



TEES VALLEY COMBINED AUTHORITY CABINET

Friday, 12 December, 2025 at 10.00am

Teesside Airport Business Suite, Teesside International Airport, Darlington

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

<u>ATTENDEES</u>	
Members	
Mayor Ben Houchen (Chair)	Tees Valley Mayor
Councillor Stephen Harker	Leader, Darlington Borough Council
Councillor Pamela Hargreaves	Leader, Hartlepool Borough Council
Mayor Chris Cooke	Leader, Middlesbrough Council
Councillor Lisa Evans	Leader, Stockton-on-Tees Borough Council
Councillor Alec Brown	Leader, Redcar and Cleveland Borough Council
Officers	
Tom Bryant	Chief Executive, Tees Valley Combined Authority
Jodie Townsend	Interim Monitoring Officer, Tees Valley Combined Authority
Sarah Brackenborough	Director of Operations, Tees Valley Combined Authority
Jo Moore	Interim Director of Finance & Resources, Tees Valley Combined Authority
Craig Peacock	Director of Inward Investment & Marketing, Tees Valley Combined Authority
Sarah Walker	Interim Director of Business Solutions, Tees Valley Combined Authority
Charlie Kemp	Interim Head of Business Solutions, Tees Valley Combined Authority
Rose Rouse	Chief Executive, Darlington Borough Council,
Denise McGuckin	Chief Executive, Hartlepool Borough Council
Brian Archer	Chief Executive, Redcar & Cleveland Borough Council
Andrew Humble	Director of Finance, Middlesbrough Council

Chris Renahan	Assistant Director Inclusive Growth and Development, Stockton on Tees Borough Council
Jacqui Banks	Business Solutions Manager – Adult Skills
Alan Weston	Head of Transport, TVCA
Eleanor Thomas	Governance Officer, TVCA
Also in attendance :-Rob Whiteman	Chair of the Independent Advisory Board (by Teams)

These Minutes capture the key points and decisions of the meeting, but they do not attempt to reproduce every word spoken. The full recording can be found [here](#).

	<u>CHAIR'S OPENING REMARKS</u> The Chair opened the meeting and welcomed everyone in attendance.
TVCA 51/25	APOLOGIES FOR ABSENCE Erik Scollay, Chief Executive, Middlesbrough Council Mike Greene, Chief Executive, Stockton Borough Council <u>Substitutes</u> Andrew Humble, Director of Finance, Middlesbrough Council. Chris Renahan, Assistant Director Inclusive Growth and Development, Stockton on Tees Borough Council.
TVCA 52/25	DECLARATIONS OF INTEREST None were declared.
TVCA 53/25	MINUTES RESOLVED that the minutes of the meeting held on 26 September 2025 were confirmed as an accurate record.
TVCA 54/25	TEES VALLEY MAYOR'S UPDATE The Mayor advised Cabinet members that he had nothing to update them on which was not covered elsewhere on the agenda.

	Members were however given an opportunity ask questions. No questions were asked.
TVCA 55/25	ORGANISATIONAL IMPROVEMENT PLAN PROGRESS Cabinet received a report which provided an update on the progress with the Organisational Improvement Plan. Cabinet were invited to:- A. <u>NOTE:</u> progress on the Organisational Improvement Action Plan. The TVCA Chief Executive informed Cabinet members that good progress continued to be made against the Improvement Plan, with work increasingly focused on embedding change and strengthening long-term organisational foundations. Further engagement workshops facilitated by the Local Government Association (LGA) are planned for the New Year, alongside continued engagement with MHCLG and the Independent Advisory Board (IAB). The Director of Operations provided Cabinet members with an overview of the report and noted that it includes a progress update since Cabinet last met in September. Work on a strategic external comms plan has commenced as recommended by the IAB, and there will be workshops facilitated in January to inform the development of this plan. Members were given the opportunity to comment or ask questions. Cllr Brown raised concerns on discussions that have taken place around Chief Executives and their ability to speak at Cabinet meetings. He queried whether it could be clarified whether Chief Executives would stop being allowed to speak at meetings. He noted the importance of being allowed to do so as Chief Executives are technical advisors for the leaders who rely on them for technical advice. The Interim Monitoring Officer advised Cabinet that this was about ensuring proper governance and that only Combined Authority members and officers of the Combined Authority are entitled by legislation to speak at the meeting. However, he noted that the Chair has discretion to allow other individuals, including Chief Executives, to speak during the meeting. The Constitution clearly sets out the Cabinet membership that it legally entitled

	to take part in the meetings. That membership of Cabinet consists of the leaders of the local authorities and the Mayor of the Combined Authority. The Chair advised Cabinet that it's important to note the point given the process that the Combined Authority is going through, and that members are aware of the legislation, but takes on board the points raised. Mayor Cooke welcomed the new reporting approach, but noted the importance of accurately reflecting engagement. He raised an example in relation to the Q2 Finance report in which two further points had been added to the paper after it was presented at pre-Cabinet. Mayor Cooke said that in his view reports that state they have been considered at pre-Cabinet, must be the same papers presented at pre-cabinet. Otherwise, he said, what was considered at the pre-Cabinet meeting could be left open to misinterpretation. The Interim Monitoring Officer thanked Mayor Cooke for his feedback and confirmed that the points raised will be taken on board. He added that this was the first attempt at the new process and advised that the process will continue to be refined and improved. He said the intent is that by the time of the Annual General Meeting, there will be a clear working process that all leaders and all constituent authorities would be happy with. The TVCA Chief Executive said he agreed with Mayor Cooke's comments, but noted that some amends in the papers had come following discussions that took place in the pre-cabinet meetings and workshops, to ensure the papers reflect these discussions. Cllr Evans raised concerns around the lateness of papers, and noted although there is a Cabinet pre-agenda, it is difficult to make decisions as leaders when they do not receive papers on time. As leaders they need to have the information at hand, before making decisions as they are not experts and heavily rely on the officers to give information and advice. However, she noted, if the papers are late, it becomes difficult to get the necessary information to scrutinise and ask questions on the reports, and a thorough process needed to be put in place. In response, the Interim Monitoring Officer noted that the statutory papers went out on deadline. He noted however that the ongoing work around forward planning should help to address Cllr Evan's concerns moving forward.
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	Cllr Hargreaves welcomed the progress made and emphasised the importance of a broader engagement beyond Leaders within the local authorities, including portfolio holders and policy chairs as this fosters a shared understanding and involvement in decision making. Mayor Cooke queried the formatting of the action plan and requested a clearer identification of actions. It was noted that each item should have an identifying number or a phrase which would separate the items as numerous items are linked by the same themes. He recommended a change that would see items which are not hitting deadlines, being reported back to Cabinet for formal change to inform members along with a new deadline date. This would then allow better tracking of items. It was also noted that it would be useful to have a summary table of the actions to show how many are on track and how many are delayed. The Director of Operations acknowledged the feedback and explained that there is work ongoing to produce a dashboard to give a summary of the position of actions, and as there are 47 actions in the action plan, some actions have had to be prioritised over others. RESOLVED that Cabinet:- A. <u>NOTE:</u> progress on the Organisational Improvement Action Plan
TVCA 56/25	INDEPENDENT ADVISORY BOARD UPDATE Cabinet received a report which provided an update from the Chair of the Independent Advisory Board. Cabinet were invited to:- A. <u>CONSIDER</u> the progress update from the Chair of the Independent Advisory Board. The Chair of the Board attended Cabinet to present the report and noted that he sees good progress being made. It was noted that all Combined Authorities have difficult issues to deal with and although there will always be issues that have to be worked on, there needs to be sufficient sound, robust and established governance as well as a financial plan to match. Therefore, if the Combined Authority delivers what is in the improvement plan, and at the moment is on target to do so, then

	the Board would be supportive of the BVN being lifted. He added that the decision would remain with the Department however. The Chair of the Board noted that at the recent Independent Advisory Board (IAB) meeting, there were discussions around the misalignment of the understanding of the terms and conditions when grants, loans or other transactions have been agreed with development corporations. He explained that Jo Moore, Interim Director of Finance and Resources had undertaken a thorough piece of work understanding potential liabilities. He noted that many of the issues were now in the past and stressed the importance going forward of how robust decisions are made. If there are any grants, undertakings or guarantees taken in that time, he said it was important to see robust discussions to understand the implications and liabilities and that everyone is aligned and how this works through the scheme of delegation and Cabinet. It was noted that overall good progress is being made and the Combined Authority is on track to demonstrate to MHCLG it is normal and will do what normal organisations do and can deal with the issues that arise because of governance and capabilities are in place to deal with them. The Cabinet Chair thanked the Chair of the Board for the update and noted that there are still lots of progress to make over the coming months to put TVCA in the best position and appreciated the feedback. Cabinet members were given the opportunity to comment or ask questions. Cllr Evans thanked the Chair of the Board for the comprehensive report and noted that, as a relatively new Leader, she sees that TVCA has come a long way and that she has regular meetings with the Mayor and Chief Executive which she said was a good sign. It was noted that there is a lot of positives but there is a still work to be done. Cllr Brown queried the use of the word 'normal' and the fact that there is over £500m worth of loans and queried what the Chair of the Board meant by 'normal'. In response, Chair of the Board, Rob Whiteman, noted that a good authority would already have in place a complete understanding of how the liabilities would be dealt with in the medium-term because the terms of repayment and extra business rates would lead to the ability to generate income. He said the timelines for that would be agreed and deliverable at inception. Whereas TVCA has a clear misalignment where some things are in the budget, but not in other people's budget, and it will take longer for the
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	business rate to be built up, than the model that was made at inception. Therefore, a 'normal' authority was described as already having those clear at inception of the transaction. Cllr Harker queried whether there are any particular areas where the Chair of the Board felt there remained a risk in terms of not reaching that normality that the Combined Authority needs to demonstrate going forward. In response, the Chair of the Board said he was interested to see progress on how engagement works and how engagement is embedded into decision making. The Chair of the Board said he wanted to see an understanding that engagement is routine, and that it is built into feedback and the way decisions are made. He said this was in the plan. Mayor Cooke queried the progress and noted that there have only been three actions completed in total and queried what the Chair of the Board was using to base his analysis on. In response the Chair of the Board explained that he hoped his language had been balanced in that that progress had been made, but there is more to do. The Chair of the Board explained to Cabinet members that it is not the job of the Improvement Board to 'keep a grip' on the Combined Authority but to advise on whether they see the Combined Authority 'keeping a grip' on itself. It was noted that it is the IAB' role to say whether or not they think there'll be sufficient grip in the way that they operate as a Combined Authority, including the work of the Cabinet. Mayor Cooke noted that it is not a case that leaders are not fully briefed correctly on papers, but more a question of timing and availability of information, as he cannot expect his officers at a moment's notice to have slots of time available to go through additional information which was not included in the pre-Cabinet process. It was recommended that there needs to be a more robust process to ensure all the papers are complete at the time of release or as close to as they can be, and then briefings can happen. The Chair of the Board thanked Mayor Cooke for the feedback and explained that papers are needed in advance in order to have a system where decision makers feel they've got the information in advance to be briefed on it between their own staff and TVCA staff. The Cabinet Chair explained that there is a process with leaders to ensure they understand and are comfortable with the full process. It was noted that Jodie Townsend is undertaking a review of what the process should look like.
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	The TVCA Chief Executive noted that there are Officer groups who meet and spend a lot of time debating, discussing and shaping Cabinet reports, and it's important that Cabinet are aware of these groups who understand what they do and, in a sense, own it. These groups are about giving Cabinet exactly what they need in order to make decisions, and there seems to be a disconnect that Cabinet don't see or fully reflect all of the discussions that happen at an officer level. Therefore, it was noted that there is a need to ensure the informal governance framework supports Cabinet. RESOLVED that Cabinet:- A. NOTE: The progress update from the Chair of the Independent Advisory Board.
TVCA 57/25	QUARTER 2 FORECAST REVENUE & CAPITAL OUTTURN 2025/26 AND CAPITAL PROGRAMME 2025/26-2028/29 Cabinet received a report which provided 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 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. Cabinet were invited to:- A. NOTE the Q2 revenue forecast of a net deficit of £0.955m for year ending 31 March 2026. B. NOTE the actions being taken to enable the Authority to achieve a balanced budget. C. NOTE the proposed use of the Devolution Fund reserve to fund any overspend for 2025/26 should the overspend not be reduced. D. APPROVE the proposed changes to the 2025/26 revenue budget. E. APPROVE the transfer of £8.178m to earmarked reserves. F. NOTE the forecast revenue reserves of £36.357m as at the end of March 2026. G. NOTE the key financial risks for 2025/26.

- H. **APPROVE** the proposed change to the 2025/26 Capital budget.
- I. **NOTE** the Q2 forecast gross capital expenditure of £239.523m for financial year to 31 March 2026 in line with the proposed (Q2) capital Budget;
- J. **NOTE** the Capital Reserves forecast of £105.115m by the end of March 2026.

The Interim Director of Finance & Resources provided Cabinet members with an overview of the report. She advised that finance is on an improvement journey and she is aware of some of the issues that need to be resolved. There is reference in the report that some of the issues that need to be resolved will be reported in Q3. For example, the capital monitoring which was discussed at the budget workshop, and there is now a person dedicated to help with the capital programme for transport, but there is still work to improve on.

In terms of revenue, it was noted that there is still further work that needs to be done, in making sure that the overhead costs and the support services are appropriately charged to the grants that they serve. For instance, if there are finance officers working on a transport grant, the transport grant will have eligibility in the grant T&Cs for those costs to be met from that transport grant as an administration cost. Therefore, there will be a piece of work to make sure that the right mechanism is in place to recharge properly. It was noted that not all the grants will have the same T&Cs, some of them you will be able to do a 10% top slice, and others would have to be a specific calculation.

Cabinet were advised that in this report that there is now a specific section on risks, which will now be a standard part of the report. There are some inherent risks in that section and there are some risks which may not come to fruition. It was noted that by Q3 it should be the absolute solid forecast out turn for the year.

Cabinet members were given the opportunity to comment or ask questions.

Cllr Brown queried why on section 3.7 the external legal fees are shown as a variant/ pressure. In response it was noted that this is about TVCA spending a significant sum of money on external legal advice and the Interim Monitoring Officer only started in August and a lot of spend was incurred up until August. The Interim Monitoring Officer noted that one of the key jobs he has been tasked with is reducing the external legal spend. It has been found to date that by bringing in the right type of resources within

	the team that they don't need to go out for that planned external legal costs. It was advised that his understanding is that expenditure on external legal resources has significantly reduced due to the result of bringing in the lower cost resources within the team. Mayor Cooke queried whether the risks section should be at the end of the report and for it to be a consideration at the end alongside the financial and legal implications, so it remains consistent for all reports. It was also noted that he is much happier with how the reports are being presented and it is a lot clearer. RESOLVED that Cabinet:- A. NOTE the Q2 revenue forecast of a net deficit of £0.955m for year ending 31 March 2026. B. NOTE the actions being taken to enable the Authority to achieve a balanced budget. C. NOTE the proposed use of the Devolution Fund reserve to fund any overspend for 2025/26 should the overspend not be reduced. D. APPROVE the proposed changes to the 2025/26 revenue budget. E. APPROVE the transfer of £8.178m to earmarked reserves. F. NOTE the forecast revenue reserves of £36.357m as at the end of March 2026. G. NOTE the key financial risks for 2025/26. H. APPROVE the proposed change to the 2025/26 Capital budget. I. NOTE the Q2 forecast gross capital expenditure of £239.523m for financial year to 31 March 2026 in line with the proposed (Q2) capital Budget; J. NOTE the Capital Reserves forecast of £105.115m by the end of March 2026.
TVCA 58/25	TREASURY MANAGEMENT MID-YEAR REVIEW 2025/26 Cabinet members received a report which provides an update on treasury management activities for the first six months of the 2025/26 financial year, together with the Authority's performance against the Treasury Management Strategy and prudential indicators, approved by Cabinet on 28 March 2025. Cabinet were invited to:- A. NOTE the mid-year performance against the prudential indicators set in the Treasury Management Strategy for 2025/26 approved by the Combined Authority in March 2025.

	B. NOTE that none of the prudential indicators or approved limits have been or, are forecast to be, breached in 2025/26. The Interim Director of Finance & Resources provided Cabinet members with an overview of the report. She advised that the under-borrowing position has reduced significantly and this has been established through some in depth work with treasury advisors. There was some element of allowing for that in the budgets, and the extra borrowing of £140m has had to be borrowed and is set out in the report. It was noted that there have been lots of improvements happening with the cash flow forecasting, and the drawdowns will be monitored. Cabinet members were given the opportunity to comment or ask questions. Cllr Brown noted that there were discussions at the informal Cabinet workshops around the potential liabilities or substantial borrowing of the Mayoral Development Corporations and whether it would fall back onto the Local Authorities and asked whether there was any further clarification on this. The Interim Monitoring Officer noted that constituent councils do not carry direct financial liability for a Combined Authority. The combined authority is a distinct corporate body established under the Local Democracy, Economic Development Construction Act 2009, and it operates independently of its constituent council, so that liability isn't there. In regard to a Mayoral Development Corporation (MDC), where an MDC under a Combined Authority runs a deficit or it fails to balance its budget, again the financial liability would not fall back on the consentient authorities. RESOLVED that Cabinet:- A. NOTE the mid-year performance against the prudential indicators set in the Treasury Management Strategy for 2025/26 approved by the Combined Authority in March 2025. B. NOTE that none of the prudential indicators or approved limits have been or, are forecast to be, breached in 2025/26.
TVCA 59/25	TRANSPORT INVESTMENT PROGRAMME UPDATE Cabinet members received a report which provided an update regarding the transport investment programme. The report sets 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.

Cabinet members were recommended to:-

Transport Capital Investment Programme:

- 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.
- AGREES** to seek authorisation from the Department for Transport (DfT) / Ministry of Housing, Communities and Local Government (MHCLG) to revise the Levelling Anything is possible 2 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.

Transport Revenue Investment Programme

- 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.

	E. 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. F. EITHER AGREES 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 as set out in paragraph 3.35. In agreeing to this option, Cabinet need to consider whether they wish to try to reduce the costs of the scheme by amending the operational model and making changes to: • the fares, • the pre-booking period, and • limiting usage so that users cannot book a journey that can be made on a commercial or supported service. OR ALTERNATIVELY 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: • ROUTE A – an hourly service linking Elwick and Dalton Piercy with Hartlepool Sixth Form and Hartlepool Town Centre • ROUTE B – an hourly service linking Stillington, Whitton, Carlton, Redmarshall, Great Stainton to North Tees Hospital / Roseworth Tesco and Stockton High Street. In agreeing to either of these recommendations, Cabinet delegates responsibility to the Chief Executive to take all decisions required to manage this BSIP funding allocation, in accordance with this recommendation and TVCA Assurance Framework. The Head of Transport, TVCA advised Cabinet members that there are two parts of the report, the first which relates to the Capital Investment Programme and in particular the Middlesbrough Station undercroft which is a project which has been in construction, and there has been a significant amount of capital in bringing it forward and creating new business units within that. It was noted that the second part of the report is on the revenue Investment Programme and it relates to the Bus Service Improvement Plan (BSIP). The
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	funding has been confirmed, and a recent announcement confirmed just under £26m over a 3-year period, therefore just over £8.6m per annum. The Head of Transport, TVCA informed Cabinet members that Tees Flex is currently contracted until the end of March, and Cabinet needs to make a decision on moving forward with Tees Flex, as per the recommendations in the report which includes different options. Option 1 is to continue Tees Flex using £4.65m of that BSIP allocation to continue as it is, but there are ways to reduce the cost and amending the operational model such as the fares and pre booking period. Another option is for Tees Flex to be discontinued, and there is an option within this for proposals for two new fixed routes to look at the gaps in provision. Cabinet members were given the opportunity to comment or ask questions. Mayor Cooke noted that the Marton scheme is potentially going to be replaced with a Greenway scheme which is less disruptive to road users and queried whether there is a reason why this hasn't managed to be in this paper. In Response, the Head of Transport noted that the aim is for it to be on the report for the March Cabinet, and there will be an informal discussion around all of the programmes to take this forward. Cllr Hargreaves noted that she was disappointed that there wasn't a clear steer from the Transport Committee about a preferred option as that would've been helpful. In terms of the options that would be right for Hartlepool, it was noted that she thought it would be best for the Tees Flex to be ceased and for the fixed routes to be approved. She noted it would be better value for money and there could be options to explore other additional routes. Cllr Harker noted that there was a general view on the Transport Committee that in terms of the cost of Tees Flex and the service it delivers was questionable whether it was achieving best value for money. It was noted that there are roughly 63% booking requests, and only 36% of the time does a bus have more than one person on it and half the time there is nobody on it. Therefore, he explained it is difficult to see how the service can be argued as best value. It was noted that he was supported of the discontinuation of the Tees Flex and this would clear up some money which could be used to do other potential fixed services. He noted further work is required to understand the Tees Flex data but also to find out information of where there are gaps and to provide extensions or fixed routes across the Tees Valley.
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	Mayor Cooke noted that the Tees Valley is working towards a more sustainable public transport system, but the Tees Flex costs a pound a kilometre while empty, and this is difficult to be justified. The Chair noted that the Tees Flex is a good model, but it can be better and there are significant improvements which can be made. He noted that he was happy to agree to recommendation F to continue the provision of the Tees Flex for the period of April 2026 to March 2029. Cllr Hargreaves, Cllr Harker and Mayor Cooke disagreed with the Chair to approve recommendation F to continue the provision of the Tees Flex for a further three years. Therefore, the alternative option was agreed that Tees Flex would be discontinued and the two new fixed route services would be implemented. RESOLVED that Cabinet:- Transport Capital Investment Programme: A. 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. B. AGREES to seek authorisation from the Department for Transport (DfT) / Ministry of Housing, Communities and Local Government (MHCLG) to revise the Levelling Anything is possible 2 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. C. 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. Transport Revenue Investment Programme D. AGREES to allocate £0.96m of Bus Service Improvement Plan (BSIP) Revenue funding (subject to confirmation) to continue the current
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	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. E. 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. F. AGREES that the current Tees Flex service will be discontinued from 31 March 2026 when the contract comes to an end. Furthermore, agrees 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 requires an allocation of £0.44m from the BSIP Revenue funding to provide two new fixed route services: • ROUTE A – an hourly service linking Elwick and Dalton Piercy with Hartlepool Sixth Form and Hartlepool Town Centre • ROUTE B – an hourly service linking Stillington, Whitton, Carlton, Redmarshall, Great Stainton to North Tees Hospital / Roseworth Tesco and Stockton High Street. In agreeing to the recommendations, Cabinet delegates responsibility to the Chief Executive to take all decisions required to manage this BSIP funding allocation, in accordance with this recommendation and TVCA Assurance Framework.
TVCA 60/25	ADULT SKILLS FUND Cabinet were provided with a report detailing 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.

	Cabinet members were recommended to:- A. <u>APPROVE</u> the updated Strategic Skills Commissioning Plan as detailed in Section 3 and Appendix 1 of this report. B. <u>APPROVE</u> the proposed approach to Adult Skills Delivery from the 2026/27 academic year as detailed in Section 3 of this report. C. 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. D. <u>DELEGATE</u> 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. Cllr Evans informed Cabinet that this is one of the most collaborative pieces of work that she has been involved with, and as a Cabinet member she is very happy with this report. It was noted that it has taken a substantial amount of time. There have been numerous workshops held at the Skills Academy, in which every local authority has been invited to put the most relevant officer forward that has voting rights that could make decisions. Also included in the workshops was DWP, health, further education colleges and Teesside university. Therefore, showing it has been a massive collaborative piece work, and it was noted that although in some sessions not everybody always agreed on things, everyone came to unanimous decision. Jacqui Banks, Business Solutions Manager, TVCA informed Cabinet that a lot of work has gone into shaping adult skills from the next academic year. The report summarises a shift to a more transformational process and having a strategic relationship with local authorities and colleges to ensure skills provision for adults going forward is better aligned to the needs of local employers. Also, a much more targeted place base approach to address those challenges across the Tees Valley, in particular adults who don't have any qualifications and are the furthest away from the labour market. Cabinet members were given the opportunity to comment or ask questions. Cllr Brown raised concerns around how collaborative the process has been and queried the need to retain the continuity of the funding going through the Local Authorities and raised concerns on if you go out to tender, it could
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	be a third party that gets it. In response, Jacqui Banks clarified that the proposal is that the Local Authorities and colleges are taken out of any future procurement process and grant funded directly. The agreement of that funding allocation would be alongside the adult skills programme for investment at a local authority level. The proposal is to move away from the current process in which all the providers have to go through a procurement process and would be grant funded directly and the basis will be over a 3-year period which will be subject to the affordability as the allocations are on an annual basis. It was noted that the 2026/27 allocations will be based on the 2025/26 allocations from grant funded providers. Brian Archer noted that he supports the proposals on page 5 of the report but raised concerns about learning for inclusion going out to procurement because of the local expertise and existing relationships that the Local Authorities have. In response, Jacqui Banks clarified that the learning for inclusion programme as it is now has been reprioritised to what is now going to be called the raising for aspirations programme. It was noted that it would not be going out to procurement, it would be grant funded to the Local Authorities on a targeted place-based approach. Currently the learning for inclusion is ring fenced to Local Authorities, and that ring fence for raising for aspirations has been removed, but it is recognised that the Local Authorities are best placed to strategically plan and deliver the raising for aspirations programme going forward in partnership with the relevant delivery organisations. Cllr Harker noted that there seems to be a misunderstanding and whether there is concern. It was noted that he is not a technical expert on education and there is confusion about what is being proposed and decided on. The Chair noted that he has looked at the process and all Local Authorities for an extended period of time have been greatly involved in this process, and it would therefore be unfair on the cabinet portfolio leader and officers at the TVCA to frame it as leaders have not been engaged on this process. Cllr Evans explained that any misunderstanding/miscommunication on the process is due to arrangements within the Local Authorities. During the process it was asked that Local Authorities put the most appropriate person forward and for all the partners to get the right people around the table because they are the decision makers. It was noted that she can't take responsibility as a Cabinet member if the right people who were asked to be put around the table weren't there. The Interim Director of Business Solutions advised Cabinet that they are proposing that all the adult skills funding is commissioned in two separate
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ways. One is that where it's a Tees Valley provider that meets the requirements, which covers all of the colleges, Local Authorities and the University. Those will no longer be expected to bid through a procurement process; they will work on a strategic plan collaboratively and that will be a 3-year strategic plan. The strategic plan will be agreed by working with Cabinet, and that will be the start of ongoing conversations. The purpose of the strategic plan is that it will have a framework of the types of provision which needs to be delivered, and it will be down to the providers to have the flexibility to respond to need. It was noted that Cabinet is asked to approve the approach in the meeting today, but in March it will consider the approval of the actual financial allocations.

Cllr Hargreaves noted that this process is much more inclusive and lots of different people have been engaged in the strategy. She explained it is a more favourable way of working for lots of different partners, and the reassurance of officers given publicly that local authorities won't be in a worse position is enough for her to support this and vote for it.

Cllr Brown noted that he feels that he has not been fully briefed on this to feel comfortable voting on it and asked whether this could be deferred.

The chair queried officers on what is the consequences of a deferment? In response, the Interim Director of Business Solutions noted that the consequence of the deferment is that they can't start the strategic planning process and won't be able to make the allocations in March and there would be a delay to grant funding to Local Authorities.

Cllr Brown therefore withdrew his request to defer this.

RESOLVED that Cabinet:-

- A. **APPROVE** the updated Strategic Skills Commissioning Plan as detailed in Section 3 and Appendix 1 of this report.
- B. **APPROVE** the proposed approach to Adult Skills Delivery from the 2026/27 academic year as detailed in Section 3 of this report.
- C. 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.
- D. **DELEGATE** 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.

	Cllr Evans, Cllr Brown and Brian Archer left the meeting after this decision was taken at 12pm, and it was noted that the meeting is still quorate.
TVCA 61/25	TEES VALLEY INVESTMENT ZONE: DETAILED DEVELOPMENT AND DELIVERY APPROACH Cabinet members were presented a report providing an update on the Tees Valley Investment Zone, which was accepted in March 2025 as a priority programme, with an allocation, into the Tees Valley Investment Plan. It also seeks endorsement of the delivery approach. Cabinet members were recommended to:- A. ENDORSE the proposed Vision, Missions and Principles which will guide and underpin the design and delivery of the Investment Zone. B. ENDORSE the proposed delivery approach, including: the development of the business support model; the capital review and the resource plan. Charlie Kemp, Interim Head of Business Solutions provided Cabinet members with an overview of the report. Cabinet members were given the opportunity to comment or ask questions. Cllr Hargreaves noted the need to have the second-tier engagement, which includes more than the Business Board, such as the portfolio leaders to be involved and also the next level in terms of officers and members. Making sure that everyone is pushing into the right direction. In particular the Middlesbrough and Hartlepool areas in which a lot of the investment will go to and noted how beneficial it would be. The Chair queried the terminology in report as it was recommended for Cabinet to endorse rather than approve. The Interim Monitoring Officer noted that this should be approve rather than endorse, and this would be changed to reflect this. RESOLVED that Cabinet:- A. APPROVE the proposed Vision, Missions and Principles which will guide and underpin the design and delivery of the Investment Zone. B. APPROVE the proposed delivery approach, including: the development of the business support model; the capital review and the resource plan.

TVCA 62/25	SENIOR OFFICER APPOINTMENTS Sarah Walker left the meeting room at this point of the meeting. Cabinet received a report to seek Cabinet approval for two senior officer appointments. Specifically, the report addresses: • The conclusion of recruitment processes for the posts of Director of Infrastructure and Director of Business Solutions, ensuring continuity and delivery of TVCA's strategic priorities. Cabinet members were recommended to:- A. <u>APPROVE</u> the appointment of Jonathan Spruce to the position of Director of Infrastructure. B. <u>APPROVE</u> the appointment of Sarah Walker to the position of Director of Business Solutions. The TVCA Chief Executive noted that there was an external and rigorous process that involved colleagues around the table and that he was pleased with the two proposed candidates as they are both strong and will add to the senior leadership team at the Combined Authority. The Chair thanked all the officers, panellists and stakeholders that were involved in all the panels, and in particular Cllr Harker who volunteered work on the infrastructure appointment, but also helping with the Business Solutions appointment and his help was very much appreciated. Cabinet members were given the opportunity to comment or ask questions; none were received. RESOLVED that Cabinet:- A. <u>APPROVE</u> the appointment of Jonathan Spruce to the position of Director of Infrastructure. B. <u>APPROVE</u> the appointment of Sarah Walker to the position of Director of Business Solutions. Sarah Walker rejoined the meeting once the decision had been made.
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TVCA 63/25	INDEPENDENT REMUNERATION PANEL Cabinet members were provided a report to seek approval for the establishment of an Independent Remuneration Panel (IRP) to undertake a detailed review into allowances at Tees Valley Combined Authority. Cabinet members were recommended to:- A. <u>ESTABLISH</u> an Independent Remuneration Panel as detailed in section 3 of this report. B. <u>APPROVE</u> the scope of the review for the Independent Remuneration Panel as detailed in section 4 of this report. C. <u>APPROVE</u> the membership arrangements for the Independent Remuneration Panel as detailed in section 5 of this report, including agreement of the approach to Chairing of the Panel as set out in paragraph 5.4 and payment to the Panel as set out in paragraphs 5.5 and 5.6. The Interim Monitoring Officer provided Cabinet members with an overview of the report. It was noted that Cabinet was to decide on whether the Chair of the IRP would be within the panel membership provided by the constituent authorities or the Chair position to be an independent expert separately recruited. His advice was to take the Chair from within the panel membership, and Cabinet were happy to agree this. Cabinet members were given the opportunity to comment or ask questions; none were received. RESOLVED that Cabinet:- A. <u>ESTABLISH</u> an Independent Remuneration Panel as detailed in section 3 of this report. B. <u>APPROVE</u> the scope of the review for the Independent Remuneration Panel as detailed in section 4 of this report. C. <u>APPROVE</u> the membership arrangements for the Independent Remuneration Panel as detailed in section 5 of this report, including agreement of the approach to Chairing of the Panel as set out in paragraph 5.4 and payment to the Panel as set out in paragraphs 5.5 and 5.6.
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TVCA 64/25	ASSURANCE FRAMEWORK Cabinet were provided a report which set out the justification for the development of a Single Assurance Framework that will replace the existing Local Assurance Framework. The report seeks endorsement of the proposal to development a Single Assurance Framework (SAF) and seeks endorsement of design principles that will inform its development. All Combined Authorities are required to maintain an Assurance Framework to ensure robust governance, accountability, and transparency in the use of devolved funds. The Assurance Framework provides confidence to government and stakeholders that investment decisions are evidence-based, risks are managed effectively, and public money is spent in line with statutory duties such as Best Value. It is a mandatory requirement under the English Devolution Accountability Framework and supports compliance with HM Treasury standards for risk management and control. Cabinet members were recommended to:- A. <u>ENDORSE</u> the approach to create a Single Assurance Framework. B. <u>ENDORSE</u> the design principles for the development of a Single Assurance Framework set out in paragraph 3.20. The Interim Monitoring Officer provided Cabinet members with an overview of the report. Cabinet members were given the opportunity to comment or ask questions. The Chair noted the terminology of the recommendations should be changed to approve rather than endorse. RESOLVED that Cabinet:- A. <u>APPROVE</u> the approach to create a Single Assurance Framework. B. <u>APPROVE</u> the design principles for the development of a Single Assurance Framework set out in paragraph 3.20.
TVCA 65/25	CONSTITUTION

	Cabinet were provided a report which set out a number of proposed amendments and additions to the Combined Authority Constitution for Cabinet consideration and approval. The Organisational Improvement Plan recognised the requirement to review the Constitution and enhance it in line with best practice. This report sets 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 sets 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 Cabinet members were recommended to:- A. <u>APPROVE</u> Article 1: Decision-Making attached at Appendix A. B. <u>APPROVE</u> 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. The Interim Monitoring Officer provided Cabinet members with an overview of the report. Cabinet members were given the opportunity to comment or ask questions: Mayor Cooke noted that on page 256 it refers to the WMCA in unreasonable conduct rather than TVCA. The Interim Monitoring Officer noted that he would pick that error up. It was explained that this error has been made because TVCA has developed it alongside WMCA, they have already adopted their constitution, and it has been a joint effort and utilised Helen Edwards expertise who is on the IAB. RESOLVED that Cabinet:- A. <u>APPROVE</u> Article 1: Decision-Making attached at Appendix A. B. <u>APPROVE</u> in principle the Public Code of Conduct attached at Appendix B, subject to review by the Audit & Governance
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	Committee, with a report back to Cabinet in January 2026 to confirm any feedback.
TVCA 66/25	GOVERNANCE AND APPOINTMENTS Matthew Ord left the meeting room at this point of the meeting. Cabinet received a report which sought approval for a number of appointments. Cabinet members were recommended to:- A. <u>NOTE</u> the appointment to Cabinet as detailed in paragraphs 4.1 to 4.3. B. <u>APPROVE</u> the appointment to the Overview and Scrutiny Committee as detailed in paragraphs 5.1 to 5.4. C. <u>RATIFY</u> the appointment to the Transport Committee as detailed in paragraphs 6.1 to 6.4. D. <u>APPROVE</u> the appointment of Matthew Ord as detailed in paragraphs 7.1 to 7.4 to the position of Tees Valley Business Board Chair. The Interim Monitoring Officer provided Cabinet members with an overview of the report. Cabinet members were given the opportunity to comment or ask questions; none were received. RESOLVED that Cabinet:- A. <u>NOTE</u> the appointment to Cabinet as detailed in paragraphs 4.1 to 4.3. B. <u>APPROVE</u> the appointment to the Overview and Scrutiny Committee as detailed in paragraphs 5.1 to 5.4. C. <u>RATIFY</u> the appointment to the Transport Committee as detailed in paragraphs 6.1 to 6.4. D. <u>APPROVE</u> the appointment of Matthew Ord as detailed in paragraphs 7.1 to 7.4 to the position of Tees Valley Business Board Chair. Matthew Ord rejoined the meeting once the decision had been made.
TVCA 67/25	DELEGATED OR URGENT DECISIONS

	Cabinet were provided a report which detailed all the Delegated Decisions made since Cabinet last met on 26th September 2025. The Interim Monitoring Officer provided Cabinet members with an overview of the report. Cabinet members were given the opportunity to comment or ask questions. Mayor Cooke noted that there is a discrepancy between when there is an authority holder or Mayor signing the forms and queried whether there will there be a standard format in which it will be in consultation with Cabinet or portfolio leader to make it consistent. In response the Interim Monitoring Officer noted that this will be picked up in the new decision note process that's coming out as part of the Government review and the new publication scheme. RESOLVED that Cabinet noted the Delegated Decisions made since Cabinet on 26th September 2025
	DATE AND TIME OF FUTURE MEETINGS • Friday, 30th January 2026 at 10:00am The Chair thanked all in attendance.