



## **Tees Valley Combined Authority Cabinet**

Friday 24 April 2026 at 10:00am

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

### **AGENDA**

Open to the Public and Press

- 1. Apologies for Absence**  
To receive any apologies for absence.
- 2. Declarations of Interest**  
To receive any declarations of interest.
- 3. Minutes**  
To approve as a correct record the minutes of the meetings held on 20 March 2026.
- 4. Mayoral Update**  
To receive a Mayoral update on key activity since the previous meeting of the Cabinet.

#### **Governance Items**

- 5. Governance & Appointments**  
To receive and consider a report from the Interim Monitoring Officer updating on several issues related to governance and appointments and seeking several approvals.
- 6. Governance Review**  
To receive a report from the Interim Monitoring Officer providing an update on progress with the governance review and request Cabinet approval to establish an Investment Committee.
- 7. Single Assurance Framework**  
To receive a report from the Interim Monitoring Officer which seeks approval of the draft Single Assurance Framework for submission to Government.

#### **Policy Items**

**8. Local Growth Plan update and approval of Local Growth Fund priority allocation.**

To receive a report from the Director of Business Solutions providing updates on the Local Growth Plan, the Tees Valley Investment Pipeline and seeking approval to allocate the Local Growth Fund.

**9 Skills Programme – Approval of Adult Skills Grant Funded Provider Allocations & Approval of the process for awarding the Post-16 Capital Skills allocations to providers.**

To receive a report from the Director of Business Solutions seeking approval of the allocations for the Adult Skills Grant Funded providers for the 2026/27-2028/29 academic years; the allocation of the Post 16 Capacity Capital funding; the allocation of the Construction Technical Excellence College (CTEC) Capital funding and an update on the Local Skills Improvement Plan.

**10 Youth Guarantee Trailblazer Year 2 Approval**

To receive a report from the Director of Business Solutions seeking approval for Year 2 of the Youth Guarantee Trailblazer.

**11 Delegated Decisions**

To receive a report from the Interim Monitoring Officer providing an update on any delegated or urgent decisions made since the last Cabinet meeting.

Date and time of the next meeting – Friday 26 June 2026 at 10:00am

**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 – [tvcgovernance@teesvalley-ca.gov.uk](mailto:tvcgovernance@teesvalley-ca.gov.uk)

<b>Membership</b>	
The Tees Valley Combined Authority comprises of the following membership:	
<b>Mayor Ben Houchen</b>	<b>Chair, Tees Valley Combined Authority</b>
<b>Councillor Stephen Harker</b>	<b>Leader, Darlington Borough Council</b>

<b>Councillor Pam Hargreaves</b>	<b>Leader, Hartlepool Borough Council</b>
<b>Mayor Chris Cooke</b>	<b>Mayor, Middlesbrough Council</b>
<b>Councillor Alec Brown</b>	<b>Leader, Redcar &amp; Cleveland Borough Council</b>
<b>Councillor Lisa Evans</b>	<b>Leader, Stockton-on-Tees Borough Council</b>
<b>Matthew Ord</b>	<b>Chair, Tees Valley Business Board</b>



## **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.



## TEES VALLEY COMBINED AUTHORITY CABINET

Friday, 20 March 2026 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>	
<b>Members</b>	
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 Alec Brown	Leader, Redcar and Cleveland Borough Council
Councillor Lisa Evans	Leader, Stockton-on-Tees Borough Council
Matthew Ord	Chair of the Business Board
<b>Officers</b>	
Tom Bryant	Chief Executive, 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
Jonathan Spruce	Director of Infrastructure, Tees Valley Combined Authority
Sarah Walker	Director of Business Solutions, Tees Valley Combined Authority
Jeanette McGarry	Interim Monitoring Officer, Tees Valley Combined Authority
Dave Winstanley	Executive Director , Darlington Borough Council,
Denise McGuckin	Managing Director, Hartlepool Borough Council
Erik Scollay	Chief Executive, Middlesbrough Council

Brian Archer	Chief Executive, Redcar & Cleveland Borough Council
Mike Greene	Chief Executive, Stockton Borough Council
Alan Weston	Head of Transport & Infrastructure, TVCA
Elaine Fryett	Interim Head of Investment Development, TVCA
Sally Henry	Governance Officer, TVCA
<b>Also in attendance</b>	
Sir Steve Bullock DL	Independent Advisory Board

*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](#).*

	<p><b><u>CHAIR'S OPENING REMARKS</u></b></p> <p>The Chair opened the meeting and welcomed everyone in attendance.</p>
TVCA 75/25	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>There were no apologies for absence.</p>
TVCA 76/25	<p><b>DECLARATIONS OF INTEREST</b></p> <p>Councillor Hargreaves declared a pecuniary interest in agenda items 5 and item 9 and left the Cabinet room for the entirety of both these items.</p> <p>Mayor Cooke declared a non pecuniary interest in item 5 &amp; 9.</p>
TVCA 77/25	<p><b>MINUTES</b></p> <p><b>RESOLVED</b> that the minutes of the meeting held on 30<sup>th</sup> January 2026 were confirmed as an accurate record.</p>
TVCA 78/25	<p><b>TEES VALLEY MAYOR'S UPDATE</b></p> <p>The Mayor advised Cabinet members that he had nothing further to update them on which was not covered elsewhere on the agenda.</p>

	<p>Members were however given an opportunity ask questions.</p> <p>No questions were asked.</p>
<p>TVCA 79/25</p>	<p><b>MAYOR UPDATE ON THE MIDDLESBROUGH &amp; HARTLEPOOL MAYORAL DEVELOPMENT CORPORATIONS</b></p> <p>Councillor Hargreaves left the room at this time.</p> <p>Cabinet received a report which provided an update on the current status on the two town centre Development Corporations.</p> <p>Cabinet were advised that the Mayor intends to review the requirement for the MDC and HDC. They were advised that the Middlesbrough Development Corporation budget would be transferred to Hartlepool Development Corporation if it was maintained and Middlesbrough Development Corporation was decided to be disbanded.</p> <p>They were further advised that a DC being disbanded would need to come up with a plan for disposal of the assets and that this will be done in discussion with Middlesbrough Council and/or Hartlepool Council, and that the plan would be reported back to Cabinet. It would be a Cabinet decision on whether any assets are transferred to TVCA.</p> <p>Cabinet were invited to:-</p> <p>A. <b>NOTE</b> the update that the Mayor is conducting a review of Middlesbrough Development Corporation and Hartlepool Development Corporation, specifically an analysis on whether to disband one or either of the Development Corporations and the benefits of different arrangements for regeneration of Hartlepool and Middlesbrough Town Centre compared to the benefits of maintaining the DCs; If a decision was taken to disband one or either of the DCs in question it would include planning powers returning to the constituent authority in question during the close down period and beyond; and that if one of the DCs was to be kept and the other disbanded, the residual finance allocated would be transferred to the retained DC. For example, if MDC was to be disbanded but HDC was maintained, residual funding in the Middlesbrough Development Corporation budget would be</p>

transferred to Hartlepool Development Corporation. This funding is part of the £20m approved by Cabinet on 22 July 2022 to support Middlesbrough and Hartlepool Mayoral Development Corporations, and can be transferred under delegated authority.

- B. **NOTE** that HDC or MDC, if they were to be disbanded, would need to publish a plan for disposal of the assets currently held by the relevant DC, that this will be done in discussion with Middlesbrough Council and/or Hartlepool Council, and that the plan would be reported back to Cabinet. It would be a TVCA Cabinet decision on whether any assets are transferred to TVCA.

The Chair advised members that now is an appropriate time to conduct a review of the Middlesbrough and Hartlepool Development Corporations.

Members were given the opportunity to comment or ask questions. There were no comments or questions.

**RESOLVED** that Cabinet:-

**A. NOTED** the update that the Mayor is conducting a review of Middlesbrough Development Corporation and Hartlepool Development Corporation, specifically an analysis on whether to disband one or either of the Development Corporations and the benefits of different arrangements for regeneration of Hartlepool and Middlesbrough Town Centre compared to the benefits of maintaining the DCs; If a decision was taken to disband one or either of the DCs in question it would include planning powers returning to the constituent authority in question during the close down period and beyond; and that if one of the DCs was to be kept and the other disbanded, the residual finance allocated would be transferred to the retained DC. For example, if MDC was to be disbanded but HDC was maintained, residual funding in the Middlesbrough Development Corporation budget would be transferred to Hartlepool Development Corporation. This funding is part of the £20m approved by Cabinet on 22 July 2022 to support Middlesbrough and Hartlepool Mayoral Development Corporations, and can be transferred under delegated authority.

**B. NOTED** that HDC or MDC, if they were to be disbanded, would need to publish a plan for disposal of the assets currently held by the relevant DC, that this will be done in discussion with

	<p>Middlesbrough Council and/or Hartlepool Council, and that the plan would be reported back to Cabinet. It would be a TVCA Cabinet decision on whether any assets are transferred to TVCA.</p>
<p>TVCA 80/25</p>	<p><b>PUBLIC CODE OF CONDUCT</b></p> <p>Cabinet approved in principle the Public Code of Conduct on 12 December 2025, as part of the Constitution report, subject to review by the Audit &amp; Governance Committee, with a report back to Cabinet to confirm any feedback.</p> <p>Cabinet were asked to consider the comments of the Audit &amp; Governance Committee.</p> <p>Cabinet were invited to:-</p> <ul style="list-style-type: none"> <li>A. <b>NOTE</b> that the Audit and Governance Committee met on the 20 February 2026 and were supportive of the Cabinet decision on the 12 December 2025 to approve the Public Code of Conduct in principle, and did not propose any amendments.</li> <li>B. <b>NOTE</b> that the Public Code of Conduct, included at <b>Appendix A</b> to the report will now be included in the Constitution and implemented.</li> </ul> <p>Members were given the opportunity to comment or ask questions. No comments or questions were raised.</p> <p><b>RESOLVED</b> that Cabinet:-</p> <ul style="list-style-type: none"> <li>A. <b>NOTED</b> that the Audit and Governance Committee met on the 20 February 2026 and were supportive of the Cabinet decision on the 12 December 2025 to approve the Public Code of Conduct in principle, and did not propose any amendments.</li> <li>B. <b>NOTED</b> that the Public Code of Conduct, included at <b>Appendix A</b> to the report will now be included in the Constitution and implemented.</li> </ul>
<p>TVCA 81/25</p>	<p><b>ORGANISATIONAL IMPROVEMENT PLAN PROGRESS</b></p> <p>Cabinet received a report from the Chief Executive which provided an update on progress relating to the Tees Valley Combined Authority</p>

	<p>Organisational Improvement Plan and other matters relating to the Best Value Notice, issued on 3 April 2025, and the External Audit Statutory Recommendations Letter, issued on 15 April 2025. The report also outlined the presentational changes made to the organisational improvement action plan.</p> <p>Cabinet were invited to:-</p> <ul style="list-style-type: none"> <li>A. <b>Note and provide feedback on:</b> presentational changes to Organisational Improvement Action Plan</li> <li>B. <b>Note</b> Progress on the Organisational Improvement Plan.</li> </ul> <p>The Chief Executive advised that he has provided a self-reflection document to the Ministry of Housing, Communities and Local Government. The document has also been shared with Cabinet members.</p> <p>Members were given the opportunity to comment or ask questions.</p> <p>Mayor Cooke commented on the timescales included in the Improvement Plan and that Cabinet should have a view on any proposed amendments. This was agreed.</p> <p><b>RESOLVED that Cabinet:-</b></p> <ul style="list-style-type: none"> <li>A. <b>Noted and provide feedback on:</b> presentational changes to Organisational Improvement Action Plan</li> <li>B. <b>Noted</b> Progress on the Organisational Improvement Plan.</li> </ul>
<p>TVCA 81/25</p>	<p><b>INDEPENDENT ADVISORY BOARD REPORT</b></p> <p>Cabinet were provided with a progress update report from the Chair of the Independent Advisory Board .</p> <p>Sir Steve Bullock, member of the Independent Advisory Board, attended Cabinet to present the report.</p>

	<p>He advised that the Independent Advisory Board's (IAB) role is to oversee the progress made against the Improvement Plan. It seeks to offer challenge and support.</p> <p>In the months the IAB has been working, they have met with officers at TVCA, Local Authorities and Cabinet members.</p> <p>The authors of the Best Value Notice will need assurances that the changes are embedded.</p> <p>He advised that the Board has seen that Cabinet have changed, are working together and significant changes of approach are evident. He stated Cabinet are on a journey and have made progress but there is more to do.</p> <p>Members were given the opportunity to comment or ask questions.</p> <p>The Chair offered his thanks to Sir Steve and the Independent Advisory Board and noted that he is keen to continue with the improvement journey. Cllr Brown noted that there has been a vast improvement and that we are all working together in a far better way.</p> <p><b>RESOLVED that Cabinet:-</b></p> <ul style="list-style-type: none"> <li>• <b>NOTED</b> : the progress update report from the Chair of the Independent Advisory Board .</li> </ul>
<p>TVCA 82/25</p>	<p><b>FINAL CAPITAL &amp; REVENUE BUDGETS 2026/27, UPDATED MEDIUM TERM FINANCIAL PLAN AND CAPITAL PROGRAMME 2026/27-2029/30</b></p> <p><i>Appendix 7 &amp; 8 to this report are not for publication, under the terms of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)); of schedule 12a Local Government Act 1972.)</i></p> <p>Cllr Hargreaves left the room at this point.</p> <p>The Chief Executive introduced this item by highlighting that this report is the culmination of significant work over several months. He expressed his</p>

thanks to the Interim Director of Finance & Resources, the finance team, Mayor Cooke as portfolio holder and also to the Overview & Scrutiny Committee.

The Chair advised members that appendix 7 & 8 to the report are confidential. If they are to be discussed, members of the public would need to leave the room.

Cabinet received a report which presented the final revenue budget for the Mayoral General Functions for 2026/27 for approval.

The final revenue budget for the Combined Authority for 2026/27 was also presented for approval, together with the Medium Term Financial Plan covering the period to 2029/30.

Key assumptions and risks in setting the final budgets for the forthcoming financial year and future years were also highlighted.

Cabinet was asked to note the feedback from the public consultation on the draft budget proposals as presented to Cabinet in January 2026.

Cabinet was presented with the revised three-year Capital Programme to 2029/30 for approval, together with the Authority's proposed final Capital Budget for 2026/27.

The report set out key changes to both the revenue and capital budgets from the draft proposals presented to Cabinet on 30 January 2026.

The report also presented the forecast usable revenue and capital reserves as of 31 March 2027 incorporating the financial implications of the proposed final revenue and capital budget impacts.

Cabinet were recommended to:-

**Approve** the Final Budget for Mayoral Functions for 2026/27

**Note** the approved Concessionary Fares budget of £14.834m for 2026/27

**Approve** the final Combined Authority Revenue Budget for 2026/27

	<p><b>Note</b> the consultation responses on the draft budget proposals, including the Overview &amp; Scrutiny Committee's comments, set out at <b>Appendix 2</b></p> <p><b>Approve</b> the revised Medium Term Financial Plan 2026/27 to 2029/30</p> <p><b>Approve</b> the Final Capital Budget for 2026/27 and revised capital programme to 2029/30</p> <p><b>Approve</b> the transfers to/from reserves as set out in Table 19</p> <p><b>Note</b> the forecast revenue reserves on 31 March 2027</p> <p><b>Note</b> the forecast capital reserves on 31 March 2027</p> <p><b>Note</b> the key financial risks for the MTFP period</p> <p><b>Note</b> the S73 Officer's S25 Statement at <b>Appendix 6</b></p> <p><b>Approve</b> the Flexible use of Capital Receipts Strategy 2026/27, included at <b>Appendix 4</b></p> <p><b>Approve</b> the Reserves Policy, included at <b>Appendix 5</b></p> <p><b>Approve</b> a contribution of up to £1m for the Hartlepool Development Corporation, from TVCA reserves, to fund its ongoing operation in 2026/27, subject to a business case, and to be funded by a drawdown on the Devolution Fund reserve. Consideration of the business case and appraisal will be delegated in accordance with the TVCA Assurance Framework to the TVCA Chief Executive for decision in consultation with Tees Valley Management Group, the Section 73 Officer and the Monitoring Officer. The business case and appraisal outcome will be shared with Cabinet.</p> <p>Jo Moore, Interim Director of Finance &amp; Resources, provided Cabinet members with an overview of the report.</p> <p>Members were given the opportunity to comment or ask questions.</p> <p>Mayor Cooke advised Cabinet that a number of questions from the public had been received relating to this item and he provided verbal responses.</p> <p>He also advised that he is working with Jo Moore on the cash flow and income position.</p> <p>Councillor Harker noted that the report is easier to read and is more understandable and expressed his thanks to the whole finance team. He enquired what the consequences were if all the risks that are included in the report came to fruition. Jo Moore advised that she believes the budget sets out a prudent and pragmatic approach to the risks and reserves.</p>
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Councillor Evans thanked the Interim Director of Finance & Resources and noted that the report is improved and clear. She advised she is fully supportive in what is being undertaken regarding driving economic growth. She welcomed the improvement in the reserves position however expressed concern that £1m of reserves is being allocated to Hartlepool Development Corporation and asked for confirmation that this will be a one-off payment.

She was advised that, if Cabinet approve the budget, the payment to Hartlepool Development Corporation would be subject to a satisfactory business case and that it has been made clear that the expectation is for the Development Corporation to become financially sustainable beyond 2026/27. That is not to say that the Development Corporation couldn't make a future ask of TVCA, but it would be for Cabinet to consider this.

The Interim Director of Finance & Resources advised Cabinet members that the reserves which are held are in her view appropriate to the risks facing the organisation. While holding reserves means that money is not being spent elsewhere, there needs to be sufficient money held in reserves. It is not an exact science however the balance is currently right as we go into the new financial year.

Denise McGuckin noted that TVCA is a majority shareholder in Goosepool 2019 Ltd and, as such, should be sighted on the loan agreements before they are signed.

She was advised that there is a loan agreement for the original loan to Goosepool 2019 Ltd, which is being reviewed. TVCA is also currently finalising the schedule and principle repayments for the STDC loan and a report on both the Goosepool 2019 Ltd and STDC loan agreements will be brought back to a future Cabinet meeting.

There was a query relating to the ERDF Legacy funds and Cabinet were advised that this fund does not sit within the Combined Authority. TVCA will be undertaking a piece of work which considers options for a financial instrument for the Tees Valley. It was agreed that Sarah Walker will work with Councillor Alec Brown as the portfolio holder.

	<p>RESOLVED that Cabinet:-</p> <ul style="list-style-type: none"> <li>• <b>APPROVED</b> the Final Budget for Mayoral Functions for 2026/27</li> <li>• <b>NOTED</b> the approved Concessionary Fares budget of £14.834m for 2026/27</li> <li>• <b>APPROVED</b> the final Combined Authority Revenue Budget for 2026/27</li> <li>• <b>NOTED</b> the consultation responses on the draft budget proposals, including the Overview &amp; Scrutiny Committee's comments, set out at <b>Appendix 2</b></li> <li>• <b>APPROVED</b> the revised Medium Term Financial Plan 2026/27 to 2029/30</li> <li>• <b>APPROVED</b> the Final Capital Budget for 2026/27 and revised capital programme to 2029/30</li> <li>• <b>APPROVED</b> the transfers to/from reserves as set out in Table 19</li> <li>• <b>NOTED</b> the forecast revenue reserves on 31 March 2027</li> <li>• <b>NOTED</b> the forecast capital reserves on 31 March 2027</li> <li>• <b>NOTED</b> the key financial risks for the MTFP period</li> <li>• <b>NOTED</b> the S73 Officer's S25 Statement at <b>Appendix 6</b></li> <li>• <b>APPROVED</b> the Flexible use of Capital Receipts Strategy 2026/27, included at <b>Appendix 4</b></li> <li>• <b>APPROVED</b> the Reserves Policy, included at <b>Appendix 5</b></li> <li>• <b>APPROVED</b> a contribution of up to £1m for the Hartlepool Development Corporation, from TVCA reserves, to fund its ongoing operation in 2026/27, subject to a business case, and to be funded by a drawdown on the Devolution Fund reserve. Consideration of the business case and appraisal will be delegated in accordance with the TVCA Assurance Framework to the TVCA Chief Executive for decision in consultation with Tees Valley Management Group, the Section 73 Officer and the Monitoring Officer. The business case and appraisal outcome will be shared with Cabinet.</li> </ul>
TVCA 83/25	QUARTER 3 FORECAST REVENUE AND CAPITAL OUTTURN 2025/26 AND CAPITAL PROGRAMME 2025/26-2028/29

Cabinet was presented with a report from the Interim Director of Finance & Resources which provided details of the forecast revenue and capital outturn position for Tees Valley Combined Authority for the year ending 31 March 2026.

The report highlighted key assumptions used in those forecasts, together with any key financial risks, as well as details of the forecast reserves position as at the end of March 2026.

The report also provided forecasts for Capital expenditure by Directorate within the Capital Programme for 2025/26.

Cabinet were invited to:-

- A. Note the Q3 revenue forecast net deficit of £0.594m for the year ending 31 March 2026. Being a favourable change of £6.132m from the reported deficit of £6.727m at Quarter 2;
- B. Note the proposed contribution to reserves of £1.903m
- C. Approve the transfer of £1.225m for the Hydrogen Refuelling Project to an earmarked reserve to enable delivery in future years;
- D. Note the forecast revenue reserves of £41.552m as at the end of March 2026 ;
- E. Note the key financial risks for 2025/26;
- F. Note the Q3 forecast gross capital expenditure of £106.845m for financial year to 31 March 2026 being a reduction of £130.387m from Q2;
- G. Note the Capital Reserves forecast of £139.645m by the end of March 2026.

Members were given the opportunity to comment or ask questions. There were no questions or comments.

**RESOLVED that Cabinet:-**

- A. **NOTED** the Q3 revenue forecast net deficit of £0.594m for the year ending 31 March 2026. Being a favourable change of £6.132m from the reported deficit of £6.727m at Quarter 2;
- B. **NOTED** the proposed contribution to reserves of £1.903m
- C. **APPROVED** the transfer of £1.225m for the Hydrogen Refuelling Project to an earmarked reserve to enable delivery in future years;

	<p>D. <b>NOTED</b> the forecast revenue reserves of £41.552m as at the end of March 2026 ;</p> <p>E. <b>NOTED</b> the key financial risks for 2025/26;</p> <p>F. <b>NOTED</b> the Q3 forecast gross capital expenditure of £106.845m for financial year to 31 March 2026 being a reduction of £130.387m from Q2;</p> <p>G. <b>NOTED</b> the Capital Reserves forecast of £139.645m by the end of March 2026.</p>
TVCA 84/25	<p><b>CAPITAL STRATEGY</b></p> <p>Cabinet was presented with a report from the Director of Infrastructure which requested approval of the Capital Strategy 2026/27.</p> <p>Cabinet was invited to approve the Capital Strategy 2026-27.</p> <p>Members were given the opportunity to comment or ask questions.</p> <p>Mayor Cooke enquired what the tolerance is for slippage. He was advised that there is not currently a tolerance, however, the transport programme forms the largest element of the capital programme and as it develops, it will be built in as part of the programme development.</p> <p><b>RESOLVED</b> that Cabinet approved the Capital Strategy 2026-27</p>
TVCA 85/25	<p><b>TREASURY MANAGEMENT STRATEGY AND MINIMUM REVENUE POLICY</b></p> <p>Cabinet was presented with a report from the Interim Director of Finance &amp; Resources which requested approval of the proposed Treasury Management Strategy for 2026/27 to comply with requirements of the Local Government Act 2003 and the Chartered Institute of Public Finance Accountant (CIPFA) Treasury Management Code of Practice.</p> <p>Cabinet were invited to:-</p> <p>A. <b>APPROVE</b> the Treasury Management Strategy 2026/27;</p> <p>B. <b>APPROVE</b> the Minimum Revenue Policy 2026/27.</p>

	<p>The Chair expressed his thanks to both the Interim Director of Finance &amp; Resources and Mayor Cooke as portfolio holder.</p> <p>Members were given the opportunity to comment or ask questions. There were no questions or comments.</p> <p>RESOLVED THAT Cabinet:-</p> <ul style="list-style-type: none"> <li>A. <b><u>APPROVED</u></b> the Treasury Management Strategy 2026/27;</li> <li>B. <b><u>APPROVED</u></b> the Minimum Revenue Policy 2026/27.</li> </ul>
<p>TVCA 86/25</p>	<p><b>BROWNFIELD HOUSING FUND (PHASE 3)</b></p> <p>Cabinet was presented with a report by the Director of Business Solutions which provided an overview of the Brownfield Housing Fund (BHF) Phase 3.</p> <p>The report also sought Cabinet approval to commit the remaining BHF Phase 3 funding of £5.07m to Princeton Gardens in Stockton (£2.3m) and Gresham in Middlesbrough (£2.77m), subject to successful appraisal of the full Business Case in line with BHF funding conditions and in accordance with the TVCA Assurance Framework.</p> <p>Members were given the opportunity to comment or ask questions.</p> <p>Councillor Evans noted that the site in Stockton has laid dormant for many years so is happy that it is being recommended for funding.</p> <p>The Director of Business Solutions advised Cabinet that there had been a recent announcement on future Brownfield Housing funding. It is imperative that the strategic pipeline of sites is in place as soon as possible. She advised that consideration of viability gaps is fundamental to the discussions being held with Homes England.</p> <p>RESOLVED THAT Cabinet:-</p> <ul style="list-style-type: none"> <li>A. <b><u>APPROVED</u></b> the commitment of the remaining £5.07m Brownfield Housing Fund (Phase 3) from the Tees Valley Combined Authority Investment Plan to Princeton Gardens in Stockton (£2.3m) and Gresham in Middlesbrough (£2.77m), subject</li> </ul>

	<p>to successful appraisal of the full Business Case in line with BHF funding conditions and in accordance with the TVCA Assurance Framework. The recommended commitment of this funding has been subject to full appraisal, due diligence, and approval in accordance with the TVCA Assurance Framework and established decision-making processes, ensuring compliance with governance, value for money, and audit requirements.</p>
<p>TVCA 87/25</p>	<p><b>NORTHEAST &amp; YORKSHIRE NET ZERO HUB</b></p> <p>Cabinet was provided with a report from the Director of Business Solutions which requested a decision to continue as accountable body for the North East and Yorkshire Net Zero Hub for an additional twelve months and to consider options for its future delivery at a subsequent meeting. This would extend its current funding window to March 2027 and its delivery window up to September 2027, from March and September 2026 respectively.</p> <p>Cabinet were invited to:-</p> <ul style="list-style-type: none"> <li>A. <b>APPROVE</b> that TVCA enters into a further 12-month Funding Agreement with the Department of Energy Security and Net Zero (DESNZ) and its partners relating to the North East and Yorkshire Net Zero Hub;</li> <li>B. <b>NOTE</b> that in September 2025 Cabinet approved a scheme of delegation that allows the TVCA Chief Executive in consultation with the Section 73 and Monitoring Officer, to execute agreements and approve budgets relating to the Net Zero Hub.</li> </ul> <p>Members were given the opportunity to comment or ask questions. There were no questions or comments.</p> <p><b>RESOLVED that Cabinet:-</b></p> <ul style="list-style-type: none"> <li>A. <b>APPROVED</b> that TVCA enters into a further 12-month Funding Agreement with the Department of Energy Security and Net Zero (DESNZ) and its partners relating to the North East and Yorkshire Net Zero Hub;</li> </ul>

	<p>B. <b>NOTED</b> that in September 2025 Cabinet approved a scheme of delegation that allows the TVCA Chief Executive in consultation with the Section 73 and Monitoring Officer, to execute agreements and approve budgets relating to the Net Zero Hub.</p>
<p>TVCA 88/25</p>	<p><b>LOCAL TRANSPORT DELIVERY PLAN</b></p> <p>Cabinet was presented with a report by the Director of Infrastructure which outlined the new approach to Transport Funding through consolidating a number of different funding streams received by TVCA into a Mayoral Transport Fund.</p> <p>Cabinet were recommended to:-</p> <ul style="list-style-type: none"> <li>a. <b>AGREE</b> that TVCA submits the Detailed Draft Local Transport Delivery Plan to the Department for Transport to meet the March 2026 deadline.</li> <li>b. <b>AGREE</b> to delegate authority to the Director of Infrastructure to take all decisions required to manage the remainder of the City Region Sustainable Transport Settlement (CRSTS) programme to ensure that the requirements of the Memorandum of Understanding between the Department for Transport and TVCA are met, particularly by accelerating the delivery of TCR schemes to ensure CRSTS funding is fully committed by March 2027, with the remainder of the CRSTS schemes to be delivered as part of the Mayoral Transport Fund allocation.</li> <li>c. <b>AGREE</b> to delegate authority to the Director of Infrastructure to take all decisions required to progress business cases for each project/package/programme within the Local Transport Delivery Plan, including authorisation to spend up to 10% of the total approved Investment Package allocations, for the purposes of carrying out feasibility, design and project development work to support the preparation of project/package/programme Business Cases.</li> </ul> <p>Project/package/programme Business cases will be approved in accord with the scheme of delegation set out in the new Single Assurance Framework.</p>

	<p>d. <b>AGREE</b> to receive a further report which will seek approval for TVCA to submit the Final Local Transport Delivery Plan to the Department for Transport to meet the September 2026 deadline. TVCA officers will work with Local Authority officers, Transport Committee Members, Cabinet Members and DfT to further refine the projects/packages/programmes set out in the Detailed Draft Local Transport Delivery Plan ahead of this submission.</p> <p>e. <b>AGREE</b> to receive a quarterly update report on progress in delivering the Local Transport Delivery Plan and an annual report outlining proposed revisions and updates to the Local Transport Delivery Plan to reflect progress and proposed changes to projects/packages/programmes.</p> <p>f. <b>AGREE</b> to delegate responsibility to the Director of Infrastructure to take all decisions required to deliver the Tees Valley Bus Service Improvement Plan Investment programme (2026/27 – 2028/29), in line with the funding allocation outlined in the Local Transport Delivery Plan, including continuing to invest in:</p> <ul style="list-style-type: none"> <li>a) enhancing the customer experience,</li> <li>b) improved fares offers by continuing the u22 fares offer and Tees Pass for care leavers ,</li> <li>c) supported bus services, and</li> <li>d) other expenditure.</li> </ul> <p>Approval for the projects/packages within the Tees Valley Bus Service Improvement Plan programme will be reported through the Enhanced Bus Partnership and approved in accord with the scheme of delegation set out in the new Single Assurance Framework.</p> <p>g. <b>AGREE</b> to delegate responsibility to the Director of Infrastructure, in consultation with the Accountable Cabinet Member and the Enhanced Bus Partnership Members to take any urgent decisions in relation to the use of the Contingency fund (as set out in paragraphs 6.33 &amp; 6.34) within the Tees Valley Bus Service Improvement Plan Investment programme (2026/27 – 2028/29), on an exceptional basis and where the urgency of decision cannot wait until a meeting of Cabinet.</p> <p>h. <b>AGREE</b> the proposed changes to the Tees Valley Bus Service Improvement Plan Investment programme (2025/26) and delegate responsibility to the Director of Infrastructure to take all decisions required to deliver the amendments,</p>
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- i. **NOTE** the additional Zero Emission Bus Regional Assistance (ZEBRA) funding which has been secured, alongside investment by the bus operators, to support the delivery of the BSIP by further decarbonising the bus fleet in Tees Valley through the introduction of more electric vehicles.

Members were given the opportunity to comment or ask questions.

Councillor Brown enquired whether Cabinet members would see details of any underspend on any of the schemes and he was advised that there is now more flexibility meaning any underspend would go back into the overall Transport fund for consideration by Cabinet.

Cabinet was advised that work is ongoing to look at how other public and private investment can be leveraged off the back of the devolved funding. They were advised that the zero emission buses have been funded through bids into government and by the operators.

Councillor Evans enquired why the funding for the Active Travel Hubs was reduced. She was advised that it was reduced because our Active Travel capability rating was downgraded.

She also asked whether each individual hub could be looked at on their merits – how they perform and how they are used by the public.

It was acknowledged by the Chief Executive that the active travel hub issue should have been brought to Cabinet earlier, but a commitment was made that officers will work closely with Cabinet as the review is undertaken. The short-term extension will give us some time to look at what the long term future looks like. A long term sustainable position is needed for the Hubs which may involve some hubs moving to fit in with the bigger transport programme. TVCA will work closely with Cabinet to obtain the best solution for all. The Chief Executive agreed to provide evidence of engagement with local authority officers on the Active Travel Hubs proposal.

Cabinet was advised that the Transport Committee have reviewed the bus service priorities and have come up with proposals of how to use the Mayoral Transport Fund allocation over the course of the next 3 years.

Councillor Brown thanked Councillor Harker and the Transport Committee members for their work on this. In turn, Councillor Harker passed his thanks on to all the transport team at TVCA, particularly Emily Campbell.

Councillor Hargreaves noted that she has received several emails from concerned residents from East Cleveland. They have all been responded to and she thanked them for taking the time to contact her.

**RESOLVED** that Cabinet:-

- A. **AGREED** that TVCA submits the Detailed Draft Local Transport Delivery Plan to the Department for Transport to meet the March 2026 deadline.
- B. **AGREED** to delegate authority to the Director of Infrastructure to take all decisions required to manage the remainder of the City Region Sustainable Transport Settlement (CRSTS) programme to ensure that the requirements of the Memorandum of Understanding between the Department for Transport and TVCA are met, particularly by accelerating the delivery of TCR schemes to ensure CRSTS funding is fully committed by March 2027, with the remainder of the CRSTS schemes to be delivered as part of the Mayoral Transport Fund allocation.
- C. **AGREED** to delegate authority to the Director of Infrastructure to take all decisions required to progress business cases for each project/package/programme within the Local Transport Delivery Plan, including authorisation to spend up to 10% of the total approved Investment Package allocations, for the purposes of carrying out feasibility, design and project development work to support the preparation of project/package/programme Business Cases.
  - a. Project/package/programme Business cases will be approved in accord with the scheme of delegation set out in the new Single Assurance Framework.
- D. **AGREED** to receive a further report which will seek approval for TVCA to submit the Final Local Transport Delivery Plan to the Department for Transport to meet the September 2026 deadline.

	<p>a. TVCA officers will work with Local Authority officers, Transport Committee Members, Cabinet Members and DfT to further refine the projects/packages/programmes set out in the Detailed Draft Local Transport Delivery Plan ahead of this submission.</p> <p>E. <b>AGREED</b> to receive a quarterly update report on progress in delivering the Local Transport Delivery Plan and an annual report outlining proposed revisions and updates to the Local Transport Delivery Plan to reflect progress and proposed changes to projects/packages/programmes.</p> <p>F. <b>AGREED</b> to delegate responsibility to the Director of Infrastructure to take all decisions required to deliver the Tees Valley Bus Service Improvement Plan Investment programme (2026/27 – 2028/29), in line with the funding allocation outlined in the Local Transport Delivery Plan, including continuing to invest in:</p> <p>a) enhancing the customer experience,</p> <p>a. b) improved fares offers by continuing the u22 fares offer and Tees Pass for care leavers ,</p> <p>b. c) supported bus services, and</p> <p>c. d) other expenditure.</p> <p>d. Approval for the projects/packages within the Tees Valley Bus Service Improvement Plan programme will be reported through the Enhanced Bus Partnership and approved in accord with the scheme of delegation set out in the new Single Assurance Framework.</p> <p>G. <b>AGREED</b> to delegate responsibility to the Director of Infrastructure, in consultation with the Accountable Cabinet Member and the Enhanced Bus Partnership Members to take any urgent decisions in relation to the use of the Contingency fund (as set out in paragraphs 6.33 &amp; 6.34) within the Tees Valley Bus Service Improvement Plan Investment programme (2026/27 – 2028/29), on an exceptional basis and where the urgency of decision cannot wait until a meeting of Cabinet.</p> <p>H. <b>AGREED</b> the proposed changes to the Tees Valley Bus Service Improvement Plan Investment programme (2025/26) and delegate responsibility to the Director of Infrastructure to take all decisions required to deliver the amendments,</p>
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	<p>I. <b>NOTED</b> the additional Zero Emission Bus Regional Assistance (ZEBRA) funding which has been secured, alongside investment by the bus operators, to support the delivery of the BSIP by further decarbonising the bus fleet in Tees Valley through the introduction of more electric vehicles.</p>
<p>TVCA 89/25</p>	<p><b>PROCUREMENT &amp; COMMERCIAL STRATEGY</b></p> <p>Cabinet was presented with a report from the Interim Director of Finance &amp; Resources requesting approval of the Procurement &amp; Commercial Strategy.</p> <p>Members were invited to approve the Procurement &amp; Commercial Strategy.</p> <p>Members were given the opportunity to comment or ask questions</p> <p>Councillor Hargreaves noted that, as constituent Local Authorities we should be working together and sharing good practice and principles.</p> <p>Mayor Cooke agreed that sharing good practice would be beneficial as well as sharing supplier experiences. He also noted that TVCA should develop an AI policy.</p> <p>Following questions relating to Social Value, Cabinet was advised that an Action Plan is being developed, alongside a procurement dashboard which will be interactive. A Social Value officer will also be recruited who will look at all contracts.</p> <p>Following questions raised in a recent Mayoral Question Time, the Tees Valley Mayor requested the addition of a clause relating to the Supreme Court judgement on women only spaces be included in the Procurement &amp; Commercial Strategy. This would require anyone contracting with the Combined Authority to ensure they follow the law, relating to this ruling, and any deviation from this would result in breach of contract. This was unanimously agreed by the Cabinet.</p> <p><b>RESOLVED that Cabinet:</b></p> <p><b><u>APPROVED</u> the Procurement &amp; Commercial Strategy</b></p>

	<p><b>DATE AND TIME OF FUTURE MEETINGS</b></p> <ul style="list-style-type: none"><li>• Friday, 24<sup>th</sup> April 2026 at 10:00am</li><li>• Friday 26<sup>th</sup> June 2026 at 10:00am</li></ul> <p>The Chair thanked all in attendance.</p>

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## Cabinet

Tees Valley Combined Authority

Date	24 April 2026	
Report Title	Governance and Appointments	
Agenda Item	5	
Accountable Cabinet Member	Ben Houchen <b>Tees Valley Mayor</b>	
Accountable Chief Officer	Tom Bryant <b>Chief Executive</b>	
Accountable Employee	Tom Bryant <b>Chief Executive</b>	
Report considered by	A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 13 April 2026.	
Key Decision	Yes No X	This item has been determined not to be a key decision.
Public Report	Yes X No	The Combined Authority is committed to transparency and accountability. Accordingly, reports and associated documentation will ordinarily be published and made publicly accessible.
Voting arrangements	In accordance with the Constitution.	
Recommendation(s)		
The Combined Authority Cabinet is recommended to:		
A	<b>NOTE</b> the update on the recruitment process for the Chief Legal & Monitoring Officer and the Finance & Resources Director.	
B	<b>APPROVE</b> the extension of Jo Moore as Interim Director of Finance & Resources and Jeanette McGarry as Interim Monitoring Officer through to the end of September 2026.	
C	<b>APPROVE</b> the proposed new members of the Business Board as set out in <b>Appendix 1</b> [ <i>To follow - as interviews for potential members were ongoing at the time of publication, this appendix is marked to follow.</i> ]	

D	<b>APPROVE</b> the proposed membership of the Independent Remuneration Panel (IRP), including the Chair appointment.
E	<b>NOTE</b> the resignation of two independent members of the Middlesbrough Development Corporation Board.
F	<b>NOTE</b> the recruitment of up to three Independent Persons.

## Purpose

1. The report presents an update on several issues related to governance and appointments and seeks several approvals.

## Executive Summary

2. The report provides an update on the recruitment process for the Chief Legal & Monitoring Officer and the Director of Finance & Resources and, given that none of the candidates were considered appointable, seeks approval to extend the current interim arrangements. It also seeks approval for the proposed new members of the Business Board (as interviews for potential members were ongoing at the time of publication, this appendix is marked to follow) and Independent Remuneration Panel. Furthermore, it asks Cabinet to note the resignation of two independent members of the Middlesbrough Development Corporation Board, which is currently under review, and note the recruitment of up to three Independent Persons.

## Detail

### Chief Legal & Monitoring Officer and Director of Finance & Resources update

3. The process for recruitment of the permanent Chief Legal & Monitoring Officer and Finance and Resources Director started the week commencing 19 January 2026, following informal engagement with Cabinet on the 16 January 2025.
4. Tile Hill was appointed, through a procurement process, to support TVCA to ensure a targeted recruitment campaign and robust assessment process. The process was consistent with that undertaken for recent senior level appointments. There was an extensive external campaign, with marketing through external channels and publications and promotion via TVCA social media, website and LinkedIn.
5. Following engagement with Cabinet, the representation on the different panels for each role was agreed as set out in the table below.

<b>Finance &amp; Resources Director</b>	
Appointment Panel	Tees Valley Mayor, Chief Executive of TVCA, TVCA Cabinet Portfolio Holder for Finance and Constituent Local Authority Chief Executive.
Stakeholder Panel	Chair of TVCA Audit & Governance Committee, Vice-Chair of TVCA Overview & Scrutiny Committee and Independent Advisory Board Member.
Internal Panel	TVCA Operations Director, TVCA Assistant Director People & Operations, Chief Executive South Tees Development Corporation & Constituent Local Authority Finance Director.
<b>Chief Legal and Monitoring Officer</b>	
Appointment Panel	Tees Valley Mayor, Chief Executive of TVCA, TVCA Cabinet Member & Constituent Local Authority Chief Executive.
Stakeholder Panel	Chair of TVCA Audit & Governance Committee, Chair of TVCA Overview & Scrutiny Committee and Independent Advisory Board Member.
Internal Panel	Deputy Monitoring Officer, TVCA Assistant Director People & Operations, Chief Executive South Tees Development Corporation & Constituent Local Authority Monitoring Officer.

6. Following the recruitment process, multiple candidates for each role were taken through to the technical interview stage, which was undertaken by Tile Hill and an experienced finance and legal & governance specialist. Following the technical interviews, it was agreed by the appointment panels that three candidates would be taken forward to the final interview stage for the Finance & Resources Director and one candidate for the Chief Legal & Monitoring Officer.
7. The final stage interviews were conducted on the 23 and 25 March 2026. In terms of the Chief Legal & Monitoring Officer, the Chief Executive concluded that there was no appointable candidate, following feedback from each panel.
8. Similarly, for the Finance & Resources Director role, it was concluded by the Chief Executive that there was no appointable candidate, again following feedback from each panel.
9. It is clearly imperative that the permanent appointments for both roles have the required experience and expertise to ensure that the Combined Authority continues to embed the necessary improvements. It was concluded that none of the candidates satisfied these requirements.
10. It is therefore proposed that Jeanette McGarry will remain as Interim Monitoring Officer and Jo Moore will remain as Interim Finance & Resources Director, whilst TVCA considers next steps in terms of a permanent appointment.
11. Jo Moore was appointed as Interim Director of Finance & Resources on the 25 July 2025 for up to twelve months. Jeanette McGarry was appointed as Interim Monitoring Officer on the 30 January 2026 for up to six months.

12. Cabinet is recommended to approve the extension of the interim arrangements for both roles through to the end of September 2026.
13. The Chief Executive is working closely with Tile Hill, and exploring other opportunities, to consider next steps in terms of the permanent recruitment process. Work continues to informally approach potential candidates for both roles. There may be a requirement to run another external campaign, but the timing for such a campaign needs to be carefully considered. Cabinet will continue to be kept informed as this work progresses.

## **Tees Valley Business Board Update**

14. Following a thorough and competitive recruitment process, the appointment of Matthew Ord as the new Chair of the Tees Valley Business Board was approved by Cabinet on the 12 December 2025. This appointment marked the beginning of a refreshed approach to the composition and governance of the Board.
15. Recruitment for new Business Board members formally commenced on Wednesday 11 February 2026, following engagement with stakeholders notifying them of the forthcoming process. The recruitment campaign ran for approximately six weeks and closed on Wednesday 25 March 2026. Over this period, a total of 57 applications were received, reflecting strong interest from across the business community in contributing to the region's economic leadership.
16. The recruitment process has been structured to ensure both rigor and transparency. Shortlisting took place on the 26 and 27 March 2026, after which the shortlisted candidates were invited for interview. Interviews were scheduled during early April, and were conducted by the Business Board Chair, TVCA Director of Inward Investment & Marketing, Director of Business Solutions and the Director of Operations. The Governance Team has also provided support to the interview panel to ensure a consistent understanding of the Board's requirements and to support the identification of candidates with the appropriate skills, experience, and strategic outlook.
17. The proposed candidates for Cabinet approval are detailed in **Appendix 1** [as interviews for potential members were ongoing at the time of publication, this appendix is marked to follow].
18. As part of this refreshed approach, the new Chair has set a clear expectation regarding future Board membership. Whilst not a legal requirement, it has been determined that any individual appointed to the Business Board will be unable to receive grants, funding, or contracts from the Combined Authority. This decision has been taken to establish a clear distinction between governance and delivery functions, and to eliminate any perceived or potential conflicts of interest, thereby strengthening the integrity and transparency of the Board.

## Independent Remuneration Panel

19. Following Cabinet approval on the 12 December 2025 to establish an Independent Remuneration Panel (IRP), TVCA has been engaging with constituent local authorities to secure nominations for panel membership. The purpose of the IRP is to provide independent advice on Members' Allowances, ensuring transparency, accountability and compliance with relevant statutory requirements.
20. This appointment process has sought to ensure that each constituent authority is appropriately represented and that the IRP can be formed in accordance with the agreed governance arrangements.
21. It is recommended to Cabinet that the full membership of the IRP is as follows:

Local Authority	Representative
Darlington Borough Council	Dr Declan Hall (Chair)
Redcar and Cleveland Borough Council	Lesley Beer
Middlesbrough Council	Stuart Green
Stockton on Tees Borough Council	Anthony Campbell
Hartlepool Borough Council	Peter Greenwell

22. It is proposed that Dr Declan Hall is appointed as the Chair of the IRP. Dr Hall has significant experience and is recognised nationally in the field of Members' Allowances and Independent Remuneration Panels, with extensive experience across local government structures.
23. Dr Hall currently chairs the Independent Remuneration Panels for:
  - Greater Manchester Combined Authority (GMCA)
  - South Yorkshire Combined Authority (SYCA)
  - West Yorkshire Combined Authority (WYCA)
  - East Midlands Combined Authority (EMCA)
  - Cambridgeshire & Peterborough Combined Authority (CPCA)
24. In addition to this regional and national portfolio, Dr Hall regularly provides advice to authorities on Members' Allowances schemes and is widely regarded as a leading practitioner in the field. His appointment as Chair provides significant assurance regarding the independence, rigour and credibility of the work to be undertaken.

## Middlesbrough Development Corporation

- 25. Cabinet is asked to note that Father Glyn Holland and Imran Anwar have recently resigned from their role as independent members on the Middlesbrough Development Corporation Board. As Cabinet is aware, the Middlesbrough Development Corporation is currently under review.

**Recruitment of three Independent Persons**

- 26. The Localism Act 2011 requires that local authorities must appoint one or more Independent Persons to assist the Monitoring Officer with Code of Conduct Complaints, investigating alleged Elected Member misconduct, potential dismissal of Statutory Officers and in promoting high ethical standards.
- 27. It is proposed that up to three Independent Persons are appointed following a recruitment exercise.

**Partnership & Engagement**

- 28. A draft version of this report was circulated in advance and discussed at Informal Cabinet meetings on 13 April 2026.

**Appendices**

- 29. **Appendix 1** – Proposed new members of the Business Board [as interviews for potential members were ongoing at the time of publication, this appendix is marked to follow].

Cabinet is requested to consider the following identified implications:	
<b>Financial Implications</b>	
30.	The cost of extending the interim arrangements for the Chief Legal & Monitoring Officer and the Director of Finance & Resources can be accommodated within the 2026/27 budget approved by Cabinet. The costs can be funded from a combination of the Directorate budgets and transformation budget.
31.	The cost of the Chair of the Independent Remuneration Panel exceeds the earlier Cabinet financial ceiling by £150 per day (day rate of £650 per day). The Panel is expected to formally deliberate for one day per annum. The costs of the Independent Remuneration Panel can be funded from the Legal & Governance Directorate budget.
32.	The costs of the Independent Persons can be funded from the Legal & Governance Directorate budget.
<b>Legal Implications</b>	

33.	The TVCA Constitution states in paragraph 119 that Cabinet shall appoint as senior officers of the Combined Authority a Monitoring Officer, a Group Director of Finance and Resources and other Directors as necessary.
34.	The legislative requirements regarding the convening, scope and membership of an Independent Remuneration Panel (IRP) are set out in the Tees Valley Combined Authority (Functions and Amendment) Order 2017.
35.	Tees Valley Combined Authority has an existing Member Allowances Scheme. When the IRP issues a report, Cabinet is required to consider that report in determining the allowances payable to eligible roles.
36.	The Localism Act 2011 requires that local authorities must appoint one or more Independent Persons to assist the Monitoring Officer with Code of Conduct Complaints, investigating alleged Elected Member misconduct, potential dismissal of Statutory Officers and in promoting high ethical standards.

### Equality & Diversity Implications

37. There is no expected impact on Equality and Diversity within this report.

### Other Significant Implications

(Tick other implications provided and provide detail in box below)

Risk	X	Assurance Framework		Procurement	
Improvement	X	Environment		HR & IT	X

38.	<p><b>Risk</b></p> <p>The failure to recruit a permanent Chief Legal &amp; Monitoring Officer or Finance &amp; Resources Director clearly presents a risk in terms of the on-going stability of the organisation. The extension of the existing interim arrangements mitigates this risk in the short-term. The Chief Executive is continuing to work with Tile Hill informally, and exploring other opportunities, to try and identify potential permanent candidates.</p> <p>In terms of members allowances, TVCA is ensuring a robust approach by ensuring that an appointed IRP reviews all proposed allowances.</p> <p>TVCA is required to appoint Independent Persons to support the Monitoring Officer and to assist with ensuring high ethical standards.</p>
39.	<p><b>Improvement</b></p> <p>The proposal around extending the interim arrangements and continuing to try and identify permanent candidates is critical in terms of continuing the improvement around governance and finance in response to both the Best Value Notice and statutory letter from the external auditor (EY).</p>

40.	<b>HR</b>  The Assistant Director, People & Operations has supported the proposal in this report and continues to be actively involved in the permanent recruitment process, ensuring that it is undertaken in accordance with policy and legislation.
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## Cabinet

Tees Valley Combined Authority

Date	24 April 2026		
Agenda Item	Item 6		
Report Title	<b>Review of Governance at the Combined Authority</b>		
Accountable Cabinet Member	<b>Ben Houchen</b> Mayor of Tees Valley Combined Authority		
Accountable Chief Officer	<b>Tom Bryant</b> Chief Executive		
Accountable Employee	<b>Jeanette McGarry</b> Interim Monitoring Officer		
Report considered by	This report was considered at the Informal Cabinet meeting held on 13 April 2026. The purpose of this consideration was to ensure the contents of the report were understood.		
Key Decision	Yes	No <b>X</b>	This report is not considered a key decision as defined within the constitution as it covers constitutional matters that do not directly incur significant expenditure or saving, and do not directly have a significant effect on residents across electoral areas.
Public Report	Yes <b>X</b>	No	The Combined Authority is committed to transparency and accountability. Accordingly, reports and associated documentation will ordinarily be published and made publicly accessible.
Voting arrangements	Cabinet will work to progress decisions via consensus, if a vote is required then it is by a simple majority that must include the Mayor.		

### Recommendation(s)

#### The Combined Authority Cabinet is recommended to:

- |          |   |
|----------|---|
| <b>A</b> | Note the ongoing review of governance arrangements and the timetable set out in <b>Appendix A</b> .               |
| <b>B</b> | Approve the establishment of an Investment Committee and its terms of reference as set out in <b>Appendix B</b> . |

## Purpose

- 1 The purpose of this report is to provide Cabinet with details on the ongoing review of governance arrangements and present recommendations resulting from that review.
- 2 This report explains how Tees Valley Combined Authority (TVCA) plans to improve the way it is governed and make decisions. It outlines the changes being proposed, such as creating a new Investment Committee, and sets out why these changes are needed, what they will achieve, and how they support the Combined Authority's wider improvement.

## Executive Summary

- 3 This report provides Cabinet with recommendations emerging from the ongoing review of governance arrangements at TVCA. This review was launched in direct response to the Best Value Notice (BVN) issued by Government in April 2025 and forms a key part of TVCA's Organisational Improvement Plan, which was developed to address the governance, assurance, culture and decision-making weaknesses identified through both the BVN process and the External Auditor's statutory recommendations.
- 4 The review has highlighted the need to modernise TVCA's governance structures so that decisions are made more transparently, consistently, and in line with national expectations for devolved authorities.
- 5 The report proposes the creation of an Investment Committee to oversee how TVCA develops, prioritises, and approves investments. This will ensure decisions follow clear rules, provide better value for money, and give Cabinet strategic oversight without becoming overloaded by detailed business case work.
- 6 Establishing this Committee is also essential for implementing the new Single Assurance Framework (SAF), which requires Combined Authorities to have robust internal arrangements for assessing business cases, monitoring programmes, managing risks, and ensuring value for money. An Investment Committee provides the structure needed for TVCA to comply with the SAF and demonstrate strong, accountable decision-making to Government. It also supports compliance with the English Devolution Accountability Framework, which places expectations on devolved authorities to improve transparency, leadership, audit, and oversight of public funds.
- 7 These proposals strengthen TVCA's governance, fill clear gaps identified through the improvement process, and ensure that the Combined Authority's decision-making arrangements keep pace with both national legislation and government expectations on transparency, assurance and accountability. They represent an important step in delivering the commitments set out in the

Organisational Improvement Plan and supporting TVCA's wider improvement journey.

- 8 Alongside this structural change, the report also sets out the timeline for the ongoing review of governance, helping Cabinet understand how improvements will continue to be phased and monitored over the coming months. It also presents a series of additional governance mechanism recommendations, including strengthened delegations, enhanced pre-Cabinet processes, improved Cabinet Member support, and clearer informal governance arrangements to further support Cabinet in delivering more transparent, balanced and effective decision making.

## **Review of Governance Arrangements**

- 9 The review of governance arrangements is a full look at how TVCA makes decisions, manages its responsibilities, oversees public money, and ensures accountability. In simple terms, it is TVCA taking a step back and asking:
  - Do we have appropriate and embedded governance foundations and fundamentals?
  - Are our systems and decision-making processes clear, modern, and transparent?
  - Do we have the right committees, structures and rules in place to make good decisions?
  - Where are the gaps and where do things need improving?
- 10 It covers issues including leadership, assurance processes, investment decision-making, planning responsibilities, delegations, Cabinet procedures, and how different parts of the organisation work together.
- 11 TVCA is undertaking this review because Government and external auditors identified weaknesses in how TVCA operated. Further details are set out in the background section of this report.

## **Review of Governance Timeline**

- 12 Taking a phased approach to reviewing TVCA's governance arrangements makes the process more manageable and effective. By breaking the review into stages, TVCA can focus on one area of improvement at a time instead of trying to change everything at once. This ensures each part of the review gets proper attention and allows issues to be explored in depth, leading to clearer, stronger recommendations.
- 13 A phased approach also recognises the significant amount of improvement work already happening across TVCA as part of the response to the Best Value Notice and the Organisational Improvement Plan. Given so much change is underway, it is important not to overwhelm the organisation or staff. Spacing out the work allows

teams the time needed to implement changes properly, reflect on progress, and adapt as new improvements are introduced.

- 14 This approach also helps avoid placing too much pressure on Cabinet. Governance reforms can be complex and wide-ranging, so presenting them all at once would create an unnecessary burden. Bringing forward recommendations in phases allows Cabinet to consider each area carefully and make informed decisions without being overloaded.
- 15 The timeline moving forward for the ongoing review of governance is set out in **Appendix A**.

## **An Investment Committee**

- 16 The existing assurance arrangements at TVCA were highlighted as a key area that required improvement by the BVN and within the Organisational Improvement Plan. Cabinet is considering a draft Single Assurance Framework for submission to Government as a separate item on this Cabinet agenda.
- 17 A key component within a SAF is an Investment Committee. The Investment Committee leads the end-to-end investment discipline within the organisation and defines and periodically refines the investment approach. It is proposed that TVCA establishes an Investment Committee within its governance arrangements as set out in the draft Single Assurance Framework.
- 18 An Investment Committee would have a number of core roles:

### Regarding Investment Strategy

- Provide strategy advice and guidance on investment matters in support of the exercise of Combined Authority and Mayoral functions.
- Develop for Cabinet proposals for consideration to bring more investment into the region and maximise investment approaches based on constituent area strengths.
- Develop a collective understanding of the investment needs of the region and use this understanding to develop proposals for Cabinet consideration regarding the pipeline of investment projects and programmes.
- Monitor the pipeline and makes recommendations to the Cabinet on prioritisation and re-prioritisation to support active management of TVCA's Investments.

### Regarding Assurance Framework

- Oversee and monitor the performance of all investments made through the Investment Programme.
- Approval of investment proposals above £2.5million and up to £5million.

- Consider and make appropriate recommendations to the Cabinet on investment proposals above £5million.
- 19 Implementing an Investment Committee would provide significant governance benefits:
- **Consistent, rules-based decisions:** A formal committee sets clear principles, criteria and processes for prioritising and approving schemes, aligning decisions to the Green Book’s business-case approach and the Single Assurance Framework.
  - **Support stronger and more transparent decision-making:** An Investment Committee provides a structured and consistent way to assess investment proposals. This makes decisions clearer, more evidence based, and easier to explain
  - **Improve Strategic Focus:** The Committee will provide a focused approach to investment, reducing the burden of business on Cabinet. It will also enable TVCA to build up specific skillsets to apply within its governance arrangements by having a dedicated committee.
  - **Stronger value for money and risk control:** Dedicated scrutiny of options, risks, optimism bias and commercial issues improves Value for Money and reduces delivery risk across the portfolio
  - **End-to-end pipeline oversight:** The committee can manage a single, joined-up pipeline (from concept to delivery), sequence phases, and keep sector/place balance in view, rather than assessing projects in isolation.
- 20 A Terms of Reference for an Investment Committee is attached at **Appendix B**.

## Background

- 21 On 3 April 2025, TVCA was issued with a Governmental Non-Statutory Best Value Notice (BVN), which highlighted the need for the authority to “identify and implement arrangements to secure continuous improvement”. The Notice’s concerns related primarily to governance, culture, partnerships and continuous improvement, and required TVCA to develop a “clear, overarching and holistic improvement plan”. TVCA fully accepted these recommendations.
- 22 Furthermore, on 15 April 2025, the external auditor (EY) issued a letter based on its 2023/24 completion report outlining statutory recommendations under Section 24, Schedule 7(2) of the Local Accountability and Audit Act. It recommended the Authority reviews the capacity within the Finance Team, reviews its processes around the public inspection period and sets out a clear timetable for production of its 2024/25 Statement of Accounts including the Annual Governance Statement. Again, TVCA fully accepted these recommendations, which related to the 2023/24 and 2024/25 financial years.

- 23 In response, TVCA began a strategic and organisation-wide process of listening, learning and re-setting. This included open engagement with Cabinet, Audit & Governance Committee, Overview & Scrutiny Committee, Transport Committee and senior local authority officers. The initial process involved the commissioning of a series of independent listening workshops facilitated by the Local Government Association (LGA). Following this process the organisation took the time to understand and consider the feedback and subsequently developed a holistic Organisational Improvement Plan to address concerns raised in both the BVN and External Auditor letter.
- 24 The Plan was approved by Cabinet on Friday, 27 June 2025 and was submitted to Government. At the same meeting a six-person strong Independent Advisory Board (IAB), whose role is to support and challenge TVCA on its improvement journey, was endorsed and subsequently established.
- 25 The ongoing review of governance has also considered the most effective way to ensure the governance arrangements of the Combined Authority support the development of a Spatial Development Strategy and support the identification of regional housing needs and a Strategic Place Partnership with Homes England.
- 26 Following considerable engagement with Cabinet Members it was agreed that these responsibilities would remain within the remit of the Cabinet for now whilst more information regarding requirements and interpretation of those requirements was developed by Government and other Combined Authorities.

## **Partnership & Engagement**

- 27 A wide range of engagement activity has taken place to support the development of the work to date within the review of governance, and the recommendations presented in this report. External expertise has worked closely with officers across the organisation to understand how existing governance arrangements operate in practice, identify where improvements are needed, and test potential options for change.
- 28 Engagement has also been carried out with Monitoring Officers and Chief Executives from the constituent Tees Valley local authorities. Their insights have been particularly important in shaping proposals that are workable, legally sound, transparent, and aligned with the wider expectations of local authority partners. These discussions helped ensure the recommendations support stronger joint working and make sense within the wider local government governance landscape.
- 29 In addition, the review has been informed through discussion with the Tees Valley Management Group (TVMG). This has provided valuable senior officer input, helping test the practicality of proposed governance changes and ensuring that the

recommendations support clear accountability, better decision making, and more effective leadership across the region.

- 30 Alongside these formal channels, the review has involved extensive engagement with the Cabinet, including a mix of one-to-one engagement sessions and collective Cabinet workshops. Individual sessions provided space for detailed feedback, while Cabinet workshops enabled collective discussion on priorities, challenges, and the direction of travel. This combination of approaches ensured that the development of proposals has been collaborative, informed by a wide range of perspectives, and grounded in real-world experience.

## Appendices

- 31 Appendix A: Review of Governance Timetable
- 32 Appendix B: Draft Investment Committee Terms of Reference

Cabinet is requested to consider the following identified implications:

### Financial Implications

- 33 At this stage, noting the ongoing review of governance arrangements and approving the establishment of an Investment Committee does not create any immediate financial implications. The recommendations relate to governance structure and oversight rather than to financial decisions, resource allocations, or commitments. No additional funding is required to give effect to the decision at this point.

### Legal Implications

- 34 The recommendations do not give rise to direct legal implications at this stage. Noting the governance review and approving the establishment of an Investment Committee fall within the Combined Authority's existing constitutional powers and do not introduce new legal duties or amendments to statutory responsibilities. The approval sought is organisational rather than regulatory in nature.
- 35 Legal implications may arise as the wider governance review develops or where consequential changes to the Constitution are required to reflect the role, authority or delegations associated with the Investment Committee. Should any constitutional amendments or changes to decision making powers be required, these will be brought back to Cabinet with full advice for consideration.

### Equality & Diversity Implications

- 36 The recommendations in the report do not present any direct equality or diversity implications. Noting governance arrangements and establishing an Investment

Committee do not, at this stage, introduce policies or processes that impact individuals or groups with protected characteristics under the Equality Act.

### Other Significant Implications

(Tick other implications provided and provide detail in box below)

Risk	<input checked="" type="checkbox"/>	Assurance Framework	<input checked="" type="checkbox"/>	Procurement	
Improvement	<input checked="" type="checkbox"/>	Environment		HR & IT	

37	<p><b>Risk</b></p> <p>The recommendations in this report directly address several risks identified through the Best Value Notice and the External Auditor's statutory recommendations. Weaknesses in governance, transparency, and decision-making were highlighted as areas that could expose TVCA to financial, organisational and reputational risk if not corrected.</p>
38	<p>The proposal to establish an Investment Committee as part of a Single Assurance Framework approach will reduce these risks by improving oversight, strengthening internal controls, and ensuring decisions are made through consistent and robust processes. Strengthened governance also supports early identification and management of risks linked to investment programmes, assurance, and organisational capacity.</p>
39	<p><b>Assurance Framework</b></p> <p>A key implication of this report is its link to the implementation of the Single Assurance Framework (SAF). National guidance requires Combined Authorities to have strong internal arrangements for assessing business cases, monitoring programmes, ensuring value for money and managing risk in a transparent and accountable way.</p>
40	<p>The report's recommendation to establish an Investment Committee is essential for meeting these requirements. The Committee will provide structured, rules-based oversight of investment decisions, ensure compliance with SAF processes, and provide Cabinet with confidence that decisions are being taken in line with national expectations. The proposals also support alignment with the English Devolution Accountability Framework, which places increased emphasis on transparency, leadership, audit and strong financial governance.</p>
41	<p><b>Improvement</b></p> <p>This report forms a central part of delivering the commitments set out in TVCA's Organisational Improvement Plan. The Improvement Plan was created to respond to the deficiencies identified in the Best Value Notice and the External Auditor's report, and sets out the steps needed to strengthen governance, culture, assurance and decision-making across the organisation.</p>
42	<p>The governance changes recommended in this report, such as the establishment of an Investment Committee and strengthening delegations are key actions within that Plan. Implementing these changes supports TVCA's wider improvement journey by</p>

	ensuring governance structures are modern, transparent and fit for purpose, and that decision-making at every level is more consistent, accountable and better aligned with national standards.
43	The introduction of an Investment Committee will provide a structured mechanism to strengthen the Combined Authority’s strategic investment capability and enhance the quality of advice provided to the Cabinet. In particular, the Committee will be tasked with developing and embedding specific skillsets critical to effective decision-making, including robust option appraisal, value-for-money assessment, and importantly, making recommendation on the prioritisation and reprioritisation of investment proposals across competing policy objectives and funding envelopes.
44	This capability will be essential in enabling informed trade-offs and ensuring that investment decisions remain aligned with strategic priorities as circumstances evolve. As the Combined Authority moves towards an integrated settlement, the ability to demonstrate disciplined prioritisation across programmes, timeframes, and outcomes will become increasingly important, and the Investment Committee will play a central role in building and evidencing this maturity in support of long-term financial sustainability and delivery of agreed outcomes.

## Appendix A: Review of Governance Timetable

The ongoing review of governance arrangements at TVCA currently has 4 identified parts which are set out below:

### Part A: Single Assurance Framework

1. Development	<ul style="list-style-type: none"> <li>▪ Sept – Dec 2025: Development of key phases of the framework</li> <li>▪ 12 December 2025: Cabinet approval of design principles</li> <li>▪ Jan – Mar 2026: Refinement of SAF</li> </ul>
2. Approval	<ul style="list-style-type: none"> <li>▪ 1 April: informal approval from Cabinet to engage MHCLG</li> <li>▪ 24 April Formal approval from Cabinet to submit SAF to MHCLG, DWP, DfT for clearance consideration</li> <li>▪ May – June: Government clearance process</li> <li>▪ 26 June: Cabinet adoption of SAF (subject to Government clearance timeline)</li> </ul>
3. Implementation	<ul style="list-style-type: none"> <li>▪ 26 June: Cabinet consideration of SAF Implementation Plan</li> <li>▪ 26 June: Appointments received to Investment Committee</li> </ul>

### Part B: Initial Enhancement to Committee Structure

Investment Committee	<ul style="list-style-type: none"> <li>▪ 24 April: Cabinet approval to establish an Investment Committee and approve terms of reference</li> <li>▪ 26 June: Appointments received to Investment Committee</li> <li>▪ July tbc – First Investment Committee meeting</li> </ul>
Housing & Spatial Development Strategy role	<ul style="list-style-type: none"> <li>▪ Development of proposals</li> <li>▪ March: Cabinet Member engagement sessions</li> <li>▪ 1 April: Cabinet Workshop</li> <li>▪ Agreement to retain this within remit of Cabinet</li> </ul>
Transport Delegations	<ul style="list-style-type: none"> <li>▪ March: Cabinet Member engagement sessions</li> <li>▪ 1 April: Cabinet Workshop</li> <li>▪ Agreement for Transport Officers and Portfolio Lead to develop delegation proposals for future consideration by Cabinet</li> <li>▪ 26 June: New Transport Committee terms of reference proposed for Cabinet approval (subject to timeline above)</li> </ul>

## **Part C: Post Bill review of arrangements**

Specifics of timetabling to be confirmed. Part C requested to be undertaken between June 2026 and January 2027 to include:

- Implications of the English Devolution & Community Empowerment Bill (focus on the core areas of competency and introduction of Commissioners) and the Planning and Infrastructure Act
- Business Board Arrangements
- How to further enhance Cabinet Portfolio Lead Member positions
- Mayoral Development Corporation governance
- Informal governance arrangements and the introduction of technical officer groups to support Member governance arrangements
- New TVCA Constitution

## **Part D: Readiness for further devolution**

Part D (timeline tbc). Proposed to include:

- Review of Governance Framework – are new elements delivering as envisaged?
- Readiness for application for Established Mayoral Strategic Authority status
- Readiness for Integrated Settlement

<b>Appendix B: Investment Committee Terms of Reference</b>
<b>Purpose</b>
<p>This is a committee of the Combined Authority and the Mayor; it seeks to provide strategy advice and guidance on investment matters in support of the exercise of Combined Authority and Mayoral functions. It also provides direction, steer and operational decision-making as delegated by the Combined Authority to do so.</p> <p>The Investment Committee seeks to act in a regional capacity to support the development of the investment vision for the Tees Valley Combined Authority and make recommendations to the Combined Authority Cabinet, in consultation with wider thematic committees who will develop thematic investment programme proposals.</p>
<b>Key Roles</b>
<p>The Committee has a number of key roles as follows:</p> <ul style="list-style-type: none"> <li>▪ Develop a collective understanding of the investment needs of the region and use this understanding to develop recommendations for Cabinet to consider in developing the pipeline of investment projects and programmes</li> <li>▪ Develop the Investment Strategy and Investment Prospectus, for Cabinet consideration proposals for bringing more investment into the region and maximising investment approaches based on constituent area strengths</li> <li>▪ Monitor the pipeline and make recommendations to the Cabinet on prioritisation and re-prioritisation to support active management of TVCAs Investments</li> <li>▪ Oversee and monitor the performance of all investments made through the Investment Programme</li> <li>▪ Approval of investment proposals above £2.5million and up to £5million</li> <li>▪ Consideration of and make appropriate recommendations to the Cabinet on investment proposals above £5million</li> </ul>
<b>Membership</b>
<p>The membership of the Investment Committee shall consist of:</p> <p><u>Voting Members</u></p> <ul style="list-style-type: none"> <li>▪ TVCA Portfolio Holder for Economy &amp; Investment (Chair)</li> <li>▪ 2 appointments from each Constituent Council (<i>to note: The Constituent Council that provides the Chair will appoint 1 member to the committee to ensure parity of constituent representation</i>)</li> </ul> <p><u>Non-Voting Members</u></p>

- Business Board Representative

In appointing members to the Investment Committee there is no requirement for political balance.

The Committee may appoint additional Non-Voting Membership from partner and stakeholder bodies relevant to the remit of the Committee.

## **Meetings (Quoracy & Frequency)**

The Investment Committee will be Chaired by the TVCA Cabinet Portfolio Holder for Economy & Investment.

The Committee will appoint a Vice-Chair from amongst its membership.

The quorum for the Committee shall be 5 voting members.

Any matters that are to be decided by the Committee are to be decided by consensus of the Committee where possible. When a vote is required, only voting members of the Committee will be entitled to vote at meetings, and the Chair does not exercise a casting vote.

The Investment Committee will operate a flexible schedule of meetings with an assigned date for each Calendar Month. The Chair will determine which of these available dates are to be utilised in consultation with TVCA Officers to undertake business and ensure appropriate planning of business case approvals so not to delay such decisions.

## **Functions**

The Investment Committee will perform the following functions:

### General

1. To provide the forum for facilitating strategic conversations and co-ordination between the constituent authorities, partners and TVCA on investment matters.
2. To develop a collective understanding of the investment needs of the region and use this understanding to inform proposals for Cabinet consideration regarding the development of the TVCA pipeline of investment projects and programmes.
3. To commission and publish research on investment to inform decisions to be made by the Cabinet.

## Investment

4. The Investment Committee will take a lead on and advise the Combined Authority on the following specific investment functions, subject to the Committee exercising these functions in accordance with the strategic and budgetary framework agreed by the Combined Authority:
5. Monitor the Combined Authority pipeline and make recommendations to the Cabinet on prioritisation and re-prioritisation to support active management of TVCAs Investments
6. Oversee and monitor the performance of all investments made through the TVCA Investment Programme
7. Instruct the Combined Authority to oversee preparation of funding agreements on its behalf and as appropriate and to delegate this duty, provided always that the Combined Authority make no material deviation from the conditions added to the funding decision
8. Consideration of and recommendation to the Cabinet the monitoring and evaluation criteria related to any funding decision and to have the ability to delegate oversight of this function where appropriate
9. Where oversight of monitoring and evaluation applies to the Investment Committee, to consider whether a formal review of a project or program is required and to consider this review itself or instruct the Investment Panel that is in place to do so on its behalf
10. To instruct Funding Recipients to issue the necessary information for the Combined Authority to advise the Investment Committee as to the rationale behind any material delay or change in a project or program
11. On completion of a review, where reasonable, to instruct Funding Recipients to complete a Change Request via the Combined Authority process
12. Act as the lead for the Combined Authority, acting as a sounding board regarding domestic and international inward investment. This should include highlighting critical challenges to delivering economic growth, agree collective responses to directly input into national government policy and other relevant national & international policies and strategies.

## Assurance Framework

13. Consideration of investment proposals and to make appropriate challenges to these proposals
14. Approval of investment proposals above £2.5million and up to £5million
15. Consideration of and make appropriate recommendations to Cabinet on investment proposals above £5million
16. Add conditions to any funding decision that falls within its delegated authority and to make recommendations of conditions to the Combined Authority (In all cases minimum conditions should specify the Availability Period, Conditions to Drawdown of Funds, Conditions for withdrawal of support and terms of clawback, start date and completion date for the Project or Programme, but shall also include any specific conditions that the Cabinet deem appropriate on a case by case basis).

## Cabinet

Tees Valley Combined Authority

Date	24 April 2026		
Agenda Item	Item 7		
Report Title	<b>Single Assurance Framework: Approval for submission to Government</b>		
Accountable Cabinet Member	<b>Ben Houchen</b> Mayor of Tees Valley Combined Authority		
Accountable Chief Officer	<b>Tom Bryant</b> Chief Executive		
Accountable Employee	<b>Jeanette McGarry</b> Interim Monitoring Officer		
Report considered by	This report was considered at the Informal Cabinet meeting held on 01 April 2026. The purpose of this consideration was to ensure the contents of the report were understood.		
Key Decision	Yes	No <b>X</b>	This report is not considered a key decision as defined within the Constitution as it covers constitutional matters that do not directly incur significant expenditure or saving, and do not directly have a significant effect on residents across electoral areas.
Public Report	Yes <b>X</b>	No	The Combined Authority is committed to transparency and accountability. Accordingly, reports and associated documentation will ordinarily be published and made publicly accessible.
Voting arrangements	The Cabinet will work to progress decisions via consensus, if a vote is required then it is by simple majority that includes the Mayor.		
Recommendation(s)			
The Combined Authority Cabinet is recommended to:			
A	Consider the report and the draft Single Assurance Framework attached at <b>Appendix A</b> and approve its submission to Government for clearance consideration.		

## Purpose

1. The purpose of this report is to present to Cabinet for consideration the draft Single Assurance Framework.
2. Cabinet is asked to consider the report and approve that it be submitted to Government for clearance, which is required prior to the Combined Authority adopting and then implementing the Single Assurance Framework.
3. Cabinet should consider that by providing approval for submission to Government they are providing a commitment to adopt and implement the Single Assurance Framework, although formal adoption will require a subsequent Cabinet decision to be taken following approval by the required Government Departments.

## Executive Summary

4. The Tees Valley Combined Authority (TVCA) has developed a new Single Assurance Framework (SAF) to strengthen governance, improve transparency, and ensure robust, proportionate and evidence-based decision making across all devolved funding streams. The SAF reflects national best practice and fulfils the requirements of the English Devolution Accountability Framework, ensuring the Combined Authority meets its statutory duties to Government, partners, and the public.
5. The SAF establishes a clear, structured approach to investment planning and assurance across the full lifecycle of programmes and projects. It sets out how proposals enter the system, are assessed, developed, appraised, approved, and monitored through delivery to closure.
6. The SAF ensures TVCA has a transparent, consistent and accountable basis for all investment decisions. It strengthens internal controls and supports the Combined Authority to deliver public value, manage risk effectively, and maintain the confidence of Government and local partners.
7. A SAF is recognised best practice and development of a SAF offers significant proven key benefits:
  - **Enhanced Risk Management:** It will help identify, assess, and mitigate risks more effectively, ensuring that potential issues are addressed before they become significant problems.
  - **Improved Governance:** By providing clear oversight and accountability, it ensures that decision-making processes are transparent and well-structured.
  - **Increased Efficiency:** Streamlining assurance activities can reduce duplication of efforts and improve the coordination of various assurance functions, leading to more efficient operations.
  - **Better Performance Monitoring:** It enables continuous monitoring and evaluation of performance, helping organisations to meet their objectives and deliver value for money.

- **Enhanced Stakeholder Confidence:** A robust assurance framework provides stakeholders with confidence that the organisation is well-managed and compliant with relevant regulations and standards.
  - **Support for Strategic Objectives:** It aligns assurance activities with the organisation's strategic goals, ensuring that all efforts contribute to achieving these objectives.
8. Approval of this SAF by Cabinet will allow submission to Government for formal sign-off, enabling TVCA to progress the required governance improvements.
  9. The SAF has been developed and drafted by Jodie Townsend, the previous Interim Monitoring Officer to TVCA, who is an established expert in Combined Authority governance and who has drafted the Assurance Frameworks for a number of Combined Authorities.

## Single Assurance Framework

10. The purpose of a Single Assurance Framework (SAF) is to set out how the Combined Authority will use public money responsibly, openly and transparently, and achieve best value for money. The 'single' element referring to how the framework will cover all funding pots.
11. An Assurance Framework is a legal requirement. Combined Authorities must establish local assurance frameworks ensuring rigorous assurance, project appraisal, and value-for-money processes before receiving investment funds from Government. Developing a SAF approach is a key requirement set out in the English Devolution Accountability Framework and is best practice.
12. The Assurance Framework sets out in one place:
  - The respective roles and responsibilities of the Combined Authority Cabinet, the Mayor and other elements of the decision-making and delivery structure.
  - The key processes for ensuring accountability, probity, transparency, legal compliance, and value for money.
  - How potential investments will be prioritised, appraised, approved, and delivered; and
  - How the progress and impacts of these investments will be monitored and evaluated.

## Organisational Improvement

13. The Best Value Notice highlighted weaknesses in the organisation's governance arrangements. The subsequently produced Organisational Improvement Plan agreed by Cabinet includes within it the following commitment:

- 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
14. The Assurance Framework has been identified as a priority area for improvement. Best practice centres around the development of a SAF, which will enable TVCA to introduce a new approach and culture to approvals and drive improvement.
  15. Feedback from Leaders in the one-to-one governance engagement discussions with the previous Interim Monitoring Officer consistently highlighted concerns with the existing Assurance Framework and the lack of involvement of Cabinet within ensuring projects and programmes were developed to a high standard and delivered on the strategic objectives set by the Cabinet.
  16. All of the above has been taken into account in the writing of the draft Single Assurance Framework attached at **Appendix A**.

## Design Principles

17. Cabinet agreed in December 2025 to the development of a Single Assurance Framework that would adhere to the following design principles:
  - **The Principle of Approval must apply** – Cabinet must decide what is included on the pipeline, with no resources spent on business case development until it is on a Cabinet approved pipeline, supported by the Medium-Term Financial Plan (MTFP) (with access to a concept development fund/ business case feasibility funding to support feasibility considerations pre-Cabinet).
  - **It will be TVCA-led** – Directors are responsible for business case development and engaging delivery organisations. They control the pace of project initiation and the development of proposals; this approach ensures clear direct line of responsibility and accountability at senior level within TVCA and aligns with funding stream responsibilities.
  - **Proportionality is key** – A proportionate approach is applied to development and approval of proposals, dependent upon their nature and complexity, recognising the application of the principle of approval.
  - **Delivers a consistent and streamlined approach** – All projects will go through the SAF, regardless of their funding stream(s) as it is a 'single' approach. It should not be onerous but should ensure requirements are delivered.
  - **Aligned to HM Treasury 'Green Book'** – Aligned to HM Treasury Green Book requirements; ensuring a consistent standard is applied to the development, appraisal and approval of Business Cases and ongoing monitoring of deliverables.
  - **Drive standards in development, delivery and outcomes** – Well-considered concepts that lead to well-developed business cases that lead to well informed decision-making to drive outcomes and the realisation of benefits.
  - **Drives Group approach** – Ensures consistent standards applied across group, picking up opportunities for Mayoral Development Corporation annex content to pick up identified nuances and requirements.

- **Government compliant** – Includes required annex content for Adult Skills Funding, Transport for City Regions Settlement, wider DfT Transport Appraisal Guidance requirements and identified opportunities to cover future core competencies.
- **Provides appropriate tolerances** – Includes appropriate tolerances to account for inclusive growth, social value, low BCR score (where there is a strong strategic fit) as identified through development process.
- **Provides appropriate safeguards** – Ensures Mayoral Mandate recognition through inclusion of Mayoral Priorities within TVCA strategic framework and creation of 'decision referral' mechanism for Mayor/ Cabinet as a check and balance to cover delegated approvals.
- **Delivers accountability commitments** – Includes commitment for adherence to the Scrutiny Protocol and other accountability enhancements identified through the Improvement Plan.

## Why do we need a Single Assurance Framework?

### 18. **Demonstration of Continuous Improvement to Government**

TVCA requires a Single Assurance Framework as a clear demonstration to Government that the organisation is embedding nationally recognised best practice in governance, assurance, and decision-making.

Establishing a SAF signals a strong and credible commitment to organisational improvement, showing that TVCA is proactively strengthening transparency, accountability and value-for-money processes.

By adopting a robust and consistent assurance approach, TVCA can evidence that it is addressing previously identified weaknesses, aligning with the English Devolution Accountability Framework, and ensuring that future investment decisions are managed to the highest standards expected of a modern, well-governed Combined Authority.

### 19. **To Reflect Strategic Evolution**

TVCA has significantly evolved since it adopted the existing Assurance Framework in March 2024, since then the organisation has evolved its governance framework and its strategic priorities.

### 20. **Demonstration of Continuous Improvement to the Public**

It is important that the organisation seeks to strengthen public confidence in its ability to deliver successful interventions across the region. This is an important development given the Assurance Framework sets out how public money will be managed in the pursuit of the organisation's strategic objectives.

## 21. To Deliver Best Practice

A SAF approach is recognised best practice across Mayoral Combined Authorities. It will ensure that all funding streams are treated the same, providing a consistent approach to business case appraisal, assurance, risk management and performance throughout the lifecycle of projects and programmes.

A consistent approach will provide an opportunity to develop proportionate governance and approval considerations based on a core set of standards, as well as aiding clarity for those involved in projects and allowing for specific layers to account for complexity.

## 22. To deliver identified improvements

A review of the existing Assurance Framework by the previous Interim Monitoring Officer identified a range of areas that required improvement, these included:

- Project Lifecycle definition
- A prioritisation approach
- TVCA standards for each phase of lifecycle
- Supporting templates
- Proportionate business case routes (including clear ability to act at pace)
- Increasing levels of assurance to apply to Business Cases as they increase in value and complexity
- Approval delegations and tolerances

## 23. To ensure readiness for future devolution

TVCA is committed to achieving future devolution for the region that will benefit its residents and regional business. TVCA recognises that in providing areas with more power and funding flexibility (ultimately through implementing an integrated settlement) it becomes even more essential to strengthen governance and accountability arrangements to ensure that they are used appropriately to support regional and national priorities.

## The Draft Single Assurance Framework

24. The draft Single Assurance Framework is attached to this report at **Appendix A**.

25. The content of the SAF follows Government guidance on required content alongside suggested best practice.

26. The SAF ensures that the TVCA Strategic Framework will be the foundation for determining pipeline themes and interventions. All proposals must clearly demonstrate how they align with this framework, ensuring that investment decisions reflect TVCA's agreed priorities and ambitions.

27. This approach guarantees that the pipeline is driven by the Cabinet, with a clear focus on delivering outcomes that support local priorities. By embedding the strategic framework at the heart of decision-making, TVCA will promote consistency, transparency, and accountability, while enabling meaningful engagement with constituent authorities, partners, and stakeholders.

28. The purpose of each key phase within the Assurance Framework is as follows:

**Phase 1: Concept Initiation** – This is the first step towards developing a business case. This is where ideas, proposals or ambitions are developed into concepts for consideration.

- The key focus here is on justifying the strategic fit of the 'concept' against the TVCA strategic framework.
- A Concept Paper requires completion to provide an understanding of the size, shape and impact of the change – this includes further validation of the strategic alignment, potential costs and benefits. High level risks and assumptions should also be understood.
- 'Concepts' will be reviewed by TVCA Officers who will make a recommendation to the Cabinet on approval/ rejection.
- Cabinet will consider all 'concepts' and make the decision as to whether the 'concept' advances onto the TVCA pipeline for further development.

**Phase 2: Development** – Focused on shaping the project and developing a proportionate business case. This involves putting forward the value for money case and guiding development to meet TVCA standards.

- The intention is to have a single case approach to development which requires a proportionate level of detail dependent upon cost and complexity.
- This phase focuses on the shaping and planning of the project and development of the Business Case. This includes a full delivery plan, resource plan, value for money assessment, 3rd party impacts and articulation of risk and uncertainty that remains.
- For large and complex projects, this stage may be broken into two parts – an Outline Business Case to continue to test viability before creating a Full Business Case.

**Phase 3: Approvals** – The phase in which the Business Case is considered for approval.

- Approval considerations will be undertaken by the appropriate approver, dependent upon the level of financial approval and additional tolerance considerations.
- Approvals will consider the business case and additional assurance and advice against an increasing scale of assurance requirement dependent on level of financial approval.
- Phase 3 includes Approval Delegations which determine who the 'approver' is. The approvals phase has been designed to ensure an ever-increasing level of assurance can be provided to the Combined Authority relevant to the level of

financial commitment. To support this and achieve better informed decision making the SAF has been developed to enable:

- Appropriate front end initiation process through the concept initiation process that drives strategic fit.
- Principle of approval so Cabinet, and only Cabinet, determines the pipeline content
- Proportionate business case development process that meets national and Combined Authority standards of best practice.
- Appropriate use of expertise within Business Areas to support business case development.
- Provision of support and guidance throughout the SAF.
- Use of out of Business Area/second line of defence assurance principles and processes to undertake proportionate appraisal.
- Technical officer support through the Investment Panel to focus Investment Committee and Cabinet considerations and inform the decision-making process.

29. This approach is designed to enable:

- Decision-makers at all levels to base their decisions upon objective, evidence based out of
- Business Area findings and recommendations, in turn driving better decision-making.
- Increased TVCA ownership and accountability.
- Increased Statutory Officer involvement and accountability.
- Increased levels of assurance and appraisal support and guidance
- Approvals based on proportionate financial delegation i.e. a request of £10,000 will not be scrutinised to the same level as a request for £5million.
- The time taken to reach an approval decision being reflective of the financial ask

### **Government Clearance Process**

30. It is a requirement for Central Government to provide clearance for Assurance Frameworks before they can be adopted by the host authority. Specifically, clearance is required from three Government Departments, namely:

- Department of Work and Pensions (DWP)
- Department for Transport (DfT)
- Ministry of Housing, Communities & Local Government (MHCLG)

31. Before these Government Departments will consider a draft Assurance Framework they require the draft to be approved by the Combined Authority for submission.

### **Next Steps**

32. The required steps for adoption and implementation of the Single Assurance Framework are as follows:

- Cabinet approves draft Single Assurance Framework for submission to Government Departments for clearance.
- DWP, DFT and MHCLG clearance process that results in cleared Single Assurance Framework.
- Cabinet considers final Single Assurance Framework and adopts it for implementation.
- Cabinet considers and approves a SAF implementation plan that sets out how the SAF will be implemented through a phased approach alongside ongoing programmes and projects that are in development, alongside the introduction of new templates and assurance activities.

## **Implementation**

33. The successful adoption of the Single Assurance Framework (SAF) will only deliver its intended benefits if it is accompanied by a clear, well-structured and effectively managed approach to implementation.

34. While Cabinet approval of the SAF will confirm the Authority's commitment to strengthening governance, assurance, and decision making, the SAF will not come into force immediately upon adoption. Instead, it will be introduced through a phased implementation programme to ensure that changes are embedded in a controlled, proportionate and sustainable way.

35. A phased approach is essential to:

- Ensure smooth transition from existing processes to the new SAF standards and requirements.
- Allow staff, delivery partners and constituent authorities time to adjust to new templates, processes, and assurance expectations.
- Minimise disruption to live programmes and projects while strengthening governance arrangements.
- Provide targeted training, support and guidance to business areas as each phase is rolled out.
- Manage organisational capacity effectively by sequencing changes over a realistic timeframe.

36. The detail of this phasing including the schedule for transition, supporting tools and templates, capacity requirements, and the arrangements for training, communication and change management will be set out in a SAF Implementation Plan.

37. A comprehensive SAF Implementation Plan will be presented to a future meeting of Cabinet, following Government clearance and formal adoption of the SAF. This plan will clearly set out how the SAF will be embedded across the organisation, how existing programmes will transition into the new approach, and the timetable by which each element of the framework will come into operational effect.

## Background

38. The Combined Authority is required to maintain a Single Assurance Framework that provides assurance to Government and the public that decision making, investment appraisal, and programme delivery arrangements are robust, transparent and aligned with statutory requirements. The SAF aligns with the English Devolution Accountability Framework and supports decision making across all devolved functions including transport, skills, business growth, regeneration and place.

## Partnership & Engagement

39. Development of the SAF has been informed by engagement with statutory officers, senior leadership, transport, skills, finance, legal and business areas across TVCA, with additional review requests issued to relevant technical leads.

40. Engagement with constituent authorities has taken place with the Management Group, Chief Executives and Monitoring Officer during the development phase under the previous Interim Monitoring Officer.

41. Engagement has also taken place with Cabinet in Informal Cabinet discussions and at the Cabinet meeting held on 12 December 2025.

42. A series of one-to-one engagement sessions were held with Cabinet Members in March 2026 that provided an opportunity to discuss the draft Single Assurance Framework and the process required by Government for its clearance and adoption. A Cabinet workshop took place on 1 April 2026 to provide a collective opportunity to discuss the Single Assurance Framework. During this discussion Cabinet Members requested an amendment to approval thresholds to ensure that Threshold 2 approvals taken by the Chief Executive were done so in consultation with the Chair of the Investment Committee and the relevant thematic Cabinet Portfolio Lead.

## Appendices

**Appendix A** – Draft Single Assurance Framework

**Appendix B** – Frequently Asked Questions document

Cabinet is requested to consider the following identified implications:

### Financial Implications

43 In its current stage, the Single Assurance Framework report does not have any financial implications, as the decision sought relates solely to securing Cabinet approval for submission of the draft SAF to Central Government for consideration. No funding allocations, commitments, or financial decisions are being made through this report.

### Legal Implications

44 At this stage, the Single Assurance Framework (SAF) report does not give rise to any direct legal implications. Cabinet is being asked only to approve the submission of the draft SAF to Central Government for clearance, and this action does not alter existing statutory duties, invoke any new powers, or require changes to the Combined Authority's constitutional arrangements.

45 Legal considerations will arise only once Government clearance has been obtained and a finalised version of the SAF is presented to Cabinet for adoption. At that point, Legal Services will advise on any statutory requirements linked to implementation, impacts on current or future funding agreements, the legal effect of proposed approval thresholds or delegations, and any required amendments to the governance framework.

### Equality & Diversity Implications

46 At this stage, the Single Assurance Framework (SAF) report does not present any direct equality or diversity implications. Cabinet is being asked only to approve the submission of the draft SAF to Central Government, and this procedural step does not introduce any changes that would impact individuals or groups with protected characteristics.

### Other Significant Implications

(Tick other implications provided and provide detail in box below)

Risk	X	Assurance Framework	X	Procurement	X
Improvement	X	Environment		HR & IT	X

47. **Risk**  
The development of a SAF is a direct response to the BVN issued to TVCA in April 2025, which identified significant weaknesses in governance and assurance arrangements. Cabinet subsequently approved an Organisational Improvement Plan that prioritised strengthening governance and accountability,

including a commitment to review and overhaul the existing Local Assurance Framework.

Implementing a SAF is therefore a critical improvement action within that plan, ensuring compliance with statutory requirements under the EDAF and embedding best practice governance standards. Failure to deliver this commitment would undermine the Improvement Plan, and the ability for TVCA to demonstrate improvement to government.

# **THE ASSURANCE FRAMEWORK**

Tees Valley Combined Authority

**TEES  
VALLEY**

2026

## Version Control

<b>Version No.</b>	<b>Date</b>	<b>Approver</b>	<b>Comments</b>
1.0	01/03/26	J Townsend	Initial draft for TVCA Pre-Cabinet process consideration
1.1	02/04/26	J Townsend	Final draft for Cabinet consideration on 24 April that reflects Cabinet Workshop and engagement sessions

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# 1. Introduction

This is the Assurance Framework for the Tees Valley Mayoral Strategic Authority (the 'Combined Authority'). The Assurance Framework sets out the arrangements that the Combined Authority has in place to ensure that public money is managed effectively.

It explains how the Combined Authority identifies, appraises, and evaluates schemes to achieve value for money.

## 1.1 The Single Assurance Framework

1.1.1 Good governance and accountability are at the heart of the culture and ways of working within the Tees Valley Combined Authority (TVCA). This Assurance Framework demonstrates our commitment to decision-making that is evidence-based, proportionate, transparent, and justifiable. These principles underpin how we intend to operate and ensure that governance arrangements effectively support the delivery of our shared ambitions for the Tees Valley region.

1.1.2 HM Treasury defines Assurance Frameworks as '*An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organisation.*'

1.1.3 This Assurance Framework sets out how the Tees Valley Combined Authority (TVCA) will manage and invest public funds responsibly, ensuring openness, transparency, and the delivery of Value for Money (VFM). It establishes a proportionate and consistent approach to assessing and approving all funding opportunities, as well as initiating, developing, and delivering projects, programmes, and activities that create a financial liability for the Authority beyond Business as Usual (BAU) or designated Corporate Projects.

## 1.2 The Purpose of the Assurance Framework

1.2.1 This Assurance Framework sets out the robust decision making and delivery arrangements that are being put in place within TVCA. This document has been developed in line with the **English Devolution Accountability Framework (Published 16 March 2023)**.

1.2.2 The Assurance Framework sets out the systems and arrangements used by the Tees Valley Combined Authority (TVCA) to ensure public funds are allocated appropriately, in line with legal, fiscal, and best practice standards. It demonstrates that proportionate arrangements are in place to manage the investment programme effectively and that robust processes ensure resources are used with regularity, propriety, and value for money, while delivering the intended outcomes.

1.2.3 Specifically the Assurance Framework describes:

- The respective roles and responsibilities of the Combined Authority Cabinet, the Mayor and other elements of the decision-making and delivery structure
- The key processes for ensuring accountability, probity, transparency, legal compliance, and value for money
- The process to monitor and evaluate projects and programmes to ensure that they achieve value for money and projected outcomes in accordance with the Combined Authority's priorities and the Mayors commitments
- How risk is effectively managed

1.2.4 The Assurance Framework sits alongside several other key governance and policy documents – most notably, the Statutory Instrument, the TVCA Constitution, the Financial Regulations, and the Monitoring and Evaluation Framework.

1.2.5 The Assurance Framework will sit alongside the core governance and policy documents for the Tees Valley Combined Authority (TVCA) as well as key Government guidance such as:

- HM Treasury Green Book Guidance on Appraisal [Click link to access](#)

	<ul style="list-style-type: none"> <li>▪ HM Treasury Business Case Guidance for Projects and Programmes <a href="#">click link to access</a></li> <li>▪ HM Treasury Orange Book Guidance on Risk <a href="#">click link to access</a></li> <li>▪ HM Treasury Magenta Book Guidance on evaluation <a href="#">click link to access</a></li> <li>▪ HMG Teal Book on project delivery in government <a href="#">click link to access</a></li> </ul>
1.2.6	The Assurance Framework will reflect requirements set out in the establishment legislation and Statutory Instrument. It will provide assurance to the Departmental Accounting Officer(s) by explaining how funded is granted or devolved to TVCA is allocated, and that there are robust local systems in place to ensure resources are spent with regularity, propriety and value for money.
1.2.7	Devolution has provided Tees Valley with greater local control, flexibility, and responsibility over funding streams and their outcomes. The ‘single’ approach to funding represents a significant fiscal arrangement within this programme, reducing ring-fencing and consolidating funding lines for which TVCA is the accountable body.
<b>1.3</b>	<b>Updating, evolution and review of the Assurance Framework</b>
1.3.1	This Assurance Framework establishes a robust process to enable TVCA to maximise the impact of devolved funding. It applies to all funds allocated under devolution and any subsequent devolved resources. The framework will be reviewed and updated as new funding streams are agreed with HM Government.
1.3.2	This Assurance Framework will be reviewed annually by the Monitoring Officer and reported to the TVCA Cabinet who are responsible for all Combined Authority Frameworks. If any substantial amendments are proposed these will be reviewed by Government Departments in line with the Government Review Process led by the MHCLG Local Assurance Team.
1.3.3	The annual review will examine the effectiveness of assurance processes and consider any areas for improvement. Any changes to legal, funding, or other contextual changes that might require a change of assurance process will be considered, along with the impact of any other Combined Authority key strategies, policies or processes.
1.3.4	This Assurance Framework is expected to evolve and mature in line with the development of the Authority’s governance arrangements. This iterative approach reflects the embedding of new structures and processes and will incorporate future governance enhancements, including alignment with the provisions of the English Devolution and Community Empowerment Bill. Updates will ensure the framework remains robust, proportionate, and fully integrated with emerging statutory requirements and best practice.
1.3.5	The adoption of the SAF by Cabinet is recognition of its strong commitment to good governance, transparency, and continuous improvement, underpinned by the shared acceptance of constituent councils that the framework will address governance issues raised through the 2025 Best Value Notice. In endorsing the SAF, the Cabinet and constituent councils acknowledge and support the annual review process as an ongoing key governance mechanism.
1.3.6	Any changes that emerge from the review process that require amendments to the Combined Authority Constitution will be agreed at the Combined Authority Cabinet.

## 2. The Tees Valley Region

### 2.1 The Region

The Tees Valley Combined Authority was created in April 2016. Our purpose is to secure investment, create jobs and grow the economy. We are a partnership of five authorities; Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees, working closely with the Business Board, wider business community and other partners to make local decisions to support the growth of our economy.

### 2.2 Anything is Possible – Driving Economic Growth

2.2.1 Tees Valley Combined Authority (TVCA) is committed to driving a high-value, resilient and inclusive economy that delivers prosperity for local people while strengthening the wider national economy. As a region with globally significant industrial assets, world-leading clean energy capability, and a uniquely entrepreneurial business base, the Tees Valley is positioned to play a critical role in the UK's long-term growth, productivity and decarbonisation ambitions.

2.2.2 Through the powers secured via devolution and the leadership of the Mayor of Tees Valley and the Cabinet, the Combined Authority has established a clear framework for growth, enabling coordinated investment, strategic planning and the accelerated delivery of major regeneration and infrastructure programmes. Central to this approach is the creation and operation of Mayoral Development Corporations (MDCs), the first of their kind outside London, which provide a powerful mechanism for revitalising key economic zones, unlocking underutilised land, attracting private investment, and accelerating the development of high-quality jobs, homes and commercial opportunities.

2.2.3 The Combined Authority's ambition is bold and long-term: to transform the Tees Valley into one of the UK's leading centres for clean industry, advanced manufacturing, innovation, and skills. By bringing forward strategic infrastructure, supporting business growth, investing in people, and enabling the conditions for world-class economic clusters, TVCA aims not only to grow the local economy but also to make a significant contribution to national productivity, energy security and net-zero delivery.

#### Local Growth Plan

2.2.4 Building on the Strategic Economic Plan, the Local Growth Plan (LGP) provides a more detailed, delivery-focused framework that sets out priority interventions required to accelerate economic growth across the Tees Valley. Developed collaboratively with local authorities, businesses and stakeholders, the Local Growth Plan aligns long-term ambitions with practical implementation pathways, ensuring that programmes and investments directly support the region's strategic objectives.

2.2.5 The Local Growth Plan plays a central role in shaping the Combined Authority's approach to project development, appraisal and prioritisation. It establishes clear milestones and delivery mechanisms, enabling partners to coordinate activity, unlock investment, and ensure that emerging opportunities (particularly in clean energy, advanced manufacturing, skills, and regeneration) are progressed effectively. Implementation of the LGP will be monitored annually and will evolve to reflect new funding streams, economic shifts and opportunities for transformational impact.

2.2.6 The Local Growth Plan is currently in production and due to be considered for adoption by the Cabinet in 2026, the Cabinet has agreed to the following key principles that will shape the Local Growth Plan for the Tees Valley:

- Securing 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.”
- 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.

	<ul style="list-style-type: none"> <li>▪ Accelerate our rapidly growing digital cluster and creative cluster by securing further investment, growing our business base and attracting and retaining talent.</li> <li>▪ 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.</li> <li>▪ Create the environment for growth and accelerate regeneration of our communities making Tees Valley an attractive place to live, work and invest.</li> <li>▪ 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.</li> </ul>
<b>2.3</b>	<b>The Mayoral Strategic Authority</b>
2.3.1	In October 2015, the five Tees Valley local authorities and the Tees Valley Local Enterprise Partnership signed a devolution deal with Government. The deal enabled the transfer of specific powers and responsibilities on economic growth from Whitehall to the Tees Valley.
2.3.2	The first Mayor of the Tees Valley Combined Authority was elected in May 2017, the next Mayoral election is scheduled for May 2028.
2.3.3	As and when Government officially devolves further powers to the Combined Authority, in order to deliver against its policy agenda, this will be reflected in revisions to the Assurance Framework at the appropriate review period.
<b>2.4</b>	<b>Regional and Local Leadership</b>
2.4.1	TVCA has two sets of function, Combined Authority functions and Mayoral functions. Combined Authority (Cabinet) is the principal decision-maker for Combined Authority functions and provides the strategic direction of the Combined Authority. The Mayor is the Chair of the Combined Authority and provides regional leadership, alongside the five constituent authorities.
2.4.2	The Mayor is directly elected by the people of the Tees Valley region to not only chair the Combined Authority but to also deliver upon their Mayoral priorities, which are integrated into the strategic priorities of the Combined Authority.
2.4.3	The Combined Authority consists of constituent members as follows: <ul style="list-style-type: none"> <li>- Darlington Borough Council</li> <li>- Hartlepool Borough Council</li> <li>- Middlesbrough Borough Council</li> <li>- Redcar and Cleveland Borough Council</li> <li>- Stockton-on-Tees Borough Council</li> </ul>
2.4.4	Decisions will be made by the Mayor (in relation to mayoral functions) or the Combined Authority (in relation to non-mayoral functions) in accordance with the Regulations and the Constitution.
<b>2.5</b>	<b>Regional Accountability</b>
2.5.1	The Tees Valley Combined Authority (TVCA) operates with a clear democratic mandate to invest in and deliver for its local communities. The Mayor provides leadership under a collective cabinet model, accountable to the wider Cabinet and through supporting governance arrangements, principally the Overview and Scrutiny function.
2.5.2	The Mayor provides a single, visible point of accountability for residents, ensuring that decisions and actions are subject to democratic oversight. The Mayor is held to account not only through local elections but also through

	the Combined Authority's Overview and Scrutiny arrangements, which reinforce transparency and responsible governance across all Cabinet decisions.
<b>2.6</b>	<b>The Strategic Framework</b>
2.6.1	The Strategic Framework for the Tees Valley Combined Authority (TVCA) sets out the overarching vision, priorities, and guiding principles for the Authority. It provides a clear foundation for collaborative working across the region, ensuring that decisions are evidence-based, transparent, and aligned with the ambitions of local communities.
2.6.2	<p>The purpose of the Strategic Framework is to:</p> <ul style="list-style-type: none"> <li>• <b>Define the long-term vision</b> for prosperity, economic growth, sustainability, and improved quality of life across the Tees Valley region.</li> <li>• <b>Establish strategic priorities</b> that guide investment and policy decisions in areas such as transport, housing, skills, economic development, and climate action.</li> <li>• <b>Provide clarity and accountability</b> for how devolved powers and funding will be used to deliver measurable outcomes.</li> <li>• <b>Ensure alignment</b> with national policy, including the English Devolution and Community Empowerment Bill, while reflecting local needs and opportunities.</li> </ul>
2.6.3	This framework will naturally evolve as governance arrangements mature and TVCA embeds improvement actions and its role as a Mayoral Strategic Authority, ensuring flexibility to respond to emerging challenges and opportunities.

# 3. Governance and Accountability

## 3.1 The Governance Framework

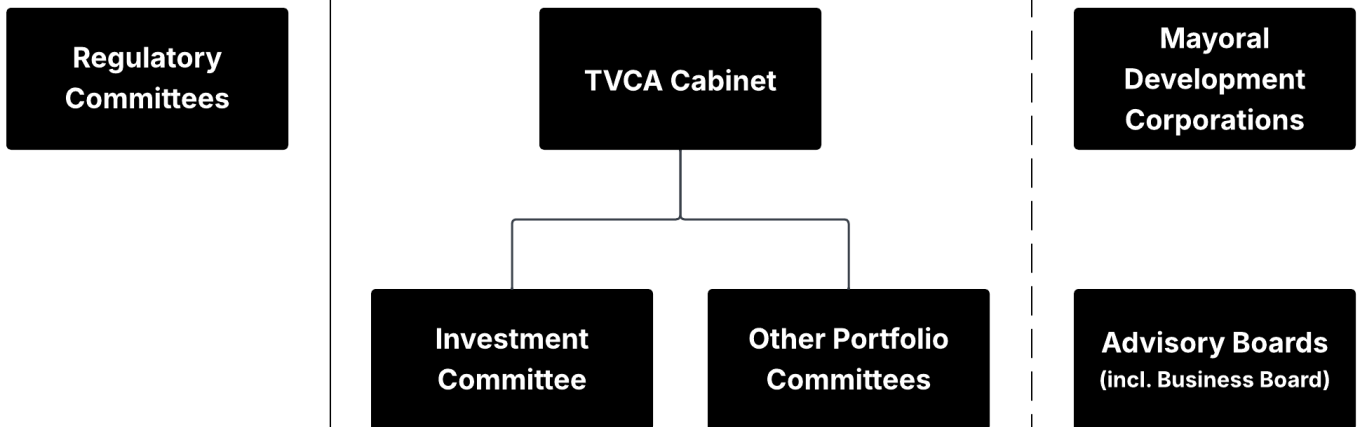
3.1.1 At the Tees Valley Combined Authority (TVCA), we are committed to embedding good governance and accountability at the core of everything we do, as these principles are essential to achieving our ambitions for the region. We will ensure that all decisions are transparent, evidence-based, proportionate, and open to challenge, with a clear focus on delivering benefits for our communities.

3.1.2 Robust systems for effective delivery, risk management, and financial stewardship will be established and detailed within the TVCA Constitution and this Single Assurance Framework. These governance arrangements are formally agreed at the Combined Authority (Cabinet), providing strong foundations for responsible use of public funds and alignment with national standards.

3.1.3 The Combined Authority adheres to the requirements of the Local Government Accountability Framework. It adheres to this assurance framework and is supported by its governance framework, internal and external audit arrangements, annual reporting of its accounts and the Annual Governance Statement.

3.1.4 Tees Valley Combined Authority is a Mayoral Strategic Authority. Its governance arrangements account for its Cabinet, its Mayor, Regulatory Committees, Portfolio Committees and the Business Board as set out below:

Illustration A: Overview of TVCA Governance Arrangements



3.1.5 The Mayor and Members of the Combined Authority are expected to act in the interests of the Tees Valley region as a whole when making investment decisions. A variety of controls are in place to ensure that decisions are appropriate and free from bias and/or the perception of bias.

## 3.2 The Combined Authority

3.2.1 The Tees Valley Combined Authority (TVCA) is the legal and accountable body for all funding devolved to it, with responsibilities spanning transport, skills, housing, and economic development. The TVCA Cabinet and the Mayor will exercise powers and functions in accordance with the law and the Constitution, setting the strategic direction for growth across the region, approving strategies and frameworks, and agreeing delegated responsibilities for delivery.

3.2.2 Decisions will be taken by the Mayor for mayoral functions and by the TVCA Cabinet for non-mayoral functions, as defined in the Constitution. Constituent Council Members will represent their local authorities while ensuring that decisions reflect the wider interests and opportunities of the Tees Valley region.

3.2.3	The Cabinet will agree clear roles and responsibilities for decision-making on strategy and budgets, supported by a comprehensive governance framework that ensures transparency, accountability, and effective delivery
3.2.4	The Combined Authority is currently undergoing a review of its governance arrangements, this review could result in changes to the Portfolio Committee arrangements of the Combined Authority. This Assurance Framework will be updated following the review of governance to reflect the decisions taken by the Cabinet in relation to its constitution and governance arrangements. Those arrangements will reflect the table of strategic responsibilities below:

**Illustration B: Table of Strategic Responsibilities**

TVCA Strategic Role	Relevant Governance
Set the strategic objectives, vision and Corporate Plan	The Cabinet
Approve strategy, key policy and frameworks	The Cabinet
Set the budgetary framework and the Medium-Term Financial Plan	The Cabinet
Develop strategy, framework and policy proposals	Cabinet & Portfolio Committees
Implement Cabinet approved strategy	Cabinet & Portfolio Committees
Deliver operational and delivery oversight and provide operational decision-making	Cabinet & Portfolio Committees
Undertakes strategic level scrutiny	Overview & Scrutiny
Undertakes Mayor and Cabinet accountability	Overview & Scrutiny
Provides oversight and assurance of standards and the Constitution	Audit & Governance
Provides oversight and assurance of governance, assurance and supporting frameworks	Audit & Governance

3.2.5 The Combined Authority Cabinet is responsible for delegating decision-making responsibilities to its Portfolio Committees. The Constitution details TVCA governance bodies, which have either decision-making powers or are advisory. All governance bodies will have their Terms of Reference detailed within Part 3: Responsibility for Functions of the Constitution

**3.3 The Mayor**

3.3.1 The Mayor of the Combined Authority is directly elected by the region, on a manifesto of commitments and priorities. The Mayor executes certain powers and functions that have been devolved to TVCA by the UK Government, to deliver their manifesto commitments and to enact functions reserved for the Mayor as detailed in the Combined Authority Constitution.

3.3.2 The Mayor assumes the role of Chair of the Tees Valley Combined Authority (TVCA) and its Cabinet. The Mayor will provide strategic leadership, including proposing a Mayoral budget for consideration as part of the Cabinet's process for agreeing revenue and capital budgets. This role will ensure that resources are allocated appropriately and used effectively to deliver the Authority's priorities.

Elections for the position of Mayor of the Combined Authority will be held every 4 years.

3.3.3 The Mayor can nominate Cabinet Members for Portfolio Lead positions, nominations must be considered and approved by the Combined Authority Cabinet.

3.3.4	The majority of voting arrangements at the Combined Authority require a vote in favour that includes the Mayor within the majority in order to pass. Full details on voting arrangements will be set out in Part 3: Responsibility for Functions of the Constitution. [link to be added following adoption of new constitution]
<b>3.4</b>	<b>The Investment Committee</b>
3.4.1	The Combined Authority will establish an Investment Committee for the beginning of the 2026/27 municipal year which will support investment decision-making. Initially the Investment Committee will consider all business cases above £2.5 million and make a recommendation on approval to the Combined Authority Cabinet.
3.4.2	The Investment Committee will, once established, act in a regional capacity to shape the investment vision for the Tees Valley Combined Authority area. It will make recommendations to the TVCA Cabinet in consultation with wider portfolio committees, which will develop thematic investment programme proposals.
3.4.3	The TVCA Investment Fund and other devolved funding streams will represent a significant asset base through which the Authority can influence, enable, and deliver a broad range of activities to support inclusive economic growth. This will include investment in transport, clean energy transition, business support, connected communities, skills, and innovation.
3.4.4	The Committee is expected to have the following key functions: <ul style="list-style-type: none"> <li>• Apply the Assurance Framework to consider new funding applications and project variations, approving or recommending investment decisions to the TVCA Cabinet or designated officers.</li> <li>• Provide a forum for strategic dialogue and coordination between constituent authorities, partners, and TVCA on investment matters.</li> <li>• Develop a shared understanding of regional investment needs to inform the TVCA pipeline of projects and programmes.</li> <li>• Ensure alignment between TVCA-led strategies.</li> <li>• Commission and publish research to inform investment decisions.</li> <li>• Monitor and performance-manage agreed investments against outputs and outcomes.</li> <li>• Manage the TVCA investment pipeline.</li> </ul>
3.4.5	The Technical Officer Group (TOG) supporting the future Investment Committee will be known as the Investment Panel. At this initial stage, membership is confirmed only for finance and legal functions, including the Section 73 Officer and finance colleagues, and the Monitoring Officer with legal and governance support. Other core enabling service membership will be identified.
3.4.6	The Investment Panel will support the Investment Committee through 5 key roles: <ol style="list-style-type: none"> <li>1. Support the development and delivery of the Investment Committee Work Programme</li> <li>2. Drive Communication between partners</li> <li>3. Gather intelligence and undertake research</li> <li>4. Act as the Lead Officer Forum on Investment</li> </ol> Drive the development and delivery of strategic investment responsibilities
<b>3.5</b>	<b>Portfolio Committees</b>
3.5.1	The work of the Tees Valley Combined Authority (TVCA) will be supported by a number of portfolio committees (also referred to as thematic committees), each led by a designated portfolio lead. These committees will play a regional role in shaping strategic direction across key policy areas, developing strategies, policies, and investment proposals aligned with the Authority’s vision for the region
3.5.2	The terms of reference for each committee, including any delegated decision-making powers, will be set out in the TVCA Constitution. All formal committees within the governance framework will be supported by a Technical Officer Group (TOG), comprising key thematic officers from TVCA and constituent councils, providing direct technical support and guidance to their respective committees.

3.5.3	The review of governance will determine the committees that will be in play from June 2026 onwards, although yet to be formally determined these portfolio committees will cover core functional areas of responsibility such as Transport that will oversee key responsibilities on its behalf, including approval of key plans and policies, monitoring performance and outcomes, and overseeing risks, issues and compliance with funding conditions.
<b>3.6</b>	<b>Advisory Boards</b>
3.6.1	The Tees Valley Combined Authority has established a Business Board that is fully compliant with the English Devolution Accountability Framework. This Board will represent the voice of business across the region and play an integral role within the TVCA governance structure, ensuring that economic priorities reflect the needs and opportunities of local enterprises.
3.6.2	In addition, the Authority will consider the creation of further Advisory Boards as part of the development of its wider governance framework. These arrangements will be confirmed and formally adopted at a subsequent meeting of the Combined Authority following completion of the governance review.
<b>3.7</b>	<b>Statutory Officers</b>
<u>Head of Paid Service</u>	
3.7.1	It is the role of the Head of Paid Service, also referred to as the Chief Executive, to ensure that all the Combined Authority functions are properly coordinated, organising staff and appointing appropriate management.
3.7.2	At TVCA the Chief Executive will fulfil the role of the Head of Paid Service. The Head of Paid Service discharges the functions in relation to the Combined Authority as set out in section 4, Local Government and Housing Act 1989.
3.7.3	The duties and responsibilities of the post include but are not limited to: <ul style="list-style-type: none"> <li>▪ The statutory responsibilities of the Head of Paid Service to manage the budgets and funding allocations available to the Combined Authority, in partnership with the S73 officer.</li> <li>▪ Leading the Senior Leadership Team to deliver the strategic direction for the Combined Authority as outlined by the Mayor and Cabinet</li> <li>▪ Co-ordinate strategy, development and delivery ensuring a joined-up partnership approach to deliver the aspirations of the Combined Authority</li> <li>▪ Champion the delivery of the strategic priorities of the Combined Authority and its Strategic Framework and put in place the resources necessary to achieve the efficient and effective implementation of the CAs programmes and policies across all services and the effective deployment of the authority's resources to those ends.</li> <li>▪ Advise the Combined Authority Mayor and its Cabinet on all matters of general policy and matters upon which their advice is necessary, with the right attendance at Cabinet and other meetings as appropriate.</li> <li>▪ Advising the elected Mayor on the delivery of strategic priorities</li> <li>▪ Represent the Combined Authority at local, regional and national level in partnership with the Mayor.</li> <li>▪ Act on advice given by the Monitoring Officer on any situations that could put the Combined Authority in jeopardy of unlawfulness or maladministration.</li> <li>▪ Seek to protect the Combined Authority against any reputational risks.</li> <li>▪ Exercise urgency powers to make decisions in emergency situations.</li> </ul>
<u>Section 73 Officer</u>	
3.7.4	The Combined Authority will appoint a statutory Chief Finance Officer (CFO) under section 73 of the Local Government Act 1985, to administer the financial affairs of the Combined Authority. The Section 73 Officer is responsible for providing the final sign off for funding decisions.

3.7.5	<p>The responsibilities of the Section 73 Officer reflect those documented in the CIPFA published document The role of the chief financial officer in local government   CIPFA which details 5 key principles:</p> <ul style="list-style-type: none"> <li>▪ the Chief Financial Officer (CFO) in a local authority is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority’s Policy Aims sustainably and in the public interest</li> <li>▪ the CFO in a local authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the authority’s overall financial strategy</li> <li>▪ the CFO in a local authority must lead the promotion and delivery by the whole authority of good financial management so that public money is always safeguarded and used appropriately, economically, efficiently, and effectively</li> <li>▪ the CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose</li> <li>▪ the CFO in a local authority must be professionally qualified and suitably experience</li> </ul>
3.7.6	<p>The Section 73 Officer will be a member of the Combined Authority Senior Leadership Team and have oversight and an ability to influence all major decisions of the Combined Authority. They will ensure that the Combined Authority has robust systems of internal controls and appropriate separation of duties to ensure the legality and probity of financial transactions.</p>
3.7.7	<p>These processes will be set out in the Combined Authority’s Financial Regulations and the Contract Standing Orders. Other policies such as the Anti-fraud and Corruption Policy will also be included in the Constitution and published on the TVCA website.</p>
<p><u>Monitoring Officer</u></p>	
3.7.8	<p>The TVCA Monitoring Officer discharges the functions in relation to TVCA as set out in section five of the Local Government and Housing Act 1989. Their responsibilities regarding the Assurance Framework are as follows:</p> <ul style="list-style-type: none"> <li>▪ Providing advice on, and maintaining an up-to-date version of the Constitution and ensuring that it is widely available for consultation by members, employees, and the public</li> <li>▪ After consulting with the Head of Paid Service and Section 73 Officer, report to the Authority if they consider that any proposal, decision, or omission would give rise to or has given rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposed decisions being implemented until the report has been formally considered by the Combined Authority</li> <li>▪ Ensuring that decisions, together with the reasons for those decisions and relevant officer reports and background papers are made publicly available as soon as possible</li> <li>▪ Advising whether decisions are within budget and policy framework and whether any decisions or proposed decisions constitutes a key decision</li> <li>▪ Providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to the Mayor, members and officers, and generally support and advise members and officers in their roles.</li> </ul>

## 4. Checks and Balances

### 4.1 The Governance Framework

4.1.1 TVCA recognises the importance of earning the trust and confidence of our communities, stakeholders, and elected members. Our ability to make sound decisions on the investment of public funds must be clear and accountable.

4.1.2 A strong governance framework is the cornerstone of effective decision-making, transparency, and accountability. Building trust and confidence among our communities, stakeholders, and political membership depends on clear, robust processes for managing public investment.

4.1.3 Transparency is central to this commitment. We will maintain comprehensive records that demonstrate compliance with all legal and regulatory requirements, and ensure these records are accessible in accordance with the arrangements outlined below.

### 4.2 Overview & Scrutiny Arrangements

4.2.1 The Combined Authority has established Overview and Scrutiny arrangements that comply with statutory regulations and reflect the principles set out in the National Scrutiny Protocol for Devolved Authorities. These arrangements are designed to provide constructive challenge, strengthen accountability, and promote transparency in decision-making, in line with best practice and guidance.

4.2.2 TVCA has established a single Overview & Scrutiny Committee that can:

- review or scrutinise any decision made, or other action taken, in connection with any Non-Mayoral Function or Mayoral Function of the Combined Authority
- make reports or recommendations to the Combined Authority, with respect to any Non-Mayoral Function of the Combined Authority
- make reports or recommendations to the Mayor, with respect to any Mayoral Function of the Combined Authority
- make reports or recommendations to the Combined Authority or the Mayor on any matter that affects the Combined Authority's Area or the inhabitants of the Combined Authority's Area
- make reports or recommendations to the Combined Authority, with respect to any activity conducted by anybody incorporated by the Combined Authority for whatever purpose where such body receives public funding

4.2.3 As part of our governance framework, the Overview and Scrutiny Committee plays a central role in ensuring accountability and transparency. It is responsible for holding both the Mayor and the Cabinet to account for their decisions and performance. In relation to the Mayor, the Committee will convene at least two dedicated sessions each year for Mayoral Question Time, providing an opportunity to scrutinise the delivery of the Mayor's priorities and their leadership of the Cabinet in achieving its strategic objectives.

4.2.4 These Mayoral Question Time sessions are specific to the Overview & Scrutiny Committee and will be in addition to those organised by the Combined Authority as public Mayoral Question sessions as set out in the Scrutiny Protocol.

4.2.5 When appointing members to the Overview and Scrutiny Committee, the Combined Authority will ensure, as far as reasonably practicable, that the overall membership reflects the political balance of the Constituent Councils taken together, in line with statutory requirements and best practice. The Committee has the ability to appoint additional non-voting members to its membership to provide specific expertise that it has identified as beneficial to the undertaking of its work programme.

4.2.6	The terms of reference for the Overview & Scrutiny Committee will be set out in Part 3: Responsibility for Functions section of the Constitution and published on the TVCA website. [link to be added]
4.2.7	<p>The Overview and Scrutiny Committee will undertake the following core responsibilities to fulfil its statutory functions:</p> <ul style="list-style-type: none"> <li>• Hold the Mayor, Lead Members, and the Combined Authority Cabinet to account for delivering agreed priority objectives.</li> <li>• Scrutinise the Mayor’s performance in achieving Mayoral priorities</li> <li>• Conduct pre-decision scrutiny of proposals before Cabinet decisions are taken.</li> <li>• Exercise the Call-In power where decisions appear inconsistent with the principles of decision-making set out in the Constitution.</li> <li>• Review policy when requested or where gaps/issues are identified through performance monitoring and accountability processes.</li> <li>• Undertake strategic performance reviews of corporate Key Performance Indicators (KPIs).</li> <li>• Hold focused sessions on cross-cutting issues or matters of significant public concern.</li> <li>• Scrutinise budget proposals, including alignment and delivery of the Medium-Term Financial Plan (MTFP) and associated consultations.</li> <li>• Carry out deep-dive reviews or establish task-and-finish groups or working groups as required.</li> <li>• Appoint Rapporteurs to shadow Lead Member portfolios, advisory committees, and relevant bodies corporate.</li> <li>• The above roles could involve examination and scrutiny of significant business cases</li> </ul>
<b>4.3</b>	<b>Audit Committee Arrangements</b>
4.3.1	TVCA has established an Audit and Governance Committee in line with the requirements of the Combined Authorities (Overview and Scrutiny, Access to Information and Audit) Regulations 2017. This Committee fulfils the statutory obligation to appoint an audit committee. In accordance with the law, the Committee includes at least one independent person, who is appointed through an open recruitment process.
4.3.2	This committee is a key component of the Combined Authority’s corporate governance arrangements and an important source of assurance regarding the organisation’s arrangements for managing risk, maintaining an effective control environment, reporting on financial and annual governance processes and for the promotion and maintenance of high standards of conduct by its Members.
4.3.3	<p>The functions of the Audit &amp; Governance Committee is to:</p> <ul style="list-style-type: none"> <li>▪ review and scrutinise the Combined Authority’s financial affairs</li> <li>▪ review and assess the Combined Authority’s risk management, internal control and corporate governance arrangements</li> <li>▪ review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the Combined Authority’s functions</li> <li>▪ make reports and recommendations to the Combined Authority in relation to reviews conducted under paratha bullets above</li> <li>▪ implement the obligation to ensure high standards of conduct amongst Members.</li> </ul>
<b>4.4</b>	<b>Local Checks and Balances</b>
4.4.1	The Combined Authority will meet all the requirements set out in chapter 7 of the Localism Act 2011 and will have in place a robust Code of Conduct. In addition, it will meet the requirements set out in the Local Audit and Accountability Act 2014 and is committed to continuing to review and improve our approach, consulting with other MCAs to identify best practice.
4.4.2	The Combined Authority’s approach to Overview and Scrutiny will build upon the statutory guidance, the Scrutiny Protocol and guidance from the Centre for Governance and Scrutiny, and best practice from other Mayoral Combined Authorities.

<u>Enabling the Business Voice</u>	
4.4.3	TVCA has established a Business Board as part of its governance arrangements. This Board acts as an advisory body to TVCA and the Mayor, providing strategic advice and guidance through representation of the business voice to support the exercise of both Combined Authority and Mayoral functions.
4.4.4	The Business Board is anticipated to be given the ability to nominate members to TVCA Committees, ensuring that business perspectives are represented across portfolio and thematic areas as a result of the ongoing governance review.
<u>Value for Money</u>	
4.4.5	This Assurance Framework sets out the Authority’s commitment to implementing arrangements that meet the requirements of the Local Audit and Accountability Act 2014 and recognised best practice. TVCA appoints independent external auditors to verify its accounts and ensure compliance with statutory obligations. These arrangements are supported by an Audit and Governance Committee, which provides oversight of financial affairs, corporate governance, and risk management, and assess whether resources are being used efficiently and delivering value for money.
4.4.6	This Single Assurance Framework establishes the principles and processes TVCA will adopt to make robust value-for-money judgements on potential investments. All business cases seeking approval will be assessed through this framework and evaluated against HM Treasury’s Five Case Model, as set out in the Green Book, ensuring decisions are evidence-based and proportionate
4.4.7	Through this framework, TVCA aims to use public resources responsibly, creating and maximising public value while achieving agreed policy objectives. Specific arrangements for demonstrating Value for Money in Department for Transport projects, including compliance with TAG guidance, are detailed in Annex B.
<u>Internal Audit</u>	
4.4.8	Internal Audit services will be established to provide a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The internal audit provision will conform to the Public Sector Internal Audit Standards which are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector.
<u>External Audit</u>	
4.4.9	It is a requirement for the Combined Authority to have independent external auditors appointed. As the Combined Authority has opted into the National Scheme (as do the vast majority of other Local and Combined Authorities), the appointment of the external auditors is undertaken by Public Sector Audit Appointments Limited (PSAA), a not-for-profit company limited by guarantee incorporated by the Local Government Association (LGA) which operates independently of both the LGA and PSAA’s sole member and guarantor (the Improvement & Development Agency (IDeA)) which is itself a subsidiary of the LGA.
4.4.10	PSAA is specified by government as an appointing person for principal local government and police bodies under the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015. As such it both appoints auditors and sets the scale of audit fees for principal authorities (such as the Combined Authority) who have opted into the National Scheme.
4.4.11	The role of the external auditors is to:  Express an opinion on: <ul style="list-style-type: none"> <li>▪ The Authority’s financial statements for each financial year audited.</li> <li>▪ Conclusions relating to going concern; and</li> </ul>

	<ul style="list-style-type: none"> <li>▪ The consistency of other information published with the financial statements, including the narrative statement</li> </ul> <p>Reporting by exception:</p> <ul style="list-style-type: none"> <li>▪ If the Governance Statement does not comply with relevant guidance or is not consistent with their understanding of the Authority</li> <li>▪ If they identify a significant weakness in the Authority’s arrangements in place to secure economy, efficiency and effectiveness in its use of resources; and</li> <li>▪ Any significant matters that are in the public interest.</li> </ul>
<b>4.5</b>	<b>Accountability to Government</b>
4.5.1	This Single Assurance Framework sets out the Authority’s approach to ensuring that appropriate safeguards and standards are embedded in the development and delivery of programmes and projects, and that robust stewardship of devolved funding is maintained in full compliance with legislative requirements
4.5.2	TVCA has implemented processes and controls to ensure that all funding streams, many of which originate from Government grants and loans with specific conditions, are managed in accordance with those requirements. These arrangements will reflect best practice and statutory obligations, including the Local Audit and Accountability Act 2014.
4.5.3	Where funds are distributed to external parties, including through open competition, TVCA will publish decision-making criteria in advance to ensure transparency and fairness. Decisions on whether to administer funds in-house or through external fund managers will be based on the conditions set out in funding agreements and an assessment of internal capability. In some cases, TVCA may choose to deliver investment funds with the intention of recycling resources to maximise long-term impact. Any such funds will operate within investment strategies that evolve over time but remain aligned with government conditions and statutory requirements.
4.5.4	Expenditure will be subject to rigorous audit arrangements, both internally and through external audit processes, to provide assurance that resources are used lawfully, efficiently, and effectively.
<b>4.6</b>	<b>Accountability to the Public</b>
4.6.1	This Assurance Framework sets out the governance approach of TVCA to ensure clarity, transparency, and accountability across all future decision-making structures. The governance framework will define clear roles and responsibilities for the Mayor, Cabinet, Advisory Boards, and Committees, creating multiple layers of accountability to support strategic objective setting, performance monitoring, decision-making, and operational delivery.
4.6.2	In addition to the assurance provided through the governance arrangements outlined in this framework, such as Overview and Scrutiny and other checks and balances, TVCA is committed to implementing additional measures to maintain transparency and uphold public accountability.
4.6.3	TVCA and the Mayor will adopt a proactive approach to communication, ensuring that strategies, decisions, and delivery progress are shared openly and regularly. Comprehensive information will be published on the TVCA website, supported by updates through multiple channels, including social media, to ensure accessibility and consistency of messaging.
4.6.4	The directly elected Mayor provides a single, visible point of democratic accountability, enabling residents to hold the Mayor to account for performance and decisions at the ballot box. Furthermore, the Overview and Scrutiny Committee will convene public Mayoral Question Time sessions at least twice annually, with plans to extend this accountability to Portfolio Leads as governance arrangements mature.
4.6.5	In line with principles of transparency and compliance with statutory requirements, TVCA will make key records and documents publicly available. These will include:

	<ul style="list-style-type: none"> <li>▪ Meeting agendas and papers</li> <li>▪ Financial statements and annual reports</li> <li>▪ Annual Assurance and Governance Statements</li> <li>▪ Application guidelines for funding programmes</li> <li>▪ Registers of interests, gifts, and hospitality</li> <li>▪ Remuneration details for officers and members</li> <li>▪ Policies on complaints, whistleblowing, confidentiality, and Freedom of Information</li> <li>▪ The Code of Conduct</li> </ul> <p>These measures will ensure that TVCA operates to the highest standards of openness and integrity, fostering trust and confidence among residents and stakeholders.</p>
<b>4.7</b>	<b>Subsidy Control</b>
4.7.1	The Combined Authority will ensure that all public funded programmes and projects are delivered in line with Subsidy Control law. This will include assessing all applications against the relevant requirements (which at this time are primarily set out in the Subsidy Control Act 2022 as clarified in the Statutory Guidance) and where necessary making referrals to the Competition and Markets Authority prior to an award being made.
4.7.2	All grant funding agreements will contain appropriate legal conditions on Subsidy Control. Where a misuse of a subsidy is identified, the Combined Authority may exercise its right under Section 77 of the Subsidy Control Act 2022.
4.7.3	Subsidy Control will be considered as part of the decision-making process. The Combined Authority will conduct appropriate legal due diligence should it determine that the characteristics of the proposal require additional scrutiny, including if a proposed measure is novel, contentious or repercussive.
4.7.4	Records of compliance will be kept. The transparency requirements set out in the Subsidy Control Act 2022 will be satisfied, in line with the relevant timescales.
<b>4.8</b>	<b>Commitment to evolution of Accountability Arrangements</b>
4.8.1	The Combined Authority will continue to review and set out how it will further strengthen its accountability arrangements for future devolved funding and powers. TVCA understands that it will need to regularly review and evolve its governance, assurance and accountability arrangements. Additionally it will conduct an annual review of its governance framework and assurance framework
4.8.2	The English Devolution Accountability Framework introduced the Scrutiny Protocol as a key mechanism to ensure that overview and scrutiny arrangements within devolved institutions meet the highest standards, both for holding authorities to account for delivery and for contributing effectively to policy development and strategic decision-making.
4.8.3	The Tees Valley Combined Authority is committed to developing robust accountability arrangements, strengthening its Overview and Scrutiny function, and fully implementing the Scrutiny Protocol in line with best practice. These measures will ensure compliance with the requirements of the English Devolution and Community Empowerment Bill and support transparent and effective governance.

# 5. Transparency

## 5.1 Remuneration and Induction

5.1.1 Tees Valley Combined Authority arrangements for allowances and expenses will be established in accordance with legislative requirements and best practice. The Independent Remuneration Panel (IRP) has been convened and has been asked to consider developing recommendations for an updated Member Allowances Scheme alongside considering the provisions relating to leadership recognition set out in the English Devolution and Community Empowerment Bill. The existing member Allowances Scheme can be accessed via this link: [insert link]

5.1.2 The relevant regulations make clear that no expenses will be payable to TVCA members other than allowances for travel and subsistence, which will be administered under a scheme approved by the Authority. Allowances for the Mayor and wider positions able to receive allowances will be determined by the Cabinet, following recommendations from the IRP.

5.1.3 Similarly, remuneration for the Chair of the Audit & Governance Committee and the Chair of the Overview & Scrutiny Committee will be set by the Cabinet based on IRP advice. Members of these regulatory committees, as well as Independent Persons appointed for standards matters, will also receive allowances as determined through this process. Full details will be published in TVCA's Constitution under the Members' Allowances Scheme.

5.1.4 It is anticipated that the English Devolution and Community Empowerment Bill will address matters relating to Leadership recognition and will enable additional allowances to be paid by the Combined Authority. The Bill and its implications will be considered within the IRP review.

5.1.5 Cabinet members will undertake induction training covering governance structures, including the Single Assurance Framework, senior management roles, funding arrangements, risk management, and annual objectives. Committees and Advisory Boards will also receive induction tailored to their governance role and TVCA's strategic framework.

## 5.2 Publication of Information

5.2.1 TVCA will adopt transparency arrangements in line with legislative requirements and best practice. The schedule of meetings for each calendar year will be published on the TVCA website. Notices of meetings, agendas, and accompanying papers for formal Cabinet and Committee meetings will be made available at least five clear working days in advance.

5.2.2 TVCA will include its Forward Plan within the agendas of Cabinet and Overview & Scrutiny Committee meetings. Where papers contain commercially sensitive information or fall under exemptions set out in Schedule 12A of the Local Government Act 1972 or the Freedom of Information Act 2000, they will be classified as private and withheld from publication. The Monitoring Officer will advise on whether an item should be treated as private.

5.2.3 To enhance transparency and accountability, TVCA will publish a Forward Plan of key decisions at least 28 days before they are taken, and where possible, up to six months in advance, enabling public visibility and comment. All decisions will be published in accordance with the transparency provisions set out in TVCA's Constitution.

## 5.3 Transparency Arrangements

5.3.1 The Combined Authority will operate in accordance with statutory transparency requirements and adopt recognised good practice standards. The key arrangements to be implemented include:

- Upholding the public's right to attend meetings and inspect documents
- Live streaming meetings to enable public access online.

	<ul style="list-style-type: none"> <li>▪ Publishing agendas and reports for Cabinet and Committee meetings on the TVCA website at least five clear working days before each meeting.</li> <li>▪ Making minutes of meetings publicly available on the TVCA website as soon as practicable.</li> <li>▪ Publishing business case summaries for all schemes requiring decisions as part of meeting agendas.</li> <li>▪ Ensuring reports of Cabinet and Committee meetings are accessible to the public via the TVCA website.</li> <li>▪ Publishing key decisions taken by officers on the TVCA website.</li> <li>▪ Complying with the Local Government Transparency Code, which requires the publication of additional datasets to promote openness and accountability.</li> </ul>
<b>5.4</b>	<b>Gifts and Hospitality</b>
5.4.1	A Gifts and Hospitality policy and a procedure will be in place to ensure that no TVCA Member or officer receives remuneration or expenses in relation to its activities, other than their salary and in accordance with policy.
5.4.2	The Gifts and Hospitality Policy and accompanying procedure will be published on the Tees Valley Combined Authority website and kept under regular review. Publication of this information will support transparency, enable public scrutiny, and ensure compliance with statutory transparency requirements and recognised best practice. Registers of gifts and hospitality declared by Members and relevant officers will also be made publicly available in accordance with the Constitution and data protection requirements, reinforcing public confidence in the integrity of decision-making within the Authority.

# 6. Standards and Ethical Framework

## 6.1 Nolan Principles and the Code of Conduct

6.1.1 The Seven Principles of Public Life (the ‘Nolan principles’) underpin this Assurance Framework to ensure that the Combined Authority, their Mayor, Members and their officers, are upholding the highest standards of conduct and ensuring robust stewardship of the resources they have at their disposal.

6.1.2 Statutory provisions require the Combined Authority to adopt a Members’ Code of Conduct (the ‘Code’) which applies to Members of the Combined Authority, including the Mayor, and to voting Members of committees appointed by the Combined Authority.

## 6.2 Conflicts of Interest

6.2.1 The Combined Authority’s codes of conduct for members and for officers set out clear procedures for dealing with any conflicts of interest which may arise when carrying out the business of TVCA. All Members and Officers will be required to declare interests they are aware of, and this will be recorded centrally on a register. This information will be reviewed and updated annually.

6.2.2 Combined Authority members must declare any interests in items being discussed at meetings, as required by law. The Code of Conduct will set out when a member must leave the meeting during consideration of such items. Constituent Authority members will also have completed their own local Register of Interests. TVCA officers must declare any interests in contracts. Failing to declare a relevant interest is a criminal offence, and it is each member’s personal responsibility to assess their position before decisions are made.

## 6.3 Complaints

6.3.1 A procedure is in place to ensure that any complaints relating to the arrangements, processes or decision making associated with a project is dealt with fairly and effectively. The Combined Authority’s Code of Conduct for Members will include a process for dealing with complaints of alleged breaches of the Code.

## 6.4 Whistleblowing

6.4.1 TVCA has adopted a Whistleblowing Policy to enable and encourage employees to raise concerns about wrongdoing by the Combined Authority, the Mayor, Officers or contractors without fear of reprisal or detriment. The Whistleblowing Policy can be access via this link: [insert link]

## 6.5 Freedom of Information

6.5.1 As a public body, the Combined Authority is subject to the Freedom of Information Act 2000, the Environmental Information Regulations 2004 and the Data Protection Act 2018, which includes the General Data Protection Regulation (GDPR). The Combined Authority will hold records and will deal with statutory information requests. Applicants will be made aware of their right to access information with requests dealt with in accordance with the relevant legislation.

## 6.6 Policy

6.6.1 The Combined Authority is fully committed to complying with the Equality Act 2010 and the Public Sector Equality Duty and to fulfilling its statutory duties towards its employees and residents with regards to equality and inclusion. Before making and implementing decisions, policies, plans, practices and procedures, TVCA will show due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations. Where decisions have the potential to impact people differently based on protected characteristics, an Equality Impact Assessment will be undertaken.

6.6.2	The Combined Authority will adopt corporate policies such as counter fraud, anti-bribery and modern slavery which will be published on the TVCA website.
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# 7. Assurance Framework Phases

## 7.1 Introduction and Definitions

7.1.1 TVCA aspires to a consistent business case lifecycle to guide the development of projects from concept initiation, through development (covering the business case, options appraisal, analysis), into approval, delivery/monitoring and evaluation. The aim is to provide clarity to partners and stakeholders on the process and its requirements, those preparing business cases and members responsible for decision-making, approval and scrutiny.

7.1.2 This Assurance Framework sets out the framework to be applied throughout the lifecycle of programmes and projects. It sets out the key processes for ensuring accountability, probity, transparency and legal compliance, also ensuring value for money is achieved across its investments. It provides assurance to decision-makers and Government that all investment proposals meet the expected standards.

7.1.3 The Assurance Framework will be applied across the lifecycle of all projects and programmes that will incur a financial liability on the Combined Authority. Where financial liability is placed onto the Combined Authority, the Assurance Framework is applicable throughout all stages of the project or programme lifecycle: concept initiation, development, approvals, delivery, monitoring and evaluation.

7.1.4 It will remain appropriate to apply proportionality in the development of business cases based on the size of spend involved, the degree of flexibility in the funding supporting the case and the risk associated with the programme/ project.

7.1.5 **The Principle of Approval** is the core principle within the Assurance Framework and this will drive a Collective Cabinet approach within the Combined Authority by ensuring that only the Cabinet can set the strategic direction for interventions.

7.1.6 The Assurance Framework will work to the following definitions:

(i) **An Assurance Framework Intervention**

Projects and Programmes which follow the Assurance Framework are focused on achieving positive outcomes for the local community. They are typically funded by external sources such as devolution deals and bid applications/grant awards from Central Government, for example the Investment programme, where TVCA is the accountable body.

The Assurance Framework will be applied flexibly and proportionately, dependent on the level of risk associated with the Programme/Project. The Assurance Framework enables an independent assessment and appraisal of an investment opportunity. Programmes and Projects following the Assurance Framework route should ensure a strong strategic fit to the TVCA Strategic Framework.

The Assurance Framework does not apply to Corporate Projects. Despite this the intention is to apply the principles and practices outlined in the Assurance Framework to Corporate Projects, the Investment Panel for example will support the development of business cases and apply test and challenge.

(ii) **A Corporate Project**

A Corporate project is created to address an internal business need, benefitting the organisation, for example a change to the operating systems of an organisation. Risk management should be considered with risks reviewed as part of the activity.

Once a corporate project is complete it may become business as usual (BAU). Corporate projects will be supported by specialists across the Combined Authority including Finance, Project Management, Human Resources and Legal professionals as appropriate, to strengthen the case for funding, the identified benefits and support effective delivery.

7.1.7	The Assurance Framework explains how the level of assurance increases with the value and risk of a business case. It sets out processes for risk assessment, guidance on developing business cases, and the documents needed for approval. It also includes independent review and appraisal, supported by clear guidance, templates, and criteria to ensure a consistent approach throughout the project lifecycle.
<b>7.2</b>	<b>Value for Money</b>
7.2.1	As an investor of public funds, TVCA must make sure its decisions deliver the best value for taxpayers. Every investment proposal and business case will include a Value for Money assessment. The Assurance Framework follows HM Treasury’s Green Book guidance, which requires Value for Money to be considered throughout project development and approval. All business cases will use the HM Treasury Five Case Model, with templates designed to reflect proportionality based on project size and risk.
7.2.2	Partners will use recognised toolkits—such as the Green Book, DfT TAG, and MHCLG guidance, to show the economic, social, and environmental benefits and costs over an appropriate period. The assessment will look at: <ul style="list-style-type: none"> <li>▪ Economy: Keeping resource costs as low as possible.</li> <li>▪ Efficiency: Getting the most output for the resources used.</li> <li>▪ Effectiveness: Achieving the intended results and objectives.</li> </ul>
7.2.3	TVCA’s process will include cost-benefit analysis, including Benefit-to-Cost Ratios (BCR), and consider non-monetised impacts. Preference will be given to schemes rated at least ‘High Value for Money,’ but projects with lower ratings may still be approved if they have a strong strategic case, such as promoting equality, social mobility, or inclusive growth. These decisions will be fully explained and evidenced in the business case.
7.2.4	The following table sets out Value for Money (VfM) categories that the Combined Authority will use:

Category	Description	What ‘high’ vs ‘low’ VfM means
Economy	Minimising the cost of resources used without compromising quality	High VfM: Costs are low, and inputs are of an acceptable quality
Efficiency	Achieving the maximum output for a given level of input	High VfM: Outputs are high relative to inputs
Effectiveness	Achieving project outcomes and objectives successfully	High VfM: Outcomes meet or exceed targets
Equity	Ensuring fair distribution of benefits and resources across different groups	High VfM: Benefits are distributed equitably among stakeholders
Cost effectiveness	Comparing costs to benefits (often used in health and infrastructure)	High VfM: Benefits far outweigh costs. Lower VfM: Marginal gains
Strategic Fit	Alignment with policy goals, long-term impact, and stakeholder priorities	High VfM: Strong alignment with strategic priorities

7.2.5 The following table sets out an explanation of what BCR/ Monetised benefit bandings will be used to indicate a particular VfM category prior to the consideration of non-monetised benefits:

VfM Category	Implied by...
Very High	BCR greater than or equal to 4.0

	High	BCR greater than or equal to 2.0 and then than 4.0
	Medium	BCR greater than or equal to 1.5 and less than 2.0
	Low	BCR greater than or equal to 1.0 and less than 1.5
	Poor	BCR greater than or equal to 0.0 and less than 1.0
	Very Poor	BCR less than 0.0

- 7.2.6 The Assurance Framework requires:
- The delivery, and costs, of outputs must be quantified within all applications for funding. Assessing Value for Money will be done in accordance with Government guidance.
  - The use of options consideration for Value for Money is key, to assist a do minimum option will always be included in business cases to provide an essential benchmark that can help reveal the real value of additional changes.
  - The Senior Responsible Officer responsible for programme/project development will review and document that they are satisfied with the Value for Money assessment within in a business case. This element will also be scrutinised by the Section 73 Officer as part of the SAF process prior and to final approval of funding and award of contract

- 7.2.7 To help establish Value for Money considerations and assessment the Combined Authority follows the new Green Book advice and reviews the following as they apply within a proportionate approach:
- **Objectives:** That a number of SMART objectives and Critical Success Factors are used to ensure short-list options, that will be assessed in fuller detail at business case stage, are aligned with the strategic objectives of the organisation and as a result is likely offer VfM to society.
  - **Benefits:** The net present value to society of all social, economic and environmental benefits (not always proportionate to consider for lower-level investments). The benefits may be monetised or non-monetised, quantitatively or qualitatively. This is carried out in greater detail within the business case stage.
  - **Costs:** The net present public resource costs and societal costs following whole life costing method. This includes capital costs, operating and maintenance costs and as well as opportunity costs (if appropriate). This is carried out in greater detail at the business case stage.
  - **Risk:** Any risk costs associated with managing and mitigating identifiable and significant risks. This is carried out in all stages with increasingly detailed analysis as the scheme progresses through different business case stages. Residual 'hard to quantify' risk and uncertainty, where it is likely to be significant, are also considered as part of the value for money judgment. For example, the impact on public transport fare revenue due to increased levels of working from home and online shopping.
  - **Wider Impacts:** That any additional wider impacts, which are not readily or credibly quantifiable or monetisable, but which are considered decisively important enough to be considered, are considered. The Combined Authority requires an economic narrative or other ways of justification for such impacts. This is carried out in greater detail at the business case stage.
  - **Equality and Diversity:** That the distribution of the likely impact on different parts of society, and across protected characteristics, are considered in the VfM judgement.

- 7.2.8 For transport schemes, the Combined Authority will ensure that modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that modelling, and appraisal meets the guidance set out in DfT's Transport Analysis Guidance (TAG), this is further set out in Annex B.

### 7.3 Bids and Funding Opportunities

- 7.3.1 External funding opportunities will be led by relevant TVCA Business Areas and managed through the External Funding Application process (see Annex A). This process makes sure the Section 73 Officer and Executive Leadership Team know about all potential funding applications. It helps identify risks, funding conditions, and

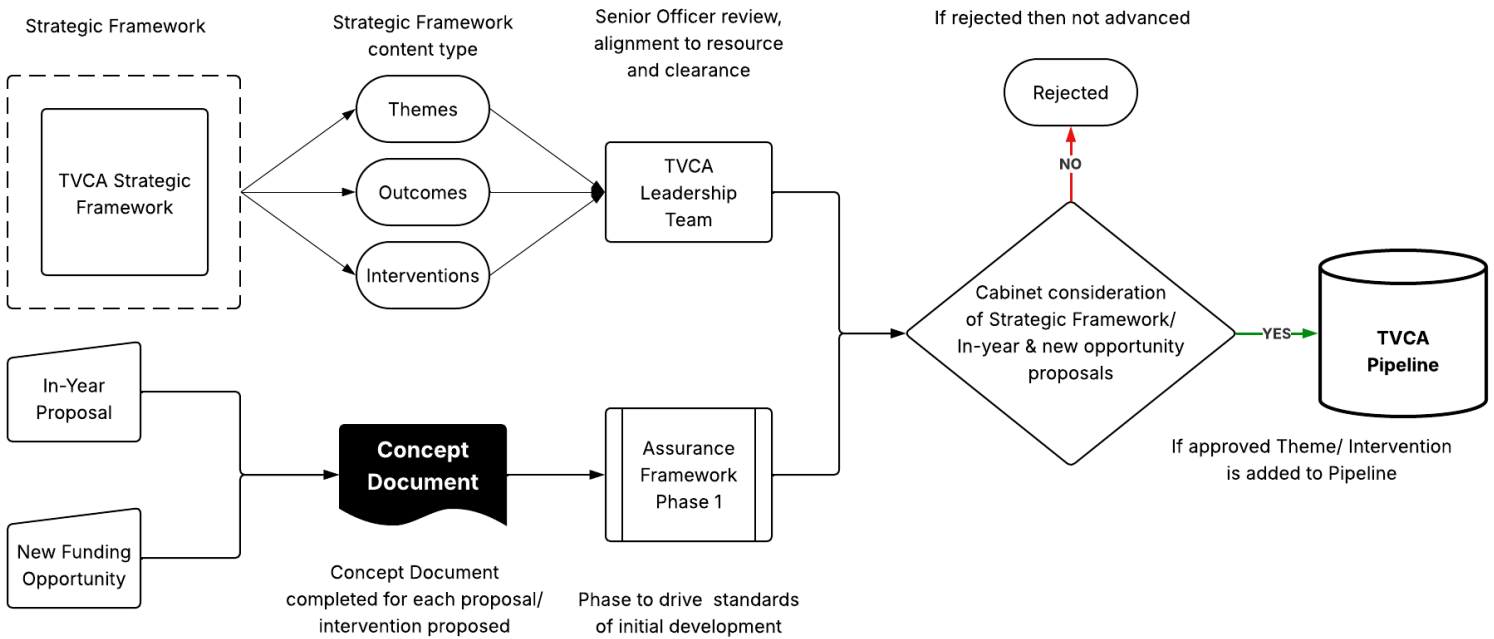
	the resources needed to deliver projects, and ensures approval is given before proceeding if the application is successful.
<b>7.4</b>	<b>Entry Points (Strategic Framework and In-Year)</b>
7.4.1	There are three entry points into the Assurance Framework as follows: <ol style="list-style-type: none"> <li>1. The Strategic Framework</li> <li>2. In-Year Proposals</li> <li>3. New Funding Opportunities</li> </ol>
7.4.2	Every in-year proposal entering the Assurance Framework must complete a Concept Document, regardless of how it enters the pipeline. This ensures all proposals provide the same core information, allowing TVCA to apply consistent standards and check that each proposal fits with the agreed strategic framework. This approach supports clear, fair, and transparent decision-making from the start.
<b>Primacy of the Strategic Framework</b>	
7.4.3	The TVCA Strategic Framework will be the foundation for determining pipeline themes and interventions. All proposals must clearly demonstrate how they align with this framework, ensuring that investment decisions reflect TVCA's agreed priorities and ambitions. This approach guarantees that the pipeline is driven by the Cabinet, with a clear focus on delivering outcomes that support local priorities. By embedding the strategic framework at the heart of decision-making, TVCA will promote consistency, transparency, and accountability, while enabling meaningful engagement with constituent authorities, partners, and stakeholders.
7.4.4	The Strategic Framework has been developed through An approach driven by engagement across the region with key partners and stakeholders. This has created a Strategic Framework that: <ul style="list-style-type: none"> <li>▪ Articulates the Combined Authority's Strategic Economic Plan and emerging Local Growth Plan which sets out the area's investment priorities so that partners and stakeholders understand the key areas of focus and the improved outcomes they are designed to achieve.</li> <li>▪ Provides strategic context for the Combined Authority as an organisation so its plans and operational activity are aligned to the overall vision agreed by its Cabinet</li> <li>▪ Enables oversight and review of performance against priorities.</li> </ul>
7.4.5	The Strategic Framework will create core pipeline themes, some of which will have detailed interventions set out for development, others will set out desired outcomes and objectives. This will inform categories of pipeline content which will be set out as: <ol style="list-style-type: none"> <li>A. High level priority for development and delivery</li> <li>B. Medium level priority for development so it is ready for delivery when funding becomes available</li> <li>C. Low level priority for pipeline inclusion to be developed at future point</li> </ol>
7.4.6	Proposals that are drawn down from the Strategic Framework enter Phase 2 of the Assurance Framework.
7.4.7	TVCA Officers can draw down from the Strategic Framework against strategic themes, identified outcomes to achieve or identified interventions.
<b><u>In-Year Proposals</u></b>	
7.4.7	The Mayor, Combined Authority, Officers, Constituent Councils, Partners and Stakeholders may submit in-year proposals that have not been included within the Strategic Framework for consideration. Such submissions will require the completion of a Concept Document to drive strategic alignment of any proposals with the agreed TVCA Strategic Framework, as well as ensuring appropriate key elements of the Combined Authority are engaged early in the process to provide guidance on finance, legal, communications, procurement and other considerations.
7.4.8	In-Year proposals enter Phase 1 of the Assurance Framework.

**New Funding Opportunities**

7.4.9 In-year, TVCA may need to pursue unexpected funding opportunities that arise from new government initiatives, changes to existing priorities, or emerging local needs. These opportunities will be assessed to ensure they align with TVCA’s strategic priorities and deliver maximum benefit. Initially such opportunities will be discussed at TVCA Senior Officer level and will require completion of a Concept Document.

7.4.10 In-year proposals and new funding opportunities may result in concept proposals that fall outside the existing Strategic Framework, **the Principle of Approval** ensures that all such proposals require Cabinet approval.

7.4.11 The following illustration sets out the entry points onto the TVCA Pipeline and subsequently into the Assurance Framework.



**7.5 Assurance Framework Phase 1: Concept Initiation**

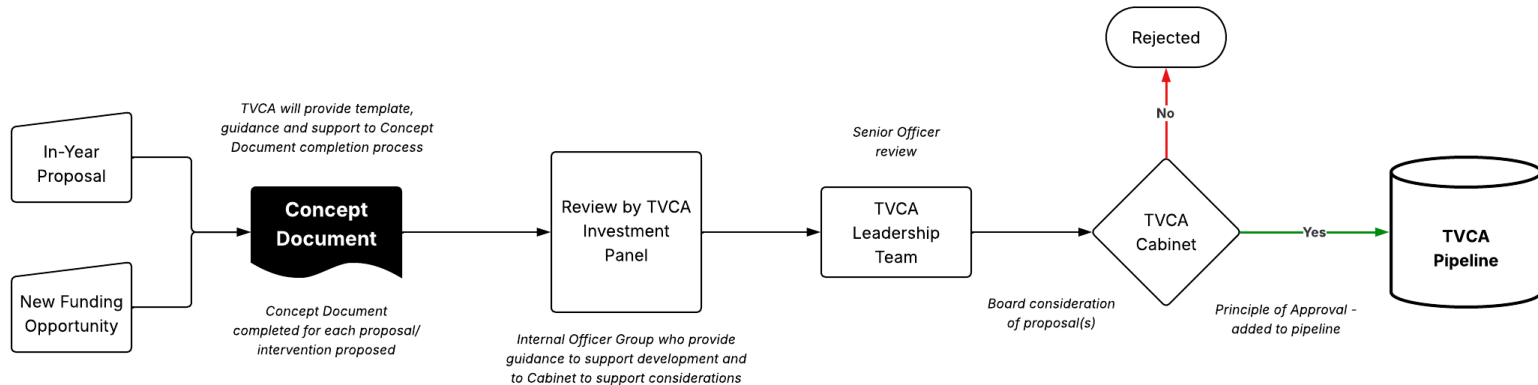
7.5.1 The primacy of the Strategic Framework makes the themes, desired outcomes and proposed interventions developed through the strategic planning process the central entry point onto the TVCA Pipeline and therefore into the Assurance Framework. Phase 1 of the Assurance Framework applies to in-year proposals and new funding opportunities.

7.5.2 The Concept Initiation Phase is where in-year ideas, proposals and opportunities are developed into concepts for consideration. This stage provides early assurance that proposals fit TVCA’s strategic objectives, have the right resources, and include input from core enabling services (such as Legal, Finance, Investment, HR, Comms). Where they do not fit within the Strategic Framework this stage drives the development of a justification argument for Cabinet to consider.

7.5.3 To ensure consistency, all proposals, both internal or external, must complete a Concept Document. This provides a consistent entry document which focuses on strategic fit, enabling early assessment and prioritisation. The same considerations are part of the Strategic Planning process to drive consistency of considerations. The Concept Document:

- Provides justification of strategic alignment with TVCA’s framework.
- Provides high-level details on costs, benefits, risks, and assumptions.
- Provides information to help officers review and make recommendations to the Cabinet.
- Creates a clear basis for the Cabinet to decide whether the concept progresses.

7.5.4	The process enables early engagement with the core areas of the Combined Authority to enable subject matter expert input from an early stage from relevant core business areas, such as Legal and Finance, PMO, Communications and Human Resources. It provides preliminary assurance that proposals are in line with strategic priorities, legally compliant, and have available resources and budget. It identifies the most appropriate route for the approval of funding as well as identification of any required development funding.
7.5.5	The following illustration sets out the process for Phase 1 of the Assurance Framework:



7.5.6	Projects approved by Cabinet through this process will move into the Strategic Framework and onto the TVCA Pipeline, joining those already included via the strategic planning process. This process could involve reprioritising a new concept over an existing intervention. These proposals can then be developed into full business cases based as and when prioritised.
7.5.7	The Investment Panel will review each concept, assessing its merits against TVCA’s Strategic Framework, priorities and the Medium-Term Financial Plan (MTFP). The Panel will make recommendations to the Cabinet, but the final decision rests with the Cabinet.
7.5.8	<p>The Cabinet will decide:</p> <ul style="list-style-type: none"> <li>▪ Whether the concept is added to the TVCA pipeline.</li> <li>▪ The route for business case development.</li> <li>▪ The category of development it falls under</li> </ul>
7.5.9	<p>This process ensures that <b>the Principle of Approval</b> is upheld with all pipeline content Cabinet-driven, strategically aligned, and transparent. Cabinet determine if an accepted proposal is set out in the Pipeline as a:</p> <ol style="list-style-type: none"> <li>A. High level priority for development and delivery</li> <li>B. Medium level priority for development so it is ready for delivery when funding becomes available</li> <li>C. Low level priority for pipeline inclusion to be developed at future point</li> </ol>
<b>7.6</b>	<b>The Pipeline</b>
7.6.1	The TVCA Pipeline represents the approved Strategic Framework. It translates agreed strategic themes and priorities into specific interventions that can be developed and delivered over time. The pipeline ensures that all activity aligns with TVCA’s vision and objectives, providing a structured approach to investment planning. Within the Pipeline interventions are grouped into three categories as set out above in 7.5.9.
7.6.2	<p>When specific interventions are deemed to be a priority they can be drawn down from the pipeline for business case development, following the process set out in Assurance Framework Phase 2. Where pipeline content represents a strategic theme or desired outcomes rather than a specific intervention, TVCA officers will initiate development through one of the following approaches:</p> <ol style="list-style-type: none"> <li>a) Open Call – Inviting proposals from partners and stakeholders</li> <li>b) Expression of Interest (EOI) – Seeking initial ideas to shape interventions</li> </ol>

	<p>c) Commissioning Approach – Developing targeted projects to meet strategic objectives</p> <p>d) Intervention Development/ Feasibility</p>
	<p>This structured process ensures that TVCA maintains consistency, transparency, and alignment with its strategic priorities while enabling flexibility to respond to emerging opportunities.</p>
<b>a)</b>	<b>Open Calls</b>
7.6.3	<p>An open call is a process TVCA will use to invite partners, stakeholders, and delivery organisations to submit proposals that address a specific strategic priority or theme identified in TVCA’s Strategic Framework.</p>
7.6.4	<p>How TVCA will run an open call:</p> <ul style="list-style-type: none"> <li>▪ TVCA will publish the call on its website and through partner networks, clearly stating the priority area, objectives, eligibility criteria, and deadlines.</li> <li>▪ Interested organisations will submit proposals showing how their intervention aligns with TVCA’s strategic objectives and delivers measurable outcomes.</li> <li>▪ TVCA officers will review submissions against published criteria, including strategic fit, deliverability, and value for money.</li> <li>▪ Shortlisted proposals will then move into business case development under the Assurance Framework Phase 2.</li> </ul>
<b>b)</b>	<b>Expression of Interests</b>
7.6.5	<p>An Expression of Interest process is a structured way for TVCA to identify potential partners or delivery organisations to help achieve a specific strategic priority or objective. It allows TVCA to gauge market interest and capability before committing to full project development.</p>
7.6.6	<p>How TVCA will run an EOI:</p> <ul style="list-style-type: none"> <li>▪ TVCA publishes an EOI notice on its website and through partner networks, setting out the priority area, objectives, and submission requirements.</li> <li>▪ Interested parties submit a short proposal summarising their approach, experience, and alignment with TVCA priorities.</li> <li>▪ TVCA officers review EOIs against published criteria, such as strategic fit, deliverability, and potential impact.</li> <li>▪ Successful EOIs may be invited to develop a full proposal or business case under Assurance Framework Phase 2.</li> </ul>
<b>c)</b>	<b>Commissioning Approach</b>
7.6.7	<p>A commissioning approach is where TVCA takes the lead in designing and procuring a specific intervention to deliver a strategic priority. Rather than inviting open proposals, TVCA defines the requirements and outcomes, then selects delivery partners through a structured process.</p>
<b>d)</b>	<b>Intervention Development/ Feasibility</b>
7.6.8	<p>When TVCA identifies a strategic priority or theme within its approved Strategic Framework, the next step is to develop specific interventions that can deliver the desired outcomes. This process ensures that proposals are well-evidenced, viable, and aligned with TVCA’s objectives before moving into full business case development.</p>
7.6.9	<p>Before committing resources to a full business case, TVCA may decide to undertake a feasibility study to determine the deliverability of potential approaches to delivering a strategic priority. This study tests the viability of the intervention by examining:</p> <ul style="list-style-type: none"> <li>▪ Strategic fit with TVCA priorities and government missions</li> <li>▪ Technical and operational feasibility</li> </ul>

- Indicative costs and funding options
- Potential benefits and risks
- Delivery timescales and dependencies

## 7.7 Assurance Framework Phase 2: Business Case Development

7.7.1 After passing strategic planning and Phase 1 of the Assurance Framework, projects move into the Business Case Development Phase. This is where the full business case is prepared and reviewed before approval.

7.7.2 The Key points within the Phase are as follows:

- Every time a business case is needed, this process must be followed.
- TVCA’s Officers will guide the development route, including the number and type of business cases required.
- The aim is a single case approach, with detail proportionate to the project’s size and complexity.
- This phase includes shaping the project, creating delivery and resource plans, assessing value for money, identifying third-party impacts, and addressing risks and uncertainties.
- Large or complex projects may require two stages: an Outline Business Case followed by a Full Business Case.

7.7.3 The sponsoring business area (or external delivery partner) is responsible for developing the business case using TVCA templates and guidance, ensuring compliance with the Assurance Framework and HM Treasury’s Five Case Model. External partners will receive support from TVCA teams and subject matter experts.

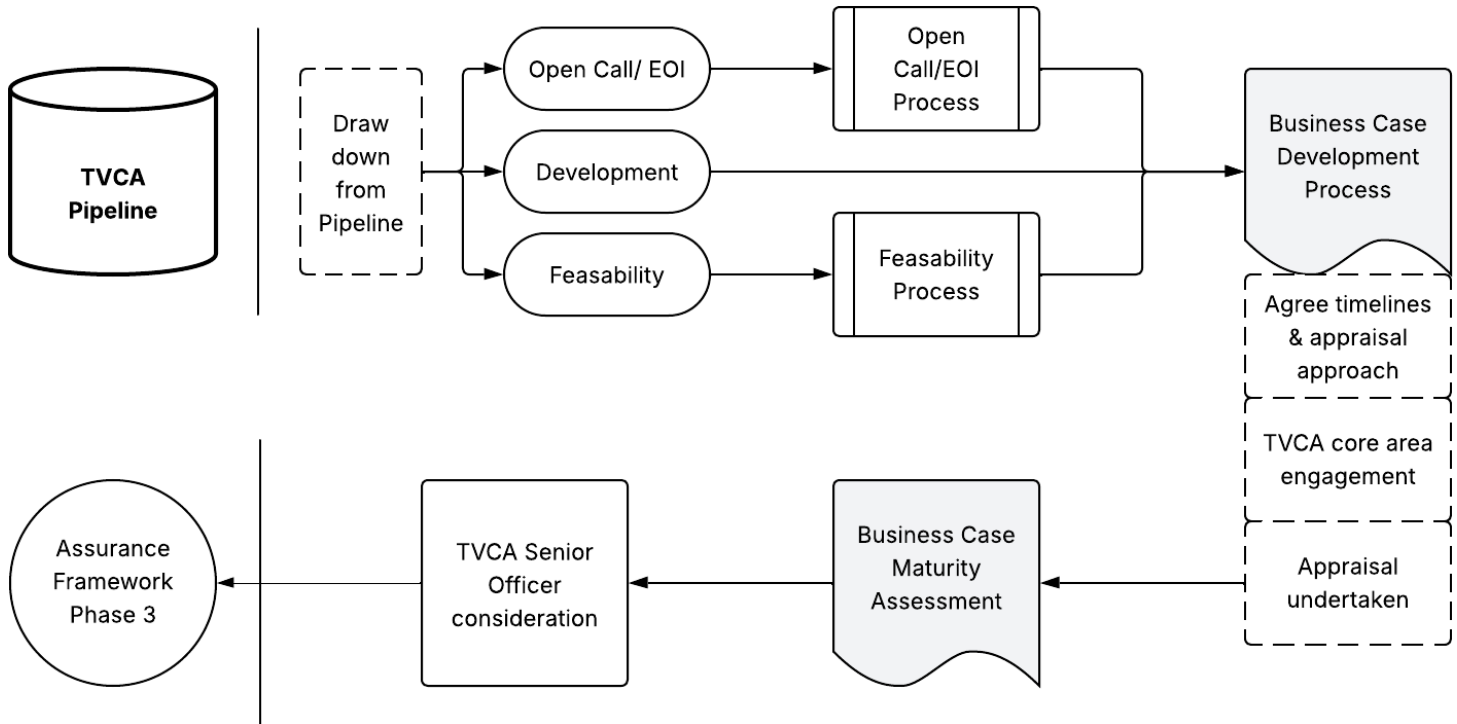
7.7.4 Experts involved include Programme Assurance & Evaluation, Finance, Legal, and Procurement, who review and input before approval. The lead business area must meet deadlines, engage the right experts, and follow required formats.

7.7.5 The goal is to produce a robust, Green Book-compliant case for funding. Each business case will undergo an independent technical appraisal and a maturity assessment to confirm readiness, highlight issues, and suggest improvements before Cabinet consideration. All business cases will be completed using the TVCA business case templates and adhere to the HMT five case model as follows:

Five Case Model	Description
Strategic Case	The strategic case sets out the rationale for the proposal; it makes a compelling case for change at a strategic level. It should set out the background to the proposal and explain how the project provides fit with the TVCA strategic objectives, as well as any relevant local and/or national strategic priorities
Economic Case	The economic case is the essential core of the business case and should be prepared according to HMT’s Green Book guidance. This section of the business case assesses the economic costs and benefits of the proposal to society as a whole, and spans the entire period covered by the proposal.
Commercial Case	The commercial case is concerned with issues of commercial feasibility and sets out to answer the question “can the proposed solution be effectively delivered through a workable commercial deal or deals?”. The first question therefore is what procurement does the proposal require, is it crucial to delivery, and what is the procurement strategy?
Financial Case	The financial case is concerned with issues of affordability, and sources of budget funding. It covers the lifespan of the scheme and all attributable costs. The case needs to demonstrate that funding has been secured and that it falls within appropriate spending and settlement limits.

Management Case	The management case is concerned with the deliverability of the proposal and is sometimes referred to as a programme management or project management case. It confirms that the capacity is available and proportionate to the delivery requirements. The management case must clearly set out management responsibilities and governance and reporting arrangements. If it does not, then the business case is not yet complete. The Senior Responsible Officer should be identified.
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7.7.6 The following illustration sets out the process for Phase 2 of the Assurance Framework



7.7.7 The illustration above sets out a number of key phases within Phase 2:

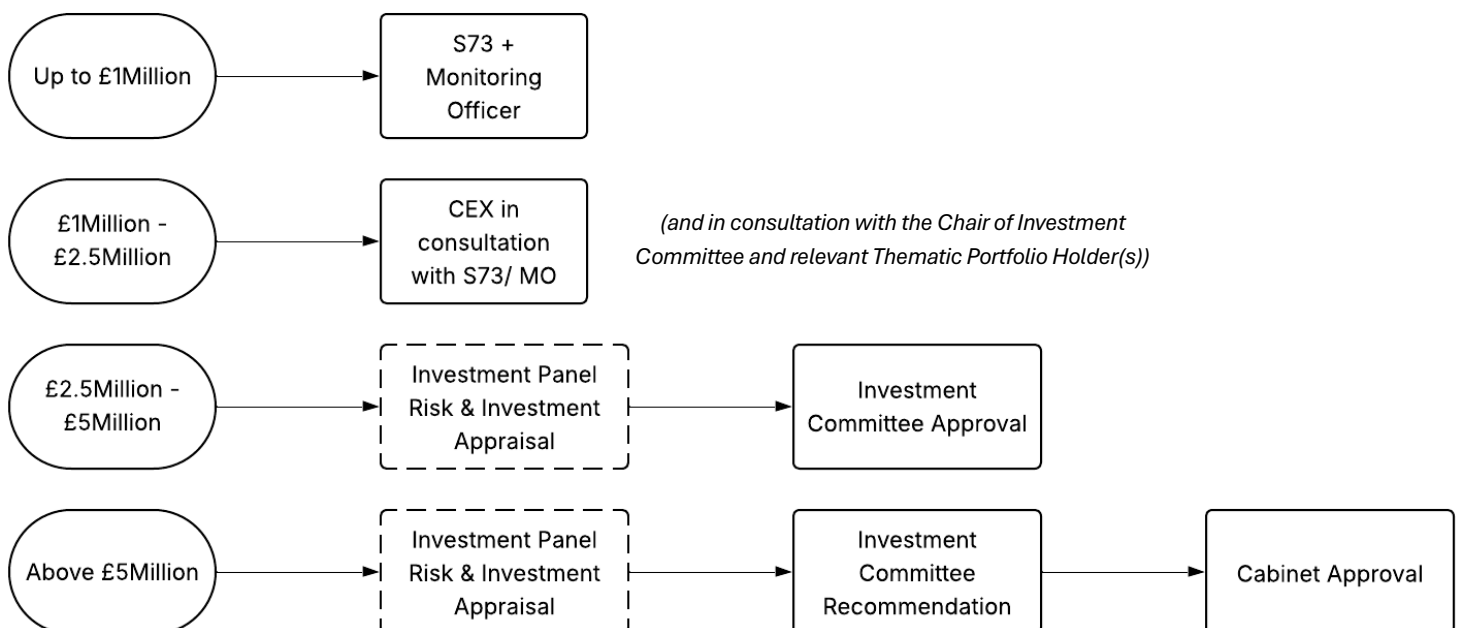
Draw down from TVCA Pipeline	Item is drawn down in line with priorities, it is an Open Call/ EOI/ Feasibility study then the appropriate process is undertaken prior to moving to Business case development. If it is an intervention to head into Business Case development it enters immediately.
Business Case Development	Start to draft the business case in alignment with TVCA guidance and HMTs five case model requirements, using appropriate TVCA template.
Development Planning	Work with relevant TVCA Officers to timetable development and appraisal.
Core Area Engagement	Regular check ins with Finance, Legal and identified other core TVCA business areas in support of drafting the business case. A Value for Money assessment is required for all business cases which will be reviewed by the Section 73 Officer.
Appraisal	Out of business area appraisal of the business case needs to be undertaken in alignment with agreed appraisal approach identified in planning.
Maturity Assessment	Maturity assessment of the business case is undertaken to determine if it is mature enough for the next stage, this process also enables red flags to be raised and addressed.
Senior Officer Consideration	SRO must sign off business case for advancement once they are satisfied with its content, it is then considered by the appropriate

	TVCA Senior Officer who considers whether it should be put forward for approval consideration. The Senior Officer assumes responsibility for the business case through the approvals process and so must be satisfied with its content.
7.7.8	Initially TVCA will apply a proportionate, light-touch approach to project appraisal, unless Government Departments require additional criteria. Specific Transport appraisal requirements are detailed in Annex B
7.7.9	For business cases that require an approval above £2.5million an additional Risk & Investment Appraisal will be undertaken to further inform decision-makers. This appraisal is taken outside of the relevant Business Area, its purpose is to provide a report identifying the risk and opportunities profile to help inform decision-makers. A proportionate approach is applied to the level of Appraisal completed in lieu of the financial ask; a Summary Appraisal is completed for items below £2.5million whereas a more comprehensive Appraisal Report is created for items over £2.5million.
7.7.10	<p>This appraisal looks at the information in a business case to give an objective view of key issues. It includes:</p> <ul style="list-style-type: none"> <li>▪ Checking the business case against HM Treasury’s Five Case Model (Green Book guidance).</li> <li>▪ Reviewing the evidence in the Economic Case to make sure it is accurate.</li> <li>▪ Assessing social value, inclusive growth, and overall impact.</li> <li>▪ Looking at risks and opportunities around delivery, cost, timing, and funding.</li> <li>▪ Reviewing financial, regulatory, investment, and reputational risks, along with proposed mitigations set out in TVCA’s Strategic Risk Framework.</li> </ul> <p>The aim is to provide additional assurance to ensure decisions are based on reliable evidence and that risks are understood and managed</p>
7.7.11	<p>The report will set out the following impartial advice to inform the decision makers:</p> <ul style="list-style-type: none"> <li>▪ an assessment of the level of risks and opportunities in approving that Business Case</li> <li>▪ observations on how the level of risk could be mitigated, including cost, including the post mitigation risk level.</li> </ul>
<b>Due Diligence</b>	
7.7.12	Due diligence means checking key information provided by a scheme promoter and verifying their financial position before TVCA agrees to fund or enter into an agreement. This process supports risk management and complements the appraisal stage. TVCA will carry out due diligence at any point before signing a Grant Funding Agreement (GFA). The scope will depend on the type of funding and the organisation involved. For private sector promoters, this usually includes reviewing ownership structure, financial stability, and any other risks identified at the time. Any conditions agreed during negotiations, such as overage or clawback, will be written into the Grant Funding Agreement.
<b>7.8</b>	<b>Assurance Framework Phase 3: Approvals</b>
7.8.1	<p>This phase focuses on approving business cases that follow the initial principles set by the Combined Authority Cabinet. Approval routes depend on the financial level and constitutional tolerances. Key points within Phase 3 cover:</p> <ul style="list-style-type: none"> <li>▪ Approvals are delegated based on financial thresholds.</li> <li>▪ Higher financial requests require greater assurance and scrutiny.</li> <li>▪ The process ensures proportionate checks, expert input, and guidance throughout.</li> <li>▪ Decisions are evidence-based, supported by independent assurance and technical advice.</li> <li>▪ Approval timelines reflect the size of the financial ask.</li> </ul> <p>The aim is to provide clear accountability, informed decision-making, and increasing levels of assurance as financial commitments grow.</p>

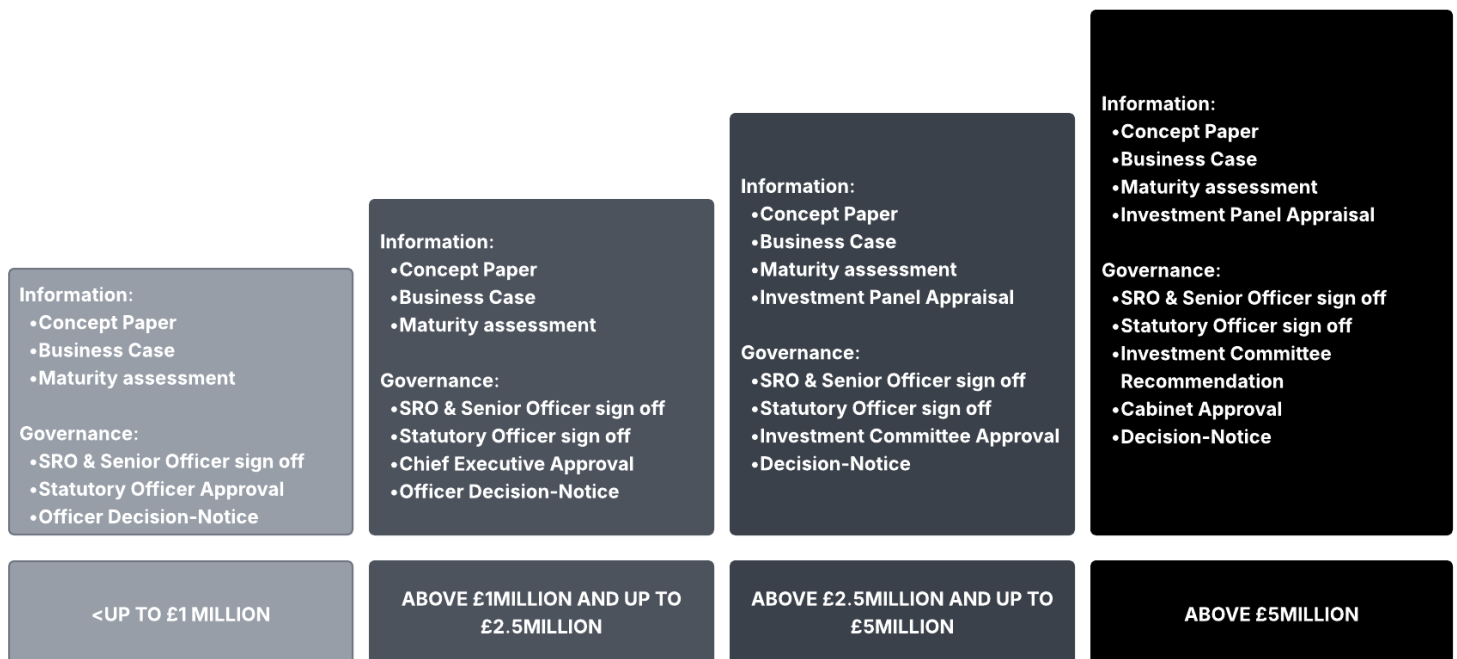
- 7.8.2 TVCA recognises the new Single Assurance Framework will bring a different approach to assurance at TVCA including the introduction of a new Investment Committee, therefore its approach to approval will involve a process of evolution. In its first year of operation approval thresholds and requirements have been designed to support learning of roles and responsibilities, development of key skillsets within the Investment Committee, initial Cabinet oversight and control of decision-making and support deliverability as the organisation builds its staff and systems.
- 7.8.3 Cabinet accepts the requirement of evolution which will be led by the annual review process undertaken by the Monitoring Officer, Cabinet accepts the principle that this evolution will involve expansion of officer delegations and the approval delegation to the Investment Committee once it has upskilled to fulfil this role.
- 7.8.4 The required approval route is dependent on the level of financial approval that is required. In principle, the approach to business case approvals will be as follows:

Approval Value	Approver
Up to £1Million	S73 Officer and Monitoring Officer
Above £1Million and up to £2.5Million	Chief Executive in consultation with S73 Officer and Monitoring Officer <i>(and in consultation with the Chair of Investment Committee and relevant Thematic Portfolio Holder(s))</i>
Above £2.5Million and up to £5Million	Investment Committee approval
Above £5 Million	Investment Committee consideration and recommendation to Cabinet for consideration and approval decision  <i>* Noting that summary appraisals are required for business cases under £2.5million and comprehensive appraisals are required for business cases above £2.5million</i>

- 7.8.5 The following illustration sets out the Approval routes:



<b>7.9</b>	<b>The Investment Panel</b>
7.9.1	These approval routes are supported by the Investment Panel which is a Technical Officer Group (TOG) for the Investment Committee. It provides a technical test and challenge of business case proposals over £2.5million in value and makes recommendations to the Investment Committee and Combined Authority Cabinet. It does this through the undertaking of a Risk & Investment Appraisal.
7.9.10	Investment Panel members will be expected to not only push the key lines of enquiry relevant to producing a quality business case but also ensure that agreed priorities of TVCA have been adequately addressed.
<b>7.10</b>	<b>Scale of Assurance and Tolerances</b>
7.10.1	The approach to the Assurance Framework set out above creates an ever-increasing scale of assurance aligned to the increasing level of financial approval required from the Combined Authority.
7.10.2	There are set tolerances that cut across all approval decision-making that involve an option of escalated progression to support the decision-maker if they have any concerns regarding a business case approval that has a significant reputational and/or political risk. In such circumstances approvals can be escalated to Cabinet for final approval.
7.10.3	An additional tolerance exists to allow escalation of approval with regard to inclusive growth and social value. Therefore, if a business case had a low benefit cost ratio score the decision could be escalated to Cabinet for final approval to ensure wider intended benefits of projects can be supported if another approver was not minded to support.
7.10.4	The following illustration provides a visual description of the ever-increasing scale of assurance at TVCA:



## 8. Post Approval

### 8.1 Release of Funding

8.1.1 The Section 73 Officer must approve all funding decisions before any money is released. Funding claims are reviewed against the agreed project baseline, including financial profiles, outputs, and outcomes set in the original funding agreement. Payments are normally made quarterly in arrears after a satisfactory review.

8.1.2 Each funding agreement includes a claw-back clause to ensure funds are used only for the approved scheme and linked to agreed outputs and outcomes. As part of TVCA's assurance process, monitoring involves sample checks of invoices and outputs to verify compliance.

### 8.2 Management of Contracts

8.2.1 After approval, TVCA will issue a Funding Offer Letter. This letter confirms the project name, applicant, maximum funding contribution, payment schedule, eligible expenditure, and start and completion dates. It also outlines monitoring and evaluation requirements. Before the letter is sent, it is reviewed and signed off by the Legal Team.

8.2.2 TVCA will use a performance management process aligned with the Procurement Act 2023 to ensure contracts deliver as agreed. This includes clear contract ownership, regular performance meetings, and ongoing monitoring of risks and issues. Providers submit regular performance reports against agreed indicators, and improvement plans are implemented where needed. The process ensures value for money, effective change control, and timely resolution of problems.

### 8.3 Funding Agreements

8.3.1 After a decision point or approval of a change request, TVCA will enter into a funding agreement with the external promoter. This agreement will include any funding conditions, which may cover a funding cap, annual expenditure certification by the promoter's Chief Internal Auditor, or monitoring arrangements for private entities.

8.3.2 The agreement may also reference security arrangements in separate legal documents and include claw-back provisions to ensure funds are used only for the approved scheme. Claw-back will also apply to land purchases if the scheme does not proceed, and any cost savings on completion must be returned. Where a scheme could generate a return on investment, overage clauses may be negotiated and included.

8.3.3 TVCA will decide when funding is released may carry out local audits to prevent misuse of funds. All funded organisations must acknowledge TVCA and Government support in communications, branding, and marketing, including logos and specified wording in press releases and case studies. TVCA reserves the right to recover funding in cases of non-compliance, misrepresentation, or under-performance

### 8.4 Performance Reporting and Risk Management

8.4.1 The Performance Management Framework works alongside the Assurance Framework to provide a clear and consistent approach to managing performance. It sets out how we monitor progress, govern activities, and report on results. This framework supports compliance with the English Devolution Accountability Framework (EDAF), which requires Mayoral Combined Authorities to be accountable to local scrutiny, the public, and UK Government. It demonstrates TVCA's commitment to strong governance and transparency

8.4.2 Performance is reported for local scrutiny through committee reports, business plans, and project updates. The public is kept informed through committee meetings, Mayoral Question Time arrangements, social media, dashboards, and regional reviews. The TVCA also reports to Government departments such as MHCLG, DWP, and DfT and is committed to embedding a culture of performance management and continuous improvement across the organisation.

8.4.3	The Combined Authority Risk Management Framework will work alongside the Assurance Framework to make sure risk is managed in a clear, consistent, and joined-up way.
8.4.4	Risk Management Framework will follow the key principles from the HMT Orange Book (2020): good governance, integration, collaboration, clear processes, and continuous improvement. We will adapt these principles to fit how the Combined Authority works, while staying compliant with the Assurance Framework.
8.4.5	The Orange Book says that good risk management helps organisations plan better, set priorities, achieve goals, and respond quickly to challenges. For us, risk management is a vital part of planning and decision-making so we can meet our objectives successfully.
8.4.6	The TVCA Risk Management Framework covers: <ul style="list-style-type: none"> <li>▪ TVCA’s risk culture and corporate risk appetite</li> <li>▪ Key definitions</li> <li>▪ How risks are escalated</li> <li>▪ Roles and responsibilities</li> <li>▪ Risk management at corporate, service/programme, and project levels</li> <li>▪ Processes and tools in our risk procedure document</li> </ul>
8.4.7	The Chief Executive, with statutory officers, is responsible for making sure corporate risk management meets the required standards. This includes capturing and updating risks and completing actions to reduce them. The Leadership Team will review the corporate risk register every quarter. Directors and Heads of Service manage risks for their areas, and project managers handle project-level risks.
8.4.8	The Audit and Governance Committee oversees the Risk Management Framework, its procedures, and the corporate risk register to make sure everything meets the right standards.
<b>8.5</b>	<b>Change Requests and Funding Clawback</b>
8.5.1	Change Control is the process for handling any requests to change the approved baseline of a project or programme. All changes must be captured, assessed, and then approved, rejected, or deferred. A change request form is needed if the agreed tolerances in the Business Case, such as time, cost, or scope, are or will be exceeded.
8.5.2	All early warnings and change requests must be documented, with evidence of approvals and notifications saved where relevant. Approval should follow the agreed delegation levels and be proportionate. For example, a minor time extension that doesn’t require extra funds doesn’t need Cabinet approval, even if the original business case was approved by the Cabinet. This avoids unnecessary delays.
8.5.3	If extra funding is required, the request must go to the Cabinet or Investment Committee, in line with delegation rules. Early warnings should be reported to the Investment Panel as soon as possible, who will escalate if needed. Any changes beyond the tolerances in the Business Case or the Change Management procedure must be approved by the Investment Committee.
8.5.4	Funding clawback and recovery processes for underperforming projects must be clearly set out in the funding agreement or contract.
<b>8.6</b>	<b>Monitoring and Evaluation</b>
8.6.1	The Combined Authority will develop a Monitoring and Evaluation (M&E) Framework in line with HMT’s Green and Magenta Books. It will ensure: <ul style="list-style-type: none"> <li>▪ Consistent, locally defined reporting to the Leadership Team</li> <li>▪ Proportionate and meaningful evaluation</li> <li>▪ Data collected once and reused across key documents</li> <li>▪ Consistent baselines for initiatives</li> <li>▪ Monitoring and evaluation embedded in all activities</li> <li>▪ Lessons learned inform future policy and projects</li> </ul>

8.6.2	All funded schemes must include a Monitoring & Evaluation (M&E) Plan at the business case stage. Plans will set out how objectives, outcomes, and impacts will be measured and meet both local and government requirements (such as DfT Local Authority Major Schemes Guidance and TAG Unit E-1 evaluation). They will follow relevant guidance (e.g., transport schemes over £5m use DfT standards) and be signed off through governance processes.
8.6.3	M&E ensures accountability to the public and government, demonstrates impact, supports reinvestment decisions, and builds an evidence base for future funding. Outputs and outcomes will be published for transparency.
8.6.4	Lessons learned will be reported to the Cabinet and published where appropriate. The M&E Framework complements the Assurance Framework, providing a consistent and streamlined approach
<b>8.7</b>	<b>Closure</b>
8.7.1	The delivery of projects will be managed by Key Performance Indicators (KPIs) and contract clause obligations enforceable within the terms of the contract or grant agreement, which is why it's essential to only operate via written agreements for the delivery of projects.
8.7.2	Investment Programme Projects are to be evaluated in two stages. The first stage comprises the production of a Project Closure and Lessons Learnt Report in accordance with HM Treasury's Green and Magenta Books. It reviews the milestones and success factors of the project vis-à-vis its proposed Delivery Plan: <ul style="list-style-type: none"> <li>▪ to confirm outstanding issues, risks and mitigations, recommendations, and proposed course of action to resolve them</li> <li>▪ outline outstanding tasks and activities required to close the project, and</li> <li>▪ identify project highlights and best practice for future interventions.</li> </ul>
8.7.3	As part of the funding agreement, TVCA is required to undertake 5-year Gateway Reviews to assess the impact delivered by our investments led by an independent National Evaluation Panel. The purpose of the National Evaluation Panel is to evaluate the impact of locally appraised interventions on economic growth in each locality to inform the Gateway Review and Ministerial decision-making on future funding

# 9. Partnership and Communication

## 9.1 Partnership and Engagement

9.1.1 Insofar as is practicable and proportionate, TVCA is committed to involving stakeholders in everything the Combined Authority does. Regular updates will be shared with the Cabinet, committees, and through informal governance arrangements with our constituent and non-constituent members, partners, and stakeholders. This reflects our commitment as a Combined Authority to make partnership working central to how we operate.

9.1.2 Our Communications and Engagement approach will develop clear guidance for funding streams. The main objectives are to:

- Keep the public and stakeholders informed about progress and key milestones.
- Encourage participation in engagement and consultation activities.
- Build support for devolution across the Tees Valley region by sharing our vision, ambitions, and benefits for local communities.
- Ensure fair and accurate representation of Tees Valley Combined Authority and the Mayor of Tees Valley Combined Authority in all media coverage.

9.1.3 All communications will follow the Local Government Act 1986 code of practice. This means publicity is factual, objective, and free from political bias. Comments must be balanced, informative, and accurate.

## 9.2 Accountability

9.2.1 TVCA is committed to strong accountability and openness, ensuring local leaders are answerable for their decisions and performance. The Mayor and Portfolio Holders will be held to account through robust governance arrangements.

The Overview & Scrutiny Committee plays a key role in this process. It holds the Mayor and the Cabinet to account for decision-making and delivery of priorities. At least twice a year, the Committee will run Mayoral Question Time sessions to review the Mayor's priorities and their role as Chair of the Cabinet. Portfolio Holders are also invited to attend Committee meetings to answer questions about their areas of responsibility.

9.2.2 In line with the government's Scrutiny Protocol, the Mayor must make themselves available to take questions from the public in addition to the Mayoral Question Time that is operated through the Overview & Scrutiny function. TVCA will meet this requirement through independently moderated question time events, organised by the Communications Team.

## 9.3 Communication

9.3.1 The primary communications tools available to TVCA are as follows:

- Website: All information about TVCA, including background information, timelines, news and events, will be published on the website.
- Social media: All news, updates and events will be shared via social media.
- A suite of funding publicity guidance for beneficiaries/ delivery partners will also be available on the website.
- E-newsletter.

9.3.2 TVCA will actively engage with the media to amplify messages to the broadest possible audiences.

9.3.4 All communications relating to the Combined Authority will be accessible and transparent. Stakeholders and the public will be kept updated with progress, delivery and decision making. The approach taken will also seek to

	support effective and meaningful engagement activity to encourage participation in the relevant activities and enable local partners and the public the opportunity to inform key decisions and future strategy development.

# 10. Annex Section

This annex forms part of this iteration of the TVCA Assurance Framework.

The Assurance Framework ensures TVCA meets all statutory requirements for assurance while also being operationally ready. The processes set out are proportionate and tailored to the needs of Tees Valley Combined Authority that will progressively build its resources, systems, and relationships.

## 10.1 Evolution of the Assurance Framework

10.1.1 TVCA recognises that its governance and assurance arrangements will need to develop as the organisation matures. While substantive changes to this framework will require engagement with government departments, TVCA intends to review and refine its approach over time to ensure that its approach remains agile and effective.

10.1.2 Cabinet has agreed through the adoption of this Assurance Framework to a commitment to evolution of approval delegations and thresholds and appropriate scales of assurance. The first review of the Assurance Framework should be completed by March 2027 and will include recommendations relating to officer delegations and the Investment Committee approval delegation, as well as an assessment of the overall application and effectiveness of the Assurance Framework.

10.1.3 The first formal review will take place within 12 months of adoption of this Assurance Framework. That review will introduce additional annexes, including:

- A Delivery Plan for the Scrutiny Protocol, ensuring robust oversight and transparency.
- An annex to support the development of a Strategic Place Partnership, aligned with emerging best practice and regional priorities.

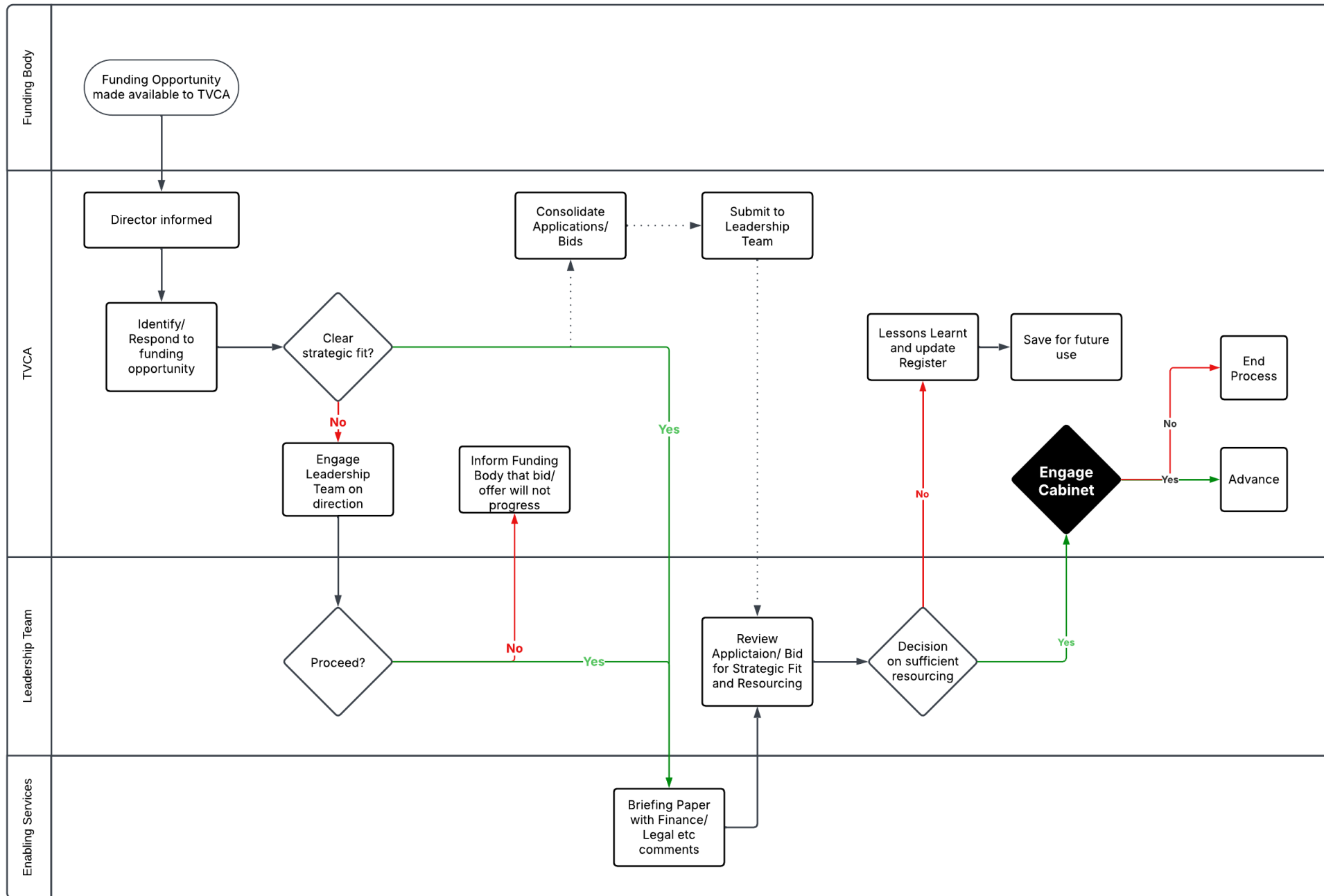
10.1.3 This approach reflects TVCA's commitment to proportionate governance, continuous improvement, and readiness to deliver effectively from inception

## 10.2 Annex Section Content

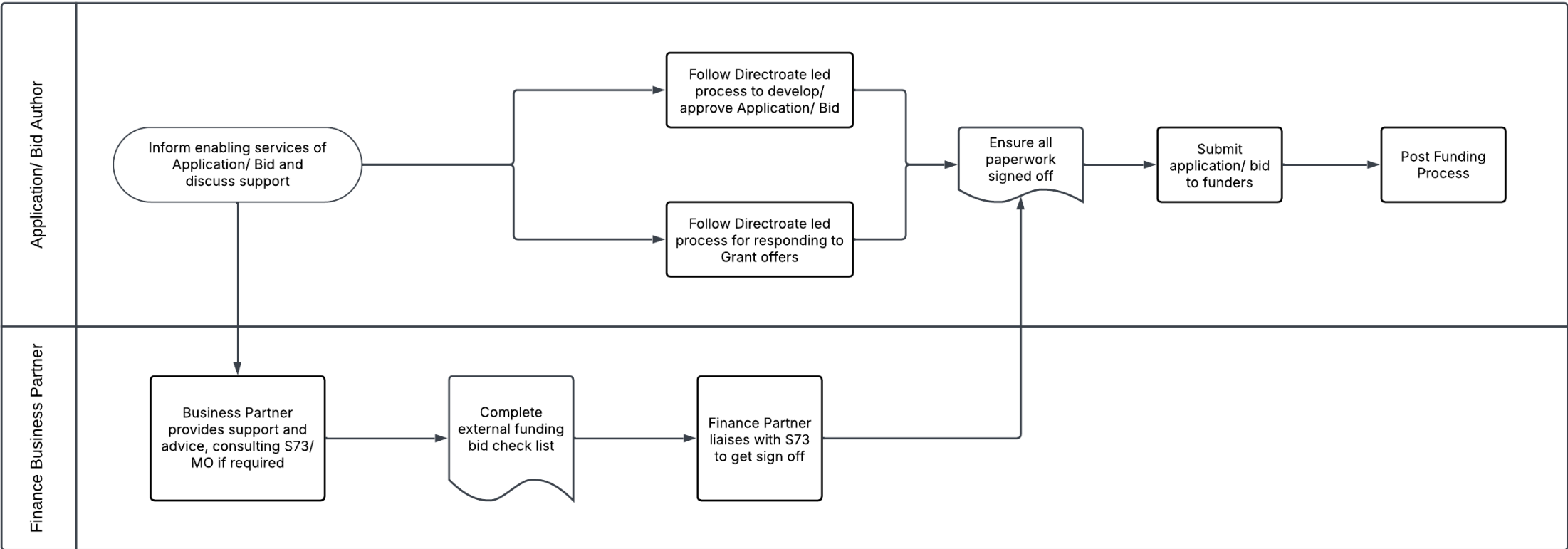
10.2.1 Contained within this Annex section is the following:

- Annex A: Bid process (the process for external funding applications)
- Annex B: Transport Annex
- Annex C: Adult Skills Annex
- Annex D: Glossary

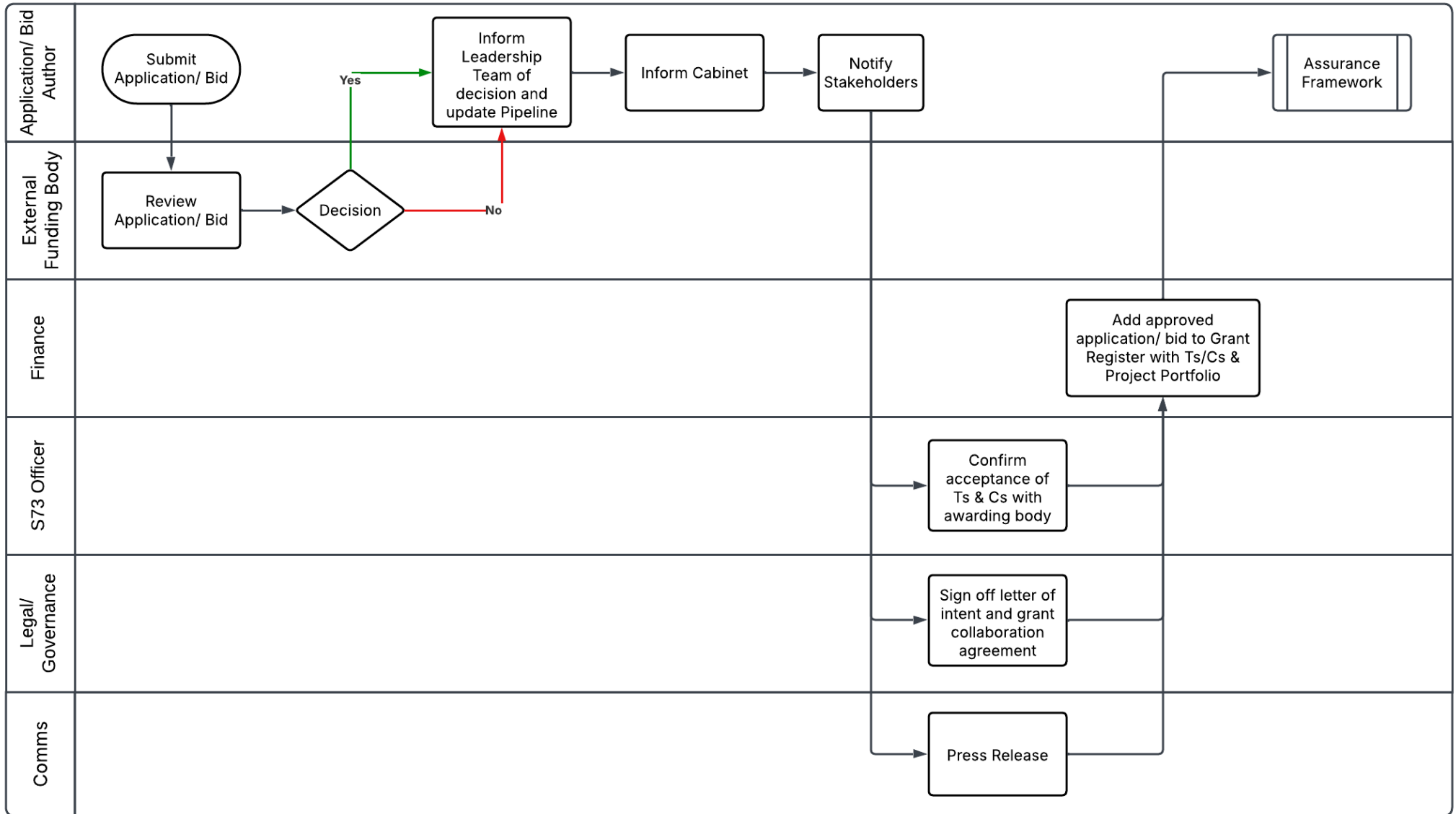
# Annex A: Bid Process (External Funding Application Process) (Part A)



# Annex A: Bid Process (External Funding Application Process) (Part B)



# Annex A: Bid Process (External Funding Application Process) (Part C)



# Annex B: Transport Annex

## (Transport Programmes & Projects)

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1. For the purposes of the Assurance Framework a transport scheme is defined as any scheme that significantly changes the transport network infrastructure or its operation, whatever the objective of the scheme. All transport schemes will be delivered in line with the requirements of the English Devolution Accountability Framework and any additional fund specific requirements set out by Government as necessary.
2. The Assurance Framework ensures a flexible and proportionate approach, enabling transport business cases to retain the benefits of local assurance in terms of speed of decision making.
3. For transport infrastructure schemes, the Combined Authority will ensure that modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that modelling, and appraisal meets the guidance set out in TAG.
4. To ensure that the scope of the business case meets the requirements of relevant funding streams, those involving Transport will ensure that project business cases will be developed in accordance with DfT requirements and that those projects are managed in delivery to the same standards.
5. Funding for the majority Transport Investment Programme will come from the Mayoral Transport Fund (MTF) allocation, initially announced by Government in December 2025, but subject to periodic updates. The MTF draws together several previously discrete funding pots into one consolidated settlement. TVCA will adhere to the Memorandum of Understanding agreed with the Department for Transport as to the rules governing the use of this funding and all reporting requirements.
6. Where such funding is 'passported' to the Constituent Authorities to determine usage based on local criteria (such as for highways maintenance or local safety schemes), the monitoring of spend and delivery will be in accordance with MTF grant settlement conditions and recipients will also be asked to provide periodic reporting to the Transport Team within TVCA
5. The Transport Investment Programme forms a pipeline of transport investment proposals that builds on the Local Transport Plan. On adoption of the region's Local Transport Plan the Investment Programme will provide the delivery of the Plan's objectives. In order to be considered for investment through devolved funds, and for transport funding opportunities provided for by non-devolved funds, projects must be included with the Transport Investment Programme.
6. The Transport Investment Programme forms part of the project initiation process for transport schemes. The additional criteria upon which transport proposals will be assessed are:
  - A qualitative assessment of how the project achieves regional and/or programme objectives
  - Value for money, measured either through an economic appraisal that provides a benefit cost ratio (BCR), or a qualitative statement of value for money when an economic appraisal has yet to be conducted
  - Deliverability to timescales/funding window
  - Risk profile
7. The prioritisation of transport projects and schemes adopts a model similar to the Department for Transport Early Assessment Sifting Tool (EAST), with clear priorities, driven by the Tees Value economic, growth, decarbonisation and health objectives.

8. The process also involves a rigorous review and challenge at business case development of any planning powers and/or consents that may be required for the project to progress, construction issues involved, the certainty of third-party funding and consultation evidence on the public acceptability of the proposal.
9. A mechanism will be used, whereby options are appraised. This will facilitate onwards ranking and prioritisation of options with unfeasible options removed.
10. The prioritisation process identifies preferred local transport investments for funding opportunities and is central to local decision making. The process is designed to be robust, evidence based, and transparent in line with best practice.
11. This process ensures all transport investment will deliver the strategic objectives of TVCA. Statutory requirements, conditions of funding and other local transport objectives also form a key component of investment decisions, with the particular objectives and priorities of each funding stream made available by Government taken into account.

### **Appraisal**

12. The appraisal process for the Assurance Framework is consistent with HM Treasury’s Green Book and Business Case Appraisal process. For transport schemes this includes supplementary and departmental guidance, such as the Department for Transport’s (DfT) TAG appraisal guidance.
13. TVCA will ensure Value for Money (VfM) and transparency of transport schemes through its business case assessments, that assessment requirement will be proportionate to the scale of investment.
14. The transport team within TVCA will be responsible for ensuring that modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that it meets the guidance set out in TAG. In addition to TAG, other robust or evidence-based assessments or methodologies may be employed to assess the overall business case of a scheme.
15. The transport team have a responsibility to ensure that modelling and appraisal is robust and fit for purpose, but not to undertake that appraisal which will be done by specialist external appraisers. This will ensure a clear separation of roles between business case author and those undertaking analysis, even if both were to be undertaken by external specialists they would be undertaken by separate specialists.
16. In addition, analytical assurance would be provided through the out of business area business case maturity assessment as well as the Finance Department Risk and Investment appraisal which would take place in addition (to inform the decision-maker of the key risks, opportunities, and approval recommendation to inform their decision)
17. The assessment requirement will be proportionate to the scale of the investment as set out in the table below, noting that the Concept Paper required for all pipeline content is intended to provide significant strategic justification as to not require an SOC within the available routes. It should be noted that TVCA intends to develop Programme Business Cases to cover the main packages of transport activity:

<b>Scale of Scheme</b>	<b>Business Case Assessment (in alignment with DfT guidance)</b>
< £500,000	Business Justification Case
£500k - £2.5m	Single Case (FBC)
£2.5m - £5m	Outline Business Case (OBC) and then Full Business Case (FBC)
> £5m	Outline Business Case (OBC) and then Full Business Case (FBC) + Full Risk & Investment Appraisal

18. Decisions will be taken appropriate to the phase of a scheme and greater scrutiny and emphasis on VfM will be undertaken as schemes progress through the process, with greater scrutiny of final stage VfM.
19. TAG will be used for all schemes but for schemes with low value (below £5m) a proportionate approach will be taken.
20. There is a general expectation that all schemes must endeavour to achieve “high” VfM, where benefits are at least double costs as set out within DfT’s guidance, at all stages of the approval process, however exceptions may be considered where there is strategic justification. The intention is to state that there may be occasions where a scheme with lower VfM but higher social value can be supported when broader societal benefits outweigh economic metrics. The intent is to ensure that decision-makers should consider spending objective impacts alongside VfM when assessing a scheme’s business case, for example, a transport project that improves access for disadvantaged communities may have a low benefit-cost ratio (BCR) but deliver significant equity and inclusion benefits.
21. VfM for transport schemes will be independently scrutinised on behalf of TVCA as part of the appraisal process. This will be undertaken either by expertise in house with responsibility sitting outside of the business area developing or promoting the business case or via a commission to a specialist transport consultant, fully independent from the scheme promoter and with no involvement in the development of the scheme being appraised.
22. The modelling and appraisal of schemes contained in business cases will be developed in accordance with the guidance published in TAG at the time the business case is submitted for approval. Central case assessments will be based on forecasts which are consistent with the definitive version of NTEM (DfT’s planning dataset).
23. Alternative planning assumptions may be considered as sensitivity tests, the results from this may be considered as part of the decision-making process to approve a scheme. Appraisal and modelling will be scrutinised to ensure it has been developed in accordance with TAG principles. This will be undertaken through the independent appraisal process and overseen by TVCA’s transport function.

### **Cycling and Walking Schemes**

24. All cycling and walking schemes must meet the latest standards set out in Local Transport Note 1/20 Cycle Infrastructure Design (LTN 1/20). To ensure consistency in the quality and safety of schemes, Active Travel England (ATE) will provide support to ensure cycling and walking schemes are designed and delivered to high standards, including compliance with LTN 1/20. TVCA will work with ATE and all its constituent authorities to ensure the design quality of all active travel schemes funded is in line with relevant design guidance, with design reviews undertaken prior to any scheme approval.

### **Delivery**

25. TVCA’s transport function, as the accountable business area will carry out the programme management of agreed transport schemes, to ensure their delivery by scheme promoters. The identification of schemes, development of scheme proposals and completion of business cases is the responsibility of scheme promoters, supported by the Transport team and subject matter experts within TVCA.
26. This arrangement where TVCA is not the promoter will be underpinned by the establishment of formal grant funding agreements, signed off by the Monitoring Officer, that protect the financial interests of TVCA and enables TVCA to fulfil its responsibility to deliver VfM whilst setting out respective responsibilities including reporting and audit requirements.
27. Business cases will be published on the TVCA website in line with DfT guidance and published where it is appropriate to do so as part of submission for the decision to approve funding.

# Annex C: Adult Skills Annex

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1. The Adult Skills Fund is fully devolved to the Tees Valley Combined Authority which has met the readiness conditions set by the Department for Work & Pensions (DWP).
2. The Governance structures, system, process, and policies that will be developed and implemented by the Combined Authority as the accountable and decision-making body, will provide the DWP with confidence that it has in place all relevant infrastructure to effectively manage the process and risks associated with the allocation of devolved Adult Skills Fund funding, including accountability to:
  - the public, via the Overview and Scrutiny Committee and Audit and Governance Committee, including scrutiny of the accounts and local audit reports.
  - the UK government. The Combined Authority will also discharge, on an annual basis its responsibilities to devolved AEB funding as set out in the English Devolution Framework and produce an Annual Assurance Report alongside other yet to be agreed document such as an Adult Skills Fund (ASF) Assurance Framework document, including project appraisal and value for money processes.
3. The following Annex is set out to demonstrate how readiness for devolution of the Adult Skills Budget to the Tees Valley Combined Authority is being maintained.

## **Adult Skills**

4. All investment decisions made in relation to this funding will be undertaken having considered:
  - Statutory duties relating to adult education and training which have been transferred to the Combined Authority under the English Devolution & Community Empowerment Bill once it becomes an Act, and any relevant Statutory Instruments.
  - Statutory entitlements to education and training of adults living in devolved areas, and policy entitlements where relevant.
  - Statutory and non-statutory guidance.
5. The Strategic Skills Plan will set out the strategic vision and priorities for all skills funding and programmes. There will be an implementation plan that provides clear direction of how devolved funds should be commissioned. The Strategic Skills Plan will support the Local Growth Plan, Corporate and Investment Plans as well as key priorities in the region's Local Skills and Improvement Plans (LSIPs).

## **Annual Assurance Report**

6. The Combined Authority will produce an Annual Assurance Report on the delivery of its Adult Skills Fund functions in line with wider monitoring and evaluation requirements and the English Devolution Accountability Framework. This will be reported to DWP by 31 January each year and published in line with EDAF requirements on the TVCA website.
7. The Combined Authority will also submit an Annual Assurance Statement to the DWP in July each year following consideration by the Cabinet or the relevant Portfolio Committee.

## **Funding Requirements**

8. The Combined Authority will publish its Funding & Performance Management Rules specific for each academic year. This document will set out the conditions of ASF funding and apply to all providers who receive ASF funding from the Combined Authority.

### **Stakeholder Engagement**

9. TVCA will regularly consult with its key stakeholders, including learning organisations and learners, in order to best inform policy direction and decision making.

### **Local Skills Implementation Plan (LSIP)**

10. Alongside the Strategic Skills Plan, LSIPs will also set out the current and future skills needs of the region and how local provision can help people develop the skills they need to get good jobs and increase their prospects. TVCA will work with the designated Employer Representative Bodies (ERB's) in the TVCA area, utilising and sharing local labour market intelligence and analysis to inform the commissioning approach for ASF. TVCA will also ensure that the ASF responds to the employer feedback contained within the LSIPs for our region.

### **Monitoring and Evaluation**

11. The Adult Skills Fund Budget reporting will operate in line with the English Devolution Accountability Framework, it will be included within TVCA monitoring and evaluation submissions as required under the devolution agreement. The Combined Authority will submit required policies for adult education, these are required as part of the readiness conditions and will be published as part of the commissioning process. Evaluation on residents' outcomes and impact will be undertaken in the 2nd year of ASF devolution, and regular ongoing evaluations will be undertaken to develop and measure the positive impact and best practice for future development of the ASF.
12. The Combined Authority's Monitoring and Evaluation Framework will be used for the Adult Skills Fund Budget activity including the use of logic models. It will meet the national requirements together with locally determined requirements so that it can be used to inform and shape the criteria for future funding awards. This formal evaluation is undertaken on an annual basis. Government has the authority to escalate intervention via EDAF such as through a diagnostic review and best value notice.

### **Assurance**

13. The Combined Authority is responsible for assuring the use of funds by all learning organisations delivering the Adult Skills Fund Budget. Wider assurance includes internal controls such as performance management and monitoring, risk management and quality assurance reviews.

## 14. Annex D: Glossary

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AF	ASSURANCE FRAMEWORK
TVCA	TEES VALLEY COMBINED AUTHORITY
CA	COMBINED AUTHORITY
ASF	ADULT SKILLS FUND
CRSTS	CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT
HMG	HIS MAJESTY'S GOVERNMENT
HMT	HIS MAJESTY'S TREASURY
MHCLG	MINISTRY HOUSING, COMMUNITIES & LOCAL GOVERNMENT
DfE	DEPARTMENT FOR EDUCATION
DWP	DEPARTMENT FOR WORK AND PENSIONS
DfT	DEPARTMENT FOR TRANSPORT
BAU	BUSINESS AS USUAL
EDAF	ENGLISH DEVOLUTION ACCOUNTABILITY FRAMEWORK
PMO	PROJECT MANAGEMENT OFFICE
GFA	GRANT FUNDING AGREEMENT
TOG	TECHNICAL OFFICER GROUP



## **FREQUENTLY ASKED QUESTIONS:**

# **SINGLE ASSURANCE FRAMEWORK**

This FAQ explains the purpose, structure, and processes set out in the TVCA Single Assurance Framework (SAF). It is suitable for staff, partners, local authorities, delivery bodies, and stakeholders who need a clear overview of how decisions, investments, and governance operate within TVCA.

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### **1. What is the Single Assurance Framework (SAF)?**

The Single Assurance Framework sets out how TVCA manages public money, appraises and approves projects, and ensures value for money across all devolved funding streams. It outlines the full lifecycle from concept to closure.

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### **2. Why does TVCA need an Assurance Framework?**

The SAF demonstrates to Government, the public, and local partners that TVCA has robust, transparent, and proportionate systems for decision-making, financial stewardship, risk management, and project assurance.

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### **3. Which funding and activities does the SAF apply to?**

The SAF applies to all projects and programmes that create a financial liability for TVCA, except internal corporate projects (although principles may still be applied).

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### **4. How does TVCA ensure Value for Money (VfM)?**

All business cases must include a VfM assessment aligned to HM Treasury’s Green Book and the Five Case Model. BCR thresholds are used, and both monetised and non-monetised benefits are considered.

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### 5. What are the Assurance Framework phases?

The SAF consists of three core phases:

#### Phase 1 – Concept Initiation

Concept development, early strategic alignment, and completion of a Concept Document.

#### Phase 2 – Business Case Development

Preparation of business cases using the Five Case Model, proportionate appraisal, and engagement with core business areas.

#### Phase 3 – Approvals

Delegated approvals based on financial thresholds, supported by the Investment Committee and Investment Panel.

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### 6. What are the approval thresholds for business cases?

Approval Value	Approver
Up to £1Million	S73 Officer and Monitoring Officer
Above £1Million and up to £2.5Million	Chief Executive in consultation with S73 Officer and Monitoring Officer
Above £2.5Million and up to £5Million	Investment Committee approval
Above £5 Million	Investment Committee consideration and recommendation to Cabinet for consideration and approval decision  <i>* Noting that summary appraisals are required for business cases under £2.5million and comprehensive appraisals are required for business cases above £2.5million</i>

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## 7. What is the role of the TVCA Cabinet?

The Cabinet sets strategic direction, approves strategies and budgets, and makes key funding decisions. It also approves any changes to the constitution or SAF.

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## 8. What is the role of the Mayor?

The Mayor chairs the Combined Authority, provides regional leadership, proposes the mayoral budget, and exercises certain devolved powers.

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## 9. What is the Investment Committee and Investment Panel?

- The **Investment Committee** advises on and approves (within delegation) investment decisions over £2.5m.
  - The **Investment Panel** is a Technical Officer Group providing technical test and challenge and risk appraisal.
- 

## 10. How does the pipeline process work?

The TVCA Pipeline contains all approved interventions from the Strategic Framework. Items are categorised as high, medium, or low priority for development and delivery.

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## 11. How are in-year proposals handled?

Proposals not already in the Strategic Framework can be submitted by councils, partners, stakeholders, or the Mayor. These must complete a Concept Document and enter Phase 1 of the Single Assurance Framework.

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## 12. How are transport schemes assured?

Transport schemes must follow DfT's TAG guidance, include BCR calculations where applicable, and undergo independent appraisal. Requirements vary by project value.

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### **13. What governance and scrutiny arrangements apply?**

Key mechanisms include:

- Overview & Scrutiny Committee
- Audit & Governance Committee
- Business Board
- Statutory officers (Chief Executive, S73 Officer, Monitoring Officer)

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### **14. How is transparency ensured?**

TVCA will publish:

- meeting agendas/papers
- Forward Plan of decisions
- business case summaries
- registers of interests and gifts
- remuneration and allowances

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### **15. What performance, monitoring and evaluation arrangements exist?**

Projects are monitored against KPIs, reporting obligations, risk management and evaluation frameworks aligned with the Magenta Book and Government requirements.

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### **16. What is the role of the Adult Skills Annex?**

It sets out governance, commissioning, assurance, and reporting requirements for devolved Adult Skills Fund delivery.

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### **17. Will the SAF be updated?**

Yes. The SAF is reviewed annually by the Monitoring Officer, and evolutionary changes will be made as governance arrangements and staffing mature.

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### **18. Where can I find more information?**

The SAF is supported by multiple documents including:

- TVCA Constitution
- Financial Regulations
- Monitoring & Evaluation Framework
- Government guidance (Green Book, Magenta Book, Orange Book, Business Case Guidance)

Speak to the Monitoring Officer, Section 73 Officer or the Assurance Team for more information.

## Cabinet

Tees Valley Combined Authority

Date	24 April 2026		
Agenda item	8		
Report Title	Local Growth Plan Update and Local Growth Fund Priority Allocation		
Accountable Cabinet Member	<b>Mayor Ben Houchen</b> Portfolio Holder		
Accountable Chief Officer	<b>Sarah Walker</b> TVCA Director of Business Solutions		
Accountable Employee	<b>Elaine Fryett</b> TVCA Interim Head of Investment Development		
Report considered by	Pre-Cabinet process		
Key Decision	Yes <b>X</b>	No	This is a Key Decision on the basis that: <ul style="list-style-type: none"> <li>a. It is “likely to result in the Combined Authority or the Mayor incurring significant expenditure of more than £500,000, or making significant savings, having regard to the Combined Authority’s budget for the service or function to which the decision relates” (paragraph 18.3(a) of the TVCA Constitution).</li> <li>b. It is significant in terms of its effects on persons living or working in an area comprising two or more local authority areas in the Combined Authority’s area.</li> </ul>
Public Report	Yes <b>X</b>	No	The Combined Authority is committed to transparency and accountability. Accordingly, reports and associated documentation will ordinarily be published and made publicly accessible.
Voting arrangements	Cabinet will work to progress decisions via consensus, if a vote is required then it is by simple majority.		

### Recommendation(s)

The Combined Authority Cabinet is recommended to:

- |   |   |
|---|---|
| A | <b>Note</b> the plan and timeline for the Tees Valley Local Growth Plan.      |
| B | <b>Note</b> progress in the development of a Tees Valley Investment Pipeline. |

C	<b>Approve</b> the prioritisation of the £34m Local Growth Fund to support Business Growth.
D	<b>Approve</b> delegation to complete and submit the Local Growth Fund Investment Plan and Outcomes Framework to MHCLG to the TVCA Director of Business Solutions in consultation with the TVCA Statutory Officers, the Tees Valley Mayor and Portfolio Holder.
E	<b>Note</b> that all activity and financial commitments will be subject to proportionate Business Cases in line with the Combined Authority's Assurance Framework and these will be reported to Cabinet for approval in June 2026.

## Purpose

1. The purpose of this report is to:
  - a. Provide an update on the Local Growth Plan and ask Cabinet to note progress, next steps and timescales. The full Plan will be brought back to a future meeting for adoption.
  - b. Provide an update on the Tees Valley Investment Pipeline and ask Cabinet to note progress, next steps and timescales. The Pipeline will be brought back to a future meeting for adoption.
  - c. Provide an update on the development of a proposal for the Local Growth Fund and to seek approval to allocate funds to support Business Growth.

## Executive Summary

2. In September 2025 Cabinet was provided with an update on the Tees Valley Local Growth Plan, specifically on recent policy updates, wider partner and stakeholder engagement and the development of the Tees Valley Investment Pipeline, noting that the Local Growth Plan would be reported back to Cabinet for approval at a future meeting.
3. This report provides a further update on progress on the Tees Valley Local Growth Plan and Tees Valley Investment Pipeline and the expected timeline for finalising and adopting these key strategic documents.
4. The Autumn Budget 2025 confirmed Local Growth Fund allocations for each Mayoral Strategic Authority in receipt of the fund. This was accepted into the Investment Plan and TVCA budget in January 2026 with a note for a future report to Cabinet seeking approval to commit the Local Growth Fund.
5. This report provides further details of the Local Growth Fund including preliminary work that has been undertaken to consider the allocation of the fund to key priority areas.
6. A gap analysis was carried out that considered the requirements of the fund, activity that is already happening and planned against these areas and the current Tees Valley funding landscape.

7. These gaps were then quantified to identify options for the allocation of the Local Growth Fund.
8. Cabinet approval is being sought for the Local Growth Fund to be prioritised to the following priority area, as defined by MHCLG:
  - a. **Business support:** strengthening regional clusters and increasing innovation and investment to drive firm-level competitiveness and sectoral growth. Priority area from gap analysis:
    - i. Business support funding to meet the Local Growth Plan targets around business density, growth and employment.

## Detail

### *Local Growth Plan*

9. An update on the Tees Valley Local Growth Plan and Investment Pipeline was reported to Cabinet in September 2025. Cabinet noted the update and the proposed approach to timescales for the development of the Local Growth Plan.
10. Between September and December 2025, TVCA ran a comprehensive engagement programme involving stakeholders from across the region. These events were shaped around the five Local Growth Plan priorities and included events in each of the five local authority areas, specific business led sessions and engagement with voluntary, community and social enterprise organisations.
11. The outcomes of these sessions have been consolidated and are being shaped into a revised Local Growth Plan document. This will be presented at a future Cabinet meeting.

### *Investment Pipeline*

12. The intention of the Tees Valley Investment Pipeline is to attract public and private investment across our region. The vision for the Investment Pipeline is to:

*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.*

13. The Tees Valley Investment Pipeline identifies some of the major opportunities for growth in the region aligned with Local Growth Plan priorities that can be unlocked through private sector investment and, in some cases, support from central government (including from public financial institutions).
14. The Tees Valley Local Growth Plan will therefore include priority projects, programmes and activities that have specific significance for enabling growth.
15. The Investment Pipeline will remain a live document providing real-time comprehensive and robust pipeline of projects, programmes, sites and investments across the Tees Valley.

16. In June 2025 Cabinet approved the approach to develop an Investment Pipeline including the establishment of an Investment Pipeline Task and Finish Group to include TVCA officers and Tees Valley Management Group members.
17. A series of workshops were held in the autumn of 2025 with the Investment Pipeline Task and Finish Group to co-develop the approach and methodology for the development of the Investment Pipeline.
18. Meetings were also held with local authority representatives to capture projects, programmes and opportunities to feed into the Investment Pipeline long list.
19. Between September 2025 and March 2026, TVCA engaged with stakeholders to support the development of the Tees Valley Investment Pipeline.
20. TVCA Officers will work with TVCA Cabinet to identify the strategic priorities from the Investment Pipeline longlist for inclusion in the Local Growth Plan.

***Local Growth Plan and Investment Pipeline: Next Steps***

21. The table below sets out the timeframe for the full development of the Tees Valley Local Growth Plan, including the work to develop the Tees Valley Investment Pipeline, which will remain a live document.

<b>Activity</b>	<b>Timeline</b>
Review and reflect on Government announcements and publications – including Spending Review, Industrial Strategy and Sector Plans, and Local Growth Plan guidance.	Ongoing
Preparation of DRAFT Local Growth Plan	May to December 2025
Partner / Stakeholder Engagement	June to December 2025
Tees Valley Investment Pipeline development (including methodology)	August 2025 to date
Develop Monitoring and Evaluation Framework	Spring 2026 in line with Single Assurance Framework
Design and re-presentation of Tees Valley Local Growth Plan including associated Tees Valley Investment Pipeline.	January to May 2026
Visioning and Strategic Prioritisation Workshop with Cabinet	April 2026
Final Tees Valley Local Growth Plan incorporating Investment Pipeline priorities that have specific significance for enabling growth.	June 2026

## Local Growth Fund

22. The Local Growth Fund provides a long-term, locally controlled funding settlement aligned with Local Growth Plans. Nationally it focuses on three core themes:

- **Infrastructure investment:** expanding labour market reach and enabling agglomeration benefits across functional economic areas.
- **Skills development:** providing the human capital aligned to priority sectors and emerging technologies.
- **Business support:** strengthening regional clusters and increasing innovation and investment to drive firm-level competitiveness and sectoral growth.

23. The fund is designed to complement other funding streams and enable locally tailored interventions. A high-level national logic model guides delivery, focusing on both intermediate and long-term outcomes, while allowing flexibility for local prioritisation based on place-specific needs and opportunities.

24. There is a total budget of £34m over 4 years for Tees Valley, as follows:

	RDEL	CDEL	TDEL
<b>26/27</b>	£6m	£2m	£8m
<b>27/28</b>	£5m	£3m	£8m
<b>28/29</b>	£4m	£6m	£10m
<b>29/30</b>	£0m	£8m	£8m
<b>Totals</b>	<b>£15m</b>	<b>£19m</b>	<b>£34m</b>

25. Nationally, allocations for the Local Growth Fund (LGF) have been determined through a methodology that includes identifying places, reflecting their alignment with core principles, and allocating funding based on their population.

26. The total funding is split across the 11 eligible Mayoral Strategic Authorities (MSAs) in proportion to their population, with a view to enabling the fund to reach the areas with the greatest potential for growth thus providing strategic flexible funding for investment to address the productivity gap across different regions.

27. In comparison for a predecessor to the LGF, the UK Shared Prosperity Fund (UKSPF), Tees Valley allocations totalled £46.3m across the first three years of the programme (2022-2025) with an additional £21.5m for the 2025/26 extension year. The primary focus for this funding was revenue (~£66m across the 4 years).

28. The LGF therefore represents a substantial reduction in funding and requires an impact-focused approach for the allocation of the fund.

29. A gap analysis has been undertaken to determine the activity that best meets the criteria of the LGF and enables maximum impact of this fund. This considered:

- a. The key priorities of the Local Growth Plan
- b. The key targets and objectives of the fund
- c. What activity is already happening/planned against these
- d. Tees Valley Funding Landscape 2026-27
- e. Any clear gaps and areas that should be prioritised for the fund

30. Tees Valley funding landscape – there are a number of funds available to both the Combined Authority and Local Authority Partners that contribute towards the objectives of the Local Growth Plan. This is a live list with a summary provided below:

<b>Economic Growth and Regeneration</b>	<ul style="list-style-type: none"> <li>• Local Growth Fund (2026-2029/30)</li> <li>• Investment Zone (Sector Specific)</li> <li>• Growth Hubs</li> <li>• Made Smarter</li> <li>• Local Innovation Partnership Fund (IUK – competitive bid process)</li> <li>• Neighbourhood Trailblazers (funding direct to LAs)</li> <li>• Pride in Place Programme (funding direct to LAs)</li> </ul>
<b>Transport and Local Infrastructure</b>	<ul style="list-style-type: none"> <li>• Transport for City Regions (TCR)</li> <li>• City Region Sustainable Transport Settlement (CRSTS) (2026/27)</li> <li>• Consolidated Local Authority Bus Grant</li> <li>• Active Travel</li> <li>• Local Electric Vehicle Infrastructure Fund</li> <li>• Highways Maintenance Block</li> </ul>
<b>Adult Skills and Employment Support</b>	<ul style="list-style-type: none"> <li>• Adult Skills Fund (Including Free Courses for Jobs, Construction, Skills Bootcamps)</li> <li>• Skills Capital</li> <li>• Connect to Work</li> <li>• Work Well</li> <li>• Youth Trailblazer</li> <li>• Careers and Enterprise Company</li> <li>• Industry Placements</li> <li>• Technical Excellence Colleges</li> <li>• FE Teacher Industry Exchange</li> <li>• DfE Industrial Strategy – Sector Packages (various interventions): <ul style="list-style-type: none"> <li>• Advanced Manufacturing</li> <li>• Clean Energy Industries</li> <li>• Defence</li> <li>• Engineering</li> </ul> </li> <li>• MSA Apprenticeship Brokerage Pilot (2026-29) – competitive bid process</li> <li>• DWP / JCP National and Local Offer – including National Careers Service</li> <li>• NENC ICB Health and Growth Accelerator – Work Well</li> </ul>
<b>Housing and Strategic Planning</b>	<ul style="list-style-type: none"> <li>• Brownfield Housing Fund</li> </ul>
<b>Environment and Climate Change</b>	<ul style="list-style-type: none"> <li>• Local Nature Recovery Strategies</li> <li>• Warm Houses Grant</li> </ul>
<b>Health and Wellbeing</b>	<ul style="list-style-type: none"> <li>• Homelessness and Rough Sleeping Grant</li> </ul>

31. The table below summarises the requirements of the LGF, highlights existing provision and identifies the gaps:

	<b>INFRASTRUCTURE</b>	<b>SKILLS</b>	<b>BUSINESS</b>
<b>LGF REQUIRED OUTPUTS/ OUTCOMES</b>	<ul style="list-style-type: none"> <li>• Floorspace unlocked because of intervention (m2)</li> <li>• New or improved public realm (m2)</li> <li>• New and/or improved pedestrian paths (m2)</li> <li>• New and/or improved cycle routes (m2)</li> <li>• New and/or improved public transport routes</li> <li>• New or improved space (hospitality, industrial, office or retail) (m2)</li> </ul>	<ul style="list-style-type: none"> <li>• Apprenticeship positions started</li> <li>• New in-work experience positions</li> <li>• New or improved training courses</li> <li>• New or improved facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Enterprises or organisations receiving financial and non-financial support</li> <li>• Potential entrepreneurs supported</li> <li>• Networking events</li> <li>• Participatory programmes</li> </ul>
<b>EXISTING PROVISION</b>	<ul style="list-style-type: none"> <li>• Brownfield Housing Fund and future Strategic Housing Partnership</li> <li>• Transport for City Regions/Mayoral Transport Fund</li> <li>• Significant TVCA investment since 2019 in infrastructure</li> <li>• Other funding going to stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Adult Skills Fund (largest ongoing pot)</li> <li>• DWP / Job Centre Unemployment support</li> <li>• UKSPF employability funding (ends Sept)</li> <li>• Youth Guarantee Trailblazer</li> <li>• Connect to Work</li> <li>• Work Well</li> <li>• Potential Apprenticeship Pilot</li> <li>• Other funding going to stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Investment Zone (limited to digital &amp; creative sector)</li> <li>• UKSPF (ends Sept 2026)</li> <li>• Industrial Strategy Action Plans</li> </ul>
<b>GAP</b>	<p>There are existing funds such as the Transport for City Regions/Mayoral Transport Fund, Brownfield Housing (and future housing opportunities such as through SAHP).</p> <p>A gap was identified in development funding to bring forward key strategic priority projects.</p>	<p>There are existing funds such as Adult Skills Funding, Youth Guarantee Trailblazer and Connect to Work.</p> <p>A gap was identified in support for those who are economically inactive who are not eligible for schemes such as Connect to Work.</p>	<p>There is existing business support funding through the Investment Zone (which is part of the Industrial Strategy Zone), but this is focused on Creative and Digital businesses.</p> <p>UKSPF has also been a key business support enabler, however this is coming to an end in September 2026.</p>

	INFRASTRUCTURE	SKILLS	BUSINESS
			A gap was identified in business support funding to meet the emerging LGP targets around business density, growth and employment.

32. Based on the gap analysis set out in the table above, a costing exercise was carried out to understand the potential cost of closing the gaps identified to help to prioritise the Local Growth Fund to ensure focused interventions that will result in maximum impact. Benchmarking has been used to provide an indication / proxy for assessment. Specific targets would be identified within the detailed business case.

33. From this analysis the following conclusions have been drawn:

**a. Gap in development funding for LGP priority strategic projects (Capital).**

- Capital requirements set out in the emerging Tees Valley Investment Pipeline (excluding housing, transport and large private projects), were used to benchmark costs of providing a development fund for regional strategic projects.
- This exercise concluded that the level of investment required to deliver meaningful outcomes and impacts over the four-year period is not affordable or viable within the scope of this fund.
- In addition, even if funding were provided, it would only cover project development, not delivery, meaning projects would still be dependent on securing further external investment to proceed.

**b. Potential gap in provision for economically inactive (Revenue)**

- There are a number of employment and skills programmes (current and emerging) to support those who are economically inactive and unemployed with detailed eligibility criteria.
- Data that breaks down the number of economically inactive residents in Tees Valley was used to benchmark costs of providing support to a proportion of those who are economically inactive due to 'health reasons' or 'other' as a proxy, to those that may not be eligible for existing schemes.
- The conclusion was that doing this at a scale large enough to generate meaningful outcomes would require too much revenue funding over the four-year period and is therefore not affordable or viable within this fund.
- Instead of direct delivery, the role for TVCA is seen as:
  - Influencing, coordinating and maximising investment in Tees Valley through national programmes, and
  - Supporting business growth, which in turn creates more employment opportunities that residents can access.

c. **Gap in business support funding (with exception of sector specific interventions through IZ) (Revenue and Capital)**

**Revenue**

- There is a substantial and diverse business base across the Tees Valley, with 17,705 registered businesses, presenting a strong opportunity to deliver impactful business support at scale.
- Benchmarking from the UK Shared Prosperity Fund indicates that a significant cohort of businesses could benefit from medium to high intensity support delivered through a structured programme.
- This would include both businesses engaging for the first time, and businesses requiring ongoing or repeat support to sustain growth and address evolving challenges
- The proposed programme would deliver a consistent pipeline of support to businesses across the area, helping to drive productivity, resilience, and long-term economic growth.
- It is anticipated that the programme could be delivered within the scope of the Local Growth Fund revenue and reach over 4,500 businesses across the 3-year period.

**Capital**

- The analysis also identified capital requirements to support business growth, such as grants, loans or equity to businesses or investments in commercial space with the potential to generate a revenue return where possible.
- The capital investment would deliver outputs within the business theme and also in other thematic areas such as improved space and facilities for infrastructure and skills.

**34. It is therefore recommended to Cabinet to prioritise the Local Growth Fund on Business Support (c) as this is identified as the most impactful based on the analysis undertaken.**

*Progress to date and next steps*

35. The Combined Authority must co-develop the LGF investment plan with MHCLG which is due to be submitted in early May 2026. Underpinning this proposal is a high-level logic model which has been shared by MHCLG and outlines the likely outputs, outcomes and impacts of this fund (see **Appendix 1**).

36. Subject to Cabinet approval of the LGF priority areas, a business case will be developed for the priority programme. This will bring together all priority areas of LGF and other funding sources to ensure the interventions are evidence based, responsive to local need and drive positive outcomes. The business case will also consider the best use of the capital and revenue available with a principle to generate revenue from capital spend where possible. This will be brought back to a future cabinet for approval.



## **Background**

### *Local Growth Plans*

37. On 10 July 2025, the Government introduced the English Devolution and Community Empowerment Bill to Parliament with the intention that it will provide provision to deliver further on their commitment to deepen and widen devolution across England.
38. The Bill confirms that a new duty will be placed on Mayors to produce Local Growth Plans. Local Growth Plans provide a long-term 10-year strategic framework for growth in their region. They are produced and owned by Mayoral Strategic Authorities, focused on the holistic needs and opportunities in their region, and should set out the priorities where the authority will focus its devolved powers and funding to drive productivity and growth.
39. The Government also published Guidance for Mayoral Strategic Authorities on developing Local Growth Plans. It includes a section on how Mayoral Strategic Authorities can develop an investment pipeline to support opportunities in the region.
40. As part of the Local Growth Plan guidance, Government have also published the agreed shared Local Growth Plan priorities. Shared priorities are a region's most significant opportunities and constraints to economic growth which would most benefit from central-regional collaboration, as determined using robust evidence. They are cross-cutting priorities that can benefit a wide range of sectors and the regional economy at large.
41. The published Guidance for Mayoral Strategic Authorities on developing Local Growth Plans, sets out that these shared priorities will guide both national and regional policy – informing collaborative working to design and develop services and interventions and make investment decisions. These shared priorities will benefit from the support via both the Mayoral Strategic Authorities' devolved powers and national government levers.

### *Tees Valley Local Growth Plan*

42. Following the publication of the UK's Modern Industrial Strategy and guidance on Local Growth Plans, including specifically the Investment Pipeline, there has been an opportunity to review and reflect on these publications, understanding what they mean for Tees Valley.
43. Work conducted to date, including the production of a robust evidence base and economic overview, the 'why' we should do something, has been followed with the identification of 'what' we should do.
44. 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'.

45. Alongside the development of the Local Growth Plan, is the Get Tees Valley Working Plan. The Get Tees Valley Working Plan includes 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. The alignment of this work ensures that the Local Growth Plan addresses the inclusive growth agenda and seeks to integrate with other agendas to address health and socio-economic inequality.
46. The Local Growth Plan and the Get Tees Valley Working Plan are both locally owned documents 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 three core elements:
- a. Economic overview - Local Growth Plans must set out an economic overview of the region that identifies the key strengths, opportunities, and challenges for the regional economy. This should include an overview of the most significant growth-driving sectors for the region.
  - b. Shared priorities - Local Growth Plans must include shared priorities, which should underpin the plan as a whole. Shared priorities should be the region's most significant opportunities and constraints to economic growth.
  - c. Investment pipeline - Recognising that Mayoral Strategic Authorities are already developing and managing investment pipelines, Local Growth Plans must include a shorter investment pipeline of priority projects that have specific significance for enabling growth.
47. With reference to paragraph 40 above, the Shared Priorities for Tees Valley are:
- a. **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.
  - b. **Transport:** Improve transport accessibility and travel experiences to better connect workers across the region to employment and industrial sites.
  - c. **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.

### *Tees Valley Investment Pipeline*

48. The government guidance on developing Local Growth Plans, 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'.
49. The vision and objectives, and approach to the development of the Investment Pipeline were agreed by TVCA Cabinet in June 2025. The agreed vision for the Tees Valley Investment Pipeline is to '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.'



50. As agreed at Cabinet in June 2025, a Task & Finish Group (consisting of officers from TVCA and the constituent Local Authorities) have been developing the Investment Pipeline in collaboration.

### *Monitoring and Evaluation Framework*

51. So that we can demonstrate the impacts of the Tees Valley Local Growth Plan at both a local and national level, work is underway 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.
52. The resulting outcomes framework will align to TVCA's Single Assurance Framework and is being developed alongside the SAF.
53. TVCA are also aligning this work to the Government's Integrated Settlement Outcomes Frameworks for 2026/27 to 2028/29 that outline the strategic priorities, outcomes, indicators, and targets for the EMSAs. This is to ensure TVCA can demonstrate readiness for established status and provides TVCA with a structured framework for monitoring and evaluation.

### *Local Growth Fund*

54. At Spending Review 2025, the Government set out a new approach to regional investment centred on the introduction of a Local Growth Fund, alongside Pride in Place funding, local government finance reforms, and increased settlements for Mayors. The Local Growth Fund will be targeted at mayoral city regions in the North and Midlands with the greatest potential for productivity growth, replacing fragmented and short-term competitive funding pots with a single, flexible, long-term settlement.
55. This approach responds to longstanding inefficiencies in local growth funding, including duplication, short-termism, and costly bidding processes. In line with the English Devolution White Paper, it aims to consolidate funding, devolve decision-making, and align investment with locally developed Local Growth Plans, giving regional leaders greater control and certainty to deliver strategic priorities.
56. The fund will support Mayoral Strategic Authorities (MSAs) to deliver transformational growth by enabling early-stage investment in infrastructure, site assembly, and investment propositions. It is expected to stimulate private investment, support businesses, create jobs, regenerate town centres, deliver housing, and improve transport connectivity, contributing to economic growth and improved living standards.
57. The policy specifically targets untapped potential in the North and Midlands, aiming to reduce regional disparities and enhance national productivity by focusing investment where it can have the greatest impact.



## **Partnership & Engagement**

58. Working with Local Authority officers through the Local Growth Plan Working Group and Tees Valley Management Group, a high-level, indicative engagement plan for the Local Growth Plan has been delivered.
59. Engagement with Leaders and Chief Executives on the Local Growth Plan and Investment Pipeline took place in July and August with follow up meetings completed between November 2025 and March 2026.
60. Between June and December 2025, a comprehensive engagement programme was delivered with the support and input of Local Authorities, partners and stakeholders from across the region.
61. The partner and stakeholder engagement was led by an external organisation and included hosting and facilitating the engagement events across Tees Valley.
62. Throughout the engagement process, work continued with our Local Authorities, Business Board and wider partners and stakeholders to test and strengthen our robust evidence base and to test the economic growth ambitions and narrative.

## **Appendices**

63. **Appendix 1** - High Level Local Growth Fund Theory of Change

Cabinet is requested to consider the following identified implications:

## Financial Implications

64. MHCLG has confirmed £34million for Local Growth Plan (April 2026–March 2029). The Growth Plan funding will be used to complement existing grant streams, and all expenditure will be funded from this allocation.
65. TVCA's role as accountable body relates to oversight and compliance with grant conditions, and this can be delivered within the confirmed funding envelope.
66. Financial risks are minimal at present but individual projects within the local growth plan will need to be reviewed for any potential financial implications.
67. Funding as below will be used for the local growth plan.

	<b>RDEL</b>	<b>CDEL</b>	<b>TDEL</b>
<b>26/27</b>	£6m	£2m	£8m
<b>27/28</b>	£5m	£3m	£8m
<b>28/29</b>	£4m	£6m	£10m
<b>29/30</b>	£0m	£8m	£8m
<b>Totals</b>	<b>£15m</b>	<b>£19m</b>	<b>£34m</b>

## Legal Implications

68. TVCA is the combined authority for the Tees Valley. By virtue of The Tees Valley Order, TVCA has The General Power to do anything involving Economic and Regeneration in the Combined Authority Area.
69. This report provides a further update on progress on the Tees Valley Local Growth Plan and Tees Valley Investment Pipeline and the expected timeline for finalising and adopting these key strategic documents.

## Equality & Diversity Implications

70. 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.
71. At this stage in the preparation of the plan and pipeline there are no direct equality and diversity implications.
72. Equality Impact Assessments will be produced as the plan is further developed.

73. Specific interventions associated with the Local Growth Fund will consider any implications where applicable.

**Other Significant Implications**

(Tick other implications provided and provide detail in box below)

Risk	X	Assurance Framework		Procurement	
Improvement		Environment		HR & IT	

**74. Risk Assessment**

A comprehensive and proportionate risk assessment has been undertaken to support Cabinet’s consideration of the Local Growth Fund proposals. This assessment recognises that the programme represents a significant, multi-year investment with inherent financial, delivery, governance and performance risks typical of place-based economic growth interventions.

The identified risks have been systematically assessed, scored and mitigated in line with the Combined Authority’s risk management approach and the Assurance Framework. Collectively, these risks are considered manageable and proportionate, provided that funding commitments are phased, subject to robust business case appraisal, and aligned with available delivery, assurance and governance capacity.

The specific risks for this proposal are as follows:

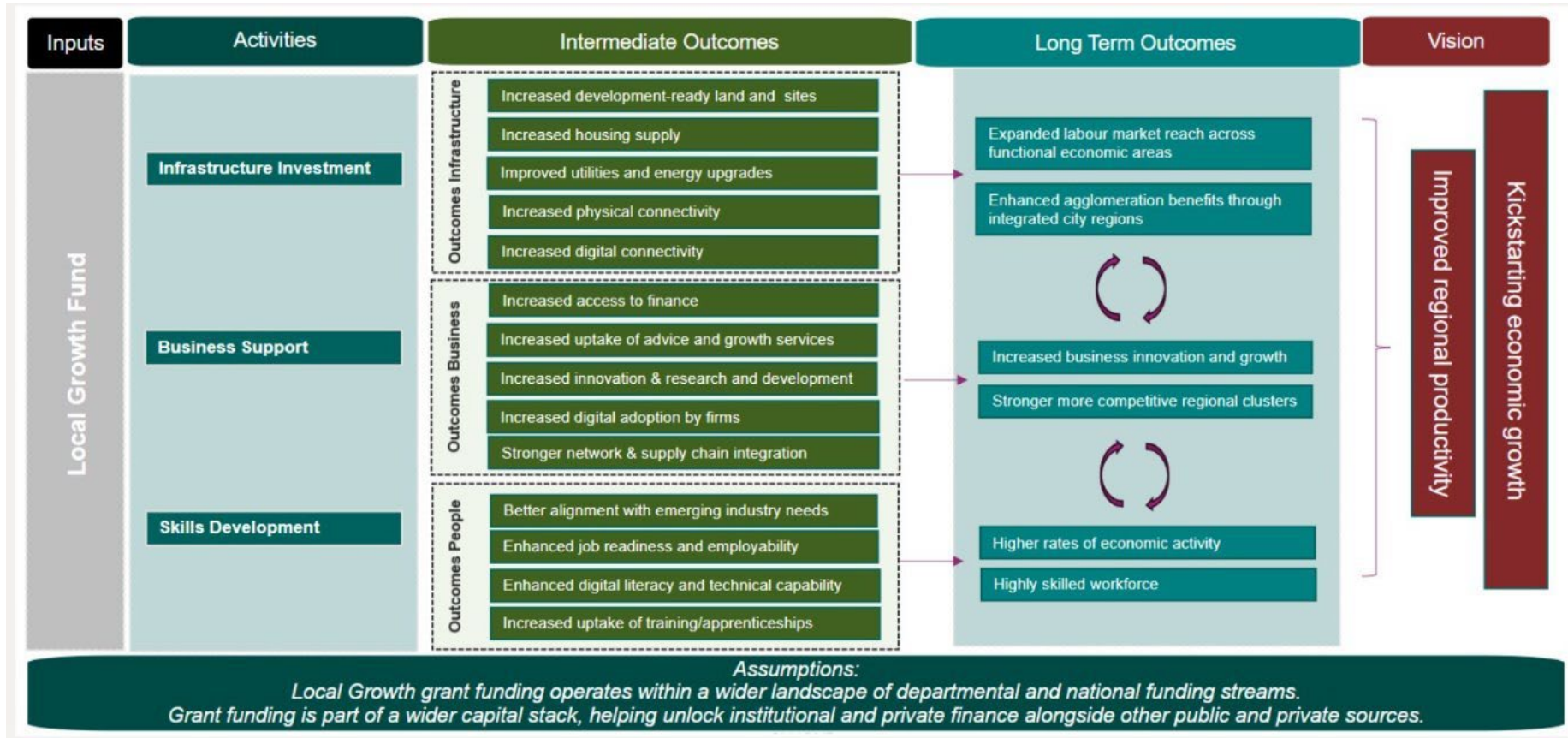
1. Exposure to inflation, supply chain volatility and reliance on partner contributions results in programme costs exceeding approved budgets or match funding not being secured
2. Weak project planning, contractor underperformance and ineffective oversight result in projects failing to deliver agreed time, cost and quality requirements
3. Weak partner controls and insufficient verification processes result in false, inflated or duplicate claims and outputs being submitted
4. Over-optimistic assumptions and insufficient outcome monitoring result in funded interventions failing to deliver or evidence agreed outputs and outcomes

Cabinet decisions are therefore supported by assurance that:

- key financial, delivery, compliance and value-for-money risks have been identified and mitigated;
- controls are in place to monitor performance, manage change and escalate issues in a timely manner; and
- future commitments will only be entered into where there is clear evidence of affordability, deliverability and alignment with strategic priorities.

This approach enables Cabinet to make informed decisions that balance ambition with risk, ensuring that the Local Growth Fund is deployed in a way that maximises impact while maintaining strong oversight, accountability and control.

## Appendix 1 – High Level Local Growth Fund Theory of Change





C	<b>Delegate</b> the process for allocating the remainder of the CTEC (Project Based) capital funding from DfE in the 2026/27 financial year to the Combined Authority Chief Executive in consultation with the Combined Authority Monitoring Officer and the Section 73 Officer), the Tees Valley Mayor and Portfolio lead.
D	<b>Note</b> the update on the Local Skills Improvement Plan (2026-29).

## Purpose

1. Following the Combined Authority Cabinet meeting that was held on the 12 December 2025 this report seeks Cabinet approval for the Adult Skills Fund grant allocations, Post-16 Capital and CTEC capital arrangements, and provides an update on the adult skills procurement process and the development of LSIP 2.

## Executive Summary

### Adult Skills Fund

2. As part of the devolution deal for the Tees Valley, the Combined Authority will receive **£36m** for the 2026/27 academic year for the delivery of Adult Skills functions across the Tees Valley, to residents aged 19+ from the Department for Work and Pensions (DWP).
3. This funding will incorporate the previously received separate funding lines of Adult Skills Fund, Level 3 Free Courses for Jobs and Skills Bootcamps.
4. As agreed at the Combined Authority Cabinet in December 2025, the approach to allocating the funding is via two routes:
  - **Route 1:** Directly Grant Fund the Tees Valley Colleges, the Tees Valley Local Authority adult learning providers and Teesside University.
  - **Route 2:** Secure all other providers (Contract for Services) through a multi-stage competitive flexible procurement process.

### Capital Investment

5. The Department for Education (DfE) is also devolving the **Post-16 Capacity (Capital) funding of £6.1m** to the Combined Authority for the period 2026/27-2029/30 to support the expansion of places for 16 to 19-year-olds across the Tees Valley.
6. DfE has awarded **£1.67m** funding to the Combined Authority to support the implementation of the **Construction Technical Excellence Colleges (CTECs)** across the Tees Valley for the period 2025/26-2029/30. This will also support the expansion of places for 16-19 and 19+ residents.

### Local Skills Improvement Plan

7. All areas of England are expected to develop a new three-year Local Skills Improvement Plan (LSIP) covering the period 2026 to 2029 and to keep it under review.

8. DfE has appointed Employer Representative Bodies (ERBs) with the statutory responsibility to lead this work, jointly owned with the relevant Mayoral Strategic Authorities. For the Tees Valley, the North East Chamber of Commerce (NECC) have been appointed to lead the development of the LSIP 2.
9. The Local Skills Improvement Plan (LSIP) 2 for the Tees Valley is in the process of being finalised prior to submission to the Secretary of State in May 2026. The final draft LSIP 2 (2026-29) will be brought to TVCA Cabinet in June 2026 as a “restricted item” not for publication until approval by the Secretary of State which is expected by the end of June 2026. Subject to Secretary of State approval, the LSIP (2026-29) will be published by end June 2026.

## Background

### Adult Skills Fund

10. The Combined Authority has received the funding letters from the DWP for the 2026/27 academic year which comprises the Adult Skills Fund, Skills Bootcamps and Level 3 Free Courses for Jobs.
11. The total funding for the 2026/27 academic year is **£36m**. As agreed at Cabinet in December 2025, 4% management and operational costs to the Combined Authority will be applied to the DWP allocation. This equates to £1.4m, and therefore the available budget for all provider allocations is **£34.5m**.

### Grant Funded Providers

12. Following the Cabinet meeting in December, a meeting of all Grant Funded Providers (Tees Valley Local Authorities, Tees Valley FE Colleges and Teesside University) was held on the 19 January 2026 to confirm:
  - the outcome of the Combined Authority Cabinet and the approach to Adult Skills Fund from 2026/27 academic year;
  - the next steps and timeline for agreeing the Delivery Plans and Strategic Outcome Agreements;
  - the process for agreeing the funding allocations from 2026/27 academic year, subject to the Combined Authority Cabinet approval in April 2026; and
  - the policy documents and any key changes.
13. Following the meeting in January, a series of one-to-one meetings have been held with the Grant Funded providers to agree their individual Delivery Plans and recommended allocations, subject to the Combined Authority Cabinet approval.
14. As a reminder, the Raising Aspirations programme for the 2026/27 academic year onwards will be targeted at those individuals who do not have any qualifications and will be delivered through a collaborative place-based approach by the most appropriate delivery providers.
15. 8.2% (46,200) of adults across the Tees Valley do not have any qualifications, compared to 4.7% nationally. A breakdown by Local Authority is set out in the table below:

**Table 1. Number of Adults with no qualifications by Local Authority**

Local Authority	% adults with no qualifications	Number of individuals
Darlington	6.4	6,230
Hartlepool	11.1	7,680
Middlesbrough	9.1	12,850
Redcar & Cleveland	6.9	8,850
Stockton-on-Tees	7.4	10,590

16. To support the planning of the Raising Aspirations programme, the Combined Authority has shared this data, including the postcodes of where these adults are residing, with the grant funded providers.
17. The funding previously allocated through the Learning for Inclusion programme has also been reviewed as part of this process to ensure that there is a fair and consistent approach to funding this programme of investment across all local authority areas, in line with the target learner numbers.
18. The target learner numbers have been divided over the next 10 years, in line with the Get Tees Valley Working Plan, to give an annual, target.
19. It is acknowledged that this is a new approach to planning and delivering this element of the adult skills programmes, and therefore the Combined Authority will continue to work with each of the Local Authorities and relevant delivery partners to finalise the details in preparation for mobilising delivery from 1 August 2026, and throughout the year 1 transition period.
20. The recommended allocations for the Grant Funded providers total **£26.6m**. The remaining balance is within the Contract for Services. The Grant Funded provider allocations and have considered the following:
  - 2025/26 allocations for Adult Skills Fund and Level 3 Free Courses for Jobs
  - 2025/26 allocations for Skills Bootcamps (direct delivery)
  - 2025/26 allocations for Learning for Inclusion
  - Increase in funding for Raising Aspirations based on need at local authority level
21. **The recommended allocations for the Grant Funded providers are set out in Appendix 1.**
22. **Appendix 1** also sets out where there is an increase in funding to support the Raising Aspirations programme for each of the providers.
23. In total, an additional £1.64m has been allocated across the five local authorities and two colleges to deliver the Raising Aspirations programme.

24. As agreed at the Combined Authority Cabinet in December 2025, the recommended allocations will be for the next 3 academic years (2026/27-2028/29) and will be subject to affordability, (annual allocation received from DWP) and provider performance against the strategic outcomes and quality.
25. Subject to approval at this Cabinet meeting, the Combined Authority will issue the Grant Funded Agreements incorporating the Delivery Plans and the Strategic Outcome Agreements in preparation for delivery from 1 August 2026.

## Procurement of Adult Skills - Contract for Services

26. In addition to the Grant Funded allocations, and as agreed at the Combined Authority Cabinet meeting in December 2025, the Combined Authority launched a competitive flexible multi-stage procurement process on the 20 January 2026 to secure additional providers through a Contract for Services.
27. As set out in the invitation to tender, the Combined Authority has indicated that approximately **£7m** is available and this will be allocated on a 3-year basis, subject to affordability and on-going provider performance against the outcomes and quality.
28. Stage 1 of the procurement process, the "Procurement Specific Questionnaire" (PSQ), included an appraisal of:
  - Central Digital Platform (CDP) supplier registration
  - UK Provider Registration Number
  - Legal capacity -modern slavery act, comprehensive safeguarding and prevent policy
  - Financial capacity and due diligence
  - Management Information (MIS) and Individualised Learner Record (ILR) capacity
  - Matrix Standard accreditation
  - Ofsted Status (quality)
  - Declaration and details of any history of contract termination

With the overall outcome being either "Pass, Pass with Conditions or Fail".

29. The Stage 1 appraisal process was undertaken by the Combined Authority Officers from within the Procurement Team, Business Solutions Team, and the Legal Team.
30. Due to current internal financial capacity within the Combined Authority, the Combined Authority procured an external independent accountancy firm to undertake the financial capacity and due diligence of the bid submissions. The outcomes of which were reviewed and verified by the Combined Authority Finance Team.
31. 94 bid submissions were received, and the outcome of the stage 1 process is that:
  - 29 bids failed to meet the conditions of participation
  - 37 bids passed
  - 28 bids passed with conditions. If these bidders are successful at stage 2 and 3, then the conditions will form part of their Contract for Services.

32. Therefore, a total of 65 bidders have been invited to submit a full proposal at stage 2.
33. Stage 2 will require bidders to set out their proposed skills programmes, in line with the invitation to tender, and respond to the key questions:
  - **Delivery and Outcomes** – including demonstrating a strong understanding of the regional context; how the proposed provision aligns to regional priorities; how and where they will deliver the proposed provision; how it will be accessible to learners and employers; how they will engage with learners and employers; how the expected outcomes will be achieved.
  - **Organisational Capacity, Capability and Resources** - including how the bidder will ensure that high quality delivery is provided and maintained; how they will provide timely and accurate data; staffing structure and competence.
34. The Stage 2 submission deadline was due to close on 17 April 2026; however, the procurement process was paused on 15 April 2026 to allow officers to address a clarification issue that arose during the process. Work is under way to resolve this matter and enable the procurement to resume, with a revised timetable to be issued in due course.
35. As agreed at the Combined Authority Cabinet in December 2025, the outcomes of stage 2 and stage 3 and the recommended allocations will be agreed with the Combined Authority Chief Executive, and the Tees Valley Mayor in consultation with the Cabinet Portfolio Lead.
36. A further report will be submitted to the Combined Authority Cabinet detailing the outcomes of the procurement process including the allocations for the Contract for Services providers in July 2026.

## Post-16 Capital Funding

37. The Department for Education (DfE) has devolved **£6.1m** Post-16 Capacity (Capital) funding to the Combined Authority via a Section 31 grant. This funding is intended to support the expansion of places for 16–19-year-olds across the Tees Valley for the academic years 2026/27 to 2029/30.
38. A Memorandum of Understanding (MoU) between the DfE and the Combined Authority will underpin this arrangement, setting out the framework for partnership working, including roles and expectations.
39. The projected increase in the 16–19 population across the Tees Valley over this period, is set out in the table below:

Table 3. Local Authority 16-19 population data

Local Authority 16-19 Population Data	2026/27	2027/28	2028/29	2029/30	LA 16-19 population as % of Tees Valley 16-19 population
Darlington	5,023	5,048	5,074	5,047	15%
Hartlepool	4,646	4,745	4,690	4,665	14%
Middlesbrough	7,981	8,215	8,349	8,533	24%
Redcar and Cleveland	6,023	6,141	6,244	6,369	18%
Stockton on Tees	9,690	9,943	9,992	10,111	29%

40. As a condition of the grant, recipients (colleges) must continue to fulfil their statutory duty to secure sufficient suitable education and training provision for all 16–19-year-olds, and for young people aged 19–25 with Education, Health and Care Plans (EHCPs).
41. Funding must be directed exclusively towards statutory providers of 16–19 education, specifically further education colleges, sixth form colleges, and 16–19 academies. School sixth forms are not eligible for this funding.
42. Historically, the DfE has allocated similar capital funding through a competitive process.
43. Given the Combined Authority’s shift towards a more strategic relationship with its colleges, it is recommended to move away from a competitive funding model and instead allocate funding through a fair, evidence-based process that reflects local need and will enable a timely allocation of funding to colleges so they can implement necessary structural changes for the start of the 2026/27 academic year.
44. To support this process the Combined Authority has engaged with the eligible colleges and invited them to submit an overview of their needs and funding required to implement any necessary changes.
45. Three proposals were received. It should be noted that one of these was from the Tees Valley FE+ Colleges (Middlesbrough College, The ETC, Hartlepool College and Darlington College) who collaborated to review this opportunity and submitted a joint proposal.
46. The proposals received from all the eligible colleges for the Post-16 Capacity Funding total £8m, which is in excess of the £6.1m available budget. Therefore, the Combined Authority has undertaken a process of prioritisation to inform the recommendation that is set out in this paper that has included:
  - review of the demographic trend data for 2025-2029 at local authority area level
  - the projected increase of learners between 2025-2029 and the response from the colleges to accommodate the increase
  - alignment to sector priorities

- the financial request from the colleges and the financial contribution from the colleges
- demand information provided by the Department for Education (DfE)

47. **The recommended allocations are set out in Appendix 2.**
48. The recommended allocations will enable an additional 1,520 young people of the estimated 1,820 to access a place in one of the four colleges over the next 3 years and will therefore have the greatest impact. Currently some of the colleges are having to apply selection criteria for their courses as there are not enough places for young people.
49. It is to be noted that without the full £6.1m the FE+ Colleges will be unable to support these places.
50. The FE+ colleges will be contributing £2.55m towards the costs of the structural changes to be made.
51. The FE+ College proposal is aligned to sector priorities: Construction (including plumbing, electrical and retrofit), engineering, digital, health and those young people who have Special Education Need and or Disability (SEND).
52. The FE+ College curriculum offer will also support those young people who have a lower GCSE attainment level, and who may be greater at risk of becoming Not in Education Employment or Training (NEET).
53. The Department for Education recognises that the highest-growth and shortage occupations in the Tees Valley are predominantly vocational rather than academic. There is significant current and future demand across construction and the built environment, engineering and advanced manufacturing, clean energy and net zero, digital and technical skills, and health, care and SEND-related provision. These sectors require specialist technical facilities, industry-aligned curricula and delivery at scale; consequently, further education colleges are the only providers with the capacity and capability to respond effectively to this demand across the Tees Valley.

## **Construction Technical Excellence College (CTEC) Capital Funding**

54. In the 2025 Spring Statement the Government announced a package of funding to boost skills in the construction sector, crucial to delivering the Government's plans to build 1.5million new homes and progress vital infrastructure projects.
55. The support included the announcement of funding to create 10 Construction Excellence Colleges (CTECs) across England. The 10 colleges will be the first to achieve technical excellence college status and will play an active and pivotal role, both in shaping the wider technical excellence colleges programme and in supporting other providers in their region.

56. Colleges appointed as CTECs are expected to have the capacity and capability to support providers across their region, so that the opportunities and benefits CTECs create are available to all learners without the need for extensive travel, and so that differing skills needs within each region are met.
57. Through this 'hub and spoke' delivery model, CTECs will partner with colleges and independent training providers across their region to share and embed the resources they develop – for example providing access to excellent professional development for teachers and cutting-edge specialist curricula.
58. The North East CTEC "Hub" was awarded to Sunderland College who are part of the Education Partnership North East (EPNE) college group. Within this successful bid, The Education Training Collective (The ETC) were named as the "Spoke", giving the Tees Valley colleges a key role.
59. As part of the funding to support the implementation of the CTECs, and the Tees Valley spoke, the Department for Education (DfE) has awarded CTEC capital funding and Employer Led Project Based capital funding to the Combined Authority, via a section 31 grant, **£1.67m** for the period 2025/26 – 2029/30:
  - £0.816m (CTEC) Capital
  - £0.859m (CTEC Project Based) Capital
60. The funding from DfE will be fully released to the Combined Authority in the 2026/27 financial year.
61. A proposal was submitted to the Combined Authority from the FE+ Colleges, setting out how the CTEC Capital funding would be utilised and how it aligned with the Post-16 Capacity (Capital) funding. The proposal also set out the match funding/contribution from the colleges.
62. There is an ask of the FE+ Colleges to the Combined Authority to release the funding for the CTEC Capital (£0.816m) element in advance, to support the structural changes to enable the additional learners from both 16-19 and 19+ to commence from the 2026/27 academic year.
63. **It is recommended that the proposal and request for funding from the FE+ Colleges is approved, as set out in Appendix 3.**
64. It is recommended that the future allocation of the CTEC Project Based Capital funding is delegated to the Combined Authority Chief Executive, in consultation with TVCA Statutory Officers, the Tees Valley Mayor and Portfolio Lead.
65. An additional £110k is available to test and pilot a Teacher Industry Exchange (TIE) to build increased technical teaching capacity across the colleges with the support from industry up to 31 July 2026.

66. As part of the Memorandum of Understanding (Mou) with the Combined Authority and DfE, the CTEC “spoke” was required to submit a Delivery Plan to the Combined Authority setting out how the TIE funding is to be utilised including outcomes.
67. This was submitted to DfE in February 2026 and approved.
68. The Combined Authority is in the process of issuing a Grant Funding Agreement to The ETC to implement this.

## Local Skills Improvement Plan (2)

69. All areas of England are expected to develop a new three-year Local Skills Improvement Plan (LSIP) 2 covering the period 2026 to 2029 and to keep it under review.
70. Funded by the Department for Education (DfE) and led by Skills England, LSIPs aim to align post-16 technical education and training provision with the current and future skills needs of local employers and the wider economy.
71. DfE has appointed Employer Representative Bodies (ERBs) with the statutory responsibility to lead this work jointly owned with the relevant Mayoral Strategic Authorities.
72. For the Tees Valley, the North East Chamber of Commerce (NECC) was appointed to lead the development of the LSIP 2.
73. Colleagues from NECC have worked in close collaboration with the Combined Authority, through a series of workshops and meetings, to develop and agree the approach to LSIP 2. This has ensured that the identified priority sector areas are fully aligned with the Tees Valley Local Growth Plan and are underpinned by a robust evidence base prepared by the Combined Authority. This also ensures full alignment with and underpins the Get Tees Valley Working Plan, published in September 2025.
74. Statutory guidance for developing a Local Skills Improvement Plan (LSIP), published November 2025, states that in devolved areas, the ERB and Strategic Authority should agree the governance arrangements. For Tees Valley it was agreed that the Education, Employment and Skills Advisory Group (EESAG) will oversee the development of the plan, implementation and monitoring of progress.
75. LSIPs are post-16 technical education and skills plans, driven by the voices and needs of local businesses, and the plans are based on research and engagement with local employers to identify the specific skills, capabilities, and expertise that are required in the area and may be needed in the future.
76. While all post-16 technical education and skills is within scope, the LSIP 2 for the Tees Valley will align to the Tees Valley Local Growth Plan and will focus on:
  - Advanced Manufacturing
  - Digital and Creative
  - Clean Energy

- Chemical and Process
- Bio and Life Sciences Manufacturing
- Construction (Housing)

77. In addition to the above the LSIP 2 will also look at cross-cutting themes:
- how to increase opportunities across the Tees Valley such as apprenticeships and other employment
  - how to increase work experience opportunities and consider the barriers to business
78. The NECC held a series of activities over recent months which has included:
- employer roundtables
  - interviews
  - surveys
79. To date, a total of 1,644 employer engagements have been undertaken.
80. In preparation for the first draft of the LSIP that was submitted to Skills England on 31 March 2026, a workshop was held with NECC and the Combined Authority officers to review the key findings and emerging recommendations.
81. A further workshop will be held with the EESAG chaired by the cabinet portfolio lead on the 30 April to review the key findings, consider the feedback from Skills England and further develop a set of recommendations and outcome measures to be included in the final LSIP 2.
82. The EESAG will review the final LSIP 2 at the scheduled meeting on 12 May 2026, prior to the LSIP being submitted to the Secretary of State on 15 May 2026.
83. There is a requirement for the Strategic Authority to provide a “statement of support” to NECC for the final submission of the LSIP 2.
84. It is intended that this will be provided, with the caveat that this will be subject to the Combined Authority Cabinet approval in June 2026
85. The final LSIP 2 will be brought to the Combined Authority Cabinet in June 2026 as a “restricted item” not for publication until approval and publication by the Secretary of State which is expected by the end of June 2026.

## **Partnership & Engagement**

86. In addition to a joint Grant Funded provider meeting, a series of one-to-one meetings with the Grant Funded providers have been held to agree the content of the Delivery Plans for 2026/27 and the recommended allocations as set out in Appendix 1.
87. The Education, Employment and Skills Advisory Group (chaired by the Combined Authority Cabinet portfolio lead) have been updated on the approach and progress to

the development of LSIP 2. A dedicated workshop will be held with members of the EESAG on 30 April 2026.

88. The Combined Authority Cabinet portfolio lead has been updated on the progress of the Adult Skills Fund Contract for Services procurement opportunity, including the outcomes of the Stage 1 process.
89. The Education, Employment and Skills Advisory Group (chaired by the Combined Authority Cabinet portfolio lead) has also been provided with an update on the Post-16 Capacity (Capital) funding and the CTEC Capital funding.

## **Appendices**

90. Appendix 1 – Recommended allocations for the Adult Skills Fund Grant Funded providers.
91. Appendix 2 – Recommended allocations for the Post-16 Capacity Capital funding.
92. Appendix 3 – Recommended allocations for the CTEC Capital funding.

Cabinet is requested to consider the following identified implications:

## Financial Implications

91.	The funding and investment proposals contained within this report are fully funded from external government grants devolved to the Combined Authority and do not require the use of Combined Authority core revenue resources.
92.	<p>Adult Skills Fund</p> <p>£26.6m is grant funded directly to providers, having agreed service delivery plans and passed financial health checks.</p> <p>£7m is awarded through contract for services procurement, subject to affordability, performance and value for money. These awards will be approved a future cabinet meeting.</p> <p>There is no financial commitment beyond the funding period confirmed by DWP, and the Combined Authority retains the ability to vary or terminate funding where performance or affordability requires.</p>
93.	<p>Post 16 Capacity (Capital) Funding</p> <p>£6.1m is fully funded through DfE Section 31 grant for 2026/27-2029/30 The recommended allocations have been prioritised to maximise impact within the available envelope and are supported by £2.55m of match funding from FE+ Colleges.</p> <p>The Combined Authority will remain within the approved capital allocation and will not underwrite any overspend by colleges.</p>
94.	<p>Construction Technical Excellence College (CTEC) Capital Funding</p> <p>The £1.67m CTEC capital funding is fully funded through a DfE Section 31 grant, awarded between 2026/27-2029/20.</p> <p>Approval to release £0.816m CTEC capital funding in advance does not expose the Combined Authority to additional financial risk, as the full allocation will be received in 2026/27.</p>
95.	<p>Local Skills Improvement Plan (LSIP) 2</p> <p>The development of LSIP 2 is funded by the Department for Education via Skills England and does not give rise to additional financial commitments for the Combined Authority at this stage. Implementation costs will be considered</p>

	through existing Adult Skills, capital and commissioning processes as future decisions are brought forward.				
96.	<p>All proposed allocations are:</p> <ul style="list-style-type: none"> <li>Fully funded through external government grants;</li> <li>Time-limited to confirmed funding periods;</li> <li>Subject to robust grant agreements, performance monitoring and clawback where appropriate.</li> </ul> <p>No additional pressure is placed on the Combined Authority's Medium-Term Financial Plan as a result of the recommendations in this report.</p>				
<b>Legal Implications</b>					
97.	The existing delivery and funding arrangements for the Adult Skills provision comes to an end on the 31 July 2026. All existing providers will have until mid-October 2026 to make their final learner data return.				
98.	The Combined Authority has been given relevant powers around adult education under its devolution deal and through relevant legislation, the Combined Authority has the power to issue grants and contracts in line with the Contract Procedure Rules and the Procurement Act 2023.				
99.	The Combined Authority will be required to comply with the conditions of spending set out in the section 31 Grant Determination Letter demonstrating good governance.				
100.	All arrangements for the procurement of the adult skills programmes is being made in line with the Procurement Act 2023 and the Tees Valley Combined Authority procedures.				
<b>Equality &amp; Diversity Implications</b>					
101.	The equality and diversity impact of the specific skills programmes funded through this budget are recorded and are embedded into the individual provider programmes. All training funded by Adult Skills Fund is open to all Tees Valley residents aged over 19+ regardless of special characteristics.				
<b>Other Significant Implications</b> (Tick other implications provided and provide detail in box below)					
Risk	<table border="1"> <tr> <td>X</td> <td>Assurance Framework</td> <td></td> <td>Procurement</td> </tr> </table>	X	Assurance Framework		Procurement
X	Assurance Framework		Procurement		

Improvement	Environment	HR & IT
102.	<p><b>Risk</b> A project risk register is maintained for the implementation of all Adult Skills Funding programmes and is reviewed and updated regularly.</p>	
103.	<p>Entering into multi-year funding agreements could result in financial exposure if future funding allocations are reduced, or if provider performance and quality do not meet required standards. This will be mitigated through the controls built into the Grant Funding Agreements and Contracts for Services and provider performance management processes.</p>	
104.	<p>Any risks associated with delays in awarding Contracts for Services will be actively monitored through the procurement process. Mitigation will be achieved through the timely commencement of Grant Funding Agreements with Tees Valley grant-funded providers, ensuring delivery begins from 1 August 2026.</p>	
105.	<p>There is a risk of fraudulent funding activity by providers, particularly in relation to the funding they claim. To mitigate this, the Combined Authority, and in line with the national approach by DfE, operates an annual programme of financial audit and assurance activity, which is currently delivered by an external provider appointed through the Combined Authority's procurement processes.</p> <p>The reports of which are shared with DfE as part of the Combined Authority's annual financial assurance requirements.</p> <p>The current contract with RSM UK Consulting is due to come to an end in November 2026, following completion of the 2025/26 academic year audit and assurance activity.</p>	
106.	<p>An internal review of the current provider sample size and the scope of the financial audit and assurance programme will be conducted. Its findings will inform future decisions regarding the procurement of external resources to support this work and/or the allocation of additional responsibilities to internal officer roles.</p>	
107.	<p>As part of the risk assessment, a review of the Combined Authority's current functions in relation to provider contract compliance, including quality, will also be undertaken. The findings will inform future decisions regarding how this is undertaken and resourced going forward.</p>	

Adult Skills Fund  
Grant Funded Providers - Recommended Allocations

Provider	Total Recommended Allocation 2026/27 Academic Year £	of which is Raising Aspirations 2026/27 £	Raising Aspirations Increase from 2025/26 to 2026/27 £
Atomix	£608,595	£156,062	£156,062
Darlington Borough Council	£994,858	£606,802	£366,312
Darlington College	£2,435,917	£0	£0
Hartlepool Borough Council	£1,322,044	£748,032	£234,962
Hartlepool College	£3,280,593	£0	£0
Middlesbrough Borough Council	£2,382,360	£1,251,590	£629,866
Middlesbrough College	£6,648,894	£0	£0
Redcar and Cleveland Borough Council	£1,209,501	£642,840	£101,628
Stockton on Tees Borough Council	£1,885,108	£938,492	£0
The ETC	£5,292,052	£156,062	£156,062
The Northern Schools of Art	£42,206	£0	£0
Teesside University	£526,417	£0	£0
<b>TOTAL</b>	<b>£26,628,545</b>	<b>£4,499,880</b>	<b>£1,644,892</b>

Post-16 Capacity Funding (Capital)

Provider	Total Funding Requested 2026/27 - 2029/30 Academic Year £	College Contribution £	Total Cost £	Sector Subject Area	Additional Number of Places for Young People (16-19)
<b>FE +</b>					
Darlington College	£900,000	£500,000	£1,400,000	Construction Trades	300
Hartlepool College	£700,000	£150,000	£850,000	Hospitality and Catering including SEND	20
Middlesbrough College	£2,900,000	£1,700,000	£4,600,000	Construction, Engineering, Digital, Health	850
The ETC	£1,600,000	£200,000	£1,800,000	Construction	350
<b>Sub Total</b>	<b>£6,100,000</b>	<b>£2,550,000</b>	<b>£8,650,000</b>		<b>1,520</b>

Provider	Total Funding Requested 2025/26 – 2029/30 Academic Year £	College Contribution £	Total Cost £	Construction
Darlington College	£182,000	£78,000	£260,000	Creation of outdoor space for bricklaying skills and improvement of existing outside teaching space
Hartlepool College	£134,000	£116,000	£250,000	Enhancement of the college's classroom facilities and welfare facilities at the Seymour site – currently delivered out of shipping containers – as well as some of the outdoor land where practical groundworks and bricklaying skills are developed.
Middlesbrough College	£325,000	£175,000	£500,000	Construction workshops needed to accommodate progressing learners for 2026/27 academic year. Costs include remodelling current bin store area and adding more temporary high quality construction accommodation and equipment
The ETC	£175,000	£225,000	£400,000	Construction capacity will be relocated to the existing Pennine Avenue site (to create expansion capacity). Pennine Ave will serve as the CTEC centre in the Tees Valley (with Etc as the strategic representative spoke in the Tees Valley for the NE CTEC).
<b>TOTAL</b>	<b>£816,000</b>	<b>£594,000</b>	<b>£1,410,000</b>	



B	<b>Approve</b> continuation of the Year 1 delivery model with Stockton Borough Council acting as Programme Manager on behalf of the Combined Authority and all five Local Authorities delivering locally, supported by enhanced programme management support from TVCA
C	<b>Delegate</b> authority to the TVCA Chief Executive, in consultation with the Section 73 Officer and Monitoring Officer, to approve any future extension of the Youth Guarantee Trailblazer Pilot programme, subject to confirmation of funding from DWP.
D	<b>Note</b> the advanced delegated decision that was taken in March 2026 to mitigate the risk of any pause in programme delivery.

## Purpose

1. The Youth Guarantee Trailblazer was originally launched as a one-year pilot, and the Department for Work and Pensions (DWP) has now confirmed funding for a second year to build on the insights and learning from Year 1. It is a nationally funded DWP initiative being delivered locally by Mayoral Combined Authorities to test innovative, place-based approaches to supporting young people into employment, education and training.
2. This report seeks a decision from Cabinet for Tees Valley Combined Authority to continue as accountable body for the Youth Guarantee Trailblazer for Year 2 of the programme (Apr 26 – Mar 27). The Year 2 delivery has been accepted by DWP, and funding has been confirmed by a Grant Funding Agreement received 24 March 2026.

## Executive Summary

3. Year 1 of the Youth Guarantee Trailblazer (2025/26) has successfully demonstrated strong early engagement and positive outcomes for young people aged 18–21 who are NEET, through targeted, locally tailored support combining employment, training and holistic wraparound services. In total, 1,718 young people have been supported through the programme to date.
4. Cabinet is asked to approve Year 2 of the Programme and accept £5m of DWP funding into the Investment Plan. Delivery will continue through the existing mixed model, with Stockton Borough Council acting as Programme Manager on behalf of the Combined Authority and all five Local Authorities delivering locally, supported by enhanced programme management support from TVCA.
5. Year 2 of the Youth Guarantee Trailblazer (April 2026–March 2027) will build on the strong delivery and learning from Year 1, supporting young people aged 18–21 who are NEET through paid work placements and intensive wraparound support, while introducing a new preventative offer of work tasters for 16–17-year-olds at risk of becoming NEET. Delivery will provide up to 200 new paid placements, continue support for 195 placements already in progress, and strengthen the identification and tracking of young people to ensure at least 95% are supported into positive destinations.

6. This approach aligns with strategic objectives and the devolution agenda by demonstrating the effectiveness of locally led place-based delivery in tackling youth unemployment. It supports shifting power to the Combined Authority, enabling decisions to be made closer to communities and tailored to local labour market needs.
7. A review of Year 1 has identified opportunities for improvement and confirmed the strategic rationale for local authorities to continue delivery of the Youth Guarantee Trailblazer through to 2027. Year 2 will benefit from retaining the existing programme manager, Stockton Borough Council, and delivery partners across all five local authority areas, ensuring continuity of expertise, strong partnerships and trusted relationships with participants. This approach enables faster mobilisation, more efficient delivery and the scaling of proven interventions, supporting improved outcomes and maximising overall impact. Maintaining the current delivery model therefore represents the most prudent and strategically aligned course of action.
8. An advanced Delegated Decision was taken on 25th March 2026 to mitigate any risk of pause of the programme from Year 1 into Year 2 (to cover costs for April & May 26 only) and was agreed by TVCA Chief Executive, TVCA Interim Group Director of Finance & Resources, TVCA Interim Monitoring Officer and in consultation with the Tees Valley Mayor and Cabinet Portfolio Holder for Education Employment and Skills.

## Background

9. The Youth Guarantee Trailblazer Programme forms part of the Government's wider *Get Britain Working* agenda, aimed at reducing economic inactivity and improving outcomes for young people.
10. The Youth Guarantee Trailblazer is a priority programme within the Tees Valley Investment Plan, delivering targeted support to young people aged 18–21 who are not in education, employment or training (NEET). In addition, Year 2 is proposing to work with 16–17-year-olds and offer taster sessions for those at risk of becoming NEET. The introduction of tasters for this cohort will help build a stronger preventative system and support smoother transitions from school into further training or work.
11. This initiative aims to remove barriers to employment by providing real-world experience, skills development, and tailored support and the programme interventions are detailed below:
  - **Intervention 1 - Convening and Local Leadership** – Convene key service providers and organisations to build an evidence base to inform what structures are needed to support young people.
  - **Intervention 2 - 18-21 Year Olds Work Placements and 16-17-Year-Old Tasters** – Paid work placements for 18-21 who are NEET and for whom a lack of work experience is their biggest barrier to employment.
  - **Intervention 3 – 18-19 Gap** – Identification of young people aged 18–19 who are NEET and require additional targeted support.

- **Intervention 4 – Year 13 AY 2024/25 Leavers** – Extend tracking to ensure those NEET or at risk of becoming NEET are identified and secure support. Engage with young people in Yr 13 to understand their needs and support those without positive post-18 destinations.
- **Intervention 5 – Mapping and Gap Analysis of Current Landscape and Provision**
- **Intervention 6 – Local Evaluation**

12. The programme aligns with the Local Growth Plan and the Get Tees Valley Working Plan by supporting inclusive growth, increasing labour market participation, and addressing structural barriers to employment.

## Delivery Options

13. A Year 1 review was undertaken to identify any improvements or changes required. The following four delivery options were developed collaboratively with LA delivery partners and considered by TVCA Management Group and the Education Employment and Skills Portfolio Lead with option 2 being the recommended and subsequently approved delivery model:

Option	Delivery Model	Comments	Preferred Option (Y/N)
1	<b>Mixed</b> - Grant award to Local Authorities (with Lead Authority identified to coordinate and streamline)	Having a Lead Programme Manager overseeing other local authorities has proven effective; however, Year 1 has highlighted the need for an accountable body to provide additional support, particularly in relation to escalation routes.	No
2	<b>Mixed</b> - Grant award to Local Authorities (as option 1) with additional programme management support from Tees Valley Combined Authority	The accountable body will work with the Programme Manager to align processes, set shared expectations, and reduce delays. It will also strengthen the lead delivery partner's role with clear accountability for coordination, performance, and escalation, supported by a formal governance framework defining remit and escalation routes.	Recommended Option
3	<b>Direct Delivery</b> –TVCA as accountable body delivers the Tees Valley Youth Guarantee Trailblazer Programme	TVCA does not have the capability or capacity to deliver.	No
4	<b>Commissioned</b> - Take to open market and	This poses a significant risk of delays to the programme continuity for Year 2,	No

Option	Delivery Model	Comments	Preferred Option (Y/N)
	commission provider(s) to deliver.	which could undermine momentum and disrupt planned engagement with participants and partners.	

## Partnership & Engagement

14. Engagement has been undertaken with:
  - Tees Valley Combined Authority Management Group 9 March 26
  - Education, Employment and Skills Portfolio Lead
  - Local Authority delivery partners
  - Department for Work and Pensions (regular monthly meetings)
15. These discussions have informed the proposed delivery model and confirmed support for continued delivery of the programme into Year 2.
16. Ongoing communication will be maintained with partners to support mobilisation, delivery, and performance monitoring throughout the programme.
17. Detailed discussions with Local Authorities on allocations are ongoing, with any final adjustments to be approved through the TVCA Assurance Process.

Cabinet is requested to consider the following identified implications:

### Financial Implications

18. The Department for Work and Pensions has confirmed full grant funding for Year 2 of the Youth Guarantee Trailblazer (April 2026–March 2027). There are no additional financial commitments required from TVCA, and all programme delivery, management, evaluation, and local authority costs will be met from the DWP allocation. TVCA's role as accountable body relates to oversight and compliance with grant conditions, and this can be delivered within the confirmed funding envelope. Financial risks are minimal and will be managed through established governance and performance monitoring arrangements.

### Legal Implications

19. TVCA will need to comply with the DWP Funding requirements and ensure that good governance is demonstrated.

## Equality & Diversity Implications

20. The programme is targeted at young people who are NEET or at risk of becoming NEET, a group which is disproportionately represented across a range of protected characteristics.
- The programme will support improved access to employment, education and training opportunities, contributing positively to reducing inequalities and promoting inclusive growth

## Other Significant Implications

(Tick other implications provided and provide detail in box below)

Risk	X	Assurance Framework	X	Procurement	
Improvement		Environment		HR & IT	

- Risk**
21. Key risks associated with the programme include:
1. Variability in delivery across Local Authorities
  2. Financial compliance and eligibility risks
  3. Participant engagement and retention challenges
  4. Reputational risk associated with programme performance
22. These risks will be managed through the application of the TVCA Assurance Framework, including structured performance monitoring, financial assurance processes, and clear governance and escalation arrangements
- Assurance Framework**
23. The programme will be delivered in accordance with the TVCA Assurance Framework, ensuring robust oversight of financial management, performance, and compliance.
24. Appropriate controls will be in place to manage fraud risk, ensure eligibility of expenditure, and support audit requirements in line with DWP expectations.

## Cabinet

Tees Valley Combined Authority

Date	24 April 2026		
Agenda Item	11		
Report Title	<b>Delegated Decisions</b>		
Accountable Cabinet Member	<b>Mayor Ben Houchen</b> Chair of the Cabinet		
Accountable Chief Officer	<b>Jeanette McGarry</b> Interim Monitoring Officer		
Accountable Employee	<b>Jeanette McGarry</b> Interim Monitoring Officer		
Report considered by	Pre-Cabinet process  A draft version of this report was circulated in advance and discussed at informal Cabinet on the 13 April 2026.		
Key Decision	Yes	No	This item has been determined not to be a key decision.
		<b>X</b>	
Public Report	Yes	No	The Combined Authority is committed to transparency and accountability. Accordingly, reports and associated documentation will ordinarily be published and made publicly accessible.
	<b>X</b>		
Voting arrangements	Not applicable		
<b>Recommendation(s)</b>			
<b>The Combined Authority Cabinet is recommended to:</b>			
<b>A</b>	<b>Note:</b> The delegated decisions made since Cabinet last met on 20 March 2026.		

## 1. Purpose

The purpose of this report is to provide Cabinet with detail of all the Delegated Decisions made since Cabinet last met on 20 March 2026.

## 2. Executive Summary

At each meeting, Cabinet receives a report confirming the Delegated and Urgent Decisions taken since Cabinet last met.

Since the date of its last meeting on 20 March 2026, four Delegated Decisions have been taken.

Since the date of its last meeting on 20 March 2026, no Urgent Decisions have been taken.

## 3. Delegated Decisions

Delegated Decision **CF01-2026** 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 January 2020.

A decision was taken to approve the business case and commit funds for an investment of £80,000 from the UKSPF 2025/26 allocation under the Supporting Local Business Investment Priority to deliver the Business Workshops Project.

A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at **Appendix 1**.

Delegated Decision **CF02-2026** 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 January 2020.

A decision was taken to approve a Programme Change Request to ensure that programme records and financial baselines accurately reflect previously approved decisions.

A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at **Appendix 2**.

Delegated Decision **CF05-2026** 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 January 2020.

A decision was taken to approve the business case and commit funds for an investment of an additional allocation of £2m to the CVE programme to deliver activities aligned to the priorities of UKSPF 2025/26 under the Communities & Place Investment Priority.

A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at **Appendix 3**.

Delegated Decision **AF05-2026** 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 January 2020.

A decision was taken to approve £930,000 of funding in advance of a business case to Redcar & Cleveland Borough Council to fund development activity relating to the Redcar Growth Zone.

A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at **Appendix 4**.

<b>4.</b>	<b>Partnership &amp; Engagement</b>
	A draft version of this report was circulated in advance, and discussed with Informal Cabinet on the 13 April 2026.
<b>5.</b>	<b>Appendices</b>
	Appendix 1 – Delegated Decision CF01-2026 Appendix 2 – Delegated Decision CF02-2026 Appendix 3 – Delegated Decision CF05-2026 Appendix 4 – Delegated Decision AF05-2026

Cabinet is requested to consider the following identified implications:	
<b>6.</b>	<b>Financial Implications</b>
	There are no direct financial implications arising from the recommendation in this report.
<b>7.</b>	<b>Legal Implications</b>

	There are no direct legal implications arising from the recommendation in this report.			
<b>8.</b>	<b>Equality &amp; Diversity Implications</b>			
	TVCA considers the potential impact on groups of people with protected characteristics in the development of all policy, programmes and all are subject to Equality Impact Assessments during the development phase.			
<b>Other Significant Implications</b>				
(Tick other implications provided and provide detail in box below)				
Risk		Assurance Framework		Procurement
Improvement		Environment		HR & IT



## 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> Victoria Robinson, Performance & Assurance Officer	<b>DATE DECISION TAKEN:</b> 12 <sup>th</sup> January 2026
<b>DECISION NO:</b> CF01-2026	<b>DELEGATION POWER AND PAGE OF CONSTITUTION:</b> Revised TVCA Assurance Framework agreed by Cabinet on 27 <sup>th</sup> September 2024 (Minute No. TVCA 20/2024)

## DETAILS OF DECISION:

### Background

TVCA is the designated Lead Authority for the UK Shared Prosperity Fund (UKSPF). The Tees Valley UKSPF Investment Plan was submitted to government for approval in July 2022 and subsequently approved in December 2022.

The UKSPF Local Partnership Group (LPG) was established to provide oversight of the programme. The Investment Plan set out the evidence base and strategic priorities for the fund.

An overarching UKSPF Implementation Plan was produced in collaboration with LPG and details of the investment priorities for the UKSPF £46.3m (inc. £3.6m of Multiply funding) for the period April 2022 to March 2025 was subsequently approved by Cabinet and followed the required Assurance Process.

Government has since announced a one-year continuation of £21.5m funding to 2025/26, which must be delivered in line with the original UKSPF Investment Plan approved by Government. Plans for the 2025/26 one-year continuation were endorsed by LPG (11<sup>th</sup> February 2025).

### Summary

An Investment Proposal has been received from Stockton-on-Tees Borough Council ("The Council") seeking investment of £80,000 from the UKSPF 2025/26 allocation under the Supporting Local Business Investment Priority to deliver the Business workshops Project ("the project").

The project aims to address the current gap in specialist, high quality business development support by introducing a structured programme of events, masterclasses, workshops and webinars for Tees Valley businesses, to be delivered by expert providers, as follows:

- 5 x LA business support events
- 2 x large scale regional events
- 12 live digital masterclasses
- 18 half-day workshops and
- 25 pre-recorded webinars.

These sessions aim to achieve the following UKSPF 2025/26 outputs / outcomes:

- Support a minimum of 500 Tees Valley businesses, with non-financial assistance **(OP26)**
- Assist 35 potential entrepreneurs to become enterprise ready **(OP11)**

## FINANCIAL IMPLICATIONS:

£4.4m of UKSPF revenue funding is available in the financial year 2025/26 to support local businesses. Cabinet approved an allocation of £80,000 to deliver a targeted programme of bite sized workshops for SMEs across Tees Valley to be coordinated through TVCA with Local Authority lead and delivered by procured industry experts.

**This decision commits £80,000 UKSPF revenue funding in 2025/26 under the Supporting Local Business Investment Priority to deliver the Business Workshops proposal (PROJ-2837)**

Due to a delayed start to the 2025/26 programme, timely approval is required to mitigate any risk of programme underperformance.

## EXISTING CABINET DECISION WHICH ASSIGNED THE NECESSARY FUNDING:

TVCA Cabinet approved / accepted:

- the UKSPF 2025/26 into the Tees Valley Investment Plan as a named priority programme with a confirmed allocation of £21.5m, and approved proposed priorities set out in the Investment Plan Refresh Report (Cabinet Meeting 28<sup>th</sup> March 2025, Decision No: TVCA 66/24-25)
- the new Business Growth Delivery Plan model and committing the remaining £4.4m UKSPF allocation under the Supporting Local Business Investment Priority (Cabinet Meeting 27<sup>th</sup> June 2025, Decision No: TVCA 28/25). This included an allocation of £80,000 to deliver a targeted programme of bite sized workshops for SMEs across Tees Valley to be coordinated through TVCA with Local Authority lead and delivered by procured industry experts.



Due to time constraints on the UKSPF, the delayed start and to mitigate the risk of underperformance this year, the Cabinet decision taken in June 2025 included a delegation to the Interim Director of Business Solutions in consultation with the Chief Executive, Section 73 Officer and Monitoring Officer to progress to mobilisation.

Where consultation with the LPG is possible prior to a decision being taken this should take place, but decisions can be made and reported to the LPG in line with the cabinet approval.

**IS THIS A KEY DECISION?**

No

**RELEVANT CABINET POLICY FRAMEWORK:**

The Strategic Economic Plan (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 can thrive is a critical enabler of the SEP and Industrial Strategy.

The Tees Valley UKSPF Investment Plan includes activity for Supporting Local Business interventions that strengthen local entrepreneurial ecosystem and supporting businesses at all stages of their development.

**PROCESS OF PARTNER CONSULTATION:**

A Delivery Group has been established on which TVCA, and the constituent Local Authorities work collaboratively on the implementation of the new business growth model, including the mobilisation and delivery of the 2025/26 UKSPF programme.

In accordance with the UKPSF Investment Plan, Local Partnership Group:

- o has considered and endorsed plans for the UKSPF 2025/26 continuation, subsequently approved by Cabinet in March 2025; and
- o was provided with an update on the Business Workshops project at the LPG meeting on the 25<sup>th</sup> June 2025.

**HOW THE ASSURANCE PROCESS WILL BE APPLIED TO THE DECISION:**

- o An Investment Proposal was submitted by Stockton-on-Tees Borough Council, detailing financial profiles and output/outcomes targets.
- o A proportionate appraisal was undertaken by the TVCA Performance, Risk and Assurance Team
- o A verbal update on the Business Workshops project was provided to LPG at the meeting on 25<sup>th</sup> June 2025
- o Monitoring will be undertaken by TVCA
- o This delegated decision provides a record of approval to commit the funds and enter into a funding agreement.

**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:**

The approach to developing plans for the one-year continuation were agreed by Cabinet.

**ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:**

None



SIGNATURE:    CHIEF EXECUTIVE  DATE: 30- Jan 2026	SIGNATURE:    MONITORING OFFICER  DATE: 30 Jan 2026	SIGNATURE:    FINANCE DIRECTOR  DATE: 30 Jan 2026
<i>All sections below are for Governance Team use only</i>		
DATE REPORTED TO MANAGEMENT GROUP:		
KEY DECISION            YES    NO		
<i>If Yes circulate to Overview &amp; Scrutiny Committee within 2 working days</i>		
DATE CIRCULATED:		OFFICER NAME:
DEADLINE DATE FOR CALL IN BY OVERVIEW & SCRUTINY COMMITTEE (5 days from the date Committee notified of the decision):		
DATE FUNDS CAN BE RELEASED:		

*Once fully complete and signed off please return to the Governance Team.*



## DELEGATED DECISION TO APPROVE BUSINESS CASE & COMMIT FUNDS

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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> Sally Cowley, Appraisal Manager	<b>DATE DECISION TAKEN:</b> 17 <sup>th</sup> February 2026
<b>DECISION NO:</b> CF02-2026	<b>DELEGATION POWER AND PAGE OF CONSTITUTION:</b> Revised TVCA Assurance Framework agreed by Cabinet on 27 <sup>th</sup> September 2024 (Minute No. TVCA 20/2024)

**Background:**

In January 2019, TVCA Cabinet approved an allocation of £50m to the Indigenous Growth Fund (IGF) Programme as part of the Tees Valley Investment Plan (CF16-2019).

The IGF Programme was developed to promote area regeneration in support of economic growth across the five Local Authority areas of the Tees Valley, with forecast overarching programme benefits of:

- o 4,999 direct jobs by 2027; and
- o £240 million of additional GVA per annum by 2027.

On 2 July 2021, as part of the Investment Plan Refresh to address the economic impacts of Covid-19, TVCA Cabinet approved an additional £10m allocation to the IGF Programme (£2m per Local Authority), increasing the total programme allocation to £60m.

The additional allocation has been implemented and will be expended in line with the Cabinet decision and the established call-off and business case processes with the five Local Authorities.

**Decision:**

A Programme Change Request (PCR) was submitted retrospectively to formally align the programme baseline documentation with the Cabinet decision of 2 July 2021 and subsequent delivery.

At the time of the Cabinet approval, the programme-level documentation was not formally updated through the Assurance Framework change control process to reflect:

- o The increase in programme allocation from £50m to £60m.
- o Adjustments to programme outputs resulting from the additional funding.
- o The extension of the programme delivery period; and
- o Refinements to the programme purpose to reflect post-Covid recovery priorities.

The PCR does not seek approval for additional funding. The funding was approved by Cabinet in July 2021 and has been allocated accordingly. The purpose of the PCR is to regularise the audit trail and ensure that programme documentation accurately reflects decisions previously taken and implemented.

The following updates are formally recorded:

1. **Programme Allocation** - Increase from £50m to £60m, reflecting Cabinet approval of 2 July 2021.
2. **Programme Outputs** - Outputs are revised to reflect delivery achieved through the additional £10m allocation and updated profiling following programme review.
3. **Programme Delivery Period** - Extension of the programme period to reflect revised delivery timelines agreed with Local Authorities following the Covid-19 pandemic.
4. **Programme Purpose (Refined)** - Clarification of the programme purpose to reflect its contribution to economic recovery, regeneration acceleration and inward investment support across the Tees Valley.

#### FINANCIAL IMPLICATIONS:

There are no new financial implications arising from this PCR, as:

- o The additional £10m allocation was approved by TVCA Cabinet on 2 July 2021.
- o Funding will be allocated and expended within the approved £60m programme envelope.
- o No further funding is requested and
- o No budget increase is proposed.

The PCR ensures that programme records and financial baselines accurately reflect previously approved decisions.

#### EXISTING CABINET DECISION WHICH ASSIGNED THE NECESSARY FUNDING:

An additional £10m allocation was made to the Indigenous Growth Fund (IGF) Programme as part of the Investment Plan 2019/29 Refresh agreed by Cabinet at the meeting held on the 2nd July 2021 (Minute No: TVCA 08/21). This was a top up of £2m for each local authority to be awarded on the same terms as the previous IGF programme allocation.

The original £50m allocation was made to the Indigenous Growth Fund Programme as part of the Investment Plan signed off at the January 2019 Cabinet meeting (Minute No: TVCA 57/18).

#### IS THIS A KEY DECISION?

No

#### RELEVANT CABINET POLICY FRAMEWORK:

The Investment Plan 2019-29 allocated resource to the Indigenous Growth Programme on the basis that local activity, collectively across the Tees Valley, has a significant regional impact in strengthening the area as a vibrant place to invest, work, live and visit.

The programme will broadly support the place agenda, economic regeneration, town centre rejuvenation and wider business expansion. As such, the objectives of the programme clearly accord with the priorities identified in the Strategic Economic Plan, particularly Business Growth, Place and Culture themes.

#### PROCESS OF PARTNER CONSULTATION:

The original IGF Programme Business Case was developed with input from the Local Authority Officers. As per the requirements of the Assurance Framework Tees Valley Management Group was also consulted as part of the appraisal process.

#### HOW THE ASSURANCE PROCESS WILL BE APPLIED TO THE DECISION:

A comprehensive review of the IGF programme has been undertaken, following the end of the original 5-year programme period, providing progress against targets, delivery challenges and opportunities for improvement.

- o As a result of this and to ensure the programme can maximise its impact a Programme Change Request (PCR) was submitted requesting 4 main changes to the Programme.
- o Appraisal was undertaken by the TVCA Performance, Risk and Assurance Team, which recommended that the proposed change be approved subject to three conditions being met.
- o Final sign-off the PCR was signed off by S73 following review of the Programme Lead and Performance, Risk and Assurance Manager.



<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:</b> As part of the original business case development a range of programme delivery options were assessed against value for money, risk and deliverability considerations. A preferred option was selected and progressed on the understanding that the approach offered the best mix of benefits offset against a comparably lower level of commercial and delivery risk.		
<b>ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:</b> None		
<b>SIGNATURE:</b>  <b>CHIEF EXECUTIVE</b> <b>DATE: 18/03/2026</b>	<b>SIGNATURE:</b>  <b>MONITORING OFFICER</b> <b>DATE: 18/03/2026</b>	<b>SIGNATURE:</b>  <b>FINANCE DIRECTOR</b> <b>DATE: 18/03/2026</b>
<i>All sections below are for Governance Team use only</i>		
<b>DATE REPORTED TO MANAGEMENT GROUP:</b>		
<b>KEY DECISION</b> <b>YES</b> <b>NO</b> <i>If Yes circulate to Overview &amp; Scrutiny Committee within 2 working days</i>		
<b>DATE CIRCULATED:</b>		<b>OFFICER NAME:</b>
<b>DEADLINE DATE FOR CALL IN BY OVERVIEW &amp; SCRUTINY COMMITTEE (5 days from the date Committee notified of the decision):</b>		
<b>DATE FUNDS CAN BE RELEASED:</b>		

*Once fully complete and signed off please return to the Governance Team.*



## DELEGATED DECISION TO APPROVE BUSINESS CASE & COMMIT FUNDS

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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> Sally Cowley, Appraisal Manager	<b>DATE DECISION TAKEN:</b> 27 <sup>th</sup> February 2026
<b>DECISION NO:</b> CF05-2026	<b>DELEGATION POWER AND PAGE OF CONSTITUTION:</b> Revised TVCA Assurance Framework agreed by Cabinet on 27 <sup>th</sup> September 2024 (Minute No. TVCA 20/2024); Section 3.32 – decision process for a named programme with an agreed funding allocation.
<b>DETAILS OF DECISION:</b> <u>Background:</u> On the 27 <sup>th</sup> of November 2020, Cabinet endorsed the allocation of £20.5m towards the Creative and Visitor Economies Growth Programme (“CVE Programme”) - Cabinet Decision Number: TVCA 31/20.  The CVE Programme comprises projects, events and activities as part of a strategy to stimulate and support the sustainable development of the region's creative sector and help boost the Tees Valley's creative and cultural offering, supporting long-term economic and social prosperity.  Following business case submission and appraisal the CVE Programme allocation of £20.5m was approved under delegation as per DDR Decision Number: CF10-2022.  <u>UKSPF 2025/26 Funding:</u> In July 2022, TVCA Cabinet accepted the UK Shared Prosperity Fund (UKSPF) Programme into the TVCA Investment Plan through the Investment Plan refresh. TVCA developed their UKSPF Investment Plan in collaboration with the Local Partnership Group (LPG), with details of investment priorities for the period April 2022 to March 2025. This plan was approved by government in December 2022.  Government then announced a one-year continuation of funding to 2025/26, to be delivered in line with the original UKSPF Investment Plan approved by Government.  On 28 <sup>th</sup> March 2025, Cabinet accepted the UKSPF 2025/26 programme into the Investment Plan as a <b>“named programme with a confirmed allocation of £21.5m and approved the proposed priorities set out in the Investment Plan Refresh Report”</b> . This included an indicative allocation of £3.5m under the Communities & Place Investment Priority, of which £2m was allocated to extend delivery of the UKSPF element of the CVE Growth Programme until 31 <sup>st</sup> March 2026.	

The £2m UKPSF allocated to the CVE programme has been assigned to the following projects:

Project Reference	CVE Programme Pillar	Project Name	UKSPF 2025/26 Allocation £	
PROJ-2322		Walking Cycling Feasibility	90,000.00	
PROJ-2323	Destination Product Development	Our Ordinary is Extraordinary: Murals, Markers and Stories that Matter Monuments	10,000.00	
PROJ-2464		Tour of Britain/British Cycling	265,000.00	
PROJ-2348	Festivals & Events	Music Festival Support Programme	150,000.00	
PROJ-1204	Sector Growth & Sustainability	Artists of the Year & Aspire - Business Support Programme	131,260.00	
PROJ-2432		Artist of the year - Will Hughes	28,932.00	
PROJ-2428		Artist of the year - Alexandria Cumiskey	28,932.00	
PROJ-2431		Artist of the year - Umar Butt	28,932.00	
PROJ-2430		Artist of the year - Finn Forster	28,932.00	
PROJ-2429		Artist of the year - Beth Wilson	28,932.00	
PROJ-2437		Arc Production Hub	133,200.00	
PROJ-2463		Unlocking Access: Culture and Visitor Attraction Venues Programme	210,880.00	
PROJ-1215		The Engine Room Place Partnership	200,000.00	
PROJ-2465		Screen Production Fund Extension	625,000.00	
PROJ-2377		Music Education Strategy	30,000.00	
		Cultural Leadership Presentation Skills Programme	10,000.00	
<b>TOTAL £</b>			<b>2,000,000.00</b>	

Additional investment in the CVE Programme will further enhance Tees Valley's creative and cultural offering, including scaling high performance activity, responding to sectoral demand, and increasing regional impact particularly in response to inflationary pressures, labour market shifts and evolving sectoral needs.

**FINANCIAL IMPLICATIONS:**

This decision approves an additional allocation of £2m to the CVE programme to deliver activities aligned to the priorities of UKSPF 2025/26 under the Communities & Place Investment Priority.

This increases the total overall value of the CVE programme from £20.5m to £22.5m, comprising both UKSPF and Investment Plan investment.

**EXISTING CABINET DECISION WHICH ASSIGNED THE NECESSARY FUNDING:**

On 28<sup>th</sup> March 2025, TVCA Cabinet accepted the UKSPF 2025/26 allocation/programme into the TVCA Investment Plan as a named priority programme, with a confirmed allocation of £21.5m and approved the priorities set out within the Investment Plan Refresh Report (Cabinet Decision No: TVCA 66/24-25).

This included an indicative allocation of £3.5m under the Communities & Place Investment Priority, of which £2m was allocated to extend delivery of the UKSPF element of the CVE Growth Programme until 31<sup>st</sup> March 2026.

**IS THIS A KEY DECISION?**

No

**RELEVANT CABINET POLICY FRAMEWORK:**

The Investment Plan 2019-29 sets out the strategic investment in programmes and initial transformational capital priorities that will deliver a significant economic impact, benefitting residents and businesses across the Tees Valley.

The activities which form the basis of the CVE Programme will contribute to the enhancement of the region's cultural, creative and hospitality sectors, and its destination marketing operations.

**PROCESS OF PARTNER CONSULTATION:**

In accordance with the UKSPF Investment Plan Local Partnership Group (LPG) considered a 'UKSPF Programme 22/25 & 25/26 Investment Plan' Report (Agenda Item 4) at the meeting held on 11<sup>th</sup> February 2025.

LPG endorsed the plans for the 2025/26 continuation to go to Cabinet for approval in March 2025.





*Once fully complete and signed off please return to the Governance Team.*



## DELEGATED DECISION FOR ADVANCED FUNDING

This form should be used to record decisions for funding in advance of a business case taken under delegated decision arrangements by the Chief Executive in consultation with the Mayor, Cabinet Portfolio member, Group Director of Finance & Resources and Monitoring Officer. 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; for example, through the specification of a named prioritised project 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 is subject to the established Combined Authority Assurance Framework, as agreed with central government.

<b>OFFICER:</b> Lynn Webster	<b>DATE DECISION TAKEN:</b> 20 <sup>th</sup> February 2026
<b>DECISION NO:</b> AF05-2026	<b>DELEGATION POWER AND PAGE OF CONSTITUTION:</b> The virement and new allocation of SSI resources approved by The Combined Authority Board.  The Combined Authority Board approval of Budget Report Agenda Item 5, Minute number TVCA79/16, 31 <sup>st</sup> January 2017
<b>DETAILS OF DECISION:</b>	
<p><b><u>Background</u></b></p> <p>The SSI Growth Zone was established as a one-off targeted recovery fund for Redcar following the closure of the SSI steelworks in October 2015. In 2015/16, the Government announced an £80 million funding package to support those employees and supply chain businesses impacted directly and indirectly by the closure of the SSI plant in Redcar. Of this amount, £46.5 million was administered through Stockton on Tees Borough Council (SBC) and the Tees Valley Combined Authority (TVCA), which subsequently assumed full accountability for the programme as part of its wider regeneration responsibilities.</p> <p>Within this overall support package, £5 million was specifically earmarked for the Redcar Growth Zone, designed to help drive the town's economic recovery through the creation of new commercial space, business growth opportunities, and targeted support for former SSI workers and local entrepreneurs.</p> <p>An initial call off against this allocation was submitted in April 2021 to contribute to the development of the proposed Redcar Central Station leisure and retail hub. However, this call off did not progress because the station project later secured funding through alternative, more flexible TVCA sources and continues to be held within the Tees Valley Investment Plan for future Redcar specific regeneration activity.</p> <p><b><u>Funding History and Key Decisions</u></b></p> <p><b>July 2021 – Cabinet (Q3 Budget Report &amp; MTFP)</b> Annex B identified the <b>£5 million Redcar Growth Zone (SSI)</b> allocation as an <i>approved but unspent</i> project.</p> <p><b>December 2021 – Funding Arrangements</b> TVCA approved an approach to increase flexibility:</p>	

- The SSI Growth Fund had strict spend criteria.
- The Redcar Station project required more flexible funding.
- TVCA therefore substituted the SSI allocation with **Redcar Growth Zone (devolved pot)** funding.
- The original **£5m funding remained available** for future call off.

### March 2024 – TVCA Cabinet (2023/24 Q3 MTFP Report)

With the Redcar Station successfully securing Levelling Up funding, the £5m Growth Zone allocation was:

- No longer required for the station project.
- Reprofiled into future years for other Redcar and Cleveland Council (RCBC) priorities

### Current Funding Position

The £5 million Redcar Growth Zone allocation remains held within the Tees Valley Investment Plan and continues to be reserved solely for Redcar specific regeneration activity. It has not been drawn down, nor has it been allocated to alternative commitments, ensuring the funding remains intact for its original purpose.

The funding provides a significant opportunity for Redcar and Cleveland Borough Council (RCBC) to develop new regeneration proposals aligned with Growth Zone objectives. The funding ensures that the core intention of the SSI recovery programme — to support meaningful, long term economic renewal in Redcar — can still be fulfilled through an updated programme of activity.

### 2024–2025 RCBC Programme Development

- July 2024: RCBC confirmed they were in a position to draw down the funding and submitted an initial programme proposal with costings.
- July 2024 - TVCA confirmed that the £5 million remained available, subject to a Full Business Case (FBC) progressing through the TVCA Assurance Framework.
- August 2025: RCBC submitted a revised programme portfolio and updated costs.

### October 2025 – Outline Business Case submission

RCBC submitted the Outline Business Case including:

- A revised project list
- A revised programme value of **£4,637,229.12**

PRGM- 1441

PROJ reference number for each project under the Programme is below

Cost centre /Budget code	Project	Indicative Funding	Project Ref	Notes
C0061- C600	Coatham beach access ramp	£1,477,000	PROJ-2559	Pedestrian ramp through Coatham sea wall to support Beach Base and Coatham development
C0061- C600	Coatham Boating Lake improvements	£500,000	PROJ-2560	To support local businesses and as basis for reimagined boating lake (works have commenced at risk)
C0061- C600	Architectural and event lighting in Redcar High Street and Coatham	£400,000	PROJ-2561	For the Coatham and Station Road area incorporate strategic events lighting to bring all the projects together.
C0061- C600	Redcar Market growth and expansion	£160,000	PROJ-2562	To grow the market as a driver of footfall and promote start up and business opportunities
C0061- C600	Redcar Station fit out	£400,000	PROJ-2563	To attract an operator and support local businesses
C0061- C600	Anchor Attraction fit out	£900,000	PROJ-2564	To attract an operator and support local businesses
C0061- C600	Coatham strategic business investment	£650,000	PROJ-2565	Beach Base expansion, delivery of hotel site, beach base, play/golf, car parking. (Includes £250k spend to date).
C0061- C600	Contingency	£150,000		
<b>TOTAL</b>		<b>4,637,000</b>		

- A request for **early release of £930k** for spend already incurred at risk, including:
  - £275,000 – Coatham (spend to date)
  - £500,000 – Boating Lake (spend to date)
  - £100,000 – Beach Access Ramp (plus £50k for next stage design/SI)-stage design/SI)
  - £10,000 – Beach Base design
  - £20,000 – Coatham lighting
  - £25,000 – RCBC capitalised salaries

RCBC, with support from TVCA, is now preparing the Full Business case for submission through the TVCA Assurance Framework.

### Summary

- £5m Growth Zone allocation remains unspent and available for call off.
- Funding was never awarded due to the station project being supported through alternative mechanisms.
- The allocation has been reprofiled for future RCBC priorities (March 2024).
- Current programme value: £4.637m (August–October 2025 submissions).
- RCBC has requested £930k early release for costs already incurred at risk.
- RCBC is continuing to develop the Full Business Case with TVCA support.

This delegated decision seeks to approve £930,000 in advance of a Full Business Case, to fund the development activity required to progress the project. This includes costs already incurred by the Council in the current financial year for project development, essential design work and remediation. The Full Business Case is currently in development for submission and will not be signed off within the current financial year. If approved, the remaining expenditure will fall into the 2026/27 financial year.

### FINANCIAL IMPLICATIONS:

This decision will provide £930,000 in one payment to Redcar and Cleveland Borough Council from the £5m Investment allocation. The remaining Investment Plan balance is £4,070,000

Any subsidy control risk is borne by Redcar and Cleveland Borough Council and forms part of the business case.

### EXISTING CABINET DECISION WHICH ASSIGNED THE NECESSARY FUNDING:

The Combined Authority Board approval of Budget Report Agenda Item 5, Minute number TVCA79/16, 31<sup>st</sup> January 2017

£46.5 million was administered through Stockton-on-Tees Borough Council (SBC) and the Tees Valley Combined Authority (TVCA), which subsequently assumed full accountability for the programme as part of its wider regeneration responsibilities.

This has been included in Budget Reports and MTFP cabinet papers 2021 - 2024

### IS THIS A KEY DECISION?

No

### RELEVANT CABINET POLICY FRAMEWORK:

The Redcar Growth Zone allocation is directly aligned with the Tees Valley Combined Authority's Strategic Economic Plan (SEP), the Tees Valley Investment Plan, and wider regeneration and place-making strategies at both local and regional levels.

The SEP identifies economic recovery, business growth, skills development and place-based regeneration as core priorities for the Tees Valley. The Growth Zone specifically responds to these priorities by targeting investment into Redcar following the closure of the steelworks.

The funding supports:

- Diversification of Redcar's economic base
- Provision of new commercial and enterprise space
- Opportunities for business start-ups and expansion
- Support for former SSI workers and the wider labour market

These aims align with SEP objectives relating to job creation, business support, economic resilience, and revitalisation of key town centres.

Many of the projects proposed by RCBC (e.g., Coatham improvements, Boating Lake development, public realm works, coastal infrastructure) directly support local ambitions for place improvement, tourism uplift, and enhanced public amenity, which are priorities in RCBC's economic regeneration framework.

Overall, the Redcar Growth Zone allocation is well-aligned with the SEP, the Tees Valley Investment Plan, and wider local and national policy frameworks aimed at supporting economic recovery, regeneration, and long-term growth in Redcar. The funding remains a strategically significant mechanism for delivering transformational, place-based investment in line with established regional priorities.

**PROCESS OF PARTNER CONSULTATION:**

Following the closure of SSI in October 2015, the SSI Task Force (now concluded) coordinated a multiagency response involving Government, Redcar & Cleveland Borough Council (Planning, Legal, Procurement, Assets and Estates, and Finance), local authorities, business representatives, ward members, trade unions, and key regional stakeholders. Its five workstreams (Workforce, Supply Chain, Economic Stimulus, Site, and Communications) ensured rapid, coordinated support to affected workers, businesses, and the wider Tees Valley economy.

For the current proposal, recent consultation has taken place with:

- TVCA Finance
- TVCA Heads of Service and Directors
- Redcar & Cleveland Borough Council Head of Service
- Project Leads
- Finance colleagues

This ensures the decision is informed by historic partnership activity and the most up to date cross- authority engagement.

**HOW THE ASSURANCE PROCESS WILL BE APPLIED TO THE DECISION:**

This advance is to be considered under delegated arrangements, as set out in the Assurance Framework.

The Assurance Framework allows for delegated approval for advance funding for projects within the Investment Plan with an allocation of resource, to the TVCA Group Chief Executive, Section 73 and Monitoring Officer, in consultation with the Mayor and Portfolio Holder.

The project will be administered under the Combined Authority's Assurance Framework as a named priority project. The Business Case will be developed, reviewed, and approved under delegation to the TVCA Group Chief Executive, in consultation with Tees Valley Management Group, the S73 Officer and the Monitoring Officer.

**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:**

The £5m allocation is available through the Tees Valley Combined Authority Investment Plan and is ringfenced for regeneration activity in Redcar. This funding originates from a legacy programme established following the 2015 steelworks closure, but the programme itself has since concluded. The ringfenced allocation has been carried forward through successive approvals, including the TVCA Board Budget Report (Agenda Item 5, Minute TVCA79/16, 31 January 2017) and subsequent Budget and MTFP papers (2021–2024).

Redcar & Cleveland Borough Council has submitted an Outline Business Case setting out a programme of projects aligned to the funding objectives. Alternative options—such as delaying or not progressing the programme—were rejected as they would risk underutilising the ringfenced allocation and miss key regeneration opportunities in Redcar, including Redcar Station fit-out, Coatham, and priority High Street initiatives.

The preferred option - Commit to funding all seven projects identified to maximise the reach and impact of the Growth Zone and complement investment through the Redcar Town Deal, Levelling Up Partnership and CRSTS.

A Full Business Case is in development and will include a full economic assessment as part of the approval process.

**ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:**

None

**SIGNATURE:**



**SIGNATURE:**



**SIGNATURE:**

