



Tees Valley Combined Authority Cabinet Decision Record

Cabinet Meeting Date:
12 December 2025

Decision Details

Quarter 2 Forecast Revenue & Capital Outturn 2025/26 and Capital Programme 2025/26-2028/29

Decision Status:	Recommendation Approved
Is Key decision:	Yes
Is subject to call in:	No
Call in deadline:	Midnight on 06/01/26
Decision in effect from:	07/01/26
Publication Date:	16/12/25
Date of Decision:	12/12/25
Decided at Meeting of:	Cabinet

Purpose:

To provide details of the forecast revenue and capital outturn position for Tees Valley Combined Authority (TVCA) for the year ending 31 March 2026, highlighting any key variances to the approved budget for the year, based on the position as at the end of Quarter 2 (30 September 2025).

The report highlights key assumptions used in those forecasts, together with any key financial risks, as well as details of the forecast reserves (revenue and capital) position as at the end of March 2026 for Cabinet to consider in line with those risks.

The report also includes proposed revisions to the capital budget for 2025/26 and the Capital Programme (2025/26 to 2028/29), including any new capital projects (if applicable) financed through accessing additional capital grant funds and/or reprofiling of existing budgets between financial years.

Decision:

Resolved that Cabinet;

- i) Notes the Q2 revenue forecast of a net deficit of £0.955m for year ending 31 March 2026.
- ii) Notes the actions being taken to enable the Authority to achieve a balanced budget
- iii) Notes the proposed use of the Devolution Fund reserve to fund any overspend for 2025/26 should the overspend not be reduced
- iv) Approves the proposed changes to the 2025/26 revenue budget
- v) Approves the transfer of £8.178m to earmarked reserves
- vi) Notes the forecast revenue reserves of £26.357m as at the end of March 2026
- vii) Notes the key financial risks for 2025/26
- viii) Approves the proposed change to the 2025/26 Capital budget
- ix) Notes the Q2 forecast gross capital expenditure of £239.523m for financial year to 31 March 2026 in line with the proposed (Q2) capital Budget
- x) Notes the Capital Reserves forecast of £105.115m by the end of March 2026.

Alternative options considered:

No other alternative options were presented.



Accompanying Documents:

[TVCA-Cabinet-Agenda-Papers-12-December-2025.pdf](#)

Declarations of Interest:

Member:	Declaration
Mayor Ben Houchen (Chairperson)	No declarations made.
Councillor Lisa Evans	No declarations made.
Councillor Steve Harker	No declarations made.
Councillor Pamela Hargreaves	No declarations made.
Councillor Alec Brown	No declarations made.
Mayor Chris Cooke	No declarations made.

Contact Officer for Decision:

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Transport Investment Programme Update

Decision Status:	Recommendation Approved
Is Key decision:	Yes
Is subject to call in:	No
Call in deadline:	Midnight on 06/01/26
Decision in effect from:	07/01/26
Publication Date:	16/12/25
Date of Decision:	12/12/25
Decided at Meeting of:	Cabinet

Purpose:

The purpose of the report was to provide Cabinet with an update regarding the transport investment programme. The report set out:

- Progress updates on projects within the Transport Capital Investment Programme which are in delivery or at an advance stage of development with investment assurance processes expected to take place shortly.
- Progress updates on the development and delivery of the Bus Service Improvement Plan (BSIP) programme and particularly decisions which need to be made regarding supported bus services which are currently only contracted until the end of March 2026.

Decision:

Resolved that Cabinet;

- Agrees for TVCA to enter into a head lease agreement with Network Rail for the two units created as a result of investment in the Middlesbrough Station Undercroft project and delegates responsibility to the Chief Executive to take all decisions in relation to this recommendation in accordance with the TVCA Assurance Framework. Notes the convening role TVCA takes in its delivery.
- Agrees to seek authorisation from the Department for Transport (DfT) / Ministry of Housing, Communities and Local Government (MHCLG) to revise the Levelling Up Fund (LUF) funded Tees Valley Active Travel programme to defer the Middlesbrough to South Bank scheme and deliver 8 schemes with the £17.785m of LUF funding together with a £3.827m City Region Sustainable Transport Settlements (CRSTS) contribution. The Business Case for the delivery these schemes will be assessed in accordance with the Tees Valley Assurance Framework.
- Agrees to add the Middlesbrough Town Centre to South Bank scheme with an estimated cost of £8.015m into the Transport Capital Investment Programme as a specific identified project subject to resolving the current highway authority maintenance issues with a bridge along this route. In agreeing this, Cabinet delegates authority to the Chief Executive to take all decisions required to progress development of the business case within the approved funding allocation.
- Agrees to allocate £0.96m of Bus Service Improvement Plan (BSIP) Revenue funding (subject to confirmation) to continue the current existing 13 supported bus services (excluding Tees Flex) on a temporary basis until at least July 2026, as set out in paragraph 3.27, and delegates responsibility to the Chief Executive to take all decisions required to manage this BSIP funding allocation, in accordance with this recommendation and the TVCA Assurance Framework.

- v) Agrees to delegate to Transport Committee the development of a proposal for a longer-term approach to the allocation of the BSIP Revenue funding (subject to confirmation) for the provision of supported bus services for consideration by Cabinet at its meeting in March 2026. This proposal will be in accordance with the tiered approach for a Bus Network Review as set out in paragraph 3.30.
- vi) Agrees that the current Tees Flex service will be discontinued from 31 March 2026 when the contract comes to an end. In agreeing to this option Cabinet need to consider whether they wish to provide additional new fixed route bus services as part of the supported service provision to provide connectivity in areas where there has been high demand for Tees Flex. This would require an allocation of £0.44m from the BSIP Revenue funding (subject to confirmation) and would provide two new fixed route services:
 - vii) **ROUTE A** – an hourly service linking Elwick and Dalton Piercy with Hartlepool Sixth Form and Hartlepool Town Centre
 - viii) **ROUTE B** – an hourly service linking Stillington, Whitton, Carlton, Redmarshall, Great Stainton to North Tees Hospital / Roseworth Tesco and Stockton High Street.

Alternative options considered:

In respect of vi), Cabinet was presented with the alternative option in which to allocate £4.65m of BSIP Revenue funding (subject to confirmation) to continue the provision of Tees Flex for the period of April 2026 to March 2029.

Accompanying Documents:

[TVCA-Cabinet-Agenda-Papers-12-December-2025.pdf](#)

Declarations of Interest:

Member:	Declaration
Mayor Ben Houchen (Chairperson)	No declarations made.
Councillor Steve Harker	No declarations made.
Councillor Pamela Hargreaves	No declarations made.
Mayor Chris Cooke	No declarations made.

Contact Officer for Decision:

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Adult Skills Fund

Decision Status:	Recommendation Approved
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Purpose:

At the Tees Valley Combined Authority (TVCA) Cabinet meeting in June 2025, TVCA set out its commitment to work collaboratively with key stakeholders to shape the approach to commissioning adult skills provision from the 2026/27 academic year, to ensure that it meets the current and future requirements of both employers and learners in the Tees Valley and moves to a more outcome, job ready based model.

The report provides TVCA Cabinet members with details of the process that has been undertaken with key stakeholders and sets out the recommended approach including:

- a) A refreshed Strategic Skills Commissioning Plan.
- b) Investment priorities for Adult Skills provision and clear outcome measures.
- c) A proposal to secure high-quality delivery organisations best placed to meet skills priorities.
- d) Moving to a new funding model that includes place-based collaboration, partnerships and strategic planning and ensures clear accountability for the learner and employer outcomes.

Decision:

Resolved that Cabinet;

- i) Approves the updated Strategic Skills Commissioning Plan as detailed within Section 3 and Appendix 1 of this report.
- ii) Approves the proposed approach to Adult Skills Delivery from the 2026/27 academic year as detailed in Section 3 of this report.
- iii) Will receive a further report in March 2026 detailing the recommended specific financial allocations to providers for the 2026/27 academic year for the Grant Funded providers.
- iv) Delegates the procurement process including the commitment of funds to the Tees Valley Combined Authority Chief Executive, Tees Valley Combined Authority Finance Director (S73 Officer), and Monitoring Officer with a report to be provided to Cabinet in June 2026 on the procurement outcomes and allocations.

Alternative options considered:

No other alternative options were presented.

Accompanying Documents:

[TVCA-Cabinet-Agenda-Papers-12-December-2025.pdf](#)

Anything is possible



Declarations of Interest:

Member:	Declaration
Mayor Ben Houchen (Chairperson)	No declarations made.
Councillor Lisa Evans	No declarations made.
Councillor Steve Harker	No declarations made.
Councillor Pamela Hargreaves	No declarations made.
Councillor Alec Brown	No declarations made.
Mayor Chris Cooke	No declarations made.

Contact Officer for Decision:

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Constitution

Decision Status:	Recommendation Approved
Is Key decision:	Yes
Is subject to call in:	No
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Purpose:

The purpose of this report was to set out a number of proposed amendments and additions to the Combined Authority Constitution for Cabinet consideration and approval.

The Organisational Improvement Plan recognises the requirement to review the Constitution and enhance it in line with best practice. This report set out the proposed structure for a revised Constitution alongside a number of key enhancements that have been identified by the Interim Monitoring Officer as requiring priority attention.

The report set out for Cabinet consideration and approval the following:

- Structure for a revised Constitution
- Article that sets out decision-making principles
- Public Code of Conduct
- Contract Procedural Rules

Decision:

Resolved that Cabinet;

- i) Approves Article 1: Decision-Making attached at Appendix A.
- ii) Approves in principle the Public Code of Conduct attached at Appendix B, subject to review by the Audit & Governance Committee, with a report back to Cabinet in January 2026 to confirm any feedback.

Alternative options considered:

No other alternative options were presented.

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Mayor Ben Houchen (Chairperson)	No declarations made.
Councillor Steve Harker	No declarations made.
Councillor Pamela Hargreaves	No declarations made.
Mayor Chris Cooke	No declarations made.

Contact Officer for Decision:

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