings to the Board. The skill set is aligned to the areas identified in the MHCLG letter and the seven best value themes identified in the '*Best value standards and intervention: a statutory guide for best value authorities*'.

		Leadership	Governance	Culture	Use of Resources	Service Delivery	Partnerships	Continuous Improvement	Commercial	Officer Capabilities
Rob Whiteman	Chair of Panel	√	√	√	√	√	√	√	√	√
Adele Gritten	Member of existing LGA Panel	√	√	√	√	√	√	√	√	√
Mark Edgell	Member of existing LGA Panel	√	√	√	√	√	√	√		√
Former Government Minister		√	√	√	√	√	√	√	√	√
Helen Edwards		√	√	√	√	√		√		√
Sir Steve Bullock		√	√	√	√	√	√	√		√

Should the Board consider it necessary to add further members with a particular skill set and expertise then it will need to make a recommendation to Cabinet for endorsement.

## Required attendees at meetings of the Board

The following will be expected to attend meetings of the Board:

- Tees Valley Mayor
- TVCA Chief Executive
- TVCA Director of Operations
- TVCA Section 73 Officer
- TVCA Monitoring Officer

The Board will be able to request that other officers, members and partners attend as required.

## Ways of working

- The Board will be advisory in status.
- The Board will be in place for at least 12 months (and as long as the Best Value Notice remains in place).
- Frequency of meetings will be agreed by the Chair of the Board.
- The agreed minutes of the Board will be included in progress reports to Cabinet.
- The Board will be able to request input from TVCA members and officers.
- The Board will have access to all reasonable information to enable to fulfil its purpose.
- The agenda for Board meetings will be agreed by the Chair. Any Board member may propose agenda items for consideration.
- Management and minute taking of Board meetings will be undertaken by officers of TVCA.



- Officers of TVCA will support the work of the Board, ensuring the implementation of the Organisational Improvement Plan is monitored, and papers are provided for Board meetings in a timely manner.
- Meetings of the Board will be online or in person and where in person will be held at the offices of TVCA unless otherwise agreed by the Board.

## Accountability & Reporting

- The Board will be accountable to TVCA Cabinet.
- TVCA will produce a monthly report to summarise progress against the Organisational Improvement Plan, specifically the actions contained in the action plan. This will be provided to the Independent Advisory Board.
- More detailed progress on implementing the Organisational Improvement Plan will be a standing item on all Cabinet agendas. This will include a detailed progress report produced by TVCA and, as a separate item, an independent report produced by the Chair of the Independent Advisory Board.
- Furthermore, it is suggested that Overview & Scrutiny, Audit & Governance Committee and Transport Committee review progress against the actions relevant to their remit.
- The Chair of the Board will liaise regularly with MHCLG to provide updates and broader assurance that the necessary changes are being made at sufficient pace.
- TVCA commits to taking part in an LGA Corporate Peer Challenge in 18-24 months to ensure on-going continuous improvement.

**BLANK PAGE**

## QUARTER 4 BUDGET REPORT AND MEDIUM-TERM FINANCIAL PLAN UPDATE

### **SUMMARY**

The purpose of this report is to provide an update on the indicative financial position of the Combined Authority for the period ending 31 March 2025 and present an updated Medium-Term Financial Plan (MTFP).

### **RECOMMENDATIONS**

It is recommended that the Combined Authority Cabinet:

- i. Note the provisional quarter 4 outturn position for 31 March 2025; and
- ii. Note the revised Medium-Term Financial Plan.

### **DETAIL**

1. This report sets out the provisional year end (quarter 4) financial position for 2024/25 and the medium-term financial plan (MTFP). The budget presents all forecast funding and expenditure for the plan period.
2. Other specific funding that has been secured during 2024-25 to deliver projects and programmes has been incorporated into the Investment Plan along with any Cabinet decisions during this period.

### **EXPENDITURE**

3. The table 1 below summarises the projected expenditure across the medium term and the Investment Plan period.

Table 1 – Summary of the TVCA Investment Plan (2023- 2029)

Table 1	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Transport	63,843	37,010	159,068	151,079	62,000	62,000	535,000
Education, Employment & Skills	38,412	40,924	43,077	38,255	38,065	38,065	236,798
Business Growth	18,297	31,206	35,570	3,143	2,903	3,152	94,271
Culture & Tourism	18,270	13,252	13,172	1,727	0	0	46,421
Innovation & Clean Growth	20,877	27,792	4,664	0	0	0	53,333
Place	16,420	25,978	71,642	4,179	675	675	119,569
<b>Investment Plan Total</b>	<b>176,119</b>	<b>176,162</b>	<b>327,193</b>	<b>198,383</b>	<b>103,643</b>	<b>103,892</b>	<b>1,085,392</b>
Concessionary Fares	12,509	12,741	12,832	12,786	12,786	12,786	76,440
Commercial Projects	211,456	93,788	21,763	6,443	114	117	333,681
Research & Evaluation	48	0	143	0	0	0	191
Core Running Costs	5,294	6,398	4,790	5,294	5,294	5,804	32,874
Costs of Borrowing	12,892	18,543	26,495	34,153	36,770	36,371	165,224
<b>TOTAL EXPENDITURE</b>	<b>418,318</b>	<b>307,632</b>	<b>393,216</b>	<b>257,059</b>	<b>158,607</b>	<b>158,970</b>	<b>1,693,802</b>

4. In January 2024 Cabinet approved the formation of a Strategic Regeneration Loan Facility totalling £375 million. The detail regarding drawdown of these facilities will be dependent on the review of individual project requests and business cases/plans for investment approved and agreed by either Local Authority Cabinet or Development Corporation Board meetings, respectively. As such these potential future investments are not reflected in the current Investment Plan presented above. Once an investment is approved it will be included within the MTFP, but to date no proposals have been approved.
5. As previously reported, additional funding has been secured during 2024-25 to deliver specific projects and programmes across the MTFP period which have been incorporated into the Investment Plan.
6. Of note is the notification of the 2025/26 Adult Education Budget indicates a reduction in funding of £1.029 million leading an estimated total reduction in funding across the MTFP period of £4.116 million. An additional (2025/26) £6m Brownfield Housing Fund allocation has been confirmed by Government since the last reported position. This is provided for in the Place theme within the Investment Plan. Proposals for consideration in respect of this funding are being developed for approval by Cabinet later in the calendar year.
7. The arrangements surrounding the funding of future activity of the South Tees Development Corporation continue to be refined and the revised financing loan agreements approach finalisation. This will lead to adjustments in the expected receipt of loan repayments to TVCA.
8. This adjustment of loan receipts, combined with a review of realistic delivery programmes for capital projects, notably within Transport, has led to some reprofiling of activity across the MTFP window with further feedback required before finalisation.

9. A summary of the impact of these revisions to the Investment Plan actioned in Quarter 4, since the last Quarterly update (Q3), is presented below with all values shown representing the total additional allocations over the Investment Plan period. Further details are provided in the appropriate thematic section of the report.

**Table 2 – Summary of Changes in the TVCA Investment Plan (2023- 2029)- Quarter 4 2024/25**

Table 2	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000
Transport	-25,900	25,899	0	0	0
Education, Employment & Skills	-4,822	4,822	0	0	0
Business Growth	-13,870	13,870	0	0	0
Culture & Tourism	-5,056	5,056	0	0	0
Innovation & Clean Growth	0	0	0	0	0
Place	-20,898	26,898	0	0	0
<b>Investment Plan Total</b>	<b>-70,546</b>	<b>76,545</b>	<b>0</b>	<b>0</b>	<b>0</b>
Concessionary Fares	-45	46	0	0	0
Commercial Projects	5,295	-5,295	0	0	0
Research & Evaluation	-143	143	0	0	0
Core Running Costs	504	-504	0	0	0
Costs of Borrowing	0	0	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>-64,935</b>	<b>70,935</b>	<b>0</b>	<b>0</b>	<b>0</b>

10. As a result of these reprofiling changes within the MTFP period, the total expenditure budget over the Investment Plan period has remained unchanged from the figures reported in Q3 2024/25, other than the additional £6m Brownfield Housing allocation confirmed this quarter. Further work on reprofiling will be undertaken as part of the statutory closedown of the financial statements.
11. The previously forecast outturn for 2024/25 was £372.569 million. The reprofiling has resulted in a revised 2024/25 forecast of £307.632 million. Further details of the spend to date position are set out in each thematic section.

## Thematic Review of the Tees Valley Investment Plan (2023-2029)

### Transport

Investment Plan	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Q3 MTFP Report	63,843	62,910	133,169	151,079	62,000	62,000	<b>535,001</b>
Adjustments for Funding Changes	0	0	0	0	0	0	0
Reprofiling	0	-25,900	25,899	0	0	0	-1
<b>TOTAL</b>	<b>63,843</b>	<b>37,010</b>	<b>159,068</b>	<b>151,079</b>	<b>62,000</b>	<b>62,000</b>	<b>535,000</b>

## Adjustments

12. There are no overall adjustments to the theme's MTFP Forecast Budget – but there is reprofiling between financial years.

## Reprofiling

13. The projected Net Underspend of £25.900 Million has been reprofiled into the 2025/26 financial year. This is primarily due to slippage on the 'Active travel' programme (£6m), the 'Bus' Programme (£7m) and Schemes associated with the 'Local Highways funding' (£13m).

## Education, Employment & Skills

Investment Plan	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Q3 MTFP Report	38,412	45,746	38,255	38,255	38,065	38,065	<b>236,798</b>
Adjustments for Funding Changes	0	0	0	0	0	0	0
Reprofiling	0	-4,822	4,822	0	0	0	0
<b>TOTAL</b>	<b>38,412</b>	<b>40,924</b>	<b>43,077</b>	<b>38,255</b>	<b>38,065</b>	<b>38,065</b>	<b>236,798</b>

## Adjustments

14. There are no overall adjustments to the theme's MTFP Forecast Budget – but there is reprofiling between financial years.

## Reprofiling

15. The projected Net Underspend of £4.822 Million has been reprofiled into the 2025/26 financial year. This is primarily due to slippage on the 'Peoples and Skills' programme (£4m) and the 'Support for individuals' Programme (£0.62m).

## Business Growth

Investment Plan	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Q3 MTFP Report	18,297	45,076	21,700	3,143	2,903	3,152	<b>94,271</b>
Adjustments for Funding Changes	0	0	0	0	0	0	0
Reprofiling	0	-13,870	13,870	0	0	0	0
<b>TOTAL</b>	<b>18,297</b>	<b>31,206</b>	<b>35,570</b>	<b>3,143</b>	<b>2,903</b>	<b>3,152</b>	<b>94,271</b>

## Adjustments

16. There are no overall adjustments to the theme's MTFP Forecast Budget – but there is reprofiling between financial years.

## Reprofiling

17. The projected Net Underspend of £13.87 Million has been reprofiled into the 2025/26 financial year. This is primarily due to planned slippage on the 'Welcome to Redcar & Cleveland' programme (£3.5m) and the 'Stockton High Street' programme (£7.8m), where partners have been able to maximise other funding that requires delivery within the current financial year. The TVCA elements of funding can be used flexibly for the remainder of the programmes to be delivered in future financial years. The Freeport Seed Capital Programme is expected to be delivered across two financial years, with (£2m) slipping into the 2025/26 financial year and this has been reported and confirmed through Government processes accordingly.

## Culture & Tourism

Investment Plan	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Q3 MTFP Report	18,270	18,308	8,116	1,727	0	0	46,421
Adjustments for Funding Changes	0	0	0	0	0	0	0
Reprofiling	0	-5,056	5,056	0	0	0	0
<b>TOTAL</b>	<b>18,270</b>	<b>13,252</b>	<b>13,172</b>	<b>1,727</b>	<b>0</b>	<b>0</b>	<b>46,421</b>

## Adjustments

18. There are no overall adjustments to the theme's MTFP Forecast Budget – but there is reprofiling between financial years.

## Reprofiling

19. The projected Net Underspend of £5.036 Million has been reprofiled into the 2025/26 financial year, primarily related to the Hartlepool Waterfront Programme, where partners have been able to maximise other funding that requires delivery within the current financial year. The TVCA elements of funding can be used flexibly for the remainder of the programme to be delivered in future financial years.

## Innovation & Clean Growth

Investment Plan	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Q3 MTFP Report	20,877	27,792	4,664	0	0	0	53,333
Adjustments for Funding Changes	0	0	0	0	0	0	0
Reprofiling	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>20,877</b>	<b>27,792</b>	<b>4,664</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,333</b>

## Adjustments

20. There are no overall adjustments to the theme's MTFP Forecast Budget.

## Reprofiling

21. There is no reprofiling forecast within this area of activity, with further work to complete the year end reporting for this area of activity over the next two months.

## Place

Investment Plan	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Q3 MTFP Report	16,420	46,876	44,744	4,179	675	675	113,569
Adjustments for Funding Changes	0	0	6,000	0	0	0	6,000
Reprofiling	0	-20,898	20,898	0	0	0	0
<b>TOTAL</b>	<b>16,420</b>	<b>25,978</b>	<b>71,642</b>	<b>4,179</b>	<b>675</b>	<b>675</b>	<b>119,569</b>

## Adjustments

22. An additional £6m of Brownfield Housing Fund has been confirmed by Government since the last reported position. This is provided for in the Place theme within the Investment Plan. Proposals for consideration in respect of this funding are being developed for approval by Cabinet later in the calendar year

## Reprofiling

23. The projected Net Underspend of £20.898M Million has been reprofiled into the 2025/26 financial year, primarily related to an underspend of 15.8m related to the Indigenous Growth Programme. Local authorities delivering the programmes have elected to use more time sensitive funding to facilitate the earlier stages of this programme and £5m relates to the Gresham development that is forecast to progress from 25/26 onwards.

## Activity that sits outside the Tees Valley Investment Plan

### Concessionary Fares

Investment Plan	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Q3 MTFP Report	12,509	12,786	12,786	12,786	12,786	12,786	76,439
Adjustments for Funding Changes	0	0	0	0	0	0	0
Reprofiling	0	-45	46	0	0	0	1
<b>TOTAL</b>	<b>12,509</b>	<b>12,741</b>	<b>12,832</b>	<b>12,786</b>	<b>12,786</b>	<b>12,786</b>	<b>76,440</b>

## Adjustments

24. There are no overall adjustments to the theme's MTFP Forecast Budget – but there is reprofiling between financial years.

## Reprofiling

25. The projected Net Underspend of £0.45 Million has been reprofiled into the 2025/26 financial year.

## Commercial Projects

Investment Plan	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Q3 MTFP Report	211,456	88,493	27,058	6,443	114	117	<b>333,681</b>
Adjustments for Funding Changes	0	0	0	0	0	0	0
Reprofiling	0	5,295	-5,295	0	0	0	0
<b>TOTAL</b>	<b>211,456</b>	<b>93,788</b>	<b>21,763</b>	<b>6,443</b>	<b>114</b>	<b>117</b>	<b>333,681</b>

## Adjustments

26. There are no overall adjustments to the theme's MTFP Forecast Budget – but there is reprofiling between financial years.

## Reprofiling

27. The projected Net overspend of £5,295 Million has been reprofiled from the 2025/26 financial year – primarily related to accelerated delivery with the South Tees Development Corporation projects, with further details in the summary below.

## Commercial Projects Summary

28. The commercial projects section contains projects which have been invested in via either a commercial loan or with returns on investment. The projects currently within this section are: -

- Southside Development at Teesside International Airport. The first unit on the Airport's Business Park South has been completed and leased to a tenant, creating an additional revenue stream.
- Tees Valley Waste project loan to the constituent Local Authorities, in respect of procurement costs that will begin to be recovered once the project is live.
- The development of the Steel River (formerly South Bank) Quay to enable offshore wind, which will see returns from proceeds of usage of the Quay. The Quay became operational in Q2 2024/25.
- In 2025/26 there is private sector developer expenditure funded in advance via STDC. All of these obligations are funded through direct commercial agreements with the private sector.
- Expenditure in 2025/26 is allocated for completion of STDC areas of responsibility being:
  - Steel House Park and Ride requirements
  - South Bank main Freeport access
  - A66/Tees Dock Road roundabout

29. The year-end closedown process will include a review of all commercial projects and any associated loan repayments and investment return estimates. The outcome of this work will be reported to the next Cabinet. The risk of commercial projects and loan repayment/investment returns may impact on future investment depending on the forecast outturn position for those projects. Loan repayments and investment returns are part of the overall funding summary at the Table under paragraph 38.

## Research & Evaluation

Investment Plan	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Q3 MTFP Report	48	143	0	0	0	0	191
Adjustments for Funding Changes	0	0	0	0	0	0	0
Reprofiling	0	-143	143	0	0	0	0
<b>TOTAL</b>	<b>48</b>	<b>0</b>	<b>143</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>191</b>

### Adjustments

30. There are no overall adjustments to the theme's MTFP Forecast Budget – but there is reprofiling between financial years.

### Reprofiling

31. The projected Net Underspend of £0.143 Million has been reprofiled into the 2025/26 financial year.

## Core Running Costs

Investment Plan	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Q3 MTFP Report	5,294	5,894	5,294	5,294	5,294	5,804	32,874
Adjustments for Funding Changes	0	0	0	0	0	0	0
Reprofiling	0	504	-504	0	0	0	0
<b>TOTAL</b>	<b>5,294</b>	<b>6,398</b>	<b>4,790</b>	<b>5,294</b>	<b>5,294</b>	<b>5,804</b>	<b>32,874</b>

### Adjustments

32. There are no overall adjustments to the theme's MTFP Forecast Budget – but there is reprofiling between financial years.

### Reprofiling

33. The projected Net overspend of £0.504 Million has been reprofiled from the 2025/26 financial year, primarily related to increased costs associated with the Mayoral elections.

## Costs of Borrowing

Investment Plan	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Q3 MTFP Report	12,892	18,543	26,495	34,153	36,770	36,371	165,224
Adjustments for Funding Changes	0	0	0	0	0	0	0
Reprofiling	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>12,892</b>	<b>18,543</b>	<b>26,495</b>	<b>34,153</b>	<b>36,770</b>	<b>36,371</b>	<b>165,224</b>

### Adjustments

34. There are no overall adjustments to the theme's MTFP Forecast Budget.

### TVCA requirement and approach to borrowing

35. The 2024/25 budget approved the use of the Combined Authority's borrowing powers to deliver the Investment Plan. The arrangements for Combined Authority borrowing are set out in the annually agreed Treasury Management Policy. The loan repayments are made up of the minimum revenue provision (MRP), which is calculated based on the methodology set out in the Treasury management statement based on the capital financing requirement and interest on the actual external borrowing taken out.

36. The Combined Authority minimises its costs of borrowing by utilising internal resources where required, sometimes known as internal borrowing, which reduces risk and keeps interest costs low. The calculations have been updated based on the latest profile of required borrowing requirements. As part of prudent financial planning, the Authority is required to set aside MRP for the repayment of debt. This has been reviewed considering current delivery profiles and subsequent debt requirement.

37. The global and domestic external economic environment impact significantly on the potential cost of borrowing and investment income to TVCA. TVCA actively engage with treasury advisors Arlingclose to ensure TVCA has an informed and effective borrowing / investment strategy. Analysis of the financial markets highlight long-term gilt yields have fallen alongside US monetary policy expectations. Arlingclose's central case is for yields to be volatile around a relatively narrow range, reflecting the likelihood for monetary policy loosening in the Eurozone, UK and US. In line with this advice the interest rate for future borrowing is based on Arlingclose forecasts. TVCA will continue to adopt an approach that maximises value for money for the Combined Authority while providing the stability and surety to plan and operate effectively.

## FUNDING INCOME

38. The tables below summarise the forecast funding across the medium term and the investment plan period.

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Devolution	15,000	15,000	15,000	15,000	15,000	15,000	90,000
Enterprise Zones	2,981	141	120	2,619	2,742	6,367	14,970
CRSTS	62,436	0	0	62,437	62,000	62,000	248,873
Loan Repayments & Investment returns	10,201	16,292	24,048	20,475	20,616	18,340	109,972
Government Grants	65,265	157,116	97,724	13,385	11,228	7,951	352,669
Adult Education Budget	37,103	33,228	32,137	32,081	32,081	32,081	198,711
Concessionary Fares	12,465	11,946	11,946	12,786	12,786	12,786	74,715
Borrowing	246,462	81,142	289,149	11,824	0	0	628,577
Movement -to / from reserves	-33,596	-7,231	-76,907	86,450	2,154	4,445	-24,685
<b>Total</b>	<b>418,317</b>	<b>307,634</b>	<b>393,217</b>	<b>257,057</b>	<b>158,607</b>	<b>158,970</b>	<b>1,693,802</b>

## Adjustments

39. The additional funding secured and removed from the Investment Plan is reflected in table 2 of the report and detailed in the thematic sections of this report.

40. Of particular note are adjustments made to reflect:

- £6.2 million of UKSPF funding for 2025/26 had previously been assumed in the Investment Plan. The increase of £15.3 million to reflect the actual allocation of £21.5 million has been included in table 2.

UKSPF	2025/26
	£'000
Capital	£6,457,728
Revenue	£15,018,716
Brownfield Housing	
Capital	£6,000,000
<b>Total</b>	<b>£27,476,444</b>

- Changes within the current programme are managed through the standard TVCA Assurance Framework, with oversight and advice from the UKSPF Local Partnership Group

(LPG). As the continuation of funding from Government is for one year only, the Investment Plan for 2025/26 must be delivered in line with the original UKSPF Investment Plan priorities approved by Government.

- In January 2025, TVCA received confirmation of their 2025/26 Adult Skills Fund. The previous allocation in the Investment Plan was an estimate based on prior years. The confirmed allocation results in a reduced Annual Devolved Grant from DFE for 2025/26 (£30.988 million to £29.969 million). The reduced level of funding for 2025/26 has been assumed to be level of funding for the remaining period of the current MTFP.
  - There will be a corresponding reduction in activity to account for the reduced DFE funding.
  - An additional (2025/26) £6m of Brownfield Housing Fund has been confirmed by Government since the last reported position. This is provided for in the Place theme within the Investment Plan. Proposals for consideration in respect of this funding are being developed for approval by Cabinet later in the calendar year.
41. The level of borrowing required across the Investment Plan period has remained broadly consistent with those previously reported in Quarter 3.
  42. The level of borrowing at 31 March 2025 was £398.233 million. The additional borrowing that will be required over the MTFP period is £356.233 million, giving a total expected borrowing of £754.466 million. This is within our total borrowing limit of £1.237 billion.
  43. The Treasury are currently in dialogue with all Mayoral Combined Authorities (MCA) regarding the annual review of debt cap levels. These are the debt levels set for each MCA over the medium term that are required to reflect current and future delivery plans. MCA Finance Directors are working collaboratively and engaging with Treasury on the proposed methodology and approach to future debt cap levels and this will be reported back to Cabinet once work is completed.

## Reserves

44. The Combined Authority holds two classifications of usable reserves. These are non-ring-fenced funds, which have been received but not yet applied, and the General Balance Reserve. The Combined Authority manages overall resource requirements by reference to the MTFP and overall Investment Plan.
45. At April 2024 the balance of usable reserves was £149.968 million, which is forecast to increase by £7.231 million in 2024/25, leading to a balance at 31<sup>st</sup> March 2025 of £156.929 million of available funds held in reserve. The increase in reserves at 24/25 is due to reprofiling of expenditure over the MTFP period. The movement in reserves over the MTFP period is still in line with previous forecasts and will be incurred over the MTFP period.
46. Good practice guidance for Local Authorities is that a proportion of net revenue expenditure should be held in the General Balance Reserve to manage risk and any unforeseen circumstances. The Combined Authority manages overall resource requirements by reference to the MTFP and overall Investment Plan and the general reserve stands at £1.058 million. The Group Director of Finance and Resources is currently reviewing this level to reflect the increased breadth of activity/complexity for the Authority, including the current risk profile of investments. Proposals for any changes to this level following this review will be reported to the next Cabinet.

## Borrowing

47. The Capital Financing Requirement (CFR) shows the underlying need to borrow to fund capital investments. The Authority's chief objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. Therefore, the actual timing of the borrowing may not always follow the profile of the CFR as the Authority looks to strike this balance, otherwise known as "internal borrowing."
48. Within the period the total CFR to deliver the Investment Plan and fund commercial projects is £382.114 million.
49. The repayments for the borrowing are affordable and can be financed from revenue funding received both during and beyond the Investment Plan period.

## MEDIUM TERM FINANCIAL PLAN 2024-28

50. Funding and expenditure for the plan period is summarised in the medium-term financial plan as set out in **Appendix A**, split into capital and revenue in **Appendix B & Appendix C**, respectively.

## PRUDENTIAL INDICATORS

51. The CIPFA prudential code requires the Authority to report upon its treasury management indicators throughout the year. The latest indicators can be found in **Appendix D**.

## FINANCIAL IMPLICATIONS

52. This report gives an update on performance against the budget for the Combined Authority, updates the Medium-Term Financial Plan and Investment Plan forecasts.

## LEGAL IMPLICATIONS

53. There are no legal implications associated with the recommendations within this report.

## RISK ASSESSMENT

54. This Budget Report remains as medium risk to reflect the work on the implementation of the TVCA group risk management strategy and the year-end reviews of commercial projects and loans and investment returns as set out in the paper. Following the completion of the 2024/25 financial year end processes and audit, and the review of commercial projects and reserve levels as part of this process, the Group Director of Finance and Resources will report back to Cabinet on any proposed updates to this risk assessment and any implications for the overall funding requirements of the medium-term financial plan.



## EQUALITY & DIVERSITY

55. There are no equality and diversity implications associated with the recommendations in this report. Specific proposals associated with business cases and Investment Plan funding draw down will consider these implications where applicable.

## CONSULTATION

56. This report has been shared with Tees Valley Chief Executives, Management Group and Finance Directors.

**Name of Contact Officer:** Gary Macdonald

**Post Title:** Group Director of Finance and Resources

**Telephone Number:** 01325 792600

**Email Address:** [gary.macdonald@teesvalley-ca.gov.uk](mailto:gary.macdonald@teesvalley-ca.gov.uk)

## Medium Term Financial Plan 2024-29

MEDIUM TERM FINANCIAL PLAN	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Funding	233,723	180,976	158,785	156,453	154,525	<b>884,463</b>
						-
Borrowing (CFR)	81,142	289,149	11,824	-	-	<b>382,115</b>
<b>TOTAL FUNDING</b>	<b>314,865</b>	<b>470,125</b>	<b>170,610</b>	<b>156,453</b>	<b>154,525</b>	<b>1,266,578</b>
Investment Plan	176,163	327,194	198,384	103,643	103,892	<b>909,277</b>
Concessionary Fares	12,741	12,832	12,786	12,786	12,786	<b>63,931</b>
Commercial Projects	93,788	21,763	6,443	114	117	<b>122,225</b>
Research & Evaluation	-	143	-	-	-	<b>143</b>
Core Running Costs	6,398	4,790	5,294	5,294	5,804	<b>27,580</b>
Costs of Borrowing	18,543	26,495	34,153	36,770	36,371	<b>152,332</b>
<b>TOTAL EXPENDITURE</b>	<b>307,633</b>	<b>393,218</b>	<b>257,060</b>	<b>158,607</b>	<b>158,971</b>	<b>1,275,489</b>
<b>TRANSFER TO / FROM RESERVES</b>	<b>7,231</b>	<b>76,907</b>	<b>(86,450)</b>	<b>(2,154)</b>	<b>(4,445)</b>	
Reserves Opening Balance	149,698	156,929	233,837	147,387	145,233	
Transfer To / From Reserves	7,231	76,907	(86,450)	(2,154)	(4,445)	
<b>RESERVES CLOSING BALANCE</b>	<b>156,929</b>	<b>233,837</b>	<b>147,387</b>	<b>145,233</b>	<b>140,788</b>	

## Capital Medium Term Financial Plan 2024-29

CAPITAL MEDIUM TERM FINANCIAL PLAN	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Funding	43,108	4,847	64,645	64,308	63,907	240,815
RCCO						0
<b>Borrowing (CFR)</b>	81,142	289,149	11,824	0	0	382,115
<b>TOTAL FUNDING</b>	<b>124,250</b>	<b>293,996</b>	<b>76,470</b>	<b>64,308</b>	<b>63,907</b>	<b>622,930</b>
Investment Plan	96,462	241,167	154,579	62,000	62,000	616,208
Concessionary Fares	0	0	0	0	0	0
Commercial Projects	5,087	110,182	6,327	0	0	121,596
Research & Evaluation	0	0	0	0	0	0
Core Running Costs	379	-379	0	0	0	0
Costs of Borrowing	0	0	0	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>101,927</b>	<b>350,970</b>	<b>160,906</b>	<b>62,000</b>	<b>62,000</b>	<b>737,803</b>
<b>TRANSFER TO / FROM RESERVES</b>	22,322	-56,974	-84,437	2,308	1,907	
Capital Reserves Opening Balance	119,089	141,411	84,437	0	2,308	
Transfer To / (From) Reserves	22,322	(56,974)	(84,437)	2,308	1,907	
<b>RESERVES CLOSING BALANCE</b>	<b>141,411</b>	<b>84,437</b>	<b>0</b>	<b>2,308</b>	<b>4,215</b>	

## Appendix C

### Revenue Medium Term Financial Plan 2024-29

REVENUE MEDIUM TERM FINANCIAL PLAN	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Funding	190,615	176,129	94,140	92,145	90,619	643,648
RCCO	0	0	0	0	0	0
<b>TOTAL FUNDING</b>	<b>190,615</b>	<b>176,129</b>	<b>94,140</b>	<b>92,145</b>	<b>90,619</b>	<b>643,648</b>
Investment Plan	79,702	86,027	43,805	41,643	41,892	293,069
Concessionary Fares	12,741	12,832	12,786	12,786	12,786	63,931
Commercial Projects	88,702	-88,419	116	114	117	629
Research & Evaluation	0	143	0	0	0	143
Core Running Costs	6,018	5,170	5,294	5,294	5,804	27,580
Costs of Borrowing	18,543	26,495	34,153	36,770	36,371	152,332
<b>TOTAL EXPENDITURE</b>	<b>205,706</b>	<b>42,248</b>	<b>96,153</b>	<b>96,607</b>	<b>96,971</b>	<b>537,685</b>
<b>TRANSFER TO / (FROM) RESERVES</b>	<b>(15,091)</b>	<b>133,881</b>	<b>(2,014)</b>	<b>(4,462)</b>	<b>(6,352)</b>	
Revenue Reserves Opening Balance	30,609	15,519	149,400	147,387	142,925	
Transfer To / (From) Reserves	(15,091)	133,881	(2,014)	(4,462)	(6,352)	
<b>RESERVES CLOSING BALANCE</b>	<b>15,519</b>	<b>149,400</b>	<b>147,387</b>	<b>142,925</b>	<b>136,573</b>	

## Capital Expenditure

	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Capital Expenditure Adjusted for use contribution to Reserves	124,250	293,996	76,470	64,308	63,907	622,930
Capital Funding	43,108	4,847	64,645	62,000	62,000	236,600
<b>Capital Financing Requirement</b>	<b>81,142</b>	<b>289,149</b>	<b>11,824</b>	<b>2,308</b>	<b>1,907</b>	<b>386,330</b>

## Capital Financing Requirement

	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000
Balance Carried Forward	593,689	669,365	951,536	954,991	948,604
In Year Requirement	81,142	289,149	11,824	2,308	1,907
MRP & Receipts	-5,466	-6,978	-8,369	-8,695	-9,035
Balance Carried Forward	669,365	951,536	954,991	948,604	941,476

## Gross Debt and the Capital Financing Requirement

	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000
Gross Debt Borrowing	418,226	549,069	631,543	623,992
Gross Debt Leasing	101,805	99,830	97,822	95,786
Total Debt	520,031	648,899	729,365	719,778
Capital Financing Requirement	729,142	792,622	791,934	780,993

## Debt and the Authorised Limit and Operational Boundary

	Maximum 24/25	Debt at 30.0.24	2024/25 Authorised Limit	2024/25 Operational Boundary	Complied
	£'000	£'000	£'000	£'000	
Borrowing	347.65	347.65	1,017,000	943,000	Yes
Leases	103.75	103.75	220,000	190,000	Yes
<b>Total Debt</b>	<b>451.40</b>	<b>451.10</b>	<b>1,237,000</b>	<b>1,133,000</b>	<b>Yes</b>

	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Access to Opportunities	0	2,065	1,750	0	0	3,815
Active Travel Programme	1,270	46,031	30,694	0	0	77,995
Bus Programme	445	24,991	26,849	0	0	52,285
Decarbonisation Programme	150	15,932	925	0	0	17,007
Digital	2,525	6,264	3,812	0	0	12,601
Local Highways Funding	19,077	18,686	16,578	0	0	54,341
Place Based Transport Investment	87	17,162	14,750	0	0	31,999
Rail Programme	13,456	24,376	55,721	0	0	93,553
Teesside Airport	0	3,561	0	0	0	3,561
CRSTS 2 Programme TBC	0	0	0	62,000	62,000	124,000
<b>Transport Total</b>	<b>37,010</b>	<b>159,068</b>	<b>151,079</b>	<b>62,000</b>	<b>62,000</b>	<b>471,157</b>
Careers Support	215	0	0	0	0	215
Skills Capital	667	0	0	0	0	667
Support for Business	3	400	190	0	0	593
Support for Individuals	40,038	35,224	34,640	34,640	34,640	179,182
UKSPF People & Skills Programme	0	4,028	0	0	0	4,028
UKSPF People & Skills Programme TBC	0	3,425	3,425	3,425	3,425	13,700
<b>EES Total</b>	<b>40,923</b>	<b>43,077</b>	<b>38,255</b>	<b>38,065</b>	<b>38,065</b>	<b>198,385</b>
Boho "The Digital City"	773	535	0	0	0	1,308
Business Infrastructure Projects	8,614	6,359	0	0	0	14,973
Business Support Programmes	20,508	7,915	3,143	2,903	3,152	37,621
Freeport	958	2,623	0	0	0	3,581
Stockton High Street	21	14,558	0	0	0	14,579
Welcome to Redcar & Cleveland	332	3,580	0	0	0	3,912
<b>Business Growth Total</b>	<b>31,206</b>	<b>35,570</b>	<b>3,143</b>	<b>2,903</b>	<b>3,152</b>	<b>75,974</b>
Creative Place Programme	17,100	-1,182	1,727	0	0	17,645
Hartlepool Waterfront (incl NMRN)	0	10,506	0	0	0	10,506
Darlington Railway Heritage	-3,848	3,848	0	0	0	0
<b>Culture Total</b>	<b>13,252</b>	<b>13,172</b>	<b>1,727</b>	<b>0</b>	<b>0</b>	<b>28,151</b>
Environment	1,973	0	0	0	0	1,973
Housing Retrofit	16,131	0	0	0	0	16,131
Innovation Capital Infrastructure	1,423	4,003	0	0	0	5,426
Net Zero Hub Activity	7,536	0	0	0	0	7,536

Network Support Programme	730	662	0	0	0	1,392
<b>Innovation &amp; Clean Growth Total</b>	<b>27,793</b>	<b>4,665</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,458</b>
Brownfield Housing	14,278	6,000	0	0	0	20,278
Car Parking	0	0	0	0	0	0
Indigenous Growth Programme	4,145	31,917	0	0	0	36,062
UKSPF Communities & Place	2,151	15,354	0	0	0	17,505
Place Based Investment Fund	5,403	18,371	4,179	675	675	29,303
<b>Place Total</b>	<b>25,977</b>	<b>71,642</b>	<b>4,179</b>	<b>675</b>	<b>675</b>	<b>103,148</b>
<b>INVESTMENT PLAN TOTAL</b>	<b>176,161</b>	<b>327,194</b>	<b>198,383</b>	<b>103,643</b>	<b>103,892</b>	<b>909,273</b>

**BLANK PAGE**

## TREASURY MANAGEMENT OUTTURN REPORT 2024/25

### SUMMARY

This report informs Members of the 2024/25 performance against the treasury management and prudential indicators set in the Treasury Management Strategy, approved by the Authority in March 2025.

### RECOMMENDATIONS

It is recommended that the Combined Authority Cabinet:

- i. Notes the contents of this report.

### DETAIL

1. The Authority has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code), which requires the Authority to approve treasury management semi-annual and annual reports.
2. The Authority's Treasury Management Strategy for 2024/25 was approved at the Cabinet meeting on 28<sup>th</sup> March 2025. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks, including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk is therefore central to the Authority's Treasury Management Strategy.
3. The Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by Cabinet covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy, complying with CIPFA's requirement, was also approved by Cabinet at the 28<sup>th</sup> March 2025 meeting.

### EXTERNAL CONTEXT

#### Economic Background

4. Both the UK and US elected new governments during the period, whose policy decisions impacted the economic outlook. The Chancellor of the Exchequer delivered her Spring Statement in March 2025, following her Budget in October 2024. Based on the plans announced, the Office for Budget Responsibility downgraded its predictions for UK growth in 2025 to 1% from 2%. However, it upgraded its predictions for the four subsequent years.

Inflation predictions for 2025 were pushed up, to 3.2% from 2.6%, before falling back to target in 2027. The market reaction to the Spring Statement was more muted compared to the Budget, with very recent market turbulence being driven more by US trade policy decisions and President Trump.

5. After revising its interest rate forecast in November following the Budget, the council's treasury management advisor, Arlingclose, maintained its stance that the Bank Rate will fall to 3.75% in 2025.
6. UK annual Consumer Price Index (CPI) inflation continued to stay above the 2% Bank of England (BoE) target in the later part of the period. The Office for National Statistics (ONS) reported headline consumer prices at 2.8% in February 2025, down from 3.0% in the previous month and below expectations. Core CPI also remained elevated, falling slightly in February to 3.5% from 3.7% in January, just below expectations for 3.6%, but higher than the last three months of the calendar year.
7. The UK economy Gross Domestic Product (GDP) grew by 0.1% between October and December 2024, unrevised from the initial estimate. This was an improvement on the zero growth in the previous quarter, but down from the 0.4% growth between April and June 2024. Of the monthly GDP figures, the economy was estimated to have contracted by 0.1% in January, worse than expectations for a 0.1% gain.
8. The labour market continued to cool, but the ONS data still requires treating with caution. Recent data showed the unemployment rate rose to 4.4% (3mth/year) in the three months to January 2025, while the economic inactivity rate fell again to 21.5%. The ONS reported pay growth over the same three-month period at 5.9% for regular earnings (excluding bonuses) and 5.8% for total earnings.
9. The BoE's Monetary Policy Committee (MPC) held the Bank Rate at 4.5% at its March 2025 meeting, having reduced it in February. This follows earlier 0.25% cuts in November and August 2024 from the 5.25% peak. At the March MPC meeting, members voted 8-1 to maintain the Bank Rate at 4.5%, with the one dissenter preferring another 25 basis points cut. The meeting minutes implied a slightly more hawkish tilt compared to February when two MPC members wanted a 50bps cut. In the minutes, the Bank also upgraded its Q1 2025 GDP forecast to around 0.25% from the previous estimate of 0.1%.
10. The February Monetary Policy Report (MPR) showed the BoE expected GDP growth in 2025 to be significantly weaker compared to the November MPR. GDP is forecast to rise by 0.1% in Q1 2025, less than the previous estimate of 0.4%. Four-quarter GDP growth is expected to pick up from the middle of 2025, to over 1.5% by the end of the forecast period. The outlook for CPI inflation showed it remaining above the MPC's 2% target throughout 2025. It is expected to hit around 3.5% by June before peaking at 3.7% in Q3 and then easing towards the end of the year, but staying above the 2% target. The unemployment rate was expected to rise steadily to around 4.75% by the end of the forecast horizon, above the assumed medium-term equilibrium unemployment rate of 4.5%.
11. Arlingclose, the authority's treasury adviser, maintained its central view that the Bank Rate would continue to fall throughout 2025. From the cuts in August and November 2024 and February 2025, which took the Bank Rate to 4.50%, May is considered the likely month for the next reduction, with other cuts following in line with MPR months to take the Bank Rate down to around 3.75% by the end of 2025.

## Financial Markets

12. Financial market sentiment was reasonably positive over most of the period, but economic, financial and geopolitical issues meant the trend of market volatility remained. In the latter part of the period, volatility increased, and bond yields started to fall following a January peak, as the economic uncertainty around likely US trade policy impacted financial markets. Yields in the UK and US started to diverge in the last month of the period, with the former rising around concerns over the fiscal implications on the UK government from weaker growth, business sentiment and higher rates. While the latter started falling on potential recession fears due to the unpredictable nature of policy announcements by the US President and their potential impact.
13. The 10-year UK benchmark gilt yield started the period at 3.94% and ended at 4.69%, having reached a low of 3.76% in September and a high of 4.90% in January in between. While the 20-year gilt started at 4.40% and ended at 5.22%, hitting a low of 4.27% in September and a high of 5.40% in January. The Sterling Overnight Rate (SONIA) averaged 4.90% over the period.

## Local Context

14. The treasury management position on 31st March 2025 and the change during the year is shown in Table 1 below.

Table 1: Treasury Management Summary

	<b>31.3.24 Balance £m</b>	<b>Movement £m</b>	<b>31.3.25 Balance £m</b>
Long-term borrowing	( 321.00)	( 12.23)	( 333.23)
Short-term borrowing	( 15.00)	( 50.00)	( 65.00)
<b>Total Borrowing</b>	<b>( 336.00)</b>	<b>( 62.23)</b>	<b>( 398.23)</b>
Long-term investments	-	-	-
Short-term investments	-	-	-
Cash and cash equivalents	53.10	( 6.70)	46.40
<b>Total Investments</b>	<b>53.10</b>	<b>( 6.70)</b>	<b>46.40</b>
<b>Net Investments / (Debt)</b>	<b>( 282.90)</b>	<b>( 68.93)</b>	<b>( 351.83)</b>

15. Delivery of the Investment Plan has continued at pace during the year, with the increased delivery of capital projects increasing the borrowing requirement. During the year, the Authority accessed a 50 year loan with the UKIB at a competitive rates and secured additional borrowing from PWLB.
16. The increased delivery of the Investment Plan has also led to a reduction in cash held, as grants paid in advance from Government have been utilised, on delivery of a variety of projects and programmes.

## Borrowing Strategy

17. CIPFA's Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new

borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

18. At 31st March 2025, the Authority held £398.23m of loans as part of its strategy for funding the capital programmes within the Investment Plan, outstanding loans on 31st March 2025 are summarised in Table 2 below.

Table 2: Borrowing Position

	31.3.24 Balance £m	Net Movement £m	31.3.25 Balance £m	31.3.25 Weighted Average Rate	31.3.25 Weighted Average Maturity (years)
Public Works Loans Board	( 214.30)	( 74.28)	( 288.58)	4.57%	14.97
UK Infrastructure Bank	( 106.70)	( 2.95)	( 109.65)	1.99%	49.12
Local Authorities (Short Term)	( 15.00)	15.00	-	-	-
<b>Total borrowing</b>	<b>( 336.00)</b>	<b>( 62.23)</b>	<b>( 398.23)</b>	<b>3.87%</b>	<b>24.19</b>

19. The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.
20. After substantial rises in interest rates since 2021 many central banks have now begun to reduce their policy rates, albeit slowly. Gilt yields were volatile, but have increased overall during the period. Much of the increase has been in response to market concerns that policies introduced by the Labour government will be inflationary and lead to higher levels of government borrowing. The election of Donald Trump in the US in November is also expected to lead to inflationary trade policies.
21. The Authority has an increasing capital financing requirement due to the capital programme within the Investment Plan and an estimated borrowing requirement as determined by the Liability Benchmark which also takes into account usable reserves and working capital.

## Other Debt Activity

22. Although not classed as borrowing, the Authority has entered into finance leases which are held as long term liabilities on the balance sheet. The total value of these leases at 31<sup>st</sup> March is £104m.

## Treasury Management Activity

23. CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20th December 2021. These define treasury management

investments as investments that arise from the organisation’s cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

24. The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority’s investment balances fluctuated due to timing differences between income and expenditure. The investment position at the end of March 2024 is shown in table 3 below.

Table 3: Treasury Investment Position

Counterparty	Amount	Start	Maturity
	£ m	Date	Date
Blackrock	8.50	07-Dec-16	Money Market Fund
Aberdeen Standard	11.10	06-Oct-16	Money Market Fund
Federated	8.50	06-Oct-16	Money Market Fund
Legal & General	9.30	06-Oct-16	Money Market Fund
Insight	9.00	07-Dec-16	Money Market Fund
	46.40		

25. Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
26. The progression of risk and return metrics are shown in the extracts from Arlingclose’s quarterly investment benchmarking in Table 4 below.

Table 4: Investment Benchmarking – Treasury investments managed in-house.

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
31.03.2021	4.30	AA-	92%	11	0.50
31.03.2022	4.63	A+	75%	10	0.02
31.03.2023	4.13	AA-	38%	3	0.01
31.03.2024	4.72	A+	100%	1	3.62
31.03.2025	5.02	A+	72%	7	5.62
Similar LAs	4.96	A+	46%	67	5.00
All LAs	4.82	A+	61%	9	5.03

## Non-Treasury Investments

27. The definition of investments in CIPFA’s revised Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets, which the Council holds primarily for financial return. This is replicated in MHCLG’s Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.
28. The Authority can lend money to its subsidiaries, constituent Local Authorities, and local businesses to support delivery of the Strategic Economic Plan and stimulate local economic growth. Loans are not issued by the Authority for purely financial return, they are provided if the proposal meets the priorities set out in the Investment Plan and related strategies. Loans may be given in order to comply with state aid regulations, or alternatively it may be that the applicant has the ability to repay the support via increased revenues as a result of the investment.
29. As at the end of March 2025 the Authority also held £499.78m of such investments in;
- loans to subsidiaries £486.54m
  - loans to constituent local authorities £9.95m
  - loans to local businesses £3.29m

## Compliance

30. The Group Director of Finance and Resources reports that all treasury management activities undertaken during the period complied fully with the CIPFA Code of Practice and the Authority’s approved Treasury Management Strategy. Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 5 below.

Table 5: Debt Limits

	Maximum in Year £m	31.03.25 Actual £m	2024/25 Operational Boundary £m	2024/25 Authorised Limit £m	Complied Yes / No
Borrowing	398.23	398.23	355.11	426.13	Yes
Finance Leases	103.94	103.94	172.65	207.18	Yes
<b>Total</b>	<b>502.17</b>	<b>439.94</b>	<b>527.76</b>	<b>633.31</b>	<b>Yes</b>

31. Compliance with specific investment limits is demonstrated in table 6 below.

Table 6: Investment Limits

	Maximum in Year	31.3.25 Actual	2024/25 Limit	Complied? Yes/No

Any single organisation, except the UK Central Government	£15m	£11.1m	£15m per organisation	Yes
UK Central Government	£15m	£0m	Unlimited	Yes
Any group of organisations under the same ownership	£29m	£0	£15m per organisation	Yes
Any group of pooled funds under the same management	£0	£0	£37.5m	Yes
Negotiable instruments held in a broker's nominee account	£0	£0	£37.5m	Yes
Foreign countries	£0	£0	£15m	Yes
Registered providers and registered social landlords	£0	£0	£37.5m	Yes
Unsecured investments with building societies	£0	£0	£15m	Yes
Loans to unrated corporates	£0	£0	£15m	Yes
Money Market Funds	£0	£0.036m	Unlimited	Yes
Real estate investment trusts	£74.5m	£0	£37.5m	Yes

32. The Authority measures and manages its exposures to treasury management risks using the following indicators.
33. Liability Benchmark: This new indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Authority is likely to be a long-term borrower or long-term investor in the future and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Authority must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £10m required to manage day-to-day cash flow.

Table 7: Liability Benchmark

	31.3.2025 Actual £m	31.3.2026 Forecast £m	31.3.2027 Forecast £m
Loans CFR	514.30	705.00	849.00
Less Balance Sheet Resources	-228.30	-59.00	-51.00
<b>Net Loans Requirement</b>	286.00	646.00	798.00
Plus: Liquidity Allowance	10.00	10.00	10.00
<b>Liability Benchmark</b>	346.00	656.00	808.00
Existing Borrowing	398.23		

34. Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing are set out in table 8 below.

Table 8: Borrowing Maturity

	31.3.25 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	5.02%	100%	0%	Yes
12 months and within 24 months	11.30%	100%	0%	Yes
24 months and within 5 years	0.00%	100%	0%	Yes
5 years and within 10 years	0.00%	100%	0%	Yes
10 years and above	83.68%	100%	0%	Yes

35. Principal Sums Invested for Periods Longer than a year: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments.

Table 9: Long Term Investments

	2024/25	2025/26	2026/27	2027/28
Actual principal invested beyond year end	£0	£0	£0	£0
Limit on principal invested beyond year end	£15m	£15m	£15m	£15m
Complied?	Yes	Yes	Yes	Yes

## FINANCIAL IMPLICATIONS

36. This report provides an update on performance against the treasury management and prudential indicators set in the Treasury Management Strategy.

## LEGAL IMPLICATIONS

37. There are no legal implications associated with the recommendations within this report.

## RISK ASSESSMENT

38. The recommendations in this report are considered low to medium risk.

## EQUALITY & DIVERSITY

39. There are no equality and diversity implications associated with the recommendations in this report.

## CONSULTATION & COMMUNICATION

40. This report has been shared with Tees Valley Chief Executives, Management Group and Finance Directors.



**Name of Contact Officer:** Gary Macdonald

**Post Title:** Group Director of Finance and Resources

**Telephone Number:** 01325 792600

**Email Address:** [gary.macdonald@teesvalley-ca.gov.uk](mailto:gary.macdonald@teesvalley-ca.gov.uk)

**BLANK PAGE**

## SOUTH TEES DEVELOPMENT CORPORATION MEDIUM-TERM FINANCIAL PLAN

### SUMMARY

The purpose of this report is to provide Cabinet with an update on the future financial activities of South Tees Development Corporation for 2025/26.

### RECOMMENDATIONS

It is recommended that the Combined Authority Cabinet:

- i. **NOTES:** the Budget and Medium- Term Financial Plan (“MTFP”) for South Tees Development Corporation (“STDC”) as set out in **Appendix 1**.

### DETAIL

1. Following the publication of the Tees Valley Review, TVCA and its constituent Authorities undertook an extensive review of its governance processes in response to the recommendations set out in the report.
2. At its meeting on 27 September 2024 Cabinet received a report, which proposed several changes to governance processes and the constitutions of both South Tees Development Corporation (STDC) and Tees Valley Combined Authority (TVCA) itself.
3. One of the amendments to address the recommendations raised as part of the Tees Valley review was a constitutional amendment in paragraph 8 of the South Tees Development Corporation Constitution. This amendment requires the STDC MTFP to be presented to Cabinet annually.
4. At its meeting on the 27<sup>th</sup> March 2024, the STDC board approved the Budget and Medium-Term Financial Plan. A copy of this report is provided at **Appendix 1**.



5. It is recommended that the Combined Authority Cabinet notes the Budget and Medium-Term Financial Plan for the South Tees Development Corporation ("STDC").

## **FINANCIAL IMPLICATIONS**

6. The report in **Appendix 1** sets out the key financial implications.
7. TVCA provides a combination of funding and borrowing to STDC. This has previously been presented in detail to Cabinet as part of Medium-Term Financial Plan and Treasury Management Strategy reporting.

## **LEGAL IMPLICATIONS**

8. This report is a requirement of the STDC constitution. There are no other legal implications of this report.

## **RISK ASSESSMENT**

9. This report is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

## **CONSULTATION & COMMUNICATION**

10. The Budget and Medium-Term Financial were presented and approved by the STDC Board.

## **EQUALITY & DIVERSITY**

11. This update is for information only, therefore it does not impact on groups of people with protected characteristics.

**Name of Contact Officer:** Gary Macdonald  
**Post Title:** Group Director of Finance & Resources  
**Telephone Number:** 01325 792600  
**Email Address:** [gary.macdonald@teesvalley-ca.gov.uk](mailto:gary.macdonald@teesvalley-ca.gov.uk)

**BLANK PAGE**

**AGENDA ITEM 7**  
**REPORT TO THE STDC BOARD**  
**4 APRIL 2025**  
**REPORT OF THE GROUP DIRECTOR OF FINANCE AND RESOURCES**

**BUDGET 2025-2026 AND MEDIUM-TERM FINANCIAL PLAN**

**SUMMARY**

The STDC constitution requires that the Corporation annually sets out a financial budget, which must be formally approved by the board each year. The Budget provides the financial framework within which the Corporation will operate in the forthcoming financial year and over the medium term (2025-2029).

**RECOMMENDATIONS**

It is recommended that the STDC Board:

- i. **Approves** the Budget for 2025-2026
- ii. **Approves** the Medium Term Financial Plan (MTFP) for 2025-2029

**DETAIL**

1. This report sets out the Budget for 2025-26 and the medium-term financial plan (MTFP) for the period to March 2029. The Budget presents all forecast funding and expenditure for the plan period.
2. For the MTFP period the Corporation will have a total of £105.1m available funding resources. This comprises site income and reserves.

**Economic Outlook**

3. The Autumn Budget 2024 was delivered to Parliament on Wednesday, 30 October 2024, by the Chancellor.
4. The Office for Budget Responsibility (OBR) providing the following information alongside the Budget:

5. Economic and Fiscal Outlook, growth is forecast to increase to 2.0% in 2025 before moderating to 1.6% by 2029.
6. Forecasts the economy to grow by 1.1% in 2024, before increasing to 2.0% and 1.8% in 2025 and 2026. Growth then returns to around the OBR's estimate of its potential rate, at 1.5%, 1.5% and 1.6% over 2027, 2028 and 2029 respectively.
7. The OBR judges that policies announced at Autumn Budget 2024 boost output in the near term and expect the package as a whole to have a net positive effect on potential output beyond the forecast horizon.
8. The OBR expects annual CPI inflation to remain close to the 2% target throughout the forecast period. The OBR forecasts inflation to average 2.5% in 2024, before increasing to 2.6% in 2025. It is expected to fall towards target across the final three years of the OBR forecast.
9. Public sector net investment averages 2.6 % of GDP over the Parliament. The OBR judges that higher investment will add to GDP during the forecast period, and if sustained will increase the size of the economy in the long term.
10. Consumer Prices Index (CPI) inflation is normalising after an inflationary shock resulted in it peaking at 11.1% in October 2022, and spending 33 consecutive months above target. While inflation may rise slightly in the near term, the OBR expects it to remain close to the 2% target throughout the forecast.
11. TVCA Treasury Management advisors, Arlingclose, have provided the following commentary on the economy.
12. As expected, the MPC held Bank Rate at 5.0% in September. While the "no change" majority of eight to one was unexpectedly strong, the minutes suggested some policymakers believed a gradual approach to loosening policy was warranted given the persistence of services inflation, rather than no loosening at all. This is in line with Arlingclose's long-held view that Bank Rate will initially reduce gradually before a more rapid decline in 2025 as services inflation eases.
13. CPI inflation remained just above the 2% target in August, the Bank expects this to rise to 2.5% by the end of the year as prior falls in energy prices drop out of the annual comparison and reveal the prevailing persistence of domestic inflationary pressures. Private sector wage growth has eased back but remains elevated and services inflation remains high at 5.6%. However, both will continue to decline over time.
14. UK GDP growth has been relatively strong in H1 2024, although this partly reflects a rebound from the H2 2023 technical recession. Underlying growth is weaker, but risks around domestic demand lie to the upside due to recovering consumer demand

## **SOUTH TEES DEVELOPMENT CORPORATION**

(although the announcement of higher taxes in the upcoming Budget could damage confidence). Stronger economic activity amid a continued tight, albeit easing, labour market could leave wage growth and inflation persistently higher.

15. Official ONS Labour market data continues to be unreliable but wider indicators suggest the market is loosening as labour demand cools. Anecdotal evidence has suggested lower private sector pay growth for some time, and we expect a weaker labour market situation to hasten that outcome.
16. Arlingclose expects that the continuation of restrictive monetary policy and the appreciation in sterling will bear down on activity and will require more substantial loosening in 2025 to boost activity and inflation.
17. Global bond yields have reduced in anticipation of US monetary loosening, duly delivered by the Federal Reserve. However, US interest rate expectations seem relatively aggressive compared to policymakers' own expectations, which raises the risk of continued US-policy induced volatility in gilt yields. Moreover, there remains a heightened risk of fiscal policy, credit events and/or geo-political events causing additional volatility in yields.
18. The Corporation has been working closely with our treasury management advisors to establish the short- and long-term rate forecasts. This work has enabled various models to be produced with sensitivities conducted to inform a borrowing strategy which has informed the rates built into this budget.
19. Senior management have set parameters for accessing future borrowing to allow the Corporation to be agile in reacting to market changes in order to secure the most cost-effective rates.

### **DEVELOPMENT BUDGET**

20. The objective of the South Tees Development Corporation ("STDC") is to bring forward the regeneration of the Teesworks site which includes the UK's largest Freeport. STDC is tasked with regenerating the site, by converting assets into opportunities and driving forward its redevelopment to create jobs, secure investment and transform the region.
21. In 2024/25 significant progress was made on the agreed accelerated scope of development that focussed on: -
  - Completion of site preparation activities to create developable areas for new tenants; and
  - South Bank Quay operational and receiving imported plate steel over the quay to facilitate operation of the offshore wind manufacturing hub.

# **TEESWORKS**

The UK's largest  
industrial zone

**SOUTH TEES  
DEVELOPMENT  
CORPORATION**

- Site maintenance activities continue across the site and bridge inspection work on structures completed
- The Estate Management Company formally incorporated and will have responsibility for managing the day to day services for tenants

22. STDC focus is on its long-term objective. To create a world class, modern industrial park that will become a hotbed of clean energy activity, leading the way in the Green Industrial Revolution. Securing investment in the cleaner, healthier and safer industries of tomorrow, it will be positioned as the UK’s premier hub for offshore wind and lead the UK’s ambitions of industrial decarbonisation and carbon net zero by 2050. In doing this, it will help create thousands of high-quality jobs for local people further driving economic regeneration across the Tees Valley.

23. The development phase of the site is progressing well with preparation of the site in line with expectations. The financial model for the site was presented to Board and TVCA Cabinet as part of the papers for the Independent Review. This model incorporated cost assumptions in respect of STDC obligations on site and, where applicable, cost and private sector funding assumptions in respect of development plots for incoming tenants.

**Development expenditure 2025/26**

24. The 2025/26 works will continue to focus on the completion of STDC areas of responsibility;
- South Bank Quay
  - SeaH enabling works
  - Park and Ride
  - Transport entrances for access/egress to the site

25. The below table sets out the proportion of the overall development programme which is forecast for 2025/26.

	<b>24/25 Forecast £'000</b>	<b>25/26 Budget £'000</b>
--	---------------------------------	-------------------------------

**SOUTH TEES  
DEVELOPMENT  
CORPORATION**

Overheads	4,517	1,838
<b>Operating Costs</b>	<b>4,517</b>	<b>1,838</b>
Demolition	15,288	1,145
Site Preparation and Infrastructure	31,778	32,798
Enabling Studies and Other	1,086	1,055
Quay	4,630	0
<b>Project Expenditure</b>	<b>52,782</b>	<b>34,998</b>
<b>Ex SSI Costs</b>	<b>2,425</b>	<b>0</b>
<b>Net Expenditure</b>	<b>59,725</b>	<b>36,836</b>
<b>Funded By</b>		
Land sale	5,000	0
Use of resources	1,942	1,838
Borrowing	52,783	34,998
<b>Total</b>	<b>59,725</b>	<b>36,836</b>

26. The construction of the South Bank Quay including the heavy lift platform has completed and the quay berth pockets has been utilised by vessels. The final elements of the quay operations building are reaching completion. The heavy lift platform provides capacity of the quay for heavy lift products allowing for multiple dock berths and simultaneous loading.
27. Work is continuing on SeaH winds offshore wind monopile production facility with completion expected in the coming months. Enabling activities have continued to ensure utilities are in place including power. Site preparation Infrastructure works to the Hinterland remediation work has completed to connect the SeaH facility with the South Bank Quay. The associated drainage and ancillary works will occur in 2025-26 to facilitate SeaH to move their products across the Quay.
28. The expenditure on infrastructure and enabling works for the Park and Ride development, which will serve thousands of workers during construction phases initially, is continuing with the remediation phase completed. The associated services works will continue into 2025-26 financial year. The progression of the development within the current programme is essential to ensure facilities are in place to host the large numbers of construction staff required for ongoing developments such as SeAH

**SOUTH TEES  
DEVELOPMENT  
CORPORATION**

and Net Zero Teesside. The summary of the development budget over the Medium Term is set out below: -

	<b>24/25 Reforecast £'000</b>	<b>25/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>	<b>2028/29 £'000</b>
<b>Operating Costs</b>	<b>4,517</b>	<b>1,838</b>	<b>1,238</b>	<b>1,238</b>	<b>1,238</b>
Demolition	15,288	1,145	2,100	0	0
Site Preparation and Infrastructure	31,778	32,798	2,514	0	0
Enabling Studies and Other	1,086	1,055	250	0	0
Quay	4,630	0	0	0	0
<b>Project Expenditure</b>	<b>52,782</b>	<b>34,998</b>	<b>4,864</b>	<b>0</b>	<b>0</b>
<b>Ex SSI Costs</b>	<b>2,425</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Expenditure</b>	<b>59,725</b>	<b>36,836</b>	<b>6,102</b>	<b>1,238</b>	<b>1,238</b>
<b><u>Funded By</u></b>					
Land Sale	5,000	0	0	0	0
Use of resources	1,942	1,838	1,238	1,238	1,238
Borrowing	52,783	34,998	4,864	0	0
<b>Total</b>	<b>59,725</b>	<b>36,836</b>	<b>6,102</b>	<b>1,238</b>	<b>1,238</b>
<b>Contribution to reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Budget and MTFP**

**TEESWORKS**

The UK's largest  
industrial zone

**SOUTH TEES  
DEVELOPMENT  
CORPORATION**

29. TEMCO Capex requirements previously reported to the board have been included within the development budget to ensure that the site infrastructure is maintained at a high standard.
30. The below table summarises the projected operating funding and expenditure across the medium term:

	<b>24/25 Forecast £'000</b>	<b>25/26 Budget £'000</b>	<b>26/27 Budget £'000</b>	<b>27/28 Budget £'000</b>	<b>28/29 Budget £'000</b>
Estate Management Costs	6,000	7,403	7,403	7,403	7,403
Costs of Finance	4,440	5,802	5,754	16,979	17,153
<b>Total Expenditure</b>	<b>10,440</b>	<b>13,205</b>	<b>13,157</b>	<b>24,382</b>	<b>24,556</b>
<b>Funded By</b>					
Site Income	3,149	8,928	16,327	29,392	29,495
Other Income	0	0	0	0	0
Use of / (contribution to) Reserves	7,291	4,277	(3,170)	(5,010)	(4,939)
<b>Total</b>	<b>10,440</b>	<b>13,205</b>	<b>13,157</b>	<b>24,382</b>	<b>24,556</b>
<b>Surplus</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**SOUTH TEES  
DEVELOPMENT  
CORPORATION**

	<b>24/25 Forecast £'000</b>	<b>25/26 Budget £'000</b>	<b>26/27 Budget £'000</b>	<b>27/28 Budget £'000</b>	<b>28/29 Budget £'000</b>
Reserves Opening Balance	20,359	6,127	12	1,944	5,716
In Year	-14,232	-6,115	1,932	3,772	3,701
<b>Reserves Closing Balance</b>	<b>6,127</b>	<b>12</b>	<b>1,944</b>	<b>5,716</b>	<b>9,417</b>

Site Income

31. Site Income comprises a number of revenue streams and a summary for 2026 is outlined below:

- Business Rates £4.9m: represent a contracted revenue stream, with minimal financial risk for 2026. The primary risk relates to the timing of revenue, but this is considered low due to signed tenant contracts, the majority of facilities being constructed, and confirmed operational dates with the businesses.
- Service Charge £0.7m: 92% of the service charge income is in relation to signed contacts with tenants. Therefore, the financial risk is below £0.06m.
- Commercial Services External £0.3m, this is a direct recharge of specific requested works costs at a small margin. The expenditure will only be incurred if the contracts associated with the recoverability are signed. An example of these services are disposal of sewage and fire alarm response services.
- Quay Repayments £0.3m, the timing of this revenue stream poses the biggest financial risk as it is driven by tonnage of products being passed across the Quay. The Quay is now operational reducing and product has begun to pass over it, therefore reducing the financial risk to an acceptable level.
- Quay Interest Repayments £2.4m, represent a contracted revenue stream through a loan agreement, resulting in minimal financial risk associated with

this revenue.

- Works Agreement Projects £0.5m, there is a commercial agreement in place in relation to this revenue stream that require reimbursement at specific milestones.
32. The key driver for the site come increases from 2026 is an increase in business rates due to an increase in tenants on the site and the completed construction of their facilities.
33. The completion of STDC areas of responsibility on site in terms of public sector remediation, decontamination and demolition activity within mark a major milestone in transitioning from the legacy “keep safe” focus activity following the departure of SSI from the site to a more progressive estate management arrangement that supports the various existing and planned tenants on site providing professional services across a range of activities. The Medium Term Financial Plan provides the cost estimates for the remainder of this activity and incorporates reprofiling of expenditure estimates from 2024-25 financial year forecast outturn into future years.
34. The estate management operating expenditure incorporates all general operating costs across the site to ensure a secure and well-maintained development is provided for all current and prospective tenants. Elements of this expenditure will be recharged via an annual service charge to tenants. However, in the short term until tenancy levels rise these outlays will be financed from income received and retained during the development period. The cost estimates have been updated to reflect a full review of budget headings by the senior management team and these figures will form the basis for quality professional services across the site as part of the service charge. There are additional services that tenants are expected to request from time to time on site over and above the communal service charge arrangements. These commercial services will be costed and charged separately to tenants on a case by case basis. An initial estimate of c£340k for known commercial services currently provided to tenants is within the overall Estate Management budget heading. The charges for these services operate on a commercial basis rather than cost recovery basis.
35. In order to complete the Development obligations borrowing has been secured against future revenues from the quay and wider site, the expenditure associated with the financing of this borrowing will be required in advance of the revenues being generated. As with the estate related expenditure these costs will be financed from income received and retained from during the development period and spreading financing costs across future periods.

## **Developer Expenditure and Funding**

### Net Zero Teesside

36. The STDC/L delivery model was presented and approved by the STDC board on the 16 March 2023.
37. The Net Zero Teesside project will follow this STDC/L delivery model. Net Zero Teesside is a collection of industrial, power and hydrogen businesses which aim to decarbonize their operations through the deployment of carbon capture utilisation and storage (CCUS). The Net Zero Teesside (Power) Project is a joint venture between BP and Equinor.
38. The Net Zero Teesside project is the second significant private sector investment and tenant proposing to locate to the east of Teesworks at the Foundry. This is proposed to lead to c£4bn of capital investment in a Carbon Capture Utilisation and Storage (CCUS) facility and dedicated power plant etc. This will lead to c4,000 construction jobs in addition to the direct and indirect jobs associated with the facility. Net Zero Teesside have already announced the selection of nine leading specialist contractors across eight contract packages which would contribute to the UK's journey towards net zero emissions by 2050.
39. As part of the delivery model STDC/L will undertake remediation works as landowner. When work is completed on the NZT site and all costs are accounted for (including landfill tax reliefs) Teesworks Limited will exercise its option. All development activity and costs will be fully funded by Teesworks Limited and/or BP Project Contributions as required.

### Additional developer work with prospective tenants

40. Any future tenants with proposed enabling activities operating under the STDC/L delivery model will be costed and fully recovered including appropriate management and interest charges.
41. The below table summarises the projected private sector developer expenditure funded in advance via STDC across the medium term. This table will be updated throughout 2025-26 financial year for any future tenant developer expenditure and funding:

**Developer Expenditure and funding**

	<b>24/25 Forecast £'000</b>	<b>25/26 Budget £'000</b>	<b>26/27 Budget £'000</b>	<b>27/28 Budget £'000</b>	<b>28/29 Budget £'000</b>
NZT Development Costs	21,700	22,469	7,110	490	0
<b>Total Expenditure</b>	<b>21,700</b>	<b>22,469</b>	<b>7,110</b>	<b>490</b>	<b>0</b>
<b>Funded By</b> Private Sector Contributions	21,700	22,469	7,110	490	0
<b>Total</b>	<b>21,700</b>	<b>22,469</b>	<b>7,110</b>	<b>490</b>	<b>0</b>

42. All obligations are funded through a combination of private sector tenant “Project Contributions” and any other funding requirements being met by Teesworks Limited via a direct commercial agreement with STDC/L. The combination of the option agreement project contribution from BP and Teesworks Limited direct funding will cover 100% of all project costs including management costs and interest.
43. Private sector investment has been secured for the Quay and the heavy lift platform which extends the Quay by 100 metres. Private sector obligations in respect of the Quay are included in the operating table in point 23. The repayments are reflected in site income.

**Cost of Borrowing**

44. The arrangements for Corporation borrowing are set out in the annually agreed Treasury Management Policy.
45. The Corporation intend to raise the majority of its long-term borrowing from TVCA who will access the PWLB.

**SOUTH TEES  
DEVELOPMENT  
CORPORATION**

46. In 2025/26, the Corporation is planning capital expenditure of £92.6 million as summarised below:

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<b>Forecast</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Capital Expenditure	52,782	34,998	4,864	0	0

47. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Corporation’s own resources (revenue, reserves and capital receipts) or debt (borrowing and leasing). The planned financing of the above expenditure is as follows:

*Table 2: Capital financing in £'000*

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<b>Forecast</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Capital Grants	0	0	0	0	0
Capital Receipts	5,000	0	0	0	0
Capital Contributions	0	0	0	0	0
Borrowing	47,782	34,998	4,864	0	0
<b>Total</b>	<b>52,782</b>	<b>34,998</b>	<b>4,864</b>	<b>0</b>	<b>0</b>

**SOUTH TEES  
DEVELOPMENT  
CORPORATION**

48. The borrowing strategy includes a range of maturities, short and long term, with ability to refinance built in. These are all driven from the latest interest rate forecasts from Arlingclose which are set out in the table below.

	Current	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27
<b>Official Bank Rate</b>													
Upside risk	0.00	0.25	0.50	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Central Case</b>	<b>5.00</b>	<b>4.75</b>	<b>4.25</b>	<b>3.75</b>	<b>3.25</b>	<b>3.00</b>							
Downside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>3-month money market rate</b>													
Upside risk	0.00	0.25	0.50	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Central Case</b>	<b>4.95</b>	<b>4.80</b>	<b>4.30</b>	<b>3.80</b>	<b>3.30</b>	<b>3.05</b>	<b>3.10</b>	<b>3.10</b>	<b>3.15</b>	<b>3.15</b>	<b>3.15</b>	<b>3.15</b>	<b>3.15</b>
Downside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>5yr gilt yield</b>													
Upside risk	0.00	0.75	0.85	0.95	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Central Case</b>	<b>4.09</b>	<b>3.60</b>	<b>3.50</b>	<b>3.45</b>	<b>3.40</b>	<b>3.40</b>	<b>3.40</b>	<b>3.40</b>	<b>3.45</b>	<b>3.50</b>	<b>3.55</b>	<b>3.55</b>	<b>3.55</b>
Downside risk	0.00	0.45	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
<b>10yr gilt yield</b>													
Upside risk	0.00	0.75	0.85	0.95	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Central Case</b>	<b>4.22</b>	<b>3.90</b>	<b>3.80</b>	<b>3.75</b>	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>	<b>3.75</b>	<b>3.80</b>	<b>3.80</b>	<b>3.80</b>	<b>3.80</b>
Downside risk	0.00	0.45	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
<b>20yr gilt yield</b>													
Upside risk	0.00	0.75	0.85	0.95	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Central Case</b>	<b>4.67</b>	<b>4.35</b>	<b>4.20</b>	<b>4.20</b>	<b>4.20</b>	<b>4.20</b>	<b>4.20</b>	<b>4.20</b>	<b>4.25</b>	<b>4.30</b>	<b>4.35</b>	<b>4.35</b>	<b>4.35</b>
Downside risk	0.00	0.45	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
<b>50yr gilt yield</b>													
Upside risk	0.00	0.75	0.85	0.95	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Central Case</b>	<b>4.20</b>	<b>4.00</b>	<b>3.80</b>	<b>3.80</b>	<b>3.80</b>	<b>3.80</b>	<b>3.80</b>	<b>3.80</b>	<b>3.85</b>	<b>3.90</b>	<b>3.95</b>	<b>3.95</b>	<b>3.95</b>
Downside risk	0.00	0.45	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65

**SOUTH TEES  
DEVELOPMENT  
CORPORATION**

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%; PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%; PWLB HRA Rate (Maturity Loans) = Gilt yield + 0.40%; UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

49. The Long-term gilt yields have fallen alongside US monetary policy expectations. Arlingclose’s central case is for yields to be volatile around a relatively narrow range, reflecting the likelihood for monetary policy loosening in the Eurozone, UK and US. In line with this advice the interest rate for future borrowing has been updated based on Arlingclose forecasts.

**FINANCIAL IMPLICATIONS**

50. This report provides the budget for the Corporation and the Medium-Term Financial Plan. Full detail is set out in the body of the report.

**LEGAL IMPLICATIONS**

51. There are no legal implications associated with the recommendations within this report. The agreements with partners for private sector funded remediation costs have been prepared and agreed with STDC legal advisors.

**RISK ASSESSMENT**

52. This Budget Report has been categorised as medium risk. The overall risk to the longer-term financial position of the Corporation revolves around securing of tenants. The financial risks of this in the short term have been mitigated from retention of income generated during the development stage to bridge the gap until tenancy levels increase.

**CONSULTATION & COMMUNICATION**

53. The subject of this report is a matter for STDC Board approval therefore no additional consultation and communication has been undertaken.

**EQUALITY & DIVERSITY**

54. This report does not impact on groups of people with protected characteristics.

**Name of Contact Officer:** Gary Macdonald  
**Post Title:** Group Director of Finance and Resources  
**Telephone Number:** 01325 792600  
**Email Address:** gary.macdonald@teesvalley-ca.gov.uk

**BLANK PAGE**

## HARTLEPOOL DEVELOPMENT CORPORATION MEDIUM-TERM FINANCIAL PLAN

### SUMMARY

The purpose of this report is to provide Cabinet with an update on the future financial activities of Hartlepool Development Corporation for 2025/26.

### RECOMMENDATIONS

It is recommended that the Combined Authority Cabinet:

- i. **NOTES:** the Budget and Medium-Term Financial Plan (“MTFP”) for Hartlepool Development Corporation (“HDC”) as set out in **Appendix 1**.

### DETAIL

1. Following the publication of the Tees Valley Review, TVCA and its constituent Authorities undertook an extensive review of its governance processes in response to the recommendations set out in that report.
2. On the 27<sup>th</sup> September 2024, a report was presented to TVCA Cabinet, which proposed several changes to governance processes and the constitutions of both South Tees Development Corporation (STDC) and Tees Valley Combined Authority (TVCA) itself.
3. In line with good practice, several of the governance changes have also been adopted by the Hartlepool Development Corporation to promote consistency and robust oversight across the group.
4. One of the amendments to address the recommendations raised as part of the Tees Valley review, was a constitutional amendment requiring the STDC MTFP to be presented to Cabinet annually. Therefore, for the reasons noted in paragraph 3, Cabinet is presented with the HDC MTFP.

5. At its meeting on the 6<sup>th</sup> March 2025, the HDC board approved the Budget and Medium-Term Financial Plan. A copy of this report is provided at **Appendix 1**.
6. Cabinet is asked to note the Budget and Medium-Term Financial Plan for HDC.

## **FINANCIAL IMPLICATIONS**

7. The report in **Appendix 1** sets out the key financial implications.
8. The TVCA Investment Plan outlines the approved funding and borrowing availability to HDC. The Investment Plan Budget 2025-2026 and Medium-Term Financial Plan report and the Treasury Management Strategy report were presented and approved by Cabinet in January 2025.

## **LEGAL IMPLICATIONS**

9. This update is for information only and therefore has no direct legal implications.

## **RISK ASSESSMENT**

10. This report is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk

## **CONSULTATION & COMMUNICATION**

11. The Budget and Medium-Term Financial were approved by the HDC Board.

## **EQUALITY & DIVERSITY**

12. This update is for information only, therefore it does not impact on groups of people with protected characteristics.

**Name of Contact Officer:** Gary Macdonald  
**Post Title:** Group Director of Finance and Resources  
**Telephone Number:** 01325 792600  
**Email Address:** [gary.macdonald@teesvalley-ca.gov.uk](mailto:gary.macdonald@teesvalley-ca.gov.uk)

**BLANK PAGE**

# APPROVAL OF BUDGET 2025-2026 AND MEDIUM-TERM FINANCIAL PLAN UPDATE

## SUMMARY

The Hartlepool Development Corporation constitution requires that the Corporation annually sets out a financial budget, which must be formally approved by the board each year. The Budget provides the financial framework within which the Corporation will operate in the forthcoming financial year (2025-2026) and over the medium term.

This report provides the Budget for 2025-26.

## RECOMMENDATIONS

It is recommended that the Hartlepool Development Corporation Board:

- i. Approves the Budget for 2025-26.
- ii. Approves the Medium-Term Financial Plan for 25/26 to 28/29.

## DETAIL

1. This report sets out the Budget for 2025-26 and the Medium-Term Financial Plan (MTFP) for the period to March 2029. The Budget presents all forecast funding and expenditure for the plan period.
2. For the MTFP period the Corporation will have a total of £93m available funding resources. This comprises of £5m remaining of the £10m grant funding from the TVCA investment plan, £10m transport investment, £652k from the Investment Zone, £3m from other investment returns and £75m of borrowing.

*Economic Background*

3. The Autumn Budget 2024 was delivered to Parliament on Wednesday 30<sup>th</sup> October 2024, by the Chancellor.
4. The Office for Budget Responsibility (OBR) providing the following information alongside the Budget: -

Economic and Fiscal Outlook, growth is forecast to increase to 2.0% in 2025 before moderating to 1.6% by 2029.

Forecasts the economy to grow by 1.1% in 2024, before increasing to 2.0% and 1.8% in 2025 and 2026. Growth then returns to around the OBR's estimate of its potential rate, at 1.5%, 1.5% and 1.6% over 2027, 2028 and 2029 respectively.

The OBR judges that policies announced at Autumn Budget 2024 boost output in the near term and expect the package as a whole to have a net positive effect on potential output beyond the forecast horizon.

The OBR expects annual CPI inflation to remain close to the 2% target throughout the forecast period. The OBR forecasts inflation to average 2.5% in 2024, before increasing to 2.6% in 2025. It is expected to fall towards target across the final three years of the OBR forecast.

Public sector net investment averages 2.6% of GDP over the Parliament. The OBR judges that higher investment will add to GDP during the forecast period, and if sustained will increase the size of the economy in the long term.

5. Consumer Prices Index (CPI) inflation is normalising after an inflationary shock resulted in it peaking at 11.1% in October 2022, and spending 33 consecutive months above target. While inflation may rise slightly in the near term, the OBR expects it to remain close to the 2% target throughout the forecast.
6. The Corporations Treasury Management advisors, Arlingclose, have provided the following commentary on the economy.
7. As expected, the MPC held Bank Rate at 5.0% in September. While the "no change" majority of eight to one was unexpectedly strong, the minutes suggested some policymakers believed a gradual approach to loosening policy was warranted given the persistence of services inflation, rather than no loosening at all. This is in line with Arlingclose's long-held view that Bank Rate will initially reduce gradually before a more rapid decline in 2025 as services inflation eases.
8. CPI inflation remained just above the 2% target in August, the Bank expects this to rise to 2.5% by the end of the year as prior falls in energy prices drop out of the annual comparison and reveal the prevailing persistence of domestic inflationary

pressures. Private sector wage growth has eased back but remains elevated and services inflation remains high at 5.6%. However, both will continue to decline over time.

9. UK GDP growth has been relatively strong in H1 2024, although this partly reflects a rebound from the H2 2023 technical recession. Underlying growth is weaker, but risks around domestic demand lie to the upside due to recovering consumer demand (although the announcement of higher taxes in the upcoming Budget could damage confidence). Stronger economic activity amid a continued tight, albeit easing, labour market could leave wage growth and inflation persistently higher.
10. Official ONS Labour market data continues to be unreliable but wider indicators suggest the market is loosening as labour demand cools. Anecdotal evidence has suggested lower private sector pay growth for some time, and we expect a weaker labour market situation to hasten that outcome.
11. Arlingclose expects that the continuation of restrictive monetary policy and the appreciation in sterling will bear down on activity and will require more substantial loosening in 2025 to boost activity and inflation.
12. Global bond yields have reduced in anticipation of US monetary loosening, duly delivered by the Federal Reserve. However, US interest rate expectations seem relatively aggressive compared to policymakers' own expectations, which raises the risk of continued US-policy induced volatility in gilt yields. Moreover, there remains a heightened risk of fiscal policy, credit events and/or geo-political events causing additional volatility in yields.
13. The Corporation has been working closely with our treasury management advisors to establish the short- and long-term rate forecasts. This work has enabled various models to be produced with sensitivities conducted to inform a borrowing strategy which has informed the rates built into this budget.
14. Senior management have set parameters for accessing future borrowing to allow the Corporation to be agile in reacting to market changes in order to secure the most cost-effective rates.

## DEVELOPMENT BUDGET

15. The objective of the Development Corporation (DC) is to bring forward the regeneration of a defined area.

16. Following the success of the locally-led model to accelerate regeneration, secure private investment and create jobs – the Tees Valley Mayor created the Hartlepool Development Corporation. This will drive transformation in the local economy, reshape the area, attract investment, support business, increase productivity potential and enhance the overall offer for residents, businesses, and visitors.
17. HDCs priorities are to unlock untapped potential and opportunities in key sector growth such as digital, manufacturing, and creative industries and to develop vacant land and accelerate the regeneration and development of significant assets.
18. In July 2022, TVCA Cabinet approved an allocation of £10m to HDC in the TVCA Investment Plan, to support the Development Corporation, and £10m from within the Town Centre Accessibility Investment package for spend on eligible transport projects within the DC areas.
19. An advanced delegated decision was approved to allocate £250k to the HDC area for development work to establish the DC and create the Masterplan.
20. A masterplan was developed and approved by the board in 2023, it provides guidance to enable the creation of detailed proposals for development sites whilst ensuring flexibility to respond to changes in economic and social conditions.
21. Public sector funding is required to address the financial viability gap caused by the high risk that the private sector will not invest due to the underlying market failures of:
  - a. Commercial Viability: Low rents and high capitalisation yields in office markets compromise the viability of programmes and discourage investment.
  - b. Availability of Development Finance: Bank Lending terms are restrictive due to the other market failures and high level of risk attached to contaminated sites.
  - c. Developer Financial Ability and Appetite for Risk: There are very few local developers with the level of equity required to commence a development and the returns that developers with equity could receive from other investments/developments outside Tees Valley may be more attractive or represent a lower level of risk.
  - d. The public sector is also required to coordinate the scale of intervention and funding required. The programme therefore includes provision for Project funding/grant funding/loans etc to unlock such investments wherever possible to stimulate growth and opportunity for all.

#### Budget and MTFP

21. The below table summarises the projected funding and expenditure across the medium term:

Heading	Rev/Cap	2024/25 Forecast	2025/26	2026/27	2027/28	2028/29	Total
<b>Expenditure</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Operational costs	Revenue	268	275	282	289	296	1,410
Planning Services	Revenue/ capital		250	250	250	250	1,000
Initial project Development	Capital		1,000				1,000
Project investments	Capital	3,067	24,500	24,888	19,913	4,888	77,256
Transport Investments	Capital		5,000	5,000			10,000
Evaluation	Revenue			25		25	50
Reinvestment	Revenue		250	250	250	250	1,000
MRP	Revenue					600	600
Interest	Revenue					1,161	1,161
<b>TOTAL</b>		<b>3,335</b>	<b>31,275</b>	<b>30,695</b>	<b>20,702</b>	<b>7,470</b>	<b>93,477</b>
<b>Funding</b>							-
TVCA Investment Plan	Revenue	268	275	282	289	296	1,410
TVCA Investment Plan	Capital	3,067	587				3,654
Tees Valley Investment Zone	Revenue		163	163	163	163	652
CRSTS 1	Capital		5,000	5,000			10,000
Borrowing	Capital		25,000	25,000	20,000	5,000	75,000
Investment Returns	Revenue	-	250	250	250	250	1,000
Other investment returns	Revenue	-	-	-		1,761	1,761
<b>TOTAL</b>		<b>3,335</b>	<b>31,275</b>	<b>30,695</b>	<b>20,702</b>	<b>7,470</b>	<b>93,477</b>
<b>Capital and Revenue funding split</b>							
Revenue		268	688	695	702	2,470	4,823
Capital		3,067	30,587	30,000	20,000	5,000	88,654
<b>TOTAL</b>		<b>3,335</b>	<b>31,275</b>	<b>30,695</b>	<b>20,702</b>	<b>7,470</b>	<b>93,477</b>

## Expenditure

22. Master planning – following a procurement process, Arup were commissioned to develop a Masterplan for the DC area. The masterplan sets out a plan to drive investment and support accelerated regeneration of the town.
23. Planning Development - Planning Powers were conferred on to HDC on 1 June 2023 giving HDC the power to determine planning applications within the redline boundary. Lichfields have been procured to provide day to day planning services for HDC. The annual cost for HDC to run the planning function will partially be recovered through the fees collected for planning applications.
24. Project investment funding to invest in strategically aligned projects within the DC redline boundary at the discretion of the individual DC board.
- 25: Initial project development expenditure is required to bring projects forward and will ensure the required information is available for informed decisions to be made by the board. The board agreed on 19<sup>th</sup> February 2024 authority for initial project development expenditure up to a maximum balance of £1m to the Group Chief Executive, Group Director of Finance & Resources & Monitoring Officer in their capacity as statutory officers for HDC to facilitate project development.

If development costs are directly attributable to a project, they will be included in the cost of the full project when proposed to the Board and the Initial project development expenditure will be returned.

26. Project investment funding has been utilised on the acquisition of the long lease hold for Middleton Grange Shopping Centre.

## Funding

27. The table above reflects secured funding. TVCA Cabinet approved an allocation of £10m to HDC in the TVCA Investment Plan and £10m from within the Town Centre Accessibility Investment package for spend on eligible transport projects within the DC area.
28. In January 2024, TVCA Cabinet approved a borrowing facility that allows the Corporation to access up to £75 million in borrowing from Public Works Loan Board (“PWLB”) via TVCA. This is detailed in the borrowing section below and Treasury management paper.

29. HDC will stimulate the market with the first phase of projects and will explore funding opportunities to assist with the delivery of this plan. The masterplans identify a number of different potential funding sources to add value to the DC programmes, such as:

- Tees Valley Investment Zone - £160m funding from DLUHC for 10 years to develop digital and tech sector
- UK Shared Prosperity Fund (UKSPF)
- Brownfield Housing Fund
- City Region Sustainable Transport Settlement 2022/23 - 2026/27 (CRSTS1) - £20m from within the Town Centre Accessibility Investment package has been identified for spend on eligible transport projects within the DC areas.

### Cost of Borrowing

30. The arrangements for Corporation borrowing are set out in the annually agreed Treasury Management Policy.

31. In January 2024, TVCA Cabinet approved a borrowing facility that allows the Corporation to access up to £75 million in borrowing from Public Works Loan Board (“PWLB”) via TVCA.

As the details of the proposals are still to be developed an assumption has been made within the Treasury Management and Capital Strategies that all investments will be borrowing via PWLB and will take three years until they are operational and that all interest will be capitalised during this period.

32. The Corporation intend to raise the majority of its long-term borrowing from TVCA who will access the PWLB.

33. In 2025/26, the Corporation is planning capital expenditure of £31 million as summarised below:

	2023/24 Actual	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget
	£'000	£'000	£'000	£'000	£'000	£'000
Capital expenditure	-	1,505	30,587	30,000	20,000	5,000
Middleton Grange	4,779	1,552				
Total	4,779	3,067	30,587	30,000	20,000	5,000

34. Expenditure for 2024/25 for Middleton Grange Shopping Centre of £1.5m relates to the remediation costs.
35. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Corporation's own resources (revenue, reserves and capital receipts) or debt (borrowing and leasing). The planned financing of the above expenditure is as follows:

	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget
	£'000	£'000	£'000	£'000	£'000
Capital grants	3,067	5,587	5,000		
Borrowing	-	25,000	25,000	20,000	5,000
Total	3,067	30,587	30,000	20,000	5,000

36. The borrowing strategy will be developed on a project basis and will include a range of maturities, short and long term, with ability to refinance built in.

## FINANCIAL IMPLICATIONS

37. This report provides the budget for the Corporation and the Medium-Term Financial Plan.

## LEGAL IMPLICATIONS

38. There are no legal implications associated with the recommendations within this report.

## RISK ASSESSMENT

39. This Budget Report has been categorised as medium risk to reflect the updated work on the implementation of our group risk management strategy. The group corporate risk register has been updated to reflect funding uncertainty. The existing management systems and daily routine activities are sufficient to control and reduce risk.

The risk of increased costs through economic factors is closely monitored and is being managed through the revised borrowing strategy put in place. A robust business case development process reduces the risk of cost pressures of investments by ensuring

sufficient contingencies are built in resulting in no additional asks of Corporations funds.

## CONSULTATION & COMMUNICATION

40. The subject of this report is a matter for HDC Board approval therefore no additional consultation and communication has been undertaken.

## EQUALITY & DIVERSITY

41. This report does not impact on groups of people with protected characteristics.

<b>Name of Contact Officer:</b>	Gary Macdonald
<b>Post Title:</b>	Group Director of Finance and Resources
<b>Telephone Number:</b>	01325 792600
<b>Email Address:</b>	<a href="mailto:gary.macdonald@teesvalley-ca.gov.uk">gary.macdonald@teesvalley-ca.gov.uk</a>

**BLANK PAGE**

## MIDDLESBROUGH DEVELOPMENT CORPORATION MEDIUM-TERM FINANCIAL PLAN

### SUMMARY

The purpose of this report is to provide Cabinet with an update on the future financial activities of Middlesbrough Development Corporation for 2025/26.

### RECOMMENDATIONS

It is recommended that the Combined Authority Cabinet:

- i. **NOTES:** the Budget and Medium-Term Financial Plan (“MTFP”) for Middlesbrough Development Corporation (“MDC”) as set out in **Appendix 1**.

### DETAIL

1. Following the publication of the Tees Valley Review, TVCA and its constituent Authorities undertook an extensive review of its governance processes in response to the recommendations set out in the report.
2. On the 27<sup>th</sup> September 2024, Cabinet received a report that proposed several changes to governance processes and the constitutions of both South Tees Development Corporation (STDC) and Tees Valley Combined Authority (TVCA) itself.
3. In line with good practice, several of the governance changes have also been adopted by the Middlesbrough Development Corporation to promote consistency and robust oversight across the group.
4. One of the amendments to address the recommendations raised as part of the Tees Valley review, was a constitutional amendment requiring the STDC MTFP to be



presented to Cabinet annually. Therefore, for the reasons noted in paragraph 3, Cabinet is presented with the MDC MTFP.

5. At its meeting on the 20<sup>th</sup> March 2025, the MDC board approved the Budget and Medium-Term Financial Plan. A copy of this report is provided at **Appendix 1**.
6. It is recommended that Cabinet notes the Budget and Medium-Term Financial Plan for the Middlesbrough Development Corporation (“MDC”).

### **FINANCIAL IMPLICATIONS**

7. The report in **Appendix 1** sets out the key financial implications.
8. The TVCA Investment Plan outlines the approved funding and borrowing availability to MDC. The Investment Plan Budget 2025-2026 and Medium-Term Financial Plan report and the Treasury Management Strategy report were presented and approved by Cabinet in January 2025.

### **LEGAL IMPLICATIONS**

9. This update is for information only and therefore has no direct legal implications.

### **RISK ASSESSMENT**

10. This report is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

### **CONSULTATION & COMMUNICATION**

11. The Budget and Medium-Term Financial were presented and approved by the MDC board.

### **EQUALITY & DIVERSITY**

12. This update is for information only, therefore it does not impact on groups of people with protected characteristics.

**Name of Contact Officer:** Gary Macdonald  
**Post Title:** Group Director of Finance and Resources  
**Telephone Number:** 01325 792600  
**Email Address:** [gary.macdonald@teesvalley-ca.gov.uk](mailto:gary.macdonald@teesvalley-ca.gov.uk)

**BLANK PAGE**

Agenda Item 9  
Report to the Middlesbrough Development Corporation Board  
20 March 2025  
Report of Group Director of Finance and Resources

# QUARTER 3 BUDGET REPORT AND MEDIUM-TERM FINANCIAL PLAN UPDATE

## SUMMARY

The purpose of this report is to provide an update on the financial position of the Development Corporation for the period ending 31 December 2024 and present a revised Medium-Term Financial plan (MTFP).

## RECOMMENDATIONS

It is recommended that the Middlesbrough Development Corporation Board:

- i. Notes the quarter 3 outturn position for 2024/25; and
- ii. Approves the revised Medium-Term Financial Plan.

## DETAIL

1. This report sets out the quarter 3 financial position for 2024/25 and the revised medium term financial plan (MTFP). The budget presents all forecast funding and expenditure for the plan period.

## EXPENDITURE

2. The below table summarises the projected expenditure to date for 2024/25 and shows a comparison to the budget per the original MTFP:

Heading	Rev/Cap	2023/24 Actual	2024/25 Budget	2024/25 Actual	Variance
		£'000	£'000	£'000	
<b>Expenditure</b>					
Operational costs	Revenue	145	268	202	75%
Planning Preparatory Costs	Revenue	186	8	8	0%
Master planning	Capital	151	-		0%
Planning Services	Revenue/capital	276	61	61	100%
Initial project Development	Capital	254	1,244	544	44%
Project Investments	Capital	593	5,351	4,010	75%
Transport Investments	Capital				0%
Evaluation	Revenue				
MRP	Revenue				
Interest	Revenue	-	-	-	-
<b>TOTAL</b>		<b>1,605</b>	<b>6,932</b>	<b>4,825</b>	<b>70%</b>
<b>Funding</b>					
TVCA Investment Plan	Revenue	145	268	202	75%
TVCA Investment Plan	Capital	1,133	1,866	951	51%
TVCA Investment plan - Gresham	Capital		-	-	-
DLUHC – Gresham	Capital	327	4,673	3,672	79%
Tees Valley Investment Zone	Revenue		125	-	0%
CRSTS 1	Capital			-	0%
Borrowing	Capital			-	0%
Other investment returns	Revenue				0%
<b>TOTAL</b>		<b>1,605</b>	<b>6,932</b>	<b>4,825</b>	<b>70%</b>

3. The table above shows the actual funding and expenditure to 31 December 2024 at £4.8 million which equates to 70% of the forecasted budget for 2024/25 of £6.9

million. Operating costs at quarter 3 are tracking at 75% of the total budget for 2024/25.

4. No additional funding has been secured in quarter 3
5. The table below shows the revised projected funding and expenditure across the medium term:

Heading	Rev/Cap	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast	Total
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>							
Operational costs	Revenue	268	275	282	289	292	1,406
Planning Preparatory Costs	Revenue	8					8
Master planning	Capital						-
Planning Services	Revenue/capital	61	250	250	250	250	1,061
Initial project Development	Capital	1,268					1,268
Project investments	Capital	7,182	28,341	24,888	19,913	4,889	85,213
Transport Investments	Capital		5,000	5,000			10,000
Evaluation	Revenue			25		25	50
MRP	Revenue					600	600
Interest	Revenue					1,161	1,161
<b>TOTAL</b>		<b>8,787</b>	<b>33,866</b>	<b>30,445</b>	<b>20,452</b>	<b>7,217</b>	<b>100,767</b>
							-
<b>Funding</b>							-
TVCA Investment Plan	Revenue	268	275	282	289	292	1,406
TVCA Investment Plan	Capital	1,268	-				1,268
TVCA Investment plan - Gresham	Capital	2,578	3,428				6,006
MHCLG - Gresham	Capital	4,673					4,673

Tees Valley Investment Zone	Revenue		163	163	163	164	653
CRSTS 1	Capital		5,000	5,000			10,000
Borrowing	Capital		25,000	25,000	20,000	5,000	75,000
Other investment returns	Revenue					1,761	1,761
<b>TOTAL</b>			<b>8,787</b>	<b>33,866</b>	<b>30,445</b>	<b>20,452</b>	<b>100,767</b>

## Reprofiling

6. The table above shows the reprofiling of funds from FY 2025/26 to FY 2024/25 due to the accelerated project delivery of the Gresham project.
7. £652k was allocated to spend against planning. This has been reprofiled from 2024/25 to future years.

## Funding

8. The table below outlines secured and allocated funding.

Capital accounts	TVCA IP	CRSTS	Gresham	House of Fraser	The Auxiliary	Development expenditure	Asset Transfer
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Funding received	10,000	-		-	-	-	-
Funding allocated	(8,366)		6,466	1,000	400	97	500
Additional funding:							
MHCLG			5,000				
CRSTS		10,000					-
Income	36						
<b>Total Funding</b>	<b>1,598</b>	<b>10,000</b>	<b>11,466</b>	<b>1,000</b>	<b>400</b>	<b>97</b>	<b>500</b>
Expenditure to date	(456)		(3,999)	(623)		(7)	
Committed expenditure			(3,467)				
<b>Remaining funds</b>	<b>1,142</b>	<b>10,000</b>	<b>-</b>	<b>377</b>	<b>400</b>	<b>90</b>	<b>500</b>

9. TVCA Cabinet approved an allocation of £10 million to MDC in the TVCA Investment Plan and £10 million from within the Town Centre Accessibility Investment Package for spend on eligible transport projects within the DC area. TVCA received £5 million directly from government and this has been allocated for spend on the Gresham project.
10. Funds unallocated and available for future projects is £1.1 million.
11. In January 2024, TVCA Cabinet approved a borrowing facility that allows the Corporation to access up to £75 million in borrowing from Public Works Loan Board ("PWLb") via TVCA. MDC has not drawn down any borrowing at quarter 3.
12. On 25 July 2024, MDC Board approved an allocation of £500k from within the MDC budget to meet the costs associated with the asset transfer including, but not limited to, insurance requirements, conditions surveys, ongoing maintenance and safety requirements and utilities.
13. On 28 February 2024 the MDC board approved the acquisition of the House of Fraser, 37 Linthorpe Road, up to a maximum price of £500k from the MDC Project Investment budget. An opportunity was identified to bring this property back into commercial use to support the cluster growth of the creative and digital sector, which is the focus of the Tees Valley Investment Zone, which is currently being developed.
14. On 28 February 2024 the MDC board approved the purchase of 45 Borough Road up to a maximum of £150k plus legal costs of up to £5k from the MDC Project Investment budget.
15. On 28 February 2024 the MDC board approved £500k for all professional fees and operational liabilities during the period where plans are being developed at which point proposals will be taken to the Board.
16. On 28 February 2024 the MDC board approved £1 million for initial project development expenditure. This is required to bring projects forward and will ensure the required information is available for informed decisions to be made by the board. The board approved to delegate authority for initial project development expenditure up to a maximum balance of £1 million to the Group Chief Executive, Group Director of Finance & Resources & Monitoring Officer in their capacity as statutory officers for MDC to facilitate project development. The £1 million is not included in the above MTFP as it can be allocated against any project.
17. On 24 January 2024 the MDC board approved £400k for The Auxiliary art gallery and creative workshop. The project aims to provide the organisation, its studio users & visiting audiences with a flexible but robust low-energy building with a diversity of spaces and uses. It will widen the scope of creative and commercial opportunities,

whilst also ensuring that these facilities continue to flourish sustainably in the future, providing the artistic community and expanding cultural sector in Middlesbrough with high quality spaces in a supportive environment for creative enterprise and education.

18. On the 19 December 2024 the MDC Board approved a further tranche of funding for the Gresham project. £7.431 million was approved to continue the project through to completion of the technical designs and prepare the site with enabling works ahead of the approved funding package and final construction contract. The total funding committed to the project is £11,466 million.
19. To date the funding source for Board approvals has been the MHCLG funding allocated for Gresham. This was a total of £5 million. The additional approval requested utilises the remainder of this MHCLG funding and requires a further £6.5 million from the MDC Project Investment funded through the TVCA Investment Plan. There is currently £6.5 million available in MDC Project Investment budget, that will be utilised.
20. However, between £4.8 million and £6 million is expected from the Brownfield Housing Fund (BHF). If this funding is secured, it will reduce the ask of the MDC Project Investment budget and the funding will be made available for other MDC projects.
21. In 2025/26 the Corporation is planning capital expenditure of £8.5 million as summarised below:

	2023/24 Actual	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget
	£'000	£'000	£'000	£'000	£'000	£'000
Capital expenditure	1,133	1,268	33,428	30,000	20,000	5,000
Gresham	327	7,251				
Total	1,460	8,519	33,428	30,000	5,000	5,000

22. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Corporation's own resources (revenue, reserves and capital receipts) or debt (borrowing and leasing). The planned financing of the above expenditure is as follows:

	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget
	£'000	£'000	£'000	£'000	£'000
Capital grants	8,519	8,428	5,000		
Borrowing	-	25,000	25,000	20,000	5,000
Total	8,519	33,428	30,000	20,000	5,000

23. The borrowing strategy will be developed on a project basis and will include a range of maturities, short and long term, with ability to refinance built in. These are driven from the latest interest rates.

## FINANCIAL IMPLICATIONS

24. This report gives an update on performance against the budget for the Development Corporation, updates the Medium-Term Financial Plan and Investment Plan forecasts.

## LEGAL IMPLICATIONS

25. There are no legal implications directly associated with the recommendations in this report.

## RISK ASSESSMENT

26. This Report has been categorised as medium risk to reflect the updated work on the implementation of our group risk management strategy. The group corporate risk register has been updated to reflect funding uncertainty. The existing management systems and daily routine activities are sufficient to control and reduce risk.

27. The risk of increased costs through economic factors is closely monitored and is being managed through the revised borrowing strategy put in place. A robust business case development process reduces the risk of cost pressures of investments by ensuring sufficient contingencies are built in resulting in no additional asks of Corporations funds.

## CONSULTATION AND COMMUNICATION

28. The subject of this report is a matter for MDC Board approval therefore no additional consultation and communication has been undertaken.

## EQUALITY AND DIVERSITY

29. There are no equality and diversity implications associated with the recommendations in this report. Specific proposals associated with business cases and Investment Plan funding draw down will consider these implications where applicable.

Name of Contact Officer: Gary Macdonald  
Post Title: Group Director of Finance and Resources  
Email Address: [Gary.Macdonald@teesvalley-ca.gov.uk](mailto:Gary.Macdonald@teesvalley-ca.gov.uk)

**BLANK PAGE**

## TEESWORKS LIMITED ACCOUNTS 2023-2024

### SUMMARY

To provide Cabinet with a copy of the latest Teesworks Limited Accounts for the 2023/24 financial year. For context, South Tees Development Corporation ("STDC") is a 10% shareholder in the company.

### RECOMMENDATIONS

It is recommended that Cabinet:

- i. **NOTES:** the 2023/24 Teesworks Limited Accounts as set out in **Appendix 1**.

### DETAIL

1. South Tees Development Corporation (STDC) is a Mayoral Development Corporation, created by Statute pursuant to the provisions of the Localism Act 2011.
2. Although created at the request of the Tees Valley Mayor, and subject to his oversight, the Development Corporation is a separate public body, with its own decision-making Board and Audit & Governance Committee.
3. Teesworks Limited (TWL) was originally owned 50% by STDC and 50% by private sector joint venture partners. Following a decision by the STDC Board in 2021, this shareholding changed to 10% held by STDC and 90% by the private sector joint venture partners.
4. The Independent Review of Teesworks recommended that: -

“**Recommendation 13** - TVCA should, in consultation with monitoring officers of Constituent Authorities, review and revise the local governance framework to ensure that greater degree of oversight over STDC and TWL is afforded to TVCA Cabinet members and the Constituent Authority statutory officers”

TVCA Cabinet approved the action plan for the review on the 27<sup>th</sup> September 2024 and this included a specific action that “...the TWL accounts will be provided to STDC Board and TVCA Cabinet annually for information...”.

5. The purpose of this report is to provide TVCA Cabinet with a copy of the Teesworks Limited accounts for the 2023/24 financial year for information in accordance with the Independent Review action plan.
6. The key performance headlines highlighted within the accounts are: -
  - Performance ambitions in relation to land clearance, land availability and lease negotiations have been achieved.
  - Continued remediation of land linked to securing inward investment is underway.
7. The key financial headlines within the accounts are: -
  1. Turnover £22m
  2. Gross profit £5m
  3. Net profit before tax £2.7m
  4. Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) £1.8m
  5. Dividends paid £20.25m
8. South Tees Development Corporation has arrangements in place for sharing scrap income, which mirror the original 50/50 joint venture with the payment to STDC of up to £60m (the estimated expected income under the 50/50 joint venture). Scrap income earned in 2023/2024 for STDC was £8,356,348.

## FINANCIAL IMPLICATIONS

9. The key financial headlines from the accounts are set out in the body of this report and the accounts are included in **Appendix 1**.
10. The joint venture arrangements advanced the access to scrap proceeds, up to £60m, for South Tees Development Corporation to support funding of public sector



obligations on site to deliver the STDC element of the Freeport. The repayment of this advance is against future dividends.

11. Future financial returns for South Tees Development Corporation are dependent on the operational performance of Teesworks Limited each year and the generation of dividends over and above the scrap proceeds advanced to the Corporation. The STDC medium term financial plan adopted a cautious approach for access to future dividends and does not have any projected income for dividends across the medium term currently.
12. From a TVCA perspective dividends are a potential source of income to STDC alongside other income such as business rates. STDC income streams are generated to repay borrowing from TVCA to STDC and to maintain the operational management of STDC including any share of the service charges for the site.

## **LEGAL IMPLICATIONS**

13. There are no legal implications for TVCA Cabinet associated with the content of this report.

## **RISK ASSESSMENT**

14. This report on the Teesworks Limited accounts is categorised as medium risk. Existing management systems and daily routine activities control and reduce risk. South Tees Development Corporation manage day to day operational relationships through the STDC Chief Operating Officer and management team.

## **CONSULTATION & COMMUNICATION**

15. The Teesworks Limited Accounts have been presented to the STDC Audit and Governance Committee as part of the annual report introduced following the Tees Valley Independent Review.

## **EQUALITY & DIVERSITY**

16. There are no equality and diversity implications associated with this report.

**Name of Contact Officer:** Gary Macdonald  
**Post Title:** Group Director of Finance and Resources  
**Telephone Number:** 01325 792600  
**Email Address:** [gary.macdonald@teesvalley-ca.gov.uk](mailto:gary.macdonald@teesvalley-ca.gov.uk)

**BLANK PAGE**

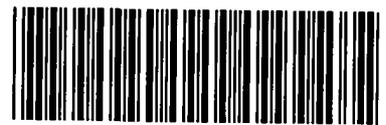
COMPANY REGISTRATION NUMBER: 12351851

**Teesworks Limited**  
**Financial Statements**  
**31 March 2024**

**CHIPCHASE MANNERS**

Chartered accountants & statutory auditors  
384 Linthorpe Road  
Middlesbrough  
TS5 6HA

FRIDAY



\*ADID9DBT\*

A11 20/12/2024 #136  
COMPANIES HOUSE

# **Teesworks Limited**

## **Financial Statements**

**Year ended 31 March 2024**

---

<b>Contents</b>	<b>Page</b>
Officers and professional advisers	<b>1</b>
Strategic report	<b>2</b>
Directors' report	<b>4</b>
Independent auditor's report to the members	<b>6</b>
Profit and loss account	<b>12</b>
Balance sheet	<b>13</b>
Statement of changes in equity	<b>14</b>
Statement of cash flows	<b>15</b>
Notes to the financial statements	<b>16</b>

---

# **Teesworks Limited**

## **Officers and Professional Advisers**

---

**The board of directors**

J Gilhespie  
J C Musgrave  
M T Corney

**Registered office**

Venture House  
Aykley Heads  
Durham  
DH1 5TS

**Auditor**

Chipchase Manners  
Chartered accountants & statutory auditors  
384 Linthorpe Road  
Middlesbrough  
TS5 6HA

**Bankers**

Barclays Plc  
Leicester  
Leicestershire  
LE87 2BB

**Solicitors**

Taylor Wessing LLP  
DX 41 London  
5 New Street Square  
London  
EC4A 3TW

# Teesworks Limited

## Strategic Report *(continued)*

Year ended 31 March 2024

---

### Principal activity

The principal activities of Teesworks Limited (the Company) are that of the regeneration and redevelopment of a former industrial site known collectively as 'Teesworks', which is to the South of the River Tees in Redcar and Cleveland. The site covers approximately 2,600 acres and is the UK's largest brownfield re-development opportunity focusing on renewable and clean energy generation, storage and data requirements.

The trading activity of the Company includes the remediation of land, securing inward investment, trading of land and properties and managing investment properties, on a plot-by-plot basis, at the Teesworks development site.

In the Director's opinion, the performance of the Company during the year ending 31 March 2024 has been steady but slightly hampered with delayed investment decisions by incoming occupiers. Principally due to geo-political events. However, having exceeded all major milestones and performance ambitions in terms of land clearance, land availability and lease negotiations thus far we are confident that the following years performance will progress at pace.

The Company achieved a turnover of £22,176,487 (2023 £142,889,169) which included an option fee paid by an incoming Tenant, involved in the wind turbine industry, to secure c70 acres of land.

Key performance indicators are detailed as follows:

	2024	2023
	£	£
Turnover	22,176,487	142,889,169
Gross profit	5,313,497	68,302,943
Net profit after tax	2,709,683	54,269,850
EBITDA	1,769,215	66,982,023

Whilst the total land area the Company has an interest in covers approximately 2,600 acres around 1,500 acres are developable. Lease terms continue to be negotiated and are significantly progressed across c400 acres with Contracts now anticipated to be concluded within the following 12 months. As stated, some delays to progress have been experienced over the last 12-18 months with investment decisions being delayed because of forthcoming national elections and also whilst an independent review was conducted on the Teesworks project. However, as this review has now concluded, swift progress across the site can resume.

The Teesworks site is undergoing a transition away from public investment used to kick start the re-purposing of the site, into a private sector led remediation and redevelopment phase.

It should also be noted, notwithstanding the great progress to date, future activity of the regeneration of the site will be across a number of years and at significant cost that is forecast to be in the hundreds of millions of pounds. Ground surveys and infrastructure assessments are all under way and while ground conditions and infrastructure conditions in a number of cases remain unknown and therefore carry risk of uncertainty and cost assessment, the Board are confident that progress will continue to be made and at an expedited pace. Indeed, the original Masterplan for the site forecast a 25-year delivery time horizon which, at the current rate of progress, will be reduced by at least a decade.

The ambition for the Company is to continue to develop and regenerate Teesworks into a new fully utilised business zone where there is a core centre of excellence for the low carbon industries of the future. We are attracting businesses to the zone that are involved in the Off-Shore Wind Turbine industry and low-carbon energy production facilities such as energy from waste and significant involvement from Global plc's as part of the Net Zero Teesside (NZT) development. With new

# Teesworks Limited

## Strategic Report *(continued)*

Year ended 31 March 2024

---

companies, industries and enquiries in the pipeline the site will be host to a large number of new jobs and new investment and therefore improve the economic outlook for the region as a whole for the long-term.

The success of the Company is of course subject to a number of identified risks and a number of uncertainties which are monitored on a regular basis by the management team. Construction sector, industrial land development and supply and manufacturing markets across all sub-sectors are monitored by the Board with appropriate responses implemented to manage the effects of those external market forces, both on a national and international level against the Company.

### Section 172 statement

The board consider that they have acted in good faith and promote the success of the company for the benefit of its stakeholders. The duties of the board are set out in section 172 of the Companies Act 2006. The directors at all times considered the interests of the members and the long-term success of the company, which is achieved through their commitment to quality of service to all customers and suppliers. The directors require the highest standards of regulatory compliance across all areas of the business.

This report was approved by the board of directors on 12 December 2024 and signed on behalf of the board by:



M T Corney  
Director

Registered office:  
Venture House  
Aykley Heads  
Durham  
DH1 5TS

# **Teesworks Limited**

## **Directors' Report**

### **Year ended 31 March 2024**

---

The directors present their report and the financial statements of the company for the year ended 31 March 2024.

#### **Directors**

The directors who served the company during the year were as follows:

J Gilhespie  
J C Musgrave  
M T Corney

#### **Dividends**

Particulars of recommended dividends are detailed in note 10 to the financial statements.

#### **Future developments**

Disclosures with regard to future developments have been made in the Strategic Report.

#### **Greenhouse gas emissions and energy consumption**

No additional disclosure is required regarding in relation to Streamlined Energy and Carbon Reporting (SECR) as the company consumed 40,000kwh of energy or less in the UK during the period.

#### **Financial instruments**

There have been no financial instruments used in the year that are either considered to be non-basic in nature or have not been adequately disclosed elsewhere in the notes to the financial statements.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# Teesworks Limited

## Directors' Report *(continued)*

Year ended 31 March 2024

---

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 12 December 2024 and signed on behalf of the board by:



M T Corney  
Director

Registered office:  
Venture House  
Aykley Heads  
Durham  
DH1 5TS

# **Teesworks Limited**

## **Independent Auditor's Report to the Members of Teesworks Limited**

**Year ended 31 March 2024**

---

### **Opinion**

We have audited the financial statements of Teesworks Limited (the 'company') for the year ended 31 March 2024 which comprise the profit and loss account, balance sheet, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# **Teesworks Limited**

## **Independent Auditor's Report to the Members of Teesworks Limited** *(continued)*

**Year ended 31 March 2024**

---

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# **Teesworks Limited**

## **Independent Auditor's Report to the Members of Teesworks Limited *(continued)***

**Year ended 31 March 2024**

---

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# Teesworks Limited

## Independent Auditor's Report to the Members of Teesworks Limited *(continued)*

Year ended 31 March 2024

---

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud or error. It is also our objective to obtain sufficient appropriate audit evidence regarding the risks we have assessed and respond as appropriate to them. Even though an audit is planned and performed in accordance with the ISAs (UK), an audit has an unavoidable risk that material misstatements in the financial statements may not be detected. In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud, our audit procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and the environment in which they operate.
- We obtained an understanding of how the company ensures their compliance with the applicable legal and regulatory frameworks through inquiries to the management and those charged with ensuring such compliance within the company. We corroborated our inquiries through a review of transactions within the financial statements that were linked to compliance with laws and regulations. We also reviewed any available board minutes.
- We assessed the susceptibility of the company's financial statements to material misstatement with regards to how fraud might occur. Audit procedures performed by the team included:
  - Identifying and assessing the effectiveness of controls the management of the company has in place to detect and prevent possible fraud;
  - Understanding how those involved with ensuring compliance considered and addressed the potential override of controls or undue influence over the financial reports;
  - Challenging any major assumptions and judgements that the management used in any significant accounting estimates;
  - Reviewing journal entries made with emphasis placed on those with unusual combinations and those around the accounting year end: and
- Assessing the extent of compliance with applicable laws and regulations.

# **Teesworks Limited**

## **Independent Auditor's Report to the Members of Teesworks Limited** *(continued)*

### **Year ended 31 March 2024**

---

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# Teesworks Limited

## Independent Auditor's Report to the Members of Teesworks Limited *(continued)*

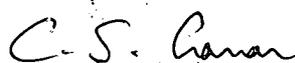
Year ended 31 March 2024

---

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Görman FCA FCCA (Senior Statutory Auditor)

For and on behalf of  
Chipchase Manners  
Chartered accountants & statutory auditors  
384 Linthorpe Road  
Middlesbrough  
TS5 6HA

12 December 2024

# Teesworks Limited

## Profit and Loss Account

Year ended 31 March 2024

---

	Note	2024 £	2023 £
<b>Turnover</b>	<b>4</b>	22,176,487	142,889,169
Cost of sales		(16,862,990)	(74,586,226)
<b>Gross profit</b>		<u>5,313,497</u>	<u>68,302,943</u>
Administrative expenses		(3,544,282)	(1,320,920)
<b>Operating profit</b>		<u>1,769,215</u>	<u>66,982,023</u>
Other interest receivable and similar income	<b>7</b>	2,225,105	24,482
Interest payable and similar expenses	<b>8</b>	(200,810)	–
<b>Profit before taxation</b>		<u>3,793,510</u>	<u>67,006,505</u>
Tax on profit	<b>9</b>	(1,083,827)	(12,736,655)
<b>Profit for the financial year and total comprehensive income</b>		<u><u>2,709,683</u></u>	<u><u>54,269,850</u></u>

All the activities of the company are from continuing operations.

---

The notes on pages 16 to 23 form part of these financial statements.

# Teesworks Limited

## Balance Sheet

31 March 2024

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	11	16,667	–
<b>Current assets</b>			
Debtors	13	5,626,780	997,566
Cash at bank and in hand		40,145,836	94,287,866
		<u>45,772,616</u>	<u>95,285,432</u>
<b>Creditors: amounts falling due within one year</b>	14	(1,938,519)	(33,894,351)
<b>Net current assets</b>		<u>43,834,097</u>	<u>61,391,081</u>
<b>Total assets less current liabilities</b>		43,850,764	61,391,081
<b>Creditors: amounts falling due after more than one year</b>	15	(10,000,000)	(10,000,000)
<b>Net assets</b>		<u>33,850,764</u>	<u>51,391,081</u>
<b>Capital and reserves</b>			
Called up share capital	17	100	100
Profit and loss account	18	33,850,664	51,390,981
<b>Shareholders funds</b>		<u>33,850,764</u>	<u>51,391,081</u>

These financial statements were approved by the board of directors and authorised for issue on 12 December 2024, and are signed on behalf of the board by:



M T Corney  
Director

Company registration number: 12351851

The notes on pages 16 to 23 form part of these financial statements.

# Teesworks Limited

## Statement of Changes in Equity

Year ended 31 March 2024

	Called up share capital £	Profit and loss account £	Total £
<b>At 1 April 2022</b>	100	177,711	177,811
Profit for the year		54,269,850	54,269,850
<b>Total comprehensive income for the year</b>		54,269,850	54,269,850
Dividends paid and payable	<b>10</b>	(3,056,580)	(3,056,580)
<b>Total investments by and distributions to owners</b>		(3,056,580)	(3,056,580)
<b>At 31 March 2023</b>	100	51,390,981	51,391,081
Profit for the year		2,709,683	2,709,683
<b>Total comprehensive income for the year</b>		2,709,683	2,709,683
Dividends paid and payable	<b>10</b>	(20,250,000)	(20,250,000)
<b>Total investments by and distributions to owners</b>		(20,250,000)	(20,250,000)
<b>At 31 March 2024</b>	100	33,850,664	33,850,764

The notes on pages 16 to 23 form part of these financial statements.

# Teesworks Limited

## Statement of Cash Flows

Year ended 31 March 2024

	2024 £	2023 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,709,683	54,269,850
<i>Adjustments for:</i>		
Other interest receivable and similar income	(2,225,105)	(24,482)
Interest payable and similar expenses	200,810	–
Tax on profit	1,083,827	12,736,655
Accrued (income)/expenses	(839,131)	1,471,615
<i>Changes in:</i>		
Trade and other debtors	(4,629,214)	1,214,810
Trade and other creditors	(18,102,376)	18,344,769
Cash generated from operations	(21,801,506)	88,013,217
Interest paid	(200,810)	–
Interest received	2,225,105	24,482
Tax paid	(13,220,481)	(2,169,024)
Net cash (used in)/from operating activities	<u>(32,997,692)</u>	<u>85,868,675</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(16,667)	–
Net cash used in investing activities	<u>(16,667)</u>	<u>–</u>
<b>Cash flows from financing activities</b>		
Increase in amounts due to connected parties	(877,671)	11,403,819
Dividends paid	(20,250,000)	(3,056,580)
Net cash (used in)/from financing activities	<u>(21,127,671)</u>	<u>8,347,239</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(54,142,030)	94,215,914
<b>Cash and cash equivalents at beginning of year</b>	94,287,866	71,952
<b>Cash and cash equivalents at end of year</b>	<u>40,145,836</u>	<u>94,287,866</u>

The notes on pages 16 to 23 form part of these financial statements.

# **Teesworks Limited**

## **Notes to the Financial Statements**

**Year ended 31 March 2024**

---

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Venture House, Aykley Heads, Durham, DH1 5TS.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Revenue recognition**

The generation and sale of scrap and aggregates from the site is a by-product of the main business purpose. Revenue from the sale of scrap and aggregates is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. Revenue from the sale of scrap and aggregate products is recognised once the materials have passed over a weighbridge and the vehicle transporting the material has been weighed on arrival and departure to obtain the net weight of the scrap and aggregates sold.

Revenue from lease premiums and from the assignment of put and call options is measured at the value of the consideration agreed upon, excluding VAT. Revenue from lease premiums and from the assignment of put and call options is recognised once there is a legally-binding agreement in place. Revenue from lease premiums and from the assignment of put and call options is recognised as property trading income within turnover as the trade of the company during the year was that of the trading of land and properties.

Revenue from estate charges is measured at the fair value of the consideration received, excluding VAT. Revenue from estate charges is recognised as a recovery of estate charges expended as a recharge to the lessee of the land to which the estate charges applied.

Revenue from the granting of options to take a lease is recognised at the value of the consideration agreed upon, excluding VAT. Revenue from the granting of options to take a lease is recognised once there is a legally-binding agreement in place.

The trade of the company is in both the trading of land and properties, and in investment property, on a plot-by-plot basis at the development site.

# Teesworks Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2024

---

#### 3. Accounting policies *(continued)*

##### Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

##### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

# Teesworks Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

---

### 3. Accounting policies *(continued)*

#### Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### Stock

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition. Stock of land and property is measured at cost. The trade of the company during the year was that of the trading of land and properties.

# Teesworks Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2024

---

#### 4. Turnover

Turnover arises from:

	2024	2023
	£	£
Sale of scrap and aggregates	16,712,987	49,503,387
Estate charges recovered	163,500	85,782
Lease premium and land option income	5,300,000	93,300,000
	<u>22,176,487</u>	<u>142,889,169</u>

During the year, the company entered into option agreements with a third party in relation to possible future leases. At the date of the financial statements, the options had neither expired nor been exercised.

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

#### 5. Auditor's remuneration

	2024	2023
	£	£
Fees payable for the audit of the financial statements	<u>20,000</u>	<u>14,500</u>

#### 6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2024	2023
	No.	No.
Management staff	<u>3</u>	<u>3</u>

#### 7. Other interest receivable and similar income

	2024	2023
	£	£
Interest on cash and cash equivalents	<u>2,225,105</u>	<u>24,482</u>

#### 8. Interest payable and similar expenses

	2024	2023
	£	£
Interest incurred with regard to taxation payments on account	<u>200,810</u>	<u>–</u>

---

# Teesworks Limited

## Notes to the Financial Statements (continued)

### Year ended 31 March 2024

---

#### 9. Tax on profit

##### Major components of tax expense

	2024 £	2023 £
<b>Current tax:</b>		
UK current tax expense	1,083,827	12,736,655
<b>Tax on profit</b>	<u>1,083,827</u>	<u>12,736,655</u>

##### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2023: higher than) the standard rate of corporation tax in the UK of 25% (2023: 19%).

	2024 £	2023 £
Profit on ordinary activities before taxation	3,793,510	67,006,505
Profit on ordinary activities by rate of tax	948,378	12,731,235
Effect of expenses not deductible for tax purposes	135,449	5,420
Tax on profit	<u>1,083,827</u>	<u>12,736,655</u>

#### 10. Dividends

	2024 £	2023 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>20,250,000</u>	<u>3,056,580</u>

#### 11. Tangible assets

	Leasehold improvement £
<b>Cost</b>	
At 1 April 2023	–
Additions	16,667
<b>At 31 March 2024</b>	<u>16,667</u>
<b>Depreciation</b>	
At 1 April 2023 and 31 March 2024	–
<b>Carrying amount</b>	
At 31 March 2024	<u>16,667</u>
At 31 March 2023	<u>–</u>

# Teesworks Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2024

---

#### 11. Tangible assets *(continued)*

During the year, the company made use of office space under an informal lease agreement. The tangible fixed assets recognised above represent improvements made to the office space at the cost of the company.

#### 12. Stocks

There were no transactions resulting in the recognition of stock of land in the year ended 31 March 2024.

#### 13. Debtors

	2024	2023
	£	£
Trade debtors	170,756	974,238
Amounts owed by connected parties	138,510	23,328
Corporation tax repayable	2,188,481	–
Other debtors	3,129,033	–
	<u>5,626,780</u>	<u>997,566</u>

The other debtors recognised above includes £1,161,370 of legal, professional and planning costs incurred by the company, which relate to possible future land-related transactions for which the outcome at 31 March 2024 was not yet known. Upon future completion of each land-related transaction, the relevant costs recognised in other debtors will be accounted for as appropriate under FRS 102.

The remaining balance within other debtors consist of VAT recoverable from HM Revenue and Customs at 31 March 2024.

#### 14. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	507,806	1,590,004
Amounts owed to connected parties	526,148	1,403,819
Accruals and deferred income	904,565	1,743,696
Corporation tax	–	12,136,654
Social security and other taxes	–	17,020,178
	<u>1,938,519</u>	<u>33,894,351</u>

At the year ended 31 March 2024, the company had made payments on account to HM Revenue and Customs for Corporation Tax. The amount held on account is disclosed in note 13 to the financial statements. The corporation tax charge for the year to 31 March 2024 is disclosed in note 9 to the financial statements.

# Teesworks Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2024

---

#### 15. Creditors: amounts falling due after more than one year

	2024 £	2023 £
Amounts owed to connected parties	10,000,000	10,000,000

At 31 March 2024 the company owed a related party £10,000,000 (2023: £10,000,000) as described in note 21, which was due more than one year after the year end. This amount is payable in relation to agreed upon terms in a commercial deed with regards to the exercising of a land option.

#### 16. Financial instruments

There have been no financial instruments used in the year that are either considered to be non-basic in nature or have not been adequately disclosed elsewhere in the financial statements.

#### 17. Called up share capital

##### Issued, called up and fully paid

	2024		2023	
	No.	£	No.	£
Ordinary A Shares shares of £1 each	25	25	25	25
Ordinary B Shares shares of £1 each	25	25	25	25
Ordinary C Shares shares of £1 each	40	40	40	40
Ordinary D Shares shares of £1 each	10	10	10	10
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

#### 18. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

#### 19. Analysis of changes in net debt

	At 1 Apr 2023	Cash flows	At 31 Mar 2024
	£	£	£
Cash at bank and in hand	94,287,866	(54,142,030)	40,145,836
Debt due within one year	(1,403,819)	877,671	(526,148)
Debt due after one year	(10,000,000)	-	(10,000,000)
	<u>82,884,047</u>	<u>(53,264,359)</u>	<u>29,619,688</u>

#### 20. Directors' advances, credits and guarantees

There were no directors' advances, credit and guarantees in the year.

# Teesworks Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2024

---

#### 21. Related party transactions

At 31 March 2024 Teesworks Limited owed £286,990 (2023: £1,403,803) to a company which holds a participating interest and has shared directors. During the year Teesworks Limited was charged £8,356,348 (2023: £22,298,016) by the related party company for marketing and other consultancy services.

At 31 March 2024 Teesworks Limited owed £10,239,158 (2023: £10,000,016) to an entity which holds a participating interest. At 31 March 2024 Teesworks Limited was due £138,510 (2023: £23,328) from the same entity. During the year, Teesworks Limited made sales totalling £Nil (2023: £3,972,456) to this entity in relation to the sale of scrap and aggregates from the development site. During the year, Teesworks Limited made sales totalling £138,510 (2023: £Nil) to this entity in relation to a secondment charge for the use of the time of a member of the management team. During the year, Teesworks Limited was charged £8,356,348 (2023: £22,298,016) by the related party entity in relation to services for demolition and extraction of scrap across the development site and the purchase of chattels. Teesworks Limited has used office space owned by the related party entity under a verbal agreement yet to be formalised, as seen in note 11.

During the year, Teesworks Limited was charged £3,000 (2023: £Nil) by a related party authority in relation to marketing costs.

#### 22. Controlling party

There is no immediate controlling parent company or an overall controlling party.

**BLANK PAGE**

## TRANSPORT PROGRAMME UPDATE

### SUMMARY

To receive and consider a report from the Interim Director of Infrastructure on the transport investment programme, including:

- Details of the transport capital investment programme comprising Transforming Cities Fund, City Region Sustainable Transport Settlements 2022-2027 (CRSTS1) and 2027-2032 proposed allocation (CRSTS2), together with other funding which TVCA has been able to secure to support the delivery of the Strategic Transport Plan (2020-2030).
- Details of the development funding committed since the last report to Cabinet to commence CRSTS2 project development.
- Details of the Consolidated Active Travel Fund committed since the last report to Cabinet.
- Details of the CRSTS revenue funding committed since the last report to Cabinet.

### RECOMMENDATIONS

It is recommended that Cabinet:

- i. **NOTES:** the update on the development of the transport capital investment programme as set out in paragraphs 1-44 and detailed in **Appendix 1**.
- ii. **NOTES:** the delegated decisions taken by the Director of Infrastructure to approve CRSTS2 development funding as set out in paragraphs 48 and 49 and detailed in **Appendix 2**.
- iii. **NOTES:** the delegated decisions taken by the Director of Infrastructure to approve Consolidated Active Travel Fund expenditure for the development and delivery of the transport capital investment programme as set out in paragraphs 48 and 49
- iv. **NOTES:** the delegated decisions taken by the Director of Infrastructure to approve CRSTS revenue expenditure for the development of the transport capital investment programme as set out in paragraphs 50 and 51
- v. **NOTES:** that a number of schemes are expected to be completing the project development phase in the next quarter (July – September) and the Business Cases will be appraised in accordance with TVCA's Assurance Framework, ahead of moving into

the delivery phase as set out in paragraphs 18 - 31. The specific schemes are:

- Levelling Up Fund (LUF) Active Travel Programme including:
    - Darlington Town Centre to Northgate.
    - Bowesfield Lane to Stockton Town Centre.
    - Stockton Town Centre to Bishopton Road.
    - Middlesbrough Town Centre to Newport Bridge.
    - Middlesbrough Town Centre to South Bank.
    - Redcar Town Centre to West Dyke Road.
    - Saltburn to Marske.
    - Hartlepool Town Centre to Seaton Carew.
    - Hartlepool Town Centre to Catcote Road.
  
  - Hartlepool Town Centre to the Headland.
  - A689 / A19 – Wynyard Pedestrian & Cycling Improvements Phase 2.
  - Darlington Woodland Road Phase 2.
  - Station Accessibility and Modal Integration Enhancements: Darlington North Road.
  - South Bank Station temporary footbridge.
- vi. **APPROVES:** an allocation of £250K to cover the operational costs associated with the Zetland car park for up to twelve months (as detailed in paragraphs 55-59) and notes that an options assessment on the future of the asset will be reported back to Cabinet in September 2025.

## DETAIL

### Transport capital investment programme update

1. The table in **Appendix 1** outlines the programme and funding allocation for each capital funded transport project. The table provides a deliverability assessment for the stated projects, but it should be noted that some of the timescales included in the table are target dates and will continue to be refined further as programme development continues and the detailed feasibility work progresses. The table also provides a current assessment of deliverability within the funding allocation.
  
2. The table below provides an overview of the delivery assessment for each of the 101 projects within the programme:

Delivery assessment	Number of projects	Change compared to previous period
Completed	4	No change
Very Likely	29	+1
Likely	60	+4
Feasible	4	No change
Unlikely	0	No change

Very Unlikely	0	No change
On Hold or Discontinued	5	No change
<b>Total</b>	<b>101</b>	<b>+4</b>

3. The table below sets out the funding / cost affordability assessment for all projects (excluding those completed) outlining whether there are risks to the funding strategy for the delivery of the project.

Funding / cost affordability assessment	Number of projects	Change compared to previous period
Green	30	+3
Green / Amber	52	-1
Amber	14	+4
Amber / Red	1	No change
Red	1	-1
<b>Total</b>	<b>101</b>	<b>+4</b>

4. The paragraphs below set out a summary of the key points to note from the table in **Appendix 1**.
5. It can be seen from the tables above that four new project records have been added to the programme since the last reporting period. These have been added as they are included in existing programmes, but have been split out to provide separate information about each element:

#### **Darlington North Road Station Improvements**

6. This is a specific project which is being developed as part of the Station Accessibility and Modal Integration Enhancements project. Some accessibility improvements were made as part of the Railway Heritage Quarter / Hopetown project delivered by Darlington Borough Council, but further work is required to ensure that the station complies with modern accessibility standards. Consultants working on behalf of TVCA have been carrying out feasibility work and this is at an advanced stage. It is proposed to allocate funding from the above project to deliver the North Road scheme and therefore more specific details are now included in this report.

#### **Real Time Passenger Information (RTPI) – Phase 2**

7. Development work has been taking place to develop a further phase of RTPI building upon phase 1, which focused on the replacement of existing equipment. Phase 2, linked to the bus shelter improvements, seeks to expand the provision of RTPI across Tees Valley.

#### **Connected Autonomous Vehicle Trial**

8. Following agreement from Cabinet in March 2025, development work on the Connected and Automated Mobility (CAM) project, also known as CASTLE, has continued. Procurement for the autonomous vehicles is underway with contract commencement expected in July 2025. The vehicles will be tested at the Teesside Digital Trade Testbed which is due for launch at the airport in September 2025. The testbed is also part of the CAM testbed UK group which offers nationwide testing facilities for self-driving vehicle innovation and will be crucial for testing and validating demanding use cases in a private, controlled environment before wider deployment; removing safety drivers in a progressive manner, ensuring operational maturity before transitioning to public roadways and gaining vast operational experience, accelerating the timeline for safe and reliable automation deployment beyond the airport.

### **Additional Highway Maintenance Funding**

9. TVCA has now received the grant offer letter in relation to the additional highway maintenance funding in 2025/26, which was announced by the government in December. This additional £4.873m, on top of the £16.578m funding allocation from CRSTS1 for 2025/26 for local highway maintenance, will be split between each local highway authority on a pro-rata basis and grant funding agreements are in the process of being issued.
10. Of the £4.873m allocation, 25% is to be initially retained by DfT until specific grant conditions are met. This will require local highway authorities to provide information about what the money is being spent on, and TVCA to submit this to DfT, in order to receive the retained amount.

### Progress Report for Projects in Delivery Phase

#### **Darlington Station**

11. Utilising a number of weekend closures of the East Coast Main Line throughout February and March 2025, Network Rail completed track and signalling work including connecting the track to the new platforms. During these closures, the first two spans of the new footbridge, connecting the new and existing station buildings, were successfully lifted into place. The 3rd span, which didn't require a railway closure was installed in April. The TVCA led work on the new multi-storey car park and transport interchange continues to progress as planned, and Network Rail is continuing with the fit out of the new station concourse, ahead of scheduled completion and opening to the public in December 2025.
12. Work on the Western Gateway is progressing well, with the detailed design expected to complete in July 2025. Outstanding survey/environmental cleaning work required in advance of the demolition is underway, with the main demolition expected to commence in June, which will then allow the highway and public realm improvements work to start later in the year. Close collaboration with LNER continues to agree the sequencing of the highway improvement works to ensure this aligns with their plans for improvements to the Porte Cochere.

## **Middlesbrough station Phase 2**

13. Network Rail and their contractor now believe that they have found a solution that will resolve the water ingress issue, additional work has been carried out and the situation is being closely monitored in order to confirm that this has been successful before further work recommences. TVCA is continuing to push for the work to be completed as soon as possible to enable the project to be completed and the units to be leased and occupied.

## **Eaglescliffe Station**

14. Good progress is being made on this project with the new bridge being lifted into place during March. This part of the project is expected to be completed in the autumn with the focus of attention then switching to the refurbishment of the existing bridge ahead of final project completion scheduled for January 2026.
15. Funded and led by Stockton Borough Council, the complementary project to construct a new station car park on the Durham Lane Industrial Park site is ongoing and due for completion in July.

## **Linthorpe Road – proposal to reinstate previous layout**

16. TVCA is working alongside Middlesbrough Council on the proposal to reinstate the previous layout on Linthorpe Road. The funding agreement is now in place which enables Middlesbrough Council to publish the required Traffic Regulation Orders for the reinstatement works from late May 2025 ahead of construction works which will commence later in summer 2025.

## **Urban Traffic Management and Control (UTMC) Improvement Programme**

17. Good progress continues to be made across several digital transport projects, with a strong focus on enhancing the UTMC team's ability to optimise traffic management across the region. Thanks to previous funding opportunities, significant improvements have already been made in the UTMC's capacity to monitor, detect, and influence the road network throughout the Tees Valley.
18. As part of this programme, the Digital Twin Bus Reliability project is nearing completion and is expected to lay the foundation for the UTMC team's ability to make meaningful, data-driven improvements to journey times and aims to improve bus reliability via strategy testing. This, in turn, will help make buses a more attractive transport option and contribute to the region's broader sustainability goals. The Digital Twin is currently in a pre-operational/training phase, with full implementation anticipated by the end of June 2025. Once live, the project will play a key role in supporting improved bus performance and reliability.
19. Additionally, the FUSION – Next Generation Adaptive Control project has been underway since July 2025 and will continue through to January 2026. FUSION uses advanced computation and real-time data to optimise signal plans across all transport modes - cars, buses, cyclists, and pedestrians - reducing congestion, improving journey times, and supporting environmental goals through efficient, policy-driven traffic management.

## **Real Time Passenger Information (RTPI)**

20. This project, delivered as part of the Digital Transport Programme, has enabled the replacement of 86 RTPI displays within bus shelters and the migration of 22 additional displays to a new, improved back-office system. Only one previously installed site remains outstanding; due to the cost implications of required power upgrades, this site will be relocated instead. This approach has been agreed with the relevant local authority and supplier, and work is expected to commence shortly.

## **Traffic Signals Replacement Programme**

21. This project secured £2.6m of Traffic Signals Obsolescence Grant (TSOG) to upgrade and/or replace the oldest traffic signal systems across Tees Valley to improve reliability. Year one of the project has been completed as planned.

## **Local Highway Authority Funding (2022-2027)**

22. Following consolidation of the Integrated Transport Block funding into the CRSTS1 programme, TVCA continues to provide funding to each local highway authority for road maintenance. Funding agreements have been put in place for years 1 to 3 and has been used to deliver improvements and repairs. Following receipt of the annual reconfirmation of CRSTS, TVCA is in the process of issuing year 4 funding agreements.

## **Electric Vehicle Charging Infrastructure**

23. The first phase of delivery of the Electric Vehicle Charging Infrastructure, using the £2.0m of Transforming Cities Fund allocated and £0.7m of On-Street Residential Chargepoint Scheme (ORCS) funding, has delivered 134 charging points. A further 14 charging points are due to be installed over the coming months.
24. Development is progressing on the on-street EV charging project which will provide a network of on-street EV charging infrastructure to support Tees Valley residents who don't have access to off street parking to charge electric vehicles. This will be funded by £6.5m from the Local Electric Vehicle Infrastructure Fund. Procurement of a charge point operator to deliver the project will be undertaken late 2025 / early 2026.

## **Projects Shortly Moving into Delivery Phase**

25. A number of schemes are at an advanced stage of project development and are expected to move into the delivery phase during the next reporting period.

## **Levelling Up Fund (LUF) Active Travel Programme**

26. Within the LUF programme there are 9 identified active travel schemes:
  - Darlington Town Centre to Northgate.
  - Bowesfield Lane to Stockton Town Centre.
  - Stockton Town Centre to Bishopton Road.
  - Middlesbrough Town Centre to Newport Bridge.
  - Middlesbrough Town Centre to South Bank.

- Redcar Town Centre to West Dyke Road.
- Saltburn to Marske.
- Hartlepool Town Centre to Seaton Carew.
- Hartlepool Town Centre to Catcote Road.

27. These schemes were specifically identified, and estimated costs for each included in the bid submission back in August 2022. The total estimated cost of the programme was £20.8m with £3m of funding from the CRSTS1 programme and a funding ask of £17.8m of LUF. Following confirmation of the LUF funding being secured, development work has taken place on all these schemes. Updated design cost estimates are provided for each of the schemes in **Appendix 1**. These estimates include a significant level of risk and contingency.
28. Whilst within the programme there are some schemes which are currently forecast to cost less than originally estimated, there are a number which are estimated to cost more, reflecting both inflationary cost pressures since the bid was submitted and also changes to the scope of some schemes, to ensure they connect up together to create a network.
29. Overall, these reflect a revised estimated cost of the programme of £24.1m. Given the advanced stage of design of these schemes and delivery confidence assessment, it is proposed to increase the CRSTS1 allocation to fill the funding gap. This will be managed within the CRSTS1 funding allocation as part of the over-programming allocations and this approach is currently being discussed with DfT.
30. Business cases for these 9 schemes are currently being finalised, and it is planned that these will be appraised in accordance with TVCA's Assurance Framework in August 2025 to enable construction to commence from September 2025 onwards as detailed in **Appendix 1**. Most schemes have a target date for completion of March 2026, although delivery of 2 of the more complex schemes is likely to extend further into 2026/27.

#### **Hartlepool Town Centre to the Headland**

31. This is a CRSTS funded scheme which is at an advanced stage of project development, connecting the marina area / town centre with the Headland. It supports the objectives of the Hartlepool Development Corporation and enhances connectivity between a number of key sites and projects including new residential development and the Port of Hartlepool / freeport.
32. Updated design cost estimates show a significant cost increase which is mainly due to a change in design assumptions during project development. This will be managed within the CRSTS1 funding allocation as part of the over-programming allocations. The scheme is proposed to be delivered by Hartlepool Borough Council; the Business Case is currently being finalised and is expected to be appraised with funding agreements to subsequently be issued ahead of construction commencing in October.

## **A689 / A19 – Wynyard Pedestrian & Cycling Improvements Phase 2**

33. As highlighted in the previous Cabinet report, following a procurement exercise, the contractor price to deliver the works is higher than the original budget estimate from several years ago and exceeds the funding TVCA has committed to the scheme.
34. Work has therefore been ongoing in this reporting period, together with Stockton and Hartlepool Borough Councils and the developers of the adjacent land, to seek a solution to enable construction to start later in the year with a target date of October 2025. It is thought that the funding gap of c£3.3m can be resolved in the coming weeks to enable the business case for this project to be submitted for appraisal and the target date to be achieved.

## **Darlington Woodland Road Phase 2**

35. This scheme builds upon the Woodland Road Phase 1 scheme which was completed in 2022 and extends the cycle route towards Cockerton as well as improving the pedestrian routes. Originally proposed to be partly funded by Active Travel Fund (ATF) with a small contribution from CRSTS1, it is now proposed to deliver this using only ATF by reallocating some of the money from the Linthorpe Road Phase 2 scheme which is currently on hold. The business case is at an advanced stage and subject to confirmation from Active Travel England of the proposed funding changes and it is expected that this scheme will be appraised, contracted and move into delivery in July.

## **Station Accessibility and Modal Integration Enhancements: Darlington North Road**

36. Proposals for accessibility improvements at Darlington North Road Station are part of the station accessibility and modal integration enhancements programme. The scheme builds upon improvements delivered as part of the Rail Heritage Quarter / Hopetown scheme, which helped to provide step-free access to the station platform. This scheme delivers a series of additional improvements which improve the accessibility of the station for persons of reduced mobility.
37. Project development work has taken place, and proposals are at an advanced stage which will enable the business case to be prepared and appraised in the next reporting period. Delivery of the project will not take place until Autumn to ensure that there aren't any disruptions during September which is the key date for S&DR 200 / Rail 200 celebrations. Early confirmation / contracting will enable a period of project mobilisation ahead of construction work which is seeking to start in November.

## **South Bank Station temporary footbridge**

38. Network Rail has provided cost estimates for the demolition of the current life-expired footbridge and the erection of a temporary scaffolding footbridge. The costs are based upon this temporary bridge being in operation for a period of 2-years and includes the costs of a weekly inspection regime to the structure. This bridge would provide access to the eastbound station platform, enabling train services to be restored and provide access over the railway connecting Normanby Road to Smith's Dock Road, enabling access to the Teesworks site / SeAH monopile factory.

39. TVCA, Redcar and Cleveland Borough Council, Network Rail and Northern are all now working at speed to confirm funding contributions to enable the work to be carried out and to confirm how quickly this can be delivered.

## Projects in Development

### **Active Travel and Bus Corridor schemes**

40. Milestones for each of the active travel and bus corridor schemes have now been updated to reflect the latest delivery programmes which have been agreed with the respective local highway authorities, and which align with the CRSTS1 timeframe for completion of 31 March 2027. Each of these schemes is subject to further public consultation as set out in paragraph 51 - 53.
41. Following discussions with the local highway authorities and consideration of scheme designs, there have been some changes to the proposed routes and consequently these designs are currently being further refined.

### **Tees Valley Bus Shelter Improvements**

42. There has been some delay to the timelines for this project due to the survey work still being underway, meaning we do not yet have the final reports back from the contractor. This delay is primarily due the contractor shifting their focus and resources to updating at stop information where needed, ensuring accuracy for passengers as and when timetable changes have occurred. In addition, the detail we have received back from the timetable posting to date has given us an initial indication of the suspected work required. We have therefore allowed additional time to work through the final reports and agree a prioritisation plan with the local authorities.
43. Bus shelter improvements are an integral part of the proposed improvements along the 9 identified bus priority corridors and within the allocations for each of these corridor schemes funding will be available for at-stop improvements. However, there are a number of bus stop locations which do not fall within the identified bus corridors and this project will provide funding to make improvements to bus shelters at these locations to ensure that money is spent on improving the customer experience across Tees Valley and to support efforts to improve the at-stop information available to customers.

## Pipeline Projects in Early Development

### **East Cleveland Rail feasibility study**

44. A visual site assessment for the line beyond Skinningrove, which is owned, managed and maintained by the owners of the Boulby mine, has been undertaken. This assessment was the final part of the work undertaken to assess in detail the upgrades to the infrastructure that would be required if passenger services were to be operated on the

line. Risk registers and cost estimates will now be produced for the entire route as part of the feasibility work, which is expected to be completed in June 2025.

## FINANCIAL IMPLICATIONS

### CRSTS1 Programme (April 2022 to March 2027)

45. TVCA continues to report to the Department of Transport progress on the delivery of the agreed £310m CRSTS1 Programme. As identified above there are several projects where current estimated costs are above the project allocations, and this is being carefully monitored to ensure it can be managed within the budget envelope and over-programming. There are also some projects that are currently expected to require less money than allocated, although this will only be confirmed when updated cost estimates are produced and ultimately when contract prices are known and risk and contingency levels are reduced.

### CRSTS2 Programme (April 2027 to March 2032)

46. As reported previously, further clarity has been awaited from government on the future devolved transport allocation for the period from April 2027 onwards and this was expected to be formally announced at the Comprehensive Spending Review announcement on 11<sup>th</sup> June.
47. However, in advance of the Spending Review, it was announced on 4<sup>th</sup> June that TVCA would receive £1bn over the period 2027/28 to 2031/32 as part of a £15.6 billion package of funding for local transport projects in England's city regions. Whilst more detail is currently awaited, there is an indication that some of this funding will be brought forward to 2025/26 and 2026/27 to enable the benefits of this investment to be realised earlier.

### CRSTS2 development funding expenditure

48. **Appendix 2** sets out the record of expenditure forms that outline expenditure committed to date to develop the CRSTS2 project pipeline. These have been authorised by the Director of Infrastructure in accordance with the delegation approved by TVCA Cabinet on 26<sup>th</sup> January 2024: *Delegates authority to the Director of Infrastructure to take all decisions required to progress delivery of business cases for each project within the approved funding allocations.*
49. Expenditure has been committed to develop the following projects:

Reference number	Project name and description	Amount authorised
CRSTS2-RE-2025-01	<u>Thornaby Station Upgrade Development</u>	£621,372

	<p>The development of proposals for the creation of a multi-modal transport hub at Thornaby Station, with increased parking and better connections with the surrounding area, is included in the CRSTS2 Transport Programme.</p> <p>The initial development work will be split into two phases, the first will cover scope definition, identification of constraints and confirmation of project feasibility. The first phase will produce a feasibility report for the creation of the transport hub and additional parking, including location options assessment, high level concept designs, high level cost estimates, demand analysis and options for how the hub would integrate with the surrounding area and the town centre and improve connectivity to existing public transport networks.</p> <p>Should the outputs of the first phase confirm the viability of the project, work will progress to the second phase which will include single option identification and endorsement for the proposed hub and parking. Work will not be undertaken on the second phase if the project is not deemed feasible following completion of phase 1.</p> <p>The development work will be called off from the Rail Station Design contract. The value of the first phase of work is £351,372 which includes 10% contingency. The estimate value of the second phase of work is £270,000. This decision is therefore to approve £621,372.</p>	
<p>CRSTS2-RE-2025-02</p>	<p><b><u>Teesside International Airport Station upgrade development</u></b></p> <p>The development of proposals for a new station at Teesside International Airport is included in the CRSTS2 Transport Programme.</p> <p>The initial development work will be split into two phases, the first will cover scope definition, identification of constraints and confirmation of project feasibility. Should the outputs of the first phase confirm the viability of the project, work will progress to the second phase which will include single option identification and endorsement for the design and location of the upgraded station. Work will not be undertaken on the second phase if the project is not deemed feasible following completion of phase 1.</p> <p>The work undertaken in phase 1 and any subsequent work in phase 2 will follow Network Rail's approach to managing investment projects on the rail network, Project Acceleration in a Controlled Environment (PACE). The work will follow the PACE process to support a transition</p>	<p>£731,301</p>

to future development and ultimately delivery being undertaken by Network Rail, should the outputs of phase 1 indicate the project is viable. The outputs of the first phase of work will be aligned with the requirements for PACE and will include a feasibility study setting out potentially viable station locations, cost estimates, options for onward connectivity to the Airport Terminal and Business Park and demand forecasting. Phase 2 will include an option selection report based upon the single option identified as part of phase 1.

The development work will be called off from the Rail Station Design contract. The value of the first phase of work is £431,301 which includes 10% contingency. The estimate value of the second phase of work is £300,000. This decision is therefore to approve £731,301.

#### Bus Service Improvement Plan (BSIP) funding 2025/26

50. To complement the capital investments in relation to bus, the BSIP funding is being used to deliver the programme of activity set out in the previous Cabinet Report. No further delegated decisions have been made in the reporting period in relation to this funding. Development work on the Care Leavers pass is continuing, with conversations currently being held through the multi-operator ticketing board to agree the best way to implement a scheme on a Tees Valley-wide basis. The aim is to launch the scheme by Autumn 2025, subject to the development timescales for a card supplier and the local authority resource for administering the passes.

#### Consolidated Active Travel Fund 2025

51. At the TVCA Cabinet meeting on 28<sup>th</sup> March 2025 the following was approved in relation to the £560,501 of Consolidated Active Travel funding that has been allocated to TVCA for 2025/26: *Delegates authority to the Director of Infrastructure to take all decisions required to manage the Consolidated Active Travel Fund allocation for 2025/26, in consultation with Tees Valley Management Group / Transport Advisory Group.*
52. There have been no decisions in relation to this funding in the reporting period.

#### CRSTS revenue funding expenditure

53. Also at the TVCA Cabinet meeting on 28<sup>th</sup> March 2025 the following was approved in relation to the £8.51m of CRSTS revenue funding that has been allocated to TVCA for 2025/26: *Delegates authority to the Director of Infrastructure to take all decisions required to manage the CRSTS revenue funding for 2025/26 to support the development and delivery of the transport capital investment programme, in accordance with the grant conditions and agreement of the Department for Transport.*
54. There have been no decisions in relation to this funding in the reporting period.

## Zetland Car Park

55. In December 2024, Cabinet approved the sale of Zetland car park, which had been acquired by TVCA from Middlesbrough Council. However, Cabinet is advised that the sale of the car park has not progressed as planned and the private investor, who expressed an interest in purchasing the asset, was subsequently unable to proceed due to affordability issues concerning the market value and the cost of the necessary remediation work to improve the asset.
56. The asset requires revenue support as the income does not cover the operational costs. As TVCA has not sold the asset, there is a requirement to fund these operational costs for a period of time, until a decision is taken on the future of the asset.
57. Furthermore, Middlesbrough Council will no longer manage the car park, on behalf of TVCA, from September 2025, so a procurement exercise is required to identify a new operator to cover the period until a decision is taken on the asset.
58. It is proposed to undertake a detailed options appraisal, which will consider retention of the asset as part of the Development Corporation's masterplan or sale of the car park if a buyer can be identified. This options appraisal will be presented to Cabinet in September 2025.
59. Approval is sought for an allocation of £250k, which is anticipated to cover the operational costs associated with the car park for up to twelve months. The funding allocation can be accommodated from existing budgets and will not have an impact on any other project.
60. Approval is sought for funding to operate the car park for a period, until a decision is taken on the future of the asset. Should the funding to cover the operational costs not be approved, the car park would have to close and TVCA would have an obligation to ensure it is kept safe.

## **LEGAL IMPLICATIONS**

61. There are not considered to be any legal implications arising from the recommendations in this report. All procurements have been carried out in accordance with the relevant guidance and legislation.
62. The legal implications relating to the transport programme have been detailed to Cabinet in previous reports. Where there are likely to be legal implications for individual projects, appropriate legal advice will be sought as required.

## **RISK ASSESSMENT**

63. Risk registers have been developed at a programme level for each of the major funding streams. Detailed risk registers at a project level have then been developed by TVCA and



/ or delivery partners, including the local highway authorities and Network Rail as projects have developed and matured. These are considered and included within business cases prior to investment decisions being made. Risk registers are used by project managers to manage and mitigate risks through the project lifecycle.

## CONSULTATION AND COMMUNICATION

64. As reported previously, TVCA continues to engage closely with each local authority on the development and delivery of highway schemes, given their role as local highway authority.
65. Statutory consultation process on the final detailed designs for the 9 LUF funded schemes is underway and due to conclude in July 2025. Consultation on the CRSTS1 funded active travel / bus priority schemes will take place in July and September 2025.
66. Mechanisms are in place to ensure ongoing engagement with local authorities and key stakeholders, including Teesside International Airport, Network Rail, National Highways and South Tees Development Corporation on the programme.

## EQUALITY AND DIVERSITY

67. Two of the high-level Strategic Transport Plan outcomes, which the transport programme has been designed to deliver on, relate to equality and diversity:
  - Improve access for those with physical disabilities, mental health conditions, learning difficulties and those with sensory impairment.
  - Improve equality of opportunity for remote and deprived communities and enhance health and wellbeing.
68. As each project is developed, the equality impacts will be fully considered through Equality Impact Assessments and appropriate mitigations will be implemented. All procurement specifications will include a requirement to consider the equality impacts as projects are developed.
69. TVCA is already effectively applying this approach in delivering the current transport programme, including engagement with local and national bodies representing the different protected characteristics.

**Name of Contact Officer:** Julie Hurley

**Post Title:** Interim Director of Infrastructure

**Telephone Number:** 01325 792600

**Email Address:** [Julie.hurley@teesvalley-ca.gov.uk](mailto:Julie.hurley@teesvalley-ca.gov.uk)

**BLANK PAGE**

## Transport Capital Investment Programme – Project Summary

The following table sets out a brief summary position for each of the projects that are part of the Transport Capital Investment Programme. The majority of the programme is funded from Transforming Cities Fund (TCF) / City Region Sustainable Transport Settlements (CRSTS1) although projects funded from other monies are also included, including those identified within the CRSTS2 programme. The project development / construction start / end dates and programme delivery assessment reflect the approach reported to the Department for Transport (DfT) on a quarterly basis for the CRSTS1 programme. The assessment uses the following key:

	Definition
Completed	Project has been completed
Very Likely	Successful delivery to time, cost and quality appears very likely as there are no major outstanding issues that at this stage appear to threaten delivery.
Likely	Successful delivery appears likely, however, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.
Feasible	Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and if addressed promptly, should not present a cost/schedule overrun.
Unlikely	Successful delivery is unlikely, with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed and assess whether resolution will be subsequently feasible.
Very Unlikely	Successful delivery appears to be very unlikely. There are major issues on definition, schedule, budget required, quality or benefits delivery, which do not appear to be manageable or resolvable. May need overall viability re-assessment.
On Hold	Work has been placed 'On Hold' or Discontinued

Where projects have not yet reached a sufficient level of development maturity to confirm dates for the start and end of construction then target dates are included within the table and are shown in italics. These will be updated as delivery programmes are signed off.

The funding / cost deliverability assessment reflects the confidence in being able to achieve the deliverables within the funding allocation available for the project and includes whether the funding is secured or indicative. Whilst there is some concern about whether CRSTS2 will be allocated at the levels previously advised, this has been assessed as having some uncertainty and the funding / cost deliverability assessment has been adjusted accordingly. The funding / cost deliverability assessment uses the following key:

	Definition
Green	Estimated cost to deliver the project is reasonably robust and the funding is secured to deliver the project
Green / Amber	Either, there is some uncertainty around the estimated cost to deliver the project or additional funding needs to be secured to deliver the project and there is some uncertainty that this can be achieved
Amber	Either, there is a risk around the estimated cost to deliver the project or additional funding needs to be secured to deliver the project but there is a significant risk that this cannot be achieved
Amber / Red	Either, there is a significant risk around the estimated cost to deliver the project or additional funding needs to be secured to deliver the project and there is a significant risk that this cannot be achieved
Red	The estimated costs to deliver this project means that there is not currently a funding package in place

In the following report these abbreviations are used:

TCF	Transforming Cities Fund	Transforming Cities Fund was devolved funding received by TVCA for delivering transport projects. Originally due to end in March 2023, this programme was subsequently rolled into the CRSTS1 programme.
CRSTS1	City Region Sustainable Transport Settlement: Tranche 1 (2022-2027)	£310m programme of projects agreed with government. Programme includes agreed over-programming to provide flexibility should there be slippage of some projects.
CRSTS2	City Region Sustainable Transport Settlement: Tranche 2 (2027-2032)	£978m funding programme announced by government. Detailed guidance not yet issued but TVCA Cabinet agreed an outline programme in January 2024.
LUF	Levelling Up Fund	£17.8m of funding secured through a competitive bidding process to deliver a programme of active travel projects agreed with government. TVCA contributing £3.0m for match funding
ATF	Active Travel Fund	There have been a number of rounds of Active Travel England's capital investment programme from which TVCA have secured funding to deliver a number of different schemes
ATCF	Active Travel Capability Fund	There have also been a number of rounds of Active Travel England's Capability Fund which is a revenue investment programme to support the capital investment programme. TVCA have secured allocations from each round to support a programme of behaviour change activity.
RNEP	Rail Network Enhancements Pipeline	This is the government's funding pot to deliver improvements to the rail network. Working with Network Rail, TVCA have successfully secured funding for Darlington Station and have an allocation to the gauge clearance project.

GBF	Getting Building Fund	£9.65m was secured when the government announced in 2020 the Getting Building Fund to support the delivery of shovel-ready infrastructure projects to boost economic growth, and fuel local recovery and jobs following the pandemic.
TSOG	Traffic Signals Obsolescence Grant	This funding was secured through a competitive funding bid and will enable the replacement and updating of the oldest traffic signals in Tees Valley. This is linked to the Urban Traffic Management and Control (UTMC) system and projects.
ORCS	On-Street Residential Chargepoint Scheme	This funding was secured to support the initial phase of Electric Vehicle Charging Infrastructure rolled-out by TVCA.
LEVI	Local Electric Vehicle Infrastructure	£6.5m of funding was secured from this programme to support the roll-out of electric vehicle infrastructure predominantly in residential areas with on-street parking.
ZEBRA	Zero Emission Bus Regional Area	£7.8m of funding was secured from this programme to support major investment by Arriva and Stagecoach to roll-out electric buses on a number of routes in Tees Valley.

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
<b>Rail Programme</b>									
<b><u>Hartlepool Station platform reinstatement</u></b> Re-opening the disused platform and constructing a new footbridge / lifts.	Complete	✓	✓	✓	✓	Completed	£13.5 allocated from £1.5 TCF +£12.0 CRSTS1	£13.5	N/A
<b><u>Billingham Station</u></b> Installing a new footbridge to replace the previous life-expired one and lifts, along with reconfiguring current car parking.	Complete	✓	✓	✓	✓	Completed	£1.0 allocated from £0.9 TCF +£0.1 CRSTS1	£3.8 includes £0.2 SBC + £2.6 Network Rail / Access for All (both secured)	N/A
<b><u>Middlesbrough Station Phase 1</u></b> Platform extension to enable the introduction of London LNER service	Complete	✓	✓	✓	✓	Completed	£72.2 allocated from £9.3 TCF +£13.2 CRSTS1 +£40 CRSTS2 and additional money secured: £9.7 from GBF	£77.5 includes £5.3 Network Rail (secured)	N/A
<b><u>Middlesbrough Station Phase 2</u></b> Redevelopment of station Undercroft to create new entrance and business units	Delivery	✓	✓	✓	Target date June 2025	Feasible Working with Network Rail to resolve issues which are delaying completion.			Green / Amber Unforeseen delays to construction completion have potential cost implications – in discussion with Network Rail to mitigate impact on TVCA
<b><u>Middlesbrough Station phase 3</u></b> Construct a new 3 <sup>rd</sup> platform to improve capacity and resilience	Development	✓	August 2025	Jan 2026	CRSTS1 Target date Mar 2027	Likely Construction programme to be finalised as part of project development			Green / Amber Cost estimate to be updated at the end of the current phase of feasibility work. Risk around current project construction target dates in

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
						phase. CRSTS2 funding potential constraint			advance of CRSTS2 funding programme (2027-2032)
<b><u>Eaglescliffe Station</u></b> New footbridge and lifts to improve accessibility and create new station entrance to the west to access new car park and industrial park beyond	Delivery	✓	✓	✓	Jan 2026	<b>Very Likely</b> Project delivery has commenced and is in line with revised construction programme	<b>£8.8</b> allocated from £1.8 TCF +£7.0 CRSTS1	<b>£15.3</b> Includes £7.5 Network Rail / Access for All Funding (secured)	<b>Green</b> Delivery contract with Network Rail has been signed and project is expected to be delivered to budget.
<b><u>Darlington Station Eastern Gateway</u></b> TVCA-led contract to construct new station shell, MSCP and transport interchange with associated highway works	Delivery	✓	✓	✓	Oct 2025	<b>Likely</b> Project delivery has commenced there are some risks to the construction programme. Final approvals for the highway works are in the process of being agreed	<b>£44.1</b> allocated from £25.0 TCF +£8.0 CRSTS1 and additional money secured: £8.8 RNEP +£1.0m Darlington Borough Council's Town Deal +£1.3 ATF	<b>£140.3</b> Includes £96.2 RNEP to Network Rail (secured)	<b>Amber</b> Work on site is progressing well with the main contract. There remain some cost risks particularly around the rail industry interfaces and specifications. In addition there are cost pressures around the extent of the highway works that are required as part of the planning approval.
<b><u>Darlington Station Western Gateway</u></b> TVCA-led enhancement to the western gateway to provide transport interchange facilities for the bus network serving the western side of the town and a key active travel gateway to the town centre	Development	✓	Jun 2025	Target date Jul 2025	Target Date Dec 2025	<b>Likely</b> Construction programme to be finalised as part of project development phase. Interfaces with LNER work to the station Porte Cochere are being managed			<b>Amber</b> Updated cost estimates have been received but a risk remains until the completion of the detailed design.

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
<u>Darlington Station Rail Enhancements</u> Fit out of new station and construction of two new platforms	Delivery	✓	✓	✓	Dec 2025	<b>Very Likely</b> Project delivery has commenced and is in line with construction programme	£0		<b>Green</b> Network Rail managing the risk of this element of the project with no financial risk to TVCA; <b>however, Network Rail are also facing their own cost pressures which they are currently working through.</b>
<u>Teesside Airport Station Phase 1</u> Demolition of existing platforms due to H&S risk	Complete	✓	✓	✓	✓	<b>Completed</b>	£21.0 allocated from £1.0 TCF +£20.0 CRSTS2	£21.0	N/A
<u>Teesside Airport Station Phase 2</u> New station built at Teesside Airport to modern standards with a regular train service stopping	Early Development	✓	<i>Target date Aug 2026</i>	<i>CRSTS2 funding start date Apr 2027</i>	<i>Target date Mar 2029</i>	<b>Likely</b> Development programme to be confirmed. Construction programme to be finalised as part of project development phase			<b>Green / Amber</b> Based on previous work and cost estimates this is likely to be deliverable within this budget allocation. Funding for the delivery of this project is from the CRSTS2 allocation
<u>Redcar Central Station Improvements</u> Construction of a new footbridge compliant with modern accessibility standards, to complement the old station project regeneration project	Early Development	✓	<i>Target date was Aug 2025 now Sept 2025</i>	<i>Target date Oct 2025</i>	<i>CRSTS1 funding end date Mar 2027</i>	<b>Likely</b> Development programme to be confirmed. Construction programme to be finalised as part of project development phase	£3.5 allocated from CRSTS1	£4.5	<b>Amber / Red</b> Collaboration with Northern to submit application for DfT Access for All funding has been unsuccessful. Costs likely to be higher than previous estimate. New funding strategy to be developed alongside project development work. Updated cost estimates will be available towards the end of project development work

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
<p><b><u>Station Accessibility and Modal Integration Enhancements</u></b> to make improvements at a number of stations across Tees Valley including potential improved cycling and parking infrastructure, pedestrian accessibility, bus connectivity and car parking facilities. This package includes:</p>	Early Development	✓	Was Sep 2025 now Dec 2025	Target date was Oct 2025 now Jan 2026	CRSTS1 funding end date Mar 2027	Likely Development programme to be confirmed. Construction programme to be finalised as part of project development phase	£9.5 allocated from CRSTS1	£9.5	Green Early estimates for each station to be updated / provided at the end of the current phase of feasibility work. Work to be prioritised and scoped to budget.
<p><b><u>Darlington North Road Station</u></b> Station improvements and upgrade to meet current station accessibility requirements building on the work carried out as part of the Hopetown improvements</p>	Development	✓	Target date June 2025	Target date Nov 2025	Target date Apr 2026	Likely Indicative programme is in place which will be refined as development progresses	£1.5 allocated from Station Accessibility and Modal integration Enhancements Package	£1.5	Green / Amber Cost estimate to be updated at the end of the current phase of development work
<p><b><u>Deliver infrastructure to enable direct trains between Darlington and Hartlepool</u></b> Identify and deliver the infrastructure required to enable a direct rail service to be introduced between Darlington and Hartlepool. The work will also demonstrate the viability of running a new service.</p>	Early Development	✓	Target date Mar 2027	Target date Apr 2027	Target date Mar 2030	Likely Development programme to be confirmed when procurement completed. Construction programme to be finalised as part of project development phase	£40.0 allocated from CRSTS2	£40.0	Green / Amber Cost estimates will be obtained through initial development work but assumed at this stage that budget will be sufficient. Funding for the delivery of this project is from the CRSTS2 allocation

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
<u>Middlesbrough to Nunthorpe rail enhancements feasibility study</u> Develop an Outline Business Case for enhancements to the Middlesbrough to Nunthorpe route to facilitate an increase in the frequency of trains on the line. The work will also need to demonstrate the viability of running an enhanced service.	Early Development	✓	Target date Mar 2026	N/A	N/A	Likely Delivery programme to be finalised once procurement completed	£1.0 allocated from CRSTS2	£1.0	Green Based on similar previous work this is likely to be deliverable within this budget allocation. Funding for the delivery of this project is from the CRSTS2 allocation but seeking to use CRSTS1 funding to carry out project development work
<u>East Cleveland Rail Feasibility Study</u> Build upon previous feasibility work to determine the viability of re-introducing passenger services on the Saltburn to Boulby freight line in East Cleveland.	Early Development	✓	Phase 1 Detailed Study May 2025	N/A	N/A	Very Likely Further work may need to be commissioned following detailed feasibility study	£1.0 allocated from CRSTS2	£1.0	Green Funding for the delivery of this project is from the CRSTS2 allocation but CRSTS1 funding has been used to carry out initial project development work. Initial consultancy commission has committed some budget but a large amount remains for commissioning any further follow-on work
<u>Improving freight access to the rail network</u> Explore opportunities in and around the existing rail network to identify any improvements that are needed to support rail freight growth.	Early Development	✓	Target date Mar 2027	Target date Apr 2027	CRSTS2 funding end date Mar 2032	Likely Development programme to be confirmed when procurement completed. Construction	£35.0 allocated from CRSTS2	£35.0	Green / Amber Cost estimates will be obtained through initial development work. Potential for work to be prioritised and scoped to budget. Funding for the delivery of this project is from the CRSTS2 allocation

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
						programme to be finalised as part of project development phase			
<u>West Dyke Road, Redcar feasibility study</u> To consider whether there is an alternative to the current level crossing at West Dyke Road or at any alternative locations along the line	Early Development	✓	<i>Phase 1 feasibility study target date August 2025</i>	N/A	N/A	<b>Very Likely</b> Development programme for phase one set through procurement	£1.0 allocated from CRSTS2	£1.0	<b>Green</b> Funding for the delivery of this project is from the CRSTS2 allocation but CRSTS1 funding has been used to carry out initial project development work. Based on similar previous work this is likely to be deliverable within this budget allocation.
<u>Eaglescliffe to Northallerton Gauge clearance</u> To provide a more direct W12 gauge cleared route to the East Coast Main Line (ECML) to enable more freight to be moved efficiently by rail, particularly between the Northallerton and Stockton Cut Junction	Development	✓	<i>Preferred Option Report Was Feb 2025 now Sept 2025</i>	<i>Target date was July 2025 now late 2025</i>	<i>CRSTS1 funding end date Mar 2027. Project delivery using other funding likely to extend into 2027/28</i>	<b>Feasible</b> Construction programme to be finalised as part of project development phase. Some risk around securing the additional funding and delivering to programme.	£71 allocated from CRSTS1	£17.6 assumes £10.5 RNEP to Network Rail (subject to Business Case)	<b>Amber</b> <i>Story have produced a construction feasibility report along with an indicative programme and high-level cost estimate for the works. Risk around securing the DfT Rail Network Enhancements Pipeline (RNEP) funding to deliver to suggested programme</i>
<u>Electrification Feasibility Study</u>	Early Development	✓	<i>Target date was</i>	N/A	N/A	<b>Likely</b>	£3.0	£3.0	<b>Green / Amber</b>

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
To develop a business case for the electrification of the Tees Valley rail network to enable passenger service enhancements and decarbonise freight			<i>May 2025 now Dec 2025</i>			Development programme to be finalised once procurement completed	allocated from CRSTS2		Funding for this project is from the CRSTS2 allocation but CRSTS1 funding has been used to carry out initial project development work. Initial commission is likely to be well within budget. The amount required to commissioning further follow-on work is unknown but a large amount remains available
<b><u>Line Speed &amp; Capacity Improvements</u></b> to review and prioritise the pinch point locations where infrastructure improvements are needed.	Development	✓	<i>Target date Sept 25</i>	<i>Target date Oct 2025</i>	<i>CRSTS1 funding end date Mar 2027</i>	<b>On Hold</b> This work is now linked to other projects where journey time savings / additional capacity may be needed	<b>£10.0</b> allocated from CRSTS1	<b>£10.0</b>	<b>Green</b> Funding allocated to this project is being used to advance the development of a number of linked CRSTS2 projects
<b><u>Rail Devolution proposition</u></b> develop a proposition, which articulates the case for change, sets out how rail devolution could work in the Tees Valley and provides a detailed financial assessment / commercial model.	Early Development	✓	<i>Target date Sept 2025</i>	N/A	N/A	<b>On Hold</b> Procurement of support for this project has been paused awaiting further clarity on the government's rail policy	<b>£5.0</b> allocated from CRSTS2	<b>£5.0</b>	<b>Green / Amber</b> Cost estimates will be obtained prior to any development work. Working collaboratively with neighbouring Combined Authorities to articulate shared rail priorities to government. Funding for the delivery of this project is from the CRSTS2 allocation
<b>Bus</b>									
<b><u>Branksome to Red Hall Corridor</u></b>	Development	✓	Nov 2025	Jan 2026	Mar 2027	<b>Very Likely</b>	<b>£6.2</b>	<b>£6.2</b>	<b>Green / Amber</b>

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
Delivery of a number of schemes along this route to improve bus reliability / prioritisation / journey time improvements.						Construction programme has been updated will be finalised as part of project development phase	allocated from CRSTS1		Updated design cost estimate due shortly for the individual improvement proposals / schemes within this programme for the corridor.
<b><u>Darlington to Middlesbrough Corridor</u></b> Delivery of a number of schemes along this route to improve bus reliability / prioritisation / journey time improvements.	Development	✓	Nov 2025	Jan 2026	Mar 2027	<b>Very Likely</b> Construction programme has been updated will be finalised as part of project development phase	£0	£0	<b>Green</b> All intervention locations identified on this corridor are also on other identified priority corridors and therefore no costs are currently attributed to this project. However, updated scope and design cost estimate due shortly for the individual improvement proposals / schemes within this programme for the corridor.
<b><u>Darlington to Durham Corridor</u></b> Delivery of a number of schemes along this route to improve bus reliability / prioritisation / journey time improvements.	Development	✓	Nov 2025	Jan 2026	Mar 2027	<b>Very Likely</b> Construction programme has been updated will be finalised as part of project development phase	£4.0 allocated from CRSTS1	£4.0	<b>Green / Amber</b> Updated design cost estimate due shortly for the individual improvement proposals / schemes within this programme for the corridor.
<b><u>Middlesbrough to Redcar Corridor</u></b> Delivery of a number of schemes along this route to improve bus reliability / prioritisation / journey time improvements.	Development	✓	Nov 2025	Jan 2026	Mar 2027	<b>Very Likely</b> Construction programme has been updated will be finalised as part of project development phase	£6.9 allocated from CRSTS1	£6.9	<b>Green / Amber</b> Updated design cost estimate due shortly for the individual improvement proposals / schemes within this programme for the corridor.

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
<u>Middlesbrough to Hartlepool Corridor</u> Delivery of a number of schemes along this route to improve bus reliability / prioritisation / journey time improvements.	Development	✓	Nov 2025	Jan 2026	Mar 2027	<b>Very Likely</b> Construction programme has been updated will be finalised as part of project development phase	<b>£14.6</b> allocated from CRSTS1	<b>£14.6</b>	<b>Green / Amber</b> Updated design cost estimate due shortly for the individual improvement proposals / schemes within this programme for the corridor.
<u>Ingleby Barwick to Middlesbrough Corridor</u> Delivery of a number of schemes along this route to improve bus reliability / prioritisation / journey time improvements.	Development	✓	Nov 2025	Jan 2026	Mar 2027	<b>Very Likely</b> Construction programme has been updated will be finalised as part of project development phase	<b>£1.7</b> allocated from CRSTS1	<b>£1.7</b>	<b>Green / Amber</b> Updated design cost estimate due shortly for the individual improvement proposals / schemes within this programme for the corridor.
<u>Coulby Newham to Middlesbrough Corridor</u> Delivery of a number of schemes along this route to improve bus reliability / prioritisation / journey time improvements.	Development	✓	Nov 2025	Jan 2026	Mar 2027	<b>Very Likely</b> Construction programme has been updated will be finalised as part of project development phase	<b>£2.6</b> allocated from CRSTS1	<b>£2.6</b>	<b>Green / Amber</b> Updated design cost estimate due shortly for the individual improvement proposals / schemes within this programme for the corridor.
<u>Middlesbrough to Netherfields &amp; Overfields Corridor</u> Delivery of a number of schemes along this route to improve bus reliability / prioritisation / journey time improvements.	Development	✓	Nov 2025	Jan 2026	Mar 2027	<b>Very Likely</b> Construction programme has been updated will be finalised as part of project development phase	<b>£4.1</b> allocated from CRSTS1	<b>£4.1</b>	<b>Green / Amber</b> Updated design cost estimate due shortly for the individual improvement proposals / schemes within this programme for the corridor.

Project	Programme					Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
<p><b><u>Middlesbrough to East Cleveland Hospital Corridor</u></b>            Delivery of a number of schemes along this route to improve bus reliability / prioritisation / journey time improvements.</p>	Development	✓	Nov 2025	Jan 2026	Mar 2027	<b>Very Likely</b> Construction programme has been updated will be finalised as part of project development phase	<b>£6.1</b> allocated from CRSTS1	<b>£6.1</b>	<b>Green / Amber</b> Updated design cost estimate due shortly for the individual improvement proposals / schemes within this programme for the corridor.
<p><b><u>Tees Valley Bus Shelter Improvements</u></b>            Tees Valley wide project to complement the bus corridor work by developing a hierarchy of bus shelter provision and specifying the expected level of provision / facilities for each category building upon the shelters provided via a commercial concession contract</p>	Development	✓	Was Mar 2025 now July 2025	Was Target Date Apr 2025 now Sept 2025	<i>Target date was Sep 2026            now Mar 2027</i>	<b>Likely</b> Delivery programme to be finalised during project development phase.	<b>£1.0</b> allocated from CRSTS1	<b>£1.0</b>	<b>Green</b> Cost estimates will be obtained through initial development work. Potential for work to be prioritised and scoped to budget. Initial indications from the emerging condition survey results is that there is a potential need to increase this budget allocation to improve the bus shelter provision at locations outside of the identified corridors.
<p><b><u>Middlesbrough Bus Station</u></b>            This project will deliver a modern, fit-for-purpose bus station that provides an appropriate gateway to Middlesbrough, which meets the needs of bus operators and the expectations of passengers / customers.</p>	Early Development	✓	<i>Target date Mar 2027</i>	<i>Target date Apr 2027</i>	<i>Target date Mar 2029</i>	<b>Likely</b> Development programme to be confirmed when procurement completed. Construction programme to be finalised as part of	<b>£15.0</b> allocated from CRSTS2	<b>£15.0</b>	<b>Green / Amber</b> Based on similar previous work this is likely to be deliverable within this budget allocation. Funding for the delivery of this project is from the CRSTS2 allocation

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
						project development phase			
<b>Active Travel</b>									
<b>Woodland Road Phase 2</b> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	✓	July 2025	Mar 2026	<b>Likely</b> Delivery programme can be standalone or linked to wider Darlington business case.	<b>£2.1</b> £1.8m allocated from ATF, proposed reallocation of funding being discussed with ATE to ensure ATF allocated to schemes which are currently "on hold" is retained within Tees Valley.	<b>£2.1</b>	<b>Green</b> Additional ATF funding received, and scheme design reviewed by ATE.  Recent updated costs suggest project is deliverable within budget.
<b>Linthorpe Road – proposal to reinstate previous layout</b> changes to the previously implemented scheme on Linthorpe Road.	Delivery	✓	✓	Was May 2025 now Aug 2025	Target date was Dec 2025 now March 2026	<b>Likely</b> Delivery programme being finalised by MBC considering TRO and procurement requirements.	<b>£2.4</b> allocated from CRSTS1	<b>£2.4</b>	<b>Green</b> Based on similar previous work this is likely to be deliverable within this budget allocation.
<b>Linthorpe Road Phase 2</b> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	✓	TBC	TBC	<b>On hold</b> Current designs for this scheme connect	<b>£3.9</b> allocated from £1.5 CRSTS1	<b>£3.9</b>	<b>Green / Amber</b> Scheme on hold.

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
						to Linthorpe Road Phase 1, which is proposed to be removed	and £2.4m of ATF money secured. In discussion with ATE to reallocate this funding to other schemes within Tees Valley		
<u>Nunthorpe to Guisborough</u> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Was Aug 2025 now Dec 2025	Was Oct 2025 now Jan 2026	Mar 2027	<b>Feasible</b> Development work progressing. Network Rail design approvals will be required due to close proximity of route to operational railway line. Scheme is subject to small amount of land acquisition.	£4.2 allocated from CRSTS1	£4.2	<b>Green / Amber</b> Recent updated costs suggest budget pressure which will require value engineering and / or de-scoping. Updated design cost estimate due in August 2025
<u>A68 to Cockerton and Faverdale</u> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Was Aug 2025 now Feb 2026	Was Oct 2025 now March 2026	Mar 2027	<b>Likely</b> Template programme agreed. Detailed programme to be finalised	£1.2 allocated from CRSTS1	£1.2	<b>Green / Amber</b> Recent updated costs suggest budget pressure which will require value engineering and / or de-scoping. Updated design cost estimate due in August 2025
<u>Middlesbrough to Acklam and Hemlington</u>	Development	✓	Was Aug 2025	Was Oct 2025 now	Mar 2027	<b>Likely</b> Revised scheme now being developed. Revised timescales	£6.8 allocated from CRSTS1	£6.8	<b>Was Green / Amber now Amber</b> Updated cost estimates to be provided as part of the revised

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
improved infrastructure to facilitate cycling, wheeling and walking. Original proposal was to extend from Linthorpe Road Phase 1 / Phase 2, but now proposal agreed with MBC is to focus on Green Lane, connecting Acklam / Acklam Road with Marton Road and NCN route. Stainton Way will connect Coulby Newham area to Acklam Road.			now Dec 2025	Jan 2026		reflect the work needed to design the revised scheme proposal			designs. This will be reviewed against the original budget allocation but expected to be within budget allocation.
<b>Norton to Stockton Town Centre</b> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Was Aug 2025 now Nov 2025	Was Oct 2025 now Mar 2026	Mar 2027	<b>Likely</b> Template programme agreed. Detailed programme to be finalised	<b>£2.6</b> allocated from CRSTS1	<b>£2.6</b>	<b>Green / Amber</b> Recent updated costs suggest budget pressure which will require value engineering and / or de-scoping. Updated design cost estimate due in August 2025
<b>Redcar Town Centre to Teesworks</b> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Was Aug 2025 now Dec 2025	Was Oct 2025 now Jan 2026	Mar 2027	<b>Likely</b> Template programme agreed. Detailed programme to be finalised	<b>£4.4</b> allocated from CRSTS1	<b>£4.4</b>	<b>Green / Amber</b> Recent updated costs suggest budget pressure which will require value engineering and / or de-scoping. Updated design cost estimate due in August 2025
<b>A689 Hartlepool to Wolviston</b> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Was Aug 2025 now	Was Oct 2025 now	Mar 2027	<b>Likely</b> Template programme agreed. Detailed programme to be finalised	<b>£2.0</b> allocated from CRSTS1 Originally assumed £7.9m	<b>£2.0</b>	<b>Green / Amber</b> Recent updated costs suggest budget pressure which will require value engineering and / or de-

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
			Dec 2025	Feb 2026			of MRN funding now linked to CRSTS2 funded A689 Corridor Improvement Programme		scoping. Updated design cost estimate due in August 2025
<b><u>Yarm Road to Teesside International Airport</u></b> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Was Aug 2025 now Dec 2025	Was Oct 2025 now Feb 2026	Mar 2027	Likely Template programme agreed. Detailed programme to be finalised	£9.1 allocated from CRSTS1	£9.1	Green / Amber Recent updated costs suggest budget pressure which will require value engineering and / or de-scoping. Updated design cost estimate due in August 2025
<b><u>Marton Road to Nunthorpe</u></b> improved infrastructure to facilitate cycling, wheeling and walking. Original proposal was along Marton Road but now proposed to focus on improvements along parallel Ormesby Beck & NCN routes.	Development	✓	Was Aug 2025 now Dec 2025	Was Oct 2025 now Jan 2026	Mar 2027	Likely Template programme agreed. Detailed programme to be finalised	£6.5 allocated from CRSTS1	£6.5	Was Green / Amber now Amber Updated cost estimates to be provided as part of the revised designs. This will be reviewed against the original budget allocation but expected to be within budget allocation.
<b><u>Thornaby to Stockton Town Centre</u></b> improved infrastructure to facilitate cycling, wheeling and walking. Early phase of this proposal to be delivered by Stockton Borough Council linked to Thornaby Town Deal funded scheme	Development	✓	Was Aug 2025 now Nov 2025	Was Oct 2025 now Mar 2026.  Early phase –	Mar 2027	Likely Template programme agreed. Detailed programme to be finalised	£5.2 allocated from CRSTS1	£5.2	Green / Amber Recent updated costs suggest budget pressure which will require value engineering and / or de-scoping. Updated design cost estimate due in August 2025

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
				SBC Town Deal Scheme target date August 2025					
<u>Hartlepool Town Centre to the Headland</u> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Aug 2025	Oct 2025	Was Mar 2027 now Mar 2026	<b>Likely</b> Template programme agreed. Detailed programme to be finalised	<b>Was £1.8 now £6.0m</b> allocated from CRSTS1	<b>Was £1.8 now £6.0m</b>	<b>Green / Amber</b> Recent updated costs suggest budget pressure which will require value engineering and / or de-scoping.
<u>A689 / A19 – Wynyard Pedestrian &amp; Cycling Improvements Phase 2</u> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Aug 2025	Oct 2025	Mar 2027	<b>Likely</b> Will be dependent upon resolving the funding issues to meet the proposed timescales	<b>£5.8</b> allocated from TCF	<b>Was £5.8 now £9.1</b>	<b>Was Red now Amber</b> Discussions taking place around securing additional public and developer contributions to fill the funding gap. Hopeful of being able to resolve and commit to delivery later in the year.
<u>Darlington Town Centre to Northgate</u> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Aug 2025	Sep 2025	Mar 2026	<b>Likely</b> Template programme agreed. Detailed programme to be finalised	<b>£0.1</b> secured for this scheme as part of the LUF programme – in discussion with DfT about changes	<b>Was £0.1 now £0.4</b>	<b>Green / Amber</b> Recent updated costs (which include contingencies) suggests budget pressure on this programme. Potential need to increase match funding as part of CRSTS over-programming.

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
<b><u>Bowesfield Lane to Stockton Town Centre</u></b> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Aug 2025	Sep 2025	Mar 2026	<b>Likely</b> Template programme agreed. Detailed programme to be finalised	<b>£4.3</b> secured for this scheme as part of the LUF programme – in discussion with DfT about changes	<b>Was £4.3 now £2.0</b>	<b>Green / Amber</b> Recent updated costs (which include contingencies) suggests budget pressure on this programme. Potential need to increase match funding as part of CRSTS over-programming.
<b><u>Stockton Town Centre to Bishopton Road</u></b> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Aug 2025	Sep 2025	Mar 2026	<b>Likely</b> Template programme agreed. Detailed programme to be finalised	<b>£1.6</b> secured for this scheme as part of the LUF programme – in discussion with DfT about changes	<b>Was £1.6 now £2.0</b>	<b>Green / Amber</b> Recent updated costs (which include contingencies) suggests budget pressure on this programme. Potential need to increase match funding as part of CRSTS over-programming.
<b><u>Middlesbrough Town Centre to Newport Bridge</u></b> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Aug 2025	Sep 2025	<b>Was Mar 2026 now Sep 2026</b>	<b>Likely</b> Template programme agreed. Detailed programme to be finalised	<b>£2.7</b> secured for this scheme as part of the LUF programme – in discussion with DfT about changes	<b>Was £2.7 now £3.1</b>	<b>Green / Amber</b> Recent updated costs (which include contingencies) suggests budget pressure on this programme. Potential need to increase match funding as part of CRSTS over-programming and use this funding if delivery extends beyond March 2026.
<b><u>Middlesbrough Town Centre to South Bank</u></b>	Development	✓	Aug 2025	Sep 2025	<b>Was Mar 2026</b>	<b>Likely</b> Template programme agreed. Detailed	<b>£2.9</b> secured for this scheme as part	<b>Was £2.9 now £6.8</b>	<b>Green / Amber</b> Recent updated costs (which include contingencies) suggests

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
improved infrastructure to facilitate cycling, wheeling and walking					now Dec 2026	programme to be finalised	of the LUF programme – in discussion with DfT about changes		budget pressure on this programme. Potential need to increase match funding as part of CRSTS over-programming and use this funding if delivery extends beyond March 2026.
<b>Redcar Town Centre to West Dyke Road</b> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Aug 2025	Sep 2025	Mar 2026	<b>Likely</b> Template programme agreed. Detailed programme to be finalised	<b>£3.1</b> secured for this scheme as part of the LUF programme – in discussion with DfT about changes	<b>Was £3.1</b> <b>now £1.8</b>	<b>Green / Amber</b> Recent updated costs (which include contingencies) suggests budget pressure on this programme. Potential need to increase match funding as part of CRSTS over-programming.
<b>Saltburn to Marske</b> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Aug 2025	Sep 2025	Mar 2026	<b>Likely</b> Template programme agreed. Detailed programme to be finalised	<b>£2.0</b> secured for this scheme as part of the LUF programme – in discussion with DfT about changes	<b>Was £2.0</b> <b>now £2.5</b>	<b>Green / Amber</b> Recent updated costs (which include contingencies) suggests budget pressure on this programme. Potential need to increase match funding as part of CRSTS over-programming.
<b>Hartlepool Town Centre to Seaton Carew</b> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Aug 2025	Sep 2025	Mar 2026	<b>Likely</b> Template programme agreed. Detailed programme to be finalised	<b>£1.0</b> secured for this scheme as part of the LUF programme – in discussion with DfT about changes	<b>Was £1.0</b> <b>now £2.7</b>	<b>Green / Amber</b> Recent updated costs (which include contingencies) suggests budget pressure on this programme. Potential need to increase match funding as part of CRSTS over-programming.

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
<u>Hartlepool Town Centre to Catcote Road</u> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Aug 2025	Sep 2025	Mar 2026	<b>Likely</b> Template programme agreed. Detailed programme to be finalised	<b>£3.4</b> secured for this scheme as part of the LUF programme – in discussion with DfT about changes	<b>Was £3.4 now £2.8</b>	<b>Green / Amber</b> Recent updated costs (which include contingencies) suggests budget pressure on this programme. Potential need to increase match funding as part of CRSTS over-programming.
<u>Hartlepool Raby Road (Scheme development)</u> improved infrastructure to facilitate cycling, wheeling and walking	Development	✓	Was Apr 2025 now May 2025	N/A	N/A	<b>Very Likely</b> Based upon current delivery programme which has been revised to focus on schemes for delivery in 2025/26	<b>£0.5</b> secured from ATF	<b>£0.5</b>	<b>Green</b> Design work to be delivered with funding available but funding strategy for delivery of the scheme needs to be developed. Project should be considered for delivery as part of CRSTS2 active travel and bus package
<u>Active Travel Hubs (Capital)</u> Capital investment in hubs to provide services including secure cycle parking which help to encourage modal shift	Development	✓	Was March 2025 now Sept 2025	Was Apr 2025 now Oct 2025	<i>CRSTS1 funding end date Mar 2027</i>	<b>Likely</b> Development and delivery of this project is linked to review of role of active travel hubs in supporting growth	<b>£1.8</b> allocated from CRSTS1 + Revenue funding secured from ATCF	<b>£1.8</b>	<b>Green</b> Cost estimates will be obtained through initial development work. Potential for work to be prioritised and scoped to budget.
<b>Digital</b>									
<u>Urban Traffic Management Control Development Phase 1</u> Connection of assets and enhancement of the control room to	Delivery	✓	✓	✓	Was Mar 2025 now August 2025	<b>Very Likely</b> Project at advanced stage of delivery	<b>£3.5</b> allocated from TCF	<b>£3.5</b>	<b>Green</b> Funding has been fully committed, and project is in the final stages of delivery.

Project	Programme					Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
progress the development of a smart road network									
<b>Digital Twin Phase 1 – Bus reliability</b> The initial phase of the Digital Twin project is a module to support bus reliability.	Delivery	✓	✓	✓	Was Feb 2025 now end May 2025	<b>Very Likely</b> Project at advanced stage of delivery	<b>£1.3</b> allocated from CRSTS1	<b>£1.3</b>	<b>Green</b> Delivery contract has been signed and project is expected to be delivered to budget
<b>FUSION Adaptive Traffic Management Control</b> Next generation adaptive control and a replacement for SCOOT (Split Cycle Offset Optimisation Technique) technology.	Delivery	✓	✓	✓	Was Dec 2025, now Target date Jan 2026	<b>Very Likely</b> Project at advanced stage of development. Delivery programme to be finalised	<b>£0.8</b> allocated from CRSTS1	<b>£0.8</b>	<b>Green</b> Delivery contract has been signed and project is expected to be delivered to budget
<b>Real Time Passenger Information Display (RTPI) – Phase 1</b> Replacement of the back-office system and replacement of a number of RTPI screens to improve customer information at key bus stop locations	Delivery	✓	✓	✓	May 2025	<b>Very Likely</b> Project is at advanced stage of delivery	<b>£0.5</b> Allocated from CRSTS1 digital programme	<b>£0.5</b>	<b>Green</b> Delivery contract has been signed and project is expected to be delivered to budget
<b>Real Time Passenger Information Display (RTPI) – Phase 2</b> Linked to bus shelter improvement project this includes the identification of locations for the	Early Development	✓	Target date July 2025	Target date Sept 2025	CRSTS1 funding end date Mar 2027	<b>Very Likely</b> Project is at advanced stage of delivery	<b>TBC</b>	<b>TBC</b>	<b>Amber</b> Funding allocations for RTPI have been used on phase 1 replacing the existing equipment. Funding strategy to be progressed once

Project	Programme					Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
enhancement and expansion of RTP1 screen provision									further project development work has taken place
<b>Digital Twin Phase 2 –</b> will create a virtual replica of the Traffic Network to enhance performance and reliability. The digital representation allows us to simulate, analyse and optimise traffic flow and infrastructure in real time, leading to more efficient and effective management.	Development	✓	Target date Mar 2026	Target date Apr 2026	CRSTS1 funding end date Mar 2027	<b>Likely</b> Development programme to be confirmed when procurement completed. Delivery programme to be finalised as part of project development phase	<b>£3.2</b> allocated from CRSTS1	<b>£3.2</b>	<b>Green</b> Updated cost estimates will be obtained through project development work. Potential for work to be prioritised and scoped to budget. <b>Commencement of work is subject to the business case approval</b>
<b>Data Platform</b> will form the foundational digital infrastructure for TVCA, allowing for data analytics capabilities. It will enable data to be collected, aggregated, analysed and shared. It will provide convenient access for TVCA and third parties to work with data to gain insights and identify trends.	Development	✓	Target date Dec 2025	Target date Jan 2026	CRSTS1 funding end date Mar 2027	<b>Likely</b> Development programme to be confirmed when procurement completed. Delivery programme to be finalised as part of project development phase	<b>£0.1</b> allocated from CRSTS1	<b>£0.1</b>	<b>Green</b> Updated cost estimates will be obtained through project development work. Potential for work to be prioritised and scoped to budget. <b>Commencement of work is subject to the business case approval</b>
<b>Digital Service</b> will deliver the customer-facing offering that will enable TVCA to communicate, engage and interact with users. This will also potentially see the transfer of operational	Development	✓	Target date Dec 2025	Target date Jan 2026	CRSTS1 funding end date Mar 2027	<b>Likely</b> Development programme to be confirmed when procurement completed. Delivery programme to be	<b>£4.2</b> allocated from CRSTS1	<b>£4.2</b>	<b>Green</b> Updated cost estimates will be obtained through project development work. Potential for work to be prioritised and scoped to budget.

Project	Programme					Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
services to TVCA to ensure delivery of schemes and the on-going development of digital services.						finalised as part of project development phase			Commencement of work is subject to the business case approval
<b><u>Traffic Signals Replacement Programme</u></b> to upgrade traffic signal systems, replacing unreliable and obsolete equipment to improve reliability.	Delivery	✓	✓	✓	Mar 2026	<b>Very Likely</b> Based upon current delivery programme	<b>£2.6</b> secured from TSOG	<b>£2.6</b>	<b>Green</b> Delivery contract has been signed and project is expected to be delivered to budget
<b><u>Digital Technology Package</u></b> will continue to build on the prior digital transport investments. This will deliver projects such as future phases of the Digital Twin solution with additional AI and machine learning, introduce physical sensors and floating car data to cover blackspot areas to enhance predictions, build on the regional data platform, improve bus data and address obsolescence of equipment by replacement of failing traffic signal equipment.	Development	✓	<i>Target date Mar 2027</i>	<i>Target date Apr 2027</i>	<i>Target date Mar 2030</i>	<b>Likely</b> Delivery programme to be finalised during project development phase	<b>£60.0</b> allocated from CRSTS2	<b>£60.0</b>	<b>Green / Amber</b> Cost estimates will be obtained through initial development work. Potential for work to be prioritised and scoped to budget. Funding for the delivery of this project is from the CRSTS2 allocation
<b><u>Autonomous Public Transport</u></b> This project will see the introduction of an autonomous 'tram-like service' in each of the five town centres alongside the	Development	✓	<i>Target date Mar 2027</i>	<i>Target date Apr 2027</i>	<i>Target date Mar 2029</i>	<b>Likely</b> Delivery programme to be finalised during project development phase	<b>£18.0</b> allocated from CRSTS2	<b>£18.0</b>	<b>Green / Amber</b> Cost estimates will be obtained through initial development work. Potential for work to be prioritised and scoped to budget. Funding for the delivery of this project is from the CRSTS2 allocation

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
associated digital infrastructure to enable the trams to operate									
<u>Connected Autonomous Vehicle Trial</u> This project is a pilot at Teesside International Airport linked to the digital trade test bed and providing learning for the delivery of autonomous vehicle projects in Tees Valley and future phases of roll out	Development	✓	Target date Sept 2025	Target date Dec 2025	Target date Dec 2026 (1 year trial)	Likely Delivery programme to be finalised during project development phase	£2.0 advanced from CRSTS2 Autonomous Public Transport project to deliver pilot	£2.0	Green / Amber Based on project development work this is likely to be deliverable within this budget allocation. Costs will be confirmed following the procurement process
<b>Multi Modal</b>									
<u>Teesworks Stations and Transport Hubs</u> - comprising:									
<u>British Steel Redcar Station and Transport Hub</u> Reopening of station and link to transport hub	Development	✓	✓	Target date Was Apr 2025 now Sep 2025	CRSTS1 funding end date Mar 2027	Feasible Development work ongoing whilst scope is finalised. Delivery programme to be finalised as part of project development phase	£60.0 allocated from £20m CRSTS1 +£40m CRSTS2 (South Bank Transport Hub)	£60.0	Amber Recent updated costs suggest budget pressure which is subject to ongoing discussion with Network Rail to identify any opportunity to value engineer or de-scope. Identified as CRSTS1 overprogramming but needs to be agreed with government.
		✓	✓						

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
<p><b><u>Steel House Transport Hub</u></b> Creation of a transport hub adjacent to Steel House and linked to British Steel Redcar station</p>	Development	✓	✓	✓	Target date Sep 2025	<b>Very Likely</b> Based upon current delivery programme			<b>Amber</b> Project is identified as a CRSTS2 project, but needs to be delivered as transport infrastructure for the site ahead of 2027. Identified as CRSTS1 overprogramming but needs to be agreed with government. Alternative funding strategy in place to facilitate required pace of delivery.
<p><b><u>South Bank Station temporary footbridge</u></b> Demolition of the existing life-expired footbridge and installation of a temporary footbridge to enable access across the railway until a permanent structure is installed through the station project</p>	Development	✓	<i>End of June 2025</i>	<i>July 2025</i>	<i>End of August 2025</i>	<b>Likely</b> Programme to be confirmed			<b>Was Red now Amber</b> Cost estimates received from Network Rail for demolition of existing structure and construction of temporary bridge. TVCA in discussion with RCBC around a funding contribution and seeking to make a contribution from the CRSTS1 Teesworks Stations project - confirmation of eligibility required from DfT as this is an identified "retained" scheme and therefore requires approval.
<p><b><u>South Bank Station</u></b> New footbridge with access ramps to replace the current life expired asset to provide connectivity over the railway and new station building to create a gateway to the site</p>	Development	✓	<i>Target date Sep 2025</i>	<i>Target date Jan 2026</i>	CRSTS1 funding end date Mar 2027	<b>Likely</b> Development programme to be confirmed when next phase of work is contracted. Delivery programme to be finalised as part of project development phase			<b>Green / Amber</b> Recent updated costs suggest budget pressure which will require value engineering and / or de-scoping. Identified as CRSTS1 overprogramming but needs to be agreed with government. <b>Part of the funding for the delivery of this project is from the CRSTS2 allocation</b>

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
<b><u>South Bank Transport Hub</u></b> Transport hub, including a park and ride facility and highway improvements.	Development	✓	Target date Mar 2025	Target date TBC	Target date TBC	Likely Delivery programme under review			Amber Project is identified as a CRSTS2 project, but needs to be delivered as transport infrastructure for the site ahead of 2027. Identified as CRSTS1 overprogramming but needs to be agreed with government. Alternative funding strategy in place to facilitate required pace of delivery.
<b><u>Lackenby Transport Hub</u></b> The Transport Hub will provide a holding area for British Steel's scrap delivery lorries for the proposed Electric Arc Furnace; serve other vehicle movements to/from the Freeport; and as a general stopover facility.	Development	✓	Target date TBC	Target date TBC	Target date TBC	Likely Delivery programme under review	£20.0 allocated from CRSTS2	£20.0	Amber Project is identified as a CRSTS2 project, but needs to be delivered as transport infrastructure for the site ahead of 2027. Identified as CRSTS1 overprogramming but needs to be agreed with government. Alternative funding strategy in place to facilitate required pace of delivery.
<b><u>A66 Capacity Constraints</u></b> - comprising:									
<b><u>Tees Dock Road / Lackenby Access roundabout</u></b> Lane widening and other minor improvements.	Development	✓	✓	Target date TBC	Target Date TBC	Likely Delivery programme under review	£40.0 allocated from CRSTS2	£40.0	Amber Project is identified as a CRSTS2 project, but needs to be delivered as transport infrastructure for the site ahead of 2027. Alternative funding strategy in place to facilitate required pace of delivery.

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
<u>A174 / A1053 Greystones Roundabout</u> Lane widening, improvements to A174 eastbound exit, a new link through the roundabout	Development	✓	Target date Mar 2027	Target date Apr 2027	Target date Mar 2028	<b>Likely</b> Development programme to be confirmed when next phase of work is contracted. Delivery programme to be finalised as part of project development phase			<b>Green / Amber</b> Based on similar previous work this is likely to be deliverable within this budget allocation. Funding for the delivery of this project is from the CRSTS2 allocation
<u>A1085 Trunk Road roundabout</u> Lane widening and other minor improvements	Development	✓	Target date Mar 2028	Target date Apr 2028	Target date Mar 2029	<b>Likely</b> Development programme to be confirmed when next phase of work is contracted. Delivery programme to be finalised as part of project development phase			<b>Green / Amber</b> Based on similar previous work this is likely to be deliverable within this budget allocation. Funding for the delivery of this project is from the CRSTS2 allocation
<u>Tees Valley Care &amp; Health Innovation Zone</u> – comprising:									
<u>Teesdale Business Park / Tees Marshalling Yards</u> transform the 110-hectare Teesdale Business Park / Tees Marshalling Yards area, into a home for social care and health services, sector-specific businesses, research, teaching	Early Development	✓	Target date Mar 2027	Target date Apr 2027	CRSTS2 funding end date Mar 2032	<b>Very Likely</b> Development programme to be confirmed when next phase of work is contracted. Delivery programme to be finalised as part of project development phase	£140.0 allocated from CRSTS2	£140.0	<b>Green / Amber</b> Cost estimates will be obtained through initial development work. Potential for work to be prioritised and scoped to budget. Funding for the delivery of this project is from the CRSTS2 allocation

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
and learning facilities, and housing to meet local needs.									
<b>Teesside Park Station</b> Creation of a new transport hub, including a rail station, in the Tees Marshalling Yards that could serve both the Care and Health Innovation Zone and Teesside Park	Early Development	✓	Target date Mar 2027	CRSTS2 funding start date Apr 2027	Target date Mar 2029	Very Likely Development programme to be confirmed when next phase of work is contracted. Delivery programme to be finalised as part of project development phase			Green / Amber Cost estimates will be obtained through initial development work. Based on similar previous work this is likely to be deliverable with a budget allocation of around £20m from the £140m allocation. Funding for the delivery of this project is from the CRSTS2 allocation
<b>Thornaby Station</b> Creation of a transport hub at Thornaby station which will incorporate rail, bus, cycle parking and car parking in addition to a new station building on Station Street	Early Development	✓	Target date Mar 2027	CRSTS2 funding start date Apr 2027	Target date Mar 2030	Very Likely Development programme to be confirmed when next phase of work is contracted. Delivery programme to be finalised as part of project development phase	£10.0 allocated from CRSTS2	£10	Green / Amber Based on similar previous work this is likely to be deliverable within this budget allocation. Funding for the delivery of this project is from the CRSTS2 allocation
<b>Town Centre Accessibility</b> A number of projects including: transport infrastructure to support the objectives of Middlesbrough and Hartlepool Development Corporation Masterplans and in Darlington, Stockton and Redcar to support the objectives of other funding programmes	Early Development	✓	Target Date Mar 2025	Target Date Apr 2025	CRSTS1 funding end date Mar 2027	Likely Construction programme to be finalised as part of project development phase	£31.0 allocated from CRSTS1	£31.0	Green Cost estimates will be obtained through initial development work. Potential for work to be prioritised and scoped to budget.

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
<b>Road</b>									
<b><u>Darlington Northern Link Road</u></b> to provide a new strategic link better connecting the A66 to the A1(M) to the north of Darlington enabling growth along the A66 corridor	Early Development	✓	<i>Target date Mar 2027</i>	<i>CRSTS2 funding start date Apr 2027</i>	<i>Target date Mar 2030</i>	<b>Likely</b> Development programme to be confirmed when Options Assessment completed. Construction programme to be finalised as part of project development phase	<b>£250.0</b> allocated from CRSTS2	<b>£250.0</b>	<b>Green / Amber</b> Updated cost estimates will be obtained through initial development work. Funding for the delivery of this project is from the CRSTS2 allocation
<b><u>A66 Resilience Package</u></b> including carriageway resurfacing, remediation work on bridges and structures, and safety barrier replacement to enable the A66 to continue at existing capacity	Early Development	✓	<i>Target date Mar 2027</i>	<i>CRSTS2 funding start date Apr 2027</i>	<i>Target date Mar 2029</i>	<b>Likely</b> Development programme to be confirmed when procurement completed. Construction programme to be finalised as part of project development phase	<b>£20.0</b> allocated from CRSTS2	<b>£20.0</b>	<b>Green / Amber</b> Updated cost estimates will be obtained through initial development work. Funding for the delivery of this project is from the CRSTS2 allocation
<b><u>A689 Corridor Improvements</u></b> package of interventions to address congestion pinch points, increase capacity, improve resilience, improve journey time reliability, reduce journey times, improve access to multiple strategic	Early Development	✓	<i>Target date Mar 2027</i>	<i>CRSTS2 funding start date Apr 2027</i>	<i>Target date Mar 2030</i>	<b>Likely</b> Development programme to be confirmed when procurement completed. Construction programme to be finalised as part of	<b>£50.0</b> allocated from CRSTS2	<b>£50.0</b>	<b>Green / Amber</b> Updated cost estimates will be obtained through initial development work. Funding for the delivery of this project is from the CRSTS2 allocation

Project	Programme					Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
employment locations and facilitate housing growth in the area.						project development phase			
<p><b><u>A19 New Tees Crossing Development Work</u></b>                      The project will enable further work to be undertaken to develop an alternative, lower risk option to the one proposed in the Outline Business Case, given the change in circumstances since the original work was completed.</p>	Early Development	✓	<i>Target date Mar 2027</i>	N/A	N/A	<b>Likely</b> Development programme to be confirmed when procurement completed.	<b>£15.0</b> allocated from CRSTS2	<b>£15.0</b>	<b>Green / Amber</b> Updated cost estimates will be obtained through initial development work with National Highways. Funding for the delivery of this project is from the CRSTS2 allocation
<p><b><u>Eastern Tees crossing feasibility work.</u></b>                      This project will further explore the concept of an additional crossing over the River Tees to the east, linking Hartlepool and Redcar. The work will set out the strategic context of the project, make an initial recommendation for a way forward and address the affordability of the project.</p>	Early Development	✓	<i>Target date Mar 2027</i>	N/A	N/A	<b>Likely</b> Development programme to be confirmed when procurement completed.	<b>£1.0</b> allocated from CRSTS2	<b>£1.0</b>	<b>Green / Amber</b> Based on similar previous work this is likely to be deliverable within this budget allocation. Funding for the delivery of this project is from the CRSTS2 allocation
<p><b><u>Contribution to deliver the A19 / Elwick Road / North Lane Junction and Elwick Road / Hartlepool Western Link Project</u></b></p>	Development	✓	<i>Target date Feb 2027</i>	<i>Target date Summer 2027</i>	TBC	<b>Likely</b> Construction programme to be finalised as part of project development	<b>£5.0</b> allocated from CRSTS2	<b>£5.0</b>	<b>Green / Amber</b> Hartlepool Borough Council led project and funding strategy for delivery in place. Funding for the

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
to provide a new strategic route from Hartlepool to the A19.						phase. Land acquisition route still to be confirmed. Programme is subject to land negotiations and ongoing development. CRSTS2 funding potential constraint			delivery of this project is from the CRSTS2 allocation
<b>Transporter Bridge</b> Bringing the bridge back into operation	Development	✓	<i>Target date Mar 2027</i>	<i>Target date Apr 2027</i>	<i>Target date Mar 2029</i>	<b>Likely</b> Construction programme to be finalised as part of project development phase. CRSTS2 funding potential constraint	<b>£30.0</b> allocated from CRSTS2	<b>£30.0</b>	<b>Amber</b> Recent updated costs suggest budget pressure which will require value engineering and / or de-scoping. Funding for the delivery of this project is from the CRSTS2 allocation
<b>Local Highway Authority Funding (2022-2027)</b> Integrated Transport Block, highways maintenance and pothole funding.	Delivery	N/A	N/A	Apr 2022	Mar 2027	<b>Very Likely</b> Programme identified on an annual basis by local highway authorities to spend the allocated funding	<b>£82.8</b> allocated from CRSTS1	<b>£82.8</b>	<b>Green</b> Funding agreement process in place with each local authority and delivery to budget. <b>2025/26 Funding Agreements have been issued and grant payments made in this quarter</b>
<b>Local Highway Authority Funding (2027-2032)</b> Integrated Transport Block, highways maintenance and pothole funding.	Development	N/A	N/A	Apr 2027	Mar 2032	<b>Very Likely</b> Programme identified on an annual basis by local highway authorities to spend the allocated funding	<b>£83.0</b> allocated from CRSTS2	<b>£83.0</b>	<b>Green</b> Funding agreement process in place with each local authority and delivery to budget

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
<u>Local Highways Maintenance Funding Allocations 2025/26</u> Additional one-off funding allocation to supplement CRSTS funding for local highway authorities. 25% of funding allocation is contingent on local highway authorities demonstrating compliance with certain criteria aimed at driving best practice and continual improvement in highways maintenance practice.	Delivery	N/A	N/A	Apr 2025	Mar 2026	Likely Programme identified on an annual basis by local highway authorities to spend the allocated funding.	£4.873 allocated from additional specific grant received for 2025/26	£4.873	Green Funding agreement process in place with each local authority and delivery to budget. 2025/26 Funding Agreements have been issued and grant payments made in this quarter
<b>Decarbonisation</b>									
<u>Electric Vehicle Charging Infrastructure</u> a network of publicly accessible EV charging points with the first phase installed in LA car parks.	Delivery	✓	✓	✓	CRSTS1 funding end date Mar 2027	Very Likely TCF / ORCS funded project at advanced stage of delivery	£4.7 allocated from £2.0m TCF +£2.0m CRSTS1 and additional money secured: £0.7m from ORCS	£4.7	Green TCF / ORCS Funding has been fully committed and project is in the final stages of delivery.
<u>Local Electric Vehicle Infrastructure Programme</u> Push a network of publicly accessible EV charging points	Development	✓	Target date was Mar 2025	Target date Oct 2025	Target date Dec 2030	Likely Development programme to be confirmed when procurement of a delivery partner is	£6.5 secured from LEVI	£6.5	Green Early market engagement suggests project is deliverable for available funding. Updated cost estimates will be obtained through initial development work.

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
predominantly in on-street locations.			<i>now June 2025</i>			completed. Installation programme to be finalised through procurement. Main installation phase anticipated to be 5 years from award of contract.			Potential for work to be prioritised and scoped to budget.
<b><u>Zero Emission Bus Regional Area Round 2</u></b> Collaboration with Stagecoach & Arriva to support the electrification of the Tees Valley bus fleet	Development	✓	✓	✓	Target date Was Mar 2026 now May 2026	<b>Was Very Likely now Likely</b> Stagecoach element of the bid is Very Likely based on advanced stage of delivery. Arriva element Likely as programme agreed but processes require finalising before buses can be ordered	<b>£7.8</b> secured from ZEBRA2	<b>£30.0</b> Includes investment secured from commercial bus operators	<b>Green</b> Programme and funding agreed.
<b>Accessibility</b>									
<b><u>Wheels to Work Capital (2024-2027)</u></b> Subsidised hire of e-motorcycles and e-cycles to overcome transport barriers to employment or training	Development	✓	Target date Mar 2025	Target date Apr 2025	Target date Mar 2027	<b>On hold</b> Further capital expenditure not currently required. Project delivery now linked to over-coming barriers to employment project.	<b>£0.5</b> allocated from CRSTS1	<b>£0.5</b>	<b>Green</b> Based on capital investment in this scheme previous this is likely to be deliverable within this budget allocation.

Project		Programme				Funding			
Project Name	Project Status	Project development		Project delivery		Programme Deliverability Assessment	TVCA Funding allocation (£m)	Total Estimated Cost (£m)	Funding / Cost Deliverability Assessment
		Start	End	Start	End				
<u>Tees Flex (Capital)</u> Tees Valley's Demand Responsive Transport solution for areas that are not well-served for commercially operated bus services.	Development	✓	Mar 2025	Apr 2026	Mar 2027	<b>On hold</b> Capitalisation of expenditure not likely to be a feasible delivery model.	£3.0 allocated from CRSTS1	£3.0	<b>Green / Amber</b> Project funded to Aug 2025 using BSIP revenue funding. Delivery beyond August 2025 is being explored.
<u>Overcoming Barriers to Employment</u> The project will develop transport schemes to overcome barriers to employment	Early Development	✓	Target date Mar 2027	Target date Apr 2027	Target date Mar 2032	<b>Very Likely</b> Based upon emerging delivery programme	£10.0 allocated from CRSTS2	£10.0	<b>Amber</b> Emerging proposals suggest that revenue funding will be required to deliver this proposal. The capital / revenue split for CRSTS2 is yet to be confirmed
<u>Package to deliver improvements to local journeys to access employment, education and training</u> It will build upon the current CRSTS1 investment programme, with a focus on key corridors, providing access to town centres, major investment/regeneration sites, major employment sites, and university, college and school sites, across the Tees Valley	Early Development	✓	Target date Mar 2027	Target date Apr 2027	Target date Mar 2032	<b>Very Likely</b>	£45.0 allocated from CRSTS2	£45.0	<b>Green / Amber</b> Based on similar previous work this is likely to be deliverable within this budget allocation. Funding for the delivery of this project is from the CRSTS2 allocation

**BLANK PAGE**

Item 13 Appendix 2

**CRSTS2 Record of Expenditure**

<b>OFFICER:</b>	<b>RECORD NO:</b>	<b>PROJECT TITLE:</b>
Simon Mills	CRSTS2-RE-2025-01	Thornaby Station/Transport Hub Development
<b>AGREED PROJECT FUNDING ALLOCATION:</b>		<b>PROJECT EXPENDITURE APPROVAL AMOUNT:</b>
£10m CRSTS2 allocation within the £150m allocation for Tees Valley Care and Health Innovation Zone		£621,372 from CRSTS1 Station Accessibility and Modal Integration Enhancements
<b>DETAILS OF PROJECT:</b>		
<p>The development of proposals for the creation of a multi-modal transport hub and increased parking at Thornaby Station and better connection with the surrounding area is included in the CRSTS2 Transport Programme. As part of this project consideration will also be given to the connectivity between the station and the proposed transport hub within the Tees Marshalling Yards, particularly around rail service stopping patterns.</p> <p>The initial development work will be split into two phases, the first will cover scope definition, identification of constraints and confirmation of project feasibility. The first phase will produce a feasibility report for the creation of the transport hub and additional parking, including location options assessment, high level concept designs, high level cost estimates, demand analysis and options for how the hub would integrate with the surrounding area, the town centre and improved connectivity to existing public transport networks. Should the outputs of the first phase confirm the viability of the project, work will progress to the second phase which will include single option identification and endorsement for the proposed hub and parking. Work will not be undertaken on the second phase if the project is not deemed feasible following completion of phase 1.</p> <p>The development work will be called off from the Rail Station Design contract. The value of the first phase of work is £351,372 which includes 10% contingency. The estimate value of the second phase of work is £270,000. This decision is therefore to approve £621,372.</p>		
<b>FINANCIAL IMPLICATIONS:</b>		
<p>Currently there is no development funding available as part of CRSTS2. However, in order to deliver a £1bn programme development work needs to start as soon as possible so that delivery can commence, and the benefits of the projects be realised as soon as possible after the funding for delivery becomes available from April 2027. This decision commits development funding for this project from the existing CRSTS1 programme.</p> <p>TVCA have an investment pillar around investing in the rail network and within that £9.5m is allocated to a project called “Station Accessibility and Modal Integration Enhancements”, but currently only a small amount of money has been spent on project development work. This programme of works requires further development and there are interfaces with several other projects, which means that there is a high likelihood of spending all £9.5m by March 2027.</p>		

Discussions with DfT have identified that TVCA wish to widen the project scope to include the development of Thornaby Station as part of the Tees Valley Care and Health Innovation Zone, and this was referenced in the recent re-baselining submission to DfT. The re-baselining proposal in relation to the inclusion of the project within the Station Accessibility and Modal Integration Enhancements project has been approved by DfT.

Record of Expenditure CRSTS2-RE-2024-08 approved £750,863 to develop proposals for a transport hub in the Tees Marshalling Yards. The financial implication of this decision is that only £8.1m of funding will remain available to develop and deliver the original proposed scope of works for the "Station Accessibility and Modal Integration Enhancements" project within the CRSTS1 (2022 – 2027) period.

**POTENTIAL RISK(S):**

TVCA is awaiting clarity from government on future funding allocations for transport. There is therefore a potential risk around the CRSTS2 programme as a whole and / or the levels of funding which have previously been announced.

The Government is yet to release any guidance on future transport funding, however, spend on rail project development and delivery is eligible within the CRSTS1 programme.

**PROCESS OF PARTNER CONSULTATION:**

The scope of works for the consultant has been shared with Stockton on Tees Borough Council and other key stakeholders for comment and feedback prior to the work commencing. An initial key stakeholder workshop has been held which fed into scope development.

**HOW THE ASSURANCE PROCESS WILL BE APPLIED TO THE DECISION:**

This decision enables the Head of Transport to approve the task order for the consultant to carry out the development work.

**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:**

Await clarity from government on future transport funding -The principle of making a decision on allocating funding to a CRSTS2 programme at the January 2024 Cabinet was to enable project development work to take place to help inform a submission to DfT when required. If we do not commit funding to develop projects now, we will not have a robust investment pipeline.

**ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:**

None

**SIGNATURE:**

Director of Infrastructure:



Date:

14/03/2025

### CRSTS2 Record of Expenditure

<b>OFFICER:</b>	<b>RECORD NO:</b>	<b>PROJECT TITLE:</b>
Sally Brown	CRSTS2-RE-2025-02	Teesside International Airport Station upgrade development
<b>AGREED PROJECT FUNDING ALLOCATION:</b>		<b>PROJECT EXPENDITURE APPROVAL AMOUNT:</b>
£20m CRSTS2 allocation		£731,301 from CRSTS1 Station Accessibility and Modal Integration Enhancements
<b>DETAILS OF PROJECT:</b>		
<p>The development of proposals for a new station at Teesside International Airport is included in the CRSTS2 Transport Programme. As part of this project consideration will also be given to onward access to the Airport terminal and key employment locations.</p> <p>The initial development work will be split into two phases, the first will cover scope definition, identification of constraints and confirmation of project feasibility. Should the outputs of the first phase confirm the viability of the project, work will progress to the second phase which will include single option identification and endorsement for the design and location of the upgraded station. Work will not be undertaken on the second phase if the project is not deemed feasible following completion of phase 1.</p> <p>The work undertaken in phase 1 and any subsequent work in phase 2 will follow Network Rail's approach to managing investment projects on the rail network, Project Acceleration in a Controlled Environment (PACE). The work will follow the PACE process to support a transition to future development and ultimately delivery being undertaken by Network Rail, should the outputs of phase 1 indicate the project is viable. The outputs of the first phase of work will be aligned with the requirements for PACE and will include a feasibility study setting out potentially viable station locations, cost estimates, options for onward connectivity to the Airport Terminal and Business Park and demand forecasting. Phase 2 will include an option selection report based upon the single option identified from those identified as part of phase 1.</p> <p>The development work will be called off from the Rail Station Design contract. The value of the first phase of work is £431,301 which includes 10% contingency. The estimate value of the second phase of work is £300,000. This decision is therefore to approve £731,301.</p>		
<b>FINANCIAL IMPLICATIONS:</b>		
<p>Currently there is no development funding available as part of CRSTS2. However, in order to deliver a £1bn programme development work needs to start as soon as possible so that delivery can commence, and the benefits of the projects be realised as soon as possible after the funding for delivery becomes available from April 2027. This decision commits development funding for this project from the existing CRSTS1 programme.</p> <p>TVCA have an investment pillar around investing in the rail network and within that £9.5m is allocated to a project called "Station Accessibility and Modal Integration Enhancements", but currently only a small amount of money has been spent on project development work. This programme of works requires further development and there are interfaces with several other projects, which means that there is a high likelihood of spending all £9.5m by March 2027.</p>		

Discussions with DfT have identified that TVCA wish to widen the project scope to include the development of Teesside International Airport Station, and this was referenced in the recent re-baselining submission to DfT. The re-baselining proposal in relation to the inclusion of the project within the Station Accessibility and Modal Integration Enhancements project has been approved by DfT.

Record of Expenditure CRSTS2-RE-2024-08 and CRSTS2 – RE-2025-01 approved £1.3m to develop proposals for a transport hub in the Tees Marshalling Yards and Thornaby Station. The financial implication of this decision is that only £7.4m of funding will remain available to develop and deliver the original proposed scope of works for the “Station Accessibility and Modal Integration Enhancements” project within the CRSTS1 (2022 – 2027) period.

**POTENTIAL RISK(S):**

TVCA is awaiting clarity from government on future funding allocations for transport. There is therefore a potential risk around the CRSTS2 programme as a whole and / or the levels of funding which have previously been announced.

The Government is yet to release any guidance on future transport funding, however, spend on rail project development and delivery is eligible within the CRSTS1 programme.

**PROCESS OF PARTNER CONSULTATION:**

The scope of works for the consultant has been shared with TIA and other key stakeholders for comment and feedback prior to the work commencing. An initial key stakeholder workshop has been held which fed into scope development.

**HOW THE ASSURANCE PROCESS WILL BE APPLIED TO THE DECISION:**

This decision enables the Head of Transport to approve the task order for the consultant to carry out the development work.

**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:**

Await clarity from government on future transport funding -The principle of making a decision on allocating funding to a CRSTS2 programme at the January 2024 Cabinet was to enable project development work to take place to help inform a submission to DfT when required. If we do not commit funding to develop projects now, we will not have a robust investment pipeline.

**ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:**

None

**SIGNATURE:**

Director of Infrastructure:



Date:

14/03/2025

**BLANK PAGE**

## OVERVIEW AND SCRUTINY: RECOMMENDATIONS OF THE TRANSPORT SUB-COMMITTEE

### SUMMARY

This report seeks the adoption of the recommendations of the Overview and Scrutiny Committee following conclusion of the Transport Sub-Committee's task and finish exercise.

### RECOMMENDATIONS

It is recommended that Cabinet:

- i. **NOTES** the report and recommendations detailed within paragraphs 7 – 9 of this report alongside the response from officers detailed within paragraphs 11 – 13;

and **AGREES** to:

- ii. respond to the Overview and Scrutiny Committee indicating whether it agrees to adopt the recommendations; and
- iii. publish a response to the Committee's recommendations.

and **DELEGATES** the drafting, submission to Overview and Scrutiny Committee and publication of the response to Overview & Scrutiny Committee, in line with Cabinet agreement, to the Chair of the Tees Valley Combined Authority, in consultation with the Cabinet members, TVCA Chief Executive, Section 73 Officer and Monitoring Officer.

### DETAIL

1. The Overview and Scrutiny Committee established a Sub-Committee on the 3<sup>rd</sup> July 2024 to review the area of transport and report back its findings to the Committee.

2. As detailed with the terms of reference, the Sub-Committee agreed to conduct a task and finish exercise under the topic of "How could rail, bus services and other modes be better integrated?".
3. The Sub-Committee met with officers of the Combined Authority and held question sessions with external partners to gather key evidence to support their review.
4. Members of the Transport Sub-Committee concluded their review on the 17<sup>th</sup> March 2025 providing three SMART recommendations to be approved by the Overview and Scrutiny Committee.
5. On the 9<sup>th</sup> April 2025, the Overview and Scrutiny Committee approved the recommendations and subsequent submission to Cabinet for formal consideration under paragraph 7, part 3, of the Tees Valley Combined Authority Constitution.
6. The full report and supplementary appendices are included in **Appendix 1**.
7. Officers have considered the Committee's recommendations to help inform the Cabinet decision and these views are set out in paragraphs 11 to 13.

## **RECOMMENDATIONS OF THE TRANSPORT SUB-COMMITTEE**

### **Recommendation 1: Physical Integration and Alignment**

8. In consideration of alignment of bus and rail services, the Sub-Committee recommends that TVCA Transport Officers conduct a review inclusive of the following points:
  - *A review of the physical assets to facilitate modal interchange at railway stations within the Tees Valley, including connectivity with bus, car parking, and walking, wheeling, and cycling.*
  - *A review of the onward bus connectivity from railway stations within the Tees Valley and an understanding of the alignment of timetabling, performance and reliability at these locations.*
  - *A review of the real time passenger information provided at railway stations and at bus stops and consideration as to whether enhancements can be made to improve integration between train and bus for onward journeys*

The Sub-Committee expects this work to be completed in advance of the proposed September 2025 meeting of Overview and Scrutiny Committee to allow the Committee to determine if further work is required.

## **Recommendation 2: Ticketing Integration**

9. The Sub-Committee recommends that the Tees Valley Combined Authority should commit to working collaboratively with the bus and rail operators, the Department for Transport, Great British Rail, and National Rail to provide a timeline to introduce integrated (tap-on / tap-off) ticketing to Tees Valley.

They should review existing provisions and viability of services with partners, monitor ongoing regional trials that mirror the region in both size and population, and ultimately pursue the development of an integrated transport ticketing system.

The Authority should produce such a plan within 12 months.

## **Recommendation 3: Local Planning Considerations**

10. The Sub-Committee recommends that the Chair of the Overview and Scrutiny Committee, alongside the Sub-Committee chair, should write to responsible Local Planning Authorities (including Development Corporations) to request that;
  - *When considering planning applications, early engagement with bus operators, rail infrastructure, train operators, Active Travel England to be included so as to maximise the opportunities for designs and developer contributions that promote integrated transport.*

Once approved, these letters should be sent as soon as practical, with a representative of the Combined Authority's Overview and Scrutiny Committee acting as liaison between the authorities to ensure engagement with the considerations of the Committee.

## **OFFICER RESPONSE TO THE RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE**

### **Recommendation 1: Physical Integration and Alignment**

11. Officers within the Transport team are already carrying out analytical and feasibility work around this topic, which was referenced in discussion with the committee. Officers are therefore supportive of the recommendation and the proposed timeframe is achievable.

### **Recommendation 2: Ticketing Integration**

12. The Digital team are already exploring options around ticketing integration across the Tees Valley. Great British Rail and the Government see ticketing integration as a key priority. Officers recognise that a nationwide approach is needed, or certainly an

understanding of this prior to committing local funding to something that could potentially be abortive. This recommendation to set out a plan will enable further engagement with government and relevant parties around this subject and officers are therefore supportive.

### **Recommendation 3: Local Planning Considerations**

13. The need for improved integration between planning, growth, infrastructure and transport is set out in the Devolution White Paper. Officers feel that this recommendation will support this aspiration.

### **FINANCIAL IMPLICATIONS**

14. There are resource implications on the delivery of the recommendations should they be adopted, but this can be accommodated with existing capacity. There are no direct financial implications associated with the recommendations in this report.

### **LEGAL IMPLICATIONS**

15. There are no legal implications associated with the recommendations in this report.

### **RISK ASSESSMENT**

16. This report is categorised as low risk and any risks associated with the recommendations will be managed by the Transport Team.

### **CONSULTATION & COMMUNICATION**

17. The Transport Sub-Committee met with TVCA Officers and representatives of Stagecoach and Northern Rail.

### **Appendices**

1. Final Report – Transport Sub-Committee
2. Transport Sub-Committee Terms of Reference
3. Transport Sub-Committee – Meeting Notes – 23.10.24
4. Transport Sub-Committee – Meeting Notes – 07.02.25
5. Summary of Witness Session Questions

**Name of Contact Officer:** Connor Malone  
**Post Title:** Governance and Scrutiny Officer  
**Email Address:** [connor.malone@teesvalley-ca.gov.uk](mailto:connor.malone@teesvalley-ca.gov.uk)

**BLANK PAGE**

## FINAL REPORT OF THE OVERVIEW AND SCRUTINY: TRANSPORT SUB-COMMITTEE

### SUMMARY

The Overview and Scrutiny Committee established a Sub-Committee on 3 July 2024 to review the area of Transport and report back its findings to the Overview and Scrutiny Committee.

This report provides the SMART recommendations as established by the Sub-Committee following conclusion of the review.

### RECOMMENDATIONS

That the Overview and Scrutiny Committee:

- i) Note the report and supplementary appendices.
- ii) Approves the recommendations of the Transport Sub-Committee as detailed in paragraphs 4 to 6 and;
- iii) Agrees to the request of Cabinet when receiving these recommendations as detailed in paragraphs 7 to 9.

### DETAIL

1. The Overview and Scrutiny Committee met on 3 July 2024 and agreed to establish a Sub-Committee to undertake a review of transport.

2. The membership of the Transport Sub-Committee was agreed as follows:

- Councillor David Branson (Chair)
- Councillor John Nelson
- Councillor Sonia Kane
- Councillor Andy Keir
- Councillor Craig Hannaway.

3. The Transport Sub-Committee has met on the following dates:

**23 October 2024 (Meeting One)**

The notes of the meeting have been appended to this report.

**07 February 2025 (Meeting Two)**

The notes of the meeting have been appended to this report.

**28 February 2025 (Witness Session with Northern)**

A summary of questions is appended to this report.

**4 March 2025 (Witness Session with Stagecoach)**

A summary of questions is appended to this report.

**17 March 2025 (Recommendation Session)**

The details of recommendations are provided in paragraphs 4 to 6.

## RECOMMENDATIONS OF THE TRANSPORT SUB-COMMITTEE

### Recommendation 1: Physical Integration and Alignment

4. In consideration of alignment of bus and rail services, the Sub-Committee recommends that TVCA Transport Officers conduct a review inclusive of the following points:
- *A review of the physical assets to facilitate modal interchange at railway stations within the Tees Valley, including connectivity with bus, car parking, and walking, wheeling, and cycling.*
  - *A review of the onward bus connectivity from railway stations within the Tees Valley and an understanding of the alignment of timetabling, performance and reliability at these locations.*

- *A review of the real time passenger information provided at railway stations and at bus stops and consideration as to whether enhancements can be made to improve integration between train and bus for onward journeys*

The Sub-Committee expects this work to be completed in advance of the proposed September 2025 meeting of Overview and Scrutiny Committee to allow the Committee to determine if further work is required.

## **Recommendation 2: Ticketing Integration**

5. The Sub-Committee recommends that the Tees Valley Combined Authority should commit to working collaboratively with the bus and rail operators, the Department for Transport, Great British Rail, and National Rail to provide a timeline to introduce integrated (tap-on / tap-off) ticketing to Tees Valley.

They should review existing provisions and viability of services with partners, monitor ongoing regional trials that mirror the region in both size and population, and ultimately pursue the development of an integrated transport ticketing system.

The Authority should produce such a plan within 12 months.

## **Recommendation 3: Local Planning Considerations**

6. The Sub-Committee recommends that the Chair of the Overview and Scrutiny Committee, alongside the Sub-Committee chair, should write to responsible Local Planning Authority (including development corporations) / Transport Officers to request that;
  - *When considering planning applications, early engagement with bus operators, rail infrastructure, train operators, Active Travel England to be included so as to maximise the opportunities for designs and developer contributions that promote integrated transport.*

Once approved, these letters should be sent as soon as practical, with a representative of the Combined Authority's Overview and Scrutiny Committee acting as liaison between the authorities to ensure engagement with the considerations of the Committee.

## **REQUEST OF CABINET**

7. Should the Overview and Scrutiny Committee agree to the recommendations detailed in paragraphs 4 to 6, the Committee will need to decide on the request of Cabinet.

8. Part 3 of the TVCA Constitution details the provision of the Committee under the rules of procedure. Paragraph 7 provides that, where the Overview and Scrutiny Committee makes a report of recommendations, the Committee may:

- *Publish the report or recommendations;*
- *By notice require the Combined Authority or the Mayor to:-*
  - *Consider the report or recommendations;*
  - *Respond to the Committee indicating what (if any) action the Combined Authority proposes to take; and*
  - *If the Committee has published the report or recommendations, to publish the response.*

9. Under the provisions of paragraph 7, the Committee is asked to consider and agree the request of Cabinet when the recommendations are submitted.

## 10. FINANCIAL IMPLICATIONS

There are no specific financial implications to this report.

## 11. LEGAL IMPLICATIONS

There are no specific legal implications from the proposal arising from this report.

## 12. RISK ASSESSMENT

There are no specific risks associated with this report.

## 13. CONSULTATION AND COMMUNICATION

Tom Bryant, Interim Chief Executive, TVCA – Attended to provide technical expertise as part of the Sub-Committee's review.

Alan Weston, Head of Transport, TVCA – Attended to provide technical expertise as part of the Sub-Committee's review.

Several Transport Officers attended to provide technical expertise as part of the Sub-Committee's review.

Representatives from Northern and Stagecoach – Representatives attended to provide evidence as part of the Sub-Committee's review.

## Appendices



- Appendix 1: Transport Sub-Committee Terms of Reference
- Appendix 2: Transport Sub-Committee – Meeting Notes – 23.10.24
- Appendix 3: Transport Sub-Committee – Meeting Notes – 07.02.25
- Appendix 4: Summary of Witness Session Questions

**Name of Contact Officer:** Connor Malone

**Post Title:** Governance and Scrutiny Officer

**Email Address:** [Connor.Malone@teesvalley-ca.gov.uk](mailto:Connor.Malone@teesvalley-ca.gov.uk)

## **Tees Valley Combined Authority Overview and Scrutiny Committee**

### **Terms of Reference for Transport Sub-Committee**

(These Terms of Reference should be read alongside and in conjunction with the Tees Valley Combined Authority Overview and Scrutiny Committee Terms of Reference and the TVCA Constitution, including the Rules of Procedure for Statutory Committees at Part 3.)

#### **1. Introduction**

- i. Tees Valley Combined Authority Overview and Scrutiny Committee established a Sub-Committee focussing on Transport to consider an area in more depth and to report back to the Committee its findings.
- ii. The Terms of Reference will be reviewed and approved by the Committee.

#### **2. Purpose of the Transport Sub-Committee**

- i. The Sub-Committee will:
  - a. Review the topic 'How could rail, bus services and other modes be better integrated?'
  - b. Understand the provisions of TVCA and the remit in which it works.
  - c. Invite key internal and external stakeholders within the Tees Valley region to provide evidence to support the Sub-Committee with its review.
  - d. Produce recommendations with clear intended outcomes.

#### **3. Membership of the Sub-Committee**

- i. The Sub-Committee will comprise of the following members:
  - Councillor Sonia Kane, Darlington Borough Council
  - Councillor Andy Kier, Darlington Borough Council
  - Councillor John Nelson, Hartlepool Borough Council
  - Councillor Craig Hannaway, Redcar and Cleveland Borough Council
  - Councillor David Branson, Middlesbrough Council.
- ii. The Chair of the Sub-Committee is Councillor David Branson.
- iii. The Sub-Committee will reflect (as far as reasonably practicable) representation from each local authority area in the Tees Valley.

#### **4. Meetings of the Sub-Committee**

- i. The Sub-Committee will hold an initial scoping meeting to set the parameters of the review.

- ii. The Sub-Committee will determine its own meeting schedule to consider its objectives.
- iii. There will be no quorum requirements for Sub-Committee meetings, but at the discretion of the Chair, meetings may be rescheduled if, in the view of the Chair attendance is considered insufficient and the meeting would be more productive with an increased number of elected members present.
- iv. It is at the discretion of the Chair to determine if there is adequate representation for any meeting held.
- v. The Chair will approve the agenda for each Sub-Committee meeting.
- vi. Any member of the Sub-Committee may raise with the Chair a matter which is relevant to the objectives of the Sub Committee, for consideration.

### **5. Objective Focus**

- i. The Sub-Committee is to focus on the following:
- ii. How can we provide effective timetabling of public transport services to ensure;
  - a. Effective links in relation to rail and bus services;
  - b. Provision of a comprehensive service which serves the needs of all users; and
  - c. Access to accurate timetabling information.
- iii. How can we ensure that train stations have suitable facilities for motorists and cycle users by way of;
  - a. Adequate parking facilities; and
  - b. Adequate bicycle storage facilities.

### **6. Invitation of Technical Expertise**

- i. Members will engage with the following stakeholders;
  - a. Bus Operators within the Tees Valley region;
  - b. Train Operators within the Tees Valley region; and
  - c. Chair of TVCA Transport Committee.

**7. Reporting and Outcomes of the Review**

- i. Regular updates on the activities of the Sub-Committee will be provided to the Overview and Scrutiny Committee.
- ii. The Sub-Committee will collate its findings and produce a report for the Chair to present to the Overview and Scrutiny Committee, providing recommendations, as appropriate.
- iii. Recommendations arising from the Sub-Committee will be tracked as part of recommendation tracking arrangements to be agreed by Overview and Scrutiny Committee at its meeting on Wednesday, 6 November 2024.

**8. Governance and other support**

- i. Governance support will be provided by Governance and Scrutiny Manager and Governance and Scrutiny Officer who will provide guidance and support and be present at meetings.
- ii. Relevant officers, members and stakeholders may be called as witnesses to provide evidence and support the Sub-Committee with information gathering.



**Tees Valley Combined Authority (TVCA)**

**Overview and Scrutiny: Transport Sub-Committee**

**Wednesday, 23 October 2024 at 13:00 (meeting held remotely via MS Teams)**

**Attendance:**

Councillor David Branson  
 Councillor Sonia Kane  
 Councillor Andy Kier

Middlesbrough Council (Chair)  
 Darlington Borough Council  
 Darlington Borough Council

**Officers:**

Tom Bryant (TVCA)  
 Guy Close (TVCA)  
 Connor Malone (TVCA)  
 (TVCA)  
 (TVCA)

Director of Infrastructure  
 Governance and Scrutiny Manager  
 Governance and Scrutiny Officer  
 Transport Delivery Officer  
 Transport Delivery Officer

Item	Actions
<b>1. Apologies for Absence</b>	
Apologies received from:  Councillor John Nelson, Hartlepool Borough Council Councillor Craig Hannaway, Redcar and Cleveland Borough Council	
<b>2. Review into ‘How could rail, bus services and other modes be better integrated?’</b>	
Members considered supporting information provided at the Overview and Scrutiny Committee in relation to the topic of ‘How could rail, bus services and other modes be better integrated’.  Members sought to explore the topic area and discussed potential themes to focus on in greater detail.	



<p>Officers provided some insight into the ongoing rail studies in relation to the review of stations across the Tees Valley region. Members discussed that it would be helpful for the Sub-Committee to consider some of the reviews to develop its understanding of existing infrastructure. It should include a range of small, medium and large stations.</p> <p>Members discussed the connectivity between timetabling and infrastructure that was required to deliver cohesive transition points.</p> <p><b>Scope of review</b></p> <p>Members were advised that there were some elements covered by the previous review into buses and therefore it was important to set clear objectives and avoid duplicating work that had already been undertaken .</p> <p>The Sub-Committee agreed to focus on timetabling and connectivity, particularly in relation to:</p> <ul style="list-style-type: none"> <li>- Timetabling in relation to public transport services within the Tees Valley region.</li> <li>- Access within rail stations for users of vehicles and cycles.</li> </ul>	<p>To provide members with some examples of the rail studies showcasing three different scales.</p>
<p><b>3. Key areas of Focus</b></p>	
<p>The Sub-Committee agreed to focus on:</p> <ol style="list-style-type: none"> <li>1) How can we provide effective timetabling of public transport services to ensure;             <ol style="list-style-type: none"> <li>a) Effective links between rail and bus services;</li> <li>b) Provision of a comprehensive service which serves the needs of residents seeking to travel for work and education opportunities; and</li> <li>c) Access to accurate timetabling information.</li> </ol> </li> <li>2) How can we ensure that access is available to train services for users of vehicles and cycles in relation to;             <ol style="list-style-type: none"> <li>a) Adequate parking facilities; and</li> </ol> </li> </ol>	

b) Adequate bicycle storage facilities.	
<b>4. Invitation of Technical Expertise</b>	
<p>The following representatives to attend future sessions:</p> <ul style="list-style-type: none"> <li>- Bus Operators within the Tees Valley;</li> <li>- Train Operators within the Tees Valley; and</li> <li>- Chair of the TVCA Transport Committee.</li> </ul>	
<b>5. Next Steps</b>	
<p>Next steps agreed as follows:</p> <ul style="list-style-type: none"> <li>a) Provide a response to the agreed actions.</li> <li>b) Consider and agree draft terms of reference.</li> <li>c) Consider and agree the range of stakeholders to invite to the next Sub-Committee meeting to develop a greater understanding of the challenges faced and potential barriers.</li> </ul>	<p>To consult with identified stakeholders with an aim of meeting week commencing 11 November 2024.</p>



**Tees Valley Combined Authority (TVCA)**

**Overview and Scrutiny: Transport Sub-Committee**

**Friday, 7 February 2025 at 14:30 (meeting held remotely via MS Teams)**

**Attendance:**

Councillor David Branson  
Councillor Sonia Kane  
Councillor Andy Kier  
Councillor Craig Hannaway

Middlesbrough Council (Chair)  
Darlington Borough Council  
Darlington Borough Council  
Redcar & Cleveland Borough Council

**Officers:**

Alan Weston (TVCA)  
(TVCA)  
Connor Malone (TVCA)  
Kate Smith (TVCA)

Head of Transport  
Transport Delivery Officer  
Governance and Scrutiny Officer  
Governance Officer

Item	Actions
<b>1. Apologies for Absence</b>	
Apologies received from:  Councillor John Nelson, Hartlepool Borough Council	
<b>2. Declarations of Interest</b>	
There were no declarations of interest	
<b>3. Approval of Draft Notes</b>	
Members approved the draft notes of the Sub-Committee held on 23 October 2024	

## 4. Presentation: Tees Valley Stations – Access and Integration

A presentation was provided to members by Alan Weston, Head of Transport at TVCA, supported by Transport Delivery Officer Steve Payne.

The presentation included:

### **Integrated National Transport Strategy**

Members were informed of the public call for ideas, which closes at 11:59 on 20 February 2025, and is an opportunity to influence the national picture on what is happening locally.

In response to a question by a member whether there is any indication of number of engagements, officers advised that this is being dealt with by national Government, who are not releasing information at this stage. Officers highlighted that an invitation has been received for the Combined Authority, alongside other Local Authorities to an information session held in the coming week in Newcastle, which will be attended by senior civil servants, and may provide further insight into the process. It was suggested that civil servants will also likely be gathering ideas from authorities at this event on what is happening locally, and the challenges being faced.

### **Strategic Transport Plan / Transport Investment Programme**

Officers explained to members that whilst there is an emphasis on recognition, this is not about a single investment, rather how investment is made in all transport modes and the network.

As part of securing CRSTS funding in 2022, it was stated that in the Tees Valley it is important to develop a world class transport system, making sure all aspects work together, and putting the customer at the heart of this.

The approach was illustrated using the example of Darlington Station and it was highlighted that considerations were given to how the station relates to the town centre, to Central Park, with investment in the cycle network which gets people to the station or town centre, and how people can interchange between the station and bus network for onward journeys.

It was outlined that in terms of accessibility, this may not necessarily be investment on the station itself; may be crossing points to enable

Slides to be circulated to members

Feedback from this session will be provided to members.

people to walk up the ramp, or bus shelters adjacent to stations for those moving from train to bus.

Members were given further details of examples of rail investments including details of major schemes and station accessibility, as well as non-rail investments with Bus Corridor, Active Travel and Road Investments.

A question was raised by a member regarding the project in Redcar of a walkway/cycle route to link Nunthorpe station and Guisborough via the old railway line. It was suggested that there are proposals for Park and ride at Nunthorpe on bypass, and clarity was sought as to whether this is the current station in Nunthorpe itself, or if a separate station will be built on the bypass.

Answer: The basis of the proposal is connecting to the existing station, and the walkway will have to cross the bypass over to residential area to get to the existing station. If the Nunthorpe Parkway becomes a viable project and moves forward, then this becomes another connectivity point to be considered in the future.

With regards to the cycle route itself, members enquired whether it is to be alongside the existing major road, or use the railway track that runs from Pinchinthorpe.

Answer: There is the existing disused railway line which comes down to meet the in-use railway line and this is a public bridleway. This is being upgraded by Redcar & Cleveland using their funding. The project will then be how this connects with Nunthorpe station itself, which presents some challenges as it runs through farmers field and is a difficult scheme to deliver and will require a crossing the bypass.

In respect of road investment, it was highlighted that roads have not necessarily been eligible for funding such as CRSTS, and what has been done at Eaglescliffe Station has been to take a collaborative approach and work with Stockton Council so they are building the car park at the west side of the station as part of the business park, and TVCA fund the footbridge which enables people from the station to access employment at the business park.

### **Railway / Bus timetabling**

Officers highlighted the huge complexity of railway timetabling.

It was also outlined that timetables need to be robust and credible in order to maintain performance and reliability. When people cannot

rely on service, usage declines. Consideration also need to be given to interface between passenger and freight trains.

For illustration; if a train from Saltburn to Bishop Auckland is 2 minute late at Darlington – knock on effects to trains travelling on East Coast Main Line; the impact can potentially be felt as far away as Inverness, Plymouth, London, Liverpool places in between.

Members agreed this also has implications for passengers who need to transfer from one train to another and miss connections.

Understanding that moving a train time by minutes could shift all other trains on the route.

Members sought confirmation that changes are being made from lines coming from Middlesbrough and Stockton which make them separate from North to South lines.

Answer: The Darlington Station project will build new platforms that enable trains between Darlington and Saltburn not to interfere with North to South trains. However, there is still the Bishop Auckland train which runs North to South and there are a number of interfaces between different services which have an impact far and wide.

Members were asked to note that in December 2025 there will be a new timetable for LNER services coming out of Kings Cross, and all services are inter-related to capacity at Darlington, York and Newcastle.

Northern, LNER and TransPennine are currently operated by DfT. This means they work collaboratively, with Northern taking the lead, and presenting a list of aspirations around rail which is substantial. There is also the aspiration to get more freight off roads and onto rail.

It was highlighted that although bus timetabling doesn't have same infrastructure constraints, it is still of equal complexity to rail. Need to ensure efficient use of resources, without introducing performance and reliability risk. Timings also need to be considered to fulfil demands of shift patterns/school times.

Members acknowledged the complexity and agreed that performance and reliability is critical.

Members raised concerns that whilst trying to integrate systems and infrastructure, funding also needs to be integrated. Working with

<p>separate councils, if funding isn't integrated then some plans will be incomplete or not reach the best solutions.          Answer: Local control and devolution, as set out in the Devolution White Paper, will give the ability to make more local decisions and do the right thing and integrate wrap-around, putting the customer at the heart of the journey.</p> <p>The East Coast Mainline provisional timetable 2025 launched just before Christmas and although it is not fully signed off, it has been agreed by the Secretary of State and broadly positive for the Tees Valley.          Some of challenges decisions to increase services to Durham and decreased to Darlington have been removed, and more importantly it is also an enabler for increased Middlesbrough services to London in the future.</p> <p>Officers presented details of the comprehensive audits of all operational Tees Valley Stations, which were begun during the pandemic and have subsequently formed the basis of the programme going forward. Members were advised of developments and findings at Darlington, Hartlepool and Billingham, as well as updates on other projects. They also explained details of concept plans for every station which look at the opportunities not only for the station itself, but also in surrounding areas.</p> <p>Discussions were had with members regarding developments where there have been missed opportunities to link planning and transport better. This means the public purse will have to be used to try and solve a problem, where a developer should have been made to make specific contributions to projects. Examples given were in Marske, and at James Cook Hospital.</p> <ul style="list-style-type: none"> <li>• Members raised that journeys were not always impacted by physical barriers but also unpredictable factors.              Officers acknowledge there are still issues, particularly with open access operators like Grand Central, however Great British Railways are moving forward to standardise, and with those operators under DfT control, there are more open access agreements.</li> <li>• Members highlighted the importance of consideration for people with a disability in the distance to travel to platforms; not just wheelchair access, but also mobility issues or people with pushchairs etc.</li> </ul>	<p>Link to East Coast Mainline 2025 proposal to be circulated to members</p>
---	--

<p>Members suggested that it would be helpful if procedure was in place to allow rail companies to approach the council to suggest and request where support is required. Additionally, when there is a planning application adjacent to a railway, the railway authority should automatically be consulted for comment, as currently happens with Highways and utilities etc.</p> <p>Officers explained they understand that Network Rail is currently approached but on the basis of whether the development will impact negatively on the rail network rather than whether there are positive contributions which could be made.</p> <p>The Committee was advised that, at a local level, there is nothing to stop the Chair, or the Overview and Scrutiny Committee itself from writing to the respective LAs to say that, when considering planning and consulting with Network Rail, it may be worthwhile to consider positive impacts the development could have in relation to the existing transport network in the area. It was suggested that Members could also feedback to respective authorities to highlight the points raised.</p>	
<p><b>5. Witness Discussion</b></p>	
<p>The Sub-Committee was provided with an overview of potential witnesses to support:</p> <ul style="list-style-type: none"> <li>• <b>Northern</b> – operate the majority of stations in the Tees Valley, and they are carrying out a lot of work around timetabling.</li> <li>• <b>TransPennine and LNER</b> also have roles in relation to rail in the region, albeit on a lesser scale.</li> <li>• <b>Arriva and Stagecoach</b> – discussion to be had regarding timetabling and what can be done to maximise connection opportunities.</li> <li>• <b>Sustrans</b> – given that part of the agreement was about cycling facilities, they may have valid contributions to represent cyclists and the cycling fraternity.</li> </ul> <p>Members were advised there are ideally maximum of 2 further meetings, and it was suggested that, due to the lesser involvement of TPE and LNER, it would be better to concentrate on engaging with Northern.</p> <p>It was agreed that, if possible, a meeting in late February with witnesses and then either a break in session followed by a discussion</p>	

<p>of the recommendations, or a final follow up meeting to create the report.</p> <p>It was noted that it may not be possible to deal with Arriva and Stagecoach in the same meeting as they may wish to have separate confidential discussions.</p>	
<p><b>6. Next Steps</b></p>	
<p>Next steps agreed as follows:</p> <p>The Committee agreed to invite:</p> <p><u>Northern</u> – looking to discuss frequency of services and how we can integrate services with buses and accessibility of stations.</p> <ol style="list-style-type: none"> <li>1. Timetabling</li> <li>2. Integration</li> <li>3. Station accessibility.</li> </ol> <p><u>Arriva &amp; Stagecoach</u></p> <ol style="list-style-type: none"> <li>1. Timetabling</li> <li>2. Integration</li> </ol> <p><u>Sustrans</u></p> <ol style="list-style-type: none"> <li>1. Services they think cyclists would use</li> <li>2. Facilities for cyclists – not only at the station but also on trains.</li> </ol> <ol style="list-style-type: none"> <li>a) Draft emails to invite organisations.</li> <li>b) Identify availability for the end of February</li> <li>c) Members agreed to liaise with each other to identify key issues and draft specific questions.</li> </ol>	<p>To consult with identified stakeholders with an aim of meeting at the end of February 2025</p>

Meeting concluded at 15:57

## Summary of Witness Session Questions

### Meeting with Northern

- Members sought to understand what developments are ongoing in the Tees Valley region.
- Members were keen to understand Northern's confidence in achieving the developments, are they aspirational or deliverable.
- Members wanted to understand the availability of cycle storage on the new train stock.
- Members sought to understand potential opportunities within freight traffic with the capacity changes on the East Coast Main Line.
- Members were keen to understand how the up to £2.50 social value return could be quantified /Additional query on social value was raised, members wanted to understand if the new procurement legislation would help.
- Members sought to understand what Northern has done to develop integration between Rail and Bus services at stations.
- Members wanted to understand the feasibility of an Oyster style system and a structured fare system in the North East.
- Members queried the potential extension of passenger lines in the region, such as the East Cleveland freight line and if the Authority was considering utilising existing freight lines.

### Meeting with Stagecoach

- What developments or activity have Stagecoach recently engaged delivered?
- From the point of view of the operator, what can local authorities do to support better Bus / Rail integration?
- Does Stagecoach have any plans for service integration into future developments or any concerning services they are considering removing?
- Is there consideration for a simplified fare structure and streamlined tickets for transferring between Bus and Rail services?

**BLANK PAGE**

## LOCAL GROWTH PLAN & INVESTMENT PIPELINE

### SUMMARY

An update on the Tees Valley Local Growth Plan was reported to Cabinet in March 2025. Cabinet was asked to note the report, including that the Local Growth Plan would be reported back to Cabinet for approval at a future meeting.

This report provides a further update on the Local Growth Plan, specifically the areas where Government has committed to work jointly with the Combined Authority and the proposed approach and timeframe up to approval and publication of the final Local Growth Plan.

Local Growth Plans must include an investment pipeline to attract public and private investment across our region. This report also sets out the proposed vision and objectives of the Tees Valley Investment Pipeline and the proposed approach to its development. This pipeline work will inform the future Tees Valley Investment Plan, which will be reported to a future Cabinet for approval.

### RECOMMENDATIONS

- i. **NOTES:** the update on the Local Growth Plan as detailed in paragraphs 1-9.
- ii. In relation to the proposed approach to the development of the Local Growth Plan as detailed in paragraphs 10-13 of this report, Cabinet has the following options:
  - a. **TO APPROVE** the proposed approach to the development of the Local Growth Plan.
  - b. **NOT APPROVE** the proposed approach to the development of the Local Growth Plan.

**RECOMMENDED OPTION** – Option ii(a). The proposed approach accounts for the remaining work required to ensure production of the Tees Valley Local Growth Plan as presented to TVCA Cabinet in December 2024 and the guidance outlined and published by Government.

iii. In relation to the proposals to develop a new monitoring and evaluation framework for our Local Growth Plan as detailed in paragraphs 14-17 of this report, Cabinet has the following options:

- a. **TO APPROVE** the proposals to develop a new monitoring and evaluation framework.
- b. **TO AGREE** with the intentions to develop a framework, but ask that officers revert at a future Cabinet Meeting on a revised approach.
- c. **NOT APPROVE** the proposals and continue with development of the Local Growth Plan without developing a monitoring and evaluation framework.

**RECOMMENDED OPTION** – Option iii(a). Our Local Growth Plan will set out a long-term vision for economic growth in our region over the next decade and include a roadmap of how this can be achieved. Realising our vision requires public and private sector participation and producing such a framework as described will principally provide confidence and certainty to the private sector. This should lead to greater investor confidence and ensure regional economic growth.

iv. In relation to the proposed vision and objectives of the Tees Valley Local Growth Plan Investment Pipeline as detailed in paragraphs 21-22 of this report, Cabinet has the following options:

- a. **TO APPROVE** the proposed vision and objectives of the Investment Pipeline.
- b. **NOT APPROVE** the proposed vision and objectives of the Investment Pipeline.

**RECOMMENDED OPTION** – Option iv(a). Our Local Growth Plan must include an investment pipeline to attract public and private investment across our region. The proposed vision and objectives not only meet the requirement but will also support delivery of the wider aim of our Local Growth Plan. The proposed vision and objectives will be reviewed against published government guidance for Local Growth Plans.

v. In relation to the proposed approach to the development of the Tees Valley Local Growth Plan Investment Pipeline as detailed in paragraphs 23-25 of this report, Cabinet has the following options:

- a. **TO APPROVE** the proposed approach to develop the Investment Pipeline.
- b. **NOT APPROVE** the proposed approach to develop the Investment Pipeline.

**RECOMMENDED OPTION** – Option v(a). In accordance with government guidance Local Growth Plans must include an investment pipeline. If Cabinet do not approve the proposed approach to develop the Investment Pipeline, this

would impact the overall timescales for the development of the Local Growth Plan and will have consequences for decision item vi below.

- vi. In relation to the proposed timescales for the development of the Local Growth Plan as detailed in paragraph 18 of this report, Cabinet has the following options:
  - a. **TO APPROVE** the proposed timescales for the development of the Local Growth Plan.
  - b. **NOT APPROVE** the proposed timescales for the development of the Local Growth Plan.

**RECOMMENDED OPTION** – Option vi(a). The proposed timescales account for the remaining work required to ensure production of the Tees Valley Local Growth Plan as presented to TVCA Cabinet in December and the guidance outlined and published by Government.

- vii. **NOTES:** that the Tees Valley Local Growth Plan Investment Pipeline will inform the future Tees Valley Investment Plan and that the Investment Plan will be reported to Cabinet at a future meeting as detailed in paragraph 27.

## DETAIL

### Policy context (see Appendix 1)

1. The Government's number one mission is economic growth to drive up living standards for everyone across the country. The Invest 2035 Green Paper published in October 2024 set out the Government's proposed ten-year national industrial strategy to principally drive this growth. The final national industrial strategy will be published as a White Paper around the end of June.
2. The national industrial strategy will focus on tackling barriers to economic growth in the country's highest potential growth-driving sectors and places, including Tees Valley, creating the right conditions for increased investment, high-quality jobs and ensuring tangible impact in communities across the UK. The goal is to capture a greater share of internationally mobile investment in strategic sectors and spur domestic businesses to boost their investment and scale up their growth – an essential step in achieving sustainable, inclusive and resilient economic growth.
3. A sector plan for each of the growth-driving sectors apart from Financial Services and Defence are due to be published alongside the national industrial strategy. The Financial Services Sector Plan will be published on the day of the Chancellor of the Exchequer's Mansion House Speech and the Defence Sector Plan will be published in due course.

4. The [English Devolution White Paper](#) (published in December 2024) set out that there will be a statutory duty on Mayors to produce Local Growth Plans to 'hardwire' local economic growth priorities into the way government works. Local Growth Plans will set out a long-term vision for economic growth in regions over the next decade and include a roadmap of how this can be achieved, ultimately enabling regions to contribute to the national economic growth mission.

## Progress to date

5. The overarching aim of the Tees Valley Local Growth Plan is to secure sustained and inclusive growth to exceed the UK growth rate by building on our success to date, to power a diverse and balanced economy, with job growth and productivity gain that creates opportunities for everyone.
6. In recent months, we have been working with the local authorities, Business Board and Government to identify the biggest opportunities and constraints to economic growth in the Tees Valley. There have been three main outputs of this work:
  - I. Agreement of our Strategic Planning Framework at the TVCA Cabinet Meeting in December 2024. The Framework reflects the significance of our globally competitive, high-productivity sectors, in terms of future inward investment and growth in gross domestic product. It also highlights the importance of advanced manufacturing as an enabling sector and the growing digital and creative clusters. Furthermore, it also makes it clear that the 'everyday' economy is critically important for inclusive growth in the Tees Valley.
  - II. Agreement of our five high-level **local** growth priorities at the TVCA Cabinet Meeting in December 2024.
    1. Grow our globally competitive modern industrial and technology cluster and enabling advanced manufacturing sector by securing further investment, deepening our innovation expertise and attracting and retaining talent.
    2. Accelerate our rapidly growing digital cluster and creative cluster by securing further investment, growing our business base and attracting and retaining talent.
    3. Diversify and drive the growth of our everyday economy by increasing business density and developing the skills of our people to get more people into work.

4. Create the environment for growth and accelerate regeneration of our communities making Tees Valley an attractive place to live, work and invest.
  5. Accelerate the development of strategic transport, energy, digital and housing infrastructure to maximise the potential of our growth opportunities and create the environment for growth.
- III. These are our **local priorities** that cover all areas of the Local Growth Plan. Most recently Government sought to agree where they would commit to work jointly with local areas to deliver their LGP. This results in three 'Shared Joint Priorities' with the Deputy Prime Minister and being issued with (what is termed) a 'Remit Letter' formally setting these out.
7. TVCA is leading on the development of the Local Growth Plan to ensure it is right for the Tees Valley. The Remit Letter stated that MHCLG will publish around the Spending Review some short guidance on Local Growth Plans to support their final development – this guidance was published on 11 June 2025. The Remit Letter also reconfirmed that the Local Growth Plan is a locally owned document, and whilst Government will not 'micromanage' the production of Local Growth Plans they do expect Local Growth Plans, as a minimum, to include the following:
- **An economic overview of our region** setting out the key strengths, opportunities, and challenges of our economy and the sectors that will drive growth in our region and links to the national industrial strategy.
  - **Our shared priorities** agreed with Government (e.g. Shared Joint Priorities); and
  - An **investment pipeline** to 'galvanise' action and attract public and private investment across your region.
8. There is also a need to ensure that the Local Growth Plan addresses the inclusive growth agenda and seeks to integrate with other agendas to address health and socio-economic inequality. Following government guidance published in April 2025, the Get Tees Valley Working Plan will also be developed in the coming months (see agenda item 14 for detail). The Get Tees Valley Working Plan will include analysis of key local labour market challenges and drivers for different groups of people across our economy and is intended to inform a whole system approach (work, health and skills) to tackling the supply and demand side challenges within local labour markets.

## Shared Joint Priorities

9. As reported to TVCA Cabinet in March 2025 under Agenda Item 4 (paragraphs 15-17) work was continuing to develop and agree locally and with Government a set of



'Shared Joint Priorities', which are high-level outcomes that Government would commit to work with us on to realise our economic growth ambitions.

10. On 9 April 2025, with cross-government and local political agreement reached, the Deputy Prime Minister and Secretary of State for Housing, Communities & Local Government issued a Remit Letter for Tees Valley. The Remit Letter confirmed that the Shared Joint Priorities for Tees Valley that Government will work with us on are:
  - I. **Skills and Employment.** Increase the skills base and reduce economic inactivity to enable residents to rejoin or increase participation in the workforce and support them into better employment opportunities.
  - II. **Transport.** Improve transport accessibility and travel experiences to better connect workers across the region to employment and industrial sites.
  - III. **Housing and Commercial Development.** Increase the availability and viability of high-quality commercial land and space, such as office, industrial, research and development space, and appropriate housing, to increase business density and to attract and retain talent.

### Next steps

11. Work conducted to date provides us with the foundations on which to continue developing our Local Growth Plan, identifying the 'what' we should do.
12. Local Growth Plan government guidance was published on 11 June. Publication of the UK's Modern Industrial Strategy is expected to be published at the end of June. As such, it is proposed that following the publication, time is afforded to review and reflect on these documents, understanding what they mean for Tees Valley, and to digest the guidance on Local Growth Plans, including specifically the Tees Valley Investment Pipeline. Government expects that we work towards ensuring our Local Growth Plan is finalised and publicly published following Spending Review.
13. It is proposed that from the end of June to October we would then undertake a period of meaningful engagement where, with the support and input of Local Authorities, partners and stakeholders from across the region, we shall work to identify our key investment and delivery priorities. Cabinet will be fully engaged in this process as the work progresses. This work will be critical in informing the main body of our Local Growth Plan narrative. A Pre-Tender Market Engagement [has been launched] to procure an external provider to support us with this. This engagement will test our economic growth ambitions, narrative and devised policy proposals to realise the aim of our Local Growth Plan.

14. Work has started on drafting and preparing an engagement plan and we continue to work with Local Authority officers through the Local Growth Plan Working Group to develop this. Given the amount of work remaining and our intentions to publish our Local Growth Plan by the end of the year, a Pre-Tender Market Engagement [has been launched] to procure an external provider. This provider will support TVCA with writing the Local Growth Plan and supporting material/documents from the products which have been produced to date internally and in collaboration with our constituent Local Authorities.

## Monitoring and Evaluation Framework

15. So that we can demonstrate the impacts of the Tees Valley Local Growth Plan at both a local and national level, it is proposed to develop a new monitoring and evaluation framework. This framework will ensure successful delivery of the Local Growth Plan and give confidence to businesses, strategic partners and stakeholders, and Government.
16. It is proposed that this framework will be informed by reviewing relevant models of good practice and with input and guidance from the Office for National Statistics (ONS Local) and What Works Centre for Local Economic Growth.
17. It is proposed that it will include a new performance management regime underpinned with a suit of Key Performance Indicators (KPIs) aligned to the Local Growth Plan and, where relevant, aligned to KPIs in the national industrial strategy and Get Britain Working White Paper outcomes, highlighting the current baseline position and long-term target for each metric. KPIs will be internally monitored regularly and updates on progress towards their achievement will be reported on regularly.
18. It is proposed that evaluation of the Tees Valley Local Growth Plan will be externally commissioned to ensure objectivity and an independent review of overall impact.

## Proposed timeframe

19. The table below sets out the proposed timeframe for the full development of the Tees Valley Local Growth Plan, including the work required to develop the Tees Valley Investment Pipeline, which will inform the next TVCA Investment Plan. Government expects that we work towards ensuring our Local Growth Plan is finalised and publicly published following Spending Review. A draft plan will be published for engagement and feedback. It is also recognised that Local Growth Plans will be subject to iterations once published.

Activity	Proposed Timeframe
Production of the Draft Local Growth Plan	Commenced May 2025
Procurement of external provider to provide capacity support	June 2025
Develop Monitoring and Evaluation Framework	June-October 2025
Review and reflect on Government announcements and publications - Spending Review, Industrial Strategy and Sector Plans, and Local Growth Plan guidance.	Post-Spending Review June 2025
Tees Valley Investment Pipeline development	June-October 2025
Partner / Stakeholder Engagement	June-October 2025
Final draft of Tees Valley Local Growth Plan (for review/approval)	For TVCA Cabinet December 2025
Designing of Tees Valley Local Growth Plan	November-December
Publish Tees Valley Local Growth Plan	By March 2026

## Tees Valley Local Growth Plan - development of pipeline to inform future Investment Plan

20. The intention of the Tees Valley Investment Pipeline is to attract public and private investment across our region. Work has commenced on a proposed vision and approach, which [is being] reviewed and finalised following publication of the government guidance for Local Growth Plans.
21. The government guidance published on the 11 June 2025 states that Mayoral Strategic Authorities will need to work closely with the private and public sectors to secure the necessary strategic investment to deliver Local Growth Plans - whether that is growing businesses and creating new jobs in key sectors or delivering the enabling infrastructure (such as housing, transport and employment sites) for growth.
22. Government is aware that Mayoral Strategic Authorities are already developing and managing investment pipelines. Local Growth Plans are an opportunity to set out some of the major opportunities for growth in regions that align with Local Growth Plan priorities and can be unlocked through private sector investment and, in some cases, support from central government (including from public financial institutions). Local Growth Plans must therefore include a shorter investment pipeline of priority projects that have specific significance for enabling growth. Mayoral Strategic Authorities have flexibility to decide on the projects they wish to highlight within Local Growth Plans – Government have, however, provide an indicative list of the types of opportunities

which might be worth highlighting and how a regional investment pipeline could be managed.

23. Once developed, the Investment Pipeline will inform the future Tees Valley Investment Plan, which will be reported back to Cabinet for approval.

## Proposed Vision and Objectives

24. The proposed vision for the Investment Pipeline is as follows:

*Boost regional competitiveness and build resilience through maximising investment across the Tees Valley to bring forward key strategic projects, programmes, sites and investments that have the greatest impact to the economic growth and sustainability of the region.*

25. The Investment Pipeline has the following proposed objectives:

- a) To provide a proactive investment prospectus to aid in identifying and securing public and private sector funding to realise strategic priorities.
- b) To provide a real-time comprehensive and robust pipeline of projects, programmes, sites and investments across the Tees Valley.
- c) To be informed by adopted and existing methodologies to prioritise projects, programmes, sites and investment opportunities.
- d) To inform, influence and obtain buy-in from key stakeholders, partners, investors and funders. Promoting investment opportunities to developers and long-term investment bodies to maximise return on investment for the public purse.
- e) To ensure key priorities are reflected in the development pipelines of external bodies, such as infrastructure providers and the National Wealth Fund.
- f) To ensure the Tees Valley can mobilise swiftly to secure new investment and funding opportunities.
- g) To provide all partners and stakeholders with a consistent narrative and approach – ensuring one voice when promoting opportunities in the Tees Valley (linking closely with the emerging Tees Valley Inward Investment Strategy).
- h) To identify opportunities where regional working joins up similar investment opportunities to create a stronger case for investment, economies of scale and better use of resource.

- i) To underpin strategic conversations with government to inform and influence government investment, future devolution powers; and to inform the future Tees Valley Investment Plan.
- j) To identify strategic priorities and secure resources to mobilise their development to ensure they are investment ready.

## Proposed approach to development

26. The Investment Pipeline will be built on strong collaboration with local authorities, key partners and stakeholders and will be developed with the assistance of external capacity support to work closely to:

- I. Define the scope of the investment pipeline
- II. Define a communication and engagement plan for the investment pipeline, including identification of key stakeholders and partners.
- III. Develop the prioritisation methodology for the investment pipeline \*.
- IV. Identify the longlist of opportunities.
- V. Oversee the assessment process and outcomes.

\* It is proposed that projects and programmes within the investment pipeline will have gone through a prioritisation methodology that aligns with the Local Growth Plan priorities agreed by Cabinet and Green Book principles to consider strategic fit, scale of investment, potential economic impact and deliverability.

27. A Pre-Tender Market Engagement [has been launched] in preparation for the potential procurement of a supplier to provide support. The responses will be reviewed and it is anticipated that additional capacity will be in place from early July 2025.

28. The Investment Pipeline will be developed and implemented as follows:

- a) An Investment Pipeline Task and Finish Group will be established, including TVCA officers and Tees Valley Management Group members.
- b) Tees Valley Chief Executives will oversee the outputs and outcomes from the Task and Finish Group.
- c) The Investment Pipeline Task & Finish Group will meet regularly to oversee the development of the Investment Pipeline and related work being conducted by external capacity support.

## Next Steps and Timescales

TASK	Q1 25/26	Q2 25/26	Q3 25/26	Q4 25/26
Establish Task & Finish Group	<i>June</i>			
Seek Cabinet agreement to principles and approach to TVIP	<i>June</i>			
External capacity support in place	<i>July</i>			
Workshops to develop TVIP	<i>May - August</i>			
First TVIP draft completed		<i>August</i>		
Consultation with key stakeholders		<i>September</i>		
Final TVIP produced		<i>October</i>		
Tees Valley Cabinet report to seek approval of the TVIP			<i>December</i>	
Agree joint approach to development of strategic priorities			<i>Up to March 2026</i>	

## FINANCIAL IMPLICATIONS

29. Local Growth Plan preparation and publication – MHCLG will provide Capacity Building funding for FY2025-26 to support the preparation of Spatial Development Strategies and Local Growth Plans. The level of funding is not yet known.
30. The Tees Valley Local Growth Plan Investment Pipeline, once agreed, will inform the future Tees Valley Investment Plan and that Investment Plan will be reported to Cabinet at a future meeting.

## LEGAL IMPLICATIONS

31. The English Devolution White Paper, published in December 2024, stated that the Government will place a statutory duty on Mayors to produce a Local Growth Plan. The associated legislation (English Devolution Bill) is expected to be laid before Parliament before Summer 2025.

## RISK ASSESSMENT

32. At this stage in the process of developing the Local Growth Plan it is considered that existing management systems and daily routine activities are sufficient to control and reduce risk. The most significant risk currently is the timescale and ability to engage key partners.
33. As the Local Growth Plan is developed detailed risk assessments will be developed to assist with delivery.



34. The recommendations in this report relating to the development of the Local Growth Plan Investment Pipeline are low risk. As the work of the Investment Pipeline Task and Finish Group progresses a risk assessment will be undertaken.

## **CONSULTATION & COMMUNICATION**

35. Our Local Growth Plan is being developed collaboratively with our constituent local authorities and the Business Board. Wider engagement with other relevant partners and stakeholders will take place over the coming months.

36. The Investment Pipeline Task and Finish Group will oversee the development of a communication and engagement plan, specific to the development of the investment pipeline, to ensure all relevant partners and stakeholders are involved where appropriate to ensure support and alignment.

37. This report has been considered by the Tees Valley Business Board, Tees Valley Management Group and Tees Valley Chief Executives.

## **EQUALITY & DIVERSITY**

38. The Local Growth Plan should be the overarching framework for inclusive regional economic growth. The Local Growth Plan will need to include priorities and interventions to get more people into work, many of whom have disabilities and/or long-term health conditions, and tackle inequality.

39. At this stage in the preparation of the plan and pipeline there are no direct equality and diversity implications.

40. Equality Impact Assessments will be produced as the plan is further developed.

**Name of Contact Officer:** Stephanie Rose

**Post Title:** Policy Development Manager

**Telephone Number:** 01325 792600

**Email Address:** [stephanie.rose@teesvalley-ca.gov.uk](mailto:stephanie.rose@teesvalley-ca.gov.uk)

**BLANK PAGE**

# National policy overview

## Government's Plan for Change – 5 national missions

### The Growth Mission – Kickstart Economic Growth

Raising living standards in every part of the United Kingdom

Economic and fiscal stability	Investment, infrastructure and planning	Place	People	Industrial strategy and trade	Innovation	Net Zero
Macroeconomic and financial stability, fiscal sustainability and policy certainty.	Higher public and private investment, improved infrastructure like transport, and planning reform	<b>Regional growth through investment, devolution and reform, and support for house building.</b>	<b>More people in good jobs and improved employment prospects, skills and productivity.</b>	<b>An industrial strategy and trade to bolster growth-driving sectors and free, open trade.</b>	Support for scientific breakthroughs, research and development, and the diffusion of technologies including AI.	Net zero delivered in a way that supports growth and captures economic opportunities.

# National policy overview

## The Growth Mission – Kickstart Economic Growth Raising living standards in every part of the United Kingdom

### Place

**Regional growth** through investment, **devolution** and reform, and support for house building.

### People

More people in **good jobs and improved employment prospects, skills and productivity.**

### Industrial strategy and trade

An **industrial strategy** and trade to bolster **growth-driving sectors** and free, open trade.

### English Devolution White Paper

(published December 2024 – Bill expected to be laid before Parliament before Summer Recess 2025)

Legislation will be introduced to give new powers to metro mayors and combined authorities. This will support **local growth plans** that bring economic benefit to communities.

Intended '**areas of competence**'

1. Transport and local infrastructure
- 2. Skills and employment support**
3. Housing and strategic planning
4. Economic development and regeneration
5. Environment and climate change.
- 6. Health, wellbeing** and public service reform
7. Public safety

### Get Britain Working White Paper

(published November 2024)

**The government has set a long-term ambition to achieve an 80% employment rate.**

The approach is based on 3 pillars:

- a **modern Industrial Strategy** and **Local Growth Plans** – to create more good jobs in every part of the country
- improving the **quality** and **security** of work through the **Plan to Make Work Pay**
- the biggest **reforms to employment support** for a generation, **bringing together skills and health** to get more people into work and to get on in work

### Invest 2035: the UK's Modern Industrial Strategy and Sector Plans

(Green Paper published October 2024 – final strategy and sector plans expected to be published June 2025)

**The Industrial Strategy will create a pro-business environment and play to the UK's strengths, focusing on eight growth driving sectors**

The **8 Growth Driving Sectors** are: **advanced manufacturing; clean energy industries, creative industries; defence; digital and technologies; financial services; life sciences; and professional and business services.**

# Local policy context

English Devolution White Paper	Get Britain Working White Paper	UK Industrial strategy and sector plans
<p><b>Tees Valley Local Growth Plan</b></p> <ul style="list-style-type: none"><li>• LGP Strategic Planning Framework<ul style="list-style-type: none"><li>• 5 Key Priorities</li></ul></li><li>• Constraints to Growth – including <b>Workforce</b></li></ul> <p><b>LGP – core elements</b></p> <ul style="list-style-type: none"><li>• An <b>economic overview</b> of our region</li><li>• Our <b>shared local growth priorities</b><ul style="list-style-type: none"><li>• An <b>investment pipeline</b></li></ul></li></ul> <p><b>Joint Shared Priorities</b></p> <ul style="list-style-type: none"><li>• Skills and Employment<ul style="list-style-type: none"><li>• Transport</li></ul></li><li>• Housing and Commercial Development</li></ul>	<p><b>Local Get Britain Working Plans (Work, Health &amp; Skills)</b></p> <p><b>Get [Tees Valley] Working Plan</b></p> <p>Local GBW plans are <b>data driven strategies</b> for the area – developed and agreed collectively by local government, ICB, JCP, key and wider stakeholders.</p> <p><b>Government funded programmes:</b></p> <ul style="list-style-type: none"><li>8 Economic Inactivity Trailblazers</li><li>8 Youth Trailblazers</li><li>NHS Health &amp; Growth Accelerators</li><li>Connect to Work – Supported Employment</li></ul>	<p><b>Tees Valley Sector Propositions</b></p> <ul style="list-style-type: none"><li>• Modern Industrial &amp; Technology Cluster</li><li>• Advanced Manufacturing</li><li>• Creative Industries and Digital Technologies Cluster</li></ul>

**BLANK PAGE**

## GET TEES VALLEY WORKING PLAN

### SUMMARY

An update on the Get Tees Valley Working Plan was reported to Cabinet in March 2025. Cabinet was asked to note the report, including that the local Get Britain Working Plan (to be branded 'Get Tees Valley Working Plan') would be reported back to Cabinet for approval at a future meeting.

A further update on the Get Tees Valley Working Plan – which directly aligns to delivery of the workforce element of the Local Growth Plan – is provided in this report, specifically on Government's requirements relating to the preparation and publication of the plan and timeframe. The initial summary of proposals for the Get Tees Valley Working Plan is attached at **Appendix 1** for Cabinet approval.

### RECOMMENDATIONS

It is recommended that Cabinet:

- i. **NOTES:** the update on the Get Tees Valley Working Plan as detailed in paragraphs 1-17.
- ii. In relation to the proposed approach and timescales for the development of the Get Tees Valley Working Plan as detailed in paragraphs 13-21 of this report, Cabinet has the following options:
  - a. **TO APPROVE** the proposed approach and timescales for the development of the Get Tees Valley Working Plan.
  - b. **NOT APPROVE** the proposed approach and timescales for the development of the Get Tees Valley Working Plan.

**RECOMMENDED OPTION – Option ii(a)** The proposed approach and timescales provide for the remaining work required to ensure production of the Get Tees Valley Working Plan in accordance with the published government guidance.

- iii. In relation to the initial summary of proposals for the Get Tees Valley Working Plan as detailed in paragraphs 18-22 of this report, Cabinet has the following options:
  - a. **TO APPROVE** the initial summary of proposals for the Get Tees Valley Working Plan in **Appendix 1** to be submitted to the Department for Work and Pensions.
  - b. **NOT APPROVE** the initial summary of proposals for the Get Tees Valley Working Plan in **Appendix 1** to be submitted to the Department for Work and Pensions.

**RECOMMENDED OPTION** – Option iii(a). The initial summary of proposals for the Get Tees Valley Working Plan sets out the work required, and the proposed approach to this work, to ensure production of the Get Tees Valley Working Plan and is a requirement of government as set out in the published local Get Britain Working Plans guidance.

## DETAIL

### Local Get Britain Working Plans – Get Tees Valley Working Plan

#### Get Tees Valley Working Plan - National and local policy context

1. The Get Britain Working White Paper (published November 2024) set out three objectives (improving engagement, employment, and earnings) in addition to the requirement for all areas in England to develop local Get Britain Working Plans – these are detailed plans that address the challenges related to labour force participation (employment, unemployment and economic inactivity) and progression in work.
2. Local Get Britain Working Plans will form a part of achieving the Government’s ambition of an 80% UK employment rate by identifying local labour market challenges and setting out how local areas will address them.
3. The current employment rate in Tees Valley is 71.5%<sup>1</sup>. To meet the Government’s ambition of an 80% UK employment rate, this requires 37,000 more working-age residents in employment over the next 10 years.
4. Local Get Britain Working Plans will help integrate the new jobs and careers service, combining Jobcentre Plus and the National Careers Service, with wider local efforts, while also supporting better coordination across public services such as the NHS and DWP to inform future commissioning and delivery.

---

<sup>1</sup> Employment. ONS (2024): Number of Tees Valley residents in employment, in Tees Valley or elsewhere.  
Employment Rate. ONS (2024): Number of working age residents in employment, divided by the working age resident population

5. These plans are intended to align with Local Growth Plans, other local economic strategies, such as the Tees Valley Employment and Skills Strategy – 2022 and beyond, Local Skills Improvement Plans (LSIPs), and Integrated Care Board's Work and Health Strategies.
6. Where the relevant Local Growth Plan sets out a shared priority of health, skills, or inactivity this should be set out clearly in the local Get Britain Working plan.

## Get Tees Valley Working Plan development – government requirements and timeframes

7. As reported to Cabinet in March 2025 under agenda item 4, draft guidance for local Get Britain Working Plans had been shared by the Department for Work and Pensions (DWP). On 3 April, DWP published the [final guidance](#) along with a [Get Britain Working Outcomes](#) policy paper.
8. The outcomes policy paper set out what the Government wants to see from proposals to reform employment, health and skills support to tackle economic inactivity, support people into good work and fuel economic growth.
9. In accordance with DWP branding guidelines, the local Get Britain Working plan for Tees Valley is to be branded 'Get Tees Valley Working Plan' (GTVWP).

## Who should be involved in the development of local Get Britain Working plans

10. The published government guidance states that 'the development of local Get Britain Working plans should be overseen by a formal partnership of key local stakeholders alongside the accountable body and any constituent authorities in the local area'. This must consist of a nominated lead from the Integrated Care Board(s) and Jobcentre Plus, and should include representation from:
  - voluntary, community, and social enterprise organisations
  - education and skills providers
  - employer and business representative groups (it is recommended this includes representation from the Employer Representative Body responsible for the development and implementation of Local Skills Improvement Plans within that area)

The guidance also states, 'In addition to the formal oversight provided by the partnership, local areas may wish to seek insights and input from wider local stakeholders.'

11. Membership of the existing Tees Valley Education, Employment & Skills Advisory Group has been widened to include the additional representatives required to meet this guidance.
12. As with Local Growth Plans, there is no set format for these plans and areas have the flexibility to develop plans in a way which will have the maximum impact within their areas. However, there are some core elements which will be expected in all plans as a minimum, these are:
  - Labour market analysis
  - Drivers and causes of supply and demand side labour market issues
  - Current system and offer
  - Working with partners
  - Systemic changes
  - Priority Actions and Longer-Term Goals - establish clear priorities for the next 12–24 months, aligned with national and local strategies such as Local Growth Plans.

## **Timeframe for the development of local Get Britain Working plans**

13. Published guidance states, 'It is recognised that areas are at differing stages and while some areas will be able to publish comprehensive plans, for other areas the process may be more iterative. Where feasible, areas are asked to publish their local Get Britain Working plans by July 2025 once completed and agreed locally in accordance with the requirements set out above where possible.'
14. Where areas are unable to publish their local Get Britain Working plans before July, they should submit to DWP an initial summary of their proposals for local Get Britain Working plans to DWP no later than 27 June 2025.
15. This initial summary of proposals should be signed off by the relevant Integrated Care Board(s) and Jobcentre Plus / Jobs and Careers Service representatives.
16. As a minimum all areas are expected to have initial plans covering inactivity completed and published by September 2025.
17. Alongside Local Authorities, there is the expectation that the Integrated Care Board(s) and Jobcentre Plus will formally sign off the final plan ahead of submission before it is reviewed by DWP two weeks ahead of its publication.



## Proposed Tees Valley approach

18. As with the Local Growth Plan, the Get Tees Valley Working Plan is a locally owned document. It will be built on strong collaboration with local authorities, DWP / Jobcentre Plus, the Integrated Care Board and relevant key partners and stakeholders. There is a strong commitment to working together strategically for the best interest of the region and it is important that we take the necessary time needed to develop a plan that is right for Tees Valley.
19. As such, it is proposed to submit to DWP an initial summary of our proposals for the plan on 27 June 2025 and to have our initial plan covering inactivity completed and published by September 2025.
20. **Appendix 1** is the initial summary of our proposals for the plan. In accordance with the published guidance, these proposals have been developed in collaboration with our constituent local authorities, DWP / Jobcentre Plus, the North East and North Cumbria (NENC) Integrated Care Board and the formal partnership group.
21. In accordance with the published guidance, the initial summary of our proposals for the plan have been signed off by the NENC Integrated Care Board and Jobcentre Plus / Jobs and Careers Service representatives.
22. TVCA Cabinet are asked to approve the proposed approach to the development of the Get Tees Valley Working Plan and to approve the initial summary of our proposals for the plan to be submitted to DWP on 27 June 2025.

## FINANCIAL IMPLICATIONS

23. Local Get Britain Working Plans Fund Grant - the purpose of the grant is to cover expenditure incurred in the production and publication of Local Get Britain Working plans in line with the stipulations set out in local Get Britain Working plans guidance. This funding is to be regarded as a one-off payment allocated to each accountable body.
24. The funding allocation for Tees Valley Combined Authority for the period 1 April 2025 to 31 March 2026 is £100,000 to secure additional resource as required.

## LEGAL IMPLICATIONS

25. The English Devolution White Paper, published in December 2024, stated that the Government will place a statutory duty on Mayors to produce a Local Growth Plan. The associated legislation (English Devolution Bill) is expected to be laid before Parliament before Summer 2025.

26. In Mayoral Combined Authorities, local Get Britain Working plans should be guided by and support the regional objectives set out in Local Growth Plans.

## **RISK ASSESSMENT**

27. At this stage in the process of developing the Get Tees Valley Working Plan, it is considered that existing management systems and daily routine activities are sufficient to control and reduce risk. The most significant risk currently is the timescale and ability to engage key partners.

28. As the plans are produced detailed risk assessments will be developed to assist with delivery.

## **CONSULTATION & COMMUNICATION**

29. The published guidance for local Get Britain Working Plans states that development of the plans should be overseen by a formal partnership of key local stakeholders alongside the accountable body and any constituent authorities in the local area.

30. This partnership must consist of a nominated lead from the relevant Integrated Care Board and Jobcentre Plus, and should include representation from:

- voluntary, community, and social enterprise organisations
- education and skills providers
- employer and business representative groups (it is recommended this includes representation from the Employer Representative Body responsible for the development and implementation of Local Skills Improvement Plans within that area)

31. In addition to the formal oversight provided by the formal partnership, local areas may wish to seek insights and input from wider local stakeholders.

32. This report has been considered by the Tees Valley Business Board, Tees Valley Management Group and Tees Valley Chief Executives.

## **EQUALITY & DIVERSITY**

33. Published guidance for local Get Britain Working Plans states that ‘the plan should include a labour market analysis’ and specifically ‘include an assessment of which groups are most disadvantaged and the causes and impacts of this to the individual, the local economy, and local services.’



34. 'Key groups will include disabled people, people with a health condition, disadvantaged young people and older people, people with caring responsibilities (including parents and lone parents particularly where this supports the government's ambitions to reduce child poverty), and people who face multiple disadvantages (for example homelessness, ex-offenders, refugees, and care experienced).'
35. At this early stage in the preparation of the plan, there are no direct equality and diversity implications.
36. As the plan is further developed Equality Impact Assessments will be produced in parallel.

**Name of Contact Officer:** Stephanie Rose  
**Post Title:** Policy Development Manager  
**Telephone Number:** 01325 792600  
**Email Address:** [stephanie.rose@teesvalley-ca.gov.uk](mailto:stephanie.rose@teesvalley-ca.gov.uk)

**BLANK PAGE**

## Get Tees Valley Working Plan

### **Annex C: option initial proposal template [18-06-25]**

Where local areas are unable to publish their local Get Britain Working plans before July, they should submit to DWP an initial summary of proposals for their local Get Britain Working plans, no later than June 27th, using the template below to:

[gbw.plans@dwp.gov.uk](mailto:gbw.plans@dwp.gov.uk)

<b>Contact Information</b>	
Individual plan "Brand" Name <i>Individual plans should be branded as "Get [name of place] Working" plan</i>	Get Tees Valley Working Plan
Geography covered by plan:  <b>Tees Valley</b> is a geography covering the five local authority areas of: Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees.	
Accountable Body <i>(If this differs from the accountable body for your Connect to Work Delivery Area, please provide your reasoning for this in the space below)</i>	Tees Valley Combined Authority
N/A	
Name of the specific point of contact for the plan:	Stephanie Rose
Email address: <a href="mailto:stephanie.rose@teesvalley-ca.gov.uk">stephanie.rose@teesvalley-ca.gov.uk</a>	
Date: Subject to TVCA Cabinet approval on 27 June 2025, Annex C will be submitted to DWP on 27 June 2025	

1	<p>Please confirm who the Accountable Body will be for your local GBW plan and provide a central point of contact.  <i>Please advise if this differs from the Accountable Body for your Connect to Work Delivery Area and your reasoning behind this.</i></p>
<p>Tees Valley Combined Authority (TVCA)</p>	
2	<p>Please confirm which other constituent local authority areas (upper tier and unitary authorities) will be covered by your plan and the Integrated Care Boards you will be working with to develop your plan.  <i>This is expected to cover your Connect to Work geography as a minimum.</i></p>
<p>The constituent local authority areas that will be covered by our plan are:  Darlington, Hartlepool, Middlesbrough, Redcar &amp; Cleveland and Stockton-on-Tees.</p> <p>We will be working with the North East and North Cumbria Integrated Care Board (NENC ICB) to develop our plan.</p>	
3	<p>Please detail the organisations who will form the partnership group to develop and provide the governance of your local plan.  <b><i>Please include the organisations involved in the Governance Board for both the initial local plan and when the plan is reviewed. E.g. Integrated Care Boards (ICBs), voluntary, community, and social enterprise organisations, education and skills providers, employer and business representative groups, employment experts and providers (including representatives from JCP), and upper and lower-tier local authorities where relevant.</i></b></p>
<p>The development of the <b>Get Tees Valley Working Plan</b> will be overseen through a <b>formal partnership group</b> in accordance with the government guidance.</p> <p>For Tees Valley, the <b>formal partnership group</b> is the <b>Tees Valley Education, Employment &amp; Skills Advisory Group</b>.</p> <p>Membership of the Tees Valley Education, Employment &amp; Skills Advisory Group has been widened to include the NHS North East and North Cumbria Integrated Care Board and fully meets the membership requirements for the formal partnership.</p> <p>EES Advisory Group membership includes:</p> <ul style="list-style-type: none"> <li>• Tees Valley Combined Authority (the accountable body)</li> <li>• Constituent local authorities</li> <li>• NHS North East and North Cumbria Integrated Care Board</li> <li>• Jobcentre Plus</li> <li>• Voluntary, community, and social enterprise organisations</li> <li>• Education and skills providers</li> </ul>	

- Employer and business representative groups (this includes representation from the Employer Representative Body responsible for the development and implementation of the Local Skills Improvement Plan within our area).

4 Please advise of any engagement activity which has been carried out, to date, regarding your local plan.  
*E.g. with ICBs, Jobcentre Plus colleagues, constituent LAs or wider, where applicable.*

Following the publication of the government guidance for local Get Britain Working plans on 3 April 2025, the engagement activity which has been carried out, to date, regarding our local plan includes:

When	What	Who
April 2025	Tees Valley Management Group Workforce Workstream Workshop	TVCA, TVMG and other relevant constituent local authority officers
April 2025	Initial engagement & scoping meeting	TVCA, DWP / JCP
April 2025	Initial engagement & scoping meeting	TVCA, NHS North East and North Cumbria Integrated Care Board
May 2025	Follow-up engagement & scoping meeting	TVCA, DWP / JCP
May 2025	Tees Valley Management Group meeting	Tees Valley Management Group
May 2025	GTVWP Session 1	TVCA, representatives from constituent local authorities covered by our plan - Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees); DWP/JCP; and NHS North East and North Cumbria Integrated Care Board (NENC ICB).
June 2025	Tees Valley Education, Employment & Skills Advisory Group – the formal partnership for the development of the plan	TVCA, representatives from constituent local authorities covered by our plan - Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees); DWP/JCP; NHS North East and North Cumbria Integrated Care Board (NENC ICB), DfE, FE Colleges, Training Providers, VCSE, Tees Valley Business Board, Tees Valley LSIP ERB, other Business Representative Organisations.
June 2025	Tees Valley Management Group Meeting	Tees Valley Management Group
June 2025	Tees Valley Chief Executives Meeting	Tees Valley Chief Executives

June 2025	TVCA Cabinet	TVCA Cabinet
-----------	--------------	--------------

5 Please describe the anticipated or confirmed governance, clearance and sign off processes for your local plans.

The governance, clearance and sign off processes for our **Get Tees Valley Working Plan** will be in accordance with the [Tees Valley Assurance Framework](#) and in accordance with [government Guidance for Developing local Get Britain Working plans \(England\)](#), published 3 April 2025.

The confirmed governance, clearance and sign off processes for our **Get Tees Valley Working Plan** is set out below.

<b>NENC Integrated Care Board</b>	<b>TVCA Governance</b>	<b>DWP / Jobcentre Plus</b>
<p>NENC ICB member of EES Advisory Group</p> <ul style="list-style-type: none"> <li>ICB participation in the Get Tees Valley Working planning workshops</li> <li>Involvement of Tees Valley CA leads in the Health and Growth Accelerator programme steering group and development of its delivery plan</li> </ul>	<p><b>Education Employment &amp; Skills Advisory Group</b> (formal partnership group for the Get Tees Valley Working Plan)</p> <p>In relation to the GTVWP, the role of the formal partnership includes:</p> <ul style="list-style-type: none"> <li>providing intelligence on local labour market challenges</li> <li>identifying employment barriers faced by different groups and in different parts of the local Get Britain Working plan area</li> <li>identifying provision delivered through their organisations</li> <li>proposing interventions and promoting cross-sector collaboration</li> <li>identifying and addressing duplication and supporting synergies</li> </ul>	<p>DWP / Jobcentre Plus member of EES Advisory Group</p> <ul style="list-style-type: none"> <li>DWP / Jobcentre Plus participation in the Get Tees Valley Working planning workshops</li> </ul>

	<p>GTVWP jointly agreed by members of the partnership as the plan is developed</p>	
	<p><b>Tees Valley Management Group (TVMG)</b> (including TVMG Workforce Workstream)</p> <p>Sign-off from constituent authorities prior to publication</p>	
	<p><b>Tees Valley Chief Executives</b></p> <p>Sign-off from constituent authorities prior to publication</p>	
<p><b>NENC Integrated Care Board</b></p> <p>Final sign off by the ICB of Get Tees Valley Working Plan prior to publication</p>	<p><b>TVCA Cabinet</b> (final sign off / decision-making board)</p> <p>Final sign off by the constituent authorities of the Get Tees Valley Working Plan prior to publication.</p>	<p><b>DWP / Jobcentre Plus</b></p> <p>Final sign off by the Jobcentre Plus of Get Tees Valley Working Plan prior to publication</p>

6	In addition to the partnership group, which wider stakeholders, both internal and external, will the lead authority engage with in the development of local plans?
---	--

In addition to the formal partnership group, we will engage a range of wider stakeholders to shape the development of the plan.

Wider stakeholders could include:

- Operational representatives from Jobcentre Plus
- Academic institutions and research bodies, offering insight into skills pipelines, graduate retention, and local innovation.
- Housing associations, who support vulnerable residents and have an understanding of wider social barriers that will be important in shaping inclusive employment strategies.

- VCSE organisations, particularly those with strong links into underrepresented or disadvantaged communities.
- Local employer groups and representative bodies beyond those in the core partnership, ensuring a wider business voice.

Engagement will span the full Tees Valley geography, reflecting the footprint of the five constituent authorities, ensuring the plan can respond to common regional challenges while retaining flexibility to reflect localised needs.

7 Please briefly describe any existing plans and strategies you have in place which could be used to inform the local plan.

The development of the **Get Tees Valley Working Plan** (GTVWP) will also be informed by a range of existing local strategies, providing the strategic direction for addressing employment, skills and health challenges across the region. The GTVWP will underpin these existing local plans and strategies – it will enhance and not duplicate any existing delivery activity.

Together, these plans and strategies will ensure the Get Tees Valley Working Plan is underpinned by a robust evidence base and strategically aligned at a local level.

Key existing strategies and plans include:

Existing plans and strategies	Brief description
<p><b>Tees Valley Strategic Economic Plan (2016-2026)</b></p> <p><a href="#">Tees Valley Strategic Economic Plan (2016-2026)</a></p>	<p>The overall aim of Tees Valley Combined Authority and the Tees Valley Business Board is to maximise the amount of investment in Tees Valley.</p> <p>To achieve this a Strategic Economic Plan (SEP) was developed. It sets out the steps that are being taken to overcome the barriers to business growth within Tees Valley, placing SMEs, innovation and individuals at the centre of our region’s growth ambitions.</p>
<p><b>Tees Valley Employment &amp; Skills Strategy – 2022 and beyond</b></p> <p><a href="#">Tees Valley Employment &amp; Skills Strategy – 2022 and beyond</a></p>	<p>This strategy sets out how we will work with our partners and stakeholders to ensure businesses and people here in Tees Valley are able to seize every opportunity.</p>

<p><b>Tees Valley Digital Strategy 2022-32</b>  <a href="#">Tees Valley Digital Strategy 2022-2032</a></p>	<p>This Strategy sets the scene for digital infrastructure, technology and skills for the next 10 years in a constantly evolving digital landscape and marks a move away from previous work which has focused specifically on the digital industry sector.</p>
<p><b>Tees Valley Strategic Transport Plan</b>  <a href="#">Tees Valley Strategic Transport Plan</a></p>	<p>This plan sets out our ambitious vision for the Tees Valley, detailing exactly what we are doing, why and how we will deliver the world-class transport system our companies, people and visitors deserve.</p>
<p><b>Tees Valley Local Skills Improvement Plan (LSIP) 2022-25</b>  <a href="#">Tees Valley Local Skills Improvement Plan (LSIP) 2022-25</a></p>	<p>Led by designated Employer Representative Bodies (ERBs), Local Skills Improvement Plans (LSIPs) are designed to enhance skills training and development in specific areas. They provide a set of actionable priorities that employers, providers, and stakeholders can support to drive change. LSIPs serve as a valuable resource for local skills training providers and employers, offering important intelligence for initiatives like Skills England.</p>
<p><b>Hartlepool Council Plan 2030</b></p>	<p>This sets out the vision for the future in 2030 and sets out what else we need to deliver over the next few years within Hartlepool.</p>
<p><b>Hartlepool Community Hubs Strategy 2023-28</b></p>	<p>This sets out shared ambition for the town incorporating priorities including work, health and skills.</p>
<p><b>Hartlepool Inclusive Growth Strategy 2022-25</b></p>	<p>This sets out the town’s economic priorities for growth focusing on three distinct themes – developing people, developing business and developing place.</p>

<p><b>Hartlepool Cohesion Strategy</b></p>	<p>This aims to foster a strong sense of community where people from all backgrounds work together and influence local decisions following and will launch in July/August 2025.</p>
<p><b>Inclusive Growth Strategy - Stockton</b> <a href="#">Inclusive Growth Strategy 2022 - 2027</a></p>	<p>The Inclusive Growth Strategy is a long-term approach to enable the fair distribution of economic growth across the Borough that creates accessible opportunities for all residents.</p>
<p><b>North East and North Cumbria Integrated Care Strategy</b> <a href="#">Integrated Care Strategy - Better health and wellbeing</a></p>	<p>The NENC Integrated Care Strategy, 'Better health and wellbeing for all', sets out how we will reduce inequalities, improve experiences of our health and care services and improve the health and wellbeing of people living and working in our region by 2030 and beyond.</p>

8	Please advise of any other plans and strategies which you are currently developing which can be drawn on for your local plan.
---	---

**Tees Valley Local Growth Plan**

The emerging **Local Growth Plan** will be a key strategic document influencing the GTVWP. As set out in guidance, in Mayoral Combined Authority areas, local Get Britain Working plans should be guided by and support the aims of their Local Growth Plan, setting out a 10-year ambition alongside immediate goals and actions.

The GTVWP will be developed alongside the Local Growth Plan and will be the 'workforce' delivery plan of the Local Growth Plan. As such, the GTVWP will be kept under review and updated, as necessary, to reflect the Local Growth Plan, recognising the importance of our 'workforce' in helping us achieve our economic growth ambitions.

**Local Growth Plan – local high level growth priorities**

In December 2024, TVCA Cabinet approved the high-level Tees Valley Local Growth Plan priorities, these are set out below:

- 1. Grow our globally competitive modern industrial and technology cluster and enabling advanced manufacturing sector by securing further investment, deepening our innovation expertise and attracting and retaining talent.**

2. Accelerate our rapidly growing digital cluster and creative cluster by securing further investment, growing our business base and attracting and retaining talent.
3. Diversify and drive the growth of our everyday economy by increasing business density and developing the skills of our people to get more people into work.
4. Create the environment for growth and accelerate regeneration of our communities making Tees Valley an attractive place to live, work and invest.
5. Accelerate the development of strategic transport, energy, digital and housing infrastructure to maximise the potential of our growth opportunities and create the environment for growth.

### Local Growth Plan – Shared Priorities

In addition to the local high level growth priorities, work has continued to develop and agree with Government a set of ‘shared priorities’, which are high-level outcomes that Government would commit to work with us on to realise growth ambitions.

One of the three shared priorities for Tees Valley is **Skills and Employment**

***Increase the skills base and reduce economic inactivity to enable residents to rejoin or increase participation in the workforce and support them into better employment opportunities.***

#### High-level Growth Priorities

- 1 Grow our globally competitive modern industrial and technology cluster and enabling Advanced Manufacturing sector by securing further investment, deepening our innovation expertise and attracting and retaining talent.
- 2 Accelerate our rapidly growing digital cluster and creative cluster by securing further investment, growing our business base and attracting and retaining talent.
- 3 Diversify and drive the growth of our everyday economy by increasing business density and developing the skills of our people to get more people into work.
- 4 Create the environment for growth and accelerate regeneration of our communities making Tees Valley an attractive place to live, work and invest.
- 5 Accelerate the development of strategic transport, energy, digital and housing infrastructure to maximise the potential of our growth opportunities and create the environment for growth.

#### Shared Joint Priorities

- 1 **Skills and Employment**  
Increase the skills base and reduce economic inactivity to enable residents to rejoin or increase participation in the workforce and support them into better employment opportunities. Addressing this will require HMG and TVCA to work together to explore actions. This would deliver a more joined-up approach which addresses local workforce challenges, providing the talent pipeline for key growth sectors.
- 2 **Transport**  
Improve transport accessibility and travel experiences to better connect workers across the region to employment and industrial sites. Addressing this will require HMG and TVCA to work together to explore actions. This would support residents to access more economic opportunities, with businesses better able to attract talent across a wider geography and facilitate growth and inward investment.
- 3 **Housing and Commercial Development**  
Increase the availability and viability of high -quality commercial land and space, such as office, industrial, research and development space, and appropriate housing, to increase business density and to attract and retain talent. Addressing this will require HMG and TVCA to work together to explore actions. This would provide the foundations for greater business investment and expand the available talent pool for business, boosting growth and productivity in key sectors.

### **Connect to Work 5 Year Delivery Plan**

As the Accountable Body for the Tees Valley Connect to Work programme, work is currently underway to develop the 5 Year Delivery Plan for the programme.

### **Tees Valley Local Skills Improvement Plan (LSIP) – 2025 onwards**

Published guidance for local Get Britain Working plans states that ‘plans should draw on and be integrated with other relevant local work, health and skills plans. This includes Local Skills Improvement Plans.’

The forthcoming reform to Local Skills Improvement Plans (LSIPs), will see LSIPs being jointly owned and prepared by Mayoral Strategic Authorities and the designated Employer Representative Body (ERB). As such, the development of a new Tees Valley LSIP, the purpose of which is to articulate the skills needs and priorities of employers to inform post-16 technical education programmes, brings the opportunity to further enhance the evidence base of the GTVWP with the employer voice.

### **North East and North Cumbria Work and Health Strategy** (in development)

9

Please provide the details of which elements of the local plan asks, (as described in guidance), you think the plans mentioned in questions 7 & 8 above would cover, and which elements will require additional work.

As with Local Growth Plans, there is no set format for local Get Britain Working plans and areas have the flexibility to develop their plan in a way which will have the maximum impact within their area.

However, government guidance states that the **core elements** which will be expected in **all plans as a minimum** are:

- **Labour market analysis**
- **Drivers and causes of supply and demand side labour market issues**
- **Current system and offer**
- **Working with partners**
- **Systemic changes**
- **Priority Actions and Longer-Term Goals**

The extensive evidence base for the **Tees Valley Local Growth Plan**, the **Tees Valley Connect to Work programme**, the **Tees Valley Youth Trailblazer** and the **Tees Valley Skills Analysis 2024**, cover key areas including labour market participation, progression, earnings, job quality and economic inactivity. This provides a solid foundation on which to build the **Get Tees Valley Working Plan**.

The table below is a summary, based on an ‘initial assessment’, of where we think the plans mentioned in questions 7 & 8 above would cover, and which elements will require additional work.

<b>Get Tees Valley Working Plan - Core Elements</b>	<b>Covered in questions 7 &amp; 8</b>	<b>Will require additional work</b>
<b>Labour market analysis</b>	Yes	Yes - deep dives into specific topics/themes
<b>Drivers and causes of supply and demand side labour market issues</b>	Yes	Yes – deep dives into specific topics/themes
<b>Current system and offer</b>	Yes - partially	Yes – further mapping of current system and offer needed
<b>Working with partners</b>	Yes - partially	Yes - further mapping of ways of working needed

10	Please provide a summary of the key labour market challenges in your area. <i>Please note: We will expect this to be expanded on with a more detailed analysis within the full plan.</i>
----	---

The bold economic ambitions of Tees Valley are affected by several recognised labour market challenges within the region. More detailed information about the individual constraints is set out below, whilst a fuller, more detailed analysis will be included within the full plan.

By way of introduction and at the heart of our ambitions for Tees Valley is economic growth. Of course, we want to increase productivity within Tees Valley and accelerate regional economic growth, as part of our contribution to the UK's Industrial Strategy and the Government's Growth Mission. However, the level of GDP generated from the Tees Valley economy is significantly less than the national rate and **our current estimates indicate that the size of the productivity gap is somewhere in the region of £7.5 billion. We also estimate that to meet the national rate of GDP per head of population and thereby close the productivity gap between ourselves and the UK, would require an additional £10,930 GDP per person in Tees Valley.**

Added to this and due mainly to a relatively small private sector with the region, business density in Tees Valley is relatively low compared with UK business density. **To match the UK business density rate, Tees Valley would need 10,240 more new businesses, on top of the current number, which is 17,450.**

Of course, we want to continue to increase the number of jobs created in Tees Valley and we certainly aim to ensure that there are enough jobs for everyone who wants one, but the actual number of jobs currently advertised across the region is significantly less than the number of people who are actively looking for work. **We estimate a shortfall of approximately 8,930 jobs currently.**

More notably, the employment rate in Tees Valley is significantly less than the national average and for us to bring the regional rate in line with the rest of the UK would require an additional 18,500 working-age residents in employment. **To achieve the long-term Government ambition of an 80% employment rate, Tees Valley would need an additional 36,900 working-age residents in employment.** It is within this context and against this backdrop that we aim to tackle these types of challenges to get Tees Valley working and to super-charge the regional economy.

#### **Deprivation**

- **In the Index of Multiple Deprivation 2019, Tees Valley ranks as the second most deprived LEP in England** (out of 38 LEP areas). This ranking is unchanged since 2015.
- **All five Tees Valley local authority areas rank amongst the 15% most deprived local authority districts in England.** 121 or 29% of Tees Valley's 417 LSOAs are in the 10% most deprived nationally, almost three times the national rate.
- At the local authority level, **Middlesbrough has the highest proportion (49%) of LSOAs within the most deprived 10% nationwide**, out of 317 districts nationally, with Hartlepool 10<sup>th</sup> (36%), Redcar & Cleveland 29<sup>th</sup> (24%), Stockton-on-Tees 39<sup>th</sup> (21%) and Darlington 47<sup>th</sup> (18%). 198,700 people in Tees Valley live in the 10% most deprived LSOAs nationally.
- Based on the proportion of LSOAs in the most deprived 10% nationally, **Tees Valley ranks as the most deprived LEP in England (out of 38 LEP areas) for the Income Deprivation Affecting Children Index (IDACI).**
- **Middlesbrough ranks as the most deprived local authority for IDACI** based on the proportion of LSOAs in the most deprived 10% nationally, out of 317 local authority districts in England, Hartlepool ranks 3<sup>rd</sup>, Redcar and Cleveland 13<sup>th</sup>, Darlington 30<sup>th</sup> and Stockton-on-Tees 37<sup>th</sup>.
- **Tees Valley recorded a particularly high proportion of wards classed as left-behind** with 16 areas (source: Local Trust). The aggregate population of these left-behind wards is over 125,000 residents, around 18.5% of the total Tees Valley population compared to just 4.0% nationally.

#### **Health**

- **Tees Valley has the third worst male life expectancy and second worst female life expectancy out of the 11 combined authorities.** The life

expectancy at birth for Tees Valley residents is 77.1 years for males and 80.9 years for females, a difference of 3.8 years between males and females. This compares with 79.1 years for males and 83.1 years for females for England overall. Compared to the national average, this is a gap of -2.0 years for males and -2.1 years for females.

- **Mean healthy life expectancy (HLE) at birth for Tees Valley residents is 55.4 years for males and 55.9 years for females**, a difference of 0.5 years between males and females. This compares with 61.5 years for males and 61.9 years for females for England. This is a gap of 6.1 years for males and 6.0 years for females compared to the England rate.

### Skills

- **The working age population in Tees Valley had a lower percentage of people qualified at any level compared to the national average and a higher percentage of working age population with no qualifications.** 38.1% of the Tees Valley working age population were qualified to a level 4 or above in 2024, compared to 47.4% nationally. 8.0% had no qualifications, compared to 6.4% nationally.
- **The percentage of Tees Valley residents qualified to Level 2 including English and Maths by age 19 was lower than the national average** in 2023/24, at 74% compared to 76% nationally. Between 2022/23 and 2023/24, the percentage decreased by 1 percentage point, compared to a 2 percentage point fall nationally. Between 2016/17 and 2023/23 the percentage increased by 4 percentage points, matching the change nationally.
- **Skills shortage vacancies in Tees Valley have more than doubled between 2019 and 2022, with almost one in ten employers reporting at least one skills shortage vacancy.** The 2022 DfE Employer Skills Survey reported that there were 3,200 skills-shortage vacancies in Tees Valley, an increase from 1,500 in 2019. 9% of Tees Valley establishments had at least one skill-shortage vacancy (10% nationally). This has increased from 4% in 2019.
- **Apprenticeship starts in Tees Valley have fallen significantly between 2018/19 and 2023/24.** However, Tees Valley consistently has a higher rate per 100,000 population starting an apprenticeship than nationally. 1,124 per 100,000 population started an apprenticeship in 2023/24, compared to 937 nationally. The rate per 100,000 population is significantly lower than the rate of 1,516 in 2018/19, a drop of 392 over the last five years compared to a fall of 178 nationally.

### Employment and jobs

- **Tees Valley has consistently had a lower employment rate than the UK.** 289,100 Tees Valley residents aged 16-64 were employed in the 12 months to December 2022, 71.0% of the working age population compared to 75.5% in the UK and 75.8% in England.
- **Tees Valley consistently has a lower jobs density than nationally** with 0.71 jobs for every working age resident in 2023 compared to 0.86 jobs in Great Britain. There was a decrease in jobs density in Tees Valley from 0.74 in 2021 to

0.71 in 2023 whilst nationally there was a rise from 0.85 to 0.86. The total number of jobs in Tees Valley is at 302,000 in 2023, no change from 2022.

- **Online job vacancies in Tees Valley, as in England are lower than the previous 12 months.** There were 10,050 active online job vacancies in March 2025, a 1.9% increase on the previous month, whilst an 18.2% drop from the same month in the previous year (17.5% fall nationally). Vacancies in Tees Valley have fluctuated throughout 2024, with the largest increase in active postings observed between January and February (1,108 additional vacancies), whilst the largest fall was between March and April (1,154 fewer vacancies). Except in February 2024, Tees Valley job postings in 2024 were significantly lower than the same month in the previous year.
- **For those aged 18-21 year old, Tees Valley has significantly higher claimant count rates than nationally.** 9.2% (2,530) of people aged 18-21 were claiming unemployment benefits in November 2024, compared to 5.6% in Great Britain. This is more than double the overall claimant count rate of 4.5% of the working age population in Tees Valley (4.2% nationally).

### Productivity

- **Productivity rates in Tees Valley have been consistently lower than national rates for many years and now has 15.4 percentage points gap.** In 2022, Tees Valley GVA per hour worked was £33.6, up from £33.2 in 2021. UK GVA per hour worked increased from £39.1 to £39.7 over the same period. This meant that the Tees Valley GVA per hour worked index fell from 84.9 in 2021 to 84.6 in 2022 (UK = 100).

### Business

- **The Tees Valley business density rate was 63.0% of the UK rate in 2024, the lowest index for a number of years.** There were 17,450 business enterprises (including 17,360 SMEs i.e. 99.5% of total Tees Valley enterprises) in Tees Valley in 2024. Large firms (90) made up the remaining 0.5% of total Tees Valley enterprises. The 2024 Tees Valley business density rate of 308 businesses per 10,000 resident adult population is below the recent highs of 327 seen in both 2019 and 2022.

### Wages and Income

- **Mean pay for payrolled employees in Tees Valley is below the national average.** The mean pay for payrolled employees in Tees Valley in January 2025 was £2,730 per month, compared to £3,294 nationally. This was 82.9% of the national average.
- **Gross Disposable Household Income for Tees Valley households is significantly below the national average.** In 2022 GDHI per head in Tees Valley was £17,994, compared to £23,338 nationally. Over the last five years, GDHI per head in Tees Valley has risen 14.9% from £15,665 in 2017, compared to a 15.9% increase nationally. Tees Valley saw a 4.5% rise in GDHI per head between 2021 and 2022 (£783 per head), compared to a 5.4% rise nationally.

11	<p>Please provide a summary of the economically inactive population within your area.</p> <p>This should include the prevalence of disabled people, young people and NEETs, those with health issues, caring responsibilities etc.</p> <p><b>Please note: We will expect this to be expanded on with a more detailed analysis within the full plan.</b></p>
----	---

A detailed summary of the economically inactive population in Tees Valley is set out below and a further, more detailed analysis of this will be presented within the full plan.

By way of introduction, the regional unemployment rate in Tees Valley is currently (and is consistently) higher than the national figure. Youth unemployment, affecting those aged 18-21, is significantly higher, whilst NEET rates for 16–17-year-olds are also higher than the national average. **If Tees Valley had the same youth unemployment percentage as the rest of the country, there would be around 1,000 fewer unemployed young people than it has today.**

More importantly, the scale of economic inactivity in Tees Valley is perhaps our biggest labour market challenge. The current rate of working-age people who are not working and not looking for work is markedly higher than the national rate and equivalent to one in four of all the working age residents in Tees Valley, compared with approximately one in five people, for the UK. In total, there are more than 105,000 working age residents who are economically inactive at this time in Tees Valley. **To match the UK rate would require a regional reduction of 18,800 fewer working age people who are economically inactive.** This presents a significant challenge that we propose to tackle through this plan and other related programmes.

**Headline points:**

- Of the 407,500 working age (16-64) resident population in Tees Valley 289,100 (71.0% of the 16-64 population) are employed, 12,900 (4.3% of the economically active) unemployed and 105,400 (25.9% of the 16-64 population) economically inactive. Compared to England as a whole, **Tees Valley has a relatively low employment rate** (England 75.8%) **and relatively high unemployment and economic inactivity rates** (England Unemployment 3.7% and Economic inactivity 21.3%).
- **To match the UK economic inactivity rate would mean there would need to be 18,800 fewer Tees Valley working age residents economically inactive.**
- **There are 42,600 Tees Valley residents of working age who are not working and would like to work.** This is comprised of 29,700 economically inactive and 12,900 unemployed residents. Combined, this is 10.5% of the Tees Valley working age population, compared to 6.7% nationally.

- **Economically inactive people in Tees Valley are significantly more likely to want to work than nationally** – 28.2% of economically inactive working age Tees Valley residents want a job (comprised of 17,000 women and 12,600 men) compared to 17.9% in England.
- There are 26,050 or 6.4% of Tees Valley residents of working age who are working and in receipt of Universal Credit – an indication of **increased likelihood of being in insecure low pay work and at risk of dropping out of work**. This rate is higher than the equivalent England rate of 5.7%.
- **Women are significantly more likely to be economically inactive than men** – in Tees Valley there are 60,700 economically inactive women of working age compared to 44,800 men.

#### Disadvantaged groups

- **Tees Valley has significantly higher proportions of working age people classed under disadvantaged groups than nationally**. This applies across all age groups. Tees Valley's disabled population is 74,123, or almost one in five (19.7%) of the total 16-64 resident non-student population compared to 15.6% in England as a whole.
- **Disadvantaged groups in Tees Valley are more likely to be economically inactive than their equivalents nationally**. For example, **58.6% of working age non-student disabled Tees Valley residents are economically inactive (50.7% England)**, 38.3% of unpaid carers are economically inactive (31.1% nationally) and 18.7% of veterans are economically inactive (16.6% nationally).

#### Health and inactivity

- Health outcomes are lower across Tees Valley. **The Indices of Deprivation Health domain ranks all five local authority areas in the bottom quintile** of local authority areas nationally and Tees Valley ranks as the second most deprived local enterprise partnership area in England.
- **37,400 Tees Valley residents are economically inactive because of long-term sickness**. The two main discrete health conditions that contribute to economic inactivity in Tees Valley are Depression, bad nerves or anxiety (10,600) and Mental illness or other nervous disorders (7,300). Chest or breathing problems, asthma, bronchitis is third with 5,600.

#### Young people

- **11.3% of Tees Valley residents aged 18-20 were economically inactive at the time of the census 2021**, equivalent to 2,230 young people, and compared to 7.0% nationally. The percentage of people aged 18-20 and economically inactive was highest in Hartlepool at 11.9%, followed by Middlesbrough (11.7%), Stockton-on-Tees (11.6%), Redcar and Cleveland (11.2%) and Darlington at 9.6%.

- Of those aged 18-20 who were economically inactive at the time of the 2021 Census, the main reason was 'Other' at 53.8%, compared to 60.0% nationally. This was followed by 24.2% looking after home or family (22.0% nationally) and 21.7% long-term sick or disabled (17.6% nationally).
- **15.3% of Tees Valley residents aged 21-24 were economically inactive at the time of the 2021 census (equivalent to 4,640 young people)**, compared to 10.3% nationally. The percentage of people aged 21-24 and economically inactive was highest in Hartlepool at 17.1%, followed by Redcar and Cleveland (16.6%), Stockton-on-Tees (15.2%), Middlesbrough (14.4%) and Darlington at 13.7%.
- Of those aged 21-24 who were economically inactive, the main reason was 'Other' at 39.1%, compared to 44.9% nationally. This was followed by 34.3% looking after home or family (32.3% nationally) and 26.2% long-term sick or disabled (22.5% nationally).

#### **Not in education, employment or training**

- **Tees Valley has a higher than average number of 16-17 year olds known to be NEET**, however the number of 16-17 year olds NEET or not known is closer to the national average (i.e. a lower proportion of 16-17 year olds in Tees Valley are 'not known'). The percentage of 16-17 year olds known to be NEET in Tees Valley was at 5.3% (860) in 2024 compared to 3.2% nationally. In Tees Valley this has increased 0.7 percentage points over the last year and since 2019 there has been a 1.3 increase. 6.1% of 16-17 year olds are NEET or Not Known in Tees Valley in 2024, equivalent to 990 young people, compared to 5.4% nationally.

#### **Extreme employment deprivation**

The Tees Valley has particularly high numbers and rates of residents living in extreme employment deprivation (defined here as the most deprived percentile nationally on the Indices of Deprivation 2019 Employment deprivation domain):

- If the Tees Valley had the same distribution of employment deprivation as England then Tees Valley would have four local community areas (LSOAs) in the most deprived percentile. In reality it has 33, over **eight-times the amount of extreme employment deprivation compared to nationally**.
- **35,200 working age Tees Valley residents live in areas of extreme employment deprivation. This represents 8.6% of the working age population compared to 1.0% in England.**
- **Extreme employment deprivation is present in all five local authority areas** but most prevalent in Middlesbrough (11 LSOA areas), Redcar & Cleveland (8 LSOAs), Hartlepool & Stockton (6 LSOAs each) and Darlington (2 LSOAs).

- **Tees Valley areas suffering from extreme employment deprivation have a very high average economic inactivity rate of 45.7%**, almost 20% above the average Tees Valley economic inactivity rate.
- **Long-term health issues are the primary driver of economic inactivity in Tees Valley.** Nationally, around 1 in 20 (5.2%) of the total working age population are economically inactive due to long-term sickness. In Tees Valley as a whole this is closer to 1 in 10 (9.2%) and **in Tees Valley's extreme employment deprivation areas over 1 in 5 (21.0%) of all working age residents are economically inactive due to long-term illness.**
- **The secondary driver of economic inactivity, and closely associated with the first, is looking after family or home.** Nationally, around 1 in 23 (4.3%) of the total working age population are economically inactive due to looking after family or home. In Tees Valley as a whole this is closer to 1 in 20 (4.9%) and **in Tees Valley's extreme employment deprivation areas on average 1 in 9 (11.1%) of all working age residents are economically inactive due to having to look after their family or home.**

12

What will be the focus of your priority actions for the next 12-24 months. *This should include an overview of the priority groups, labour market needs, changes etc. which will form a local plan of action for your area for the first 1-2 year period.*  
**Please note: These are to be expanded on in your full GBW plan and will be expected to show how they will contribute towards outcome measures and the ambition of an overall 80% employment rate.**

In accordance with the government's guidance on 'What local Get Britain working plans should cover', under core element '6. Priority Actions and Longer-Term Goals', our priority actions will align with our local key priorities for the **Tees Valley Local Growth Plan** as set out in Section 8 of this annex.

The guidance also states that 'Where the relevant Local Growth Plan sets out a shared priority of health, skills, or inactivity this should be set out clearly in the local Get Britain Working plan.'

As set out in Section 8 of this annex, one of the three **Local Growth Plan shared priorities** for **Tees Valley** is **Skills and Employment**:

***Increase the skills base and reduce economic inactivity to enable residents to rejoin or increase participation in the workforce and support them into better employment opportunities.***

The **Tees Valley Employment & Skills Strategy – 2022 and beyond**, sets out our strategic approach for the successful delivery of the strategy. This is integrated into three pillars of support – **Retention, Intervention and Preparation**.

**Retention – support for those in employment and accessing work; (our new and existing workforce and their employers)**

Enhancing the skillset of those in employment and ensuring that employers can clearly articulate their existing and future skills needs whilst achieving change in the skills offer to address these gaps.

**Intervention – support for those seeking work (our potential future workforce)**

Enhancing the employability of those who are close to employment and addressing the constraints faced by those more distant from the labour market as well as fulfilling that the training and support system meets the needs of local businesses.

**Preparation – support for those still in education and training (our pipeline future workforce)**

Ensuring that those still in education and training are equipped to make the right education and career decisions, and that education and training providers and employers regularly engage to ensure emerging training opportunities address current and future businesses skills demands.

Using the three pillars of support as our ‘priority groups’, our proposed priority actions will be conducted through the lens of each individual pillar and the priority group it represents.

**The proposed focus of our priority actions for the next 12-24 months will be:**

Please note: As this annex is only a summary of our initial proposals, these priority actions will be expanded on in our full GBW plan and we will show how they will contribute towards outcome measures and the government's ambition of an overall employment rate of 80%.

**To better understand the drivers and causes of supply and demand side labour market issues**

Further detailed analysis of the primary drivers and causes of **economic inactivity** within the region – including, but not limited to, issues related to education, skills and health, as well as factors that may limit people’s ability to access work like transport, housing, caring responsibilities (including childcare), and the availability, accessibility, and flexibility of jobs.

**To better understand the local labour market**

Further detailed analysis of the key challenges faced in the labour market across both labour market participation (employment, unemployment and economic inactivity) and progression at work (earnings and job quality).

**To explore systemic change requirements – work to achieve better alignment of existing systems and offer in readiness for further devolution and greater local influence and flexibilities**

This will include an assessment of capacity – for the priority groups and areas identified across organisations including through the health service, local government, and Jobcentre Plus.

This will also include an assessment from the perspective of the end user (the individual / the employer) in each of the priority groups.

As one of only three **Health and Growth Accelerator** sites in the country, NHS North East and North Cumbria ICB is leading the way to identify those whose health places them at risk of becoming economically inactive and then getting them the support they need. This support has been shaped by the impact that DWP's Patient Advisor Service (PAS) caseworkers – co-located in GP surgeries – has made to help patients overcome the bio-psychosocial barriers to work that can lead to economic inactivity if left unaddressed.

Alongside commissioning additional clinical capacity in MSK services to reduce waiting times, the ICB is working with primary care, DWP and third sector delivery partners to deliver innovative 'Work Well' services at scale (based on the tried and tested PAS model). This will use fit note data to identify a target patient cohort for early intervention and support to keep them well and keep them working, reducing health-related economic in our region.

Building on the above, we will explore the opportunity to further align the existing work, health and skills support systems and offer with that of the **local Employment Hubs** model which is in place within each Local Authority to incorporate offers covering work, health and skills to fully understand if this delivery model would provide the local infrastructure and capacity to effectively deliver on the Get Tees Valley Working Plan.

13	In addition to financial support, what other resource/support would you need to complete your local GBW plan?
----	---

At this stage, we do not anticipate any immediate additional resource requirements beyond the financial support outlined.

However, as the development of the Get Tees Valley Working Plan progresses and further detail emerges, we may identify additional data and/or intelligence needs to support deeper labour market and priority group analysis and extended stakeholder engagement.

One key area where we do anticipate that future support will be required is in relation to Data Sharing requirements between key partners and stakeholders.

We welcome the planned local and national support offers, including the provision of a dedicated local Jobcentre Plus lead, advice on data sources to support analysis of economic inactivity, the convening of partnerships where required and the DWP-led

webinars. These offers will be important in supporting the development of the Get Tees Valley Working Plan and ensuring it is aligned with both local and national ambitions.

We would also value flexibility to draw on this support as required throughout the process as we progress with the development of our Local Growth Plan in parallel.

14 Please set out your expected timelines, key activity and milestones for the development of your local GBW plan and publication by September 2025. *Please include commencement of activity within the local authority, (convening partnerships, obtaining sign-off etc.). Please also advise of any upcoming events/competing demands which could impact these timelines.*

The expected timelines, key activity and milestones for the development of our Get Tees Valley Working Plan is set out in the table below.

<b>Activity</b>	<b>Proposed timeframe</b>
Development of Get Tees Valley Working Plan – Annex C – Summary of initial proposals	April - June 2025
JCP – sign off Annex C	June 2025
NENC ICB – sign off Annex C	June 2025
TVCA Cabinet – sign off / approval Annex C	27 June 2025
Submit Annex C to DWP – summary of initial proposals [subject to TVCA Cabinet approval]	27 June 2025
Development of Get Tees Valley Working Plan (First Edition – covering Inactivity)	June – September 2025
1:1 meetings with Local Authority Leaders together with their Chief Executives	June – July 2025
JCP – sign off Get Tees Valley Working Plan (First Edition)	September 2025
NENC ICB – sign off Get Tees Valley Working Plan (First Edition)	September 2025
TVCA Cabinet – sign off / approval Get Tees Valley Working Plan (First Edition – covering Inactivity)	September 2025
DWP – to review and provide feedback on Get Tees Valley Working Plan at least 2 weeks before publication	September 2025
Publish Get Tees Valley Working Plan (First Edition – covering Inactivity) [subject to TVCA Cabinet approval]	September 2025
Development of Get Tees Valley Working Plan (Second Edition)	October 2025 – March 2026

**BLANK PAGE**

## ADULT SKILLS UPDATE

### SUMMARY

This report provides Cabinet with an update on the approach for the delivery of Tees Valley Combined Authority's (TVCA) adult skills provision from the 2026/27 academic year.

Following the Cabinet meeting held on the 28 March 2025, this report also provides further detail on the outcomes of the procurement process for the adult skills provision in 2025/26 academic year.

### RECOMMENDATIONS

It is recommended that the TVCA Cabinet:

- i. **NOTES:** the proposal for developing the approach to the delivery of adult skills provision from the 2026/27 academic year and that further reports on this proposal will be reported to Cabinet in September 2025 and December 2025; and
- ii. **NOTES:** the further detail provided in this report on the outcomes of the procurement process for the adult skills provision for the 2025/26 academic year.
- iii. **NOTES:** the update on the transfer of additional funding powers to the Combined Authority in relation to technical qualifications.
- iv. **NOTES:** the additional funding that has been allocated to the Combined Authority for Construction Skills.

### DETAIL

#### Approach to Adult Skills from 2026/27 Academic Year

1. It is expected that from the 2026/27 academic year, the Combined Authority will receive a fully devolved single funding pot for adult skills. The single funding pot is expected to consist of the existing devolved Adult Skills Fund along with the Level 3 Free Courses for Jobs and Skills Bootcamps funding. Currently, these are individually grant funded, ring-fenced budgets.

2. The Combined Authority has set out the commitment to working collaboratively with providers to shape the approach to adult skills provision for delivery from the 2026/27 academic year, and to ensure that the skills provision is able to meet the current and future requirements of both employers and learners in the Tees Valley.
3. The approach to shaping the Adult Skills provision from 2026/27 will include a series of workshops, which are planned from May – July 2025 bringing together provider representatives and key stakeholders. The current Cabinet portfolio lead Councillor Lisa Evans will Chair the workshops. The proposed membership will include relevant officer members of the Education, Employment and Skills Advisory Group that consists of representatives from Local Authorities, Tees Valley Further Education Colleges, Independent Training Providers (ITP), Department for Education (DfE), Department for Work and Pensions (DWP), Voluntary, Community & Social Enterprises (VCSE), and North East England Chamber of Commerce (NEECC) and will be extended to include representatives from the NHS/Integrated Care Board, Teesside University and include other Local Authority officers from the Adult Learning Services, and the Tees Valley colleges.
4. The workshops will provide an opportunity to discuss:

**Workshop 1 'Why' - June:**

- the national policy overview and local policy context including the Local Growth Plan, the Get Tees Valley Working Plan, the Employment and Skills Strategy, and the Tees Valley sector priorities;
- a local evidence base and key messages, including opportunities and challenges; and
- the skills need analysis and current skills supply.

**Workshop 2 'What' - June:**

- shared understanding of the priority provision we need to invest in, including consideration of the outputs such as qualifications/learning aims/levels, target learner groups, target geographical areas/wards and industry/sectors; and
- the desired outcomes such as moving more adults into employment or closer to employment, progressing those in work to higher level skills and measuring the impact of the skills provision locally in terms of business growth and productivity.

**Workshop 3 'How' - July:**

- shared understanding of opportunities, challenges and impact relating to different funding models; and
- consideration of the funding model options, including multi-year funding where possible. This will include consideration of the Procurement Act 2023 and the new procurement regulations that came into force from the 24 February 2025.

5. This approach will ensure a joint conversation to inform the future requirements and delivery model and take into consideration how the adult skills programmes:
  - move into a more outcome, job ready based model;
  - will be funded, including multi-year funding where possible; and
  - secure the most appropriate high-quality skills providers to meet the local skills needs.
6. This collaboration will inform the recommended approach to be taken for the delivery of adult skills provision from the 2026/27 academic year. This recommendation will be brought back to Cabinet in September 2025 for consideration.

## 2025/26 Procurement of Adult Skills Provision

7. At its meeting on 28 March 2025, Cabinet approved the outcomes of the Adult Skills procurement process, including the provider allocations for the 2025/26 academic year. At the date of that meeting, the procurement process was still live. This report provides further detail of the procurement process that was undertaken and provides an overview of the skills provision that has been funded for the 2025/26 academic year.
8. The one-year procurement opportunity was launched to the existing providers on the Skills Framework on the 10 January 2025 and was closed on the 7 February 2025.
9. During this period, the Combined Authority held an information session for providers to take them through the specification and to provide an opportunity for them to seek further clarification.
10. This was followed up with a further opportunity for providers to seek clarification through a frequently asked questions section on the tender portal.
11. The specification that was launched set out the priorities for funding, including the sectors and the sector skills needs, and included the following provision types:
  - Bespoke Employer Led Skills Programmes (BELPS)
  - Legal Entitlements (English, maths, digital and first level 2 and first level 3 qualifications for 19–23-year-olds)
  - Learning for Inclusion (ring fenced budget) and awarded at the individual levels as previous year
  - Access to HE
12. Other provision types that were also included:
  - Essential Employment Skills (including Kings Trust)
  - Technical Skills
  - English for Speakers of Other Languages (ESOL)
  - Learner Support (removing barriers to learning)

- Additional Learning Needs claimed through the Earnings Adjustment Statement (EAS)
13. Those providers seeking to secure a funding allocation were required to submit a Delivery Plan setting out their proposed skills provision and their request for funding.
14. Each Delivery Plan was appraised alongside the skills needs set out in the specification, and the provider's response to the quality and technical and questions which were also set out in the specification.
15. The Delivery Plan template is detailed by provision type, sector qualification/learning aim, level and value. Each qualification/learning aim value is set at the national funding rate and the national funding rates vary depending on the sector e.g. engineering is a higher value than for instance business administration. Therefore, depending on what sector areas the providers are proposing to deliver against, the average costs per learner/enrolment will vary.
16. The quality and technical questions required providers to demonstrate and provide evidence of:
- their track record of delivering high quality skills provision
  - providing robust learner Impartial Information, Advice and Guidance
  - providing robust learner Initial Assessment
  - effectively tracking the destination of learners' post completion and reporting the outcomes
  - ensuring quality of provision demonstrated through their latest full Ofsted Inspection outcomes and Ofsted monitoring visit where applicable
17. Providers were also required to set out in their bid submissions:
- the rationale for their proposed skills provision
  - the target learner group
  - how the provision will be delivered e.g. classroom, workplace, blended learning (on-line tutor led)
  - where the provision will be delivered (note that all Tees Valley residents aged 19+ and who meet the eligibility criteria can access the skills provision)
  - any proposed sub-contracting.
  -
18. The appraisal and scoring process was undertaken by a team of TVCA Officers from across the organisation:
- 2 x TVCA Officers appraised and scored Quality and Technical Question 1, including prioritisation of the skills provision.
  - 2 x TVCA Officers appraised and scored Quality and Technical Question 2
  - 2 x TVCA Officers reviewed the Social Value

- An appraisal and scoring moderation panel met to agree the overall scoring and skills provision feeding in the above.

19. The rationale for the approach to the selection of the TVCA Officers was to ensure that there was a mix of adult skills experience and knowledge, procurement including social value, as well performance and risk, and impartiality.
20. Following the approval from Cabinet at its meeting held on 28 March 2025, all providers have been notified of the outcome of the procurement process, and TVCA Officers have held one to one meetings to confirm the skills provision that has been prioritised within their Delivery Plans. **Appendix 1** provides the detail of 2025/26 allocations.

## Department for Education transfer of additional funding powers to Combined Authority

21. The Department for Education (DfE) currently transfers statutory adult education functions to combined authorities via statutory instrument so they can decide, at a local level, which qualifications they wish to fund to support skills development in their areas.
22. In July 2024 the Secretary of State announced a review of post-16 qualifications with the aim of ensuring that qualifications support opportunity and economic growth.
23. As part of the review, the Department for Education has consulted with colleges and training providers nationally.
24. The outcome of the review has meant that some qualifications have been de-funded and new technical qualifications at level 2 and level 3 have been developed and approved for funding - see [A guide to post-16 qualifications at level 3 and below for the 2025 to 2026 academic year](#)
25. In order for the Combined Authority to fund these qualifications at a local level, the Department for Education are required to lay an Order of the transfer of functions before parliament with the consent of the Combined Authority and the five constituent Local Authorities, which has now been received.
26. This Order will amend the existing education-related statutory instrument for each Combined Authority to add the further funding power, specifically it will concurrently transfer Section 100(1B) of the Apprenticeships, Skills and Children Act 2009 (ASCLA), to enable combined authorities to fund new, high-quality technical qualifications alongside others already available to them.

## Construction Skills

27. In the spring statement, the Chancellor announced a construction skills package to train up to 60,000 more skilled construction workers nationally. This included an additional

£20m for adults for the AY25/26 to be delivered through the Free Courses for Jobs and £10m to be delivered through the Skills Bootcamps for the 2025/26 fiscal year.

28. The Combined Authority was required to submit a proposal to the Department for Education for the Skills Bootcamp funding, which has resulted in an allocation of £1.9m being awarded.
29. TVCA Officers are in the process of working with the existing delivery providers to expand any relevant existing skills bootcamps and seek proposals from providers to introduce new employer led construction skills programmes.
30. The Secretary of State for Education has now also confirmed that the Department for Education will be allocating £457,625 to the Combined Authority via the Free Courses for Jobs to support an estimated 110-170 additional training places for learners.
31. The Combined Authority is required to submit a plan to the Department for Education by the 30<sup>th</sup> June 2025 places as to how we will use the funding to deliver the additional training places.
32. TVCA Officers will work with the relevant providers to identify where additional construction delivery can take place when developing the response to Department for Education.
33. It is intended to use the existing provider delivery plan and the change request process to award any additional funding to providers, which is subject to approval by the Group Director of Finance and Resources.

## **FINANCIAL IMPLICATIONS**

34. The Cabinet meeting on 28 March 2025 approved the funding awards for the 2025/26 academic year.
35. Funding awards for the additional construction skills allocations to the Combined Authority will be made to providers in line with existing approval processes that are delegated to the Group Director of Finance & Resources.
36. Future funding awards to be made for the 2026/27 academic year onwards will be brought to Cabinet for approval.

## **LEGAL IMPLICATIONS**

37. There are no direct legal implications arising from this report, however, as activity to develop the 2026/27 approach gets underway, any legal implications will be considered as part of the process.



## **RISK ASSESSMENT**

38. The recommendations in this report are categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

## **CONSULTATION & COMMUNICATION**

39. As previously, stated, the Combined Authority has set out the commitment to working collaboratively with providers to shape the approach to adult skills provision for delivery from the 2026/27 academic year.

## **EQUALITY & DIVERSITY**

40. The process to shape the adult skills provision from the 2026/27 academic year will continue to take into consideration the equality and diversity impact of the specific skills programmes to be funded through the future adult skills budget.

41. All training funded by the Adult Skills Fund will continue to be accessible to all Tees Valley residents aged over 19 regardless of special characteristics.

**Name of Contact Officer:** Jacqui Banks  
**Post Title:** Business Solutions Manager  
**Telephone Number:** 01325 792600  
**Email Address:** jacqui.banks@teesvalley-ca.gov.uk

**BLANK PAGE**

**Adult Skills Fund 2025/26 Academic Year  
Provider Allocations by Provision Type**

Provider	Total ASF Funding Awarded	Planned Sub-contracted Funding	PRIORITY PROVISION TYPES					OTHER PROVISION TYPES					Planned Learner Enrolment Numbers	
			BELP	Essential Skills Englis, maths, digital	Legal Entitlement L2 and L3	Access to HE	Learning for Inclusion	Essential Employment Skills	Technical Skills	ESOL	Learner Support	EAS		
Back 2 Work Complete Training	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	0
Baltic Training Services	£399,894	£0	£0	£0	£0	£0	£0	£0	£399,894	£0	£0	£0	£0	221
B-Skill Ltd	£455,350	£0	£0	£434,350	£0	£0	£0	£0	£0	£0	£0	£21,000	£0	1000
Darlington Borough Council Adult Learning	£610,092	£0	£22,980	£100,348	£0	£0	£240,490	£0	£141,774	£102,500	£2,000	£0	£0	940
Darlington College	£2,196,423	£299,783	£219,422	£282,030	£165,871	£37,440	£0	£0	£882,330	£279,330	£200,000	£130,000	£0	2399
Derwentside College	£328,310	£0	£65,000	£0	£0	£0	£0	£0	£257,786	£0	£5,000	£524	£0	244
Digital Telecoms Network Academy	£485,100	£0	£479,500	£0	£0	£0	£0	£0	£0	£0	£5,500	£100	£0	140
Enterprise Made Simple	£514,410	£0	£0	£17,400	£0	£0	£0	£7,800	£489,210	£0	£0	£0	£0	1065
Hartlepool Borough Council Adult Learning	£1,050,441	£0	£113,040	£93,271	£0	£0	£513,070	£0	£44,660	£206,400	£80,000	£0	£0	1346
Hartlepool College of FE	£3,039,801	£1,094,231	£1,193,031	£89,684	£137,861	£211,680	£0	£0	£1,106,505	£41,040	£200,000	£60,000	£0	1663
ITEC NE Ltd	£330,125	£0	£88,600	£19,575	£0	£0	£0	£0	£221,950	£0	£0	£0	£0	615
Learning Curve Group	£1,378,434	£246,732	£246,732	£47,820	£100,250	£91,296	£0	£0	£892,336	£0	£0	£0	£0	1425
Middlesbrough Borough Council Adult Learning	£1,752,494	£147,120	£197,330	£334,890	£0	£0	£621,724	£112,040	£69,660	£396,850	£10,000	£10,000	£0	3966
Middlesbrough College	£6,124,440	£175,170	£2,234,282	£1,020,520	£349,629	£559,440	£0	£38,880	£913,686	£578,003	£250,000	£180,000	£0	8543
New College Durham	£805,189	£288,779	£92,030	£0	£0	£0	£0	£0	£713,159	£0	£0	£0	£0	936
Orangebox Training Solutions Ltd	£1,081,130	£0	£720,700	£0	£0	£0	£0	£0	£360,430	£0	£0	£0	£0	2575
TVCT - Prior Pursglove Sixth Form College	£419,055	£0	£33,480	£88,865	£0	£41,040	£0	£103,680	£127,990	£0	£24,000	£0	£0	519
Realise Learning and Employment Limited	£307,607	£0	£0	£98,828	£0	£0	£0	£0	£208,779	£0	£0	£0	£0	319
Redcar and Cleveland Borough Council Adult Learning	£1,107,873	£0	£283,130	£99,116	£0	£0	£541,212	£0	£55,620	£96,360	£13,435	£19,000	£0	1486
Stockton On Tees Borough Council Adult Learning	£1,815,609	£0	£157,120	£136,934	£0	£0	£938,492	£0	£316,253	£191,810	£50,000	£25,000	£0	1789
Sunderland College	£301,094	£0	£74,840	£56,108	£0	£0	£0	£0	£170,146	£0	£0	£0	£0	124
The Education Training Collective (ETC)	£4,506,031	£1,114,398	£1,806,777	£674,198	£58,614	£39,160	£0	£0	£1,024,822	£372,460	£280,000	£250,000	£0	5474
The Northern School of Art	£42,206	£0	£0	£1,902	£20,160	£0	£0	£0	£18,144	£0	£2,000	£0	£0	5
Think Employment Ltd	£40,256	£0	£0	£38,256	£0	£0	£0	£0	£0	£0	£2,000	£0	£0	48
Tradetechs Northern	£731,580	£0	£496,350	£0	£0	£0	£0	£0	£197,730	£0	£37,500	£0	£0	170
Trainingworks4u Limited	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	0
Triage Central Ltd	£1,518,458	£611,033	£652,295	£386,560	£0	£0	£0	£8,000	£431,603	£0	£20,000	£20,000	£0	2458
TRN (Train) Ltd	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	0
University Centre Quayside	£673,987	£0	£0	£67,567	£0	£0	£0	£0	£606,420	£0	£0	£0	£0	1015
Vision Training (North East) Limited	£159,780	£0	£0	£0	£0	£0	£0	£0	£159,780	£0	£0	£0	£0	60
<b>TOTAL</b>	<b>£32,175,169</b>	<b>£3,977,246</b>	<b>£9,176,639</b>	<b>£4,088,222</b>	<b>£732,135</b>	<b>£980,056</b>	<b>£2,854,988</b>	<b>£670,294</b>	<b>£9,511,023</b>	<b>£2,264,753</b>	<b>£1,202,435</b>	<b>£694,624</b>	<b>£0</b>	<b>40545</b>

**Level 3 FCF 2025/26 Academic Year  
Provider Allocations**

Provider	Total Level 3 FCFJ Funding Awarded
Back 2 Work Complete Training	£166,370
Darlington Borough Council Adult Learning	£18,454
Darlington College	£139,494
Enterprise Made Simple	£213,701
Hartlepool Borough Council Adult Learning	£36,641
Hartlepool College of FE	£180,792
Learning Curve Group	£130,461
Middlesbrough College	£226,898
New College Durham	£281,546
TVCT -Prior Pursglove Sixth Form College -Atomix	£33,478
Realise Learning and Employment Limited	£131,834
Stockton On Tees Borough Council Adult Learning	£69,499
The Education Training Collective (ETC)	£165,959
Think Employment Ltd	£144,617
Tradetechs Northern	£172,107
Trainingworks4u Limited	£325,471
Triage Central Ltd	£38,610
TRN (Train) Ltd	£153,901
Vision Training (North East) Limited	£196,092
<b>Total</b>	<b>£2,825,923</b>

**BLANK PAGE**

## CONNECT TO WORK

### SUMMARY

At its meeting on 28 March 2024, Cabinet received an update on the Tees Valley Connect to Work programme (agenda item 13 - paragraphs 109-114). At this meeting, Cabinet was asked to note the update, and that the programme's 5-Year Delivery Plan would be reported back to Cabinet for approval at a future meeting.

This report sets out a detailed overview of the national programme, the local delivery model options considered and the recommended delivery model for the Tees Valley Connect to Work programme.

### RECOMMENDATIONS

It is recommended that the Tees Valley Combined Authority Cabinet:

- i. **NOTES:** the options considered against the criteria identified, considering the requirements of the Connect to Work guidance.
- ii. **ACCEPTS:** the Tees Valley Connect to Work programme into the TVCA Investment Plan as a specific grant with an anticipated maximum funding allocation for 5 years of £17.7m (2027/28 onwards is subject to future spending reviews).
- iii. **APPROVES:** the proposed mixed-model of delivery through a grant award to Local Authorities; and
- iv. **DELEGATES:** authority to the TVCA Chief Executive, in consultation with the Section 73 Officer and Monitoring Officer, to take the necessary actions, including, but not limited to responding to Department for Work and Pensions (DWP) feedback, approval of the final delivery partners in line with the DWP approved delivery plan and entering relevant contracts and/or other legal agreements to implement the decision at (ii) and (iii) above.

## DETAIL

### Connect to Work

1. Connect to Work was announced as part of the Get Britain Working White Paper in November 2024. The programme (phased from April 2025) will help people with long-term health conditions, disabilities and complex barriers to work into sustainable employment. The programme will be delivered by 43 Accountable Bodies in England, with Tees Valley Combined Authority (TVCA) the Accountable Body for the Tees Valley.
2. Connect to Work is a clearly defined supported employment programme based on the Supported Employment model and using a 'place, train, and maintain' approach. TVCA and constituent Local Authorities will develop the programme to meet local needs and provide a coherent local offer, alongside wider health and skills support services and active links with local employers, to help people either remain in employment or find and fulfil their potential to work.
3. The Connect to Work programme underpins our emerging regional economic growth strategies, including the Tees Valley Local Growth Plan and Get Tees Valley Working Plan (both currently being developed) and the published Tees Valley Employment & Skills Strategy, in particular, the **Retention** and **Intervention** pillars of support.

**Retention** – support for those in employment and accessing work; (our new and existing workforce and their employers).

**Intervention** - support for those seeking work (our potential future workforce).

4. Connect to Work is a voluntary programme and aims to support up to 100,000 people nationally with a disability or health conditions and those with complex barriers to employment to access and succeed in work. The primary focus is on supporting people who are economically inactive 'Out-of-Work' (85% of programme), but the programme will also provide some support for people who are at high risk of falling out of work 'In-Work' retention (15% of programme).
5. Connect to Work programme delivery must meet **Supported Employment Qualification Framework (SEQF)** and **Individual Placement Support (IPS)** fidelity models, which are tested models for the target cohort. Fidelity assurance refers to the process of ensuring that supported employment services are delivered according to the evidence-based principles and standards that make the model effective, maintaining its integrity and effectiveness through regular monitoring and evaluation. It is expected that the majority of participants will require IPS support and the remainder SEQF. DWP has assumed that there will be a 75%/25% split with Accountable Bodies required to set out in their Delivery Plan the estimated proportion of participants in their Delivery Area that they plan to receive IPS and SEQF support. To support Accountable Bodies

to meet SEQF and IPS requirements in their delivery plans, DWP has seconded a team of Supported Employment Implementation Specialists (SEIS). The team is working with Accountable Bodies to help develop their delivery plans by using specialist knowledge and experience of SEQF and IPS.

6. In addition to Connect to Work, the effectiveness of health measures in getting people back into work or keeping them in work will be trialled by the NHS in the coming year. Three Integrated Care Systems Boards are being funded through NHS Growth and Health Accelerators to develop evidence of the impact of targeted action on the top health conditions driving inactivity in parts of the country most affected by economic inactivity driven by ill health. One of the accelerators is the North East and North Cumbria (NENC), which includes Tees Valley, and we are already working closely with the NENC Integrated Care Board to ensure full alignment of the two programmes in Tees Valley. The Accelerator will look to boost people's health alongside tackling the conditions that most impact people's ability to work – ranging from cardiovascular problems and diabetes to back pain and mental health issues.
7. Supported Employment is tailored to meet the needs of an individual and their (prospective) employer through five stages of activity outlined in the DWP guidance:
  1. **Engagement** - an opportunity for a potential participant to learn about Supported Employment and decide whether it is right for them
  2. **Vocational profiling** - a planning process enabling a participant to identify what they want to achieve and work out a plan for getting there
  3. **Employer Engagement** - the participant learns about the job and the employment advisor works out a plan with the employer on how the participant would be supported through the recruitment process and in the workplace
  4. **Job Matching** - the participant is supported to find vacancies that meet the jobseeker's employment goals
  5. **On and off the job support** - the participant is supported to learn the job and sustain employment. This could include job coaching, training/support from a mentor and workplace reviews.
8. The target participant groups eligibility and suitability requirements are set out in paragraphs 38 -39 of this report and in the DWP Connect to Work guidance available in Annex B [Connect to Work: Grant Guidance for England - GOV.UK](#)
9. Accountable bodies are encouraged to focus support on target groups where there is a particular need, and available data will be used to highlight areas of The Tees Valley where there are high numbers of people from the target groups. The programme will respond to known local need, unemployment due to long-term health conditions. The Tees Valley economically inactive population has a significantly higher proportion of people with health conditions than nationally. The national rate for those inactive and with one or more health condition is 51.1% compared to the Tees Valley rate, which is

62.2% and equates to 65,000 people in Tees Valley. In Tees Valley there are around 37,400 people of working age who are currently economically inactive due to a long-term sickness 35.5% (Nat. 25.8%). A breakdown of the different health conditions affecting economic inactivity can be found in **Appendix 1**.

10. DWP has an expectation that an accountable body may outsource elements of the Connect to Work programme to one or more delivery partners in its area, including Local Authorities who are considered by Government to be best placed, along with support from their local partners, networks and stakeholders, to engage with relevant people in their communities who would benefit from supported employment and to engage with local employers to ensure that the programme can assist with tackling skills gaps.

## Tees Valley Approach

11. TVCA is the Accountable Body for the Tees Valley Connect to Work programme. As such TVCA is responsible for developing the five-year delivery plan for our local supported employment offer, management and oversight of the regional programme, commissioning or grant funding a range of service providers to deliver programme activity and reporting back to DWP on progress and outcomes.
12. The programme will run until 31 March 2030 and indicative annual 'programme starts' in 'Tees Valley' are set out in the table in paragraph 23 of this report. Support for 'out of work' participants can be up to 12 months, while support for 'in work' participants to help them remain in work can be up to 4 months.
13. Following the publication of the Connect to Work Guidance in November 2024, preparation and development of the Tees Valley evidence base, initial scoping work, engagement and a mapping exercise of current landscape and provision has been undertaken to inform the development of the programme.
14. TVCA, as the Accountable Body for Connect to Work, has worked closely with the North East and North Cumbria Integrated Care Board (NENC ICB) on the development of the regional health and growth accelerator to ensure alignment and complementarity of the programmes. TVCA has regular meetings with the DWP Regional Engagement Lead (REL), IPS and SEQF specialist advisors and has accessed the associated Supported Employment Implementation Support (SEIS) support offer. The SEIS Team have attended and presented at internal and external workshops to support the development of the programme.
15. DWP is looking at how the Accountable Body (AB) will deliver the service, who we will work with to deliver and integrate it, and how we will ensure we have a suitably qualified workforce in place, to deliver the IPS and SEQF Models.

16. Regular conversations with Local Authority officers from their employment and skills and public health teams have taken place. These conversations have informed our mapping exercise and enhanced our understanding of their current experience in delivering supported employment as well as their capacity and capability to implement the IPS and SEQF tested models. TVCA facilitated a bespoke session with Local Authority representatives on 30<sup>th</sup> May 2025 to support local commissioning decisions. The session focused on identifying key challenges in the programme's design and delivery and collaboratively developing solutions to inform the initial draft of the Tees Valley Connect to Work Delivery Plan. Key outcomes from the discussions included:
- Agreement on a mixed delivery model combining in-house provision with commissioned services.
  - Agreement on the 75/25% split between IPS and SEQF delivery.
  - Agreement for a lead local authority to coordinate the delivery on behalf of the five local authorities, leveraging existing experience, capacity, and capabilities, and engaging additional local delivery partners as needed through the appropriate procurement processes.
17. Four options have been considered against the Connect to Work criteria. The preferred option is Option 4.

Option	Delivery Model	Comments	Preferred Option (Y/N)
1	Direct Delivery –TVCA as accountable body delivers the Tees Valley Connect to Work Programme	TVCA does not have the capability or capacity to deliver.	N
2	Direct Delivery – Grant award to constituent LAs deliver the Connect to Work Programme	A five-year programme of this scale and complexity demands flexibility in selecting and managing delivery partners. Limiting delivery solely to LAs through a grant mechanism would restrict the ability to engage specialist local providers and	N

Option	Delivery Model	Comments	Preferred Option (Y/N)
		organisations with targeted expertise. This approach could reduce the overall effectiveness, responsiveness, and innovation within the programme's delivery model.	
3	Commissioned - Take to open market and commission provider(s) to deliver.	Given the required go-live date of September, the timescales involved in designing, tendering, evaluating, and awarding a fully procured service would be extremely tight. This poses a significant risk of delays to the programme start date, which could undermine early momentum and disrupt planned engagement with participants and partners.	N
4	Mixed - Grant award to Local Authorities and commissioned services	Preferred option following mapping of LAs current experience in delivering supported employment	Y

Option	Delivery Model	Comments	Preferred Option (Y/N)
		through in-house and contracted provision for both IPS and SEQF; plus their capacity and capability to build on their experience of Fidelity Assurance and BASE training/SEQF assessment	

18. The Connect to Work timeline involves the steps below:

- **Delivery Plan Preparation period** – Accountable Bodies are required to co-develop a 5-year delivery plan with DWP for the programme. DWP is asking for all delivery plans to be submitted by 27 June 2025. Note this date is flexible and will be negotiated through the DWP REL. This delivery plan sets out the preferred approach to delivery locally, as opposed to the detailed activity, which will be developed with delivery partners once secured. The submission of this plan will start an iterative process with DWP and the final plan will be brought back to Cabinet in September 2025.
- **Grant Funding Agreement issued** – Once the delivery plan is approved, a grant funding agreement will be issued and funding period confirmed.
- **Ongoing Implementation Period** – although the Connect to Work Programme starts April 2025, DWP expects a phased approach towards implementation. There is no expectation that Accountable Bodies will have provision in place for delivery from the 1<sup>st</sup> of April 2025. DWP fully expect peak delivery in Year 2 and Year 3 of the programme.
- **Programme Launch** – The ambition is to launch the programme in autumn 2025. As the Programme has a fixed end date, the intention is to launch as soon as possible to maximise the number of people who can benefit from the programme.

19. Once the delivery plan is agreed by DWP, a grant funding agreement will be issued to the TVCA as the accountable body and back-to-back agreements with delivery partners can then be put in place, enabling the necessary arrangements to be put in place to formally launch the programme in the Tees Valley.

20. Support from and ongoing engagement with local stakeholders will be essential for the successful delivery of the programme. This will be part of the engagement on the Get Tees Valley Working Plan.

## FINANCIAL IMPLICATIONS

21. Connect to Work funding will pass to the Accountable Body via a grant from DWP subject to final approval of the Delivery Plan by DWP.
22. DWP anticipates areas will go live in a phased way with the programme reaching peak annual volumes in years two and three 2026/2027 and 2027/2028, followed by a scaling down of the programme during years four and five 2028/2029 and 2029/2030. The table below reflects the maximum annual funding allocation and profiled starts per year, and also the total allocation and overall programme participant volumes.
23. Published Connect to Work guidance states that, 'Indicative estimates for the number of Programme Starts at peak and the overall unit cost are provided for information and to assist with the framing of planning. They are not guaranteed. Funding and volumes for each Accountable Body will be agreed as part of the approved Delivery Plan and the Grant Funding Agreement.'

Year	Maximum Funding (£) (capped p.a.)	Expected Participant Volumes
2024/25	£200,000	0
2025/26	£1,500,000	118
2026/27	£3,100,000	1293
2027/28	£5,600,000	1697
2028/29	£5,300,000	1231
2029/30	£2,000,000	156 (in-work participants only)
Total	£17,700,000	4,495

24. The programme is fully funded by a DWP grant so Tees Valley Combined Authority will undertake the role of the Accountable Body on a full cost recovery basis. The allocation is based on an indicative unit cost of £3,500 per participant, which will cover programme management and operational costs. Management costs are capped at 5% of the overall grant allocation for a five-year period 2025/2026 to 2029/2030. The allocation of £17.7m equates to a higher value of £3,927 per participant. DWP have advised that as the accountable body TVCA can either increase the volume profile to align to the Programme Indicative Unit Cost of £3,500 or if this is not possible, setting out reasons then alignment to the indicative participant volume profile.
25. TVCA has received an initial 'Section 31' grant of £100,000 from DWP to support Connect to Work programme planning and implementation activities ahead of the

grant agreement. The grant opportunity is designed to enable accountable bodies to shape services ahead of the grant agreement and formal launch. The payment in advance will be included in the final grant agreement.

26. The programme is funded in arrears by the DWP subject to a delivery plan and grant funding agreement.
27. TVCA will not have any direct staff delivering the programme activity, however, TVCA staff are leading the development of the delivery plan. It is proposed to recruit a programme manager to oversee the programme function on behalf of the Accountable Body, supported by internal TVCA staff i.e. Performance, Risk and Assurance, Finance and Legal.

## LEGAL IMPLICATIONS

28. The Tees Valley Combined Authority will be required to enter into a grant funding agreement with DWP and will be expected to deliver the programme in accordance with government guidance. Contracts will be put in place with service providers to confirm their responsibilities when delivering elements of the programme.
29. The procurement of any delivery partners will be procured in accordance with the Procurement Regulations 2024.
30. TVCA legal services will undertake a check of the grant funding agreement to ensure that the Authority is able to comply with the terms and conditions.
31. TVCA legal services will also review delivery contracts prior to them being issued and signed to ensure that the legal and financial risk to TVCA is minimised and that suppliers can be held to account for delivery.
32. The Tees Valley Combined Authority Assurance Framework provides the following in respect of Specific Grants, accepted into the TVCA Investment Plan:

*'From time-to-time government awards TVCA with funding for a specific named project or programme. Where this is the case a business case will be developed then appraised by Combined Authority staff (with external technical support if required). Consideration of Business Cases and the appraisal is delegated to the Combined Authority Chief Executive for approval in consultation with Tees Valley Management Group, the Section 73 Officer and the Monitoring Officer.'*

In this case DWP requirements on the use of the grant and the outcomes required are clearly defined with restricted flexibility other than the delivery model. The delivery

plan, which is subject to approval by DWP therefore constitutes as the business case. Delegation of this is not required through the Assurance Framework as DWP is directly approving the case for investment.

## **RISK ASSESSMENT**

33. The Connect to Work 5 Year Delivery Plan will include a fully developed risk management assessment and management plan. Key risks currently identified are:

- The ability to meet the ambitious DWP timescales for the delivery of the programme and the programme outcomes
- Resources and capacity, including recruitment of suitably qualified keyworkers/practitioners to deliver
- Identifying the ambitious numbers of participants required
- Duplication of provision
- Alignment with UKSPF People and Skills and programme closure 2026
- Market failure
- Continuation of grant funding (subject to Annual Grant Review) as outlined in the Connect to work Draft Grant Funding Agreement.

## **CONSULTATION & COMMUNICATION**

34. In accordance with the published Connect to Work guidance, the Tees Valley Connect to Work 5 Year Delivery Plan has been developed collaboratively with the constituent local authorities.

35. TVCA held an initial workshop in February 2025 with key partners and stakeholders, including local authorities, further education and independent training provider representatives, national careers service and TVCA Business Board and EES Advisory Group members. A subsequent event was held in April in partnership with the NENC ICB to outline work and health programmes in Tees Valley.

36. The development of the delivery plan has been iterative process and drafts have been shared with DWP as it has been developed for critical friend review prior to submission to on 27 June 2025.

37. This report has been considered by the Tees Valley Business Board, Tees Valley Management Group and Tees Valley Chief Executives.

## **EQUALITY & DIVERSITY**

38. The Connect to Work programme is a Supported Employment programme intended specifically to help people with disabilities and health conditions



remain in work and to get more people with disabilities and health conditions into work and tackle inequality.

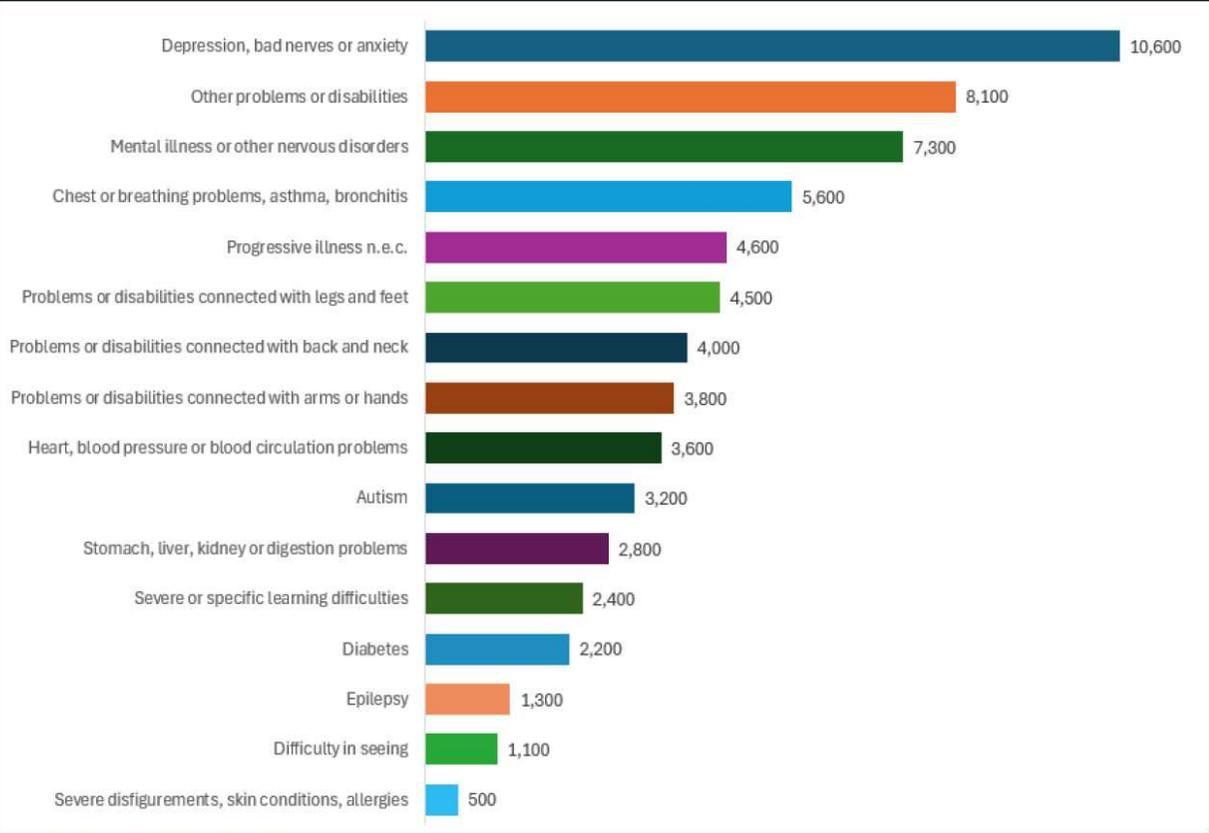
39. Published guidance for Connect to Work states that eligible participants must be in one of the following groups:
- a. A disabled person, who has a disability or a long-term health condition, as defined in the Equality Act 2010 or the Social Model of Disability or;
  - b. A specified disadvantaged group, as detailed in Annex B of the Grant Guidance.
40. 'Key groups include disabled people, people with a health condition, disadvantaged young people and older people, people with caring responsibilities (including parents and lone parents particularly where this supports the government's ambitions to reduce child poverty), and people who face multiple disadvantages (for example homelessness, ex-offenders, refugees, and care experienced).'
41. People in these participant groups must also meet the following additional criteria to be eligible for Connect to Work:
- a. they must not currently be doing any paid work and would be available to start a suitable job (applies only to participants who are not working), or are at risk of losing work (retention participants only)
  - b. should have been employed continually for at least 3 months before starting Connect to Work, (retention participants only)\*
  - c. are of Working Age, aged 18\* or more in England
  - d. have the right to work in the United Kingdom
  - e. have the right to live in the United Kingdom and are resident in England or Wales
  - f. do not belong to a group which has no entitlement to public funds
  - g. are not on a DWP employment programme
42. As the Delivery Plan and programme are further developed an Equality Impact Assessment will be produced in parallel.

**Name of Contact Officer:** Sally Gardner  
**Post Title:** Business Solutions Manager  
**Telephone Number:** 01325 792600  
**Email Address:** [Sally.Gardner@teesvalley-ca.gov.uk](mailto:Sally.Gardner@teesvalley-ca.gov.uk)

**BLANK PAGE**

Economically Inactivity by Health Condition

# Tees Valley Economic Inactivity by Health Condition



**Key Point: The Tees Valley economically inactive population has a significantly higher proportion of people with health conditions than nationally.**

**One or more health conditions:**

- 65,600 out of 105,400 inactive / 62.2% Tees Valley (Nat. 51.1%)**

**BLANK PAGE**

## BUSINESS GROWTH DELIVERY PLAN

### SUMMARY

At the Cabinet meeting in March 2025 as part of the Investment Plan Refresh, it was agreed that a review of the current Business Growth service was to be undertaken prior to allocating the remaining 2025/26 UK Shared Prosperity Fund (UKSPF) Supporting Local Business allocation. The package of business support delivered through UKSPF to date was a pilot designed to test alternative delivery models, which finished at the end of March 2025, so further performance and evaluation data is now available.

The aim is to deliver an improved, coordinated Tees Valley Business Growth programme aligned with the emerging Local Growth Plan, emerging Tees Valley Inward Investment Strategy and the National Small Business Growth Strategy. There is an opportunity through the delivery of the Tees Valley Investment Zone, and development of the Department for Business & Trade (DBT) Small Business Growth Strategy to implement a comprehensive and co-ordinated model in Tees Valley that would better align its growth offer with business needs and emerging Government policy.

This report sets out the review undertaken to date, the proposed Tees Valley model and makes recommendations on the allocations of UKSPF in 2025/26, which support the transition to this new model.

### RECOMMENDATIONS AND OPTIONS AVAILABLE TO CABINET

**Decision 1** - In relation to the new business support model, Cabinet has the following options:

**OPTION 1a:** TO APPROVE the new business support model in full and to DELEGATE delivery of the model as set out in this paper to the Interim Director of Business Solutions, in consultation with the Interim Chief Executive, Section 73 Officer and Monitoring Officer with regular reports coming back to Cabinet.

**OPTION 1b:** NOT TO APPROVE the new business support model.

**OPTION 1c:** TO APPROVE PARTS of the new business support model and to DELEGATE delivery of the model as set out in this paper to the Interim Director of Business Solutions, in consultation with the Interim Chief Executive, Section 73 Officer and Monitoring Officer with regular reports coming back to Cabinet.

**RECOMMENDED OPTION 1a:** TO APPROVE the new business support model in full and to DELEGATE delivery of the model as set out in this paper to the Interim Director of Business Solutions, in consultation with the Interim Chief Executive, Section 73 Officer and Monitoring Officer with regular reports coming back to Cabinet.

**Reasons for recommended option:** Alternative options will not achieve the objectives in terms of developing a comprehensive model, which is agile and can be adapted over time to meet market demand and will therefore not address the challenges and opportunities identified. The model is designed to work as a full package, therefore approving elements of it will not achieve this.

**Decision 2** -In relation to the UKSPF 2025/26 allocation, Cabinet has the following options:

**OPTION 2a:** TO APPROVE the full proposed allocation set out in paragraphs 44 to 53, and the proposed delivery route as set out in the table in paragraph 48 and to DELEGATE the delivery of the activity set out in paragraphs 44 to 53 of this report to the Interim Director of Business Solutions in consultation with the Interim Chief Executive, Section 73 Officer and Monitoring Officer with regular reports coming back to Cabinet.

**OPTION 2b:** NOT TO APPROVE the proposed allocation set out in paragraphs 44 to 53.

**OPTION 2c:** TO APPROVE PARTS of the proposed allocation set out in paragraphs 44 to 53 and the proposed delivery route as set out in the table in paragraph 48 and to DELEGATE the delivery of the activity set out in paragraphs 44 to 53 of this report to Interim Director of Business Solutions, in consultation with the Interim Chief Executive, Section 73 Officer and Monitoring Officer with regular reports coming back to Cabinet.

**RECOMMENDED OPTION 2a:** TO APPROVE the full proposed allocation set out in paragraphs 44 to 53, and the proposed delivery route as set out in the table in paragraph 48 and to DELEGATE the delivery of the activity set out in paragraphs 44 to 53 of this report to the Interim Director of Business Solutions, in consultation with the Interim Chief Executive, Section 73 Officer and Monitoring Officer.



**Reasons for recommended option:** The UKSPF is for the financial year 2025/26, therefore activity must be delivered by March 2026. The recommended activity has been proposed after a full review of all evidence available, aligns with business need and can be mobilised quickly to maximise the impact of the funding in this year. All proposed activity also aligns or will inform the transition to the new model.

Alternative options will delay mobilisation of the UKSPF activity, which leaves a further gap in the market for businesses and is a high risk to delivery of UKSPF in this financial year.

### 3. Other action of Cabinet

In addition, it is recommended that Cabinet:

**NOTES** the phase 2 & phase 3 development plan with further updates to be provided to Cabinet in in September and December 2025.

## DETAIL

1. The UK - and global - economy is changing rapidly. Businesses face global competition, technological disruption, workforce challenges, and increasing pressure to become sustainable and digitally capable.
2. Previously our models of business support have been characterised by fragmented programmes and reactive delivery by multiple organisations. It is currently unclear to businesses where to go for support in Tees Valley with limited places available on targeted time bound programmes both nationally and regionally.
3. These challenges are shared nationally, and the Department for Business and Trade (DBT) is reviewing the national growth hub offer and how this will align with and complement local hubs. At a recent conference that brought together all Business Growth Hub leads the following shared challenges were identified:
  - **Fragmentation & consistency:** There is variation in delivery models, funding, and service offerings.
  - **Triage & handoffs:** A concern is avoiding "double triage" or "double diagnosis" for businesses. Efficient and clear referral processes are needed.
  - **Resource constraints:** Limitations in funding and staffing. Difficulty to reach a large percentage of the local business population.
  - **Data & systems:** Difficulties in data sharing and challenges in obtaining segmented business data to target support. Different Customer Relationship Management (CRM) systems and data sharing agreements between delivery partners are a barrier.
  - **Complexity of support landscape:** Businesses face "too much stuff" - the local hubs need to streamline this for businesses.
  - **Online support improvements:** There is an opportunity for some consistency in the advice, guidance and services available online to businesses in the UK. Utilising AI to provide a more tailored journey for the customer. Different Growth Hubs have their own websites and online support. There is a clear desire for collaboration in this space to share the resources and support more businesses.
  - **Exports:** A collective need to inspire companies in the first instance. Need to help companies identify whether they have an exportable product or service – some businesses don't recognise their potential so never explore further. Leverage DBT's overseas network and create opportunities for the Growth Hub network to dock in directly to key markets. Begin the export conversation much earlier in the support / diagnostic process.
  - **Scale Ups & Growth Potential Businesses:** There needs to be a consistent pre-growth programme to get businesses prepared, which would need to run for a minimum of 3 years. Limited funds mean we need to focus on identifying the right businesses with the potential to grow. Should be funded nationally with growth hubs facilitating and not delivering.

- **Everyday Economy:** DBT is considering how it can best approach the ‘Everyday Economy’ and particularly support the sectors most commonly found on the high street. These are a set of non-tradable sectors serving as the bedrock for economic growth, while also delivering essential services, mediating prices, underpinning mass employment, and enabling social mobility. An issue raised by all groups was the legacy of ‘Everyday Economy’ sectors being out of scope of previous business support programmes. As a result, these sectors haven’t been captured as much by business support and Growth Hub models and do not have lengthy relationships with Hubs where other sectors may do.
  - **Universal but Local:** finding the right split of frontline services – universal services provided by the national service and locally tailored services provided by the network; and Growth Hubs can work with private sector support providers.
4. The aim of the Growth Hub nationally is to:
- **Enhance SME productivity and growth in the UK**, through a tiered service model that provides universal access to foundational support and more targeted, resource-intensive interventions at SMEs with the greatest potential.
  - **Improve the SME experience in finding and accessing business support**, by providing a seamless and navigable system that eliminates fragmentation and improves hand-offs. Leveraging digital innovation to create a cutting-edge AI-driven digital platform that personalises support and guidance based on each business’s needs.
  - **Embed devolution and innovation principles** into the design and delivery of SME support, by working in partnership Growth Hubs and devolved administrations across the UK can ensure that support services are co-created and implemented with local partners.
  - **Hardwiring the voice of SMEs into government** by building business insight, analysis and expertise into everything the growth service does. Proactively spread best practice and ensure the whole of government hears the voice of SMEs in policy development.

## Tees Valley Approach

5. Our region’s business support landscape must evolve to meet the challenges and opportunities of a fast-changing economic environment. This proposal outlines a new model of business support, which is designed to deliver a smarter, more efficient and higher-impact approach to supporting businesses of all sizes and sectors.
6. The proposed approach aligns with the direction of the national growth hub offer and we will continue to work closely with DBT as the national offer evolves to avoid any duplication. However, Tees Valley does not have some of the basic foundations in place so that we can maximise support to local businesses and prepare for our transition as part of the national offer when implemented.

7. This proposal seeks to build those strong foundations and transition Tees Valley support to a longer-term model that can scale up or back as funding is secured and can be flexible to business need.
8. Business Tees Valley is the growth hub for the region, and it needs a streamlined, user-friendly approach that makes every interaction count, maximises the use and coordination of the shared resources of both TVCA and its constituent Local Authorities, and draws on the expertise of the private sector to ensure support is valuable to businesses.
9. We have reviewed and considered:
  - a. Economic evidence base on the challenges and opportunities.
  - b. Information and insights from the National Growth Hub network.
  - c. Performance and evaluation data from the current UKSPF activity.
  - d. Information and feedback provided by businesses to both TVCA and LA business teams and additional insights and ideas from partners.
  - e. Research and discussions with other Combined Authority areas.
  - f. Information, evidence and feedback on previous programmes, and approaches that have or have not worked well.
  - g. Information and insights from the Tees Valley Business Board.
10. We have worked closely with appropriate economic development leads from each LA area and this group will now become a Delivery Group for any future collaborative development. We will work together through Task and Finish Groups to move approved recommendations forward to mobilise quickly and accelerate delivery.
11. We have worked closely with the Business Board, and we have engaged with businesses through various less formal means whilst undertaking this review, but not yet in a larger scale formal manner. We will continue to work with the Business Board who will lead any formal business engagement as plans develop. If the proposed model is approved by Cabinet, we will scale up our wider business engagement to inform the content provided.
12. The national Industrial Strategy (IS) and supporting Sector Plans are due to be published by Government alongside the Spending Review. We have informed this process by providing local intelligence and insight into the Industrial Strategy Unit and understand that whilst the IS itself will not identify priority geographical areas, the supporting Sector Plans will. They will also set out policy interventions that are needed nationally to support growth driving sectors. Our understanding is that each Sector Plan has defined sub sectors for growth, so they are targeted.

13. The emerging Local Growth Plan will be the refreshed 10-year economic plan for Tees Valley and aims to **“Secure sustained and inclusive growth to exceed the UK growth rate - building on our success to date, to power a diverse and balanced economy, with job growth and productivity gain that creates opportunities for everyone.”**
14. It identifies five priorities that were approved by Cabinet:
  - a. **Grow our globally competitive modern industrial and technology cluster and enabling Advanced Manufacturing sector by** securing further investment, deepening our innovation expertise and attracting and retaining talent.
  - b. **Accelerate our rapidly growing digital cluster and creative cluster** by securing further investment, growing our business base and attracting and retaining talent.
  - c. **Diversify and drive the growth of our everyday economy** by increasing business density and developing the skills of our people to get more people into work.
  - d. **Create the environment for growth and accelerate regeneration of our communities** making Tees Valley an attractive place to live, work and invest.
  - e. **Accelerate the development** of strategic transport, energy, digital and housing infrastructure to maximise the potential of our growth opportunities and create the environment for growth.
15. The LGP strategic planning framework illustrates all sectors, current employment and growth forecasts (with no intervention) within the Tees Valley economy (**Appendix 1**). To achieve true inclusive growth and a diverse sustainable economy; and bring Tees Valley to national levels for business density we need a further 10,000+ businesses (based on ONS registered companies) and we need 37,000 more people of working age into employment (to meet the government's ambition to achieve an 80% employment rate). This won't happen by focusing only on the nationally recognised high productivity sectors. We must also focus on the high-volume employment sectors. This requires support to sustain all businesses, support them to grow and increase their workforce and to identify high growth potential and innovation to provide more in-depth support to remove barriers to their growth.
16. Our business support model is designed to provide some level of support to all businesses across our regional economy – from early-stage entrepreneurs to high-growth innovators. To do this well, we must recognise the diversity of our business base and ensure our offer is both broad in reach and targeted in impact. Our mission is to support economic growth by offering the most impactful business support service possible to businesses and entrepreneurs in Tees Valley which is simple, pragmatic and valuable.
17. We will do this by:
  - Understanding our business base, and the challenges and opportunities they face.
  - Balancing high-quality generalist support with specialist resource and interventions, which respond to defined needs and priorities.

- Embedding evaluation and impact measurement in our approach.
- Refining and re-shaping as our business ecology evolves and the landscape changes.
- Being mission focused, rather than funding driven.
- Working collaboratively with local partners and stakeholders and building new partnerships, which unlock high quality, impactful opportunities for local businesses.

18. We must:

- Reach more businesses by building a more efficient service that is smart, adaptive, and responsive.
- Use public investment and align support with areas of highest opportunity for regional growth.
- Provide high quality, knowledgeable targeted advice and guidance to more businesses.
- Target the right type of financial intervention where its most needed, and offers the greatest impact.
- Support high growth sectors, which feature in the national Industrial Strategy and the Local Growth Plan and support the everyday economy, high employment sectors.
- Measure and evidence the socio and economic impact of all interventions.

19. Between now and March 2026, we will work in partnership with the Local Authorities and Business Board to co-design the delivery model for the longer-term Growth Service, which ensures equitable access and support for businesses across the region, in line with the objectives and principles set out in this report. This will include consideration of the ongoing working relationships and structures between partners and options for delivery, which play to the strengths of different partners for the benefit of the Tees Valley business community.

## Supporting the Everyday Economy

20. Around 86% of Tees Valley's workforce is employed within what the Government refers to as the 'everyday economy' – sectors such as retail, care, construction, hospitality, logistics and local and professional services. These businesses are critical to the health and resilience of our communities and to local employment. However, they often face persistent challenges around productivity, digital adoption, access to finance and leadership development.

21. That is why the foundation of our model is a sector-agnostic, universally accessible offer – open to any business, in any sector, at any stage. It is designed to be flexible, relevant and easy to engage with.

## Catalysing Growth in Priority Sectors

22. Alongside this broad-based offer, four **High Growth Priority Sectors** are identified that are central to driving innovation, investment and high-value employment across the region. These sectors have the potential to deliver outsized economic returns and national competitiveness. However, they also face specific challenges – from accessing R&D partnerships, to developing sector-specialist skills and supply chains, to scaling internationally. These challenges require more tailored, higher-touch support.

- a. **Modern Industrial & Technology Cluster**  
*Includes: Clean Energy, Chemicals & Processing, Biomanufacturing, Life Sciences*
- b. **Advanced Manufacturing**
- c. **Digital Industries**
- d. **Creative & Cultural Industries**

23. We are proposing a new model for delivery structured around a scalable, flexible framework that balances reach and depth through **three tiers of support covering key themes:**



24. This model enables us to meet different businesses requirements – offering light touch support to many, and deeper interventions to those where the return on investment is likely to be highest. It is an agile framework that will evolve over time with continuous learning and refinement in-line with the changing economic environment and evolving policy and funding landscape. The tiered approach will remain the same, but the themes may change over time to meet market demand.

## Applying our Business Tees Valley Model to Every Layer of the Economy

25. The delivery model will be applied to both the ‘Everyday Economy and to each of the High Growth Priority Sectors. In doing this, we ensure that no business is left behind – while also making smart, targeted investments in the areas that will drive growth. This dual-focus allows us to balance inclusivity with impact and enables a model which can expand or contract in-line with available funding.

26. In addition to sector agnostic content, the above themes can be addressed and added to with the nuances of the High Growth Priority Sectors through a sector-specific offer.

27. While the ‘universal’ and ‘targeted’ tiers will be applied across all sectors, we anticipate that the ‘recruited’ offer will be most relevant and valuable to businesses within our identified priority sectors, where the potential for growth, innovation and scale is of particular focus.

Audience	Universal Offer	Targeted Offer	Recruited Offer
All Sectors	Sector agnostic Digital tools, AI diagnostics, self- serve content	Mid-scale interventions for businesses with shared characteristics / challenges / opportunities	Limited but possible for high growth / high impact businesses
High Growth Sectors	Sector-specific digital tools & self- serve content	Sector-specific mid-scale interventions which respond to specific needs / opportunities	High-investment, high-impact programmes

### Universal Offer: AI-Powered Online Business Hub

28. As shown above in paragraph 23, at the widest part of the triangle sits a **universal offer** – designed to be accessible to every business across every sector. This is the

entry point to our service – low-cost, low-barrier and scalable. The use of AI will ensure personalisation at scale, enabling users to access the most relevant support without delay. Our business support team will monitor trends and provide human intervention where most needed.

29. It is envisaged that all the content themes outlined in paragraph 23 above will be addressed through this universal digital offer.

30. The core features of this offer are:

- AI-powered diagnostic tool that generates a tailored support pathway.
- Digital resources including templates, guides, tutorials and checklists.
- Automated signposting to relevant programmes, events and networks or an advisor if further support is required.
- Coverage of all content themes identified above.
- Ability to evolve over time, as further content and tools are developed or required.

31. There is also an opportunity to explore the production of tools for this self-service portal through TVCA social value commitments from professional services such as marketing, accountants and legal firms.

## Targeted Offer: Addressing Shared Barriers & Opportunities

32. The middle section of the triangle focuses on the **targeted offer** — interventions for businesses that share common challenges or growth opportunities. This offer allows us to go deeper with businesses with similar characteristics, offering more tailored advice, peer support, and in-person engagement. It is guided by local intelligence and ongoing evaluation to ensure relevance and impact.

33. Examples of what this might include:

- Cohort-based learning and peer support programmes.
- In-depth workshops with sector experts.
- Programmes co-designed with local and sector partners.
- Mentoring and advice.
- Smaller-scale grants and access to finance.
- Some interventions may require an application process.

## Recruited Offer: High-Value, High-Impact Interventions

34. At the narrowest tip of the triangle is our **recruited offer** – reserved for businesses with the highest potential for economic growth, innovation, or job creation.

35. Features to include:

- Competitive application processes.

- Dedicated account management.
- Access to specialist advisors, research partnerships or R&D support.
- Support for international growth, investment readiness or major expansion.

36. This tier of the model is concerned with making a deliberate investment in businesses that can deliver significant returns for the local economy. It is resource-intensive, but the impact – in terms of GVA, employment, innovation or productivity – ensures a strong return for this investment.

## What This Delivers: The Benefits of the Model

37. This model delivers a whole-system approach, which combines accessibility with precision and is underpinned by smart technology, data insights and a clear commitment to continuous improvement.

38. It has the following key benefits and marks a decisive shift in approach:

- **Scalability:** Enables broad access to business support at a low marginal cost.
- **Targeted Impact:** Ensures deeper investment goes where it can make the most difference.
- **Agility:** Responsive to economic shifts and business needs.
- **Efficiency:** Maximises public sector return on investment and focuses TVCA resource and capacity.
- **Clarity:** A simple, transparent offer that makes sense to users and partners.
- **Evidence-led:** Guided by business data, sector insights and real-world feedback.

## Funding

39. The business support model we have set out provides a flexible, scalable framework that will remain constant, regardless of changes in the funding landscape. It is designed to be modular and adaptable, enabling us to respond quickly to emerging opportunities, shifting priorities, and evolving economic conditions.

40. As we secure and align funding streams, we will scale activity up or down within the model. This may include expanding the reach of universal support, deepening our targeted interventions, or intensifying support for specific sectors or challenges.

41. At different times, particular focus may be placed on individual sectors, themes or types of business — in line with funding requirements, regional priorities, or identified need. However, the underlying structure of the model ensures that any new investment strengthens a coherent, joined-up system rather than creating fragmentation or duplication.

42. This approach enables us to offer funders confidence in our delivery capability, alignment with strategic priorities, and our ability to achieve impact at pace and scale.

43. We are proposing Three phases of implementation:

**Phase 1 – Deliverable within 2025/26:** Quick-start interventions utilising the 2025/26 UKSPF allocation.

**Phase 2 – Start in 2025/26:** Multi-year programmes launching with secured IZ funding and potential reallocation of previous business growth programme funding that will start this year, but continue for longer.

**Phase 3 – Future delivery, pending additional funding:** Interventions scoped now for longer-term development in preparation for future funding sources.

## Phase 1 – Deliverable within 2025/26 utilising UKSPF Allocation

44. There is some provision available in the marketplace through national and regional programmes (set out in **Appendix 2**).

45. The TV Net Zero project delivered by Decerna was allocated £1m from the UKSPF allocation at the March 2025 Cabinet, which provides support to SMEs with energy efficiency, and is now live. It supports local businesses on their journey towards net zero through advice, guidance and limited grant funding. From introducing the concept of Net Zero, to providing practical steps to allow businesses to reduce costs and save carbon including, developing a Carbon Reduction Plan to set near and long-term net zero targets. Some businesses also receive on-site energy audits and monitoring using equipment providing a detailed techno-economic assessment of opportunities for energy efficiency and renewable energy measures. Advice and guidance is provided to empower businesses to reduce costs and save carbon.

46. The locally delivered DBT funded Made Smarter programme, which supports digital adoption in SME manufacturing businesses is also live. This includes training and knowledge transfer programmes, peer to peer support and a grant element to implement adoption of the appropriate smart technology.

47. The following proposals are based on the evidence we have reviewed to date, align with the transition to the future model and ensure support is available this year, during the transition using the remaining UKSPF allocation of £4.4m.

48. A summary table with further detail is provided below.

Activity	Allocation	Proposed Delivery Route
a. Establish the core universal offer for all businesses – including establishing the digital offer and required data sharing and CRM	£800k	Direct delivery by TVCA with LA leads – some interventions will need to be procured.

Activity	Allocation	Proposed Delivery Route
arrangements as a foundation to the model.		
b. Deliver a targeted programme of bite sized workshops for SMEs across Tees Valley.	£80k	Coordinated through TVCA with LA leads and delivered by procured industry experts.
c. Deliver a targeted pilot programme for export through a partnership with DBT and TVCA.	£300k	Direct delivery by establishing a partnership agreement with DBT.
d. Deliver a targeted programme to support the Local Visitor Economy businesses.	£150k	Co-designed with Local Visitor Economy Partnership Board and LA Strategic Destination Management Group. Direct delivery by TVCA – some interventions will need to be procured
e. Deliver a targeted programme for supply chain resilience by extending the UKSPF RTC North project.	Up to £1m	Extension of previous UKSPF activity.
f. Deliver a targeted programme to support entrepreneurs, start-ups, and scale-ups by extending the UKSPF Alt Labs project.	Up to £2m	Extension of previous UKSPF activity.
g. Procure an independent relevant organisation to produce a feasibility study mapping out challenges and opportunities for Tees Valley High Streets and provide options on what business support is effective and required to support high street businesses to inform future local provision. This must align with the emerging national picture.	£70k	Coordinated through TVCA with LA leads including a procurement
<b>Total</b>	<b>£4.4m</b>	

47. Allocate £800k to establish the core universal offer for all businesses which includes:

- a. Implementing effective data sharing arrangements and coordination of CRM systems across TVCA, constituent LAs and providers resulting in improved intelligence on our business base and our funded programmes.
- b. Providing one way in for businesses with coordinated and digitally supported triage and signposting to an appropriate advisor as required.
- c. Purchasing and implementing an AI supported self-service portal 'Business Tees Valley' hub with quality toolkits, advice and resources for businesses to equip them with the information, advice and guidance they need at the time they need it. Ensuring alignment with the emerging national growth hub offer. This will include some open access, but also a business registration to help us gather intelligence, which can be used to target the customer's journey and inform future activity.
- d. Providing advice and toolkits which are both sector agnostic and sector specific through a combination of existing resources and the development of new resources with appropriate suppliers and/or partners.
- e. Developing and delivering an improved, more coordinated marketing approach to make it simpler for businesses to understand the offer and access support.
- f. Establishing a Dynamic Purchasing System or Framework ready for future procurement to allow an agile response to new funding opportunities and a diverse range of suppliers.
- g. Specific legal advice regarding IP, sharing of data and funding agreements / contracts.

**48. Allocate £80k to deliver a targeted programme of sector agnostic bite sized workshops for SMEs across Tees Valley coordinated through TVCA with LA leads and delivered by industry experts.**

- a. Workshops are currently delivered across Tees Valley, but are largely driven by individual LA teams when funding is available, resulting in a disparity across Tees Valley. These are well attended with a waiting list for future events and good feedback from businesses. The purpose of these workshops is to provide information to businesses to support their sustainability, skills base within the business, competitiveness, and identify areas for growth. To complement the universal core offer, we propose a programme to be delivered across Tees Valley, initially up to March 2026 coordinated by TVCA and its constituent local authority business teams and delivered by appropriate private sector providers in local areas.
- b. A programme of bite-sized training for SMEs is an effective way to deliver practical, accessible learning that supports business growth without overwhelming busy teams.

Popular Topics for SME Training include:

1. Digital Marketing Basics
2. Cash Flow Management
3. Business Development
4. Customer Service Excellence
5. Using AI Tools for Productivity
6. Cybersecurity Essentials
7. HR Compliance, recruitment and retention, best practices, Employment Rights Bill
8. Time Management for Small Teams
9. Startup Savvy
10. Digital Programme of topical masterclasses

c. We will:

- Target businesses, based on local intelligence
- Deliver each workshop in all 5 local authority areas providing businesses with an opportunity to attend wherever suitable for them.
- Monitor delivery and amend the programme to fit business need across the year.
- Seek to record these workshops and add them to the hub for future self-service access.
- Undertake evaluations and follow up with the business in terms of the outcomes and next steps for that business.

**49. Allocate £300k to deliver a targeted programme for export through a partnership with DBT and TVCA.**

- a. A pilot programme run by York and North Yorkshire Combined Authority in partnership with DBT was successful last year in encouraging businesses to start or increase their export activity. The programme included export Road Shows, small grants of between £3-10k to support targeted businesses to attend international events, ensure marketing collateral was appropriate for international audiences and to secure the required professional advice or legal support to enter new markets. A 25% match contribution is required from the business.
- b. From an initial £200k investment they issued 38 grants and sales increased by £6m across those businesses. They have since extended this programme through their Mayoral Investment Fund. We would like to run a similar programme with DBT in Tees Valley this year to inform future provision.
- c. Initial discussions with DBT are positive and they are keen to roll out a pilot in Tees Valley this year. We have also had initial discussions with York and North Yorkshire about providing joint roadshows where our borders meet.

## 50. Allocate £150k to deliver a targeted programme to support the Local Visitor Economy

- a. Following a competitive application process, Tees Valley has been designated as a Local Visitor Economy Partnership (LVEP) by Visit England. This positions Tees Valley within an exclusive network of circa 40 other places, working strategically with Visit England to grow the national visitor economy. Previously Visit England's national engagement reached – to varying degrees – over 150 destinations.
- b. TVCA is the Accountable Body for the Tees Valley LVEP, which is a partnership endeavour with all five regional Local Authorities.
- c. As an LVEP, Tees Valley is recognised for its commitment to working strategically with local partners and stakeholders to grow the quality, capacity and impact of its visitor economy sector. We are connected into national initiatives and benefit from direct input, advice and access to funding.
- d. Building national intelligence around sector skills and the business landscape is a core priority for Visit England and there is an expectation of individual LVEPs to provide business support to their local business base.
- e. An LVEP Board has been established – through a combination of open application and direct invitation – to embed the voice of local businesses and visitor economy stakeholders in the design of LVEP activity and build wide ownership of LVEP strategies and priorities.
- f. A Strategic Destination Management Group has also been established, which brings together senior officers from each of the Local Authorities to shape and oversee delivery of an LVEP Growth Plan (a partnership document which is shared with Visit England) and to ensure that the priorities of the Local Authorities (responsible for managing their respective destinations) inform and are informed by the ambitions, priorities and recommendations of the LVEP Board.
- g. TVCA will coordinate business insights and recommendations from the LVEP Board and Strategic Destination Management group to co-design and utilise UKSPF to deliver an initial programme of support for businesses operating within the visitor economy. This is likely to focus on skills development opportunities, networking and peer support and, if strategically appropriate, could also include some low-level grant funding to support companies to make an operational step-change.
- h. In a recent visitor economy business survey conducted digitally by TVCA, businesses reported wider economic challenges impacting customer numbers. It is likely that the programme of support will include a focus on diversifying and reaching wider client bases.

## 51. Allocate up to £1m to deliver a targeted programme for supply chain resilience by extending the UKSPF RTC North project.

- a. The Tees Valley Supply Chain programme delivered by RTC North supports companies to prepare and engage with regional, national and global supply chains, including service and product opportunities. It includes access to an exciting range of sector engagement and networking events, comprising Meet the Buyer and Developer sessions, supply chain villages and surgeries. Dedicated workshops and support from specialist advisors can help to address identified capacity building needs, allowing businesses to target growth within existing or new supply chains. The programme is being delivered in collaboration with local and national support networks, sector and trade organisations.
- 52. Allocate up to £2m to deliver a targeted programme to support entrepreneurs, start-ups, and scale-ups by extending the UKSPF Alt Labs project.**
- a. The Tees Valley Labs programme delivered by Alt Labs is an extensive business support programme designed to enhance business growth and innovation in Tees Valley. Two programmes support entrepreneurs, start-ups, and scale-ups, equipping them with essential resources, mentorship, and grant access. The Stable is an incubator programme for businesses in early ideation to market traction with access to grant funding. The Forge is an accelerator programme supporting businesses transitioning from revenue generation to major investment with access to grant funding.
- 53. Allocate £70k to procure an independent relevant organisation to produce a feasibility study on what business support is effective and required to support high street businesses.**
- a. The brief for this will be developed with the Delivery Group and could include mapping all vacancies on high streets in Tees Valley, providing an up to date review of challenges and opportunities, reviewing what support has been made available locally to date, what has worked and what has not, reviewing national direction and developing options for Tees Valley to consider as a future targeted programme. During our review it is clear this is a national priority with emerging evidence and national policy interventions, however there is also a desire to have local support with differing views on what this should look like. This work needs to consider a range of mechanisms to inform options. This will provide the evidence for informed decisions in the future to ensure local support is innovative, uses all levers available to us, isn't reliant on grants alone and doesn't duplicate what is being provided nationally.

## Phase 2 – Start in 2025/26: Multi-year programmes launching with secured IZ funding and potential reallocation of previous business growth programme funding.

54. Whilst Phase 1 is in delivery, work will begin to establish multi-year programmes which will provide some consistency for targeted businesses / sectors through:
  - i. The Digital & Creative Investment Zone
  - ii. A new 'Access to Finance' programme which will create greater confidence in and proximity to a range of financial solutions, including loan, equity and angel investments as well as a new small grant fund which will be developed through the reallocation of previous business growth programme funding.
  
55. TVCA will work in partnership with Teesside University, the Business Board and in dialogue with stakeholders from the digital and creative industries communities to develop the business support programme for the Investment Zone, including the university-led Research and Innovation strand of activity.
  
56. Through this development, priority themes and subsectors will be identified, and care will be taken to ensure complementarity with wider business and sector support initiatives, rather than duplication. It is likely that procurement exercises will be required to engage suitable industry experts and bodies in delivery of programme interventions, which will provide nuanced support to stimulate start-up, growth and inward investment.
  
57. The University's Research & Innovation initiatives are likely to commence by July with the wider business support programme being developed for September rollout.
  
58. The 'Access to Finance' programme will include procured specialist advice, guidance and toolkits alongside a TVCA-led grant funding mechanism to support businesses with growth potential to make a strategic step-change. A core objective of this grant fund will be to enable business development, which allows transition from grant funding to other forms of finance. It is anticipated that this programme will be developed by December 2025.
  
59. TVCA has also commissioned Toki to undertake a market failure diagnostic to identify gaps in the funding lifecycle in both our primary growth sectors and everyday economy. This work will be completed by early September 2025 and will be used to build the Business Case to draw down ERDF legacy monies.
  
60. A more strategic review of the Workforce Development offer is set out in Phase 3, however during Phase 2, we will explore ways to provide practical support to businesses to understand their workforce needs, develop plans and identify any existing support available to them or opportunities for Bespoke Employer Led

Programmes. We will also integrate the Connect to Work and Youth Guarantee Trailblazer programmes with the business growth service to effectively engage employers and seek to provide opportunities for people to enter the labour market. We are also working closely with partners to inform our future approach to the targeting of Adult Skills Funding to meet the needs of people and businesses in Tees Valley and maximise outcomes.

### **Phase 3 – Future delivery, pending additional funding: Interventions scoped now for longer-term development.**

61. Throughout the remainder of the year, we will build upon dialogues established with Local Authority partners, the Business Board and other external stakeholders (e.g. Department of Business & Trade, DCMS, Innovate UK) to develop a long-term plan for delivery of the new business growth model. This will include consideration of the medium and long-term needs of the priority sectors, as identified in the Local Growth Plan.
62. A core focus will also be on ensuring a cohesive, coordinated and well-communicated approach to the support available for workforce development. This will ensure strong connectivity between the following initiatives:
  - i. Get Tees Valley Working plan (first draft due in September)
  - ii. Local Skills Improvement Plan (TVCA is now joint-accountable body with NECC)
  - iii. Good Employment Charter
  - iv. Connect to Work Programme (delivery plan currently in development with DWP)
  - v. Youth Guarantee Trailblazer
  - vi. Devolved Adult Skills Programme
  - vii. Apprenticeship Levy & Support
  - viii. Emerging Sector Plans from Skills England and Cluster Bodies
63. As described in paragraph 19, TVCA will work with Local Authority partners throughout this process to identify a partnership approach to delivery, which creates the greatest opportunities for access to support for Tees Valley businesses and which positions the most appropriate skills and expertise at the most impactful point of engagement.

### **FINANCIAL IMPLICATIONS**

64. At the Cabinet meeting in March the UKSPF Programme was accepted into the TVCA Investment Plan with an allocation.

65. The recommendations in this paper will commit £4.4m of revenue from the UK Shared Prosperity Fund (UKSPF) programme in this financial year to specific activity.
66. Any additional financial commitments required in Phase 2 or Phase 3 will come back to Cabinet for approval.

## **LEGAL IMPLICATIONS**

67. The Tees Valley UKSPF Investment Plan, which set out the evidence base and strategic direction, together with priorities for the fund, was approved by HM Government in 2022.
68. All of the proposals within this report align with the UKSPF Investment Plan priorities and address challenges and opportunities identified in the that plan.
69. A requirement of the UKSPF Investment Plan was to establish a UKSPF Local Partnership Group that would have oversight of the programme development and delivery. Due to the risk to delivery with the 2025/26 financial year, TVCA will need to progress to delivery quickly, and therefore a non-linear oversight process will be required. This means that where possible we will take to the LPG recommendations before contracting but in some cases, we may need to report to them afterwards. Any risk is mitigated through the close ongoing collaboration of the Delivery Group that includes representatives from TVCA and all constituent local authorities.
70. This report is therefore asking Cabinet to reframe the approach to oversight in order to mobilise delivery, enabling a delegation to officers who will in turn report to all of those identified in the UKSPF Investment Plan.
71. Prior to contracting, the usual Delegated Decisions to Commit the Funds will be completed (and reported to Cabinet in the usual way) and once the programme moves into delivery the usual assurance and oversight process will continue.

## **RISK ASSESSMENT**

72. At this stage it is considered that existing management systems and daily routine activities are sufficient to control and reduce risk. The most significant risk currently is the timescale for the UKSPF 2025/26 allocation, given that we are at the end of Q1. The proposals can move to delivery quickly subject to Cabinet approval to mitigate this risk and maximise outcomes.
73. As the Business Growth model is developed a detailed risk assessment will be undertaken and managed.



## **CONSULTATION & COMMUNICATION**

74. We have worked collaboratively with LA Economic Development Officers to inform these recommendations. This will continue through the delivery group on which there are members from all constituent local authorities and TVCA.
75. We have worked with the Tees Valley Business Board to inform the recommendations in this report.
76. Informal consultation with businesses has taken place through various means as set out in this report. On approval we will develop an engagement plan with the Tees Valley Business Board to widen this engagement.
77. The Interim Director of Business Solutions has held individual discussions with each constituent Local Authority's Cabinet Member and/or Chief Executive to outline the proposed model prior to the publication of this report.
78. Through the governance process, this report has been considered by Tees Valley Management Group, UKSPF Local Partnership Group, Tees Valley Chief Executives and the Tees Valley Business Board.
79. Subject to Cabinet approval a communications and marketing plan will be developed.

## **EQUALITY & DIVERSITY**

80. During all stages of this development process inclusivity, equality and diversity will be considered and championed.

**Name of Contact Officer:** Sarah Walker  
**Post Title:** Interim Director of Business Solutions  
**Telephone Number:** 01325 792600  
**Email Address:** [sarah.walker@teesvalley-ca.gov.uk](mailto:sarah.walker@teesvalley-ca.gov.uk)

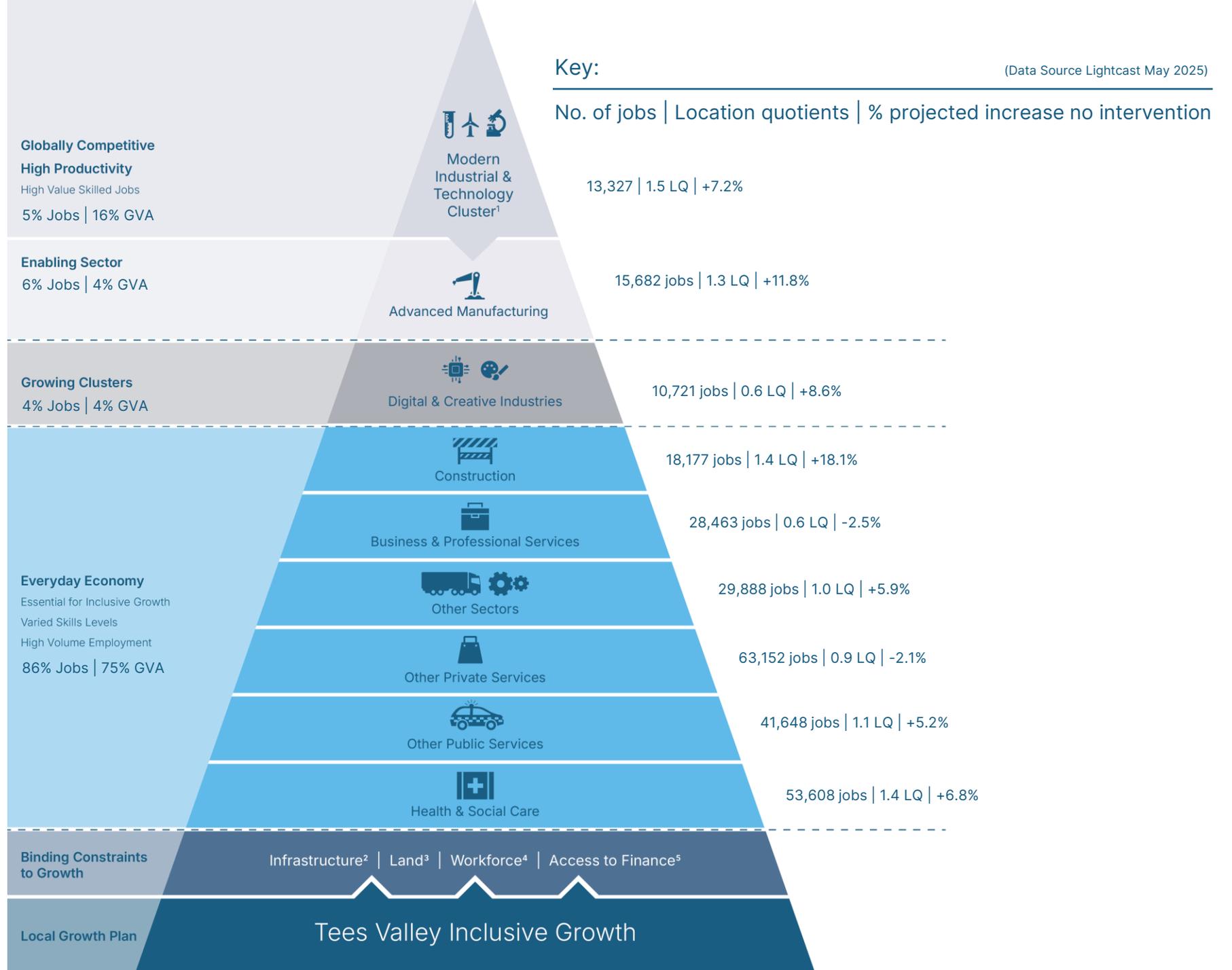
**BLANK PAGE**

# Business Growth - Appendix 1

(Data Source Lightcast May 2025)

# LGP Strategic Planning Framework

- 1 Cluster includes Chemical & Processing, Clean Energy, Bio, Manufacturing & Life Sciences.
- 2 Infrastructure includes planning, transport, highways, energy, resilience, digital, housing and quality of place
- 3 Land includes availability and viability.
- 4 Workforce includes education and skills.
- 5 Access to finance includes SMEs and inward investment



# High-level Growth Priorities:

1

**Grow our globally competitive modern industrial and technology cluster and enabling Advanced Manufacturing sector** by securing further investment, deepening our innovation expertise and attracting and retaining talent.

2

**Accelerate our rapidly growing digital cluster and creative cluster** by securing further investment, growing our business base and attracting and retaining talent.

3

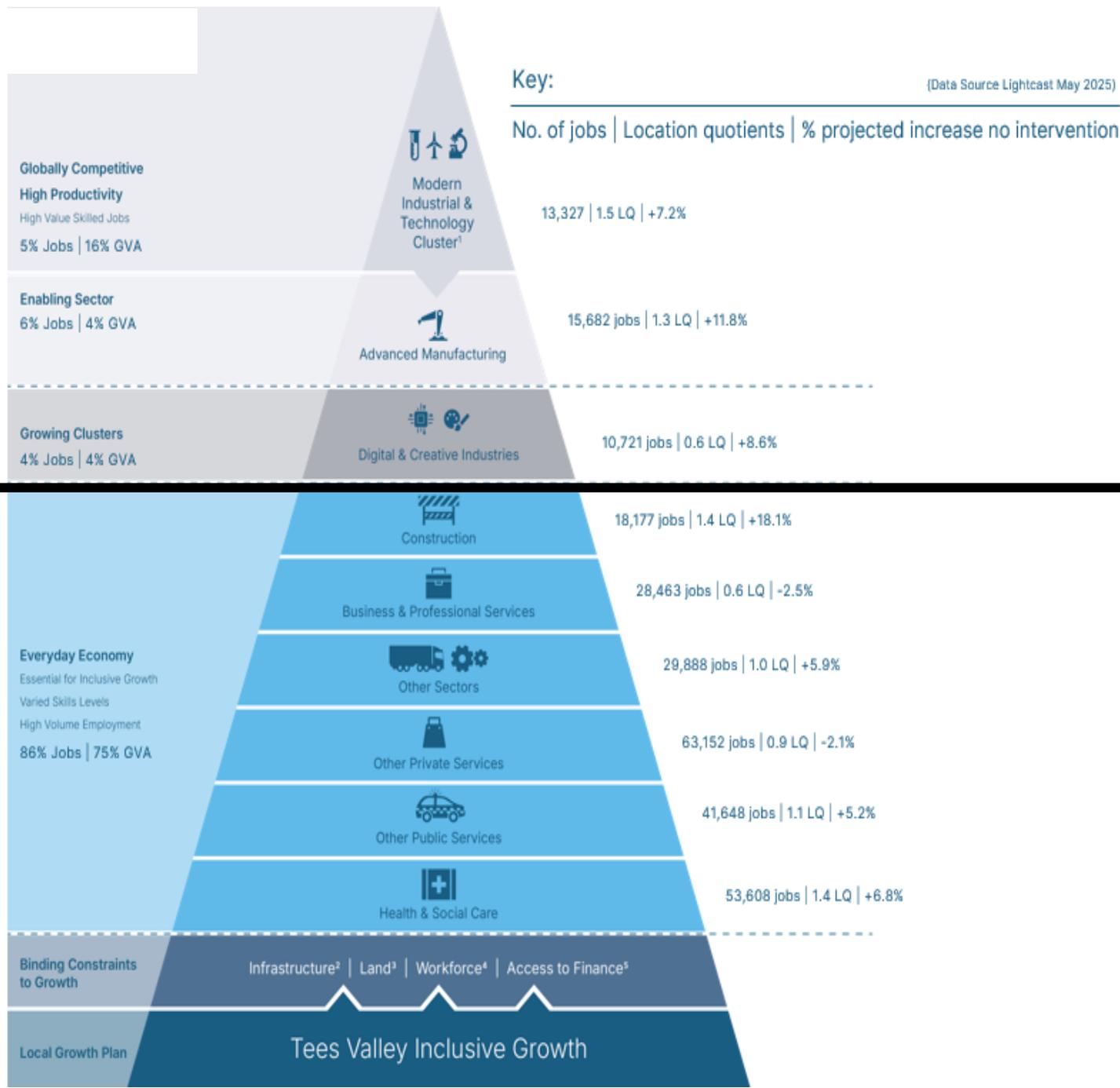
**Diversify and drive the growth of our everyday economy** by increasing business density and developing the skills of our people to get more people into work.

4

**Create the environment for growth and accelerate regeneration** of our communities making Tees Valley an attractive place to live, work and invest.

5

**Accelerate the development** of strategic transport, energy, digital and housing infrastructure to maximise the potential of our growth opportunities and create the environment for growth.



**BLANK PAGE**

APPRENTICESHIPS AND TRAINING			
SUPPORT - DELIVERED BY	WEBSITE	SUMMARY	
Skills and Training Fund - CITB	<a href="https://www.citb.co.uk/levy-grants-and-funding/">https://www.citb.co.uk/levy-grants-and-funding/</a>	The Skills and Training Fund provides an extra incentive to access CITB grant eligible-training and supports a wide range of activities. You can also use the money to tailor a training programme in construction or leadership and management that suits business and staff needs. Businesses must be CITB registered and up to date with levy payments to be eligible as well as meeting SME criteria.	National
Apprenticeship Grants - CITB	<a href="https://www.citb.co.uk/levy-grants-and-funding/">https://www.citb.co.uk/levy-grants-and-funding/</a>	Employers claim every 13 weeks the apprenticeship grant. <ul style="list-style-type: none"> <li>• £2,500 per year for attendance whilst completing the apprenticeship, up to a maximum duration defined within each apprenticeship.</li> <li>• £3,500 on achievement of the Apprenticeship Standard</li> </ul> Web link: Apprenticeship grants - CITB The NES Team (New Entrant Support) are the main point of contact for any new apprenticeship starts. They will literally handhold the employer to get everything up and running will carry out health checks throughout the duration of the apprenticeship. Kelly Britton-Hawes is the Tees Valley contact Kelly.Britton-Hawes@citb.co.uk	National

Teesworks Skills Academy	<a href="https://www.teesvalley-ca.gov.uk/business">https://www.teesvalley-ca.gov.uk/business</a>	The skills academy is a one-stop shop for existing businesses alongside new business investment to the Teesworks site. The whole TVCA offer is shared with the business and a follow up meeting is taken place or actions put in place to support the business grow, recruit staff, upskill, retrain staff or provide social value activity alongside career opportunities ranging from apprenticeships to work experience and career fayre support.	Regional
Careers Information for Business - National Careers Service 0800100 900	<a href="https://nationalcareers.service.gov.uk/">https://nationalcareers.service.gov.uk/</a>	The National Careers Service provides high quality, free and impartial careers advice, information and guidance. Service is available to anyone aged 13+ no matter what stage of the careers journey you're at.	Regional
Tees Valley Combined Authority	<a href="#">Workforce &amp; Skills - Business</a>	Apprenticeships, Adult Education Budget, list of training providers.	Regional
Tees Valley Combined Authority	<a href="#">Levy Matching Service - Business</a>	The Levy matching service will facilitate funding transfers and create more apprenticeship opportunities. By acting as an intermediary, we will match businesses who wish to transfer funds to local businesses seeking funding for apprenticeships.	Regional

Into Work Grant - CITB	<a href="https://www.citb.co.uk/levy-grants-and-funding/">https://www.citb.co.uk/levy-grants-and-funding/</a>	<p>This launched 4th September 2023 to support employers to provide the work experience element of post-16 courses:</p> <ul style="list-style-type: none"> <li>• T-levels in construction</li> <li>• Level 2 and 3 construction diplomas</li> <li>• Construction Traineeships (must be an approved ESFA provider)</li> </ul> <p>The minimum timeframe of work experience required is 30 hours or 1 week.</p> <p>Two parts to the grant:</p> <ol style="list-style-type: none"> <li>1) £500 work experience grant paid on completion of work experience.</li> <li>2) £1,000 employment grant paid following three-months completed direct employment, for the individual that had completed the work experience and has obtained the qualification.</li> </ol> <p>There is a maximum of five work experience payments of £500, plus five employment payments of £1,000 which results in a total maximum of £7,500 Into Work grant per year for an employer.</p>	Regional
Middlesbrough College	<a href="#">Apprenticeships   Middlesbrough College</a>	Northern Skills are the apprenticeship arm of Middlesbrough College specialising in a variety of Apprenticeships	Regional
Middlesbrough Council Community Learning	<a href="#">Apprenticeships - Middlesbrough Community Learning Service</a>	Specialising in Teaching Assistant, Business Admin, Customer Service and Management	Regional
Education Training Collective Group	<a href="#">Apprenticeships   Stockton Riverside College</a>	Apprenticeships across the Education Training Collective group in a variety of occupations including engineering, construction health & social care, the green industries.	Regional

Stockton Borough Council Employment Hub	<a href="#">Stockton</a>	Providing a variety of Apprenticeships in Business and Professional	Regional
Darlington College	<a href="#">Apprenticeships - Darlington College</a>	specialising in Plumbing, Motor Vehicle, Catering, Hair & Beauty, Engineering, Childcare	Regional
Darlington Council Skills	<a href="#">Darlington BC - Apprenticeships</a>	Providing a variety of Apprenticeships in Engineering, Catering, Business & Professional, Childcare.	Regional
Hartlepool College	<a href="#">Apprenticeships   Hartlepool College of Further Education</a>	specialising in Welding and Engineering, construction and a variety of other Apprenticeships	Regional
Hartlepool Council Learning & Skills	<a href="#">Courses   Hartlepool Jobs &amp; Skills</a>	Provides courses, career guidance, Functional Skills	Regional
Redcar Council Learning & Skills	<a href="#">Adult learning and skills   Redcar and Cleveland</a>	Provides courses, career guidance, Functional Skills	Regional
Teesside University	<a href="#">Workforce &amp; Skills - Business</a>	Professional apprenticeships, workforce development, Post Graduate and Undergraduate training	Regional

BUSINESS START-UP			
SUPPORT - DELIVERED BY	WEBLINKS		
Start your Business - Federation of Small Businesses (FSB) 0808 2020888	<a href="https://www.fsb.org.uk/knowledge/fsb-infohub/start.html">https://www.fsb.org.uk/knowledge/fsb-infohub/start.html</a>	Support for FSB members to start a business including law basics, finance fundamentals and sales tips.	National
Setting up my Business - NatWest Entrepreneur Hub	<a href="https://www.natwest.com/business/enterprise/setting-up-my-business.html">https://www.natwest.com/business/enterprise/setting-up-my-business.html</a>	Online support with starting a business.	National
Creative UK 01333 0235240	<a href="https://www.wearecreative.uk">https://www.wearecreative.uk</a>	<p>Creative individuals and businesses. Connect. Collaborate. Empower.</p> <p>We champion, connect, support and invest in creative people and businesses. We're a group of diverse and inclusive professionals who believe in the power of the creative industries to change lives, placing creativity at the heart of the UK's culture, economy and education system.</p> <p>Our goal is simple: to cultivate a world where creativity is championed, valued, and fundamentally nurtured.</p> <p>We unite the creative industries and generate opportunities for innovation to thrive by investing in people and their ideas. We are here for those who dare to imagine: imagine a fairer, more prosperous world, achieved through the power of creativity.</p>	National

<p>Five (Foundation Industries Ventures)</p>	<p><a href="#">FIVE Foundation Industries Ventures</a></p>	<p>Access to office space and lab space for up to six months;  Access to tailored business support such as marketing, recruitment, leadership, IP management and finance;  Introduction to relevant industry experts;  Relevant training according to the business's needs.</p> <p>Accelerating sustainable innovation across the Foundation Industries</p> <p>Foundation Industries Ventures (FIVE) was established in early 2024 to support and enable sustainable, innovative growth for start-ups and spinouts in the Foundation Industries (that's cement, metals, chemicals, ceramics, paper and glass).</p> <p>Our Foundation Industries are energy intensive and generate 10% of the UK's annual carbon emissions. As the UK strives to achieve net zero business as usual is no longer an option.</p> <p>The commercialisation of hard-tech is vital to secure the UK's position as a global innovator in science and technology, underpinning economic growth and create sustainable supply chains.</p> <p>We're creating vibrant, collaborative, environments for innovators with world changing ideas that could innovate these industries.</p> <p>FIVE provides wrap-around support including business sprints and support services alongside access to investors, mentors and equipment across leading UK scale up centres to accelerate development and commercialisation.</p>	<p>National</p>
--	--	---	-----------------

<p>Materials Processing Institute 01642 382000</p>	<p><a href="https://www.mpiuk.com/sme-tc-tees-vally-business-startup.htm">https://www.mpiuk.com/sme-tc-tees-vally-business-startup.htm</a></p>	<p>Helping companies to take their products and processes from innovation to commercialisation in the following markets: pharmaceuticals, medtech, agritech, food, drink and nutraceuticals, fast-moving consumer goods, logistics and packaging, electronics, energy automotive, aerospace, specialty chemicals.</p>	<p>Regional</p>
<p>National Business Support Service</p>	<p><a href="https://www.gov.uk/business-support-helpline">https://www.gov.uk/business-support-helpline</a></p>	<p>HM Government - Business start-up help and advice, administered by UMI. National and local TV based support</p>	<p>Regional</p>
<p>Enterprise Made Simple (EMS) 01642 061062</p>	<p><a href="https://enterprisemadesimple.co.uk/start-a-business/">https://enterprisemadesimple.co.uk/start-a-business/</a></p>	<p>One-to-one support provided by a team of business advisors and a range of workshops to support those who are taking the first steps into self-employment supporting with business planning, competitors and access to finance. Course Overview Starting a business isn't without its challenges. From the first time you think of an idea to your first sale, learning how to overcome these hurdles is essential if you want your business to succeed.</p> <p>Unfortunately, many entrepreneurs don't realise they lack the necessary business skills until it is too late. Research shows that around 20 per cent of new businesses in the UK will fail within their first year. Developing the right skills from the outset can help your business beat these statistics.</p> <p>The Award in Developing Enterprise Skills gives you the opportunity to explore self-employment and develop an idea to see if it is the right thing for you.</p> <p>The Award in Developing Enterprise Skills Course is delivered in various locations around the Tees Valley area. Participants will be working toward achieving an NCFE Level 1 Award in Developing</p>	<p>Regional</p>

		Enterprise Skills and an NCFE Level 1 Award in Managing Your Money.	
Teesside Launchpad - Teesside University	<a href="https://www.tees.ac.uk/sections/business/">https://www.tees.ac.uk/sections/business/</a>	Newly refurbished business incubator offering Microbiz academy (exploring and launching side hustles); FUEL (intensive start-up programme); PowerUp Indie Games accelerator for early-stage independent video games studios. Dedicated studio space, equipment, software and industry mentors.	Regional

<b>BUSINESS SUPPORT AND ADVICE</b>			
<b>SUPPORT - DELIVERED BY</b>	<b>WEBSITE</b>	<b>SUMMARY</b>	
Invest Darlington Darlington Borough Council	<a href="https://www.investindarlington.co.uk/">https://www.investindarlington.co.uk/</a>	<p>The Invest in Darlington Team is Darlington Borough Council's dedicated business support team. They provide a wide range of advice and guidance to support business growth and investment in Darlington, including starting a business and moving a business to Darlington.</p> <p>Limited financial assistance is available towards high street store frontage.</p>	Local DBC
Invest Hartlepool Hartlepool Borough Council	<a href="http://www.investinhartlepool.co.uk">www.investinhartlepool.co.uk</a>	<p>The Economic Growth Team at Hartlepool Council provide business advice and guidance, offering assistance to businesses that are starting, growing or relocating in Hartlepool.</p> <p>They can provide assistance to help businesses succeed, from self-employed and sole traders to limited companies.</p>	Local HBC
Invest Middlesbrough - Middlesbrough Borough Council	<a href="http://www.middlesbrough.gov.uk/business">www.middlesbrough.gov.uk/business</a>	Information available on starting and growing a business, business rates, licensing, procurement, commercial premises and trading standards.	Local MC

Invest Redcar and Cleveland - Redcar and Cleveland Borough Council	<a href="https://redcarcleveland.co.uk/business/">https://redcarcleveland.co.uk/business/</a>	<p>The Business Engagement Team at Redcar and Cleveland Borough Council provide dedicated business support, operating as Business Redcar Cleveland.</p> <p>The team provide advice and guidance to pre-start, early-stage and established businesses and manage all inward investment enquiries received by the Council and work closely with Wilton International, Teesworks and other relevant Council departments.</p>	Local R&C
Invest Stockton-on-Tees - Stockton-on-Tees Borough Council	<a href="https://www.investstocktonontees.co.uk/">https://www.investstocktonontees.co.uk/</a>	<p>The Economic Development Team provides information, advice and guidance to pre-start and established businesses across Stockton-on-Tees, as well as those businesses looking to relocate to the borough. The team works to identify how the Council may support business across a broad range of areas with regards to business sustainability and growth, workforce development and recruitment, supply chains, accessing new markets and identifying funding opportunities.</p>	Local SBC
Knowledge Hub - Federation of Small Businesses (FSB)	<a href="https://www.fsb.org.uk/knowledge/fsb-infohub.html">https://www.fsb.org.uk/knowledge/fsb-infohub.html</a>	<p>Access to free resources such as articles, guides, webinars and more all designed for small business and the self-employed. Reshma is TV local development manager</p>	National
Running My Business - NatWest Entrepreneur Hub	<a href="https://www.natwest.com/business/enterprise/running-my-business.html">https://www.natwest.com/business/enterprise/running-my-business.html</a>	<p>Online support for businesses looking for everyday business support.</p>	National

<p>NatWest Accelerator - NatWest Entrepreneur Hub</p>	<p><a href="https://www.natwest.com/business/business-services/entrepreneur-accelerator.html">https://www.natwest.com/business/business-services/entrepreneur-accelerator.html</a></p>	<p>The NatWest Accelerator programme supports UK entrepreneurs to scale their businesses to the next level specialising in wraparound support providing one-to-one coaching, a programme of thought leadership and events as well as use of co-working spaces. Businesses do not need to be NatWest banking customers to take part. App and also physical centre but nearest are in Newcastle</p>	<p>National</p>
<p>Common Business Problems - Be the Business</p>	<p><a href="https://www.bethebusiness.com">https://www.bethebusiness.com</a></p>	<p>Online resources for businesses to support with more common business problems. When we talk about productivity, we mean labour productivity.</p> <p>That's defined as the value of the goods and services a firm supply, over the amount of working time used to produce them.</p> <p>In simple terms, how much you achieve with what you put in.</p>	<p>National</p>
<p>Finance and Support for your Business - Department for Business and Trade (DBT)</p>	<p><a href="https://www.gov.uk/business-finance-support?">https://www.gov.uk/business-finance-support?</a></p>	<p>Search tool for national and regional support</p>	<p>National</p>
<p>Business Companion - Trading Standards Institute</p>	<p><a href="https://www.businesscompanion.info">https://www.businesscompanion.info</a></p>	<p>Support for businesses around trading standards law. Free impartial advice.</p>	<p>National</p>
<p>SRA Solicitors Regulation Authority</p>	<p><a href="https://www.sra.org.uk/consumers/">https://www.sra.org.uk/consumers/</a></p>	<p>Legal support, find a solicitor.</p>	<p>National</p>
<p>Lawyers for your Business - The Law Society</p>	<p><a href="https://lawsociety.org.uk">https://lawsociety.org.uk</a></p>	<p>The professional membership body for solicitors in England and Wales.</p>	<p>National</p>

Franchise Information - Quality Franchise Association	<a href="https://franchise-association.org.uk">https://franchise-association.org.uk</a>	The Quality Franchise Association Board works to promote ethical franchising through the QFA Code of Conduct.	National
Franchise Information - European Franchise Federation	<a href="https://eff-franchise.com">https://eff-franchise.com</a>	The Federation brings together a community of national franchise associations that share our core values. Values that the EFF community commits to uphold and promote through the Code of Ethics on Franchising. Our founding members were the franchise associations from France, Belgium, the Netherland and Italy. We now have members from across the EEA area, as well as the UK and Turkey.	National
Franchise Information - British Franchise Association	<a href="https://www.thebfa.org">https://www.thebfa.org</a>	Support for franchisees to enable people to develop and progress.	National
Franchise Information - Encouraging Women into Franchising	<a href="https://www.ewif.org">https://www.ewif.org</a>	A not-for-profit organisation providing advice and guidance to women looking for a route into the franchise industry.	National
National Business Support Helpline	<a href="https://www.gov.uk/business-support-helpline">https://www.gov.uk/business-support-helpline</a>	Advice and financial help to businesses relating to government-backed schemes. National and Local Support signposted	National
Start-up and running your business - Barclays Business Banking	<a href="https://www.barclays.co.uk/business-banking/">https://www.barclays.co.uk/business-banking/</a>	New accounts and advice on running a business. Eagle Labs (see separate entry) now at Flok in Middlesbrough. <a href="https://labs.uk.barclays/about">https://labs.uk.barclays/about</a>	National

Start-up and running your business - HSBC Business Banking	<a href="https://www.business.hsbc.uk/en-gb/">https://www.business.hsbc.uk/en-gb/</a>	New accounts and advice on running a business. Growth Programme <a href="https://www.business.hsbc.uk/en-gb/small-business-growth-programme">https://www.business.hsbc.uk/en-gb/small-business-growth-programme</a>	National
Start-up and running your business - Halifax Business Banking	<a href="https://www.halifax.co.uk/business-banking.html">https://www.halifax.co.uk/business-banking.html</a>	New accounts and advice on running a business.	National
Start-up and running your business - Santander	<a href="https://www.santander.co.uk/business">https://www.santander.co.uk/business</a>	New accounts and advice on running a business.	National
Start-up and running your business - Lloyds Bank	<a href="https://www.lloydsbank.com/business/home.html">https://www.lloydsbank.com/business/home.html</a>	New accounts and advice on running a business.	National
Start-up and running your business - TSB	<a href="https://www.tsb.co.uk/business/accounts/?WT">https://www.tsb.co.uk/business/accounts/?WT</a>	New accounts and advice on running a business.	National
Help to Grow Management - Teesside University International Business School	<a href="https://smallbusinesscharter.org/help-to-grow-management-course/?msclkid=564a1c465c591c2ac91c747fcc3b42c9&amp;utm_source=bing&amp;utm_medium=cpc&amp;utm_campaign=HtGM_UK_Demand%20Gen_GA%20-%20Brand%20terms&amp;utm_term=help%20me%20grow%20program&amp;utm_content=HtGM%20Brand%20terms">https://smallbusinesscharter.org/help-to-grow-management-course/?msclkid=564a1c465c591c2ac91c747fcc3b42c9&amp;utm_source=bing&amp;utm_medium=cpc&amp;utm_campaign=HtGM_UK_Demand%20Gen_GA%20-%20Brand%20terms&amp;utm_term=help%20me%20grow%20program&amp;utm_content=HtGM%20Brand%20terms</a>	<p>Help to Grow Management is a 90% government funded programme, delivered by facilitators and industry experts, designed to support leaders grow their business.</p> <p>Eligibility:</p> <ul style="list-style-type: none"> <li>- Business leader</li> <li>- Has 5 - 249 employees</li> <li>- Not a registered charity (but can be a CIC)</li> <li>- The cost per participant is £750.</li> </ul> <p>Mon 29th September 2025 next course - delivered by Teesside University</p>	National

Business Support and Cost Saving - NECC (North East Chamber of Commerce)	<a href="https://www.necc.co.uk/business-support-cost-saving/">https://www.necc.co.uk/business-support-cost-saving/</a>	NECC are a membership organisation that provide business support to members including HR, legal and taxation advice.	NE
Inward Investment - TVCA Business Solutions	<a href="https://teesvalley-ca.gov.uk/business/invest/">https://teesvalley-ca.gov.uk/business/invest/</a>	The inward Investment service operates to attract, support and deliver additional inward investment into the Tees Valley from new and existing businesses, leading the response to new enquiries relating to investment and job creation in our key growth sectors. The team leads on Teesside Freeport enquiry handling, responses and data collection for reporting purposes. The service also leads all inward investment activities with the Department for Business and Trade (DBT) to promote and secure additional foreign direct investment (FDI) into the Tees Valley. The team supports the promotion of Tees Valley for inward investment via sectoral marketing campaigns and sectoral focused propositions with DBT.	Regional
Enterprise Made Simple (EMS)	<a href="https://enterprisemadesimple.co.uk/award-in-developing-enterprise-skills/">https://enterprisemadesimple.co.uk/award-in-developing-enterprise-skills/</a>	A range of courses and support covering business growth, leadership, management and digital	Regional
Barclays Eagle Labs - Barclays Bank	<a href="https://labs.uk.barclays/about">https://labs.uk.barclays/about</a>	Eagle Labs are a community resource available to all, helping to develop and grow ideas into successful. Now based in Flok Middlesbrough. businesses. <a href="https://labs.uk.barclays/locations/tees-valley/">https://labs.uk.barclays/locations/tees-valley/</a>	Regional

FINANCE AND FUNDING			
PROGRAMME - DELIVERED BY	WEBSITE	SUMMARY	
Key Fund	<a href="http://thekeyfund.co.uk/">http://thekeyfund.co.uk/</a>	Start-up; Established businesses. The business model must be a registered/incorporated company providing positive social or environmental impact. The fund cannot support sole traders or partnerships of individuals. We support social enterprises, charitable organisations and small businesses with diverse needs, across a wide range of sectors. From Birmingham to the borders of Scotland we support organisations who want to make a real impact across a diverse range of sectors including the Arts, Health and Social care, Education, Health, Digital, Eco and Community Development.	National
UK Export Advice - UKEF	<a href="#">Who we can help - UK Export Finance</a>	UKEF offer a range of innovative and flexible export finance solutions to both UK Businesses and international buyers	National

<p>Creative Foundations Fund</p>	<p><u>Customer Services team</u>  <u>Arts Council England</u>  <u>The Hive</u>  <u>49 Lever Street</u>  <u>Manchester</u>  <u>M1 1FN</u>  <u>Tel: 0161 934 4317</u>  <u>Email: <a href="mailto:enquiries@artscouncil.org.uk">enquiries@artscouncil.org.uk</a></u></p>	<p>The £85 million Creative Foundations Fund, which offers grants of between £100,000 and £10 million, <b>will open for expressions of interest on 30 June 2025.</b></p> <p>The funding is intended to support not-for-profit creative and cultural organisations in England in revitalising, restoring, retrofitting, or renewing cultural assets, including urgent work to address issues which prevent organisations from effectively delivering work for the public.</p> <p>The grants will support:</p> <ul style="list-style-type: none"> <li>Upgrading or replacing portable equipment or vehicles.</li> <li>Building work to existing cultural buildings.</li> <li>Replacing essential building services.</li> <li>Addressing equality and accessibility issues to provide independent access for disabled people and welcome users with diverse needs.</li> <li>Other associated project costs.</li> </ul> <p>Partnership (match) funding is required. Note that 100% of the required partnership funding must have been secured before the project can start. Projects may start from 1 April 2026 and end by 31 March 2029.</p> <p>Applications will be accepted from a range of not-for-profit cultural organisations in England who have presented or delivered cultural activity in the last 12 months.</p> <p>Accredited and non-accredited museums (national and non-national) and libraries may not apply for this funding.</p>	<p>National</p>
----------------------------------	---	--	-----------------

		<p>Full guidance, including eligibility criteria and details of how to apply, have been published on Arts Council England's website in advance of the Fund opening.</p> <p>All organisations must create a user account and applicant profile on Arts Council England's Grantium system. It can take up to 10 working days for a new user account to be approved so this should be done as soon as possible.</p> <p>Expressions of interest open at noon on 30 June and close at noon on 25 July 2025.</p>	
Repair Grants for Heritage at Risk - Historic England	<a href="#">Repair Grants for Heritage at Risk   Historic England</a>	We give grants towards the repair and conservation of listed buildings, scheduled monuments and registered parks and gardens. This includes project development actions which enable repair or improved future management. Our grants under this scheme are intended to reduce the risk faced by some of the most significant historic sites in England, as shown on the Heritage at Risk Register. We focus our grants on those sites which are most in need of repair and were, without our grant, a project would not be able to go ahead. This scheme was formerly called Grants for Historic Buildings, Monuments and Designed Landscapes.	National
Grants, Marine Licenses and Fishing management - Marine Management Organisation	<a href="#">Marine Management Organisation - GOV.UK (www.gov.uk)</a>	Information and guidance - also funding available <a href="https://www.gov.uk/government/collections/commercial-fishing-and-fisheries-funding">https://www.gov.uk/government/collections/commercial-fishing-and-fisheries-funding</a>	National

<p>Start-up Loans - British Enterprise Fund (BEF)</p>	<p><a href="https://www.befund.org/">Start Up Business Loans - Government-backed Small Business Loans   BEF (befund.org)</a></p>	<p>Business Enterprise Fund (BEF) are a business support partner for the Start Up Loans scheme (British Business Bank) and deliver Start Up Loans and support to business founders across Yorkshire, The Humber, and the North East. <b>Access to other funds also available</b></p>	<p>National</p>
<p>Made Smarter - BEIS</p>		<p>Partner in TVCA project to help SME manufacturers with fully funded advice and support with transformative digital tools, innovations and skills. <b>Grant option to support measures available to cohort on completion - regional allocation and cohorts</b> (TVCA and NECA programme).</p>	<p>National</p>

<p>Innovate UK Business Growth (formally UK Edge)</p>	<p><a href="https://iuk-business-connect.org.uk/business-growth/">https://iuk-business-connect.org.uk/business-growth/</a></p>	<p>nnovate UK Business Growth (previously Innovate UK EDGE) is a key part of the UK innovation agency’s deep investment in the pioneering businesses that drive economic growth. It is a publicly funded service available to all high potential small to medium sized innovation-driven companies, including Innovate UK grant winners.</p> <p>Innovators are motivated to improve the ways we live and work. We support those building scalable businesses to achieve their goals, in every sector and from seed to scale stage.</p> <p>We work closely with leadership teams to create the conditions for each business to succeed and bring the benefits of their innovation to national and international audiences. Since 2015 we have been empowering clients to grow and scale their businesses through actionable advice, access to vital resources and opportunities to enhance their abilities.</p> <p>Your journey will usually start with our national enquiry gateway, which receives enquiries from innovative businesses, connecting them to their local innovation and growth specialist if appropriate. Our innovation and growth specialists are at the centre of our service, with each client engagement resulting in a bespoke strategy. Our national enquiry team can also offer additional support in areas such as market research/intelligence insights, providing you with key information about current regulation and product/service conformity in the UK, EU or worldwide.</p>	<p>National</p>
---	--	---	-----------------

Social Investment Business	<a href="https://www.sibgroup.org.uk/about-us/">https://www.sibgroup.org.uk/about-us/</a>	We support charities and social enterprises to build stronger and fairer communities. We offer funding and flexible, adaptive support to the organisations that make up the social economy, providing them with the tools they need to make a positive difference to the communities they work within.	National
Business Enterprise Fund (BEF)	<a href="http://www.befund.org/">http://www.befund.org/</a>	Business Enterprise Fund is a not-for-profit social enterprise, set up to provide loans to SME businesses that will help them thrive and grow when other lenders can't fully assist. Tailored loans for start-ups - from £500 to £25,000 and unsecured loans up to £250,000 for growing businesses in all sectors.	NE

<p><b>NPIF 2 - Northern Powerhouse Investment Fund - NEL/Maven</b></p>	<p><a href="https://www.british-business-bank.co.uk/finance-options/nations-and-regions-investment-funds/northern-powerhouse-investment-fund-ii">https://www.british-business-bank.co.uk/finance-options/nations-and-regions-investment-funds/northern-powerhouse-investment-fund-ii</a></p>	<p>The Northern Powerhouse Investment Fund II will build on the success of the first Northern Powerhouse Investment Fund and will deliver a £660 million commitment of new funding to smaller businesses.</p> <p>The fund which now includes the whole of the North East aims to drive sustainable economic growth by supporting innovation and creating local opportunity for new and growing businesses across the North of England.</p> <p>The Northern Powerhouse Investment Fund II offers a range of commercial finance options with smaller loans and debt finance from £25,000 to £2 million and equity investment up to £5 million. The fund covers the whole of the North, including rural, coastal and urban areas. £25k-100k Fund Manager - NEL, Debt finance £100k-2m Fund Manager NEL, Equity up to £5m - Fund Manager Maven</p>	<p>Regional</p>
<p>FW Capital - Teesside Flexible Investment Fund</p>	<p><a href="https://fwcapital.co.uk/news-and-events/fw-capital-announces-ps68-million-funding-available-help-teesside-businesses">https://fwcapital.co.uk/news-and-events/fw-capital-announces-ps68-million-funding-available-help-teesside-businesses</a></p>	<p>FW Capital has launched its new Teesside Flexible Investment Fund, a £20 million fund to support businesses in Teesside which aims to tackle identified funding gaps in the region. The money from repayments and exits will be recycled into new deals, providing a potential total investment of £68 million. Designed by FW Capital with investment from the Teesside Pension Fund, the fund will support economic development in <b>Hartlepool, Middlesbrough, Stockton-On-Tees and Redcar &amp; Cleveland (check with FW re:Darlington)</b> through a mix of property development funding, contract-related bond finance and finance to support management teams in buying a business. This provision of loan and equity packages to support management buy-outs and the transfer of ownership is a first for the company.</p>	<p>Regional</p>

		The fund will build on the success of FW Capital's previous investment activities in the region and aims to make a significant economic impact in Teesside by providing local businesses with loans ranging from £100,000 to £3 million.	
FW Capital	<a href="https://fwcapital.co.uk/">https://fwcapital.co.uk/</a>	FW Capital provides flexible finance to dynamic businesses in the North of England. They are specialists in SME finance and deliver several investment funds set up to help businesses thrive. FW Capital can support businesses in the following ways: Loans from £100,000 to £750,000 to support growth and expansion. Short term loans from £100,000 to £2 million help bid for and deliver contracts. Property development loans from £250,000 to £1 million. <b>Ended but offer other funds see above entry and website</b>	Regional
Mercia Capital	<a href="https://www.mercia.co.uk/fund/npif-mercia-equity-finance/">https://www.mercia.co.uk/fund/npif-mercia-equity-finance/</a>	Mercia is a proactive specialist asset manager with a focus on regional businesses seeking venture, private equity or debt finance to scale their businesses. An equity-based investment could be right for you if you are looking to grow at a rate that cannot be supported through borrowing, which will tend to be linked to the ability to service debt from existing cash flows. This can apply at any stage of a company's growth cycle from start up to scale up. Early stage or late-stage equity funding from £100,000 - £2,000,000. Ended with NPIF but still active in area	Regional

The Regeneration Fund - UKSE	<a href="https://www.ukse.co.uk/">https://www.ukse.co.uk/</a>	Loans of up to £3,500 (up to £7,500 in exceptional cases) for those struggling to obtain funding elsewhere. Aimed at businesses that are less than three years old creating at least one job. Loans are provided over a three-year term currently at a fixed rate of 6.5%, although a reduced interest rate of 4.5% is available to former SSI Steelworks/supply chain employees. The fund can be used for most business activities apart from repaying other debt.	Regional
------------------------------	---	---	----------

UKSE	<a href="https://www.ukse.co.uk/investment/">https://www.ukse.co.uk/investment/</a>	Funding to buy, start and grow a business and invest in greener future. Job creation and non-retail are part of the eligibility criteria. Peter Taylor is local Business Development Manager	Regional
------	---	--	----------

Big Issue Invest - Big Issue Group	<a href="#">Big Issue Invest - The Big Issue</a>	Big Issue Invest supports social businesses and charities to deliver social, economic, and environmental impact across the United Kingdom. Since 2005 we have supported over 550 organisations with over £80 million in funding. We offer a range of repayable finance options, from loans as small as £20,000 to larger investments of up to £3.5 million. Current investees range from start-ups to established organisations, but they all share the Big Issue Group's mission to create innovative solutions through enterprise to unlock social and economic opportunities for people in the UK affected by poverty.	National
------------------------------------	--	---	----------

INNOVATION AND R&D			
SUPPORT - DELIVERED BY	WEBSITE	SUMMARY	
Royal Academy of Engineering	<a href="https://raeng.org.uk">https://raeng.org.uk</a>	Regional Talent Engines is a regional six-month pre-accelerator programme for early-stage founders to transform great ideas into new engineering and tech startups. RTE help to get businesses off the ground and ready for further growth, with a £20,000 grant and a unique package of training, coaching and networking.	National
Innovate UK	<a href="https://www.ukri.org/councils/innovate-uk">https://www.ukri.org/councils/innovate-uk</a>	UK-wide programme part-funded by Innovate UK involving recruitment of talented graduates under academic and industry supervision to help businesses improve competitiveness and productivity through strategic change projects. Designed to inject innovation and increase profitability. Highly successful programme – delivers bottom-line impact, supports recruitment and cements university-industry relationships.	National
Catapult Network	<a href="http://www.catapult.org.uk">www.catapult.org.uk</a>	The Catapult Network supports businesses in transforming great ideas into valuable products and services. They are a network of world-leading technology and innovation centres established by Innovate UK. Catapult deliver impact across the UK economy, to enable businesses to thrive in global markets.	National
Intellectual Property Office	<a href="#">New patent search tool to boost UK innovation - GOV.UK</a>	IPO has launched a new online search tool for UK patents to make it easier for businesses and innovators to search for patent information	National
R&D Tax relief	<a href="https://www.gov.uk/guidance/corporation-tax-research-and-development-rd-relief">https://www.gov.uk/guidance/corporation-tax-research-and-development-rd-relief</a>	Information and support on Research and Development (R&D) tax relief supporting companies that work on innovative projects in science and technology. To qualify for R&D relief, a project must seek an advance in a field of science or technology.	National

CPI	<a href="https://www.uk-cpi.com">https://www.uk-cpi.com</a>	CPI help companies to take their products and processes from innovation to commercialisation in the following markets: pharmaceuticals, medtech, agritech, food, drink and nutraceuticals, fast-moving consumer goods, logistics and packaging, electronics, energy automotive, aerospace and speciality chemicals.	Regional
RTC North Ltd	<a href="https://www.rtcnorth.co.uk/">https://www.rtcnorth.co.uk/</a>	RTC North offers support to organisations with the commercialisation of new products and services. The team works with businesses throughout the innovation cycle, from the initial generation of ideas, feasibility, product development and business planning to market growth. The scheme delivers a range of tried and tested lean techniques designed to improve operational performance, drive up quality, drive down costs and increase profitability. The team also offers a variety of services, including consultancy for individuals and businesses, training packages and networking opportunities.	Regional
Innovate UK EDGE	<a href="http://www.innovateukedge.ukri.org">www.innovateukedge.ukri.org</a>	Innovate UK supports eligible companies to drive growth by increasing their ability to innovate. Aimed at ambitious, innovative high-growth or high-growth potential SMEs, the programme provides between 5-12 days of highly focused coaching and mentoring over an extended period of up to 12 months. Experienced advisors act as a sounding board and critical friend, providing an external perspective and structured approach to support the senior management team of a business, helping to identify and address critical issues to successfully navigate a disruptive environment and to achieve growth and scaling. Support can address areas such as managing cashflow, funding and finance, staff retention, removing costs from the business, building resilience, R&D and innovation capacity, reviewing business models, planning for growth,	Regional

		developing supply chains, building the customer base and accessing new markets.	
--	--	---	--

INSOLVENCY AND RESTRUCTURING			
The Insolvency Service	<a href="https://www.gov.uk/government/organisations/insolvency-service">https://www.gov.uk/government/organisations/insolvency-service</a>	National	<p>We are a government agency that helps to deliver economic confidence by supporting those in financial distress, tackling financial wrongdoing and maximising returns to creditors.</p> <p>The Insolvency Service is an executive agency, sponsored by the Department for Business and Trade.</p>
Small Business Commissioner	<a href="https://www.smallbusinesscommissioner.gov.uk/">https://www.smallbusinesscommissioner.gov.uk/</a>	National	The Small Business Commissioner (OSBC) is an independent public body set up by Government under the Enterprise Act 2016 to tackle late payment and unfavourable payment practices in the private sector. The OSBC covers the whole of the UK - England, Wales, Scotland and Northern Ireland.
FRP	<a href="https://www.frpadvisor.com/">https://www.frpadvisor.com/</a>	Regional	Have team based in TV and supported with PowerPoints for TV Business Website <a href="https://www.begbies-traynorgroup.com/">https://www.begbies-traynorgroup.com/</a>
Begbies Traynor	Level Q, Sheraton House, Surtees Way Surtees Business Park Stockton-on-Tees, TS18 3HR teesside@btguk.com 01642 796 640	Regional	Have supported them at their Spring event and offered support to GH. dave.broadbent@btguk.com Dave Broadbent

An introduction to corporate insolvency options - TVCA	<a href="http://teesvalley-ca.gov.uk">PowerPoint Presentation (teesvalley-ca.gov.uk)</a>	Regional	
Managing a business in financial difficulty - TVCA	<a href="http://teesvalley-ca.gov.uk">PowerPoint Presentation (teesvalley-ca.gov.uk)</a>	Regional	
Early warning signs: what are those early signs of financial distress and when should you take advice? - TVCA	<a href="http://teesvalley-ca.gov.uk">Early Warning Signs of Insolvency (teesvalley-ca.gov.uk)</a>	Regional	
Defusing the inflation time bomb: How to survive and thrive - TVCA	<a href="http://teesvalley-ca.gov.uk">PowerPoint Presentation (teesvalley-ca.gov.uk)</a>	Regional	
13: an important cashflow number. Why a cashflow forecast is key in times	<a href="http://teesvalley-ca.gov.uk">PowerPoint Presentation (teesvalley-ca.gov.uk)</a>	Regional	

of uncertainty - TVCA			
Company Voluntary Arrangement s - a route to rehabilitate companies whilst optimising value and outcomes for stakeholders	<a href="https://www.teesvalley-ca.gov.uk">PowerPoint Presentation (teesvalley-ca.gov.uk)</a>	Regional	
<b>SUPPORT - DELIVERED BY</b>	<b>WEBLINKS</b>		
What are a creditors' voluntary liquidation? - TVCA	<a href="https://www.teesvalley-ca.gov.uk">PowerPoint Presentation (teesvalley-ca.gov.uk)</a>		
13-week cashflow template - TVCA	<a href="https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fteesvalley-ca.gov.uk%2Fbusiness%2Fwp-content%2Fuploads%2Fsites%2F3%2F2023%2F10%2F13-week-cash-flow-forecast-template.xlsx&amp;wdOrigin=BROWSELINK">https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fteesvalley-ca.gov.uk%2Fbusiness%2Fwp-content%2Fuploads%2Fsites%2F3%2F2023%2F10%2F13-week-cash-flow-forecast-template.xlsx&amp;wdOrigin=BROWSELINK</a>		

MEMBERSHIP AND NETWORKING				
SUPPORT - DELIVERED BY	WEBSITE	MEMBERSHIP DETAIL	SUMMARY	
Enterprise Europe Network	<a href="#">Enterprise Europe Network   Enterprise Europe Network</a>	<a href="#">Open invitation to join the Enterprise Europe Network as International Network Partner   Enterprise Europe Network</a>	The world's largest support network for small medium sized SMEs with international ambitions. Helping with tailored support, access to finance and new commercial partnerships	International
Forward Ladies, North East	<a href="#">Home - Novi</a>	Access to our virtual networking platform Connect to a network of leading women via power circles Invitation to monthly virtual leadership interviews, masterclasses Access to inspirational on demand content & educational newsletters.	Business support network for women forms a variety of businesses.	National
Network B2B	<a href="#">Network B2B   Find Business Networking Groups in UK</a>	<a href="#">Member Offers - Network B2B based in Durham</a>	Business networking and events with a large national membership.	National

Make UK	<a href="https://www.makeuk.org/">https://www.makeuk.org/</a>	<a href="#">Make UK Membership Advantages   Make UK</a>	We are a powerful voice for manufacturers; championing growth and innovation. Campaigning, sector expertise, leading business services, apprenticeship training and extensive network offering advice and support.	National
NOF	<a href="https://www.nof.co.uk/">https://www.nof.co.uk/</a>	<p>A UK wide business development membership organisation helping to make valuable connections between businesses in the global energy sector.</p> <p>We work on behalf of our UK members and our network of partners to put companies of all sizes in touch with the best and most innovative supply chain businesses in the UK.</p>	We offer an annual membership with four core services: Business Development, Events, Industry Introductions, Supply Chain Engagement	NE
Network Notwork	<a href="https://networknotwork.co.uk/">https://networknotwork.co.uk/</a>	Free of charge membership, numerous networking events across Tees Valley. Please note, you must be a business owner, manager or leader that lives (home address), works (business address) or has existing clientele in one or more of our locations.	Our mission is to make networking universally accessible and beneficial to all businesses regardless of their financial position or stage of growth or size. Through the power of peer support, education, and innovative digital technologies; the NetWORK will support the physical and mental well-being of business owners to support them	NE

		<p>You can sign up for multiple groups if you meet the stated criteria for each locality. Residents who are considering starting a company are also eligible to join their local group. Read our FAQ for more information about eligibility criteria.</p>	<p>to realise their business aspirations, growth, and potential.</p>	
Tech Nation Events	<a href="https://technation.io/">https://technation.io/</a>	<p>For companies growing at over 20% year on year, with at least 10 employees and headquartered in the UK.</p>	<p>The Growth Platform builds on Tech Nation's unique expertise and network, giving you access to an unparalleled resource that will guide you throughout your scaling journey.</p>	Regional
Entrepreneurs Forum	<a href="#">Entrepreneurs' Forum</a>	<p>Membership is open to businesses with a turnover of 250,000</p>	<p>Ten monthly events across the year, excluding August and December. Each event includes a light supper, topical guest speakers followed by formal and informal networking.</p>	Regional
North East England Chamber of Commerce	<a href="https://www.necc.co.uk?member-events/">https://www.necc.co.uk?member-events/</a>	<p><a href="#">Chamber Membership - North East Chamber of Commerce</a></p>	<p>Supporting members through cost-savings, business services and international trade support. Leading events and awards programmes. Strongly represent members as the multi-sector, collective voice of North East businesses.</p>	Regional

FSB - Federation of Small Business Yorkshire and the North East	<a href="#">The Federation of Small Businesses</a>	<a href="#">Join FSB   Support and Benefits for Small Businesses</a>	24/7 legal tax and employment helpline, debt recovery helpline business templates, events/networking	Regional
North East Automotive Alliance	<a href="http://www.northeastautomotivealliance.com/">http://www.northeastautomotivealliance.com/</a>	Members will benefit from the promotion of the North East automotive sector's capabilities on regional, national, and international levels and the network's ability to connect the supply chain to business opportunities.	Networking, events, promotion of the automotive sector	Regional
Design Network North	<a href="http://www.designnetworknorth.org">http://www.designnetworknorth.org</a>		Design Network North supports innovative companies, helping them to utilise high quality design skills and processes. Support via membership/mentoring and events.	Regional
NEPO	<a href="http://www.nepo.org/suppliers/participate">www.nepo.org/suppliers/participate</a>	NEPO provide information on all procurement solutions, membership is free	NEPO connect you to a wide range of goods and services their procurement solutions feature suppliers of all shapes and sizes, from SMEs to large multinationals.	Regional

North East of England Process Industry Cluster (NEPIC)	<a href="http://www.nepic.co.uk/">http://www.nepic.co.uk/</a>	<a href="#">Benefits - Nepic</a>	Nepic support the needs and interests of the chemical-processing sector in the North East of England. They ensure industry in this region thrives and that there are investments, innovations and a network.	Regional
Middlesbrough Volunteer Development Agency	<a href="#">Middlesbrough Voluntary Development Agency</a> <a href="#">  Middlesbrough Voluntary Development Agency</a>	Membership of MVDA is open to voluntary and community organisations that have a presence in Middlesbrough.	MVDA's role is to support, promote and develop local voluntary and community action in Middlesbrough, providing a wide range of support services.	Regional
Redcar Volunteer Development Agency	<a href="#">RCVDA</a>	No Memberships	We offer a range of support services and advice to individuals, registered charities, other types of voluntary organisations, as well as non-profits and social enterprises who are based within or work in Redcar and Cleveland.	Regional
Catalyst Stockton	<a href="#">About Catalyst – Catalyst Stockton</a>	Membership is open to voluntary and community organisations in Stockton	Catalyst champion the work of the voluntary and community sector. Advocate, promote collaboration, signpost and connect organisations and individuals. They provide workshops and training.	Regional

Darlington Business Club	<a href="https://darlingtonbusinessclub.co.uk/">https://darlingtonbusinessclub.co.uk/</a>	Monthly Club newsletter, event notifications & reminders. Virtual training workshops & seminars. Members-only Facebook Group. Members-only LinkedIn Group. News articles published on the Club website. Minimum 10 monthly Club meetings, Discount on DL Expo exhibitor stand, Quarterly #BigBreakfast & #LiteLunch networking, Own events listed on Club website, Face to Face Training Workshops & Seminars, Discount on Ad-hoc Paid Member Events.	Networking and events for Darlington businesses sharing ideas working practices and knowledge.	Regional
Business Central Darlington	<a href="#">Learn More About Us - Darlington Workspace</a>	Business Centre: Service & support, coworking & virtual, meeting rooms.	Providing workspace, business support, IT and Telecoms support and a podcase studio.	Regional
Tees Valley Business Club	<a href="https://teesvalleybusinessclub.co.uk">https://teesvalleybusinessclub.co.uk</a>	There are 3 membership packages starting at £100, members benefit from networking, guest speakers, access to support for funding/grants and training.	Business events programme in the region, which connects people and business of all sizes and sectors through wide range of formats	Regional

Assist Women's Network	<a href="http://www.assistwomensnetwork.co.uk/">http://www.assistwomensnetwork.co.uk/</a>	Members benefit from sharing ideas and working practices, increasing their knowledge, skills and experience	Business and personal development, coaching, enhancing social and technical skills.	Regional
Hartlepool Council Business Team	<a href="#">Business support, advice and guidance for your business   Welcome to the Business Homepage   Hartlepool Borough Council</a>		The Economic Growth Team at Hartlepool Borough Council offers a range of business advice, support and assistance to business owners at all stages of their business journey.	Regional
Hartlepool Business Forum	<a href="http://hartlepoolbusinessforum.co.uk/">http://hartlepoolbusinessforum.co.uk/</a>		Networking business support and advice group based in Hartlepool.	Regional

TWI-The Welding Institute	<a href="https://twi-global.com/">https://twi-global.com/</a>	<a href="#">TWI Membership - TWI</a>	TWI provides engineering consultancy to its members and stakeholders with authoritative and impartial expert advice, knowhow and safety assurance related to engineering, materials and joining technologies.	Regional
---------------------------	---	--------------------------------------	---	----------

<p>Engineering and Manufacturing Network</p>	<p><a href="https://emn.org.uk/">https://emn.org.uk/</a></p>	<p>Engineering &amp; Manufacturing Member  We welcome all engineering &amp; manufacturing businesses with a base in the North East of England, North Yorkshire, North Cumbria or Southern Scotland that employ engineers and/or manufacture or distribute physical manufacturing products (not software).</p> <p>Membership is just a subscription of £30 or £60 per month depending on how many employees you have in the UK. Click below for more information on costs and benefits.</p> <p>Service Provider Members  EMN membership is open to a limited number of Service Providers, but we limit this to a maximum 20% of our total membership to ensure we retain our primary focus to support engineers and manufacturers.</p> <p>Service Provider Members</p>		<p>NE</p>
--	--	---	--	-----------

		<p>are defined as companies with a base in the North East of England, that directly support the engineering &amp; manufacturing supply chain through the provision of business and professional services.</p> <p>If you are interested in joining EMN as a Service Provider Member, please <a href="#">click here</a> for more details of benefits. Service Membership subscriptions can be paid per month or paid annually. Education, Training and Business Support Members</p> <p>EMN membership is also open to Universities, Further Education Colleges, Business Support providers, Catapults and Professional Institutes etc. and we work closely with these members to share relevant training, events and CPD opportunities with our members.</p>		
--	--	--	--	--

		membership can be paid monthly or annually.		
--	--	--	--	--



<b>NEW MARKETS AND EXPORTS</b>			
<b>SUPPORT - DELIVERED BY</b>	<b>WEBSITE</b>	<b>SUMMARY</b>	
Department of Business and Trade (DBT)	<a href="http://www.gov.uk/ask-export-support-team">www.gov.uk/ask-export-support-team</a>	Questions around exporting to new markets, paperwork needed to sell goods abroad; rules of selling services to specific markets	National
Export Academy - Department of Business and Trade (DBT)	<a href="http://www.great.gov.uk/exportacademy">www.great.gov.uk/exportacademy</a>	Business must have an exportable product or service. Free training for businesses to learn how to sell to customers and secure contracts around the world with confidence. Export Academy designed for owners and senior managers who are interested in either starting to sell internationally or looking to grow their international sales further.	National
Northern Powerhouse Trade Missions - Department of Business and Trade (DBT)	<a href="http://www.events.great.gov.uk">www.events.great.gov.uk</a>	The DBT hosts dedicated overseas missions and events providing market information and business opportunities for Northern Powerhouse Companies across multiple sectors	National
Overseas Markets and Sector Opportunities Workshops or Webinars - Department of Business and Trade (DBT)	<a href="http://www.events.great.gov.uk">www.events.great.gov.uk</a>	Access DBT's events and webinars programme with practical workshops on sectors and overseas markets. Opportunities to meet overseas visitors and inward high level government delegations	National

UK Export Advice - UKEF	<a href="https://www.ukexportfinance.gov.uk/who-we-can-help/">https://www.ukexportfinance.gov.uk/who-we-can-help/</a>	UKEF offer a range of innovative and flexible export finance solutions to both UK Businesses and international buyers	National
Gov.uk Importing	<a href="https://www.gov.uk/browse/business/imports">https://www.gov.uk/browse/business/imports</a>	Includes moving goods in the EU and commodity codes	National
Get Fit to Export (Free regional workshop) Dept of Business and Trade	<a href="mailto:DBTNEEvents@trade.gov.uk">DBTNEEvents@trade.gov.uk</a>	Benefits and risks of exporting; how to research overseas market opportunities; skills, knowledge and resources required; advice on how to conduct a self-audit of your business	National
The Digital Exporting Programme	<a href="https://www.great.gov.uk/campaign-site/digital-exporting-programme/">https://www.great.gov.uk/campaign-site/digital-exporting-programme/</a>	Access tailored support from industry experts to grow your business internationally through digital, including ecommerce. The Digital Exporting Programme supports goods and services exporters at every stage of your exporting journey with tailored support to help you reach customers around the world. We are here to help you succeed. This service is free to UK-based businesses, whatever your size, and whether you are new to exporting online or already doing it. The programme can help you get the right support at the right stage of your exporting journey, as well as connect you to a range of export support services, including the Export Academy, International Trade Advisers and International Markets. Our team of Digital Advisers are all experienced industry professionals. They provide free, impartial advice to guide, support and mentor you throughout your digital exporting journey. This is delivered through one-to-one support, webinars, surgeries and regional events.	National

International Trade Support and Services - North East Chamber of Commerce (NECC)	<a href="http://necc.co.uk">Chamber International - North East Chamber of Commerce (necc.co.uk)</a>	Support for members who are looking to grow their business globally around export documentation and global networking.	NE
International Trade Training and Consultancy - Tees Global	<a href="#">International Trade Training   Tees Global UK</a>	Support for businesses in logistics and overseas trade with membership options available	Regional
DBT ITA Team based a DEC		Team of TV based ITA's supporting businesses to export, based in DEC at Darlington	Regional

PEOPLE, SKILLS AND TALENT			
SUPPORT - DELIVERED BY	WEBSITE	SUMMARY	
Business without Barriers - Federation of Small Businesses (FSB)	<a href="https://www.fsb.org.uk">https://www.fsb.org.uk</a>	UK's leading membership organisation for small businesses and self-employed offering legal/business advice, training, resources, healthcare and all things business	National
Business Mentoring - Be the Business	<a href="https://bethebusiness.com">https://bethebusiness.com</a>	One-to-one support from an experienced leader to help navigate business challenges and access hand-picked advice from a sounding board outside of the business	National
Learn with Start-up Loans - British Business Bank	<a href="https://www.startuploans.co.uk">https://www.startuploans.co.uk</a>	This can make owning a business a viable career for people who struggle to raise finance, providing affordable loans and mentoring to help people start up and succeed. As part of the British Business Bank, they aim to drive sustainable growth and prosperity across the UK, and to enable the transition to a net zero economy, by supporting access to finance for smaller businesses.	National
Innovate UK Talent & Skills Connect	<a href="https://iuk-business-connect.org.uk/talent-skills-connect/">https://iuk-business-connect.org.uk/talent-skills-connect/</a>	<p>What is Innovate UK Talent &amp; Skills Connect? Embracing innovation can be a game-changer for our economy and society. Our ability to thrive relies on attracting, nurturing, and retaining skilled individuals within our innovation ecosystem.</p> <p>Innovate UK has been at the forefront of this work, building a variety of innovative products and services aimed at assisting businesses and partners in cultivating talent and skills.</p> <p>Innovate UK Talent &amp; Skills Connect streamlines access to a portfolio of offerings, making it simpler for both partners and businesses to tap into the resources they need to succeed.</p>	National
National Careers Service	<a href="#">Careers advice - job profiles, information and resources   National Careers Service</a>	Relevant careers advice, skills assessments, job profiles and courses linked to your geographical area.	National

Access to Work	<a href="#">Access to Work   Disability Rights UK</a>	Support and information on disabled rights, support for employees to access aids and adaptations in the workplace. Campaigning for disability rights, inclusion and equality in society.	National
Knowledge and Learning - NECC	<a href="https://www.necc.co.uk/knowledge/">https://www.necc.co.uk/knowledge/</a>	Seminars, blogs and an online learning hub are available to members to support in their personal development and business growth	Regional
Middlesbrough Community Learning (Middlesbrough Council)	<a href="https://www.mcls.ac.uk">https://www.mcls.ac.uk</a>	Support for Jobseekers, employers looking to employ staff, Apprenticeships, Internships, Multiply, ESOL, Math's and Numeracy	Regional
Stockton Employment Hub (Stockton Borough Council)	<a href="#">Stockton</a>	Business Support, Apprenticeships, Training, support for Jobseekers and the community	Regional
Hartlepool Adult & Community Learning (Hartlepool Council)	<a href="#">Hartlepool Jobs &amp; Skills   Employment Hub</a>	Business Support, Apprenticeships, Training, support for Jobseekers and the community	Regional
Tandem	<a href="#">Tandem</a>	Training courses, Jobsearch Support, Functional Skills	Regional
Darlington Learning & Skills	<a href="#">Darlington BC - Learning &amp; Skills</a>	Functional Skills, ESOL, Apprenticeships, courses, skills bootcamps	Regional
Tees Valley Combined Authority Skills	<a href="#">Workforce &amp; Skills - Business</a>	Details on all training provision within the Tees Valley, Apprenticeships, Levy Transfer, Adult Education Budget, Skills Bootcamps	Regional

SUPPLY CHAIN			
PROGRAMME - DELIVERED BY	WEBSITE	SUMMARY	
Compete For - BIP Solutions	<a href="#">About - Compete For</a>	CompeteFor is a free supplier platform that enables businesses to compete for contract opportunities linked to large-scale public and private sector buying organisations.	National
NHS Supply chain	<a href="https://www.supplychain.nhs.uk/">https://www.supplychain.nhs.uk/</a>	<p>Our role is to source, deliver and supply healthcare products, services and food for NHS trusts and healthcare organisations across England and Wales. By working in collaboration with the healthcare system and suppliers, we help the NHS to put patients first.</p> <p>We are a part of the NHS and deliver cost-efficient, resilient, clinically assured products that are responsive to frontline needs. Our focus on the end-to-end patient pathway supports the healthcare system to:</p> <ul style="list-style-type: none"> <li>Reduce treatment times</li> <li>Decrease patient length of stay</li> <li>Enable more care in community settings</li> <li>Improve clinical outcomes.</li> </ul>	National
RTC North	<a href="#">RTC North :: RTC North</a>	Supporting businesses to grow and develop through a variety of workshops, networking events.	National
Innovate UK	<a href="#">Source funding - Innovate UK Business Growth</a>	Business support, funding, advice	National

Supply Chain Directory - NOF	<a href="#">Supply Chain Directory - NOF</a>	A business development organisation helping to make valuable connections between businesses in the global energy sector.	NE
NEPO	<a href="https://www.nepo.org/support-for-suppliers">https://www.nepo.org/support-for-suppliers</a>	<p>Helping local and regional suppliers win more business with the public sector.</p> <p>We help you find and compete for opportunities to work with the public sector. Through our Supplier Partnership Programme, we give you the support, advice and guidance you need to succeed in pitching for opportunities.</p>	NE
NERDSC North East Regional Defence and Security Cluster	<a href="https://nerdsc.co.uk/">https://nerdsc.co.uk/</a>	<p>The North East is home to a fast-growing, strategically vital Defence and Security ecosystem. The region brings together businesses, government agencies, and world-class universities — all working at the forefront of applied research, skills development, and technological innovation.</p> <p>With strong links to digital, chemical, maritime, advanced manufacturing, and offshore industries, the North East is uniquely positioned to support the UK's Defence and Security priorities.</p> <p>Backed by the Ministry of Defence (MoD) through the Defence and Security Accelerator (DASA), Regional Defence and Security Clusters like NERDSC were developed to foster collaboration, accelerate innovation, and help businesses bring new ideas to market through practical support and commercialisation.</p>	NE

North East Automotive Alliance	<a href="http://www.northeastautomotivealliance.com">www.northeastautomotivealliance.com</a>	Members will benefit from the promotion of the North East automotive sector's capabilities on regional, national, and international levels and the network's ability to connect the supply chain to business opportunities.	NE
NEPIC	<a href="https://www.nepic.co.uk/">https://www.nepic.co.uk/</a>	Nepic support the needs and interests of the chemical-processing sector in the North East of England. They ensure industry in this region thrives – and that there are investments, innovations and a network.	NE
NOF	<a href="https://www.nof.co.uk/supply-chain-directory/">https://www.nof.co.uk/supply-chain-directory/</a>	<p>We offer an annual membership with four core services: Business Development, Events, Industry Introductions, Supply Chain Engagement. A UK wide business development membership organisation helping to make valuable connections between businesses in the global energy sector.</p> <p>We work on behalf of our UK members and our network of partners to put companies of all sizes in touch with the best and most innovative supply chain businesses in the UK.</p>	NE

SUSTAINABILITY AND NET ZERO			
SUPPORT - DELIVERED BY	WEBSITE	SUMMARY	
Small Business Sustainability Hub - Federation of Small Business (FSB)	<a href="#">Sustainability and net zero   FSB, The Federation of Small Businesses</a>	Support and guidance for FSB members to help businesses go green and become more sustainable	National
Made Smarter Adoption North East	<a href="https://teesvalley-ca.gov.uk/business/business-growth-support/made-smarter-adoption-north-east/">https://teesvalley-ca.gov.uk/business/business-growth-support/made-smarter-adoption-north-east/</a>	<p>National programme delivered jointly by TVCA and NECA in the NE. RTC deliver workshops and 1:1 support. TVCA recruit and provide support with grant applications. Made Smarter Adoption North East can help your manufacturing business become more efficient, more productive and more competitive by investing in digital tools.</p> <p>Get hands on help to develop a digital roadmap for your business – wherever you’re at on your digital journey</p> <p>Access specialist training and workshops on digital transformation, road mapping, process mapping, leadership development and industrial cyber security</p> <p>Grants of up to *£3,500 to access expert technical advice</p> <p>Grants of up to *£20,000 to help you purchase and implement new software and/ or equipment (up to 50% of the overall cost)</p> <p>*Grants are subject to availability upon completion of the three programme workshops</p>	National

<p>SME Climate Hub</p>	<p><a href="https://smeclimatehub.org/">https://smeclimatehub.org/</a></p>	<p>The SME Climate Hub is an initiative of the We Mean Business Coalition, the global nonprofit catalyzing business and policy action to halve global emissions by 2030. The initiative was co-founded and is operated in partnership with the Exponential Roadmap Initiative and the UN Climate Change High Level Champion’s Race to Zero campaign.</p> <p>The SME Climate Hub aims to mainstream climate action for small and medium-sized enterprises (SMEs), or companies with under 500 employees, and enable them to build resilient businesses for the future. Launched in 2020, the SME Climate Commitment is the official pathway for small and medium-sized businesses to join the global Race to Zero campaign.</p> <p>SMEs employ 70% of the world’s workforce and represent 90% of business globally. We are here to support these companies in their net zero journey with free, practical resources specifically tailored for small and medium-sized businesses.</p> <p>Climate action helps small businesses build resilience amid shifting policy regulations, consumer demands, and global expectations. It’s in the best interest of businesses to start their journey — today.</p>	<p>National</p>
------------------------	--	--	-----------------

Deloitte	<a href="https://www.deloitte.com/content/dam/assets-zone2/uk/en/docs/industries/energy-resources-industrials/2023/deloitte-uk-a-blueprint-for-green-workforce-transformation.pdf">https://www.deloitte.com/content/dam/assets-zone2/uk/en/docs/industries/energy-resources-industrials/2023/deloitte-uk-a-blueprint-for-green-workforce-transformation.pdf</a>	PowerPoint presentation - A blueprint for a green workforce transformation	National
Lloyds Bank	<a href="https://www.lloydsbank.com/business/sustainability.html">https://www.lloydsbank.com/business/sustainability.html</a>	We're helping businesses reduce their environmental impact through sustainable financing opportunities, enabling the move to a low carbon economy. Wherever you are on your journey, we can offer you support and guidance.	National
Hydrogen Innovation Project (ERDF)	<a href="https://www.tees.ac.uk/minisites/netzero/rehip.cfm">https://www.tees.ac.uk/minisites/netzero/rehip.cfm</a>	Supports SMEs to develop capabilities and infrastructure in the hydrogen supply chain, growing new opportunities and reducing costs, through networks, workshops, collaboration,	Regional

		consultancy, and access to specialist facilities. Originally funded by ERDF but active	
Net Zero Industry Innovation Centre (ERDF)	<a href="https://www.tees.ac.uk/minisites/netzero/index.cfm">https://www.tees.ac.uk/minisites/netzero/index.cfm</a>	New build starting on Tees AMP site, alongside TWI, providing research, development and innovation facility to grow SME capacity and capability through industrial collaboration on net zero technologies, including hydrogen, materials and digitalisation labs. Opens 2023; support service beginning 2022. <b>Now up and running.</b>	Regional
National Horizons Centre (ERDF)	<a href="https://www.tees.ac.uk/minisites/nhc/index.cfm">https://www.tees.ac.uk/minisites/nhc/index.cfm</a>	Centre of Excellence for the bioscience and healthcare sectors, bringing together industry, academia, talent and world-class facilities to deliver research, partnerships and training. Based on Central Park Darlington. Supports full pipeline of training for the biosciences and healthcare sector, from our Life Science Manufacturing Academy for school leavers, to apprenticeships, undergraduate and postgraduate courses and continuing professional development.	Regional
UKSPF Tees Valley Net Zero	<a href="https://teesvalley-ca.gov.uk/business/business-growth-support/net-zero/">https://teesvalley-ca.gov.uk/business/business-growth-support/net-zero/</a>	Get fully funded consultancy support and up to £2,000 grant funding for your business, alongside easy access to online tools and regular webinars and workshops. Tees Valley Net Zero is delivered by Decerna on behalf of the Tees Valley Mayor and Combined Authority, and the Tees Valley Business Board.	Regional

<p>UKSPF Tees Valley Net Zero EPD's</p>	<p><a href="https://teesvalley-ca.gov.uk/business/business-growth-support/net-zero/">https://teesvalley-ca.gov.uk/business/business-growth-support/net-zero/</a></p>	<p>An Environmental Product Declaration (EPD) is an internationally recognised certification of the environmental impact of a product or material. The EPD provides evidence to elevate your business pitch to potential customers and assist them in choosing the most sustainable option for their project.</p> <p>EPDs are in increasing demand, from both private and public sector customers, and can differentiate your products to potential customers, including larger OEMs and Tier 1 businesses, helping you win contracts and grow your business.</p> <p>EPDs cover a whole range of performance indicators including carbon emissions, toxicity, ozone depletion, eutrophication, and more.</p> <p>Support is available to help you establish the systems and processes needed to collate the data required for the certification, allowing you to work quickly and efficiently with your chosen EPD provider when you are ready.</p> <p>For those businesses who are ready to produce an EPD we can provide the full technical report – known as a Life Cycle Assessment – for your product. This means you simply get your product verified, approved, and placed on an international EPD register.</p>	<p>Regional</p>
---	--	--	-----------------

VOLUNTARY AND COMMUNITY SECTOR			
SUPPORT - DELIVERED BY	WEBSITE	SUMMARY	
Groundwork UK	<a href="https://www.groundwork.org.uk/north-east-and-cumbria/">https://www.groundwork.org.uk/north-east-and-cumbria/</a>	<p>The VCSE Energy Efficiency Scheme is part of a £100m package to help frontline organisations with the increased cost of living. eligible organisations will be able to apply for an independent energy assessment. Organisations with an energy assessment may then apply for a capital grant to meet recommended measures in their premises.</p> <p>ABOVE CLOSED but other support available</p>	National
Key Fund	<a href="https://thekeyfund.co.uk/">https://thekeyfund.co.uk/</a>	<p>We support social enterprises, charitable organisations and small businesses with diverse needs, across a wide range of sectors. From Birmingham to the borders of Scotland we support organisations who want to make a real impact across a diverse range of sectors including the Arts, Health and Social care, Education, Health, Digital, Eco and Community Development.</p>	National

<p>National Lottery Community Fund</p>	<p><a href="https://www.tnlcommunityfund.org.uk/">https://www.tnlcommunityfund.org.uk/</a></p>	<p>We award money raised by National Lottery players to fund great ideas that help communities to thrive.</p> <p>Groups can apply to us for funding under £20,000, or over £20,001, depending on what they want to do. You need to be a constituted group or organisation to apply for funding We can't fund individual people.</p> <p>We only fund groups or organisations to run projects. And we fund lots of different types of organisations.</p> <p>If you are a voluntary or community group (not an incorporated organisation) wanting to apply for our funding, you need to have a written constitution (or governing document) which sets out rules on how your organisation is run – this is known as being 'constituted'.</p>	<p>National</p>
<p>NCVO National Council for Voluntary Organisations</p>	<p><a href="#">About us   NCVO</a></p>	<p>We're the membership community for charities, voluntary organisations and community groups in England. Together we champion voluntary action.</p> <p>We've been here for over 100 years. We have over 17,000 members, made up of all causes, shapes and sizes. From big charities to local sports clubs.</p> <p>Our members are at the heart of everything we do. We exist to make your life easier – so you can focus on changing people's lives and making our</p>	<p>National</p>

		communities stronger and more resilient. Free to become a member if turnover is less than £30k. Access to a host of resources as a member and non-member.	
Big Issue Invest Big Issue Group	<a href="https://www.bigissue.com/invest/">https://www.bigissue.com/invest/</a>	We invest in Social Enterprises, Social-Purpose Businesses and Charities creating core solutions to end poverty in the UK.	National
The Fat Beehive	<a href="#">What we fund - The Fat Beehive Foundation - The Fat Beehive Foundation</a>	The Fat Beehive Foundation is an independent UK registered charity that provides small grants for websites and digital products to other small UK registered charities.	National
Charities Commission	<a href="https://www.gov.uk/government/organisations/charity-commission">https://www.gov.uk/government/organisations/charity-commission</a>	We register and regulate charities in England and Wales, to ensure that the public can support charities with confidence. How to set up a charity and other support.  The Charity Commission is a non-ministerial department.	National
Sport England	<a href="https://www.sportengland.org/guidance-and-support/supporting-grassroots-organiser">https://www.sportengland.org/guidance-and-support/supporting-grassroots-organiser</a>	Support for sports clubs - funding, guidance and support	National

Voluntary Organisations' Network North East	<a href="https://www.vonne.org.uk/">https://www.vonne.org.uk/</a>	<p>VONNE is the regional support body for the North East Voluntary, Community and Social Enterprise (VCSE) sector, representing our 1,400+ member organisations through our involvement in many regional and national networks.</p> <p>We're passionate about strengthening and supporting the VCSE sector in the region with work that we do. Our incredible staff understand the sector and listen to the needs of our members to build strong, thematic projects and partnerships that inspire, educate and engage. These partnerships enable us to build connections with organisations in meaningful ways, ensuring the sector is stronger and better working together. Contacts martin.brookes@vonne.org.uk paula.rosenberg@vonne.org.uk</p>	NE
---	---	--	----

<p>Tees Foundation</p>	<p><a href="https://teesfoundation.org/">https://teesfoundation.org/</a></p>	<p>Grants of up to 2500 are available all year round; applicant groups do not need to be registered charities, providing there is an appropriate constitution or governing document in place and groups can demonstrate they can comply with all relevant safeguarding requirements for activities being funded.</p> <p>Teesside has so many wonderful and often essential community projects, charities and groups that all share a common purpose; to improve the lives of the people who live here. Our funds help to reach individuals or communities that might not otherwise be reached; they help to support groups during tough times, such as the pandemic and the cost-of-living crisis and in some cases, it can be the difference between a much-loved and needed small group existing and not.</p> <p>We've been managing and distributing the kindness and generosity of local people and businesses here for more than 35 years, and our community project grant funding creates significant opportunities for charities and groups to further their purpose and make a difference.</p> <p>A bank account is required in the same name as the application. Your governing body/board must have a minimum of three members. Operate in, and benefitting, one or more of the communities of Stockton on Tees, Middlesbrough, Hartlepool or Redcar and Cleveland.</p> <p>who is this for? Voluntary groups. Community organisations. Registered charities. Parish or town</p>	<p>Regional</p>
------------------------	--	---	-----------------

		<p>councils (led by the community). Schools (providing your project does not form part of the National Curriculum). If your community group has a bigger need or an amazing idea beyond a £2500 grant, we will challenge you to make it happen! If you choose to accept the challenge, we pledge to support you and help bring your idea to life!</p>	
--	--	---	--

<p>The Teesside Charity</p>	<p><a href="https://teessidecharity.org.uk/funds/awarding-of-grants/">https://teessidecharity.org.uk/funds/awarding-of-grants/</a></p>	<p>Applications are now open for our September 2024 meeting.</p> <p>We will require a brief description of the project, detail on which areas of Teesside your project will benefit and how you believe the project will benefit the public/community.</p> <p>We will need information on timescales for the project (start/end dates), the amount of funding you are applying for with a supporting breakdown of how the funding will be spent and details on other sources of funding. Please note, as a general rule, we don't fund salaries.</p> <p>The panel normally meet four times a year to review applications, applications are now closed for our June 2025 meeting. We will be reopening in the summer for our September grants.</p> <p>If you're a small charity, community groups, Not for Profit group, CICs and CIOs in Teesside, this one is for you. We will have our next live event where you could be in with the chance of winning a share of £5,000 opening in 2025.</p> <p>We will give you the chance to pitch and share your story, to not only raise awareness of your cause but also win much-needed funds.</p> <p>Whether you're a charity supporting digital inclusion or training to help people get into work, setting up initiatives to help with clothes for interviews or</p>	<p>Regional</p>
-----------------------------	--	---	-----------------

		<p>raising aspirations in children; the list is endless. If this is you, we want to hear your pitch when we open early 2025 .</p> <p>What do you need to do?</p> <ol style="list-style-type: none"> <li>1. Share your story and apply for a spot at our 2025 Pitching for Purpose event.</li> <li>2. If successful, prepare your fun-fueled five-minute pitch.</li> <li>3. Bring your A-game! We want to see you pull out all the stops, bring the props, bring the energy, and most of all have fun. Remember, you need to win over the crowd and make your purpose heard, it's make or break!!</li> </ol> <p>Let the challenge commence, as ambitious charities compete to win over the audience in a bid to raise as many votes as possible.</p>	
UKSE	<a href="https://www.ukse.co.uk/community/">https://www.ukse.co.uk/community/</a>	<p>We provide financial assistance to initiatives that do brilliant things like getting people back into work, developing young people's skills or fighting drug and alcohol problems.</p> <p>And we also give advice and share our experience whenever we can, too.</p> <p>UKSE staff often get involved in local projects, visiting local schools and universities or working in partnership with local development and enterprise agencies.</p>	Regional

		It's all part of what we do.	
MVDA Middlesbrough Volunteer development agency	<a href="#">Middlesbrough Voluntary Development Agency   Middlesbrough Voluntary Development Agency</a>	Support, promotion and development of voluntary and community action in Middlesbrough, funding, training, advice and support, consultancy, research and governance	Regional
Catalyst Stockton	<a href="https://www.catalyststockton.org">https://www.catalyststockton.org</a>	Supporting the VCSE sector in Stockton on Tees with funding, training, volunteering, consultancy, research, Governance.	Regional
Redcar volunteer development agency	<a href="https://www.rcvda.org.uk">https://www.rcvda.org.uk</a>	Redcar and Cleveland volunteer development agency is a charity focused on social action, offering practical support and advocacy for registered charities, social enterprises and voluntary sector in Redcar and Cleveland Peter.Neal@RCVDA.org.uk	Regional
Tees Valley Rural Action	<a href="https://teesvalleyruralaction.co.uk/about-us/">https://teesvalleyruralaction.co.uk/about-us/</a>	Formerly known as Tees Valley Rural Community Council, we are a well-established charity that has been providing support to communities across Tees Valley since 1999. By Raising the Rural Voice, we aim to enable and encourage people to develop their rural communities, working towards a sustainable future.  TVRA's aim is to promote inclusion and equality by working towards improving the social, economic and	Regional

		<p>environmental wellbeing of rural communities within the Tees Valley, from Advice and Information, Community Action and our Community Transport.</p>	
CIC support	<p><a href="https://www.gov.uk/guidance/community-interest-companies">Community Interest Companies Guidance - GOV.UK</a></p>	<p>Community Interest Companies Guidance Updated 4 April 2025</p> <p>What is a CIC? CICs are limited companies which operate to provide a benefit to the community they serve. The purpose of a CIC is primarily one of community benefit rather than private profit.</p> <p>Examples of a CIC could be a direct welfare service to vulnerable people, or an activity that generates profits which are used to support a specific purpose such as a running a cafe where all profits generated are used to benefit the community.</p> <p>A CIC operates in the same way as any other company. It has all the well understood characteristics of a limited company such as a separate legal identity; the ability to enter into contracts and own assets in its own name; and flexibility in borrowing and fund raising. The separate legal identity means that a CIC will continue to exist despite changes in ownership or management. The directors can be paid or unpaid and have the same rights and duties as any other directors.</p> <p>CICs will become established as a brand of</p>	

		company that the public recognises and trusts and whose social purpose they understand.	
--	--	---	--

**BLANK PAGE**

## DELEGATED AND URGENT DECISIONS

### SUMMARY

This Report provides Cabinet with detail of all Delegated and Urgent Decisions made since Cabinet last met on 31 March 2025.

### RECOMMENDATIONS

It is recommended that the Cabinet:

- i. NOTES the Delegated Decision detailed in paragraph 3 and Appendix 1.
- ii. NOTES the Delegated Decision detailed in paragraph 4 and Appendix 2.
- iii. NOTES the Urgent Decision detailed in Paragraph 10 and Appendix 3.

### DETAIL

1. At each meeting, Cabinet receives a report confirming the Delegated and Urgent Decisions taken since Cabinet last met.
2. Since the date of its last meeting on 28 March 2025 two Delegated Decisions have been taken.

#### Delegated Decisions

3. Delegated Decision CF03-2025 below has been taken in line with the Tees Valley Combined Authority Assurance Framework as agreed by Cabinet on 13 March 2020 and the Tees Valley Combined Authority Investment Plan One year on Update as agreed by Cabinet on 31<sup>st</sup> January 2020.
  - a. A decision was taken to approve business case and commit funds by way of a call-off for the Revitalising Saltburn Programme requesting investment from the 'Welcome to Redcar' programme' (delegated decision CF2024-2020) to carry

out a range of tourist infrastructure & public realm improvements to Saltburn-by-the-sea.

- b. A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at confidential **Appendix 1.**
4. Delegated Decision CF04-2025 below has been taken in line with the Tees Valley Combined Authority Investment Plan Approval, and Investment Plan Refresh Approval.
  - a. A decision was taken to approve business case and commit funds to deliver the Tees Valley Net Zero project into 2025/26. The submitted Project Change Request was reviewed internally with a recommendation to approve.
  - b. A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at confidential **Appendix 2.**

## Urgent Decisions

5. The Department for Education (DfE) currently transfers statutory adult education functions to combined authorities via statutory instrument so they can decide, at a local level, which qualifications they wish to fund to support skills development in their areas.
6. On July 2024 the Secretary of State announced a review of post-16 qualifications with the aim of ensuring that qualifications support opportunity and economic growth.
7. As part of the review, the Department for Education has consulted with colleges and training providers nationally.
8. The outcome of the review has meant that some qualifications have been de-funded and new technical qualifications at level 2 and level 3 have been developed and approved for funding.
9. In order for the Combined Authority to fund these qualifications at a local level, the Department for Education were required to lay an Order of the transfer of functions before parliament with the consent of the Combined Authority and the five constituent Local Authorities.



10. An Urgent Decision was taken by the Interim Chief Executive in consultation with the Chair (or in their absence the Vice Chair) of the Cabinet or relevant committee or subcommittee, the Group Director of Finance and Resources and the Monitoring Officer in respect of the transfer of additional qualifications as attached at **Appendix 3**.
11. This Order will amend the existing education-related statutory instrument for each Combined Authority to add the further funding power, specifically it will concurrently transfer Section 100(1B) of the Apprenticeships, Skills and Children Act 2009 (ASCLA), to enable combined authorities to fund new, high-quality technical qualifications alongside others already available to them.

### **FINANCIAL IMPLICATIONS**

12. There are no direct financial implications arising from the content of this Report.

### **LEGAL IMPLICATIONS**

13. The specific delegations exercised by those officers to whom delegated authority was given to make the Delegated Decisions are referenced in the main body of this Report.

### **RISK ASSESSMENT**

14. The subject matter of report is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

### **CONSULTATION & COMMUNICATION**

15. No additional consultation in respect of the content of this Report has been undertaken.

### **EQUALITY & DIVERSITY**

16. It is not expected that the content of this Report will have an adverse impact on any person with protected characteristics.

**Name of Contact Officer:** Emma Simson  
**Post Title:** Group Chief Legal Officer  
**Telephone Number:** 01325 792600  
**Email Address:** emma.simson@teesvalley-ca.gov.uk

**BLANK PAGE**



## DELEGATED DECISION TO APPROVE BUSINESS CASE & COMMIT FUNDS

This form should be used to record decisions taken under delegated decision arrangements by the Chief Executive, Mayor and Cabinet Portfolio member. Delegated decisions are possible only where the following criteria are met:

1. Any commitment of funds have already been assigned by Cabinet for that purpose within the Investment Plan;
2. The proposal reflects an established Combined Authority policy position and does not raise novel or contentious issues which require debate with the full Cabinet. (In order to assure this, discussions would generally have taken place through the appropriate officer forum); and
3. The proposal has been through the established Combined Authority Assurance Framework, as agreed with central government.

<b>OFFICER:</b> Victoria Robinson, Performance & Assurance Officer	<b>DATE DECISION TAKEN:</b>
<b>DECISION NO:</b>  CF03-2025	<b>DELEGATION POWER AND PAGE OF CONSTITUTION:</b>  Cabinet 13 <sup>th</sup> March 2020 - TVCA 72/19 (Assurance Framework) Cabinet 31 <sup>st</sup> January 2020 – TVCA 57/19 (Investment Plan One year on Update)
<b>DETAILS OF DECISION:</b>  <b><u>BACKGROUND:</u></b> <p>Within the Tees Valley Investment Plan 2019-2029, signed off at the 24<sup>th</sup> January 2019 Cabinet meeting and the One year on update, signed off at the 31<sup>st</sup> January 2020 Cabinet meeting a £20m allocation was made towards a strategic priority project for Redcar and Cleveland Borough Council, indicatively titled 'Revitalising Redcar'.</p> <p>A programme level Business Case was submitted to utilise these funds entitled 'Welcome to Redcar and Cleveland' the aim of which was to directly fund improvements to the assets and attractions of Redcar and Cleveland as well as making much needed improvements to transport, connectivity and tourism infrastructure.</p> <p>Delegated Decision no: CF2024-2020 records approval of the 'Welcome to Redcar' programme level Business Case and commitment of funds.</p> <b><u>REVITALISING SALTBURN PROGRAMME:</u></b> <p>A call-off for the Revitalising Saltburn Programme has come forward requesting £1,950,000 investment from the 'Welcome to Redcar' programme to carry out a range of tourist infrastructure &amp; public realm improvements in Saltburn-by-the-Sea.</p> <p>The proposed improvements to Saltburn Visitor Infrastructure &amp; Saltburn Foreshore Improvements includes the following:</p> <ul style="list-style-type: none"> <li>• Additional car parking</li> <li>• Resurfacing works</li> <li>• New street lighting</li> <li>• New seating</li> <li>• Improved signage</li> <li>• Improved accessibility to improve pedestrian flow</li> <li>• Replacement of railings</li> <li>• Restoration of Albert Memorial</li> </ul>	



Outputs & outcomes the project is forecasting to achieve are detailed below:

- 0.15 hectares of Redeveloped Land
- 32,445m<sup>2</sup> of Public Realm Developed
- 59 New Parking Spaces
- 33 Temporary Jobs Created
- 2 Full Time Jobs Created
- 2 Full Time Jobs Safeguarded
- 4 Motorcycle Parking Spaces
- 1 Potable Water Point
- 1 Chemical Waste Point
- 2 Trees Planted
- 1 CCTV Camera Installed
- 1 Architectural Lighting System Installed

The project commenced delivery in December 2020 with a completion date of 31<sup>st</sup> March 2025.

**FINANCIAL IMPLICATIONS:**

The total cost of the project is £1,950,000 and is proposed to be financed in full, from the Welcome to Redcar Programme (TVCA investment and the subject of this decision)

**EXISTING CABINET DECISION WHICH ASSIGNED THE NECESSARY FUNDING:**

£20m of TVCA funds towards a strategic priority project for Redcar (indicatively titled 'Revitalising Redcar') was allocated within the Tees Valley Investment Plan 2019-2029, signed off at the 24<sup>th</sup> January 2019 Cabinet meeting and the One year on update, signed off at the 31<sup>st</sup> January 2020 Cabinet meeting.

**IS THIS A KEY DECISION?**

No

**RELEVANT CABINET POLICY FRAMEWORK:**

The Investment Plan designated a project for Redcar as a key strategic priority within the Business Growth theme. £20m of TVCA funds towards a strategic priority project for Redcar (indicatively titled 'Revitalising Redcar' – actual title 'Welcome to Redcar Programme') was allocated within the Tees Valley Investment Plan 2019-2029, signed off at the 24<sup>th</sup> January 2019 Cabinet meeting and the One year on update, signed off at the 31<sup>st</sup> January 2020 Cabinet meeting.

**PROCESS OF PARTNER CONSULTATION:**

The Investment Plan 2019-29 was developed through an extensive consultation with partners on the key priorities necessary to deliver the Strategic Economic Plan. This undertaking culminated with the Investment Plan being considered and approved by Cabinet in January 2019 and again with the approval of the one year on update in January 2020.

Consultation on the appraisal outcome of the 'Welcome to Redcar' programme business case took place with the Tees Valley Management Group on 10/08/2020.

Consultation on the appraisal outcome of the Revitalising Saltburn Programme took place with Tees Valley Management Group – no objections were received in relation to supporting the proposal by the deadline of 02/04/2025.

**HOW THE ASSURANCE PROCESS WILL BE APPLIED TO THE DECISION:**

In line with the Combined Authority' Assurance Framework and the Welcome to Redcar Programme Management Framework, projects proposed for funding from this allocation are subject to the development of a call-off and its



**BLANK PAGE**



## DELEGATED DECISION TO APPROVE BUSINESS CASE & COMMIT FUNDS

This form should be used to record decisions taken under delegated decision arrangements by the Chief Executive, Mayor and Cabinet Portfolio member. Delegated decisions are possible only where the following criteria are met:

1. Any commitment of funds has already been assigned by Cabinet for that purpose within the Investment Plan;
2. The proposal reflects an established Combined Authority policy position and does not raise novel or contentious issues which require debate with the full Cabinet. (In order to assure this, discussions would generally have taken place through the appropriate officer forum); and
3. The proposal has been through the established Combined Authority Assurance Framework, as agreed with central government.

<b>OFFICER:</b> Sally Cowley, Appraisal Manager	<b>DATE DECISION TAKEN:</b> 13 <sup>th</sup> May 2025
<b>DECISION NO:</b> CF04-2025	<b>DELEGATION POWER AND PAGE OF CONSTITUTION:</b> TVCA 34/22 – Tees Valley Investment Plan Approval TVCA 16/23 – Tees Valley Shared Prosperity Fund Programme Update TVCA 66/24-25 – Tees Valley Investment Plan Refresh Approval
<b>DETAILS OF DECISION:</b>  <p>TVCA is the designated Lead Authority for UKSPF. The Tees Valley UKSPF Investment Plan was submitted to government for approval in July 2022 and subsequently approved in December 2022. The plan was developed in collaboration with Local Partnership Group (LPG) and details the investment priorities for the UKSPF £46.3m (including £3.6m of Multiply funding) for the period April 2022 to March 2025.</p> <p>An overarching UKSPF Implementation Plan was produced which outlined the approach to the delivery of the UKSPF funding in accordance with TVCA's Assurance Framework.</p> <p>Government has since announced a one-year continuation of funding to 2025/26, which must be delivered in line with the original UKSPF Investment Plan approved by Government.</p> <p>Plans for the 2025/26 one-year continuation were endorsed by LPG (11<sup>th</sup> February 2025). TVCA Cabinet subsequently approved accepting the UKSPF 2025/26 into the TVCA Investment Plan as a named programme with a confirmed allocation of £21.5m, and approved proposed priorities set out in the Investment Plan Refresh Report.</p> <p>Decerna Limited has submitted a Project Change Request (PCR) to continue deliver of the Tees Valley Net Zero Project (PROJ-4612) into 2025/26. The PCR has been reviewed internally by the Project Lead and Performance, Risk &amp; Assurance Team with a recommendation to approve.</p>	
<b>FINANCIAL IMPLICATIONS:</b> This decision will commit £1,000,000 UKSPF investment in 2025/26 under the Supporting Local Business Investment Priority.	
<b>EXISTING CABINET DECISION WHICH ASSIGNED THE NECESSARY FUNDING:</b> TVCA Cabinet accepted the UKSPF 2025/26 allocation/programme into the TVCA Investment Plan as a named priority project, and approved the priorities set out within the Investment Plan Refresh Report (Cabinet Decision No: TVCA 66/24-25).	
<b>IS THIS A KEY DECISION?</b> No.	
<b>RELEVANT CABINET POLICY FRAMEWORK:</b> The Strategic Economic (SEP) recognises the importance of increasing jobs and business density through targeted support to create and attract new companies and to grow businesses and sectors with high growth potential. Ensuring a high-quality environment where business and people thrive is a critical enabler of the SEP and the Local Industrial Strategy (LIS).	



# TEES VALLEY

*Once fully complete and signed off please return to the Governance Team.*



**BLANK PAGE**



**DELEGATED DECISION IN CASE OF URGENCY  
(PROCEDURE RULE 19 – TEES VALLEY COMBINED AUTHORITY  
CONSTITUTION)**

This form should be used to record decisions taken under urgent decision arrangements by the Chief Executive in consultation with the Mayor of the Tees Valley Combined Authority, Group Director of Finance & Resources and Monitoring Officer, where the decision needs to be taken urgently and it is not practicable to form a quorate meeting of the board.

A record of this decision must be submitted to the next Cabinet/Overview & Scrutiny Committee. An annual record is also maintained by the Monitoring Officer.

<b>OFFICER:</b> CHIEF EXECUTIVE	<b>DATE DECISION TAKEN:</b> 16 May 2025
<b>DECISION NO:</b> <i>(See Governance Team for number)</i>	<b>DELEGATION POWER AND PAGE OF CONSTITUTION:</b> Procedure Rule 19 - Tees Valley Combined Authority Constitution

**DETAILS OF DECISION:**

This Urgent Decision approves consent being given to the proposed Adult Education Functions Order 2025 and the transferring of funding powers from the Department for Education to the Tees Valley Combined Authority for the technical qualifications.

Devolution of these powers will enable the Combined Authority to broaden the scope of training it is able to support.

The Department for Education (DfE) currently transfers statutory adult education functions to combined authorities via statutory instrument (once devolution deals are agreed) so they can decide, at a local level, which qualifications they wish to fund to support skills development in their areas.

This Order will amend the existing education-related statutory instrument for each Combined Authority to add the further funding power, specifically it will concurrently transfer Section 100(1B) of the Apprenticeships, Skills and Children Act 2009 (ASCLA), to enable combined authorities to fund new, high-quality technical qualifications alongside others already available to them. This will ensure that adult learners in the area will have access to the same high-quality technical qualifications as those in other devolved, and non-devolved, areas. The aim (subject to Parliamentary approval and timetabling) is for the statutory instrument to come into effect by the start of August 2025, in time for the new academic year.

This funding power will not be applicable for adults aged under 25 who are in receipt of an Education, Health and Care (EHC) Plan, as they will continue to be funded from the 16 to 19 budget, nor will it apply to adults in detention, as they are funded by the Ministry of Justice.

As part of the transfer process, DfE are required to undertake an assessment of new burdens. The purpose of the assessment is to keep the pressure on council tax bills to a minimum by ensuring that any new powers transferred to local authorities do not increase the administrative burden.

DfE believes that transferring section 100 (1B) will not place any additional burdens on combined authorities. This is because DfE are not imposing a duty on combined authorities to fund new qualifications, they are simply giving them the power to do so if they wish.

DfE is not asking combined authorities to do anything different, or change the way they operate, they are just giving them the power to fund the new technical qualifications, alongside other qualifications that are already available to them, if they want to.

This decision provides approval in relation to the proposed Government devolution of additional powers in relation to Adult Education, to the Combined Authority and more particularly, to the Combined Authorities (Adult Education Functions) (Amendment) Order 2025.

It should be noted that this Decision does not provide consent in relation to the provision of any of the qualifications referred to which will remain subject to future appropriate decisions by the Combined Authority.

**FINANCIAL IMPLICATIONS:**

There are no direct financial implications in respect of this decision. The decision relates to proposed new legislation which will widen the scope of the adult education qualifications the Combined Authority may offer, and allow for the transfer of funding powers in respect of those qualifications.

**EXISTING CABINET DECISION WHICH ASSIGNED THE NECESSARY FUNDING:**

Not applicable. No funding is required in respect of this decision.

**PROCESS OF PARTNER CONSULTATION:**

In addition to the consent of the Combined Authority, the consent of the Constituent Authorities will also be required. This is being sought.

**HOW THE ASSURANCE PROCESS WILL BE APPLIED TO THE DECISION:**

The Assurance Process does not apply to this decision.

**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:**

An alternative option is not to consent to the transfer of the powers. This would mean that the Combined Authority could not offer deliver the additional technical qualifications within its Adult Skills Funding. It is more desirable to accept the powers to deliver the new qualifications, than not to. It remains a Combined Authority decision as to how it utilises its adult skills funding.

**ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:**

The decision makers have not identified any conflict of interest that would prevent them from taking this decision.

**SIGNATURE:**



**GROUP CHIEF EXECUTIVE**

**DATE: 19/05/2025**

**SIGNATURE:**



**TEES VALLEY MAYOR**

**DATE: 19/05/2025**

**SIGNATURE:**



**MONITORING OFFICER**

**DATE: 19 May 2025**

**SIGNATURE:**



**GROUP DIRECTOR OF FINANCE & RESOURCES**

**DATE: 19/05/2025**

*All sections below are for Governance Team use only*

**DATE REPORTED TO MANAGEMENT GROUP:**

*Once fully complete and signed off please return to the Governance Team.*