Tees Valley Combined Authority Cabinet

Friday 25 September 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 31 July 2026.

4. **Mayoral Update**
   To receive a verbal Mayoral update on key activity since the previous meeting of the Cabinet.

Governance Items

5. **Governance & Appointments**
   To receive a report from the Chief Executive detailing a number of appointments for approval, including in relation to the Director of Finance & Resources (Section 73 Officer).

6. **Organisational Improvement Plan Progress Report**
   To receive a report from the Chief Executive providing an update on progress in delivering the Organisational Improvement Plan and other matters relating to the Best Value Notice.

7. **Independent Advisory Report**
   To receive a report on improvement activity and progress from the Chair of the Independent Advisory Board.

8. **Organisational Excellence Strategy**

To receive a report from the Director of Operations presenting the Organisational Excellence Strategy for approval.

9. Single Assurance Framework Adoption
To receive a report from the Director of Operations presenting the Single Assurance Framework for approval.

10. Code of Conduct for Members
To receive a report from the Director of Legal & Governance seeking approval to adopt the Members Code of Conduct and note the Code of Conduct Complaints procedure.

11. Overview & Scrutiny Annual Report
To receive a report from the Director of Legal & Governance seeking endorsement of the Overview and Scrutiny Committee's Annual Report for the 2025/26 Municipal Year.

12. Delegated Decisions
To receive a report from the Director of Legal & Governance providing an update on any delegated or urgent decisions made since the last Cabinet meeting.

Finance Items

13. Quarter 1 2026/27 Forecast Revenue & Capital Outturn
To receive a report from the Interim Director of Finance & Resources presenting the Quarter 1 2026/27 Forecast Revenue & Capital Outturn for approval.

14. Onward Lending Policy
To receive a report from the Interim Director of Finance & Resources seeking approval of an Onward Lending Policy.

15. Partly or Wholly Owned Companies Policy
To receive a report from the Interim Director of Finance & Resources seeking approval of a Partly or Wholly Owned Companies Policy.

Policy Items

16. Local Transport Delivery Plan 2026/27-2031/32
To receive a report from the Director of Infrastructure seeking Cabinet approval to submit the Local Transport Delivery Plan to the Department of Transport and to approve various delegations highlighted within the report.

17. Approval of the Inward Investment Strategy
To receive a report from the Director of Inward Investment and Marketing presenting the Inward Investment Strategy for approval.

18. Tees Valley Investment Zone: Capital Strategy
To receive a report from the Director of Business Solutions presenting the findings of the Investment Zone Capital Review and seeking approvals for the Capital Programme and delegations.
Appendix 1 to this report is 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.)

19. Tees-Humber Local Innovation Partnership Fund
To receive a report from the Director of Business Solutions providing an update on the partnership and seeking endorsement of the investment programme.

20. Tees Valley Workforce Development Programme Update
To receive a report from the Director of Business Solutions presenting an update on the delivery and development of key Workforce Development programmes.

21. Approval of Strategic Place Partnership with Homes England
To receive a report from the Director of Infrastructure presenting an overview of the proposed Strategic Place Partnership with Homes England and a recommendation to approve the Partnership Business Plan.

22. Brownfield Housing Fund Round 4 Programme Business Case
To receive a report from the Director of Infrastructure providing an update on the Brownfield Housing Fund Round 4 and seeking approval of the Brownfield Housing Fund Round 4 Programme.

23. Rough Sleeping Programme 2026-29
To receive a report from the Director of Infrastructure providing an update on the homelessness and rough sleeping funding allocations and seeking approval to allocate the funding to constituent local authorities.

Date and time of the next meeting – Friday 13 November 2026 at 10:30am

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 – tvcagovernance@teesvalley-ca.gov.uk

Membership

The Tees Valley Combined Authority comprises the following membership:

Mayor Ben Houchen	**Chair, Tees Valley Combined Authority**
Councillor Stephen Harker	**Leader, Darlington Borough Council**
TBC	**Leader, Hartlepool Borough Council**
Mayor Chris Cooke	**Mayor, Middlesbrough Council**
Councillor Alec Brown	**Leader, Redcar & Cleveland Borough Council**
Councillor Lisa Evans	**Leader, Stockton-on-Tees Borough Council**
Matthew Ord	**Chair, Tees Valley Business Board**

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

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

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, 31st July 2026 at 10.00 am
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.

ATTENDEES	
Members	
Mayor Ben Houchen (Chair)	Tees Valley Mayor
Councillor Graham Harrison	Leader, Hartlepool Borough Council
Mayor Chris Cooke	Mayor of Middlesbrough, Middlesbrough Council
Councillor Alec Brown	Leader, Redcar and Cleveland Borough Council
Councillor Lisa Evans	Leader, Stockton-on-Tees Borough Council
Officers	
Tom Bryant	Chief Executive, Tees Valley Combined Authority
Sarah Brackenborough	Director of Operations, Tees Valley Combined Authority
Alan Layton	Interim Deputy Director of Finance & Resources, Tees Valley Combined Authority
Craig Peacock	Director of Inward Investment & Marketing, Tees Valley Combined Authority
Sarah Walker	Director of Business Solutions, Tees Valley Combined Authority
Victoria Pescod	Interim Deputy Monitoring Officer, Tees Valley Combined Authority
Elizabeth Davison	Executive Director, Resources & Governance, Darlington Borough Council
Matt Wilton	Chief Executive, Hartlepool Borough Council
Erik Scollay	Chief Executive, Middlesbrough Council

DRAFT

Neil Shaw	Executive Director, Redcar & Cleveland Borough Council
Clare Harper	Chief Financial Officer, Stockton Borough Council
Sally Henry	Governance Officer, TVCA
Also in attendance	
Stephen Kitching (on Teams) – item 8 only	Arlingclose

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.

	CHAIR'S OPENING REMARKS The Chair opened the meeting and welcomed everyone in attendance.
TVCA 21/26	**APOLOGIES FOR ABSENCE** Apologies for absence were submitted by Councillor Stephen Harker, Matthew Ord, Mike Greene, Rose Rouse and Jonathan Spruce.
TVCA 22/26	**DECLARATIONS OF INTEREST** Councillor Alec Brown declared a non-pecuniary interest in item 8 as Vice Chair of the STDC Board.
TVCA 23/26	**MINUTES** **RESOLVED** that the minutes of the meetings held on 26th June 2026 were confirmed as an accurate record.
TVCA 24/26	**TEES VALLEY MAYOR'S UPDATE** The Mayor advised Cabinet members that he had nothing further to update them on which was not covered elsewhere on the agenda. Members were however given an opportunity to comment or ask questions. No questions were asked.

DRAFT

TVCA 25/26	**INFORMATION GOVERNANCE POLICIES** Cabinet received a report from the Interim Monitoring Officer which presented the following revised governance policies for approval:- • Data Protection Policy • Data Retention and Deletion Policy • Access to Information (FOI/EIR) Policy • Subject Access Request Policy • Staff Privacy Notice • CCTV Policy The policies form part of the overall corporate policy framework. Cabinet members were asked to note that they are being asked to approve each policy individually, not the full suite of policies. All policies have been considered by the Audit & Governance Committee who have recommended them to Cabinet for approval. Members were given the opportunity to comment or ask questions. There were no questions or comments. **RESOLVED that Cabinet :-** • **APPROVED** each policy within the suite of corporate policies; • **DELEGATED** authority to the Monitoring Officer to make minor amendments to the policies, providing that the overall substance, scope and intent of the policies are not significantly altered.
TVCA 26/26	**ANTI-FRAUD, BRIBERY AND CORRUPTION AND ANTI-MONEY LAUNDERING POLICIES AND RIPA SURVEILLANCE PROTOCOL** Cabinet received a report from the Interim Monitoring Officer which presented the following revised governance policies for approval:- • Anti-Fraud, Bribery and Corruption Policy; • Anti-Money Laundering Policy; • RIPA Surveillance Protocol. The policies form part of the overall corporate policy framework. Cabinet members were asked to note that they are being asked to approve each policy individually, not the full suite of policies.

DRAFT

	All policies have been considered by the Audit & Governance Committee who have recommended them to Cabinet for approval. They were also advised that if approved today an Anti-Fraud and Corruption Strategy and Action Plan will be developed to sit alongside the Anti-Fraud, Bribery and Corruption Policy. Members were given the opportunity to comment or ask questions. There were no questions or comments. **RESOLVED that Cabinet :-** • **APPROVED** each policy within the suite of corporate policies; • **NOTED** the comments made by the TVCA Audit & Governance Committee; • **DELEGATED** authority to the Monitoring Officer to make minor amendments to the policies, providing that the overall substance, scope and intent of the policies are not significantly altered.
TVCA 27/26	**SOUTH TEES DEVELOPMENT CORPORATION LOAN AGREEMENTS** Cabinet received a report from the Chief Executive and Interim Deputy Director of Finance & Resources seeking approval to formalise the loan arrangements between Tees Valley Combined Authority (TVCA) and South Tees Development Corporation (STDC) and to delegate authority to finalise and execute the associated loan agreements within the financial and governance parameters set out in the report. The report set out the proposed repayment principles, monitoring arrangements and controls for existing advances and future borrowing within the approved £350m loan facility to STDC. The recommendations were supported by independent financial modelling advice from the TVCA treasury advisers (Arlingclose), including reconciliation of the £421m loan position and stress-test outputs on key downside scenarios. The delegation is subject to the final agreements remaining materially consistent with the repayment principles, affordability safeguards and governance controls set out in this report. Mayor Chris Cooke noted that Cabinet members have had several workshops to discuss this report leading up to the Cabinet meeting. He

DRAFT

	advised that work has been ongoing with Arlingclose to ensure the debts and overarching liabilities are all covered and that there is a mechanism in place for STDC to pay back the debt over the 19 years, but also a way to pay back the debt faster if possible. He advised that further updates will be brought to Cabinet as part of routine reporting. There will be a schedule of debt, which will ensure that all liabilities are covered and also enable overpayments as part of a surplus sweep mechanism. Alan Layton confirmed that this is an important set of recommendations for Cabinet to consider. It formalises the loan arrangements from an informal process to a formal footing and provides assurance to Cabinet that the debt can be paid off within the timescale of the business rates retention agreement period. He highlighted that the quay loan is based over a longer period. He further advised that this has been stress-tested by Arlingclose. Officers are of a view that the STDC business rates income forecasts are prudent. They are based only on current contractual committed occupancies. There is scope for more occupancy going forward so there is a high degree of confidence that the loans can be paid off during the 19 years of the business rates retention period. Councillor Brown enquired whether more tenants on site would mean the debt can be paid off quicker and also asked how often the schedule of payments will be reviewed. He was advised that it will be reviewed quarterly and reported back to Cabinet. There will also be a formal annual review. From a treasury point of view, at any point in the year that STDC have sufficient resources, they can make additional payments. There is no need to wait for a quarterly review. It was noted that, from an STDC perspective it is beneficial to pay the debt off sooner, but it would be better for TVCA for the debt to be paid back over 19 years to maximise the interest from STDC back to TVCA. In the agreement, a minimum repayment has been factored in along with the ability to overpay rather than having standard terms of paying the same amount every year which would tie STDC into a 19 year loan period. Councillor Brown enquired how far the stress testing go in terms of future-proofing.

DRAFT

	He was advised that Arlingclose pushed the current proposals as far as possible within the business rates that are being retained. They looked at a scenario where there is a significant reduction in contractual cash-flows and they are still confident that the debt can be paid. They also tested the impact of delaying the cash flows by 2 years and STDC were still able to pay back within the 19 years. The stress testing proved that even with a significant delay, repayment can still be made within the 19 year period. Councillor Bown noted that this piece of work has provided the assurance he needed and answered any concerns he had. He enquired whether this would have any impact on whether the BVN would be lifted by government. The Chair advised that it was not possible to say whether this would impact on the BVN being lifted, however, agreed that this is a significant piece of work and thanked all those involved. The Chief Executive advised that he has spoken to government and offered them a separate briefing. A press release will be issued if this is approved by Cabinet today. Councillor Evans thanked everyone involved in getting to this stage. She then proposed some additions to the recommendations within the report. She noted that the additions do not seek to change the principle of the loan arrangements presented, nor do they seek to delay the progress and noted there has been a huge amount of progress made. She advised that the proposed additions are intended to strengthen appropriate governance, transparency and Cabinet oversight as these arrangements develop over time. Councillor Evans advised that her proposed amendment to recommendation E is that, while authority is delegated to officers, and rightly so, any change that extends the payment period beyond that set out in the report or results in a different financial impact on TVCA, is presented back to Cabinet for approval. This will ensure that any material changes to the assumptions which have been mentioned remains a matter for elected members to consider and determine. Councillor Evan went on to advise that her proposed amendment to recommendation F is also focussed on transparency and recognises the need for officers to approve future loan advances within the already approved facility. It also provides that Cabinet will receive an update setting out the details and terms of each loan advance. Given the scale of the facility and the importance of these arrangements for the Combined

DRAFT

	Authority and our constituent authorities, she believes it is appropriate that Cabinet maintains visibility of how the facility is being managed and utilised and how the associated risks are being managed. Councillor Evans noted that these proposed amendments do not remove operation flexibility for officers. They simply provide additional assurance for Cabinet that members remain informed and retain decision making oversight when there are significant changes to the financial position or repayment arrangements. The proposed amendment to the recommendations was seconded by Councillor Brown. Mayor Cooke then noted that the sweep mechanism means that if STDC over-pay, this would not be captured by this amendment as this is already included in the recommendations in the Arlingclose report and would not slow down any over-payment process. He agreed that the amended recommendation makes it more explicit. Mayor Cooke then noted TVCA had received questions from the public and provided verbal responses. All questions and officer responses can be found on TVCA's website here. Cabinet members were invited to agree to the amended recommendations as proposed by Councillor Evans. **RESOLVED that Cabinet :-** • **Noted** that Tees Valley Combined Authority (TVCA) has advanced funding to South Tees Development Corporation (STDC) totalling circa £421 million as at 31 March 2026; • **Noted** that TVCA has obtained independent financial modelling advice from its treasury advisers (Arlingclose), including stress-test outputs on key downside scenarios. This advice provides confidence that under the current MTFP assumptions and with the proposed repayment mechanism, STDC's debt is sustainable and it can afford to repay its debt in full within the remaining period of the business rates retention arrangements, while maintaining financial resilience, even within a stressed scenario; • **Approved** the formalisation of loan agreements governing all existing loans advanced by TVCA to STDC on the basis set out in this report and recommended by Arlingclose. This provides a bespoke payment mechanism to ensure the repayment of all loans

DRAFT

	to STDC that are due to be repaid by the end of the business rates retention agreement in 2046, and includes future loans envisaged in the STDC MTFP; • **Noted** the loan agreements will include a review mechanism, requiring TVCA and STDC to review the repayment profile, affordability assumptions, cashflow position, reserves position and relevant income forecasts at least once each financial year; • **Delegated** authority to the Director of Finance & Resources (Section 73 Officer), in consultation with the Monitoring Officer, Chief Executive and Cabinet Portfolio Holder for Finance, Organisational Improvement and Business Growth, to finalise and execute the detailed terms of the loan agreements, provided that the final agreements are materially consistent with the repayment principles, interest methodology, monitoring arrangements, early warning triggers, information rights, lender protections and affordability safeguards set out in this report. If the agreement terms, either within the original agreement or through any subsequent review, extend beyond the loan repayment period set out in this report, or if the financial impact upon TVCA differs from that outlined in this report, the matter will be referred back to TVCA Cabinet for approval; • **Delegated** authority to the Director of Finance & Resources (Section 73 Officer), in consultation with the Monitoring Officer, Chief Executive and Cabinet Portfolio Holder for Finance, Organisational Improvement and Business Growth, to approve future loan advances, within the already approved £350million loan facility, to STDC subject to compliance with the agreed loan framework set out in this report, confirmation of affordability, an updated cashflow assessment, and consistency with the TVCA on-lending policy once approved. TVCA Cabinet will be provided with an update setting out the full details and terms of each loan advance.
TVCA 28/26	**BUSINESS TEES VALLEY PROGRAMME** Cabinet received a report from the Director of Business Solutions which sought approval for Business Tees Valley: a single, integrated business growth system for entrepreneurs, existing businesses and high-growth firms across the Tees Valley. The programme builds on the strategic framework approved by Cabinet in June 2025 and aligns business support,

DRAFT

	access to finance and Investment Zone activity with the Tees Valley Local Growth Plan. Cabinet approval was sought for the proposed programme, funding allocations and delivery approach pending completion and appraisal of a Full Business Case. Approval was also sought for programme governance and delegation arrangements. Cabinet were also provided an update on programme development and market engagement activity. Cabinet were also asked to note that the delegations within this programme will also be in conjunction with 2 Cabinet portfolio leads – Business Growth and Investment. This will provide additional oversight for Cabinet members. Members were given the opportunity to comment or ask questions. Mayor Cooke noted that the inter-authority agreement is an important mechanism. There are a lot of good people working across all the Local Authorities who over time have built up specific sector specialisms which can now be shared. **RESOLVED that Cabinet:-** • **APPROVED** the Business Tees Valley programme and associated funding allocations, subject to final due diligence of the Business Case in accordance with the Assurance Framework; • **AGREED TO DELEGATE** approval of the Full Business Case to the Combined Authority's Statutory Officers in accordance with the current Assurance Framework, and in addition, consultation with the Accountable Cabinet Portfolio Leads for Business Growth and Investment • **AGREED TO DEVELOP AND ENTER INTO AN INTER-AUTHORITY AGREEMENT** - with Tees Valley local authority partners to enable consistent delivery of the Business Tees Valley model, including the sharing of resources, data and procurement opportunities where this supports effective programme delivery; • **AGREED TO DELEGATE** authority to the Director of Business Solutions to take all decisions to manage and deliver the programme within the strategic framework and budgets agreed by Cabinet, in consultation with the Accountable Cabinet Portfolio Leads for Business Growth and Investment. Any

DRAFT

	projects within the programme above the value of £5m will come back to Cabinet for approval, this will be required for the Tees Valley Co-Investment Fund; • **AGREED** to receive a quarterly report on progress in delivering the Business Tees Valley Programme including any variances approved through the delegation.
TVCA 29/26	**BROWNFIELD HOUSING FUND ROUND 4** Cabinet received a report from the Director of Infrastructure which provided an overview of the Brownfield Housing Fund (BHF) Round 4 funding opportunity which is to be received from the Ministry of Housing, Communities and Local Government (MHCLG). The report sought approval to the concept of the BHF Round 4 Programme in principle as a named programme with a confirmed allocation of £33.3m (£32.6m capital and £0.7m revenue). Cabinet were invited to approve the development of a BHF Round 4 Programme Business Case which will be presented to Cabinet at a future meeting. Cabinet were also asked to approve the process to develop the BHF Round 4 Programme including identifying eligible capital projects to go into the Tees Valley Investment Pipeline through the launch of an open call. In addition, Cabinet were invited to approve the proposed usage of the RDEL funding for the BHF Round 4 Programme to cover staffing, marketing & communications (including workshops), project development capacity, business case development and technical appraisal support. It was noted that this is the first time a strategic pipeline of housing projects has been available. Members were given the opportunity to comment or ask questions. Councillor Brown enquired whether a project could be added to the pipeline of projects next year and was advised that the pipeline is being constantly updated. **RESOLVED that Cabinet :-**

DRAFT

	• **AGREED** in principle to the concept of the Brownfield Housing Fund Round 4 as a named programme with a confirmed allocation of £33.3m; • **AGREED** to the development of a programme level business case which will come to a future meeting for approval; • **AGREED** to proposed process to develop the BHF Round 4 Programme including process of identifying eligible capital projects to go into the Tees Valley Investment Pipeline; • **AGREE** to the proposed use of the £0.7m of Revenue Funding to allow progression of the BHF Round 4 Programme to meet the requirements of MHCLG and the TVCA Assurance Framework.
TVCA 30/26	**DELEGATED DECISIONS** Cabinet was presented with a report from the Interim Monitoring Officer, which advised of all the Delegated Decisions made since Cabinet last met on 26th June 2026. Cabinet was invited to **NOTE** the Delegated Decisions. Members were given the opportunity to comment or ask questions. There were no questions or comments. **RESOLVED that Cabinet noted the** Delegated Decisions made since Cabinet last met on 26th June 2026.
TVCA 31/26	**GOVERNANCE & APPOINTMENTS** **Alan Layton left the room at this point.** Members' approval was sought for the appointment of Alan Layton as Interim Director of Finance & Resources (Section 73 Officer). Members were invited to approve the appointment of the Chair and Vice Chair of the Tees Valley Combined Authority Audit and Governance Committee. Members were invited to note the appointment of a member and substitute member to the South Tees Development Corporation Audit & Governance Committee.

DRAFT

	Members were asked to note the appointment of a member and substitute member to the Middlesbrough Development Corporation Audit & Governance Committee. Members were also asked to note the appointments to the Investment Committee. Members were given the opportunity to comment or ask questions. Mayor Chris Cooke requested that his thanks to Jo Moore be placed on record. **RESOLVED that Cabinet :-** • **APPROVED** the appointment of Alan Layton, current Interim Deputy Director of Finance, as Interim Director of Finance & Resources (Section 73 Officer); • **APPROVED** the appointment of the Chair and Vice Chair of the Tees Valley Combined Authority Audit and Governance Committee; • **NOTED** the appointment of a member and substitute member to the South Tees Development Corporation Audit & Governance Committee; • **NOTED** the appointment of a member and substitute member to the Middlesbrough Development Corporation Audit & Governance Committee; and • **NOTED** the appointments to the Investment Committee. *The Chair then moved to Exclude members of the public by virtue of paragraph 1 (information relating to any individual), paragraph 2 (information which may identify an individual) of Schedule 12 A of the Local Government Act 1972).* This was proposed by Councillor Harrison and seconded by Councillor Evans. Cabinet received an update from the Chief Executive on the recruitment for the Director of Finance & Resources. **RESOLVED that Cabinet :-** • **APPROVED** the appointment of the permanent Director of Finance & Resources (Section 73 Officer) subject to the standard due diligence being completed (references and normal employment checks). Members of the public were invited back into the meeting at this point.

DRAFT

	CHAIR CLOSED THE MEETING AT 10:38

DRAFT

Cabinet

Tees Valley Combined Authority

Date			25 September 2026
Agenda Item			5
Report Title			Governance & Appointments
Accountable Cabinet Member			Ben Houchen **Tees Valley Mayor**
Accountable Chief Officer			Tom Bryant **Chief Executive**
Accountable Employees			Tom Bryant **Chief Executive** Andrew Perriman **Director of Legal & Governance (Monitoring Officer)**
Report considered by			A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 11 September 2026.
Key Decision		No	This item has been determined not to be a key decision.
Public Report	Yes		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	**Note** the appointments to Cabinet as detailed in paragraphs 1-2
B	**Approve** the appointment of Alan Layton, current Interim Director of Finance and Resources (Section 73 Officer) for a period of 12 months as detailed in paragraphs 3-7.

C	**Approve** the appointments to the Audit & Governance Committee as detailed in paragraphs 8-13.
D	**Note** the appointments to the Investment Committee as detailed in paragraphs 14-16.
E	**Note** the appointments to the Development Corporations Audit & Governance Committees as detailed in paragraphs 17 & 18.
F	**Approve** the Pay Policy Statement for 2026-27 as detailed in paragraphs 19-20 and attached at Appendix 2.

Purpose

This report details several appointments to be considered for approval or noted by Cabinet. It also seeks Cabinet's approval for the Pay Policy Statement.

Detail

Cabinet

1. On 16 September 2026 the Combined Authority were formally notified that, following the resignation of Councillor Graham Harrison, Councillor Dave Bruce had been appointed as Leader of Hartlepool Borough Council. This notification ensures that the Authority's records accurately reflect the current leadership and secures continuity of representation at the Combined Authority level.

2. Cabinet is the decision-making body of the Combined Authority. The Tees Valley Mayor Chairs the Cabinet, which is made up of the five Constituent Authority Leaders, and the Chair of the Business Board as non-voting member. The Legislation that sets of out the requirements of the Tees Valley Combined Authority Cabinet is the Tees Valley Combined Authority Order 2016 ('TVCA Order'), Schedule 1 which states:

   '1(1) Each constituent council must appoint one of its elected members to be a member of the Combined Authority.

   (2) Each constituent council must appoint another of its elected members to act as a member of the Combined Authority in the absence of the member appointed under sub-paragraph (1) ("the substitute member").

   (3) The Local Enterprise Partnership [the Business Board] *must nominate one of its members to be a member of the Combined Authority.*

(4) The Local Enterprise Partnership [the Business Board] *must nominate another of its members to act as a member of the Combined Authority in the absence of the member appointed under sub-paragraph (3) ("the substitute member").*

In accordance with Paragraph 1 (1) of Schedule 1 of the TVCA Order, Hartlepool Borough Council has appointed the following members to Cabinet.

Cabinet Member	Councillor Dave Bruce
Substitute Cabinet Member	Councillor Mike Young

Cabinet is asked to **NOTE** these appointments.

Finance & Resources Director (Section 73 Officer)

3. Alan Layton was appointed Interim Director of Finance & Resources (Section 73 Officer) by Cabinet on 31 July 2026. The duration of that interim appointment was dependent on the appointment of a permanent postholder.

4. Despite an extensive search and interview process, it was not possible to appoint a suitable permanent Director of Finance & Resources (Section 73 Officer). The Chief Executive and HR Team explored a range of potential candidates, working with several recruitment agencies and through informal networks. The search focused on suitably qualified individuals with the required expertise and experience who were able to maintain a reasonable office presence.

5. To provide continuity and stability while a permanent finance structure is put in place, it is proposed that Mr Alan Layton be appointed Director of Finance & Resources (Section 73 Officer) on a 12-month contract. This will ensure that the Authority continues to have an appropriately experienced and qualified officer responsible for the effective financial management of the organisation.

6. Mr Layton brings significant knowledge and experience of the Authority and its financial arrangements. His appointment for this fixed period will enable him to lead on implementing the permanent finance structure, to ensure a sustainable and high-performing finance function, enabling effective delivery of the Authority's priorities.

7. Maintaining continuity and stability in financial leadership is particularly important as the Authority continues its improvement work, and engages with Government on further devolution, including fiscal devolution, ensuring it is well placed to manage any future responsibilities, opportunities and funding arrangements.

TVCA Audit & Governance Committee

8. This statutory committee ensures sound governance, effective internal control and financial management of the Combined Authority, and ensures that the Combined Authority observes high standards of conduct in public office.

9. Members have been appointed by each of the constituent authorities, on the basis of political balance across the Tees Valley as required by legislation and set out in the Tees Valley Combined Authority Constitution.

10. Councillor Mohammed Mazi from Stockton Borough Council has resigned from the Audit & Governance Committee. Following a recent Council meeting, Stockton Borough Council has confirmed that Councillor Niall Innes will represent them on the Audit & Governance Committee and Councillor Hugo Stratton will be the nominated substitute member.

11. Hartlepool Borough Council have nominated Councillor Martin Dunbar as a substitute member to the Audit & Governance committee.

12. The Constitution allows for the membership of the Committee to include up to five Independent Persons for the purposes of providing advice in relation to standards matters under the Localism Act 2011 and assisting the Committee in the discharge of its financial functions.

13. There were three vacancies for Independent Persons on the Committee following the resignation of one member and the removal of another due to non-attendance. Following a recruitment campaign and interview process, Chris Milligan and James Little are recommended for appointment to the Committee. Biographies are attached at **Appendix 1**.

Cabinet is asked to **APPROVE** the appointments to the Audit & Governance Committee.

Investment Committee

14. At its meeting on 24 April 2026, Cabinet approved the establishment of an Investment Committee and its Terms of Reference.

15. Membership of the Investment Committee comprises the TVCA Portfolio Holder for Investment, who will Chair the Committee, and two appointments from each constituent local authority. At its meeting on 31 July, Cabinet noted some appointments to the Investment Committee.

16. The constituent local authorities have since that date made the following appointments to the Investment Committee:

Mayor Chris Cooke	Middlesbrough
Councillor Theo Furness	Middlesbrough

Member TBC following council meeting on 23rd September 2026	Stockton

Cabinet is asked to **NOTE** the appointments to the Investment Committee.

Development Corporation Audit & Governance Committees

17. At a meeting of the Hartlepool Development Corporation Board on 8th September 2026, the Board approved the appointments of David Williams and Ethan Gent as Independent Members on the Hartlepool Development Corporation Audit & Governance Committee.

18. At a meeting of the South Tees Development Corporation (STDC) Board on 10th September 2026, the Board approved the appointments of David Williams and Paula McMahon as Independent Members on the STDC Audit & Governance Committee.

    Cabinet is asked to **NOTE** these appointments.

Pay Policy Statement

19. On an annual basis, Cabinet is required to approve the Combined Authority's Pay Policy in relation to remuneration of its employee in accordance with section 38 of the Localism Act 2011 as set out at **Appendix 2**.

20. The Pay Policy Statement sets out the Combined Authority's approach to pay, remuneration and workforce reward arrangements. It must be approved annually by the Cabinet by 31 March each year and published on the Authority's website as soon as reasonably practicable following that approval. The 2026-27 pay policy statement was not approved within the statutory timetable due to an administrative oversight; however, the Cabinet may approve a revised pay policy statement at any other time within the financial year. The 2026-27 statement is therefore being presented to the Cabinet now for approval, to ensure that a formally approved version may be published.

Cabinet is asked to **APPROVE** the Pay Policy Statement for 2026-27 as set out in **Appendix 2.**

Partnership & Engagement

21. The Tees Valley Combined Authority Cabinet members were engaged at the Informal Cabinet meeting held on 11 September 2026.

Appendices

Appendix 1 – Biographies for Audit & Governance Committee Independent members

Appendix 2 - Pay Policy Statement 2026/27

Cabinet is requested to consider the following identified implications:	
Financial Implications	
17.	The salary costs of the Finance & Resources Director are affordable within the approved budget for 2026/27 and included within the MTFP.
18.	Support for the governance of Tees Valley Combined Authority is provided from within the Authority's core budget, as agreed by Cabinet through the annual budget process, and funded through resources devolved from central government.
Legal Implications	
19.	The TVCA Constitution states in paragraph 119 that Cabinet shall appoint as a senior officer of the Combined Authority, a Group Director of Finance and Resources and other Directors as necessary.
20.	The governance recommendations in this report relate to the Constitution of the Combined Authority, which sets out the appropriate statutory framework.
Equality & Diversity Implications	
21.	It is not expected that the recommendations in this report will have an adverse effect on any individual with protected characteristics.

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

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

	Risk Assessment
22.	The recruitment of a permanent Finance & Resources Director is a priority in terms of ensuring the on-going stability of the organisation. The recommendation for the twelve-month appointment ensures a suitably qualified individual is in post and provides continuity and stability.
23.	The governance recommendations in this report are categorised as low to medium risk. The appointment of members and their substitutes should enhance the quoracy of meetings.
	Improvement
24.	An action within the Organisational Improvement Plan is to ensure a sustainable and high-performing finance function. The Finance & Resources Director role is critical to

	this and the recommendation in this report will ensure that the responsibilities of the Section 73 Officer continue to be effectively discharged. Furthermore, the on-going recruitment to the finance team will ensure a high-performing and stable finance function.
25.	There is an action in the Organisational Improvement Plan to ensure that all statutory committees are appropriately supported and challenged to maximise effectiveness. It is critically important that TVCA and the other group entities have effective Audit and Governance Committees, which will ensure continuous improvement, good governance and sound audit processes.
	HR
26.	The Assistant Director, People & Operations has supported the recommendation in this report, ensuring that it has been undertaken in accordance with policy and legislation.

Agenda Item 5

Appendix 1

Biographies for Audit & Governance Committee Independent Members

Chris Milligan

Chris Milligan BA (Hons), MSc, CertBA is a leader with extensive experience in corporate governance, financial oversight, programme management, and organisational performance within industry and publicly funded environments. He has a proven track record of providing independent challenge, robust scrutiny, and data-driven insight to support senior leadership and board-level decision-making. With significant experience managing multi-million-pound funding programmes, establishing effective governance frameworks, and strengthening transparency, accountability, and risk management, Chris combines strong analytical skills with a commitment to high standards of public sector governance, integrity, and value for money.

James Little

James Little is an Eaglescliffe based independent member looking to support TVCA leveraging his global governance and risk management experience.

He is an Associate Director in Risk Management who has operated at C-Suite and regional levels across more than 50 projects globally. His experience is across a range of sectors for over 35 clients; including bp, Rolls-Royce SMR, National Highways, GSK and ADNOC. He is proficient in providing end-to-end Risk Management at Project, Portfolio and Enterprise. He has developed global procedures for a Tier 1 engineering consultancy and formed a Risk Management structure across UK, Europe and the Middle East for multiple organisations.

Agenda Item 5

Appendix 2

Tees Valley Combined Authority
Pay Policy Statement
(Section 38, Localism Act 2011)

This pay policy statement applies to the financial year 2026/2027.

Introduction

1. This document sets out the Combined Authority's Pay Policy in relation to the remuneration of its employees in accordance with section 38 of the Localism Act 2011. The policy is subject to annual review which must be approved by the Cabinet each year. Any amendments during the course of the year must also be considered and approved by the Cabinet. The policy will be published on the Combined Authority's website as soon as reasonably practicable after approval.

2. The Combined Authority is committed to ensuring fairness, transparency and equality of pay in the remuneration of its employees. The Combined Authority adopted the Human Resources Framework and Policies of Stockton-on-Tees Borough Council at its inception, which includes the pay and grading structure.

Chief Officers and Senior Management Team

3. The Combined Authority's Senior Management Team, including posts defined as Chief Officers under the Localism Act, consists of the following posts:

Position Title	**Grade**	**Salary**
Chief Executive (Head of Paid Service)	CEO	£165,120
Director of Inward Investment and Marketing	Director	£137,631
Director of Infrastructure	Director	£137,631
Director of Operations	Director	£137,631
Director of Business Solutions	Director	£137,631
Director of Finance and Resources (S73 Officer)	Director	£137,631
Director of Legal & Governance (Monitoring Officer)	Director	£137,631

4. Joint National Conditions of service (JNC) are incorporated into all Chief Officers' contracts of employment.

5. The salaries for Chief Officers have been determined through independent analysis and benchmarking and reflect rates which are reasonably sufficient to recruit and retain senior officers, taking into account market conditions. The grades attributable to Chief Officer posts are subject to job evaluation and based on clear salary differentials which reflect the level of responsibility attached to any particular role.

6. Chief Officers do not receive bonus payments or performance related pay nor do they receive any benefits in kind paid for by the employer. Where a Chief Officer meets the criteria for entitlement to expenses these are paid in accordance with the Combined Authority's policies, aligned with those of Stockton-on-Tees Borough Council. Increases in pay for Chief Officers will occur only as a result of:

    - Pay awards agreed by way of national/local collective pay bargaining arrangements;
    - significant changes to a Chief Officer's role which result in a higher salary being appropriate as confirmed by the outcome of an appropriate job-evaluation process; or
    - recruitment and/or retention payments which, in all the given circumstances at the relevant time, are deemed necessary in the best interests of the Combined Authority and which are determined under the relevant policy relating to such payments.

7. It is expected that Chief Officers will perform to the highest level. Performance related pay therefore does not form part of current remuneration arrangements. This position will be reviewed if legislation and/or guidance relating to Chief Officer posts changes.

8. Under the Combined Authority's Constitution, appointment to the Chief Executive and Director roles are a matter for Cabinet. All other posts are appointed under delegation to the Chief Executive.

Payments to Chief Officers upon termination of their employment

9. Chief Officers who cease to hold office or be employed by the Combined Authority will receive payments calculated using the same principles as any other member of staff, based on entitlement within their contract of employment, their general terms and conditions, and existing policies. The Combined Authority adopts the policies of Stockton-on-Tees Borough Council, for application in these circumstances.

10. In the case of termination of employment by way of early retirement, redundancy (voluntary or otherwise) or on the grounds of efficiency of the service, the Pensions and Retirement Policy sets out provisions which apply to all staff regardless of their level of seniority. The Pensions and Retirement Policy also sets out the applicable provisions in respect of awarding additional pension entitlement by way of augmentation or otherwise.

Employment of Individuals Already in Receipt of a Local Government Pension

11. The approach to the employment of individuals already in receipt of a local government pension is set by the Teesside Pension Fund. The Fund has resolved not to abate pensions on re-employment, having regard to the enactment of regulations introducing flexible retirement, unless an enhanced ill-health retirement has been awarded.

Employment of Ex-Employees as Chief Officers under a Contract for Services

12. The Combined Authority does not generally support the employment of ex-employees as Chief Officers under a contract for services. However, there may be circumstances where the employment of an ex-employee under these terms is the most effective and efficient way of meeting the Combined Authority's needs. If this situation applies formal approval will be sought from the Chief Executive in their role as head of the paid service, and Cabinet, and any such arrangement would not progress without their support. In addition, the Government has introduced legislation to enable the recovery of exit payments for higher paid employees returning to the public sector.

Remuneration of Lowest Paid Employees

13. Stockton Borough Council introduced its Single Status Agreement on 1st April 2008, and this framework has been adopted by the Combined Authority. The lowest paid employees within the Combined Authority are appointed to jobs which have been evaluated using the NJC Job Evaluation Scheme and are remunerated accordingly.

14. As part of the budget setting process for 2026/2027 the Combined Authority has adopted the recommendations of the Living Wage Foundation (non-accredited), in respect of directly employed staff. From 1st April 2020, the Combined Authority committed to paying no less than the Real Living Wage, currently £13.45 per hour, and apprentices are paid at this rate accordingly.

Relationship between Chief Officer and Non-Chief Officer Remuneration

15. The 'pay multiple' for the Combined Authority is determined by comparing the pay of the highest paid employee (Chief Executive) against the median average pay, using hourly rates as at 30th December 2025, for employees within the scope of this statement.

16. The Combined Authority's current Median Hourly rate is £22.85 and the pay multiple (the ratio between the highest paid salary and the average salary of the whole of the Combined Authority's workforce) is 3.75.

General Principles Regarding the Remuneration of Staff

17. The Combined Authority has established pay and grading structures, founded on evaluation of job roles using job evaluation, which ensures a fair and transparent approach to pay and the same grading of jobs which are rated as equivalent. The Single Status Agreement was subject to an equality impact assessment by Stockton-on-Tees Borough Council, as well as being approved by the respective trade unions' equal pay units.

18. All employees are recruited in accordance with the Combined Authority's Recruitment Policy and are appointed on the minimum of the grade unless there are exceptional circumstances which would warrant appointment above the minimum of the grade. However, where an employee is redeployed because of redundancy or ill health into a lower graded job they will generally be appointed to the highest spinal column point of the lower grade, where appropriate, with salary protection to minimise the financial loss.

Publication of and access to Information Relating to Remuneration of Chief Officers

19. The Combined Authority will publish their Pay Policy Statement, following approval by Cabinet, on the Combined Authority's website. In addition, remuneration related data associated with the Pay Policy Statement and Code of Recommended Practice for Local

Authorities on Data Transparency, and information related to the public sector equality duty will be published on the Authority's website.

Cabinet

Tees Valley Combined Authority

Date	25 September 2026			
Agenda Item	6			
Report Title	Organisational Improvement Plan Progress Report			
Accountable Cabinet Member	**Mayor Chris Cooke** Portfolio Holder for Finance, Organisational Improvement and Business Growth.			
Accountable Chief Officer	**Sarah Brackenborough** Director of Operations			
Accountable Employee	**Claire Kenyon** Programme Manager – Organisational Improvement			
Report considered by	Pre-Cabinet process A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 11 September 2026.			
Key Decision		Yes	No X	A progress update is provided and therefore does not require a decision at this stage.
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	Not applicable for this report			

Recommendation(s)

The Combined Authority Cabinet is recommended to:

A	**Note** progress in relation to the Organisational Improvement Plan and supporting action plan update.

B	**Approve** any actions that remain at the end of September 2026 to transition into the Organisational Excellence Action Plan. Further details of these arrangements are provided in paragraph 6 of this report.
C	**Approve** the use of the uncommitted financial resources set aside for the organisational improvement plan to support the Organisational Excellence Strategy.

Purpose

1.	In accordance with agreed reporting procedures, this report provides an update on progress relating to the Tees Valley Combined Authority (TVCA) 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.

Executive Summary

2.	This report provides an update on organisational improvement activity during the period May to August 2026. It highlights progress against the Organisational Improvement Plan and provides assurance on the actions taken to strengthen governance, financial stewardship, organisational capacity and capability, and longer-term organisational resilience.
3.	During this period, significant progress has continued across all improvement themes, with a substantial proportion of actions now complete and activities focused on implementation, embedding and evidencing sustainable change. Improvements delivered through the Organisational Improvement Plan have strengthened governance arrangements, financial management, organisational culture, workforce development and partnership working, providing a strong foundation for continued improvement.
4.	As phase 1 of the improvement journey approaches its conclusion, TVCA Cabinet has agreed to transition from a defined improvement programme to a sustainable model of continuous improvement. The Organisational Excellence Strategy, presented under **Item 8** of this agenda, builds on the progress delivered to date and establishes the framework through which learning, assurance, performance, evaluation and external challenge will support ongoing improvement across the organisation. As improvement activity becomes embedded, emphasis on evidencing outcomes, demonstrating risk reduction is continuing.
5.	The Best Value Notice sets out that Government will review progress made by the Authority in relation to compliance with its Best Value Duty 12 months after the date of issue. Cabinet noted at its meeting on 26 June 2026 that Ministers were

	considering appropriate next steps considering all available evidence. While the outcome is awaited, TVCA continues to engage positively with MHCLG and the Independent Advisory Board and remains committed to demonstrating sustained improvements, transparency and accountability.
6.	This report is supported by the detailed Organisational Improvement Action Plan Update for August 2026, attached at **Appendix 1**. As at the end of August 2026, four actions remained in progress and were assessed as nearing completion. It is anticipated that by the end of September 2026, 95% of actions within the Organisational Improvement Plan will be complete. The two remaining actions are anticipated to be: • Review all finance processes and procedures and implement any necessary changes; and • Implement a new governance e-agenda and forward planning system. Cabinet are asked to approve that both actions are monitored through Phase 2 of TVCA's improvement journey and are incorporated within the Organisational Excellence Action Plan.
Progress summary	
7.	**Context** Since the adoption of the Organisational Improvement Plan, regular progress reports have been presented to Cabinet to provide oversight of delivery and monitor progress against the agreed improvement actions. In February 2026, the TVCA Chief Executive published a detailed self-reflective document providing a comprehensive update on organisational improvement activity between June 2025 and February 2026. Subsequent progress reports were presented to TVCA Cabinet in March and June 2026, providing updates on delivery against the Organisational Improvement Plan and wider activity supporting the Authority's improvement journey.
8.	These reports have tracked progress against the actions within the Organisational Improvement Plan alongside broader activity that supports organisational resilience, governance, financial stewardship and continuous improvement. This report builds directly on the position presented to Cabinet on 26 June 2026 and focuses on progress made between May and August 2026.
9.	**Key Messages** • Progress has continued across all themes of the Organisational Improvement Plan during the period May to August 2026. • Significant progress has been made towards concluding phase 1 of the organisational improvement programme, with a substantial proportion of actions now complete and others nearing completion. Remaining activities are focused on embedding change and long-term sustainability.

	• Governance reform has continued, including significant work on the Constitution review, and wider governance improvements. Key outcomes of this work to date have been presented to Cabinet, including updated policies as detailed below: - Whistleblowing Policy - Anti-Fraud, Bribery and Corruption Policy - Anti-Money Laundering Policy • Progress has continued in strengthening financial management, organisational capacity and workforce planning, supporting TVCA's long-term resilience and readiness for the additional responsibilities arising from the English Devolution and Empowerment Act 2026. • Following approval at TVCA Cabinet in June 2026, TVCA has begun transitioning from a time-limited improvement programme towards a sustainable model of continuous improvement, supported by the development of the Organisational Excellence Strategy, as presented in **item 8** of this agenda. • Focus remains on embedding improvements, evidencing impact, maintaining external challenge and ensuring readiness for devolution, new powers and responsibilities, Established Status and an Integrated Settlement.
10.	**Progress by Theme** This section sets out progress between May – September 2026, with reference to earlier activity where this supports a clear understanding of trajectory and delivery against the Plan. There remains clear interdependence between these themes and related actions.
11.	**Partnerships** The Partnerships theme within the Organisational Improvement Plan has focused on strengthening collaboration, collective leadership and shared ownership across TVCA, the five constituent local authorities and wider stakeholders. The programme has sought to strengthen strategic relationships, improve arrangements for long-term planning and political engagement, and develop a more coordinated approach to communications and stakeholder engagement to support the delivery of shared priorities across the Tees Valley.
12.	At the TVCA Annual General Meeting in June 2026 Middlesbrough Mayor Chris Cooke was appointed as portfolio holder for Organisational Improvement. Since then, Mayor Cooke has presented improvement related updates to Cabinet, IAB meetings and TVCA Overview and Scrutiny committee, further strengthening the improvement programme and partnership working.
13.	Whilst the actions identified within the Partnerships theme of the Improvement Plan have now been completed partnership working has continued to develop through the introduction of more collaborative approaches to policy development

	and decision-making, with political leaders, portfolio holders and key stakeholders engaged at an earlier stage in the development of strategic priorities. Examples include the development of approaches to adult skills provision and the Get Tees Valley Working Plan, which have involved joint working between TVCA and the constituent local authorities.
14.	A key development has been the adoption of a new External Communications Strategy, developed collaboratively with local authority partners, the Local Government Association (LGA) and the Independent Advisory Board (IAB). The strategy provides a framework for coordinated communications activity, supports the visibility of Cabinet portfolio holders and establishes arrangements for ongoing review and development.
15.	Whilst the actions associated with the Partnerships theme have been completed, partnership working remains an ongoing area of focus for the Authority. The relationships, governance arrangements and collaborative approaches established through the Improvement Plan will continue to be embedded and developed as part of the Authority's wider commitment to continuous improvement.
16.	**Use of Resources** The Use of Resources theme within the Organisational Improvement Plan has focused on strengthening financial management, governance, assurance and risk management arrangements to ensure public resources are managed effectively, efficiently and transparently.
17.	Substantial progress has been made in strengthening the capacity, resilience and capability of the finance function. A comprehensive review has resulted in a revised team structure, clearer responsibilities across core finance activities and the recruitment of additional interim specialist resource to support both operational delivery and ongoing improvement. Recruitment to the permanent team structure is now underway and is an important step to build a strong foundation and provide resilience.
18.	Whilst significant progress has been made in strengthening finance capacity and resilience, the TVCA recognises the importance of embedding a sustainable long-term finance structure and reducing reliance on interim arrangements, including the continuing recruitment of a permanent Director of Finance and Resources. The Interim Director of Finance and Resources (Section 73 Officer) has committed to remaining in post for a further 12 months, subject to Cabinet approval, presented in item 5 of this agenda. This remains ongoing and will continue to be a focus during the next phase of improvement.
19.	Significant progress has been achieved, with the majority of actions now complete. The outstanding action focuses on completing the implementation and embedding of revised financial processes and procedures. The Section 73 Officer commenced an internal review to assess current internal practices against the CIPFA Financial Management model, building on the previous process review and establishing a

	framework for continuous improvement across the function. This review will build on work already undertaken internally and will provide assurance that arrangements are aligned with recognised good practice and will support the development of an ongoing improvement plan. Consideration into external quality assurance on the outcome of this work is being considered. Financial management and stewardship continues to be a key part of the next phase.
20.	A key outcome of the financial improvement activity undertaken to date is the introduction of strengthened financial governance arrangements, including the development of an On-Leding Policy and a Wholly and Partly Owned Companies policy. Both policies will be presented to Cabinet for approval in agenda items 14 and 15 respectively. The policies support the Organisational Improvement Plan commitment to embed finance best practice across the TVCA's financial management arrangements by establishing a clear framework for on-lending activity. The Policies will strengthen governance, oversight and accountability, support long-term financial sustainability, ensure risks are managed appropriately, and promote prudent and sustainable decision-making in line with CIPFA guidance and providing further evidence of actions into culture.
21.	Overall, the improvements delivered through this theme have established stronger foundations for financial stewardship, governance and accountability. As TVCA moves from a programme of improvement to a culture of continuous improvement, these strengthened arrangements will support the effective management of public resources, informed decision-making and the TVCAs longer-term ambitions and responsibilities.
22.	**Governance** The Governance theme within the Organisational Improvement Plan has focused on strengthening TVCA's decision-making, accountability, transparency and assurance arrangements through a comprehensive review of governance frameworks, processes and structures. This has included strengthening political engagement and Cabinet decision-making, reviewing the Constitution, developing a new Single Assurance Framework (SAF), enhancing scrutiny and committee effectiveness, and improving transparency, information governance and accountability across the organisation.
23.	The appointment of Andrew Perriman as Director of Legal & Governance (Monitoring Officer) was approved by Cabinet on 31 July 2026, with Andrew commencing in post on 1 September 2026. The appointment strengthens TVCA's permanent leadership structure and provides dedicated leadership and oversight for the next phase of governance reform. As Monitoring Officer, Andrew will now lead the implementation of the revised Constitution and support delivery and wider Governance review ensuring the new governance arrangements are effectively embedded across the organisation and with partners.
24.	Whilst the appointment of Director of Legal and Governance has strengthened leadership capacity and resilience within the function, work is continuing as part of

	the wider workforce development strategy to strengthen wider legal capacity to ensure the service is appropriately resourced to meet future organisational requirements.
25.	To support the effectiveness of the Governance team, staff have become members of the Association of Democratic Services Officers (ADSO). In addition, an externally facilitated two-day team development session was held which has supported stronger collaboration, improved ways of working and enhanced integration across the Legal and Governance teams. Further strengthening the team's capability to support effective governance arrangements.
26.	Significant progress has been made under this theme, with 94% of governance actions completed and the majority of the remaining actions nearing completion, with key milestones scheduled for September and November 2026. The programme has delivered substantial improvements to TVCA's governance framework and established stronger foundations for effective decision-making and organisational assurance.
27.	A significant element of the improvement plan was the review of the existing Assurance Framework, the review was concluded and the outcome was the development of a new Single Assurance Framework, which was approved in draft by Cabinet on 24 April 2026. The draft SAF was then submitted to government for review, as per the standard process. Following its submission in April 2026, the SAF has been with Government departments for clearance. The Authority received notification that the SAF has been cleared by government on 27 August 2026, with a small number of actions to address, as detailed under Item 9 of this agenda. Government response requires that TVCA continues to keep the SAF under active review as governance improvements are finalised and implemented, ensuring that the document remains fit for purpose and accurately reflects the organisation’s governance and assurance arrangements. Any material changes identified prior to the next annual review should be notified to MHCLG for approval before an updated version is published.
28.	A comprehensive review of the TVCA Constitution is nearing completion and will continue to strengthen Cabinet decision-making arrangements, enhanced political engagement through revised portfolio holder and informal Cabinet arrangements, and the introduction of a refreshed Annual Governance Statement aligned to CIPFA and SOLACE guidance. Member induction and development arrangements have also been strengthened to support more effective governance, challenge and oversight.
29.	As part of this work a comprehensive review of Governance processes and procedures has taken place. The result of this is a revised suite of information governance and fraud prevention policies for TVCA. These include: • Data Protection Policy • Data Retention and Deletion Policy

	• Access to Information (FOI/EIR Policy) • Subject Access Request Policy • Staff Privacy Notice • CCTV Policy • Anti-Fraud, Bribery and Corruption Policy • Anti-Money Laundering Policy • Surveillance Protocol & Guidance. They have all been updated to ensure compliance with all current legislation and were approved by Cabinet on 31 July 2026. They have now been uploaded to both the TVCA website and Intranet.
30.	The focus is now on continuing consultation with partners, including Local Authority Monitoring Officers, on the revised Constitution ahead of Cabinet consideration and approval in November 2026. This is alongside the adoption of the new Single Assurance Framework. Subject to Cabinet approval, delivery of the implementation plan will support a phased transition to the new framework, to be fully adopted by April 2027.
31.	In parallel, work will continue to strengthen governance systems and transparency arrangements, while embedding revised governance processes across the organisation. This programme of activity continues to be supported by the Governance improvement workstream and will be integrated into business-as-usual as implementation progresses.
32.	**English Devolution and Community Empowerment Act 2026** Work is progressing in relation to the English Devolution Act, which received Royal Assent in May 2026. The TVCA Leadership Team has held a series of engagement sessions through their standing weekly meeting to build a shared understanding of the implications of the legislation and the new requirements for both the Combined Authority and the Mayor.
33.	Wider internal workshops have been undertaken to assess organisational readiness, identify required competencies, and support implementation. This has informed the development of an internal implementation plan, which prioritises actions required in the short term to meet immediate statutory and governance requirements, alongside medium- and long-term activity to ensure the organisation is fully prepared to operate effectively under the new arrangements, as and when they are phased in under the new Act.
34.	Cabinet members were provided an update relating to the English Devolution and Community Empowerment Act 2026 and the Rewiring the State - Cabinet Statement (July 2026) at their informal Cabinet meeting on 11 September 2026. The discussion outlined relevant legislative and non-legislative requirements, emerging opportunities associated with further devolution and the readiness plans for future responsibilities.

35.	**Culture** The Culture theme within the Organisational Improvement Plan focuses on creating a positive, inclusive and high-performing organisation where staff are engaged, supported and equipped to deliver TVCA's priorities. Key areas of focus have included leadership development, workforce planning, employee engagement, organisational values, communication, wellbeing and performance management.
36.	Significant progress has continued to be delivered during this reporting period, with all culture-related actions either complete or complete with ongoing activity to embed and sustain improvement. Activity has focused on strengthening the organisational foundations required to support a high-performing, accountable and improvement-focused culture.
37.	Key developments include the production of the Organisational People Plan, continued implementation of organisational development activity, further enhancements to staff engagement arrangements and the ongoing development of workforce planning approaches. During the period, staff engagement continued through all-staff briefings, staff forums, leadership communications and targeted engagement activity, providing greater opportunities for collaboration, feedback and organisational learning.
38.	The 2026 staff survey demonstrated positive progress across the majority of indicators, with improvement recorded in 19 of 24 areas. Notable improvements were reported in perceptions of openness and honesty, organisational communication and knowledge sharing, providing evidence that actions taken to strengthen staff engagement and communication are having a positive impact. Survey findings have been shared with staff and will continue to inform future improvement activity.
39.	Further progress has been made in embedding organisational values and expectations through recruitment, induction, leadership development and people management processes. Workforce development activity has been strengthened through the development of the People Plan, adoption of the LGA maturity model, leadership development initiatives and ongoing work to align workforce capacity and capability with current priorities and future organisational requirements, including devolution-related responsibilities.
40.	As TVCA transitions from the Organisational Improvement Plan to a longer-term approach to organisational excellence, the focus will shift towards embedding and sustaining the progress achieved to date. The People Plan, Staff Charter and wider workforce development activity will provide a framework for continuing to strengthen organisational culture, leadership, workforce capability and employee engagement, ensuring the organisation remains well placed to deliver its strategic priorities and future ambitions.

41.	**Continuous Improvement** The Continuous Improvement theme within the Organisational Improvement Plan has focused on establishing the foundations for a sustainable culture of learning, review, challenge and organisational development. Key areas of focus have included strengthening oversight and reporting arrangements, embedding organisational learning, clarifying the organisation operating model and ensuring improvement activity becomes increasingly integrated into business-as-usual delivery and decision-making.
42.	The continuous improvement actions as detailed within the original improvement plan are now complete. Monitoring and reporting arrangements were established, providing regular oversight of improvement activity through Cabinet, the Independent Advisory Board and MHCLG. This has strengthened transparency, accountability and external challenge while ensuring organisational improvement remains visible and aligned to strategic priorities.
43.	A key achievement has been the continued integration of organisational improvement into mainstream governance and management arrangements. Improvement activity is increasingly informed by performance information, audit and assurance findings, stakeholder feedback and organisational learning, supporting a more structured approach to identifying and addressing opportunities for improvement. Political accountability has also been strengthened through the inclusion of Organisational Improvement within Cabinet portfolio responsibilities.
44.	As the Organisational Improvement Plan reaches its conclusion, TVCA is developing and implementing a dedicated Organisational Excellence Strategy which will provide the framework for the next phase of its improvement journey. The Strategy together with its supporting action plan will support the transition from a defined programme of improvement activity to a sustainable cycle of evaluation, organisational learning, performance management and continuous improvement, ensuring TVCA continues to build organisational resilience, strengthen capability and readiness for transformation, and deliver better outcomes for residents, businesses and partners across Tees Valley. The Organisation Excellence Strategy is presented under **Item 8** of this agenda.
45.	At the point of writing there are currently 4 outstanding actions on the existing improvement plan. A further update on these actions will be provided in the usual monthly update for September. Cabinet are asked to approve that any outstanding actions on the existing plan that are not complete by the end of September remain subject to formal oversight, monitoring and reporting arrangements within the next phase of improvement.
46.	**Independent Advisory Board Arrangements**

	At its meeting on 27 June 2025, Cabinet approved the establishment, role and remit of the Independent Advisory Board (IAB) in response to the Best Value Notice, for an initial period of 12 months. The IAB was established to provide independent challenge, oversight and advice to support the Authority in addressing the requirements of the Best Value Notice, strengthening governance, and embedding sustainable improvement. Details of which have been provided within this report and previous Organisational Improvement Cabinet reports. As outlined in paragraph 5 of this report, TVCA is awaiting next steps in relation to the Best Value Notice. At its meeting on 20 March 2026 Cabinet approved that the IAB remain in place until TVCA receives confirmation on the next steps from MHCLG. The Board's role and remit will be reviewed in the context of the Authority awaiting confirmation on next steps in relation to the Best Value Notice, as set out in paragraph 5. A recommendation on future arrangements will be brought to Cabinet at the earliest opportunity.
47.	**Independent Advisory Board (IAB) meeting update** This section provides an update on IAB meetings since the last Cabinet update on 26 June 2026. Since Cabinet approval, the IAB has held 11 meetings. At its meeting on 12 June 2026 the focus of the meeting was a follow up to items discussed at the 18 May 2026 Board meeting, agenda items included: • Financial Position • Workforce plan and capacity update • Overall Progress update The meeting focused primarily on the updated financial position, with the Board receiving both a written report and a verbal update. Following discussion, the Board requested additional information on financial position, workforce plan and capacity update, which was discussed its next meeting on 12 June, in addition to full progress update for May 2026. At its meeting on 3 August 2026 the Board were formally introduced to Mayor Chris Cooke as the portfolio holder for Organisational Improvement. The agenda items included: • An improvement progress update delivered by Mayor Chris Cooke and TVCA CEO Tom Bryant. • STDC Finance update • Airport Finance update • Independent Advisory Board Requirements

	The Board were also shared the Monthly progress update report for June 2026. In addition, Board member Helen Edwards supported the recruitment process for the Director of Governance and Legal and has since met with the appointed officer and the outgoing Interim Monitoring Officer.
48.	**Meetings with the Ministry of Housing, Communities and Local Government (MHCLG) Best Value Notice (BVN) Team** There has been ongoing engagement between MHCLG and TVCA since the last update report to Cabinet. The meetings have included updates on the overall progress against the actions in the improvement plan with a particular focus on the use of resources theme.
49.	TVCA is awaiting confirmation of next steps from MHCLG in relation to the Best Value Notice.
Background	
50.	On 3 April 2025 Tees Valley Combined Authority (TVCA) was issued with a non-statutory Best Value Notice (BVN) by the Ministry of Housing, Communities and Local Government (MHCLG). The letter set out the requirement to produce a clear, overarching and holistic improvement plan, agreed by members of the authority by 3 July 2025.
51.	TVCA's external auditors (EY) wrote to TVCA Cabinet on the 15 April 2025 issuing three recommendations under Section 24, Schedule 7 (2) of the Local Audit and Accountability Act 2014. The TVCA response was approved at a meeting of the Cabinet on the 14 May 2025.
52.	A series of engagement workshops were undertaken with a wide range of partners, officers and members provided an understanding and basis for the development of an Organisational Improvement Plan, which was approved by the TVCA Cabinet at its meeting on 27 June 2025. Following Cabinet approval, the plans were submitted to MHCLG.
Partnership & Engagement	
53.	Significant external engagement was undertaken to inform development of the Organisational Improvement Plan, reflecting feedback from partners and stakeholders.
54.	**Ongoing Partnership and Engagement**

	Engagement has continued as implementation of the Plan has progressed, with the TVCA Chief Executive and Executive Leadership Team maintaining substantial engagement with senior regional stakeholders.
55.	In addition, the continuing programme of partnership and engagement activity includes: • A series of informal Cabinet workshops. • Strengthened portfolio holder arrangements. • Ongoing dialogue with officer groups. • Engagement, challenge and support from the IAB. • Engagement and support from the LGA.
56.	Work has also continued with the Local Government Association, which has undertaken a further series of engagement workshops with key partners and stakeholders.
57.	Consultation and communication remain central to delivery of the detailed actions, with members and staff continuing to be consulted and informed as work progresses. External challenge and validation also remain important features of the improvement journey through engagement with the IAB, the Local Government Association and others to provide support, challenge and assurance.
Appendices	
58.	Appendix 1 – Organisational Improvement Action Plan Update – August 2026.

Cabinet is requested to consider the following identified implications:	
Financial Implications	
59	Budget Provision for Finance, Legal and Improvement Resources Within the 2026/27 budget, it was recognised that both the Finance Department and Legal Services required additional resources in response to the Best Value Notice. To support this requirement, the permanent Finance staffing budget was increased by £185,000, providing a permanent uplift to the establishment. In addition, a one-off allocation of £369,000 was approved to fund agency costs while permanent recruitment is ongoing. Similarly, the Legal Services establishment received a permanent budget increase of £418,000, together with a one-off allocation of £400,000 to meet agency staffing costs pending the recruitment of permanent employees. In addition, £750,000 was approved to fund improvement activity across directorates within the authority. This funding was not restricted to specific expenditure categories. All bids will be assessed and may include costs

	associated with software, licences, staffing, equipment, training, and other improvement-related expenditure where these support the authority's improvement programme. Any underspend against the £750,000 improvement fund at year-end will be transferred to the Transformation Reserve. This will supplement the existing £1 million balance within the reserve and provide ongoing funding to support improvement activity delivered through the Organisational Excellence and Readiness Strategy. The reserve will be used to support future transformation initiatives and ensure continued investment in organisational improvement priorities.
60	Expenditure to date on staffing to lead the improvement is £93,940, and this cost is forecast to rise to £173,109 by the end of 2026/27. The programme co-ordinator for improvement is currently on a fixed term post to December 2026, and a potential extension will increase the forecast above.
61.	Staffing costs are budgeted for within the Operations Directorate and are incorporated within the core establishment budget. There is currently £167,000, including on-costs, provided within the budget to support improvement-related staffing. Provision for these costs has also been reflected within the future years of the Medium-Term Financial Plan (MTFP) to support the ongoing delivery of the authority's improvement and transformation objectives.
62	The total cost of invoices paid to date by TVCA to IAB members, since the BVN was issued, is circa £50K. The LGA grant has funded 50% of this cost, so the direct cost to TVCA has been circa £25K.
Legal Implications	
63	The letter from MHCLG in April 2025 stated that ministers are concerned as to the authority's capacity to comply with its best value duty under the Local Government Act 1999 and have therefore decided to issue TVCA with this best value notice ("notice"). The notice is a formal notification that the department has concerns regarding the authority and requests that the authority engages with the department to provide assurance of improvement.
64	This notice is issued outside the statutory powers held by the Secretary of State under the Local Government Act 1999 to inspect or intervene in local authorities where there is evidence of best value failure and, separately, under Section 230 of the Local Government Act 1972 to request information from local authorities.
65	The majority of measures to move to Established Status and subsequently to achieve an integrated settlement are centred around governance, accountability and assurance. Developing and delivering robust governance, clear

	accountability, and rigorous assurance arrangements is a critical enabler to unlock additional devolved powers and resources.

Equality & Diversity Implications

66.	The Organisational Improvement Plan itself does not directly impact on groups of people with protected characteristics.
67.	However, TVCA considers the potential impact on groups of people with protected characteristics in the development of policy, programmes and projects. Any actions within the action plan that relate to policy, programmes and projects will be subject to assessment during the development phase.

Other Significant Implications

Risk	x	Assurance Framework		Procurement	
Improvement	x	Environment		HR & IT	

68.	**Improvement** In order to secure continuous improvement an Organisational Excellence Strategy and accompanying Action Plan are being presented to Cabinet for approval, as detailed in Item 8 of this agenda. Together, they establish the framework through which TVCA will transition from a defined programme of organisational improvement to a sustainable model of continuous improvement, embedding learning, review, challenge and adaptation as part of business-as-usual activity. The Strategy and Action Plan will ensure that improvement activity continues to be formally monitored, reported and evaluated, while strengthening organisational capacity, capability and readiness for future opportunities and responsibilities.
69.	**Risk** There is a risk that the benefits and improvements delivered through the Organisational Improvement Plan are not fully embedded or sustained during the transition to continuous improvement. This will be mitigated through the Organisational Excellence Strategy, formal oversight of remaining actions, regular progress reporting, external challenge and integration into business-as-usual governance, assurance, performance and risk management arrangements.

Tees Valley Combined Authority Organisational Improvement Plan Update – August 2026

In response to the Best Value Notice issued to TVCA in April 2025, together with its partners, TVCA has created an Improvement Plan and ongoing Action Plan to address the matters set out within the notice and to ensure it has robust approaches across the five key themes of the plan:

Partnerships • Use of Resources • Governance • Culture • Continuous Improvement

In addition to the Best Value Notice, the ongoing action plan includes actions in relation to points raised by the External Auditor in the Statutory letter received in April 2025 which are addressed in the Use of Resources section of this update.

The table below shows a high-level summary of progress per theme, detailed updates per action are documented throughout the update, the next full progress report is due to be presented to TVCA Cabinet in September 2026.

Theme	Total actions	Complete	Complete – ongoing steps to embed	In progress – nearing completion	In progress	Not started	Progress overall
Partnerships	**3**	3	**0**	**0**	**0**	0	100%
Use of Resources	**4**	1	**2**	**1**	**0**	0	75%
Governance	**18**	10	**7**	**1**	**0**	0	94%
Culture	**14**	7	**7**	**0**	**0**	0	100%
Continuous Improvement	**4**	2	**0**	**2**	**0**	0	50%
Total % complete							**84%**

Note: The figures in the summary table are intended to provide a rounded indication of delivery status across each theme. The overall progress indicator reflects the balance of actions that are complete or complete with ongoing steps to embed. Almost complete and in progress actions are not included within the progress overall and should be read alongside the detailed narrative set out in this update. In progress - nearing completion refers to actions that are due to be complete in August or September 2026. It is anticipated that 95% of actions will be either complete or complete with ongoing steps to embed by the end of September 2026, to note actions relating to adoption of the Single Assurance Framework are reliant on external factors as detailed within this update.

TVCA is committed to continuous improvement. Completed actions are embedded within organisational operations to further strengthen functions, processes and long-term organisational resilience. In June 2026, TVCA Cabinet noted the intention to develop and implement a continuous improvement strategy, this will be presented to TVCA Cabinet in September 2026.

To note, the action relating to undertaking a Peer Review in 18–24 months has been omitted from the summary table because it has been identified as an action for future consideration, with timing dependent on the next steps associated with the Best Value Notice.

Partnerships						
Actions complete						
Refocus the Chief Executives meetings into a Tees Valley Strategic Leadership Team, made up of the six chief executives (5 LAs and 1 CA, CEXs) supporting the delivery of priority workstreams						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
TVCA Chief Executive	• Undertake a review of the TV CEXs meetings, priorities and Terms of Reference, implement changes from the review appropriately and reflect any changes in the governance structure and corporate calendar of the wider organisation and embed changes to processes.	• TV CEX meeting is now a standing item on TVCA ELT to ensure strategic alignment with TVCA key priorities • TV CEX continue to meet monthly with TVCA bringing Strategic Priorities for discussion. • TV CEXs meeting is part of the TVCA formal Cabinet cycle • Strategic forward plan discussed with CEX • July 2026 – Further discussions held with the CEX Group regarding its role and function under the revised governance arrangements, with the agreed approach to be reflected within the refreshed Constitution.	• TVCA CEO to continue to work strategically with the TV CEXs group. This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.		• Implementation of Tees Valley Strategic Leadership Team meetings • Positive feedback and demonstrable impact of the working arrangements received. **Impact** • Collective leadership and strategic alignment • More coordinated and efficient delivery of priority workstreams • Earlier identification and resolution of cross-organisational risks	• CEX Agendas **Potential impact indicators** • Attendance and active participation of members • Progress against shared priority workstreams • Feedback from members, delivery partners, external reviewers
Implement a collaborative approach to strategic long-term priority setting and planning, working closely with the constituent local authorities, with meaningful political engagement at the outset and throughout the process.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
TVCA Chief Executive	•Implement a series of workshops for priority setting •Engage key partners and Members •Ensure the workshops fit with the corporate calendar.	•12-month forward plan has been developed in collaboration with Cabinet. •12-month forward plan developed for Overview & Scrutiny Committee and Audit & Governance Committee. •Overview & Scrutiny Improvement Plan and Work Programme developed and approved by the Committee on 19 November 2025. •Audit & Governance Committee work programme and enhancement plan agreed by the committee on 27 November 2025. •Collaborative approach implemented to the development of strategic priorities in advance of Cabinet decisions, led by the portfolio holder and involving key stakeholders. Examples of positive feedback on the new collaborative approach from both portfolio holders and stakeholders, for instance the development of the new approach to adult skills provision and the development of the Get Tees Valley Working Plan, where the collaborative approach taken was described as an exemplar in local partnership delivery by the Department for Work and Pensions. •New committee report development	This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed. This will ensure robust strategic planning for all committees and informal engagement in advance of meetings linked to strategic priorities.		• Partners and key stakeholders understand long-term plans and provide positive/improved feedback on meaningful engagement. **Impact** • Strengthened alignment between TVCA and constituent LAs • Improved buy-in to agreed priorities • More effective use of collective resources	**Potential impact indicators** • Evidence of political involvement e.g. workshops, joint sessions • Formal agreement and commitment to shared priorities • Improved confidence from members and senior officers

		process implemented, with pre-committee engagement. • June 2026 - The Mayor and TVCA officers worked with Cabinet members to refine portfolios ahead of the Annual General Meeting (AGM) in June. Revised portfolios were approved to strengthen alignment with TVCA's strategic priorities. Further details are provided within the Governance section of this report. • July 2026 - Business Tees Valley Programme, which was presented and approved by TVCA Cabinet in July, provides further evidence of collaborative working and an improved processes for decision-making.				
Implement a balanced external communications plan to ensure TVCA restores public confidence, promotes itself and manages challenge & external scrutiny, with a greater role for Cabinet portfolio holders.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps for implementation**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director Of Inward Investment and Marketing	• Engage Partners and Stakeholders to develop a plan • Work with Partners and Stakeholders to implement and embed plan	• Reinstated regular Heads of Communications meetings with TVCA and five local authorities • Terms of Reference for group established with rolling chair to maintain shared ownership • Increased visibility of Cabinet portfolio leads in press articles and media opportunities, plus MP engagement • Increased engagement and visibility led by ELT with the business community • Working with the Local Government Association Head of Communications Improvement • Agreed scope of support to be provided by LGA specialists • Development of strategy now in progress alongside LGA • LGA held interviews in December with local authority leaders and chief executives • Communications Strategy workshop held with TVCA and LA Heads of Communications on 14 January • Draft strategy shared with Dame Amanda Milling of the Independent Advisory Board for feedback • 10 March 2026 - Draft strategy shared with TVCA Executive Leadership Team • May 2026 - Business Board established • May 2026 - Development of perceptions survey underway • May 2026 - Draft strategy shared with partners (LA leaders) • June 2026 - external communications strategy finalised and ready for full	This action has moved beyond the initial improvement phase and will now be managed through Continuous Improvement to ensure improvements are embedded, sustained and further developed.		• Clear, easily accessible information for the public that meets with legislation and best practice **Impact** • Improvement in public perception and confidence • Strengthened leadership visibility and accountability for portfolio holders • Reduction in reactive communications	• Engagement plan •TOR of group •Examples of press releases which show increased visibility of Cabinet portfolio leads **Potential impact indicators** • Media sentiment analysis (positive v negative coverage) • Number of FoI requests • Public engagement metrics • Portfolio holder feedback

		implementation from July 2026. • July 2026 – Plan fully implemented. • July 2026 – Plan added as standing agenda item on Tees Valley Head of Comms meetings to enable ongoing collaborative review and continuous improvement.				
Use of Resources						
Actions complete						
Ensure that all actions from audit reports are addressed in an effective and timely manner and progress is reported to Audit & Governance (A&G) Committee and Cabinet.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress Jue 2025 - August 2026**	**Ongoing steps for implementation**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Interim Director of Finance and Resources	• External Audit recommendations evidenced as complete with Auditors	•Close engagement and transparent reporting to the TVCA Audit & Governance Committee to ensure they are kept up to date with progress. •S73 officer improving relationships with External Auditors as described above. •The formal reporting to TVCA A&G and TVCA Cabinet will follow the approved plan. •This requires reports to be produced for circulation with these stakeholders for May, June, September and November. •Revised approach agreed to statutory backstop date of 27 February 2026. •Updates and progress will be reported to Cabinet & A&G Committee. •Training sessions held with A&G Members and meeting held with Chair pre-publication • May 2026 - External audit progress update provided to A&G committee • July 2026 – Requirements and expectations of A&G committee incorporated into member induction/training process.	This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.		External Audit recommendations evidenced as complete with Auditors. **<u>Impact</u>** • Strengthened assurance, accountability and control • Improved transparency • Improved oversight of risk management and improvement activity • Reduced risk of repeat findings and external challenge	**<u>Potential impact indicators</u>** • Actions are progressed within agreed timescales • Regular, clear progress reports presented to A&G and Cabinet • Clear senior ownership for audit actions and evidence of active management • Fewer repeat actions in subsequent audit reports
Actions complete – ongoing steps to embed.						
Respond effectively and in a timely manner to address the recommendations and actions contained within the external auditor's statutory letter received on 15 April 2025						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025- August 2026**	**Ongoing steps for implementation**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Interim Director of Finance and Resources	• Capacity review – *addressed under workforce development actions* • Process review – *addressed under review of finance processes and procedures* • Clear timetable for production of its 2024/25 Statement of Accounts	• Close working relationship established with EY, including regular dialogue with senior officers to jointly resolve outstanding queries on material matters. • 2024/25 published by the statutory deadline of 30 June 2025 • TVCA is working closely with EY to conclude the 2023/24 and 2024/25 external audit processes to enable signing of the accounts by the Interim Section 73 Officer and for EY to issue their disclaimed audit opinion.	•Ongoing - Work will continue at pace to work closely with the external auditor to satisfy their queries raised and to enable the audit process for 2023/24 and 2024/25 to be concluded as soon as practicable.		• All public inspection periods for the Annual Financial Statements (including narrative report) and Annual Governance Statement are complied with in line with legislation • All year-end statutory deadlines met for the production of Annual	

		• All material matters and transactions have been subject to group discussion and agreement. • Two material matters discussed with CIPFA for assurance and clarification. • Significant progress has been made in reviewing and restating the TVCA 2023/24 and 2024/25 accounts, as well as the accounts for all other group entities. • Appropriate and robust working papers have been prepared to support the financial statements. • Public accounts inspection requirements are now understood and were fully complied with. • A capacity review was undertaken by the Interim Section 73 Officer. • The Interim Section 73 Officer commenced at the end of July 2025, prioritising capacity issues and the completion of prior-year accounts. • Additional suitably experienced interim resources have been deployed to resolve remaining 2024/25 matters. • A further experienced interim lead for 2025/26 year-end processes commenced in December. • A comprehensive, integrated workbook has been developed to underpin the production of the final accounts, and this workbook clearly tracks all adjustments made to the draft accounts published on 30 June 2025. It also includes control and integrity checks to ensure accuracy and consistency of amounts reflected in the accounts. • Close engagement with and transparent reporting to the TVCA Audit & Governance Committee • February 2026 - TVCA submitted 7 of the 8 entities' accounts by the statutory backstop date of 27 February 2026. • May 2026 - Progress update on conclusion of accounts for 2023/24 and 2024/25, and draft accounts for 2025/26 provided to A&G Committee • TVCA single entity accounts, STDC group, HDC & MDC single accounts were published by the publication deadline. The unaudited draft TVCA Group Accounts will be published as soon as reasonably practicable. The Authority is working with the external auditors to resolve all prior year's matters' as soon as possible which will then enable the 2025/26 TVCA Draft Group Accounts to be published.			Financial Statements (including narrative report) and Annual Governance Statement to deliver before the backstop date **Impact** • Strengthened governance, financial management and internal controls • Improvement in auditor confidence and reduced risk of repeat findings in future audit cycles • Improved organisational credibility • Demonstrable commitment to improvement	**Potential impact indicators** • Actions are progressed within agreed timescales • Feedback from external auditor(s) • Clear senior ownership for recommendations and evidence of completed actions • No repeat findings in subsequent audit reports

		• August 2026 - TVCA Group Draft Accounts 2025/26 published • August 2026 – TVCA accounts for 2023/24 and 2024/25 signed off to go to external auditors				
Develop and implement a workforce development strategy, to ensure a sustainable and high-performing finance function.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps for implementation**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Interim Director of Finance and Resources/ Assistant Director of People and Operations	•Produce a baseline of Finance Team Capacity and Capability. Produce Terms of Reference for review of Finance team and approval by Cabinet. •Benchmarking analysis and review by Tees Valley Strategic Resources Group (FDs) for feedback. •SWOT analysis and local government finance workforce action plan key recommendations analysis performed to support review of the Finance Team. •Formulation of Finance Team structure options and funding requirements as applicable and recommendations to TVCA Senior Leadership Team and stakeholder groups.	• The Interim Finance & Resources Director was appointed in July 2025 and undertook an immediate review of the short-term requirements. • This review concluded that the existing team was small and flat in structure, with no separation of the three key elements of a full finance function: • financial management • financial accounting & reporting • treasury management • Additionally, the skillset and experience of team members were not necessarily aligned with activity being undertaken. • August–September 2025 - An interim structure was established. • Interim resource has been secured to ensure that the team is fit for purpose in the short term. • Additional specialist support has been brought in where necessary, with resources added on a controlled, as-needed basis. • This interim structure has been designed to undertake the full financial review and implement the improvements needed. • Formulation of the finance team structure has been developed by the Interim Group Director of Finance and Resources with support from HR. • Staff are now assigned to one of the three functions noted above, improving clarity and accountability. • Dedicated resource aligned to finance processes and improvements. • November 2025 - Updated structure discussed with the Executive Leadership Team (ELT) • December 2025 - Shared with the IAB as part of the Use of Resources Deep Dive given on 8 December 2025. • Extension to contract agreed with interim Finance & Resources Director as the S73 recruitment process in Q1 2026 did not result in an appointment • Governance and appointments report made to Cabinet on 24 April 2026 to inform that no appointment could be made –	• Recruitment of permanent Finance & Resources Director (S73) officer • May 2026 onwards Transition from the interim finance arrangements		• The Finance team has a clear structure building on current capabilities to ensure an appropriately qualified team and a development pathway to a resilient high performing service. **<u>Impact</u>** • Finance function better equipped to meet organisational needs • Improved recruitment, retention and skills development • Reduced reliance on interim or ad-hoc capacity • Improved quality of financial advice to members and senior leaders	**<u>Potential impact indicators</u>** • Improved retention rates and reduced interim reliance in finance function • Evidence that finance staff have the right skills and competencies to support function • Improved feedback from senior officers, members and auditors on quality of financial advice • Identified succession plans for key finance roles and reduced single-point dependency risks • Fewer finance-related audit issues

		details provided of extended interim arrangements • April 2026 - Proposed structure and recruitment needs for the finance function presented to CEO and business case prepared for new structure • May 2026 - Update on status of Director recruitment provided to IAB • May 2026 - Proposed structure for finance team presented to IAB. • May 2026 - LGA retention maturity model being adopted as part of workforce development plan • June 2026 - Cabinet received an update on progress with recruitment to the permanent Finance Director role. • July 2026 – Recruitment for finance team vacancies has commenced. • August 2026 – Interim Director of Finance and Resources (Section 73 officer) committed to remaining in post for a further 12 months, subject to Cabinet approval in September 2026.				
Actions in progress – nearing completion						
Review all finance processes and procedures and implement any necessary changes to ensure exemplar finance best practice, capture changes within the Constitution and improve awareness and understanding across the organisation.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Next steps and dates**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Interim Director of Finance and Resources	• Produce a baseline assessment of finance processes and procedures and 'gap analysis' where applicable to form the basis of future improvement plan. • Cabinet approval of finance process changes as required in line with Constitution. • Roll out of processes across the organisation (including all necessary awareness raising and training). • Implementation of the necessary system changes to reflect the new sub-scheme of delegation. • Roll out training for all new budget holders and individuals with delegations. Roll out training for document authorisation system.	•Review of finance processes undertaken and complete. This includes Budget monitoring, finance accounting monthly control process, treasury management and cash management. •Process owners assigned •Dedicated resource within the Finance team who has responsibility for documenting and tracking processes and improvements made. •The Local Government Association (LGA) have been engaged to provide additional support on key process improvement. •Process tracker developed, updated and shared with the IAB. •New budget setting process implemented for 2025/26. •April 2026 - A new budget timetable to be created and to be implemented for 2026/2027. •April 2026 onwards - Implementation of programme of process improvements has commenced • May 2026 - Internal working group in place to map and document all updated	•Continue to update and implement revised processes. •July 2026: Arrange procurement of external review of all finance processes and procedures. To assess effectiveness, efficiency and robustness as well as alignment with CIPFA good practice and SOLACE principles of good governance •July – September 2026 - Constitution changes to be updated as part of the constitution review.		• Fully documented finance business processes and procedure documentation is widely available and understood by staff • Ownership and accountability is demonstrated through budget holder leadership for their respective areas of delegated authority. • Document authorisation processes are compliant, timely and accurate working to agreed service standards across the Group **<u>Impact</u>** • Improved consistency, control and compliance • Improved clarification of roles and responsibilities to reduce ambiguity and governance risk	**<u>Potential impact indicators</u>** • Updated finance processes and procedures are documented, approved and operational • Constitutional updates are complete and reflected in

		finance processes to support roll out across organisation • May 2026 - Planned procurement process being considered for external review of processes and procedures • June 2026 - EOI and specification for external review of processes and procedures drafted to be out for procurement in July. • July 2026 - Updated corporate policies presented to Cabinet [Anti-Fraud, Bribery & Corruption and Anti-Money Laundering] and approved. • August 2026 – Financial Regulations reviewed and updated as part of the Constitution review • August 2026 – Work commenced to assess current internal practices against the CIPFA model, building on the previous process review and establishing a framework for continuous improvement across the function.			• Better financial discipline and more informed decision making among officers and members	financial decision making and scheme of delegation • Reduction in finance-related audit issues • Feedback from auditors, officers and members in relation to understanding (and reduction in errors/escalations)

Governance						
Actions complete						
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.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director of Legal and Governance (Monitoring Officer) / Director of Operations	• Undertake an internal review of the Assurance Framework. Work with partners and Members to update. Seek Cabinet approval.	• The Assurance Framework has been identified as a priority area for improvement. • Best practice centres around the development of a Single Assurance Framework (SAF), which will enable Tees Valley Combined Authority to address issues, introduce a new approach and culture to approvals and drive standards. • An initial assessment of the existing Assurance Framework by the Interim Monitoring Officer in September 2025 concluded that the existing framework is in need of redesign, with opportunities to strengthen it. •A SAF provides opportunities to deal with the uniqueness and nuances of the Tees Valley set up of Mayoral Development Corporations. •Tees Valley Specific Design Principles have been developed. •Engaged with the Ministry of Housing, Communities & Local Government (MHCLG) to	• A phased approach to the implementation of the Constitution and governance review is in place with key milestones of April, June, July, September and November Cabinet meetings. September 2026 - Cabinet will receive an update on the Government clearance of the SAF, including any amendments made and proposed next steps for implementation. September 2026 – Cabinet will be asked to adopt the SAF, subject to an implementation plan being approved in November.	The indicative timescale for SAF adoption has been revised from 26 June 2026 to September 2026.	Approval of updated Assurance Framework. Data is available providing evidence of effective assurance processes. **Impact** • Improved confidence that risks, controls and governance arrangements are identified, managed and monitored effectively • Reduced gaps, duplication and inconsistencies across the system	• Delivery of Single Assurance Framework. • Approval of SAF by MHCLG and other government departments. • Completed annual reviews as required. **Potential impact indicators** • Revised Assurance Framework is approved • Demonstrable links between risk management, audit, performance reporting and governance processes • Evidence of engagement and agreement from Cabinet and constituent local authorities

		align design principles. •Cabinet has endorsed the approach and design principles for the development of a SAF on 12 December 2025 •Audit and Governance committee considered design principles on 20 February 2026. • 1 April 2026 - Presentation to Cabinet workshop • 24 April 2026 - Draft of SAF presented to Cabinet and approved for submission to government departments for clearance • April 2026 - Draft SAF submitted to MHCLG for review following Cabinet endorsement • May-June 2026 - Individual engagement sessions with Cabinet members included update and next steps for SAF. • May 2026 - Internal working group established to ensure internal adoption of SAF. • 26 June 2026 - Internal implementation plan to support adoption of the approved SAF developed, ensuring alignment across the organisation and other actions in this plan, including the Constitution review. • June 2026 - Responded to first round of clarification questions from Government. • July 2026 - Continued development and testing of the SAF by the Implementation Sub-Group to support readiness for adoption. • August 2026 – Government clearance of SAF received, subject to actions and alignment with continued Governance review.			• Enhanced clarity of roles and responsibilities • Strengthened links between risk management, audit, performance and decision making	• Feedback from members, auditors and senior management in relation to confidence in assurance position

Review the Cabinet decision making process and implement any necessary changes to ensure meaningful political engagement at the outset, including presenting Members with thorough options appraisals, and throughout the process						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director of Legal and Governance (Monitoring Officer)	• Undertake a detailed review of Cabinet decision making process, engage partners and Members in this review, and make any necessary changes to the Constitution and internal processes	• Key to organisational improvement is ensuring that the TVCA governance framework remains fit for purpose by reflecting current legislation, operational requirements, and best practice. • It is good practice to amend the Constitution with the aim to clarify decision making processes, strengthen accountability and transparency, and support effective collaboration between the mayor, Cabinet, and stakeholders in delivering strategic priorities for Tees Valley. • Completed review of the existing Local Assurance Framework. • Tees Valley-specific design principles, which align with the approved Tees Valley strategic fit, have been developed and endorsed.	• A phased approach to the implementation of the constitution and Governance review is in place with key milestones of April, June, July, September and November Cabinet meetings.		Clearly documented process from origin to decision. **Impact** • Improved quality and effectiveness of political engagement • Members are meaningfully involved from the outset • More informed, transparent and defensible decisions • Reduction in late challenge and delays	Cabinet decision process flow. Established calendar / schedule **Potential impact indicators** • Cabinet reports include clear, proportionate options appraisals • Evidence of Cabinet involvement at early stages – not just at final decision point • Reduction in deferred, withdrawn or revisited Cabinet decisions • Feedback from Cabinet members in relation to clarity, usefulness and timeliness of

		• There has been engagement with the Ministry of Housing, Communities & Local Government (MHCLG). • On 12 December 2025 Cabinet considered and approved the decision making principles. • May 2026 - Commencement of meetings for newly established Business Board which will help shape decisions • June 2026 - Work on the Governance Review continued, including delivery of the phased Constitution review including the development of updated decision-making arrangements.			• Stronger political ownership	information • Feedback from scrutiny, auditors or external reviewers in relation to the robustness of the Cabinet decision making process
Review the format and effectiveness of the existing Annual Governance Statement (AGS) in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) & the Society of Local Authority Chief Executives and Senior Managers (SOLACE) Good Governance Framework and make any necessary changes						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director of Legal and Governance (Monitoring Officer)	• Review current format, engage partners and members as appropriate, taking into account best practice.	• The Annual Governance Statements (AGS) for TVCA, HDC, MDC and STDC for 2023/24 and 2024/25 have been reviewed and updated following feedback from the external auditor and will be reported with the final statement of accounts. • Updated draft templates are in place and are in line with CIPFA and SOLACE guidance. • A process is established which accords with the Best Value guidance. • April 2026 - All draft AGS complete • May 2026 - Code of Governance table incorporated into 2025/26 AGS • May 2026: Draft TVCA 2025/26 AGS presented to A&G Committee for comment. • June 2026 - Cabinet approved the draft TVCA 2025/26 AGS for publication, marking a significant step towards a refreshed approach to AGS, embedding a timely and well-managed annual governance reporting cycle.	This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.	Revised dates for the TVCA AGS 2023/24 and 2024/25 are to be confirmed, as they remain aligned with the publication and approval timetable for the corresponding accounts.	Production of annual governance statement which fairly reflects the position of governance across the authority with open and transparent acknowledgement where improvements need to be made, with appropriate actions to address. **<u>Impact</u>** • Improved clarity, quality and credibility of TVCA's self-assessment of governance, risk and control • Stronger senior and members ownership of governance issues, priorities and improvement actions • Strengthened internal and external assurance	Approved and updated AGS' through Audit & Governance / Cabinet. **<u>Potential impact indicators</u>** • Revised AGS format demonstrably aligns with CIPFA/SOLACE Good Governance Framework • AGS provides clear narrative of governance strengths, weaknesses, risks and improvement actions • Clear senior ownership of governance issues and agreed actions within the AGS • Positive feedback from A&G committee on usefulness of AGS • Increased confidence from auditors or external reviewers in relation to the quality of governance self-assessment
Ensure committee reports are of sufficient quality and draw attention to the pertinent information, considering best practice and feedback from Cabinet and local authority officers.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director of Legal and	• Review structure and content of reports & deliver report writing	• A full review of the reporting template and structure for Cabinet reports has been	•Ongoing- Report writing training to continue to be rolled out to TVCA		Demonstrable audit trail of informed decision	This is in effect a blend of items in relation to

Governance (Monitoring Officer)	training to identified staff. Deadline for reports clearly communicated with escalation process and action taken recorded.	completed. • Report writing training has been delivered to some staff. • A new template and structure have now been rolled out. • Linking to the strategic forward plan, clear Cabinet cycles and reporting deadlines are now defined.	staff on an ongoing basis. This will form part of implementation and training for new committee services management system, following adoption. • Ongoing - The framework around report approval continues to be strengthened. This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.		making. Testing of the process to ensure robustness. **Impact** • More effective and informed member decision making • Improved focus of committee discussions • Stronger challenge and reduction in need for clarification at meetings • Improved confidence in the robustness of decisions • More efficient meetings and better governance outcomes	governance activity. Process / step identification and reviews of TORs within the wider governance framework will be supportive. **Potential impact indicators** • Committee reports consistently meet agreed quality standards • Improved feedback from Cabinet and committee members on clarity, relevance and usefulness of reports • Reduction in deferred decisions and/or requests for additional information • Increased confidence from members, senior officers and auditors in relation to the quality of information provided

Develop and implement an ongoing improvement plan with the Overview & Scrutiny (O&S) Committee to continue to make improvements to the effectiveness of the overview and scrutiny function, including a more strategic approach to work planning and improving the relationship with Cabinet and portfolio holders.

Accountable Director	Initially identified key steps	Key Milestones/Progress June 2025-August 2026	Ongoing steps to embed	Revised dates (if applicable)	Overarching measure of success	Evidence
Director of Legal and Governance (Monitoring Officer)	• Work with O&S Committee to develop improvement plan (merging any actions under the previous Centre for Governance & Scrutiny review where appropriate), with identified aims, objectives and timescales. • Ensure improvement activity is appropriately included in the Committee's work plan.	• First listening workshop held 14 May 2025 • Development of improvement continues with ownership of improvement by O&S committee. • Committee has adopted new work programmes and have developed, agreed and adopted improvement plan in support of the Organisation Improvement Plan. • Second workshop held 14 Feb 2026 - notes provide evidence of improvement • April 2026 Engagement with CfGS re O&S Committee improvements • July 2026 - Functions and procedures of O&S committee included in member induction training	This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.		O&S Committee have shaped and developed the plan, the effectiveness of which can be demonstrated in its work and results.	O&S papers, Oct 2025 onwards Approval of enhanced terms of reference, including the introduction of thematic leads aligned to portfolio areas. Adoption of formal improvement plan and revised approach to work programming. Approval of memorandum of understanding with the Audit & Governance Committee to strengthen role clarity, remit and coordination. Agreement of a 2-year work programme and update on the adoption of the Scrutiny Protocol, confirming over 80% of actions enacted and remaining actions on track. The evidence demonstrates sustained and structured progress in implementing the recommendation. Revised Terms of Reference approved in October 2025 strengthened

					Impact • Strengthened effectiveness, independence and influence of the O&S committee • Scrutiny activity focused on areas of greatest impact/value/public interest • Earlier, constructive challenge is supported • Enhanced accountability, transparency and decision making	the capacity of the Committee through the introduction of thematic leads operating in a shadow portfolio model. **Potential impact indicators** • Clear forward work programme is in place for O&S Committee • Evidence that O&S recommendations add value and influence policy development or service improvement • Evidence of engagement between O&S, Cabinet and portfolio holders – including timely responses scrutiny recommendations • Increased confidence from members, officers and external reviewers in relation to effectiveness of O&S function
Ensure that all TVCA statutory committees are appropriately supported and challenged to maximise effectiveness.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director of Legal and Governance (Monitoring Officer)	• Review governance officer capacity. • Action log developed and maintained and reported to each Committee meeting. • Review use of confidential items at statutory committees. •Implement staff training.	• Reviews have taken place of the statutory committees. • Action logs have been developed and are maintained. • There is an identified member of the TVCA Executive Leadership team who works alongside the Governance lead for each statutory committee as a Senior Responsible Officer.	This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed. This will also be considered in line with requirements relating to Devolution to ensure that capacity and capability to support any new requirements is considered.		Review of effectiveness of each Committee. **Impact** • Improved effectiveness, independence and contribution to governance and decision making • Strengthened oversight, assurance and accountability • Improved focus on core statutory responsibilities and areas of highest risk/impact	**Potential impact indicators** • Statutory committees receive high-quality officer support, clear reports, advice and follow-up • Evidence of informed, proportionate and constructive challenge by members • Committee agendas and discussions are demonstrably aligned to statutory responsibilities, priorities and key risks • Increased confidence from committee chairs, members, officers and auditors in the effectiveness of statutory committees
Review Cabinet portfolios and strengthen the role of portfolio holders, ensuring TVCA priorities reflect and deliver on local priorities where this is appropriate and can add value, including appropriate support from senior TVCA officers, and capture changes within the Constitution.						

Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
TVCA Chief Executive	• Working with the LAs and Cabinet, agree how portfolio holders are identified and agreed, and how portfolio holders input into TVCA governance processes. Make any necessary changes to the TVCA Constitution and internal processes.	• The role of portfolio holders has been strengthened with the intention that each portfolio holder leads their area of responsibility, with support from senior officers. • Additional responsibilities have been included within the portfolios, for example finance and inward investment, which marks a step forward in terms of transparency and ownership. • There is also a need to ensure that Cabinet as a whole develops a deeper understanding of each portfolio. • The empowerment of portfolio holders has meant that they have led on the development of strategic priorities, for example through workshop sessions and engagement with staff across TVCA and the constituent local authorities. • Strengthening the role of portfolio holders has also been a major part of the development of TVCA's new External Communications Plan. • June 2026 - The Mayor and TVCA officers worked with Cabinet members to refine portfolios ahead of the Annual General Meeting. Revised portfolios were approved to strengthen alignment with TVCA's strategic priorities. Full details of the revised portfolios are available on the TVCA Cabinet webpage - TVCA Cabinet - About	This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes with annual review points aligned to the Annual General Meeting to ensure improvements are embedded, sustained and further developed.		Feedback from Cabinet members of shared ownership and contribution. Identifiable output in decision making and wider governance, which acknowledges the role and remit of portfolio holders. **Impact** • Improved political leadership, accountability and clarity of ownership for TVCA priorities • Better alignment between TVCA and local priorities – more join-up within policy development and delivery • Improved political engagement and decision making • Improved clarity of roles and responsibilities	• Defined portfolios within the constitution. • Agreed remits / responsibilities that align with authority priorities. **Potential impact indicators** • Clearly defined cabinet portfolios are reflected accurately in the Constitution • Demonstrable leadership and engagement from portfolio holders in relation to TVCA priorities • Appropriate senior officer support is in place • Increased confidence from members, officers and external reviewers in relation to effectiveness and clarity of portfolio arrangements.
Implement regular informal Cabinet meetings, both with and without officers present, Cabinet workshop sessions where appropriate and portfolio meetings with senior TVCA officers and senior local authority officers where appropriate.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director of Legal and Governance (Monitoring Officer)	• Implement a cycle of Informal cabinet meetings, workshop sessions and portfolio meetings in the corporate calendar, which have an identified and timely link to the governance processes.	• The organisation has strengthened its governance framework through the enhancement of informal governance arrangements with Cabinet. • Introduction of informal Cabinet meetings with a purpose to discuss the forward plans, key decisions and review of draft Cabinet reports. • A series of dedicated Cabinet workshops to provide a valuable opportunity for Cabinet members to engage in open and constructive dialogue around the Authority's strategic direction, priorities, and the alignment of these within the budget-setting process. • The enhanced governance arrangements mark a significant step in fostering collective	This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.		Production of corporate calendar, which is agreed and owned by TVCA, partners and Members. Evidence of additional engagement with Cabinet members, with all feedback addressed and reported back to Cabinet members. **Impact** • Strengthened collective political	• Schedule of meetings / informal meeting minutes. • Circulation of emails / minutes. **Potential impact indicators** • Regular informal Cabinet meetings/workshops/portfolio

		ownership of TVCA's vision and ensuring that future decisions are grounded in shared understanding and ambition. • Standing meetings have been established with Portfolio leads and TVCA Directors/Officers. • The pre-cabinet cycle includes meetings with the Tees Valley Chief Executives group and Tees Valley Management Group, in addition to meetings with Local Authority Monitoring Officers and Finance Directors. • A twelve-month Cabinet forward plan for 2026/27 has been developed collaboratively with Cabinet • This includes a programme of informal engagement that is now in place. • Ensuring that Cabinet is involved in the development of strategic priorities and has a sound understanding of the issues in advance of the formal Cabinet meetings. • April 2026 - Drafted template for informal Cabinet workshops and meetings shared with Directors ahead of sharing with Cabinet • May 2026 - Corporate calendar/forward plan which includes informal Cabinet meetings is in place for July 2026-June 2027 • May 2026 - Internal road map for internal engagement continued - development linked to key strategic priorities and the formal Cabinet forward plan to ensure timely Cabinet member engagement. • July 2026 - Committee meeting dates published on website			leadership • Space created for open discussion, early engagement and shared understanding • Improved quality of formal reports and decisions – reduction in late challenge and delays • More effective, transparent and timeline outcomes	meetings are held and well-attended • Evidence that key issues and proposals are discussed at an early stage prior to formal Cabinet decision making • Fewer deferrals or requests for further information • Positive feedback from Cabinet members in relation to the value of informal engagement in supporting their role

Implement a new Member induction process and ongoing programme of development, learning from best practice, for members of all TVCA statutory committees to ensure that they are familiar with TVCA, their roles & responsibilities and the expectations of their position.

Accountable Director	Initially identified key steps	Key Milestones/Progress June 2025-August 2026	Ongoing steps for implementation	Revised dates (if applicable)	Overarching measure of success	Evidence
Director of Legal and Governance (Monitoring Officer)	• Request feedback from Members and stakeholders on the current induction process. Develop Member induction process for Cabinet and all Statutory Committees.	• A collaborative approach is being developed to discuss roles and responsibilities. • May 2026 - Member induction process has been reviewed from a statutory perspective and in consultation with LAs. • May 2026 - Training matrix has been developed as part of the new member induction process • June 2026 - A training schedule and roll-out plan are in place for member induction. • July 2026 - Training for new and existing Members delivered by internal TVCA staff and external providers	This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.		All new committee members complete the induction within an agreed timeframe following appointment. An ongoing programme is implemented. **Impact** • Improved Member understanding of TVCA, their roles and responsibilities and expectations of membership • More effective participation in statutory	Member / Officer statutory training matrix to address legislative / constitutional requirements. **Potential impact indicators** • High completion rates for member induction • Evidence of ongoing development by Members • Feedback from members in relation to improved understanding of roles, responsibilities and

					committees • Improved quality of challenge, scrutiny and decision making • Shared baseline of knowledge – reduces reliance on informal briefings and individual experience • Increased confidence in the capability and effectiveness of members serving on statutory committees	expectations • Evidence of improved quality of debate, challenge and decision making in statutory committee meetings
Review the operation of all TVCA statutory committees, ensuring appropriate officer support, and implement any necessary changes to ensure that the responsibilities of each are addressed effectively and efficiently with robust work plans.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps for implementation**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director of Legal and Governance (Monitoring Officer)	• Review legislative requirements and terms of reference for each Statutory Committee, engage partners and Committee members in the review, and update the constitution accordingly.	• Roles and responsibilities of key groups within the Cabinet cycle have been considered and articulated as part of the Cabinet decision making process, which were considered and approved by Cabinet on 12 December. • This is to provide further alignment with organisation objectives and fit with best practice approaches and governance opportunities. • Both Regulatory Committees have adopted new ways of working. Are adopting new work programmes and have developed improvement plans in support of the Organisation Improvement Plan. •Senior Responsible Officer lead from Executive Leadership team allocated to all statutory and non-statutory committees •Review undertaken of existing groups ongoing next steps in relation to updated committees following English Devolution Empowerment Act 2026 • June 2026 - Further review of statutory committees underway to ensure alignment with requirements of SAF and updated Constitution	•July – September 2026 – Follow up review to be complete following adoption of SAF review, and the English Devolution Empowerment Act 2026 and aligned to the constitution review.	SAF adoption is now expected to be September 2026, but this is subject to MHCLG comments and approval	Revised Terms of References produced. Evidence of training and feedback from Committee members. Changes reflected in governance processes and Constitution. **<u>Impact</u>** • Committees clear on purpose, responsibilities and contributions • Improved quality, timeliness and effectiveness of committee business and advice to members • Ability for committees to use time effectively and dedicate pro-active focus to areas of greatest priority • More effective scrutiny and decision making	• Streamlined consistent TORs for Committees. • Standardised TORs for advisory groups [templates] **<u>Potential impact indicators</u>** • Committees have clearly defined roles, responsibilities and terms of reference • Officer support is in place with effective agenda planning, reporting and follow-up • Forward work plans in place • Feedback from members, auditors and external reviewers in relation to improved confidence in the impact of committees
Actions complete – ongoing steps to embed.						
Ensure that TVCA continues to embed the organisational response to all recommendations from the independent Tees Valley review and reports produced by the Centre for Governance and Scrutiny (CfGS) and the Chartered Institute of Public Finance and Accountancy (CIPFA).						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps for implementation**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
TVCA Chief Executive	• Establish baseline and progress against recommendations and develop action plan to address	•TVCA remains conscious of previous recommendations from the Tees Valley Review and those from reports produced by	Ongoing- Continue to demonstrate progress and embed actions.		Demonstrable progress towards embedded actions.	Secondary reviews by CFGS / CIPFA to provide concluding

	outstanding actions. Develop and implement continuous improvement actions.	the Centre for Governance and Scrutiny and the Chartered Institute of Public Finance and Accountability. These recommendations have been incorporated into the Organisational Improvement Plan and effective implementation is closely monitored.			**Impact** • Reinforcement of commitment to learning improvement and good governance • Strengthened governance, transparency and accountability • Reduced risk of recurring issues and/or external challenge • More resilient systems, behaviours and decision making	remarks against recommendations. **Potential impact indicators** • Regular reporting to Cabinet and relevant committees on progress, impact and any residual gaps

Review all governance processes and procedures and implement any necessary changes to ensure exemplar governance and decision-making best practice, capture changes within the Constitution and improve awareness and understanding across the organisation.

Accountable Director	Initially identified key steps	Key Milestones/Progress June 2025-August 2026	Next steps and dates	Revised dates (if applicable)	Overarching measure of success	Evidence
Director of Legal and Governance (Monitoring Officer)	• Undertake internal review of processes, sub-divide to directorate/teams, identify changes to be made. • Identify stakeholders and consultees and decision making needed i.e. from Cabinet. • Incorporate review by formalising each process into TVCA governance structure.	• Initial review of governance processes and procedures undertaken. • Following this review, items that required immediate attention were prioritised. • At its meeting on 12 December, Cabinet considered governance items as detailed below: • Approved the development of a Single Assurance Framework which will replace the existing Local Assurance Framework. • Approved the establishment of an Independent Remuneration Panel • Approved in principle the Public Code of Conduct • Approved Decision-making Principles • Specific details are noted throughout this document. • Immediate priority items will result in updates to the Constitution when required. • A full Constitution review is underway – as detailed above. • At its meeting on 20 February 2026, Audit & Governance Committee reviewed, made no amendments, and supported the recommendation to Cabinet to approve the Public Code of Conduct.	• A phased approach to the implementation of the Constitution and governance review is in place with key milestones of April, June, July, September and November Cabinet meetings. Ongoing - Internal governance group to drive development of content is progressing this work and ensuring alignment across the organisation and other actions. Linked to the organisational operating model.		Clear, demonstrable and effective governance processes demonstrated through positive feedback from Members, partners and stakeholders and understanding of key processes by TVCA staff. **Impact** • Improved quality, consistency and transparency of decision making • Improved clarification of roles, responsibilities and decision routes will reduce governance risk • Better compliance, more timely decisions and stronger accountability	Evidence will be more generally holistic in approach. As it will encompass several areas of review. **Potential impact indicators** • Updated governance processes and procedures are documented, approved and operational • Changes to governance arrangements are reflected in the Constitution and Scheme of Delegation • Fewer delays, challenges or escalations from unclear governance arrangements • Feedback from auditors, officers and members in

		• Audit & Governance Committee to consider SAF design principles on 20 February 2026. • April 2026 - Review of process and documentation relating to Mayoral Decision Notices, including benchmarking with other CAs. • April 2026 - Benchmarking of MCA schemes of delegation carried out • Setting up of investment committee and membership of Business Board agreed at Cabinet meeting of 24 April 2026 • May 2026 - Updated whistleblowing policy presented to A&G Committee (in-quorate meeting) and given informal approval. Approach to review of whistleblowing linked to internal auditor recommendations. • May 2026 - Communications plan developed to improve organisational awareness and understanding of whistleblowing in response to staff survey results. • June 2026 - Revised whistleblowing policy approved by Cabinet • June 2026 - Review of Mayoral Decision Notices is complete. Any changes to process will be formalised following adoption of revised Constitution. Any mayoral decisions within this period will continue to go to Cabinet. • June 2026 - Internal working group continue to prioritise, track progress and document governance processes and procedures • July 2026 - TVCA Constitutional piece on Member/Officer relations protocol recommended to other authorities by external governance trainer. • July 2026 – Further reviewed and revised information Governance policies presented to Cabinet and approved by Cabinet – as detailed in publication scheme action below. • July 2026 – Further reviewed and revised Governance policies presented to Cabinet and approved by Cabinet, including: • Anti-Fraud, Bribery and Corruption Policy; • Anti-Money Laundering Policy; RIPA Surveillance Protocol. • August 2026 – Internal process review is complete			relation to understanding (and reduction in errors/escalations) • Feedback from members, auditors and external reviewers in relation to confidence in governance arrangements

Review the non-statutory officer advisory group governance structure, in collaboration with the constituent local authorities and other key stakeholders and implement any necessary changes to ensure efficiency and effectiveness.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Next steps and dates**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**

Director of Legal and Governance (Monitoring Officer)	• Review what exists, what they do and how they contribute to overall governance across the authority, engaging with key partners and stakeholders in the review.	•Scoping is including examination of best practice advisory board/ committee structures within CAs as well as the specific functions, membership, opportunity and organisational alignment required within the TVCA governance framework. •Senior Responsible Officer lead from Executive Leadership team allocated to all statutory and non-statutory committees • Review undertaken • May 2026 - Engagement sessions continued which included focus on informal governance arrangements i.e. non-statutory committees/advisory groups • June-July 2026 - TVCA Directors reviewing officer arrangements in line with revised portfolio areas and the wider Governance review.	•July- September 2026 – Follow up review to be complete following adoption of SAF and the English Devolution Empowerment Act 2026, aligned with the constitution review.	SAF adoption is now expected to be September 2026.	Coherent committee and non-statutory advisory group structure that supports the authority and work of Cabinet. Demonstrated in Committee effectiveness reviews. **Impact** • Groups clear on purpose, accountability and value • Groups operate efficiently and support formal decision making and assurance arrangements • Strengthened shared ownership and consistency in advisory structures • Improved quality and timeliness of advice provided to senior officers and members • Better strategic coordination	From the details of the above area, we need to understand the terms of reference to better decide where they exist. This part will be reviewed inside of the SAF implementation work / delivery of portfolio changes. **Potential impact indicators** • Groups have clearly defined roles remits and reporting lines • Reduction in duplication of meetings, groups or agendas • Feedback from senior leaders or members on improved quality of advice received from groups • Evidence of effective engagement with constituent local authorities

Undertake a comprehensive review of the Code of Conduct for Officers and Members and implement any necessary changes to ensure it is fit for purpose and aligns with best practice.

Accountable Director	Initially identified key steps	Key Milestones/Progress June 2025-August2026	Next steps and dates	Revised dates (if applicable)	Overarching measure of success	Evidence
Director of Legal and Governance (Monitoring Officer)	• Review current Code of Conduct, secure Cabinet sign off and implement changes.	•Scoping has taken place •Review will include assessment of language, clarity and accessibility; ethical standards; compliance; supporting protocols and process; required training and awareness; links to reporting and whistleblowing; examination of enforcement and available sanctions; clarity on process and opportunities for use of Independent Persons. • April 2026 - Review of code of conduct and best practice carried out • April/May 2026 - Recruitment of 3 independent persons underway • May 2026 - Code of Conduct benchmarking analysis carried out against other Combined Authorities	• June 2026: Refreshed Code of Conduct to go to A&G Committee • September 2026: Refreshed Code of Conduct to go to Cabinet as a stand-alone item • September 2026: Publish refreshed Code of Conduct on website The refreshed Code of Conduct will now be presented to Cabinet in September 2026 to allow for input from the newly appointed Independent Persons.	September 2026	Revised Code of Conduct that aligns to best practice approved by Cabinet and included in member induction processes. **Impact** • Strengthened ethical standards, behaviours and accountability • Improved clarity on expected behaviours, roles and responsibilities – reducing risk of	Revised code embedded into the constitution. Return forms from members with signed Code of Conduct. **Potential impact indicators** • Revised Code of Conduct formally approved • Feedback from officers and members in relation to improved understanding or expected standards and how to raise concerns

		• May 2026 - Updated form for complaints on website • May 2026 - Applications closed for recruitment independent persons. • June 2026 - Appointment of independent persons ratified by Cabinet. • July 2026 – Members provided with training on code of conduct as part of Member induction process – covering both the current code and the model code which is expected to be adopted from September. • August 2026 – Comprehensive review fully complete. Adoption and implementation to commence from September.			misconduct or misunderstanding • Earlier resolution of issues • Reinforcement of positive, organisational culture • Enhanced confidence in governance arrangements and decision making	• Evidence of positive behavioural standards being reinforced through leadership, training and practice • Feedback from scrutiny, auditors or external reviewers in relation to the robustness of the Cabinet decision making process.
Produce a readiness plan for fiscal devolution, including a potential future integrated settlement, and new accountability arrangements as set out in the Devolution White Paper. Undertake a business planning exercise and produce a readiness plan in anticipation of the expanded powers set out in the Devolution White Paper. [These two actions have been merged – and the top action has been moved from Use of Resources to Governance]						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Next steps and dates**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
TVCA Chief Executive / Director of Operations	• Produce baseline self-assessment of readiness against best practice using models produced for MCAs who have already progressed through readiness activity. • Produce an action plan designed to address any gaps in readiness identified through the baseline assessment work to deliver for March 2026 to inform formal readiness processes with Government. • This is on the basis that the first financial year where further fiscal devolution and integrated settlement could occur for TVCA is 1 April 2027. • Approval of readiness plan with stakeholders	• There is a clear need to ensure readiness for the new responsibilities and powers in the English Devolution and Community Empowerment act 2026. • TVCA is considering future organisational structure, capacity and resource requirements, which is interrelated with the workforce development strategy. • Consideration is being given to how it can ensure the activities that the organisation is delivering now are effectively captured and aligned to anticipated future activities, ensuring that the organisation is meeting its statutory, legal and contractual functions. • Planning has been undertaken to fully understand the powers and responsibilities in the Devolution Act and there has been engagement with MHCLG. • Consideration has been given to the resource implications, and this is being considered as part of the workforce development strategy workstream. • The development of the SAF, which will progress to an Accountability Framework, which is a requirement for potential future fiscal devolution. • ELT have produced a matrix of existing programmes and operational priorities to support the development of this work, including the Spatial Development Strategy and the Local Growth Plan. • May 2026 - Internal work in relation to the English Devolution Act continued as further clarification received.	•March 2026 - A clear timetable to be produced and considered by ELT, linked to timetables for the most immediate implications of the English Devolution and Community Empowerment act 2026. •This is also aligned to the Constitution Review, Governance Review, Single Assurance Framework Review and Workforce Development plan. • June 2026 – onwards: Continue with planning exercise to align with the readiness plan for the English Devolution and Community Empowerment Act. •Readiness plan for Fiscal Devolution will be prepared at a later date, with timescales that are to be agreed - The organisation will produce a baseline self-assessment of readiness against best practice using models produced for MCAs who have already progressed through readiness activity for fiscal devolution.		Planning exercise. Agree readiness plan. Readiness plan is in place with clear target dates and responsibilities. TVCA Cabinet approved readiness plan. **Impact** • TVCA is strategically, financially and institutionally prepared for expanded powers and responsibilities • Improved understanding of future opportunities, risks and capacity requirements • Strengthened assurance for members, constituent LAs and government • Reduction in delivery risks • Successful transition to expanded devolved powers	Evidence to be established as the activity on this task continues. **Potential impact indicators** • Readiness plan is approved and sets out actions, milestones and dependencies • Proposals for future accountability, governance and assurance arrangements are defined and agreed • Financial, workforce and systems requirements are identified • Evidence of engagement and shared understanding with Cabinet and constituent LAs on implications

Undertake a comprehensive review of the TVCA Constitution, including Scheme of Delegation, working closely with the constituent local authorities and Cabinet, to ensure it is fit for purpose.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Next steps and dates**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director of Legal and Governance (Monitoring Officer)	Complete internal review of the Constitution, engage members and partners in the review and formalise revised version at a future Cabinet meeting.	•Delivering a new and enhanced Constitution is central to the long-term improvement aspirations of TVCA. •An internal review of the Constitution has taken place. •Various sections of the Constitution have been considered and prioritised. •On 12 December 2025 a report presented to Cabinet outlined immediate organisational improvement requirement that requires clarity on: Decision making principles and how they should be applied The definition of a key-decision The scrutiny call-in process Officer delegations Contract Procedure Rules Managing unreasonable public behaviour with regard to Freedom of Information requests and complaints. •The immediate focus of constitutional update is on decision making, specifically in ensuring that clarity exists in regard to how decisions should be taken and held to account. •Proposed some immediate enhancements to the existing Constitution to address identified priority areas relating to the Organisational Improvement Plan. •A structure for a revised Constitution developed and shared with Cabinet on 12 December 2025. •On 12 December Cabinet considered and approved the decision-making principles. •On 12 December Cabinet approved in principle the Public Code of Conduct – subject to review by the Audit and Governance Committee • Audit & Governance Committee reviewed the proposed Constitutional amendments at its meeting on 20 February • March 2026 – onwards - A programme of work is in place, led by Jodie Townsend, to support the development and implementation of a revised TVCA constitution. In March this included 1-to-1 sessions held with Cabinet members. • May 2026 - Jodie Townsend continued to progress this work in relation to the wider Governance review. • May 2026 - Individual engagement sessions with Cabinet members re ongoing review of	• A phased approach to the implementation of the Constitution and governance review is in place with key milestones of April, June, July, September and November Cabinet meetings.	The revised Constitution will now be considered by Cabinet in November. This is to enable the newly appointed Director of Governance and Legal (Monitoring Officer) to contribute to the final revisions and present the recommended revised Constitution to Cabinet.	Revised Constitution is agreed at TVCA Cabinet. TVCA has clear, demonstrable and effective governance processes **Impact** • Clearer, more robust governance framework ensuring decision making arrangements are transparent, lawful and fit-for-purpose • Strengthened shared ownership, consistency and confidence in governance arrangements • Improved accountability • More efficient decision making	Reviewed constitutions. **Potential impact indicators** • Revised Constitution and Scheme of Delegation are formally approved • Fewer delays, challenges or escalations from unclear governance arrangements • Feedback from members and senior officials in relation to improved understanding • Feedback from members, auditors and external reviewers in relation to confidence in the governance framework

		TVCA governance which included Constitution review/redraft. • May 2026 - Internal policy and process review continuing which aligns to updated constitution. • June 2026 - Work to revise the Constitution continues to advance through the Constitution Working Group, following an agreed phased approach.				
Review the TVCA Publication Scheme and make any necessary changes, to make the maximum amount of information readily available to the public.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Next steps and dates**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director of Legal and Governance (Monitoring Officer)	• Assess what is currently published against what we are able to share publicly.	•Publication Scheme is linked to a wider review of polices linked to data and data protection, this work is in progress • March 2026 - Interim Information Governance Manager commenced role •April 2026 – Review of information governance policies completed by interim Head of Governance • May 2026 - Recommendations from data protection/IT audit have been actioned and are scheduled for sign off in July/August • June 2026 - The Publication Scheme review is complete, and the ICO model has been adopted. A gap analysis is underway to assess compliance and identify any further publication requirements. • June 2026 - Revised Information Governance [Data Protection] policies presented to A&G. • July 2026 – Further reviewed and revised information Governance policies presented to Cabinet and approved by Cabinet, including: • Data Protection Policy • Data Retention and Deletion Policy • Access to Information (FOI/EIR) Policy • Subject Access Request Policy • Staff Privacy Notice • CCTV Policy	•May 2026 - Onwards - Prioritisation and implementation of refreshed polices following review, linked to wider review of Governance processes. This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.		Revised publication scheme linked to legislative requirements, which is regularly updated and enhanced, with scheduled reviews. **Impact** • Information more easily and proactively available to the public • Improved transparency and openness • Reduction in need for reactive disclosures and FoI requests • Improved levels of public trust and confidence	Clear publication scheme that is public facing and plain English. **Potential impact indicators** • Revised Publication Scheme is approved and published • Increased volume and breadth of information proactively published • Reduction in routine FoI requests • Reduction in repeat enquiries for information already held by TVCA • Feedback from public indicates improved confidence in TVCA's approach to transparency
Actions in progress – nearing completion						
Implement a new governance e-agenda and forward planning system to improve efficiency and compliance.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Next steps and dates**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**

Director of Legal and Governance (Monitoring Officer)	• Implement an E-agenda system, & roll out training to staff, partners and members.	• Work is continuing in terms of scoping and finding an appropriate platform for Governance e-agenda and forward planning system. • Scoping into a Governance e-agenda and forward planning system is continuing. • Conversations ongoing with platform provider for Modern.gov and exploration is continuing with alternative platform providers. Publish forward plan and agendas on the website. • Procurement process for appropriate systems has commenced. Suppliers have responded and submissions are being reviewed. •March 2026 – July 2026 - Process reviews undertaken and addressed. System will be the outcome and support mechanism to embed the identified improvements.	This work is interlinked with the review of Governance processes and procedures. • September 2026 – finalise approach to procurement of system • Phased roll out and internal training to be delivered – timeline to be agreed.	Dates revised to allow newly appointed Director of Governance & Legal (Monitoring Officer) to review the approach to the committee management system.	Modern.gov works for staff and members with feedback regularly sought and actions taken to address issue. **Impact** • Improved efficiency, accuracy and timeliness of committee administration and decision making • Strengthened compliance with legislative, constitutional and procedural requirements – reducing governance and legal risks • Workloads managed more effectively • Improved coordination across committees	Delivered e-agenda system. **Potential impact indicators** • Reduced time spent on management of agendas, reports and minutes • Clear, up-to-date forward plans are available • Improved feedback on robustness of committee administration and record keeping

Culture						
Actions complete						
Initiate and undertake a programme of Organisational Development (OD), with an external partner to provide support and challenge.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025 - August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director Of Operations / Assistant Director of People and Operations	• Procure O&D partner to support the OD development • Develop the programme of OD for consideration and agreement by TVCA Senior Leadership Team.	•OD Partner Procured - April 2025 •A series of workshops have been held with the Senior Leadership team - May 2025 - December 2025 •TVCA is working in partnership with the Local Government Association (LGA) to complement the OD partner work - December 2025 •TVCA are accessing training and guidance on organisational development via the LGA - December 2025 •Directors undertook 90 day plan exercises with the CEO - Concluded December 2025 •The 6m appraisal cycle was commenced with clear direction to Head of Service to cascade to their managers that appraisal objectives should relate to Directors 90 day plans. •April 2026 - Change management processes commenced • Initial analysis of TVCA's OD Plan has been carried out	• July 2026-onwards: Implementation and embedding of the Staff Charter to continue. •April-September 2026: initiatives continue to be undertaken and implemented This action has moved beyond the initial improvement phase and will now be managed through the Continuous Improvement Plan to ensure improvements are embedded, sustained and further developed.		OD Programme is developed and agreed with clear steps for implementation over the short, medium and long term. **Impact** • Development of a more resilient, open and high-performing organisational culture • Engagement with external partner provides independent support and constructive challenge – helps to surface underlying issues, test assumptions and accelerate change • Strengthened leadership	**Potential impact indicators** • OD programme is in place with defined objectives and milestones • Evidence of improvements in leadership behaviours, openness and collaboration • Improved feedback from staff in relation to trust, communication and culture

		• May 2026 - new TVCA Staff Charter has been drafted. • July 2026 - Organisational People Plan (incorporating OD roadmap) in development • August 2026 – People Plan produced which is driven by organisational development objectives.			behaviours, ways of working and relationships	
Develop and implement a professional development plan for the Chief Executive (CEX) and all Directors to ensure continued development and establish a high performing senior leadership team.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025 – August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director Of Operations / Assistant Director of People and Operations	• Develop Organisational Development (OD) road map, which details a 12-month rolling programme of OD workshops, mentoring, coaching, and supplementary interventions.	•Feb 2026 - Workforce development roadmap designed and agreed with TVCA and the LGA. • April 2026 - Implementation of initiatives identified in roadmap is underway e.g. mentoring, coaching, workshops, leadership days	This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.		Personal Development Plans in place for the CEX and Directors. **Impact** • Strong, visible and effective leadership • Strengthened collective leadership behaviours, decision making and accountability • Reinforcement of positive organisational culture, resilience and readiness to manage change • Improved organisational performance, confidence and stability	**Potential impact indicators** • PD plans in place for CEX and Directors • Evidence of active maintenance and review of PD plans • Demonstrable leadership behaviours modelling openness, accountability and continuous improvement • Improved confidence in capabilities of senior leadership team
Implement an internal communications plan to improve employee engagement and voice, through ongoing engagement and learning activity and to embed the actions within the Organisational Improvement Plan across the organisation.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025 - August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director Of Inward Investment and Marketing	Develop and embed an internal communications plan, which is shared with all staff. Continually monitor plan to ensure effectiveness.	Improved internal engagement through introduction of: • All staff briefings – from April 2025 – ongoing • Staff forum – from March 2025 – ongoing • Lunch and Learn session from March 2025 – ongoing. • Regular video updates from the Chief Executive – April 2025 - ongoing • Updates from Director of Operations – June 2025 • Reception display board notifications – July 2025 • Engaged with the staff forum on internal communications plan – September 2025	This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.		Communications plan is agreed and staff are reporting positive feedback (through regular feedback requests) on communication and visibility. **Impact** • Strengthened employee engagement • Improved staff understanding of organisational priorities and their role in delivery of	**Potential impact indicators** • Improved staff feedback on opportunities to be informed and engaged • Regular, clear and accessible communications are in place

		• Engaged with staff forum on improvements to intranet - June 2025 • The 2025 staff survey had a cross section of staff attending staff focus group sessions to understand the four weakest scoring areas. • Actions were created and have been delivered. This includes work with the communications team on an internal communication strategy. • April 2026 - format of staff forum adjusted to allow focus on high-impact areas. Rolling Q&A document also in place and updated monthly for review by all staff. • May 2026 - all-staff meeting to facilitate input into Local Growth Plan prior to publication • June 2026 - The staff survey concluded, and summary of results were shared with all staff at the June briefing to support openness and transparency • August 2026 - Detailed staff survey results shared with staff.			the Organisational Improvement plan • Better ownership of change • Improved morale, alignment and delivery	• Evidence of two-way engagement • Evidence that improvement actions are reflected in everyday practice
Improve relationships between senior management and all staff through improved communication, visibility, engagement activity, openness to receiving feedback/challenge and demonstrating that the organisation is responsive to staff.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director Of Operations / Assistant Director of People and Operations	Regular staff updates via TVCA intranet - request feedback from staff - ongoing staff surveys - Discussion at all staff meetings on progress of embedding change.	• September 2025 - Staff focus group sessions identified the need for continued transparent communications, with a marked improvement noted. • November 2025 - A staff forum request was delivered for more visible and accessible executive level leadership comms, including written recap of CEX update. • Staff want better cross-team understanding and this will be achieved through lunch and learns, intranet development on what teams do. • Comms team is now working to improve internal knowledge on organisational>Directorate> team objectives and deliverables. • The Implementation of the communication methods detailed above aim to support relationship building. • Organisational Priorities meetings between Directors and Heads of Service implemented • You said/We Did staff forum feedback from People Team update during February 2026 All Staff Briefing •April 2026 – Induction sessions with CEX for new starters commenced.	This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.		Evidence shared on TVCA intranet - staff confirm they are informed through regular feedback requests. **Impact** • Strengthened trust, engagement and morale amongst staff • Improved mutual understanding and reduction in perceived distance between leadership and the wider workforce • More positive organisational culture • Stronger collaboration, retention and organisational performance	**Potential impact indicators** • Increased visibility of senior staff through regular engagement activity, briefings and presence • Improved staff feedback on opportunities to raise views, challenge constructively and influence change • Evidence that staff feedback is acted upon • Feedback from staff in relation to perception of trust, openness and approachability of leadership

		• April 2026 – review of exit interview process for staff leavers undertaken and changes implemented •May 2026 – annual staff survey issued to all staff.				
Ensure that the TVCA values (open, empathetic, collaborative & focussed) are embedded through everyday activity, organisational development and the appraisal process.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director Of Operations / Assistant Director of People and Operations	•Design and implement a recordable system to give positive feedback where TVCA's values are lived out and demonstrated	•Intranet shoutout feature has now been updated to link achievement to the values demonstrated by colleagues •TVCA values are embedded in job adverts by way of candidates needing to align their profile to the values. •In selection processes, interviews now have a set matrix and managers are provided with a bank of questions to assess technical skills, role competencies and TVCA value alignment. •A new induction video has been created that focuses on TVCA's values as the theme Office graphics/wall decals are installed displaying our values also the reception TV screen and intranet. •May 2026 - latest staff survey is structured around the four core TVCA values • June 2026 - Staff survey results identified 'this is an open and honest organisation' as the area showing the greatest improvement since the 2025 survey.	This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.		Clear data showing increasing evidence of TVCA staff living our values. **Impact** • Strengthened shared culture and ways of working • Improved trust, accountability and consistency • Improved engagement and performance	**Potential impact indicators** • Evidence that values are reflected in everyday behaviours • Consistent demonstration from leaders of TVCA values in their leadership approach • Appraisal process explicitly references and assesses how individuals demonstrate TVCA values • Improved staff perceptions of openness, empathy, collaboration and focus
Create a healthier work environment by engaging with staff through the staff survey and staff forum and making changes/delivering activities that will influence staff satisfaction in terms of wellbeing and engagement.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director Of Operations / Assistant Director of People and Operations	•Establish Staff Forum •Staff surveys acted upon •Create 12-month calendar of Lunchtime Learns •Provide multi-purpose space for staff	•Staff Forum up and running, improvement an ongoing agenda item •Focused staff survey workshops •Wellbeing room created • Lunchtime Learn programme established • Collaborative team working space in place • April 2026 - Outdoor area opened to staff • April 2026 - Work underway with OD partner on a leadership charter to support internal culture and engagement •May 2026 – annual staff survey issued to all staff. • June 2026 - Results shared with all staff • July 2026 - Employee Satisfaction Survey results show improvement in 19/24 areas (c.80%) when compared to 2024/25 survey	This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.		• Staff agree their wellbeing is valued and can see improvements **Impact** • Strengthened evidence base for understanding wellbeing, engagement and areas of concern* Improved trust, morale and confidence • Improved wellbeing, engagement and retention – positively influencing performance and resilience	**Potential impact indicators** • Improved participation in staff surveys and staff forums • Evidence that staff feedback is acted upon • Increased confidence among staff that views can be raised safely and constructively and that leadership is receptive • Reduced staff turnover, absence or stress-related issues

Review TVCA staff induction process to improve organisational awareness and understanding of governance and finance processes.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Assistant Director of People and Operations	Review existing induction content and work with governance, procurement & finance teams to build fit for purpose induction content.	•Induction content to cover Governance and Procurement is created and Finance contribution will complete this requirement. •To support understanding of developing finance processes and procedures finance are also developing good relationships with Heads of Service and Budget managers. •CEX quarterly meet and greets to commence from April 2026 for all new starters. •The Tees Valley bus tour, part of the induction process, has been widened to include existing staff. Staff members also deliver the content for the bus tours. •Each team will complete a lunch and learn on who they are and what they do and the intranet will have staff grouped by Directorate/team with a written overview of what they do as a ready artefact for staff to access. •Full lunch and learn programme developed. •A new values-linked induction video has been created •An induction feedback survey is issued to all new starters post-induction to continually improve this key activity •April 2026 – Induction sessions with CEX for new starters commenced. • April 2026 – Staff induction has been overhauled to clarify TVCA purpose, mission and strategic objectives to new starters and includes specific reference to finance, governance and an overview of procurement • June 2026 - Process and checklist for agency staff has been developed to support organisational understanding amongst non-permanent staff members • June 2026 - Principles of governance and organisation governance structure presented at All Staff briefing to refresh/improve knowledge.	This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.		New induction process rolled out to staff. **<u>Impact</u>** • Improved organisational awareness and understanding of governance and finance processed from the outset of employment • Earlier confidence, compliance and effective decision making from staff • Reduction in risk from misunderstandings, informal practice or ad-hoc guidance	**<u>Potential impact indicators</u>** • Induction includes clear content on governance structures, decision making and finance processes • Feedback from staff in relation to confidence and understanding • Reduced instances of non-compliance • Increased confidence from senior officers, finance and governance teams that staff have appropriate baseline knowledge
Actions complete – ongoing steps to embed.						
Embed appraisal process that ensures individual accountability through clear objective setting, which is aligned to team and organisational priorities and robust performance management.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025 - August 2026**	**Ongoing steps for implementation**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**

Assistant Director of People and Operations	Run training sessions for appraising managers on effective objective setting to ensure consistency. Create a process that overlays the appraisal incremental time points (6month and annual) whereby objectives review is more fluid to create accountability.	•Reviews have concluded to understand the capability, capacity, skills including gaps competencies and leadership against the priorities, budget; essentially a SWOT or PESTLE analysis. • The LGA have been engaged and have supplied a workforce development plan roadmap. This includes where they can support. This will be a long-term piece of work. • Budgets have been set for each Directorate which will underpin the structure. • April 2026 - Appraisal results compiled by Directorate for Directors •April 2026 - LGA undertaking a review of the appraisal process •March 2026 - October 2026 and ongoing - Directors will receive a compilation of the objectives set for all in their Directorate including rankings of performance. •May 2026 - Objective setting training to be incorporated into implementation of workforce development strategy • August 2026 – Review of existing process and baseline undertaken by external partner.	• September 2026 - Updated appraisal cycle commencing 01/09/26 will be supported in advance by the above. Appraisal cycle following updated process will now commence in November 2026 to allow for introduction and adoption of Staff Charter. Review of existing appraisal process now to be conducted by external provider as part of combined programme which will also include manager development training (to be delivered by November 2026)	November 2026	Appraisal process is embedded. Objectives are demonstrably achieved or action is taken to address this. **Impact** • Strengthened individual accountability • More effective performance management • Earlier identification of performance issues and development needs – enabling timely support, challenge and improvement • Improved performance, engagement and fairness	**Potential impact indicators** • Objectives are set and are aligned to team plans and organisational priorities • Consistent completion of appraisals • Improved identification and management of performance issues and development needs * Feedback from managers in relation to increased confidence in setting objectives and managing performance

Develop and implement a workforce development strategy, to ensure a sustainable and high performing FINANCE function.

Accountable Director	Initially identified key steps	Key Milestones/Progress June 2025-August 2026	Ongoing steps for implementation	Revised dates (if applicable)	Overarching measure of success	Evidence
Assistant Director of People and Operations/ Interim Director of Finance and Resources	Create baseline assessments of workforce - identify skills gaps - creation of team and individual development plans. Develop a draft strategy for consideration and agreement by TVCA Senior Leadership Team. Set out the steps for implementation over the short medium and long term.	The Interim Finance & Resources Director was appointed in July 2025 and undertook an immediate review of the short-term requirements. •This review concluded that the existing team was small and flat in structure, with no separation of the three key elements of a full finance function: •financial management •financial accounting & reporting •treasury management •Additionally, the skillset and experience of team members were not necessarily aligned with activity being undertaken. •August - September 2025 - An interim structure was established. •Interim resource has been secured to ensure that the team is fit for purpose in the short-term. •Additional specialist support has been brought in where necessary, with resources added on a controlled, as needed basis. •This interim structure has been designed to undertake the full financial review and implement the improvements needed.	• Recruitment of permanent Finance & Resources Director (S73) officer • May 2026 onwards - transition from the interim finance arrangements and commence the recruitment of the vacant finance posts. • August 2026 - Transition to sustainable finance function, including appointment of permanent Section 73 officer will continue to be managed through the Continuous Improvement Plan. • September 2026 – Cabinet asked to approve the extension of the current Interim Director of Finance and Resources (Section 73 officer) for a further 12 months, subject to Cabinet approval in September 2026.		Production of a workforce development strategy which is clear on the steps to achieve a high performing workforce. Staff Utilise staff surveys to monitor impact. **Impact** • Finance function better equipped to meet organisational needs • Improved recruitment, retention and skills development • Reduced reliance on interim or ad-hoc capacity • Improved quality of financial advice to members and senior leaders	**Potential impact indicators** • Improved retention rates and reduced interim reliance in finance function • Evidence that finance staff have the right skills and competencies to support function • Improved feedback from senior officers, members and auditors on quality of financial advice • Identified succession plans for key finance roles and reduced single-point

		•Formulation of Finance team structure has been developed by the Interim Group Director of Finance and Resources with support from HR. •Staff are now assigned to one of the three functions noted above, improving clarity and accountability. •Additional specialist support has been brought in where necessary, with resources added on a controlled, as needed basis. •Dedicated resource aligned to finance processes and improvements. •November 2025 - Updated structure discussed with the Executive Leadership Team (ELT) •December 2025 - Shared with the IAB as part of the Use of Resources Deep Dive given on 8 December 2025. • March 2026 - recruitment process for S73 Officer did not result in an appointment. Contract extension agreed with interim Finance & Resources Director. • Governance and appointments report made to Cabinet on 24th April 2026 to inform that no appointment could be made – details provided of extended interim arrangements •April 2026 - Proposed structure and recruitment needs for finance function presented to CEO and business case prepared for new structure • May 2026 - Update on status of Director recruitment provided to IAB • May 2026 - Proposed structure for finance team presented to IAB. • May 2026 - LGA retention maturity model being adopted as part of workforce development plan • June 2026 - Cabinet updated on progress in relation to recruitment of permanent FD • July 2026 – Recruitment for finance team vacancies has commenced • August 2026 – Further interviews undertaken for permanent Finance Director role which did not result in an appointment being made. • August 2026 – Interim Director of Finance and Resources (Section 73 officer) committed to remaining in post for a further 12 months, subject to Cabinet approval in September 2026.				dependency risks • Fewer finance-related audit issues
Develop and implement a workforce development strategy, to ensure a sustainable and high-performing GOVERNANCE function.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps for implementation**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**

Assistant Director of People and Operations/ Director of Governance & Legal (Monitoring Officer)	Create baseline assessments of workforce - identify skills gaps - creation of team and individual development plans. Develop a draft strategy for consideration and agreement by TVCA Senior Leadership Team. Set out the steps for implementation over the short medium and long term.	•Interim legal & governance team structure implemented. •Additional Interim resources brought in both legal and governance to strengthen the existing structure, improving the level of internal expertise and reducing reliance on external legal support. •New approach to Information Governance implemented with dedicated team. •Recruitment process to recruit permanent Chief Legal & Monitoring Officer underway. • March 2026 - recruitment process for permanent Chief Legal & Monitoring Officer did not result in an appointment. Contract extension agreed with Interim Monitoring Officer. • April 2026 - governance team development session delivered by OD partner • May 2026 - Interim Head of Governance in post • May 2026 - Update on status of Director recruitment provided to IAB • June 2026 - Monitoring Officer appointment approved by Cabinet	• March 2026 onwards - recruit to the vacant roles in the legal & governance team.		Production of a workforce development strategy which is clear on the steps to achieve a high performing workforce. Staff Utilise staff surveys to monitor impact. **Impact** • A sustainable, resilient and high-performing service capable of underpinning effective decision making and assurance • Improved quality of governance advice and support • Reduction of single-point dependency risks and improved continuity • Strengthened compliance, assurance and confidence in governance arrangements	**Potential impact indicators** • Reduced reliance on short-term/reactive capacity • Demonstrable skills and expertise to support governance requirements • Improved feedback from members and senior officers on the quality of governance support • Identified succession plans for key governance roles and reduced single-point dependency risk

Recruit a permanent Chief Executive (CEX) and recruit to the vacant Director posts and ensure appropriate input from the S73 Chief Finance Officer and Monitoring Officer in the senior leadership team.

All future recruitment will be undertaken in accordance with the new and emerging cultural values of the organisation. All senior leaders will be expected to exhibit, champion and inspire the behaviours of cultural change.

Accountable Director	Initially identified key steps	Key Milestones/Progress June 2025-August 2026	Ongoing steps for implementation	Revised dates (if applicable)	Overarching measure of success	Evidence
TVCA Chief Executive	•Engage with external recruitment agency for CEX post •Undertake process to recruit remaining Director vacancies	•Permanent CEO appointed by Cabinet in June 2025 •Interim Financial Director and Monitoring Officer in post •Cabinet agreed approach to recruit permanent Finance Director and Monitoring Officer • Recruitment of permanent Finance Director and Monitoring Officer began w/c 19 January, with closing date of 15 Feb • March 2026 - recruitment process for permanent Finance Director and Monitoring Officer did not result in appointments. Contract extensions agreed with Interim Monitoring Office and Interim Finance Director • Governance and appointments report made to Cabinet on 24th April 2026 to inform that no appointment could be made Cabinet approved extension of interim arrangements	• Recruitment of permanent Finance & Resources Director (S73) officer • May 2026 onwards - transition from the interim finance, governance and legal arrangements and commence the recruitment of the vacant finance posts. • September 2026 – Cabinet asked to approve the extension of the current Interim Director of Finance and Resources (Section 73 officer) for a further 12 months, subject to Cabinet approval in September 2026.		Recruitment concluded. High performing senior leadership team. Recoding of improved data. **Impact** • Strengthened leadership stability, capacity and accountability • Improved financial, legal and governance assurance at the highest level • Reinforcement of consistent leadership behaviours • Improved confidence, cohesion and organisational performance	**Potential impact indicators** • Permanent CEX and Director posts are filled • Reduced reliance on interim arrangements • Effective and visible contribution of S73 and Monitoring Officer within senior leadership team • Senior appointments demonstrably align with TVCA values

		• June 2026 - Monitoring Officer appointment approved by Cabinet • June 2026 - Cabinet updated on progress in relation to recruitment of permanent FD. • August 2026 – Further interviews undertaken for permanent Finance Director role which did not result in an appointment being made. • August 2026 – Interim Director of Finance and Resources (Section 73 officer) committed to remaining in post for a further 12 months, subject to Cabinet approval in September 2026.				
Develop and implement a workforce development strategy, to ensure expertise and experience across TVCA & the constituent local authorities are fully utilised in support of continued organisational improvement						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025 - August 2026**	**Next steps and dates**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Assistant Director People and Operations	Develop a draft strategy for consideration and agreement by TVCA Senior Leadership Team. Set out the steps for implementation over the short medium and long term.	• Consultation with and input from constituent LAs for development of TVCA improvement plan. • TVCA resource specifically dedicated to organisational improvement - 'Programme Manager – Improvement' seconded from within TVCA • Dedicated working groups established to track improvement progress across key themes. Membership of groups made up from across TVCA to ensure relevant expertise and knowledge e.g. HR, Governance, Finance • Improvement standing item at weekly Director meetings • Shared service agreements in place between TVCA and LAs to enable effective workforce deployment and provide efficiencies • PDMs employed at TVCA who also work for LAs • Local Authority attendance on panels • Regular attendance at cross-region working groups • Informal networking and liaison between TVCA Directors and counterparts at constituent LAs • April 2026 - Appointment of 'Programme Coordinator – Improvement' to support organisational improvement progress tracking • July 2026: Business Tees Valley Programme report to Cabinet provides evidence of collaborative working and shared ownership between TVCA and constituent Local Authorities	• June-September – workforce development strategy to continue, update to be provided to all staff at the staff briefing. • July-September – Staged approach to implementation of workforce development once final plan agreed This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.		Production of a workforce development strategy which incorporates deployment of expertise and experience across TVCA and constituent local authorities **Impact** • Better use of existing skills and expertise meaning more efficient service delivery and value for money • Increased resilience and long-term sustainability • More stable workforce • Adaptive organisation which can respond effectively to change	**Potential impact indicators** • Number of cross-authority projects or joint initiatives • Uptake of shared resources • Staff participation in cross-organisational networks or forums • Evidence of duplication being reduced across authorities
Develop and implement a workforce development strategy through a demand and skills analysis, to ensure appropriate capacity and capability, across the organisation, focused on Cabinet approved priorities.						
Develop and implement a workforce development strategy, to enhance skills and knowledge at all levels within the organisation						

Accountable Director	Initially identified key steps	Key Milestones/Progress June 2025 - August 2026	Next steps and dates	Revised dates (if applicable)	Overarching measure of success	Evidence
Director Of Operations / Assistant Director of People and Operations	Create baseline assessments of workforce - identify skills gaps - creation of team and individual development plans. Develop a draft strategy for consideration and agreement by TVCA Senior Leadership Team. Set out the steps for implementation over the short medium and long term.	•Action strongly correlates to the Operating Model and Organisational Development work as described above. •Action is overarching and links across the Improvement Plan. •The outcome of linked actions will help further inform the progress and timeline for a strengthened operating model. •Discussions are ongoing with Cabinet on the Strategic Framework which will inform this. •The people plan is now referred to as the Workforce Development Plan. •The plan will review how directorates and teams will be structured, •Providing the framework for decision making and delegations. •A mapping exercise has begun to provide the basis for this work. •Engaging support from the LGA to undertake a capacity and capability review that will inform the wider Workforce Development Strategy—addressing current needs in addition to strategic priorities and future requirements of the organisation, including those associated with further devolution. •Plan of stakeholder engagement has been developed in partnership with Local Authorities. •Reviews have concluded to understand the capability, capacity, skills including gaps competencies and leadership against the priorities, budget; essentially a SWOT or PESTLE analysis. •The LGA have been engaged and have supplied a workforce development plan roadmap. This includes where they can support. This will be a long-term piece of work. •Budgets have been set for each Directorate which will underpin the structure. •March 2026 – Implementation plan to be defined which incorporates the roadmap, which has been supported by the LGA and includes internal engagement activities. •April 2026 – First draft of workforce development plan to be complete and approved by TVCA ELT. • May 2026 - Work continued in developing the workforce development strategy with TVCA directors.	• June-September – workforce development strategy to continue, update to be provided to all staff at the staff briefing. • July-September – Staged approach to implementation of workforce development once final plan agreed. • June-September - Job evaluation and internal benchmarking to be carried out in relation to impact of devolution on resourcing • Workforce development plan is linked to strategic priorities for the Authority including future devolution.		Production of a workforce development strategy which is clear on the steps to achieve a high performing workforce. Staff utilise staff surveys to monitor impact. **Impact** • Capacity and capability to deliver on Cabinet-approved priorities • More effective workforce planning, ability to anticipate skills gaps, manage pressure points and deploy resources effectively • Improved delivery confidence and organisational performance	**Potential impact indicators** • Workforce development strategy clearly links capacity and capability plans to priorities and delivery programmes • Completion of demand and skills analysis • Reduced reliance on short-term, reactive solutions • Learning, recruitment and development activity is focused on priority skills – not generic provision • Increased confidence from Cabinet and senior leadership that the workforce has capacity and capability to deliver on priorities

		• May 2026 - Road map for implementation developed with Directors. • August 2026 – TVCA Director of Operations, Director of Inward Investment and Marketing, Assistant Director of People and Operations and HR team representatives undertook an LGA-led training session on job evaluation, using live examples linked to the workforce development strategy work. • August 2026 – People Plan produced in line with the LGA maturity model to support organisational development objectives. Plan will operate alongside the workforce planning strategy to ensure alignment between workforce capacity, capability and future organisational needs.				

Continuous Improvement						
Actions complete						
Ensure progress against the actions contained within the Organisational Improvement Plan is effectively monitored, working closely with the constituent local authorities and the Independent Improvement Board, and reported in a transparent manner to Cabinet, the Improvement Board, the Ministry of Housing, Communities & Local Government (MHCLG) and EY (external auditor).						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025-August 2026**	**Ongoing steps to embed**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director Of Operations	• Regular engagement with all stakeholders, building relationships. • Set up report structure for both internal and external reporting at agreed frequency. • Set up spreadsheet to show progress against each action or KPI. • Attend Improvement Board and MHCLG meetings providing previous minutes and recording any actions.	•IAB meetings in place •Initial partner/stakeholder workshops held May/June 25 •Follow up workshops concluded in Jan/Feb 26 •Improvement Plan progress built into Governance structure •Regular engagement with partners and stakeholders implemented and continuing •Reporting structure agreed and in place •Governance process in relation to IAB and MHCLG well established and ongoing •Forward plan for IAB implemented and considered with the Chair and Board members monthly •Review of actions and progress undertaken •Refreshed presentation of progress, to include impacts and evidence. •January - Review of action plan complete. •January - IAB meeting deep-dive on Partnerships & Continuous Improvement •February - Increased contact with IAB and committee members •February - Informal IAB meeting •March - IAB meeting deep dive on Culture •March - Implementation plans and trackers in place for five priority themes • May 2026 - Improvement Plan Progress Report presented at IAB meeting.	This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.		Clear & regular reporting, timely meeting papers, improved/positive feedback. **<u>Impact</u>** • To provide clear assurance that agreed actions are being delivered as intended and within agreed timescales • Strengthened shared ownership, external challenge and collective accountability for improvement • Increased confidence in TVCA's commitment to openness, learning and continuous improvement • Clear oversight will support early identification of risks and timely corrective action	**<u>Potential impact indicators</u>** • Clear, up-to-date tracking of all actions with milestones, owners and timescales • Evidence of effective challenge and input from the Independent Improvement Board • Timely, accurate progress reports provided to Cabinet, the Improvement Board, MHCLG and EY

		• June 2026 - 'Organisational Improvement' was included within 2026/27 portfolio responsibilities, with a Cabinet member, Mayor Chris Cooke, appointed as portfolio holder to strengthen political oversight and accountability. • July 2026: Improvement implications explicitly set out within Cabinet reports • July 2026: Organisational improvement update report provided to IAB				

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

Accountable Director	Initially identified key steps	Key Milestones/Progress June 2025-August 2026	Ongoing steps to embed	Revised dates (if applicable)	Overarching measure of success	Evidence
Director Of Operations	Undertake assessment. Agree actions and develop implementation plan.	•Initial assessment of the remaining areas in the Best Value Notice guidance has undertaken and will be appropriately included as part of continuous improvement. •TVCA have engaged with an Organisational Development partner who is providing leadership support further details provided in the Culture section of this update. •Service delivery actions are integrated within the improvement plan in multiple areas, such as the strategic framework, scheme of delegation. • July 2026 - Organisation Continuous Improvement strategy in development	This action has moved beyond the initial improvement phase and will now be managed within business-as-usual processes to ensure improvements are embedded, sustained and further developed.		• Through continuous monitoring a clear positive direction of travel can be demonstrated. **Impact** • To provide assurance that TVCA is striving for excellence beyond compliance* More proactive approach to continuous improvement • Improved organisational effectiveness and delivery confidence • Reduced risk of future intervention	**Potential impact indicators** • Completion and documentation of structured assessment against statutory standards for leadership and service delivery • Improvement actions are identified where gaps or opportunities are available • New actions are incorporated into the Organisational Improvement Plan

Actions in progress nearing completion

Develop and implement a new organisation-wide operating model to improve processes, efficiency, understanding and quality.

Accountable Director	Initially identified key steps	Key Milestones/Progress June 2025-August 2026	Next steps and dates	Revised dates (if applicable)	Overarching measure of success	Evidence
Director Of Operations	Set out how directorates and teams will be structured and where decision making will sit in order to create a set of general accountabilities for Directors, which are expressed through their objectives to deliver against the policies set out by the Combined Authority. Create a scheme of delegation that covers specific delegations or requirements for compliance where officers are fulfilling these accountabilities.	•Finance and Governance have been prioritised for review. •Work on officer schemes of delegation, approval systems, and related processes is progressing. •Scoping for Workforce Development Plan has taken place - detailed in Culture tab. •HR have conducted research on requirements with ELT. •A review of the Scheme of Delegation has commenced, linked to the refresh of the Assurance Framework and broader governance matters. •Reviews of existing policies and processes have been undertaken across several	•Ongoing - Strengthened operating model is an outcome of the action plan. •March -September 2026 - Adoption and implementation related and key strategic items, including: •Updated Constitution •Single Assurance Framework •Governance Review outcome •Long-term priority setting •Local Growth Plan •Spatial Development Strategy		Agreed operating model is rolled out and understood. Staff can report via surveys understanding of high-level objectives and where their role impacts these. **Impact** • Improved consistency, efficiency and understanding of how TVCA works across functions and teams	**Potential impact indicators** • Clearly defined operating model is agreed, communicated and understood across the organisation

	Undertake an internal review of existing polices & processes, identify gaps and improvements to be made, implement any changes and roll out any appropriate internal & external communications.	themes relevant to the improvement plan and business-as-usual activity. •Implementation of any updates will take place at the earliest suitable opportunity, with internal and external consultation and communication carried out where required. • April 2026 - Benchmarking analysis of MCA schemes of delegation underway	•Investment pipeline •Workforce Development Strategy Operating model has been developed aligned to other actions as detailed above. Implementation will be transitioned to continuous improvement strategy aligned to emerging priorities.		• Improved clarification on roles, processes and decision-making routes • Enhanced quality and timeliness of work – more effective delivery of organisational priorities	• Evidence of streamlined processes – reduction in duplication, re-work or delay • Improved consistency and quality of outputs – aligned to agreed standards and ways of working
Implement a Programme Management Office (PMO), with standardised processes and tools, to ensure consistency in terms of how the organisation develops, manages and monitors projects and programmes.						
Accountable Director	**Initially identified key steps**	**Key Milestones/Progress June 2025 – August 2026**	**Next steps and dates**	**Revised dates (if applicable)**	**Overarching measure of success**	**Evidence**
Director Of Operations	Explore the structure of a PMO style model within TVCA to ensure it is fit for purpose and specific to TVCA. implement a fit for purpose PMO style model.	• Pre-market engagement undertaken and concluded • Next steps were considered. • The requirement of a PMO model would follow an updated operating model.	•Ongoing- Once operating model is reviewed and updated, based on the outcomes noted above a PMO model will be considered at a later phase. This will move into consideration as part of the operating model for the organisation. It has been explored and we have explored this style model, and we will further as this progresses. For this purpose, we have closed this action.		An appropriate PMO 'model' is in place for TVCA. Demonstrable benefits of the PMO can be seen & recorded. **<u>Impact</u>** • Strengthened organisational grip on delivery through consistent oversight of projects and programmes • Improved clarity, discipline and comparability in how initiatives are developed, managed and reported – reducing variation and delivery risk • Earlier identification of issues • Clearer accountability and more informed decision making • Improved delivery confidence, value for money and outcomes	**<u>Potential impact indicators</u>** • Set of project and programme management processes and tools are in place and used consistently • Clear, regular reporting through the PMO • Evidence of improved identification, escalation and management of project/programme risks, issues and dependencies • Evidence of improved timeliness and quality of project/programme delivery

Actions for future consideration						
Take part in a Local Government Association (LGA) peer review in 18-24 months and seek external support and challenge from the LGA, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Centre for Governance and Scrutiny (CFGS) to support the Organisational Improvement Plan.						
Director Of Operations	Liaise with LGA/CIPFA/CFGS for peer review and external support & challenge. Agree dates & timescales.	•Engagement and support from LGA, CIPFA, and CfGS is being accessed to support the improvement journey. •Details on specific actions and workstreams are reflected within the relevant action updates throughout this report. •Discussions have taken place with the LGA about bringing forward a Peer Review ahead of the originally proposed timeline. •April 2026 - Further scoping work undertaken.	•Dates for the Peer Review will be agreed at an appropriate point following scoping and development of Peer Review Implementation Plan.		• Agreed dates with each planned into TVCA timescales •benchmarking/improved position recorded & continually measured. **Impact** • Independent assurance on the effectiveness and maturity of TVCA's improvement journey • Enhanced quality and credibility of Organisational Improvement Plan • Demonstrable openness, transparency and commitment to learning beyond compliance • Strengthened organisational confidence, resilience and readiness for future scrutiny	**Potential impact indicators** • Peer review completed within agreed timeframe • Evidence that advice and challenge from LGA, CIPFA and CfGS is actively informing improvement activity • External recommendations are incorporated into the Organisational Improvement Plan • Open reporting to Cabinet, the improvement board and relevant stakeholders

Information

Following feedback and internal reflection, the action plan has been refreshed for future updates. While the headline actions remain unchanged, a review has taken place which has refined how progress is presented, to ensure greater clarity. To reduce duplication, some actions have been merged or repositioned, these changes are articulated below.
In addition, the order of some actions has been changed in some instances and where appropriate actions have been grouped under headings to ensure that interconnected activities are reported together.

Details of changes made to columns
Status column has been removed as actions are grouped under status headings as described above
Details of impact added
Column for evidence added

Changes to Theme headings
As the organisation progresses on its improvement journey, we have begun reporting on Partnerships and Continuous Improvement separately.

Changes made to location of actions	
Action	Update
Take part in a Local Government Association (LGA) peer review in 18-24 months and seek external support and challenge from the LGA, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Centre for Governance and Scrutiny (CFGS) to support the Organisational Improvement Plan.	Moved from Partnerships and Continuous Improvement Tab to stand alone Continuous Improvement tab
Implement a Programme Management Office (PMO), with standardised processes and tools, to ensure consistency in terms of how the organisation develops, manages and monitors projects and programmes.	Moved from Partnerships and Continuous Improvement Tab to stand alone Continuous Improvement tab
Develop and implement a new organisation-wide operating model to improve processes, efficiency, understanding and quality.	Moved from Partnerships and Continuous Improvement Tab to stand alone Continuous Improvement tab
Ensure progress against the actions contained within the Organisational Improvement Plan is effectively monitored, working closely with the constituent local authorities and the Independent Improvement Board, and reported in a transparent manner to Cabinet, the Improvement Board, the Ministry of Housing, Communities & Local Government (MHCLG) and EY (external auditor).	Moved from Partnerships and Continuous Improvement Tab to stand alone Continuous Improvement tab
Undertake an assessment and identify any new actions to ensure that we are striving for excellence in the remaining categories set out in the statutory guidance on best value standards and interventions (not covered in the Best Value Notice or by the external auditor statutory letter), which are leadership and service delivery.	Moved from Partnerships and Continuous Improvement Tab to stand alone Continuous Improvement tab
Undertake an assessment and identify any new actions to ensure that we are striving for excellence in the remaining categories set out in the statutory guidance on best value standards and interventions (not covered in the Best Value Notice (BVN) or by the external auditor statutory letter), which are leadership, use of resources and service delivery.	
Produce a readiness plan for fiscal devolution, including a potential future integrated settlement, and new accountability arrangements as set out in the Devolution White Paper.	Moved from Use of Resources to Governance and merged with action below
Undertake a business planning exercise and produce a readiness plan in anticipation of the expanded powers set out in the Devolution White Paper.	Merged and presented under the Governance tab

Produce a readiness plan for fiscal devolution, including a potential future integrated settlement, and new accountability arrangements as set out in the Devolution White Paper.	

Cabinet

Tees Valley Combined Authority

Date	25 September 2026			
Agenda Item	7			
Report Title	**Independent Advisory Board Progress Report**			
Accountable Cabinet Member	**Mayor Ben Houchen** Chair of the Cabinet			
Accountable Chief Officer	**Tom Bryant** Chief Executive			
Accountable Employee	**Sarah Brackenborough** Director of Operations			
Report considered by	Pre-Cabinet process A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 11 September 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	Not applicable			

Recommendation(s)

The Combined Authority Cabinet is recommended to:

A	**<u>Consider</u> the progress update from the Chair of the Independent Advisory Board.**

1. Purpose

1.1 The purpose of this report is to provide Cabinet with a progress update from the Chair of the Independent Advisory Board.

2. Executive Summary

2.1 On 3 April 2025 Tees Valley Combined Authority (TVCA) was issued with a non-statutory Best Value Notice (BVN) by the Ministry of Housing, Communities and Local Government MHCLG).

2.2 In response Cabinet, at its meeting on 27 June 2025, approved the establishment and scope of an Independent Advisory Board (IAB) to be chaired by Rob Whiteman. Cabinet also agreed an Organisational Improvement Plan at the same meeting, following a period of engagement workshops with a wide range of officers and members.

3. Partnership & Engagement

3.1 This report has been circulated to Cabinet members in advance of publication.

4. Appendices

4.1 **Appendix A** – Report of the Chair of the Independent Advisory Board

Cabinet is requested to consider the following identified implications:

Financial Implications

5.1 There are no direct financial implications arising from the recommendation in this report.

Legal Implications

5.2 There are no direct legal implications arising from the recommendation in this report.

Equality & Diversity Implications

5.3 The Organisational Improvement Plan does not directly impact on groups of people with protected characteristics. Any such implications would be identified in the

Organisational Improvement Plan Progress which is separate to this update from the Chair of the IAB.

Other Significant Implications

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

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

Improvement

5.4 The Independent Advisory Board's report provides an objective assessment of progress to date, highlighting areas of strength and identifying where further action is required. The report serves both as an assurance mechanism for stakeholders and as a catalyst for continuous improvement, reinforcing our commitment to transparency, accountability, and the delivery of high-quality outcomes.

Tees Valley Combined Authority Independent Advisory Board Report to Cabinet

September 2026

Purpose of report

1. The TVCA Independent Advisory Board (IAB) provides a written update report to Cabinet on a quarterly basis. This is the fifth report of the IAB, covering the period June – September 2026.

2. This report does not provide an exhaustive account of all activity undertaken during this period; its purpose is to highlight areas of significant progress and for continued improvement.

Background

3. At the invitation of TVCA, and with support from the Local Government Association (LGA), the IAB was established in its current form in June 2025. It is a non-statutory Board which brings together independent expertise from across the sector. It is part funded by the UK Government as part of the LGA's sector improvement programme.

4. The IAB comprises of five members:

    4.1. Rob Whiteman CBE, Former Chief Executive of CIPFA (Chair of IAB)

    4.2. Adele Gritten, Chief Executive, Local Partnerships

    4.3. Mark Edgell, Principal Advisor, Local Government Association

    4.4. Dame Amanda Milling, former Minister of State and Member of Parliament

    4.5. Helen Edwards, former Chief Legal & Governance Officer, West Midlands Combined Authority

5. The IAB was established to provide oversight, support and challenge to TVCA's improvement and transformation journey. This includes a focus on helping TVCA to address the issues identified in the Tees Valley Report (January 2024), Ernst and Young's (EY) external audit statutory recommendations letter (April 2025), and Best Value Notice (April 2025).

6. The Best Value Notice (BVN) issued by MHCLG covered a period of 12 months, April 2025 – March 2026. At the time of writing, MHCLG had not yet confirmed

the outcome of its review on the BVN. The options open to the Secretary of State include removing the BVN, extending it, or moving to consider intervention.

7. While the outcome of the Government's review of the BVN remains unknown, TVCA has continued to engage constructively with the IAB and has remained focused on progressing its programme of work to strengthen governance, accountability and organisational resilience.

IAB Activity since last report

8. Since the IAB's last update report, the Board has met formally in June and August, as well as other forms of engagement with elected politicians and officers across TVCA and its constituent authorities. This has included:

    8.1. Considering items on delivery of the organisational improvement plan, workforce planning and capacity, Mayoral Development Corporations review process, and South Tees Development Corporation (STDC) and airport finances.

    8.2. Helen Edwards supporting the Chief Legal and Monitoring Officer recruitment process.

    8.3. The LGA's Finance and Improvement Sustainability Adviser being part of Director of Finance and Resources (S73 officer) recruitment process.

    8.4. Helen Edwards has met with the outgoing Interim Monitoring Officer and the newly appointed Monitoring Officer.

    8.5. Colleagues from Local Partnerships have met with TVCA operations staff to discuss business case and assurance framework support.

9. The IAB is grateful for the constructive and open way the TVCA continues to engage with it at all levels.

TVCA Activity since the last report

10. Activity is captured under the five key themes of TVCA's organisational improvement plan:
    10.1. Continuous improvement
    10.2. Use of resources
    10.3. Governance
    10.4. Culture
    10.5. Partnerships

11. There is clearly a great deal of work underway and significant progress has been

made in delivering the actions within the organisational improvement plan in recent months, which this report goes on to highlight and recognise.

12. There nevertheless remains several areas where a sustained and consistent pace of improvement is required to address significant organisational risks, particularly in relation to:

    12.1. **Capacity and stability within the finance team** with reliance on interims remaining a challenge the authority is taking steps to address.

    12.2. **The financial improvement measures being articulated as part of a controlled improvement plan.**

    12.3. **Capacity in the legal team** to meet the authority's needs with reliance on interims remaining a challenge the authority is taking steps to address.

    12.4. **Demonstrating how improvement activity is providing assurance** on risk mitigation and sustained organisation-wide improvement.

13. These are outlined in more detail in the subsequent paragraphs.

Continuous Improvement

14. As of August 2026, 84% of the actions in TVCA's improvement plan were complete, or complete with ongoing activity to embed the changes, and 97% of actions were on track to be delivered by the end of September 2026, delivered against a backdrop of considerable change and capacity challenges.

15. The IAB welcomes this progress and the increasing robustness of financial diagnostics shared with the Board. Whilst there has been evidence of activity and impact across several areas, reporting to the IAB however has often focused predominantly on outputs rather than outcomes, making it more difficult to assess the extent to which planned actions are delivering the intended improvements. Going forward, the IAB would like to see greater assurance on the impact of the activity undertaken on reducing organisational-wide risk and more detail on delivery against those actions that are requiring additional focus and support.

16. This feedback is hopefully timely, with TVCA now strategically moving beyond an organisational improvement plan focused on responding to the BVN, external auditor's letter and the Tees Valley Review, to a broader continuous improvement strategy, and actively seeking to involve IAB views in shaping it. This reflects the authority's commitment to continuous improvement and its proactive response to the evolving operating environment for strategic authorities. The continuous improvement strategy will be considered by Cabinet in September.

17. This transition in approach comes at a critical time, with the strategic authority landscape continuing to evolve rapidly through the implementation of the English Devolution and Community Empowerment Act 2026, alongside increasing

expectations from Government around devolution, accountability, assurance and place leadership.

18. The IAB welcomes this proactive approach aimed at both sustaining and building on improvement progress to date, and supporting the authority's wider transformation and organisational development ambitions as it prepares for the next phase of its development.

Use of resources

19. *Financial capacity and stability:* A reliance on interim expertise and capacity within the finance team remains a challenge for the authority. Strengthening capacity and permanence within TVCA's finance team has therefore been a key focus in recent months, with recruitment process for the Section 73 Officer role undertaken, alongside wider recruitment to key posts across the team. The IAB welcome the steps taken to seek to secure the necessary skills, reduce reliance on interim arrangements, and bring greater stability to the finance function. At the time of writing, the outcomes of these recruitment processes were not yet fully known with the recruitment for multiple finance roles still live. However, the recruitment process did not result in a permeant appointment to the Section 73 Officer role. Whilst TVCA have acted quickly to take steps to appoint an interim, already in the organisation as Deputy Section 73 Officer, on a fixed-term 12-month basis to provide continuity and stability, securing and embedding a permanent finance structure with requisite skills and expertise remains a significant priority area of on-going risk.

20. *Financial accounts*: Progress has been made in recent months, with TVCA single-entity accounts, STDC group accounts, Hartlepool Development Corporation and Middlesbrough Development Corporation single-entity accounts all published by the statutory deadline. The unaudited draft 2025/26 TVCA Group Accounts were published on 21 August with public inspection commenced which will run through to 5 October. TVCA's ambition is work positively with Ernst and Young (external auditors) to conclude all major outstanding matters and the audits of all 2025/26 accounts by the statutory deadline at the end of January 2027.

21. *Financial governance*: Progress has been made in relation to the STDC loan arrangements with Cabinet approving a formal loan arrangement between TVCA and STDC, supported by independent financial modelling and enhanced monitoring arrangements. This represents an important step in strengthening of the authority's financial governance arrangements. A programme of work is also underway around the airport's financial governance, with external expertise secured to provide requisite skills and expertise. The IAB welcomes these steps as fundamental and necessary to strengthening TVCA's financial governance and sustainability. Given the scale of the potential financial risks involved and the importance of this work, the Board wants to monitor developments closely, and also understand how these measures collectively fit together as part of a controlled improvement plan.

Governance and culture

22. *Recruitment*: Recent months has seen the successful recruitment of a permanent Chief Legal and Monitoring Officer, who took up post in late August 2026 and has had opportunity to ensure a robust handover with the out-going Monitoring Officer. The Board welcomes this development, considering it an important step in providing stability and continuity of leadership following a period of interim arrangements. It will be important for the organisation to support the new Monitoring Officer as he settles into the organisation, to build on the improved culture and approach to governance, and to be supportive of the proposed legal services structure and capacity requirements once finalised.

23. *Political leadership*: Steps have been taken to further enhance political leadership through refreshed Cabinet Portfolios and Portfolio Holders. This has included Mayor Cooke holding the Portfolio for Organisational Improvement. The strong political oversight and ownership of TVCA's organisational improvement activity this has brought is clear and having a positive impact. The IAB heard from statutory officers that Cabinet members are working well together.

24. *Governance review*: The wider governance review has continued to advance. Recent progress has included review of the Constitution with a revised version being presented to the Overview & Scrutiny and Audit & Governance Committees, ahead of submission to November Cabinet, as well as continuing work to strengthen Cabinet engagement, decision-making and accountability. The draft Single Assurance Framework has been cleared for adoption by MHCLG and is due to be considered by September Cabinet for adoption.

25. *Governance culture:* The IAB heard that there has been improvement in the approach to governance in the past 12 months, with a positive culture and an approach to governance issues. Officers consistently seek advice in relation to decisions and there is more consistency in the publication of decisions. Training on ethics and standards had been provided by an external consultant which had been well received. Additional training had also been provided for officers by the outgoing Monitoring Officer. Good progress has been made with the Democratic Services team, ensuring they became members of ADSO and encouraging them to attend both ADSO and relevant LLG training events, and networking opportunities to broaden their knowledge and approach. There has also been a two day "awayday" off-site with an external facilitator, which has strengthened the legal and democratic services team approach to teamwork.

26. *Capacity*: Capacity within the legal team remains a significant issue, with a large number of interim lawyers, and an in-house team currently not sufficient to meet the authority's needs. Addressing this capacity gap, including the workload of the Deputy Monitoring Officer, needs to be a priority. This key risk is recognised and is being acted upon by the authority. A business case and job descriptions for increasing the capacity of the legal team have been drafted, and the recruitment will commence mid-September, with this capacity planned to be in place by the end of April 2026.

27. *Governance tools*: Steps are also underway to procure governance and legal tools to better support efficient and effective delivery. The IAB understand that the procurement of a governance case management system has commenced and is expected to be in place by end of September, and the process of procuring a legal case management system is underway. Monitoring the implementation of these measures, progress against planned timescales, and their impact will be important in ensuring they deliver tangible improvement and effective risk mitigation.

Partnerships

28. There have been a number of examples in recent months of partnership working between TVCA and the constituent authorities coming to fruition which TVCA identifies as evidence of strengthened relationships and collaboration. These include:

    28.1. Business Tees Valley: Development through collaborative strategic planning with local authorities and key partners.
    28.2. 10-Year Local Growth Plan: Joint development and publication of the Plan across the partnership.

Looking forward

29. The IAB recognise the dedication and commitment of politicians and officers which continues to underpin the organisation's improvement activity to date. It would encourage TVCA to continue build on the progress made by maintaining a clear focus on the areas highlighted in paragraph 12 as part of its ongoing improvement journey.

Cabinet

Tees Valley Combined Authority

Date and Time			25 September 2026	
Agenda Item			8	
Report Title			Organisational Excellence Strategy	
Accountable Cabinet Member			**Mayor Chris Cooke** Portfolio Holder for Finance, Organisational Improvement and Business Growth.	
Accountable Chief Officer			**Sarah Brackenborough** Director of Operations	
Accountable Employee			**Claire Kenyon** Programme Manager – Improvement	
Report considered by			Pre-Cabinet process A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 11 September 2026.	
Key Decision			Yes	No x In accordance with the Constitution, the approval of the Organisational Excellence and Action Plan is not classified as 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	**Approve** the Organisational Excellence Strategy and Action Plan as provided in Appendix 1 and 2
B	**Note** Any significant changes to the action plan are reported back to Cabinet for approval.
C	**Approve** the proposed reporting arrangements as summarised in paragraphs 14 and 15 of this report.
D	**Approve** the use of the uncommitted financial resources set aside for the organisational improvement plan to support the Organisational Excellence Strategy.

Purpose	
1.	The purpose of this report is to present Cabinet with the proposed Organisational Excellence Strategy and Action Plan, following Cabinet's endorsement of the intention to develop a strategic approach to secure continuous improvement at its meeting on 26 June 2026.
2.	The report seeks approval of the Strategy and accompanying Action Plan, which will provide the framework for embedding continuous improvement within TVCA's business-as-usual arrangements.
Executive Summary	
3.	The Tees Valley Combined Authority (TVCA) Organisational Improvement Plan was developed in response to the issue of the Government's Non-Statutory Best Value Notice and the statutory recommendations raised by the external auditor. The Plan has delivered significant progress in strengthening governance, use of resources, partnerships, culture and continuous improvement, establishing stronger foundations for effective decision-making and service delivery. Further progress information has been presented in **item 6** of this agenda.
4.	The Organisational Excellence Strategy moves TVCA from a time-limited improvement programme to a sustainable programme of continuous development that enables ongoing organisational excellence and readiness for future Devolution. The strategy will secure continuous improvement activity and ensure it is prioritised, coordinated and monitored. The strategy has been developed in alignment with Ministry of Housing, Communities and Local Government's (MHCLG's) Best Value Duty, Best Value Standards, Intervention Guidance, and the seven Best Value themes. Supporting this transition, TVCA has developed a set of strategic themes tailored to its specific context and priorities, whilst reflecting the principles of the Best Value Duty. This will further support TVCA's strategic delivery and future organisational excellence.
5.	The Strategy has also been developed to ensure TVCA is organisationally prepared for the next phase of devolution, including the opportunities presented through the English Devolution and Community Empowerment Act, Established Authority Status and the anticipated Integrated Settlement. It provides the framework through which organisational capability, governance and readiness will be strengthened to support the TVCA's expanding responsibilities.
6.	The Strategy is intended not only to sustain compliance with Best Value Duty but also to support TVCA's ambition to become an exemplar Combined Authority recognised for strong governance, organisational learning, effective delivery and continuous improvement.
Securing Continuous Improvement for TVCA	

7.	**Overview** The Organisational Improvement Plan has provided the current programme of improvement in response to external challenge and recommendations and has strengthened core arrangements. As that programme reaches its final stages, the focus is now shifting from delivering specific corrective actions to maintaining improvement as a core part of TVCA operations.
8.	**Item 6** of this agenda seeks Cabinet to approve actions on the existing plan that are not complete by the end of September remain subject to formal oversight, monitoring and reporting arrangements within the next phase of improvement. Actions that are complete will be monitored through business-as-usual processes. This includes a strengthened corporate operating model that ensures practices are embedded.
9.	The Strategy reflects TVCA's improvement maturity model, supporting the transition from Phase 1 (Organisational Improvement) to Phase 2 (Continuous Improvement) and establishing the foundations required for longer-term transformation activity (Phase 3). Whilst the model is presented in phases, phases 2 and 3 are intended to be complementary and will progress concurrently, recognising that continuous improvement activity and longer-term transformation can take place alongside one another. This approach ensures TVCA reaches its ambition to become an exemplar authority and that improvement becomes embedded within day-to-day operations and organisational culture rather than being delivered through a standalone programme.
10.	The Strategy builds on the five themes of the Organisational Improvement Plan and translates these into a revised framework of strategic continuous improvement themes which will guide future improvement activity. These themes align improvement activity with organisational priorities, Best Value Duty and future organisational readiness.
11.	The Organisational Excellence Strategy provides the mechanism through which strategic improvement priorities will be translated into specific, measurable actions, with clear ownership, review points, reporting arrangements and success measures. This will ensure that improvement activity remains focused, evidence-led and linked to organisational priorities and outcomes.
12.	A key objective of the Strategy is to strengthen organisational capacity and capability, ensuring the Authority has the leadership, workforce, systems and processes required to deliver current priorities and respond effectively to future opportunities.
13.	Approval of the Strategy and supporting Action Plan will provide a clear framework for sustaining the progress achieved through the Organisational Improvement Plan, strengthening organisational capability and supporting improved outcomes

	for residents, businesses and partners across the Tees Valley. It will establish the long-term approach to securing continuous improvement, providing clear arrangements for monitoring, accountability and ongoing challenge.
14.	**Reporting and Evaluation** The Organisational Excellence Strategy includes clear reporting and evaluation arrangements to monitor delivery, assess the impact of improvement activity and ensure appropriate accountability, challenge and oversight. Progress against the action plan will be reported through established governance arrangements, providing transparency, clear ownership and opportunities to identify further improvement activity where required. This includes the established internal governance arrangements which ensures detailed implementation plans are managed to support the delivery of the high-level actions within the plan.
15.	Cabinet is requested to approve the proposed reporting arrangements, under which quarterly progress reports will be submitted to Cabinet. Progress updates will also continue to be published on the TVCA website on a quarterly basis, and MHCLG will be kept informed in line requirements once next steps are received. Quarterly reports will provide an update on progress against agreed actions, delivery of key milestones, risks, issues, impacts and organisational learning. They will also seek Cabinet approval for any proposed amendments to the Action Plan where required. These arrangements will ensure continued transparency, accountability and assurance in relation to TVCA's continuous improvement journey and ongoing commitment to the Best Value Duty.
16.	As noted by Cabinet at its meeting on the 26th of June, the Independent Advisory Board will continue to provide independent challenge, oversight and advice on progress, impact, risk and organisational learning. The future role of the Board will be reviewed following confirmation from MHCLG regarding next steps associated with the Best Value Notice, as detailed in **Item 6** of this agenda.
17.	Progress and evaluation of the Strategy will draw on performance information, assurance activity, audit findings, Cabinet and committee oversight, partner feedback and external challenge to assess progress, evidence impact and inform future priorities. The Strategy will be reviewed annually to ensure continued alignment with TVCA's strategic priorities, Best Value Duty, devolution agenda and future organisational requirements. External support and challenge will continue to be utilised where appropriate, including through audit, peer challenge, CIPFA, the LGA and MHCLG.
Background	
18.	TVCA's Organisational Improvement Plan was developed in response to the Government's Non-Statutory Best Value Notice and statutory recommendations from the Authority's external auditor, as detailed in **Item 6** of this agenda.
19.	The development of a continuous improvement approach was endorsed by Cabinet on 26 June 2026 to ensure that the progress made through the Improvement Plan is carried forward into business-as-usual arrangements.

20.	TVCA has developed this Organisational Excellence Strategy and Action Plan to secure continuous improvement as the organisation moves beyond the delivery of its Organisational Improvement Plan. This approach is the natural progression of the work already undertaken and the foundations that have been established. Its purpose is to move TVCA from a defined programme of activity to a more systematic and sustainable approach that secures and embeds excellence within everyday decision-making, delivery and organisational culture.
21.	This report brings forward the proposed Strategy and Action Plan for approval.
Partnership & Engagement	
22.	Development of the Strategy has been informed by the learning, progress and outcomes achieved through the Organisational Improvement Plan. The Strategy and supporting Action Plan incorporate feedback and lessons learned from across the improvement journey. This includes matters raised by TVCA Cabinet, the Independent Advisory Board (IAB), MHCLG, auditors and other partners and stakeholders. Together, these insights have helped shape the priorities for the next phase of improvement, ensuring they are evidence-based, aligned to best practice and focused on sustaining continuous improvement and organisational excellence.
23.	Subject to approval, the Strategy and Action Plan will be communicated across the organisation and embedded within relevant governance, performance management and reporting arrangements.
Appendices	
24.	Appendix 1 – TVCA Organisational Excellence Strategy Appendix 2 – TVCA Organisational Excellence Plan

Cabinet is requested to consider the following identified implications:

Financial Implications

25.	**Budget Provision for Finance, Legal and Improvement Resources** Within the 2026/27 budget, it was recognised that both the Finance Department and Legal Services required additional resources in response to the Best Value Notice. To support this requirement, the permanent Finance staffing budget was increased by £185,000, providing a permanent uplift to the establishment. In addition, a one-off allocation of £369,000 was approved to fund agency costs while permanent recruitment is ongoing. Similarly, the Legal Services establishment received a permanent budget increase of £418,000, together with a one-off allocation of £400,000 to meet agency staffing costs pending the recruitment of permanent employees.

	In addition, £750,000 was approved to fund improvement activity across directorates within the authority. This funding was not restricted to specific expenditure categories. All bids will be assessed and may include costs associated with software, licences, staffing, equipment, training, and other improvement-related expenditure where these support the authority's improvement programme. Any underspend against the £750,000 improvement fund at year-end will be transferred to the Transformation Reserve. This will supplement the existing £1 million balance within the reserve and provide ongoing funding to support improvement activity delivered through the Organisational Excellence Strategy. The reserve will be used to support future transformation initiatives and ensure continued investment in organisational improvement priorities.
26.	Expenditure to date on staffing to lead the improvement is £93,940, and this cost is forecast to rise to £173,109 by the end of 2026/27. The programme co-ordinator for improvement is currently on a fixed term post to December 2026, and a potential extension will increase the forecast above.
27.	Staffing costs are budgeted for within the Operations Directorate and are incorporated within the core establishment budget. There is currently £167,000, including on-costs, provided within the budget to support improvement-related staffing. Provision for these costs has also been reflected within the future years of the Medium-Term Financial Plan (MTFP) to support the ongoing delivery of the authority's improvement and transformation objectives.

Legal Implications

28.	There are no legal Implications in respect of the contents of this report.

Equality & Diversity Implications

29.	The Organisational Excellence Strategy and Action Plan themselves do not directly impact on groups of people with protected characteristics. However, TVCA considers the potential impact on groups of people with protected characteristics in the development of policy, programmes and projects. Any actions within the action plan that relate to policy, programmes and projects will be subject to assessment during the development phase.

Other Significant Implications

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

30.	**Improvement**

	The Strategy and Action Plan establishes a structured framework for securing continuous improvement across the TVCA and ensuring that organisational learning is translated into measurable action. It provides a mechanism for identifying, prioritising, coordinating and monitoring improvement activity, supporting compliance with the Best Value Duty whilst strengthening organisational capacity, governance, accountability and readiness for future devolved responsibilities.
31.	The Strategy and Action Plan will help ensure that improvement activity remains aligned with organisational priorities, assurance findings, performance information and stakeholder feedback, enabling TVCA to build on the progress achieved through the Organisational Improvement Plan and continue its journey towards organisational excellence.
32.	**Risk** The Strategy and Action Plan are intended to reduce organisational risk by embedding continuous improvement, strengthening governance and maintaining readiness for future devolved responsibilities. Key risks relate to delivery pace, organisational capacity, action ownership, assurance and the ability to evidence sustained compliance. These risks are mitigated through clear governance, identified action owners, quarterly reporting to Cabinet. Use of programme and progress tracking against performance and providing assurance information, including external challenge where appropriate, and escalation of significant changes to Cabinet for approval will also support risk mitigation.



TEES VALLEY

DRAFT Organisational Excellence Strategy

Authorised Date: *To be added following Cabinet approval*
Review Date: 01 October 2026

Document Title:	DRAFT TVCA Organisational Excellence Strategy
Document Author:	Programme Manager - Improvement
Senior Responsible Officer:	Director of Operations
Document Status:	Draft
Document Authorised Date:	To be updated following Cabinet approval
Version Number:	0.2
New Review Date:	01 October 2027

DRAFT

Contents

1. Foreword 3
2. Introduction 4
3. Executive Summary 5
4. Background and Strategic Context 6
5. Principles and Framework for Continuous Improvement 7
6. Improvement Maturity Model 9
7. Strategic Themes of Continuous Improvement 10
8. Expected Outcomes 12
10. Reporting and Evaluation 13
11. Resourcing 14

DRAFT

1. Foreword

Since its creation in April 2016, Tees Valley Combined Authority (TVCA), its members, stakeholders and partners have worked alongside our local authorities to improve the lives of people across our region.

With billions of pounds of funding and committed leadership, we've supported businesses to grow; helped people access high-quality jobs, education and training; improved transport infrastructure; delivered major regeneration and attracted world-leading inward investment.

With these responsibilities comes the need for robust scrutiny and accountability to ensure Government, our partners and the public, know taxpayer money is being spent effectively.

We fully accepted feedback provided by the Ministry for Housing, Communities and Local Government (MHCLG) through the non-statutory Best Value Notice and acted immediately - supported by our Independent Advisory Board - to implement a comprehensive plan of improvement.

This included strengthening senior leadership, building capability across the organisation and undertaking detailed reviews of key governance, financial and constitutional arrangements to ensure we continue to meet the highest standards.

While this work has been significant, we have remained focused on delivery.

In the past 18 months, we've delivered major upgrades at Darlington and Eaglescliffe stations, with work continuing at Middlesbrough. We've secured the UK's first Investment Zone for the digital and creative industries, launched two successful rounds of Youth Guarantee Trailblazer funding, and unlocked substantial investment while developing a new business support offer.

Stockton's Waterfront Urban Park has opened, Middlesbrough's Auxiliary has been transformed, Hartlepool's TV and Film Production Village and Northern Studios expansion are moving ahead, while the town's Highlight Active Wellbeing Hub is now welcoming the public.

The next decade presents even greater opportunities. Our Plan for Regional Prosperity – our Local Growth Plan – sets out how we will accelerate growth in our priority sectors, create more and better-paid jobs, and put more money into people's pockets. Combined with further powers and funded through greater devolution, Tees Valley is well placed to build on its successes.

We are ready to seize those opportunities, and this strategy sets out how we will become an exemplar Combined Authority while continuing to deliver change for local people.

Ben Houchen
Tees Valley Mayor

Chris Cooke
Middlesbrough Mayor & TVCA
Portfolio Lead for Organisational Improvement

DRAFT

2. Introduction

Tees Valley Combined Authority's (TVCA's) Organisational Improvement Plan has been a driving force for demonstrable change since it was agreed by our Cabinet on 27 June 2025.

Under the stewardship of a refreshed Senior Leadership Team and with critical support from the Combined Authority's officers, members, partners and stakeholders, it has delivered substantial progress in strengthening the body's governance, financial sustainability, partnerships and culture.

Through a structured programme of improvement activity, underpinned by clear priorities, robust oversight and a collective commitment to change, this progress has enhanced organisational capability, increased resilience and established the platforms needed to deliver strategic priorities with greater confidence, effectiveness and transparency, alongside significant futureproofing.

A considerable amount has been achieved over the past 18 months however achieving organisational excellence is an ongoing commitment, with everyone accountable for making TVCA the best it can be.

As we continue to evolve, grow and respond to changing opportunities, expectations and challenges – including the benefits of further devolution - it is essential that we build on this progress to embed a culture that continually seeks to learn, adapt and improve. This will ensure TVCA, together with its partners, is putting into practice the Best Value Duty to respond confidently to new powers and responsibilities, Established Authority Status and the opportunities presented through fiscal devolution.

TVCA has developed this Organisational Excellence & Readiness Strategy to secure continuous improvement as the organisation moves beyond the delivery of its Organisational Improvement Plan. This strategy and supporting action plan are the natural progression of the work already undertaken and the foundations that have been established. Its purpose is to move TVCA from a defined programme of activity to a more systematic and sustainable approach that secures and embeds excellence within everyday decision-making, delivery and organisational culture.

This Strategy together with the supporting action plan ensures we will be stronger, more agile and more capable than ever before, to deliver better outcomes for residents, businesses and partners across Tees Valley.

Tom Bryant
Chief Executive, Tees Valley Combined Authority

DRAFT

3. Executive Summary

This Strategy sets out TVCA's approach to organisational excellence and establishes the framework through which the organisation will transition from a defined, time-bound improvement programme to a sustainable operating model aligned with TVCA's commitment to Best Value Duty as laid out by Government. TVCA is committed to achieving organisational excellence, securing continuous improvement and ensuring the organisation is ready for further devolution, new powers and responsibilities, Established Status and fiscal devolution.

The strategic intent is to create an organisation that is reflective, honest and improvement-focused, one that routinely reviews and acts upon available evidence, challenge, learning and evaluation to strengthen how it governs, plans, allocates resources and delivers outcomes. Central to this ambition is the development of organisational capacity and capability, ensuring that the Authority has the leadership, workforce skills, systems, processes and resources required to respond effectively to current demands and future challenges.

TVCA has developed the Organisational Excellence Strategy to secure continuous improvement beyond the delivery of the previous Organisational Improvement Plan and to ensure that improvement is embedded as part of business as usual. The Strategy provides a clear framework for sustaining momentum, strengthening governance, accountability, organisational capability and culture, and demonstrating ongoing alignment to the Best Value Duty. It has also been developed to ensure TVCA is ready to respond confidently to future opportunities and responsibilities, including further devolution, Established Authority Status and fiscal devolution, while continuing to provide assurance to Government, Cabinet, partners and stakeholders that the organisation is learning, adapting and improving.

The Strategy will be supported by an Organisational Excellence Action Plan. The plan will provide the specific, measurable actions through which the Authority will become an exemplar, deliver continuous improvement, strengthen organisational capacity and capability, and demonstrate progress through clear ownership, reporting and review. This includes a focus on developing knowledge, skills and behaviours required, enhancing leadership and management capability, and ensuring governance arrangements, systems and processes support effective decision-making, robust performance management and successful delivery.

Progress will be reported through the governance arrangements set out in this Strategy, ensuring transparency, accountability and opportunities for external support and challenge, while providing assurance that the Authority is continuing to build the capacity and capability required to deliver its strategic priorities and maintain readiness for devolution, new powers and responsibilities, Established Status and an Fiscal devolution.

DRAFT

4. Background and Strategic Context

TVCA is a partnership of the five local authority areas of Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland, and Stockton-on-Tees, created to drive economic growth, secure investment, create jobs and make local decisions that support the long-term prosperity of Tees Valley. Its devolved responsibilities and strategic delivery programmes include transport, infrastructure, inward investment, business growth, education and skills, culture and tourism, and wider place-based investment. Its ambitions are rooted in supporting a region where people choose to live, study, work, visit and invest. Organisational excellence is therefore not only an internal discipline, but also essential to TVCA's ability to deliver confidently, transparently and effectively for the region.

In April 2025, TVCA was issued with a Government Non-Statutory Best Value Notice and received statutory recommendations from its external auditor, EY. Together, these highlighted the need to strengthen arrangements relating to governance, assurance, accountability, organisational culture and organisational performance, while ensuring a clear approach to securing continuous improvement across the Authority.

In response, TVCA, together with its partners, developed and implemented a comprehensive Organisational Improvement Plan. Building on organisational improvements already identified by the Chief Executive, the Plan was informed by engagement with Cabinet and constituent local authority partners, TVCA committees and officers, alongside independent support facilitated through the Local Government Association. This work enabled TVCA to undertake a period of listening, learning and reflection, resulting in a prioritised programme of improvement activity.

Furthermore, at its meeting on 27 June 2025, TVCA Cabinet approved the establishment, role and remit of an Independent Advisory Board for an initial 12-month period. The Independent Advisory Board has played an important role in supporting TVCA's improvement journey by providing challenge, support, oversight and advice in response to the Best Value Notice, ensuring it can meet its Best Value Duty. As TVCA transitions from a defined improvement programme to a continuous improvement model focused on organisational excellence, it remains committed to securing external support and challenge. As part of the next phase of its journey, TVCA will define how external challenge will continue to be incorporated in the next phase of its improvement journey and will draw on expertise where appropriate in implementing the Organisational Excellence Action Plan.

The initial Organisational Improvement Plan has delivered significant progress across a range of areas, including governance, partnerships, organisational culture and financial sustainability. It has also established stronger foundations for accountability, strengthened relationships with partners and stakeholders, and enhanced the ability to deliver strategic priorities as a partnership of six constituent authorities.

DRAFT

As the Improvement Plan nears completion, TVCA is entering a new phase of organisational maturity. While the actions identified within the Plan have helped address specific improvement requirements, TVCA recognises that improvement and striving for excellence should not be viewed as a time-limited programme. It is a continuous and embedded approach throughout everything it does.

This Organisational Excellence Strategy provides the framework for sustaining momentum and embedding improvement activity as part of business as usual. It sets out how TVCA will continue to learn, innovate and adapt, ensuring that the principles of good governance, organisational learning and continuous improvement remain central to decision-making, delivery and culture. The Strategy also recognises the importance of external support and challenge, including the role of the Independent Advisory Board, MHCLG, the Local Government Association, CIPFA and other assurance partners in helping TVCA test progress, strengthen accountability and build readiness for future devolved responsibilities.

This strategy is supported by a clear plan which sets out our objectives and deliverables as per the previous Organisational Improvement plan. It supports the delivery of the Local Growth Plan, corporate planning, financial management, operating model and governance processes by ensuring that organisational learning, assurance and performance information are translated into action and improvement.

5. Principles and Framework for Organisational Excellence

The Strategy reinforces TVCA's commitment to:

- Best Value Duty
- Exemplary governance
- Effective financial stewardship
- Organisational learning
- Partnership working
- Devolution readiness
- Established Authority Status

As TVCA moves into the next phase of devolution the Organisational Excellence Strategy and Plan will help ensure that the organisation has the governance, capability, capacity and

DRAFT

delivery discipline needed to support growth, investment, improved quality of life and better outcomes for local people, while remaining ready to adapt to future opportunities.

In the context of this Strategy, Organisational Excellence is the mechanisms through which continuous improvement is secured. It is the structured and ongoing process through which TVCA reviews, challenges and enhances its functions, services, governance arrangements and ways of working.

The Strategy and Plan uses evidence, learning, assurance, performance information and stakeholder insight to identify opportunities for improvement and deliver better outcomes while maintaining due regard to economy, efficiency and effectiveness.

It is evaluation-led, using structured review points, assessment and feedback from internal and external challenge to understand whether improvement activity is delivering the intended impact and where further adaptation is required.

It is both proactive and reactive and responds to identified risks, findings and challenges while also seeking opportunities to innovate and strengthen organisational performance.

The framework of this Strategy will be delivered through an Organisational Excellence Action Plan, which will translate TVCA's improvement priorities into SMART commitments that are specific, measurable, achievable, relevant and time bound.

Together, the Strategy and Action Plan will embed continuous improvement as part of business as usual, applying the principles defined below to simplify, standardise and streamline systems and processes where this improves efficiency, effectiveness and control. This will build organisational capacity, capability, maturity and readiness for future devolved responsibilities, ensuring TVCA remains strategically focused, evidence based and able to adapt to future opportunities.

Actions are guided by principles that ensure activity remains focused, evidence-led and aligned to organisational priorities. These principles provide the strategic discipline for deciding what improvement activity is prioritised, how it is delivered and how progress is assessed:

- Strategic Alignment
  Improvement activity is aligned to strategic priorities, organisational objectives and Cabinet priorities.
- Proactive and Reactive Improvement
  Improvement activity responds to identified risks, findings and challenges while also identifying opportunities to innovate, modernise and improve performance.
- Evidence-Based Decision Making
  Improvement priorities are informed by performance information, audit findings, assurance activity, risk management, evaluation and stakeholder insight.
- Defined Action and Accountability

DRAFT

Improvement actions are clearly owned, monitored and reviewed through agreed governance arrangements.

- Efficiency and Effectiveness
  Focus on simplifying processes, reducing waste, improving controls and maximising value.
- Learning and Adaptation
  Learning is actively captured, evaluated and used to improve future delivery, ensuring improvement activity is informed by evidence of what works and by honest assessment of impact.
- Transparency and Accountability
  Progress and outcomes are reported openly through established governance arrangements.
- Partnership and Collaboration
  Improvement activity supports collaboration with Members, partners, Government and local communities.

The action plan incorporates all learning identified through Phase 1 of the improvement programme (*see below*), including matters discussed with the Independent Advisory Board, MHCLG, Cabinet, Committees, auditors and other key partners. These inputs will help ensure that the action plan remains grounded in the issues, recommendations, audit findings and organisational learning that have emerged through the initial phase of improvement activity.

Activity will also be subject to planned review points and external challenge, including corporate peer challenge, CIPFA reviews, LGA support and ongoing independent assurance where appropriate.

6. Improvement Maturity Model

TVCA's improvement journey has been centred around a three-stage maturity model which details progression through three connected phases.

Phase 1 – Organisational Improvement: This phase focused on delivering the Organisational Improvement Plan, which was developed and approved in June 2025 in response to identified governance, finance, partnerships, culture and organisational challenges identified within the Best Value Notice and External Auditor Statutory recommendations letter, both received in April 2025. The primary focus was understanding TVCA's starting position, stabilising core organisational arrangements and strengthening foundations through a structured and targeted programme of improvement activity that has started to be embedded.

Phase 2 – Continuous Improvement and Organisational Excellence: TVCA Cabinet noted the intention to develop a Strategy to secure continuous improvement for TVCA

DRAFT

in June 2026. On that basis, TVCA has now entered Phase 2 of the maturity model and is adopting this Strategy and Action Plan as the mechanism to secure continuous improvement, which moves the organisation into an ongoing cycle of review, embed and adapt. This current phase focuses strategically on continuing to embed improvement into everyday practice, strengthening organisational capacity and capability, and ensuring TVCA reviews and adapts with due regard to economy, efficiency and effectiveness.

Organisational Excellence moves the organisation beyond a defined programme of improvement actions and embeds a culture of learning, performance, innovation and improvement within business-as-usual delivery. It takes a strategic approach to organisational development, using performance information, audit and assurance findings, evaluation, risk, stakeholder feedback and organisational learning to inform priorities, strengthen decision-making and improve outcomes over time.

Phase 3 – Transformation: Activity remains strategic, prioritised and outcome-led, focusing on initiatives that deliver measurable benefits and support TVCA's long-term ambitions. Improvement maturity continues to develop and evolve alongside strategic alignment, defined outcomes, evidence of need, expected impact and organisational capacity.

Together, these three phases provide a structured pathway from organisational improvement to Organisational Excellence, whilst the model is presented in phases, phase 2 and 3 are intended to be complementary and will progress concurrently, recognising that continuous improvement activity and longer-term transformation can take place alongside one another. This approach ensures TVCA reaches its ambition to become an exemplar authority creating a clear progression from short-term improvement activity to sustained organisational excellence and longer-term strategic change. Activity remains supported by internal governance arrangements, including financial oversight, affordability assessments, Senior Responsible Officer accountability, benefits realisation monitoring and longer-term resource planning.

7. Strategic Themes of Continuous Improvement

The strategic themes for the plan build on the progress achieved through Phase 1 of TVCA's improvement journey. The Organisational Improvement Plan was structured around five core themes that focused on strengthening governance, finance, partnerships, culture and continuous improvement.

DRAFT

As TVCA transitions into Phase 2, the focus evolves from delivering a defined set of improvement actions to embedding a culture of continual learning, review and adaptation.

The themes below rationalise the key areas of improvement into a coherent framework, ensuring that activity is prioritised, coordinated and monitored in a way that supports delivery, strengthens capacity and capability.

- Governance and accountability
  Ensuring decision-making, oversight, risk management and assurance arrangements are robust, proportionate and transparent.
- Performance and organisational effectiveness
  Strengthening the use of data, metrics, reporting, digital capability and evaluation to understand delivery processes and organisational impact.
- Financial stewardship and resources
  Supporting effective prioritisation, resource alignment, financial stewardship and long-term sustainability.
- People, Culture and Partnerships
  Embedding the behaviours, skills, capacity, capability, relationships and culture required for continuous learning, challenge and improvement, while fostering effective partnership working, trust, collaboration and shared accountability with constituent authorities, stakeholders and delivery partners. This includes organisational development and workforce planning to ensure TVCA has the capability needed to deliver current priorities and future devolved responsibilities.
- Organisational Excellence and Future Readiness
  Ensuring TVCA embeds a culture of continuous improvement, is ready to transform and prepared for future devolution, fiscal devolution and Established Authority Status.

The strategic themes of the plan have been developed with due regard to the statutory Best Value Duty and the accompanying Best Value Standards and Intervention Guidance. The strategic themes reflect the key characteristics associated with well-functioning and high-performing authorities, including good governance, effective leadership and culture, sound financial stewardship, organisational learning, partnership working, performance management and continuous improvement.

The Best Value framework provides an important benchmark for organisational effectiveness, and the Strategic Themes of Continuous Improvement have been adapted to reflect TVCA's specific context, improvement journey and future ambitions as an exemplar Combined Authority. They also reflect the need for organisational readiness for future devolution, fiscal devolution and Established Authority Status, ensuring that improvement activity supports both current delivery and future opportunity. The themes build on the progress achieved

DRAFT

through the Organisational Improvement Plan and have been designed to support the transition to Phase 2 of the improvement maturity model.

This approach ensures that improvement activity remains aligned with expectations and TVCA's responsibilities to Best Value Duty, whilst also responding to local priorities.

8. Expected Outcomes

Expected outcomes include stronger strategic alignment between priorities, resources, decisions and delivery, with more mature governance, assurance and accountability arrangements.

The plan will ensure clearer ownership and tracking of actions, more consistent use of evidence, performance data and evaluation, stronger organisational resilience and readiness for future devolved responsibilities and improved outcomes for Tees Valley residents through better-informed decision-making and more effective delivery.

Success will be demonstrated by priorities which are clearly linked to strategic objectives, risk, assurance findings, performance insight and stakeholder feedback. Actions are SMART, owned and routinely reviewed, with frequency established within the action plan. Key processes are simplified, standardised and streamlined where appropriate, benefits are identified, tracked and evidenced and learning from delivery, audit, evaluation and challenge is used to adapt future activity. This will be evidenced by:

- Clear priorities
  Improvement activity is prioritised against strategic objectives, Best Value requirements, risk, assurance findings, stakeholder insight and delivery impact.
- Measurable delivery
  Each priority has an agreed baseline, intended benefit, milestone, accountable owner and measurable outcome.
- Improved efficiency and effectiveness
  Processes are reviewed at appropriate points to streamline processes, improve timeliness, clarify decision points and support better use of resources.
- Benefits realised
  Improvement activity demonstrates tangible benefits in key areas aligned to best value duty and future readiness, increased stakeholder confidence, strengthening relationships with partners and better outcomes for residents.
- Maturity
  Periodic self-assessment, assurance and review demonstrate that TVCA is increasing its organisational capability and embedding continuous improvement as part of business as usual.

DRAFT

9. Governance and Delivery

Delivery of the Strategy and Plan will be integrated into TVCA's governance and operating arrangements rather than managed as a standalone programme. Annual improvement priorities will translate into an action plan, providing a clear mechanism for delivery, monitoring and accountability.

The annual action plan will act as the mechanism for turning strategic intent into measurable action. It will identify the improvement priority, the evidence or issue being addressed, the improvement approach to be applied where relevant, the expected benefit, the measure of success, the reporting frequency and the governance route. It will also set out review points for the Strategy and Action Plan, enabling TVCA to track progress, evidence impact, consider external challenge and adapt activity where measures show that intended outcomes are not being achieved.

As actions mature, responsibility for delivery and oversight will, where appropriate, transfer into business-as-usual arrangements and be embedded within core policies, processes and procedures. This approach will ensure that improvements are sustained, organisational learning is retained and continuous improvement becomes an integral part of how TVCA operates. Including the achievement of organisational excellence, consistency and accountability, and create a culture of continuous learning and improvement across the organisation.

10. Reporting and Evaluation

Reporting and evaluation arrangements will provide the mechanism through which TVCA monitors delivery of the Organisational Excellence Strategy, assesses the impact of improvement activity and identifies where further action, support or challenge is required. Progress against the Organisational Excellence Action Plan will be reported through the governance arrangements set out in this Strategy, ensuring clear ownership, transparency and accountability.

Quarterly progress updates will be provided to TVCA Cabinet and MHCLG, setting out delivery against agreed actions, key milestones, risks, issues, impact and learning. This will ensure ongoing transparency, accountability and assurance in relation to TVCA's continuous improvement journey and alignment with the Best Value Duty.

While the Independent Advisory Board remains in place, progress against the Plan will be discussed with the Board to enable independent challenge, oversight and advice on delivery, impact, risk and learning. This will support TVCA in testing whether improvement activity is

DRAFT

addressing the requirements of its Best Value Duty, strengthening governance and embedding sustainable improvement.

The Board's role and remit will be kept under review while TVCA awaits confirmation from MHCLG on next steps in relation to the Best Value Notice. Subject to those next steps, future reporting and evaluation arrangements will be updated to reflect either the continued role of the Independent Advisory Board or any successor. External challenge will continue through arrangements agreed by Cabinet, informed by MHCLG next steps.

Evaluation of the Strategy will draw on a combination of internal performance and assurance information, Cabinet and committee oversight, audit and inspection findings, feedback from MHCLG and partners, and independent external challenge. This will enable TVCA to evidence progress, demonstrate impact, identify learning and adapt improvement priorities where further action or assurance is required.

The Strategy will be subject to annual review to ensure it remains aligned with TVCA's strategic priorities, Best Value responsibilities, devolution requirements and evolving national and local policy objectives.

TVCA will continue to draw on appropriate sources of external support and challenge, including internal and external audit recommendations, Corporate Peer Challenge, CIPFA reviews, engagement with the Local Government Association, MHCLG feedback and the Independent Advisory Board while it remains in place.

11. Resourcing

TVCA is committed to ensuring that organisational excellence remains a core organisational function and has already dedicated resource to support delivery of its improvement and organisational excellence ambitions. Transformation activity remains a key function within the Operations Directorate and is overseen by a dedicated senior officer responsible for coordinating, monitoring and reporting progress across the organisation. Existing capacity, together with broader governance, finance, organisational development and workforce resources, will continue to support delivery of this Strategy and the associated Action Plan.

Resource requirements will continue to be reviewed through workforce planning, organisational development and financial planning processes to ensure capacity remains aligned to organisational priorities, continuous improvement activity and future devolution responsibilities. Resources will continue to be utilised, where appropriate, to support organisational excellence and future readiness.

DRAFT

Version No	Date	Amended? Y/N	Section Amended	Reasons for Amendment/Changes Made

DRAFT

TEES VALLEY

For more information contact
info@teesvalley-ca.gov.uk
www.teesvalley-ca.gov.uk

@TeesValleyCA

Agenda Item 8
Appendix 2

Tees Valley Combined Authority Organisational Excellence Action Plan

This Organisational Excellence Action Plan supports delivery of TVCA's Organisational Excellence Strategy by translating its strategic themes into clear, measurable actions. Building on the progress made through Phase 1 of TVCA's improvement journey, it supports the transition from a defined improvement programme to a culture of continuous learning, review and adaptation. The themes have been developed with reference to MHCLG's Best Value Duty, Best Value Standards and Intervention Guidance, while reflecting TVCA's local context, organisational learning and strategic ambitions, including readiness for future devolution, fiscal devolution and Established Authority Status. The plan is centred around the following themes:

- **Governance and accountability**
  Ensuring decision-making, oversight, risk management and assurance arrangements are robust, proportionate and transparent.
- **Performance and organisational effectiveness**
  Strengthening the use of data, metrics, reporting, digital capability and evaluation to understand delivery progress and organisational impact.
- **Financial stewardship and resources**
  Supporting effective prioritisation, resource alignment, financial stewardship and long-term sustainability.
- **People, Culture and Partnerships**
  Embedding the behaviours, skills, capacity, capability, relationships and culture required for continuous learning, challenge and improvement, while fostering effective partnership working, trust, collaboration and shared accountability with constituent authorities, stakeholders and delivery partners. This includes organisational development and workforce planning to ensure TVCA has the capability needed to deliver current priorities and future devolved responsibilities.
- **Organisational Excellence and Future Readiness**
  Ensuring TVCA embeds a culture of continuous improvement, develops the capacity and capability to transform how it operates and delivers outcomes, and is prepared for future devolution and Established Authority Status.

Reporting and Evaluation

The Organisational Excellence Strategy includes clear reporting and evaluation arrangements to monitor delivery, assess the impact of improvement activity and ensure appropriate accountability, challenge and oversight.

This Action Plan remains a live, working document and progress against the actions, including updating the status, will be reported through established governance arrangements, as presented to Cabinet. This approach provides transparency, clear ownership and opportunities to identify further improvement activity where required. This includes the established internal governance arrangements which ensures detailed implementation plans are managed to support achieving the key milestones and the delivery of the high-level actions within the plan.

At its meeting on 25 September 2026 Cabinet are asked to approve that quarterly progress updates will be provided to TVCA Cabinet. The proposed reporting will set out progress and delivery against agreed actions, key milestones, risks, issues, impact and learning. It will also seek Cabinet approval of any changes to the agreed action plan. This will ensure ongoing transparency, accountability and assurance in relation to TVCA's organisational excellence journey and alignment with the Best Value Duty.

Governance and Accountability

Ref	Action	Accountable Lead	Key Milestones	Target Date	Success Measure/Impact	Status
GA1	Implement and embed the Single Assurance Framework across TVCA.	Director of Operations	Cabinet adoption; Implementation Plan approved; Guidance issued; Training delivered.	Mar 2027	Consistent, proportionate and transparent investment assurance processes are embedded across all funding streams.	
GA2	Implement the revised Constitution and evaluate effectiveness after six months of operation.	Director of Legal & Governance	Constitution approved; Communications programme completed; Updated governance processes, procedures and supporting guidance implemented and embedded; Evaluation undertaken.	June 2027	No significant governance issues identified through audit or assurance activity.	
GA3	Complete strategic reviews of Hartlepool and Middlesbrough Development Corporations and TVCA-owned entities.	Director of Infrastructure; Director of Legal & Governance; Director of Finance & Resources	Reviews completed December 2026 – actions to be revised following outcome of reviews.	Dec 2026	Governance arrangements remain fit-for-purpose and aligned to strategic objectives.	
GA4	Continue to strengthen and evaluate the effectiveness of Cabinet Portfolio Holder arrangements.	Chief Executive Officer	Portfolio review completed; Annual effectiveness assessment introduced.	Jul 2027	Positive feedback from Members and improved engagement in policy development.	
GA5	Embed an integrated governance forward planning framework to strengthen strategic planning, support timely decision-making and ensure effective coordination of Cabinet, Committee and governance arrangements.	Director of Legal & Governance	Continued exploration of e-agenda system; Annual Municipal Calendar approved and maintained; Informal Cabinet engagement programme aligned to strategic priorities; Governance planning arrangements reviewed annually.	Jul 2027	Key strategic decisions scheduled and considered in accordance with agreed governance timelines. Positive feedback from Members and senior officers regarding the effectiveness of forward planning arrangements.	
GA6	Annual Governance Statement (AGS) 2026/27 to be presented with revised format, as developed for the 2025/26 AGS.	Director of Legal & Governance	Annual AGS timetable produced; Committee engagement and oversite in advance of publication.	June 2027	Draft AGS considered by Audit & Governance Committee prior to publication. Identified actions incorporated into the Organisational Excellence Action Plan.	

Performance and Organisational Effectiveness

Ref	Action	Accountable Lead	Key Milestones	Target Date	Success Measure	Status
PO1	Develop and implement an Outcomes Framework aligned to the Local Growth Plan.	Director of Infrastructure	Framework approved; Baseline measures established; Reporting commenced.	Mar 2027	Outcomes and benefits routinely reported for major programmes.	
PO2	Strengthen the integration of risk management and decision-making across the organisation.	Director of Operations	Risk management framework reviewed and updated; Decision-making and committee reporting arrangements revised and implemented; Annual effectiveness review completed and improvement actions addressed.	July 2027	Strategic risks, mitigations and implications are consistently reflected in governance, performance and decision-making processes, supporting effective oversight and challenge.	
PO3	Enhance programme performance reporting.	Director of Operations	Quarterly performance reporting established across Cabinet and Investment Committee; Benefits realisation and delivery performance reporting aligned to governance arrangements.	July 2027	Decision-makers have clear and consistent visibility of programme delivery, benefits realisation, performance trends and associated risks, enabling effective oversight, challenge and informed decision-making.	
PO4	Implement an organisational metrics framework.	Director of Operations	Organisational metrics framework agreed; Baseline organisational maturity assessment completed; Organisational reporting established and embedded; Annual organisational health and maturity review completed.	July 2027	An agreed organisational metrics dashboard is implemented and reported with agreed timeframes, with baseline measures established and trend reporting available across all agreed organisational health, capability and maturity indicators.	
PO5	Develop an organisational Digital and IT Strategy.	Director of Operations	Organisational Digital and IT Strategy approved; Digital capability, infrastructure and cyber resilience priorities agreed; Priority technology and process improvement initiatives delivered; Benefits realisation and performance reporting embedded.	July 2027	The organisation has a clear and sustainable digital capability roadmap, with technology investment demonstrably improving organisational effectiveness, resilience and user experience.	

Financial Stewardship and Resources

Ref	Action	Accountable Lead	Key Milestones	Target Date	Success Measure	Status
FR1	Implement finance process improvement plan, following assessment against the CIPFA Financial Management Model best practice.	Director of Finance & Resources	Baseline assessment; action plan approved; progress review completed.	Mar 2027	Improvement in assessed maturity level.	
FR2	Develop and implement a Financial Strategy.	Director of Finance & Resources	Strategy drafted; Cabinet approval; implementation plan agreed.	Jul 2027	Financial strategy informs budget planning and resource allocation. Supporting future fiscal devolution and long-term sustainability.	
FR3	Deliver statutory accounts and supporting working papers within required timescales.	Director of Finance & Resources	Accounts timetable implemented; quality review completed.	June 2027	Statutory deadlines achieved.	
FR4	Complete review of Teesside International Airport Limited supported by independent advice.	Director of Finance & Resources	Review completed; Business case produced in accordance with the HM Treasury Green Book to inform recommended options for Cabinet. Recommendations approved.	Dec 2026	Recommendations implemented in accordance with Cabinet decisions.	
FR5	Continue working with the External Auditor to conclude outstanding accounts for prior financial years.	Director of Finance & Resources	Disclaimed audit opinion from External Auditor by statutory 2025/26 backstop date	Jan 2027	Final accounts published with audit opinion for all years up to and including 2025/26	

People, Culture and Partnerships

Ref	Action	Accountable Lead	Key Milestones	Target Date	Success Measure	Status
PCP1	Implement the Workforce Development Strategy.	Assistant Director, People & Operations	Workforce plan approved; Annual review completed alongside a monitoring plan with due regard to evolving devolution and Established Status requirements; Implement workforce and succession planning to reduce reliance on interim capacity and support sustainable capability.	Review point March 2027	Skills gaps reduced against baseline assessment. Reduced reliance on interim capacity and support sustainable capability.	
PCP2	Implement the People Plan.	Assistant Director, People & Operations	Delivery plan implemented; Progress reviews completed.	Sep 2028	Improvement in key staff survey themes and associated metrics.	

PCP3	Deliver a leadership and management development programme.	Assistant Director, People & Operations	Programme developed; Cohorts complete programme. Capture future devolution requirements.	Jan 2027	90% of managers complete programme. Aligned to delivering the People Plan and Workforce Development Strategy.	
PCP4	Embed the External Communications Strategy and complete an annual effectiveness review.	Director of Inward Investment & Marketing	Strategy implemented; Annual review completed.	Jul 2027	Improved stakeholder confidence and engagement measures.	
PCP5	Introduce an annual strategic partnership review with constituent authorities and key partners.	Chief Executive Officer	Framework agreed; First review completed.	Sep 2027	Partnership improvement actions identified and monitored.	

Organisational Excellence and Future Readiness

Ref	Action	Accountable Lead	Key Milestones	Target Date	Success Measure	Status
OFR1	Implement the revised TVCA operating model.	Director of Operations	Operating model adopted; Evaluation of effectiveness completed.	Mar 2027	Clear evidence of improved organisational efficiency and accountability. Improved processes and accessibility to information.	
OFR2	Develop Corporate Plan.	Director of Operations	Draft completed; Reporting framework implemented.	Dec 2026	Annual reporting aligned to corporate priorities.	
OFR3	Establish a structured external support and challenge framework.	Director of Operations	Annual assurance programme agreed; Peer challenge commissioned in line with Best Value Notice next steps.	Mar 2027	Recommendations tracked and reported through governance arrangements.	
OFR4	Maintain a rolling devolution readiness programme.	Chief Executive Officer	Six-month readiness assessments completed including Police & Crime Commissioner powers, planning powers, skills devolution and Established Authority status readiness.	Ongoing	Readiness assessments demonstrate progress against agreed criteria.	
OFR5	Undertake self-assessment against Best Value themes.	Director of Operations	Self-assessment completed and reported annually.	September 2027	Improvement priorities identified and incorporated into Action Plan refresh.	
OFR6	Implement and embed the Local Growth Plan across TVCA.	Director of Infrastructure	Partner engagement and awareness programme delivered across constituent authorities and key stakeholders.	March 2027	Local Growth Plan priorities are reflected within the Interim Corporate Plan. Evidence of LGP priorities informing decision-making. Increased awareness and understanding of the LGP among staff, Members and delivery	

					partners. Annual review demonstrates alignment between LGP priorities and organisational delivery.	
OFR7	Develop and publish an annual TVCA report.	Director of Operations Director of Inward Investment and Marketing	Annual report framework agreed; Reporting requirements aligned to the Interim Corporate Plan; Data collection and assurance process established; First annual report produced and presented to Cabinet; Annual publication cycle embedded. providing a transparent summary of progress against strategic priorities.	July 2027	Annual report produced and approved; Positive feedback from Members, partners and stakeholders regarding transparency and accessibility.	

Cabinet Tees Valley Combined Authority					
Date and Time			25 September 2026		
Agenda Item			9		
Report Title			**Single Assurance Framework Adoption**		
Accountable Cabinet Member			**Tees Valley Mayor Ben Houchen** Chair of Cabinet		
Accountable Chief Officer			**Tom Bryant** Chief Executive		
Accountable Employee			**Sarah Brackenborough** Director of Operations		
Report considered by			Pre-Cabinet process A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 11 September 2026.		
Key Decision			Yes	No X	There is a requirement for Combined Authorities to have a Single Assurance Framework which is a unified set of systems, processes, and protocols that Combined Authorities use to ensure transparent decision-making, strong governance, risk management, and value-for-money across all projects and funding streams. It covers project initiation, business case development, approvals, monitoring, evaluation, and accountability arrangements.
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			By simple majority that includes the Mayor		

Recommendation(s)

The Combined Authority Cabinet is recommended to:

A	**Approve** the Tees Valley Single Assurance Framework, attached at Appendix A, for adoption, noting that Government has now approved it.
B	**Note** that implementation will begin once Cabinet has agreed the SAF Implementation Plan at its meeting in November 2026.

Purpose	
1.	This report asks Cabinet to adopt the Single Assurance Framework (SAF) now that it has successfully undergone the required Government approval process. Adoption will begin once Cabinet has agreed the SAF Implementation Plan at its meeting in November 2026.
2.	It sets out the feedback Government provided alongside its approval, how each point will be addressed, and the next steps to publish and implement the SAF.
Executive Summary	
3.	On 24 April 2026 Cabinet approved the SAF and agreed that it should be submitted to Government for clearance by MHCLG, DfT and DWP. That clearance has now been given. Government has confirmed that the SAF meets the requirements of the English Devolution Accountability Framework and that it can be adopted by the Combined Authority.
4.	Government's approval was accompanied by a small number of points of feedback. None of them changes the substance of the SAF that Cabinet approved in April. They are mainly updates to references and links, to be made before publication or as related frameworks are adopted, together with a request that the SAF is kept under active review. Paragraph 9 of this report sets out how each point will be addressed.
5.	Adopting the SAF is an important improvement milestone for the Combined Authority in responding to the Best Value Notice. It replaces the existing Local Assurance Framework with a single, consistent and proportionate approach to how investment decisions are made, assured, monitored and evaluated across all funding streams. Government's approval provides independent confirmation that the Combined Authority's governance has improved.
6.	An Implementation Plan will be presented to Cabinet in November 2026. It will confirm the resources needed, the stages of implementation and how existing programmes and projects will move from the Local Assurance Framework to the SAF. Implementation of new arrangements will begin once Cabinet has agreed that plan. Approving the SAF now, with Government's approval secured, allows the organisation to mark this milestone and focus on delivery, while showing a clear and positive direction of travel.

The Single Assurance Framework

7.	The SAF is the single set of rules the Combined Authority will follow when it decides how to invest devolved funding. It sets out how proposals are developed, appraised and approved, how risk and value for money are assessed, and how projects are monitored and evaluated once under way. It applies to all funding streams, bringing together what is currently spread across the Local Assurance Framework and separate programme-specific rules.
8.	Government requires every Combined Authority to have an assurance framework that meets the standards and requirements of the English Devolution Accountability Framework, and it must be approved by relevant Government Departments before it can be implemented. The Best Value Notice and the Organisational Improvement Plan identified the need to strengthen the Combined Authority's assurance and decision-making arrangements. A single, proportionate and transparent framework gives Cabinet, partners and the public confidence that public money is being invested well and gives Government the assurance it needs to release devolved funding.
9.	On 24 April 2026 Cabinet approved the full SAF and agreed it should be submitted to Government for clearance. The SAF was developed through workshops and one-to-one sessions with Cabinet Members, constituent authorities, statutory officers and senior leaders. This report is the next step: Government has cleared the SAF, and Cabinet is asked to approve it for adoption.
Government Approval	
10.	Following Cabinet's decision in April, the SAF was submitted to Government Departments for appropriate consideration. Officers engaged constructively with MHCLG, DfT and DWP throughout the clearance process, responding to requests for clarification and further information. Government has now confirmed its approval of the SAF and that it can be published on the Combined Authority's website once a small number of pre-publication amendments have been made.
11.	Government has also confirmed that it expects assurance frameworks to operate as live documents, reviewed and refreshed annually or more often where necessary, given the changing nature of the investment programme. This is consistent with how the Combined Authority intends to manage the SAF.
Government Feedback and How It Will Be Addressed	
12.	The table below sets out each point of Government's feedback and how the Combined Authority will address it.

Government feedback	How it will be addressed	When
1. Keep the SAF under active review as governance improvements are finalised and implemented, so that it	The SAF will be reviewed as the Governance Review and the revised Constitution are finalised.	Ongoing; first annual review

	remains fit for purpose and accurately reflects the Combined Authority's governance and assurance arrangements. Notify MHCLG of any material change before the next annual review, for approval before an updated version is published.	The Monitoring Officer will maintain a change log. Any material change will be shared with MHCLG, with the revised drafting, for approval before an updated version is published. A full annual review will be reported to Cabinet.	autumn 2027
	2. Add a link at section 8.6.1 to the Monitoring and Evaluation Framework once it has been developed and formally adopted in 2027.	The link will be inserted when the Monitoring and Evaluation Framework is adopted and MHCLG will be notified of the updated version.	2027
	3. Add a link at section 8.4.1 to the Performance Management Framework following its adoption.	The link will be inserted once the Performance Management Framework is adopted.	2027
	4. Update the description of funding arrangements in Annex B to reflect the consolidation of funding streams into a Mayoral Transport Fund from April 2026.	Annex B will be updated by the Finance and Transport teams before the SAF is published.	Before publication
	5. Amend references to "DfE funding rules" and "DfE rules" in the Adult Skills Annex to refer to the national Adult Skills Fund funding rules and guidance issued by DWP.	The Adult Skills Annex will be amended before the SAF is published.	Before publication
	6. Remove all highlighting and tracked changes before publication and share a link to the published document with MHCLG.	A clean final version will be prepared and checked by the Monitoring Officer. The link will be sent to MHCLG on the day of publication.	On publication
	7. Notify MHCLG of any significant future changes and provide the revised drafting so that Government can engage in the review before an updated version is re-published.	This will form part of the SAF change control process described in the first row above.	Ongoing

13.	The amendments needed before publication are minor and do not alter the substance of the SAF. Officers will make them and the Monitoring Officer will confirm the final version, so that the SAF can be published. A link to the published document will then be shared with MHCLG.
<u>The Implementation Plan</u>	
14.	The SAF Implementation Plan will be presented to Cabinet at its meeting in November 2026. Bringing the plan to the November meeting, rather than alongside this report, means it can properly take account of: ▪ the ongoing Governance Review and the refreshed Constitution, due for consideration at Cabinet in November 2026, so that the SAF and the Combined Authority's wider governance arrangements are aligned; ▪ the resources required to deliver the SAF, including staff capacity, training, guidance and templates; ▪ the stages of implementation and the key decision points along the way; and ▪ how existing programmes and projects will transition from the Local Assurance Framework to the SAF, so there is no gap in assurance.
15.	Preparation is already under way. Officers have begun developing supporting processes and templates, identifying training needs and assessing transitional arrangements for existing projects. The Local Assurance Framework will continue to apply until the Implementation Plan is agreed and the transition to the SAF begins. Cabinet will receive a progress update within six months of agreeing the plan.
<u>Why Adopt the SAF Now</u>	
16.	The SAF is a commitment in the Organisational Improvement Plan and a key part of the Combined Authority's response to the Best Value Notice. Government's approval confirms that the SAF meets national requirements and provides clear evidence to Government of improved governance at the Combined Authority.
17.	Adopting the SAF now, before the Implementation Plan is confirmed, allows the organisation to recognise and focus on this milestone and demonstrates to Government, partners and the public a positive direction of travel. Beginning adoption once the Implementation Plan is agreed ensures the move to the new framework is properly resourced, sequenced and managed.
Background	
18.	The SAF was developed in response to the commitment in the Organisational Improvement Plan to review and strengthen the Combined Authority's assurance arrangements. The design principles were considered by the Audit and Governance Committee in February 2026 and the full SAF was approved by Cabinet on 24 April 2026 for submission to Government.
19.	The SAF will replace the existing Local Assurance Framework and establish a consistent, proportionate and transparent approach to investment decision-making, appraisal, assurance, monitoring and evaluation across all funding streams.

Partnership & Engagement	
20.	The SAF was developed through extensive engagement with Cabinet Members, the constituent authorities, statutory officers, senior leaders and service areas across the Combined Authority, including workshops and one-to-one discussions. Engagement has continued with MHCLG, DfT and DWP throughout the clearance process, and Government has recognised that the Combined Authority's governance arrangements continue to strengthen through the wider Governance Review and the revised Constitution.
Appendices	
21.	Appendix A – Tees Valley Single Assurance Framework (as approved by Government)

Cabinet is requested to consider the following identified implications:

Financial Implications	
22.	There are no direct financial implications arising from this report. The development of the Single Assurance Framework has been undertaken within existing approved budgets and staffing resources. Implementation of the Framework will be delivered through existing organisational resources and forms part of the Authority's wider Organisational Improvement Plan. Any training, process development or governance changes required to support implementation will be managed within existing budgets where possible and through established budget-setting processes where additional resource requirements are identified.
23.	The adoption of the SAF is expected to strengthen the Authority's assurance arrangements, supporting effective stewardship of public funds, improved value for money, and compliance with the requirements of the English Devolution Accountability Framework across all devolved funding streams. While the Framework does not create new funding commitments, it will provide a robust basis for future investment decisions, monitoring and evaluation activities.
Legal Implications	
24.	The Single Assurance Framework (SAF) is a set of systems, processes and protocols designed to provide a consistent approach for appraisal, assurance, risk management and performance throughout the lifecycle of TVCA projects and programmes. The SAF sets out key processes for ensuring accountability, probity,

	transparency and legal compliance and for ensuring value for money is achieved across its investments.
25.	There are no legal implications associated with the adoption of the SAF, where legal implications arise as a result of the implementation of the SAF through the Combined Authorities work, legal implications will be determined on a case by case basis aligned to the SAF

Equality & Diversity Implications

26.	At this stage, the Single Assurance Framework (SAF) report does not present any direct equality or diversity implications. Cabinet is being asked only to adopt subject to an implementation plan, 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		Assurance Framework		Procurement	
Improvement	X	Environment		HR & IT	

27.	The SAF represents a key component of TVCA's transition from organisational improvement to continuous improvement. It will provide an important mechanism through which the Authority strengthens governance, assurance, accountability and evidence-based decision-making. The implementation of the SAF aligns with the principles set out within the Continuous Improvement Strategy and supports TVCA's commitment to Best Value, organisational learning and future readiness.



TEES VALLEY

TVCA Single Assurance Framework

Authorised Date: XXXXXX
Review Date: XXXXXXX

Document Title:	TVCA Single Assurance Framework
Document Author:	Monitoring Officer
Senior Responsible Officer:	Monitoring Officer
Document Status:	Final draft for Cabinet approval
Document Authorised Date:	TBC
Version Number:	1.0
New Review Date:	TBC

Contents

1. Introduction 3
2. The Tees Valley Region 6
3. Governance and Accountability 9
4. Checks and Balances 19
5. Transparency 28
6. Standards and Ethical Framework 30
7. Assurance Framework Phases 32
8. Post Approval 50
9. Partnership and Communication 54
10. Annex Sections 56

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 Mayor's commitments
- How risk is effectively managed

1.2.4. The Assurance Framework sits alongside several other key governance and policy documents – most notably, The Tees Valley Combined Authority (Functions) Order 2017, the TVCA Constitution, and the Financial Regulations. A Monitoring and Evaluation Framework will be developed in 2026/27 to support the Assurance 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
- HM Treasury Business Case Guidance for Projects and Programmes click link to access
- HM Treasury Orange Book Guidance on Risk click link to access
- HM Treasury Magenta Book Guidance on evaluation click link to access
- HMG Teal Book on project delivery in government click link to access

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 funding granted or devolved to TVCA is allocated and demonstrating that robust local systems are 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.

1.3. Updating, evolution and review of the Assurance Framework

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.

2.2.4. Local Growth Plan

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 was adopted by the Cabinet in 2026 and can be accessed via this link - Local Growth Plan - About.

2.3. The Mayoral Strategic Authority

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.

2.4. Regional and Local Leadership

2.4.1. TVCA has two sets of functions, 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 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:

- Darlington Borough Council
- Hartlepool Borough Council
- Middlesbrough Borough Council
- Redcar and Cleveland Borough Council
- Stockton-on-Tees Borough Council

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.

2.5. Regional Accountability

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.

2.6. The Strategic Framework

2.6.1. The Tees Valley Combined Authority (TVCA) operates within a clear strategic framework that provides the overarching rationale for its policies, programmes, investments and interventions. The strategic framework translates the long-term ambitions of the Tees Valley into a coherent set of priorities, outcomes and objectives that guide decision-making across all areas of the Combined Authority's activity.

2.6.2. At the centre of this framework is the Tees Valley Local Growth Plan, which sets out the vision, priorities and opportunities for economic growth across the area. The Local Growth Plan provides the evidence-based understanding of the area's economic strengths, challenges and future opportunities, identifying the actions required to improve productivity, create jobs, support businesses, enhance skills, deliver infrastructure and improve outcomes for communities. It represents the principal strategic expression of local economic ambitions and has been

developed through engagement with constituent authorities, businesses, public sector partners and other stakeholders.

2.6.3. The strategic framework is shaped by, and aligned to, the priorities and outcomes identified within the Local Growth Plan. It establishes the strategic objectives against which investment propositions, programmes and projects are developed and assessed. This ensures that resources are directed towards activities that contribute to the delivery of agreed strategic priorities and demonstrate a clear connection to the long-term growth and development of Tees Valley.

2.6.4. All proposals seeking funding or support from TVCA will be expected to demonstrate how they contribute to the delivery of the strategic objectives, outcomes and priorities contained within the strategic framework and Local Growth Plan. This strategic alignment forms the first stage of the investment decision-making process and provides assurance that public resources are being applied in a manner that supports the achievement of the Combined Authority's agreed ambitions.

2.6.5. The strategic framework also provides the basis upon which investment priorities may be reviewed and refined over time. As economic conditions, government policy, funding opportunities and local needs evolve, the Local Growth Plan and associated strategies may be updated, ensuring that the Combined Authority's investment programme remains responsive, evidence-led and focused on delivering sustainable economic growth, increased prosperity and improved outcomes for residents, businesses and communities across Tees Valley.

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.

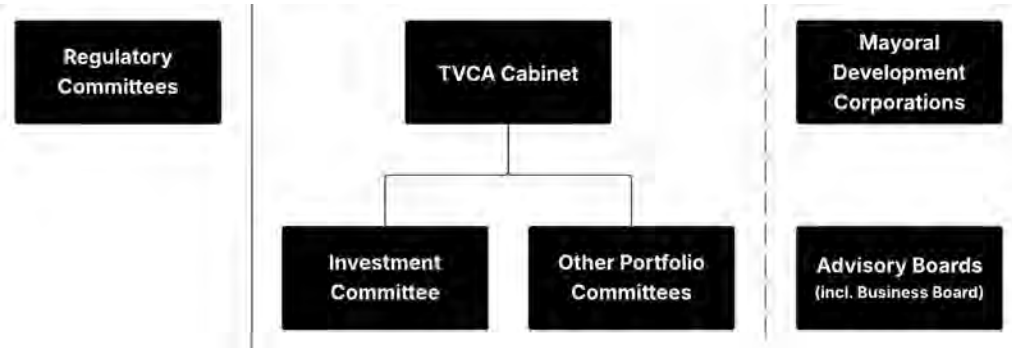
3.1.2. Robust systems for effective delivery, risk management, and financial stewardship will be established and detailed within the TVCA Constitution and this Single Assurance Framework. These governance arrangements are formally agreed at the Combined Authority (Cabinet), providing strong

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 has undergone a significant review of its governance arrangements as the underpinning element of its organisational improvement plan. The review of governance arrangements has resulted in a programme of governance improvements agreed by Cabinet and now being implemented across the organisation. These changes include strengthening the distinction between strategic decision-making and programme delivery, enhancing the clarity of roles and responsibilities across governance bodies, improving the transparency and consistency of investment appraisal and decision-making processes, and embedding clearer lines of accountability throughout the project and programme lifecycle.

3.2.5. The Assurance Framework has been updated to reflect these improvements and to establish a more robust, transparent and evidence-led approach to governance, investment decision-making and programme assurance, supporting the Combined Authority in delivering its strategic objectives and demonstrating effective stewardship of public funds.

3.2.6. The governance arrangements that are now in place reflect the strategic responsibilities set out 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

3.2.7. 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 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.

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

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

3.3.5. The Mayor appoints the Chair and any other members of a Mayoral Development Corporation in accordance with the relevant statutory provisions.

3.3.6. The voting arrangements at the Combined Authority require a vote in favour that includes the Mayor within the majority in order to pass.

3.4. The Investment Committee

3.4.1. The Combined Authority has established an Investment Committee 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 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 has the following key functions:

- Apply the Assurance Framework to consider new funding applications and project variations, approving or recommending investment decisions to the TVCA Cabinet or designated officers.
- Provide a forum for strategic dialogue and coordination between constituent authorities, partners, and TVCA on investment matters.
- Develop a shared understanding of regional investment needs to inform the TVCA pipeline of projects and programmes.
- Ensure alignment between TVCA-led strategies.
- Commission and publish research to inform investment decisions.
- Monitor and performance-manage agreed investments against outputs and outcomes.
- Manage the TVCA investment pipeline.

3.4.5. The Technical Officer Group (TOG) supporting the future Investment Committee is the Investment Panel. Membership is driven through the core enabling services of the Combined Authority such as the finance and legal

functions, including the Section 73 Officer and finance colleagues, and the Monitoring Officer with legal and governance support.

The Investment Panel supports the Investment Committee through 5 key roles:

1. Support the development and delivery of the Investment Committee Work Programme
2. Drive Communication between partners
3. Gather intelligence and undertake research
4. Act as the Lead Officer Forum on Investment
5. Drive the development and delivery of strategic investment responsibilities

3.5. Portfolio Committees

3.5.1. The work of the Tees Valley Combined Authority (TVCA) is supported by a number of portfolio committees (also referred to as thematic committees), each led by a designated portfolio lead. These committees 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, are 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. At present, the Transport Committee is the only Portfolio Committee, it covers core functional areas of responsibility and oversees key responsibilities including approval of key plans and policies, monitoring performance and outcomes, and overseeing risks, issues and compliance with funding conditions.

3.6. Advisory Boards

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 represents the voice of business across the region and plays 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 Combined Authority will consider the creation of further Advisory Boards as part of the development of its wider governance

framework.

3.7. Mayoral Development Corporations

3.7.1. The Tees Valley Combined Authority has been at the vanguard of Mayoral Development Corporations outside of London. There are three Mayoral Development Corporations as follows:

- South Tees Mayoral Development Corporation
- Hartlepool Mayoral Development Corporation
- Middlesbrough Mayoral Development Corporation

3.7.2. TVCA established Mayoral Development Corporations to enhance regeneration and development across the region. They are statutory bodies set up under the Localism Act 2011 with powers to deliver regeneration and development.

3.7.3. Mayoral Development Corporations operating within the Tees Valley area sit within the Mayor's strategic remit and are accountable for delivering agreed programmes and outcomes that support the Mayor's priorities and the wider strategic framework of the Combined Authority. While MDCs have their own statutory functions and boards, their purpose and activity are expected to align with the direction set by the Mayor and the commitments made through the Combined Authority's decision-making and assurance arrangements.

3.7.4. The Mayor provides direct accountability oversight of MDCs through the ability to shape their strategic direction, monitor delivery and performance, and ensure that MDC plans and activity remain consistent with the agreed strategic framework. This includes the Mayor's role in appointing MDC Board members and setting expectations for governance, delivery, and performance management. Where necessary, the Mayor may issue guidance or direction within the parameters of the statutory framework and agreed governance arrangements, ensuring that MDC activity remains aligned to approved priorities and standards.

3.7.5. In turn, the Mayor is accountable through the Combined Authority's governance mechanisms for the way in which MDCs are directed and how MDC activity contributes to agreed outcomes. The scrutiny function provides a key route for holding the Mayor to account, including considering whether the Mayor is delivering the strategic framework that MDCs are established to support. Scrutiny may require the Mayor and the Combined Authority's Chief Executive to attend and answer questions on the governance and performance of arrangements relating to MDCs and their contribution to strategic delivery.

3.7.6. Combined Authority statutory officers provide assurance that governance and decision-making are lawful, properly recorded, and aligned to required standards of probity and accountability. Statutory officer oversight supports the integrity of the governance framework within which MDCs operate, including providing advice and assurance on the handling of decisions, conflicts, transparency, and compliance. Where required, statutory officers (including the Monitoring Officer) support escalation routes so that MDC governance issues, risks, or decisions can be linked into the Combined Authority's decision-making and assurance mechanisms.

3.7.7. The Combined Authority adheres to the guidance issued by Government that clarifies the regulations for Mayoral Development Corporations in respect of oversight, scrutiny, reserve matters, consent and stranded liabilities. That guidance can be viewed by clicking this link: MDC Guidance

3.7.8. MDC governance is therefore embedded within, and supported by, the Combined Authority's wider governance and assurance framework. MDCs are accountable to the Mayor for delivery against the agreed strategic framework, while the Mayor remains accountable through the Combined Authority's democratic and scrutiny arrangements for the direction, oversight, and effectiveness of MDC activity. This provides a clear line of sight from strategic priority-setting through to delivery, with checks and balances that support transparency, lawful decision-making, and effective assurance.

3.8. Statutory Officers

Head of Paid Service

3.8.1. 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.

3.8.2. 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.

3.8.3. The duties and responsibilities of the post include but are not limited to:

- 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.
- Leading the Senior Leadership Team to deliver the strategic direction for the Combined Authority as outlined by the Mayor and Cabinet

- Co-ordinate strategy, development and delivery ensuring a joined-up partnership approach to deliver the aspirations of the Combined Authority.
- 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.
- 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 of attendance at Cabinet and other meetings as appropriate.
- Advising the elected Mayor on the delivery of strategic priorities
- Represent the Combined Authority at local, regional and national level in partnership with the Mayor.
- Act on advice given by the Monitoring Officer on any situations that could put the Combined Authority in jeopardy of unlawfulness or maladministration.
- Seek to protect the Combined Authority against any reputational risks.
- Exercise urgency powers to make decisions in emergency situations.

Section 73 Officer

3.8.4. The Combined Authority has appointed 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.

3.8.5. 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" which details five key principles:

- 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.
- 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.
- 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.

- the CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose.
- the CFO in a local authority must be professionally qualified and suitably experienced.

3.8.6. 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.

3.8.7. These processes are 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. The constitution can be accessed via this link: TVCA Constitution

Monitoring Officer

3.8.8. 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:

- 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.
- 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.
- 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.
- Advising whether decisions are within budget and policy framework and whether any decisions or proposed decisions constitute a key decision.
- Providing advice on governance arrangements, the scope of powers and authority to take decisions, risks and liabilities as they relate to governance arrangements including Mayoral Development Corporations.
- Providing advice on 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.

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. The protocol can be accessed via this link: Scrutiny Protocol - GOV.UK

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 the Constitution and published on the TVCA website: TVCA Constitution

4.2.7. The Overview and Scrutiny Committee will undertake the following core responsibilities to fulfil its statutory functions:

- Hold the Mayor, Lead Members, and the Combined Authority Cabinet to account for delivering agreed priority objectives.
- Scrutinise the Mayor's performance in achieving Mayoral priorities.
- Conduct pre-decision scrutiny of proposals before Cabinet decisions are taken.
- Exercise the Call-In power where decisions appear inconsistent with the principles of decision-making set out in the Constitution.
- Review policy when requested or where gaps/issues are identified through performance monitoring and accountability processes.
- Undertake strategic performance reviews of corporate Key Performance Indicators (KPIs).

- Hold focused sessions on cross-cutting issues or matters of significant public concern.
- Scrutinise budget proposals, including alignment and delivery of the Medium-Term Financial Plan (MTFP) and associated consultations.
- Carry out deep-dive reviews or establish task-and-finish groups or working groups as required.
- Appoint Rapporteurs to shadow Lead Member portfolios, advisory committees, and relevant bodies corporate.
- Examine and scrutinise significant business cases where appropriate.

4.3. Audit Committee Arrangements

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. The functions of the Audit & Governance Committee are to:

- review and scrutinise the Combined Authority's financial affairs
- review and assess the Combined Authority's risk management, internal control and corporate governance arrangements
- review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the Combined Authority's functions
- make reports and recommendations to the Combined Authority in relation to reviews conducted under the provisions above
- implement the obligation to ensure high standards of conduct amongst Members.

4.4. Local Checks and Balances

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 Mayoral Combined Authorities 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.

Enabling the Business Voice

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.

Value for Money

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 assesses 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.

Internal Audit

4.4.8. Internal Audit services are established to provide a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The internal audit provision conforms 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.

4.4.9. In addition to the assurance provided through the Audit and Governance Committee, the Combined Authority draws assurance from its Internal Audit service. Internal Audit provides an independent and objective review of governance, risk management and internal control arrangements, and undertakes testing of systems, processes and transactions to establish whether controls are operating effectively in practice. Through this work, Internal Audit gathers evidence, identifies weaknesses and recommends actions for improvement, thereby providing an additional and distinct source of assurance over the Authority's arrangements.

4.4.10. This assurance is delivered through an agreed annual audit plan, which is informed by risk and approved through the Authority's governance arrangements. The annual plan sets out the programme of audit work to be undertaken during the year and ensures that those areas of greatest significance, materiality and risk are subject to independent review. Audit findings, opinions and recommendations arising from delivery of the plan will provide evidence-based assurance to management, the Audit and Governance Committee and the Combined Authority that controls are being independently tested and that assurance is supported by systematic evidence gathering as well as committee oversight.

External Audit

4.4.11. 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.

4.4.12. 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.

4.4.13. The role of the external auditors is to express an opinion on:

- The Authority's financial statements for each financial year audited.
- Conclusions relating to going concern; and
- The consistency of other information published with the financial statements, including the narrative statement

Reporting by exception:

- If the Governance Statement does not comply with relevant guidance or is not consistent with their understanding of the Authority
- 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
- Any significant matters that are in the public interest.

4.5. Accountability to Government

4.5.1. This Single Assurance Framework sets out the Combined Authority's approach to ensuring that appropriate safeguards, controls and standards are embedded in the development and delivery of programmes and projects, and that robust stewardship of devolved funding is maintained in accordance with legislative requirements, funding conditions and government expectations.

4.5.2. As a devolved institution entrusted with significant public funding and responsibilities, the Tees Valley Combined Authority is accountable to Government for the effective use of resources and the delivery of agreed outcomes. The Authority maintains structured arrangements for reporting, assurance and engagement with Government departments, providing transparency over performance, investment delivery, financial management and the achievement of strategic objectives.

4.5.3. These arrangements include regular performance and monitoring returns, formal reporting requirements associated with funding settlements, annual strategic conversations with Government, and independent assurance processes such as gateway reviews and programme evaluations. Together, these mechanisms provide Government with assurance regarding the Authority's capacity, performance and delivery against agreed priorities.

4.5.4. 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.

4.5.5. These arrangements reflect both statutory obligations and recognised best practice in public sector governance, accountability and financial management, including compliance with the Local Audit and Accountability Act 2014 and relevant Government guidance.

4.5.6. Where funds are distributed to external parties, including through open and competitive processes, TVCA will publish decision-making criteria in advance to promote transparency, consistency and fairness. Decisions on whether funds are administered directly by the Authority or through external delivery partners or fund managers will take account of the requirements of funding agreements, delivery considerations and organisational capability.

4.5.7. In some instances, the Authority may establish recyclable investment funds to maximise long-term economic impact and value for money. Such arrangements will operate within approved investment strategies and remain consistent with Government funding conditions and statutory requirements.

4.5.8. Expenditure will be subject to rigorous internal controls, monitoring and audit arrangements, alongside independent external audit and scrutiny processes, to provide assurance that public funds are being used lawfully, efficiently, effectively and for their intended purposes.

4.5.9. These arrangements support accountability to Government, local stakeholders and the public, while ensuring that investment decisions contribute to the delivery of the Tees Valley Local Growth Plan and the Combined Authority's wider strategic objectives.

4.6. Accountability to the Public

4.6.1. This Assurance Framework sets out TVCA's governance approach 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:

- Meeting agendas and papers
- Financial statements and annual reports
- Annual Assurance and Governance Statements
- Application guidelines for funding programmes
- Registers of interests, gifts, and hospitality
- Remuneration details for officers and members
- Policies on complaints, whistleblowing, confidentiality, and Freedom of Information
- The Code of Conduct

These measures will ensure that TVCA operates to the highest standards of openness and integrity, fostering trust and confidence among residents and stakeholders.

4.7. Subsidy Control

4.7.1. The Combined Authority will ensure that all publicly 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.

4.8. Commitment to evolution of Accountability Arrangements

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 is available in the TVCA Constitution via this link: TVCA Constitution

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. Details of Transparency Provisions can be accessed via this link: Transparency, Policy & Procedures - About

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.
- Publishing agendas and reports for Cabinet and Committee meetings on the TVCA website at least five clear working days before each meeting.
- Making minutes of meetings publicly available on the TVCA website as soon as practicable.
- Publishing business case summaries for all schemes requiring decisions as part of meeting agendas.
- Ensuring reports of Cabinet and Committee meetings are accessible to the public via the TVCA website.
- Publishing key decisions taken by officers on the TVCA website.
- Complying with the Local Government Transparency Code, which requires the publication of additional datasets to promote openness and accountability.

5.4. Gifts and Hospitality

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 are 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.

5.4.3. Registers of gifts and hospitality declared by Members and relevant officers are made publicly available in accordance with the Constitution and data protection requirements, reinforcing public confidence in the integrity of decision-making within the Authority. Details of declarations can be accessed via this link: Declaration of Gifts and Hospitality - About

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, the Mayor, Members and 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. The Code of Conduct can be found in the constitution: constitution

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 are 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. Details of the Complaints Procedure can be accessed via this link: Complaints Procedure - About

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 accessed via this link: Whistleblowing Policy - About

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 has adopted corporate policies which are published on the TVCA website. Details can be found via these links:

- Anti-Fraud & Corruption Policy - Tees Valley
- Transparency, Policy & Procedures - About
- Whistleblowing Policy - About
- Complaints Procedure - About
- Equality & Diversity

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:

- **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.

- **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.

7.2. Value for Money

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:

- Economy: Keeping resource costs as low as possible.
- Efficiency: Getting the most output for the resources used.
- Effectiveness: Achieving the intended results and objectives.

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, looking to obtain at least high VfM across all categories where possible. The table includes examples of what 'high' vs 'low' VfM means, as a way of assisting the assessment, although noting that the actual VfM categories used are not simply either one of these two:

Category	Description	What 'high' vs 'low' VfM means
Economy	Minimising the cost of resources used without compromising quality	High VfM: Costs are low, and outputs 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 with outputs of an acceptable quality
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 less 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 a business case. This element will also be scrutinised by the Section 73 Officer as part of the SAF process prior 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.

7.4. Entry Points (Strategic Framework and In-Year)

7.4.1. There are three entry points into the Assurance Framework as follows:

1. The Strategic Framework
2. In-Year Proposals
3. New Funding Opportunities

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.

Primacy of the Strategic Framework

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.

7.4.4. 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.

7.4.5. 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:

- 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.
- 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
- Enables oversight and review of performance against priorities.

7.4.6. 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:

a. High level priority for development and delivery
b. Medium level priority for development so it is ready for delivery when funding becomes available
c. Low level priority for pipeline inclusion to be developed at future point

7.4.7. Proposals that are drawn down from the Strategic Framework enter Phase 2 of the Assurance Framework.

7.4.8. TVCA Officers can draw down from the Strategic Framework against strategic themes, identified outcomes to achieve or identified interventions.

In-Year Proposals

7.4.9. 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.

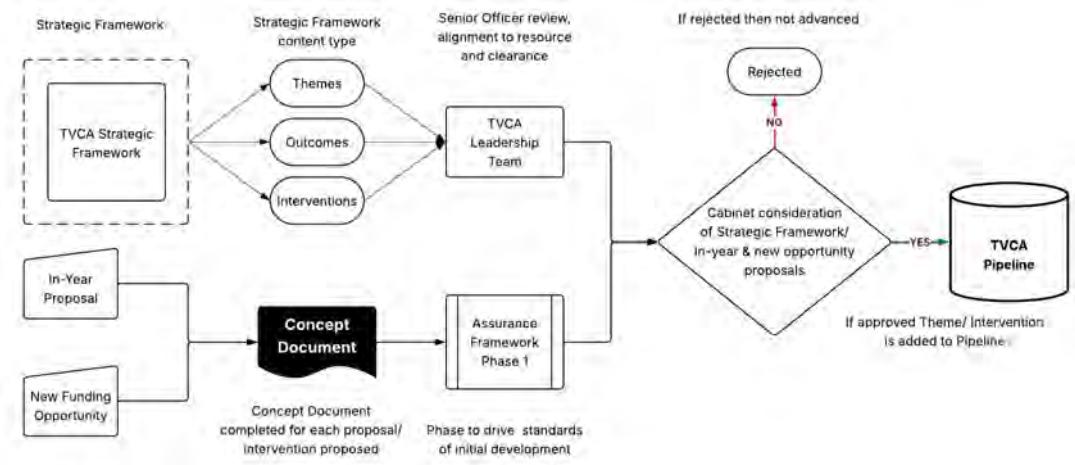
7.4.10. In-Year proposals enter Phase 1 of the Assurance Framework.

New Funding Opportunities

7.4.11. 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.

7.4.12. 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.

7.4.13. 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.

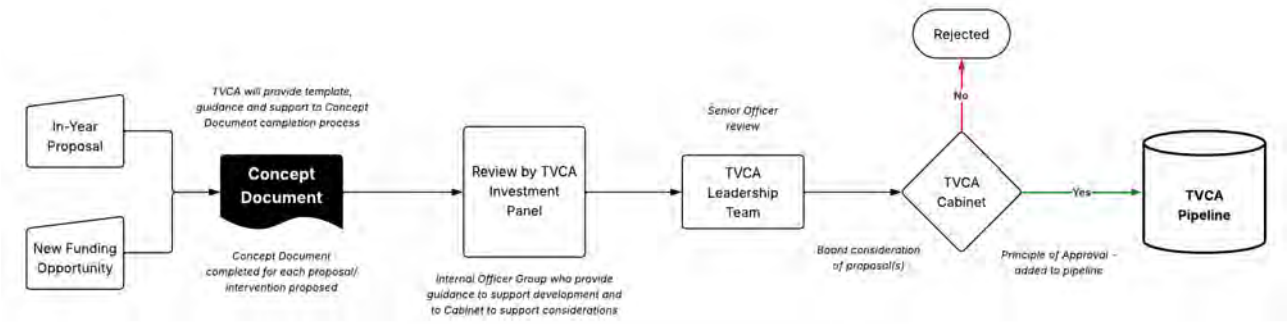
7.5.3. To ensure consistency, all proposals, both internal and external, must complete a Concept Document. This provides a consistent entry document which focuses on strategic fit, enabling early assessment and prioritisation. The same considerations are part of the Strategic Planning process to drive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

7.5.5. 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.

7.5.6. The following illustration sets out the process for Phase 1 of the Assurance Framework:



7.5.7. 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.

7.5.8. 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.

7.5.9. The Cabinet will decide:

- Whether the concept is added to the TVCA pipeline.
- The route for business case development.
- The category of development it falls under

7.5.10. This process ensures that the Principle of Approval 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:

a. High level priority for development and delivery
b. Medium level priority for development so it is ready for delivery when funding becomes available
c. Low level priority for pipeline inclusion to be developed at future point

7.6. The Pipeline

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 7.5.10.

7.6.2. 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:

a. Open Call – Inviting proposals from partners and stakeholders
b. Expression of Interest (EOI) – Seeking initial ideas to shape interventions
c. Commissioning Approach – Developing targeted projects to meet strategic objectives
d. Intervention Development/ Feasibility

This structured process ensures that TVCA maintains consistency,

transparency, and alignment with its strategic priorities while enabling flexibility to respond to emerging opportunities.

a. Open Calls

7.6.3. 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.

7.6.4. How TVCA will run an open call:

- TVCA will publish the call on its website and through partner networks, clearly stating the priority area, objectives, eligibility criteria, and deadlines.
- Interested organisations will submit proposals showing how their intervention aligns with TVCA's strategic objectives and delivers measurable outcomes.
- TVCA officers will review submissions against published criteria, including strategic fit, deliverability, and value for money.
- Shortlisted proposals will then move into business case development under the Assurance Framework Phase 2.

b. Expression of Interests

7.6.5. 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.

7.6.6. How TVCA will run an EOI:

- TVCA publishes an EOI notice on its website and through partner networks, setting out the priority area, objectives, and submission requirements.
- Interested parties submit a short proposal summarising their approach, experience, and alignment with TVCA priorities.
- TVCA officers review EOIs against published criteria, such as strategic fit, deliverability, and potential impact.
- Successful EOIs may be invited to develop a full proposal or business case under Assurance Framework Phase 2.

c. Commissioning Approach

7.6.7. 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.

d. **Intervention Development/ Feasibility**

7.6.8. 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.

7.6.9. 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:

- Strategic fit with TVCA priorities and government missions
- Technical and operational feasibility
- 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.

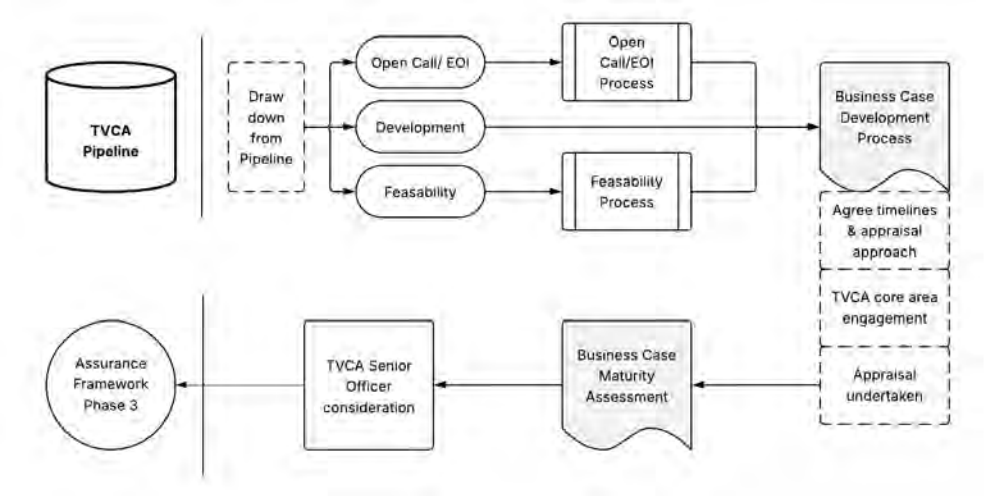
7.7.4. Experts involved include Programme Assurance & Evaluation, Finance, Legal, and Procurement, who review and input before approval. The lead business area must meet deadlines, engage the right experts, and follow required formats.

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.

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. This appraisal looks at the information in a business case to give an objective view of key issues. It includes:

- Checking the business case against HM Treasury's Five Case Model (Green Book guidance).
- Reviewing the evidence in the Economic Case to make sure it is accurate.
- Assessing social value, inclusive growth, and overall impact.
- Looking at risks and opportunities around delivery, cost, timing, and funding.
- Reviewing financial, regulatory, investment, and reputational risks, along with proposed mitigations set out in TVCA's Strategic Risk Framework.

The aim is to provide additional assurance to ensure decisions are based on reliable evidence and that risks are understood and managed

7.7.11. The report will set out the following impartial advice to inform the decision makers:

- an assessment of the level of risks and opportunities in approving that Business Case
- observations on how the level of risk could be mitigated, including cost, including the post mitigation risk level.

Due Diligence

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.

7.8. Assurance Framework Phase 3: Approvals

7.8.1. 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.

7.8.2. Key points within Phase 3 cover:

- Approvals are delegated based on financial thresholds.
- Higher financial requests require greater assurance and scrutiny.

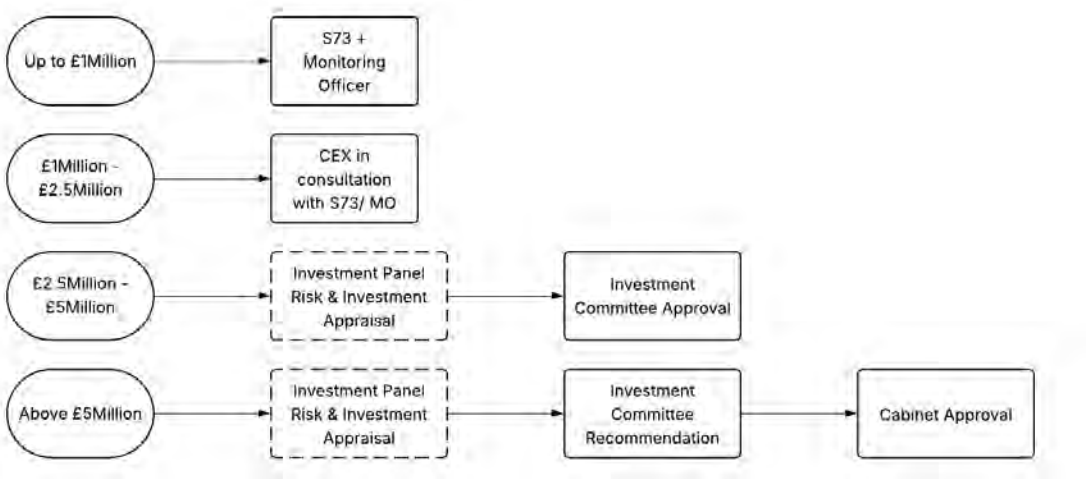
- The process ensures proportionate checks, expert input, and guidance throughout.
- Decisions are evidence-based, supported by independent assurance and technical advice.
- Approval timelines reflect the size of the financial ask.

The aim is to provide clear accountability, informed decision-making, and increasing levels of assurance as financial commitments grow.

7.8.3. 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.

7.8.4. 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.

7.8.5. The following illustration sets out the Approval routes:



7.9. The Investment Panel

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.

7.9.2. 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.

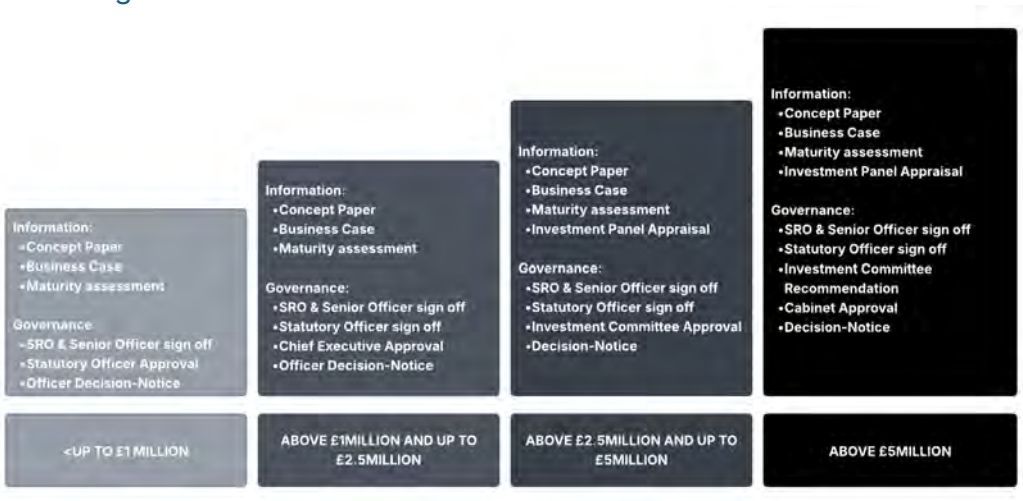
7.10. Scale of Assurance and Tolerances

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. A Performance Management Framework which will be adopted in September 2026 will work alongside the Assurance Framework to provide a clear and consistent approach to managing performance. It will set 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:

- TVCA's risk culture and corporate risk appetite
- Key definitions

- How risks are escalated
- Roles and responsibilities
- Risk management at corporate, service/programme, and project levels
- Processes and tools in our risk procedure document

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.

8.5. Change Requests and Funding Clawback

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.

8.6. Monitoring and Evaluation

8.6.1. The Combined Authority will develop in 2026/27 a Monitoring and Evaluation (M&E) Framework in line with HMT's Green and Magenta Books. It will ensure:

- Consistent, locally defined reporting to the Leadership Team
- Proportionate and meaningful evaluation
- Data collected once and reused across key documents
- Consistent baselines for initiatives
- Monitoring and evaluation embedded in all activities
- Lessons learned inform future policy and projects

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.

8.7. Closure

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:

- to confirm outstanding issues, risks and mitigations, recommendations, and proposed course of action to resolve them
- outline outstanding tasks and activities required to close the project, and
- identify project highlights and best practice for future interventions.

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.

9.2.2. 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.

9.2.3. 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.

9.3.3. 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 Sections

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.

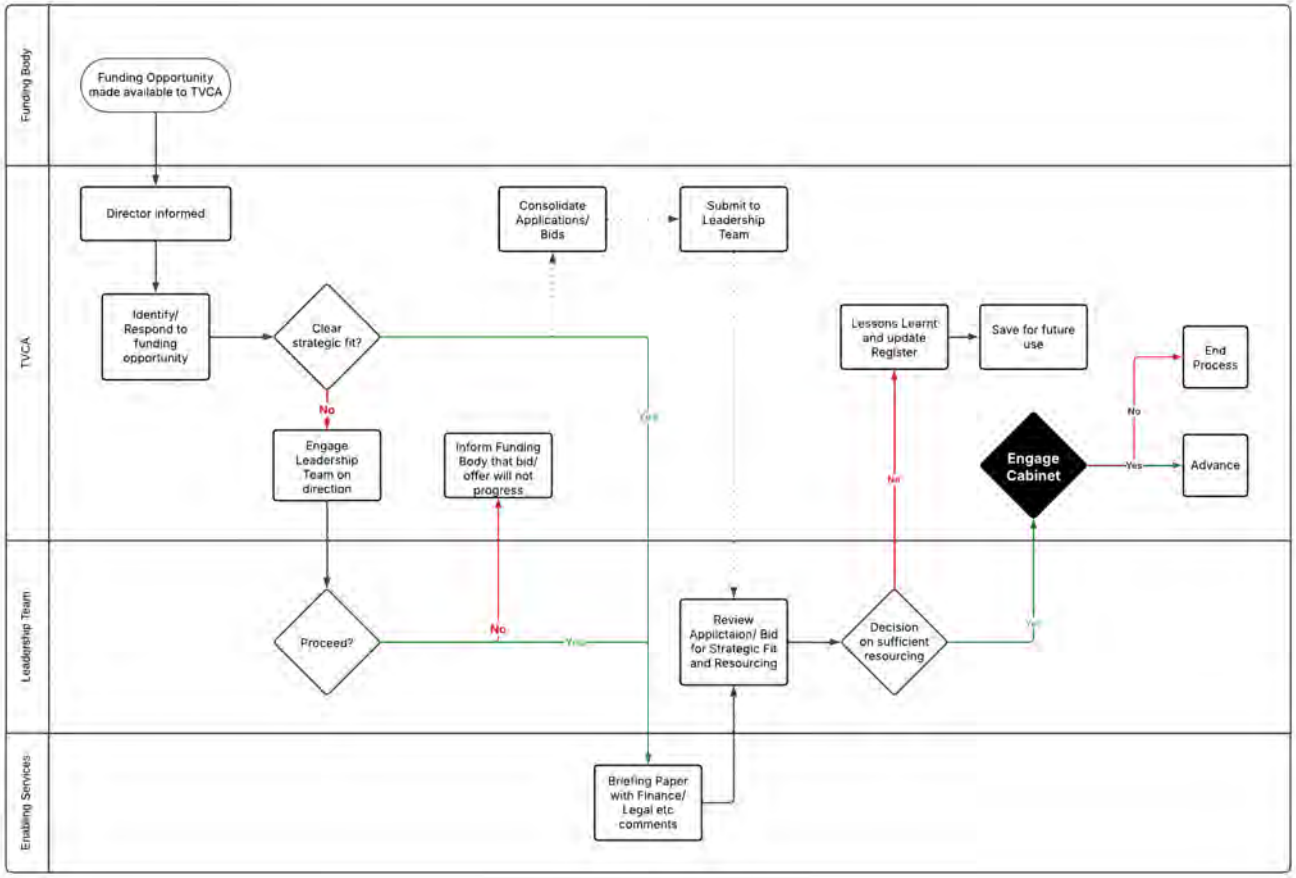
10.1.4. This approach reflects TVCA's commitment to proportionate governance, continuous improvement, and readiness to deliver effectively from inception.

10.2. Annex Section Content

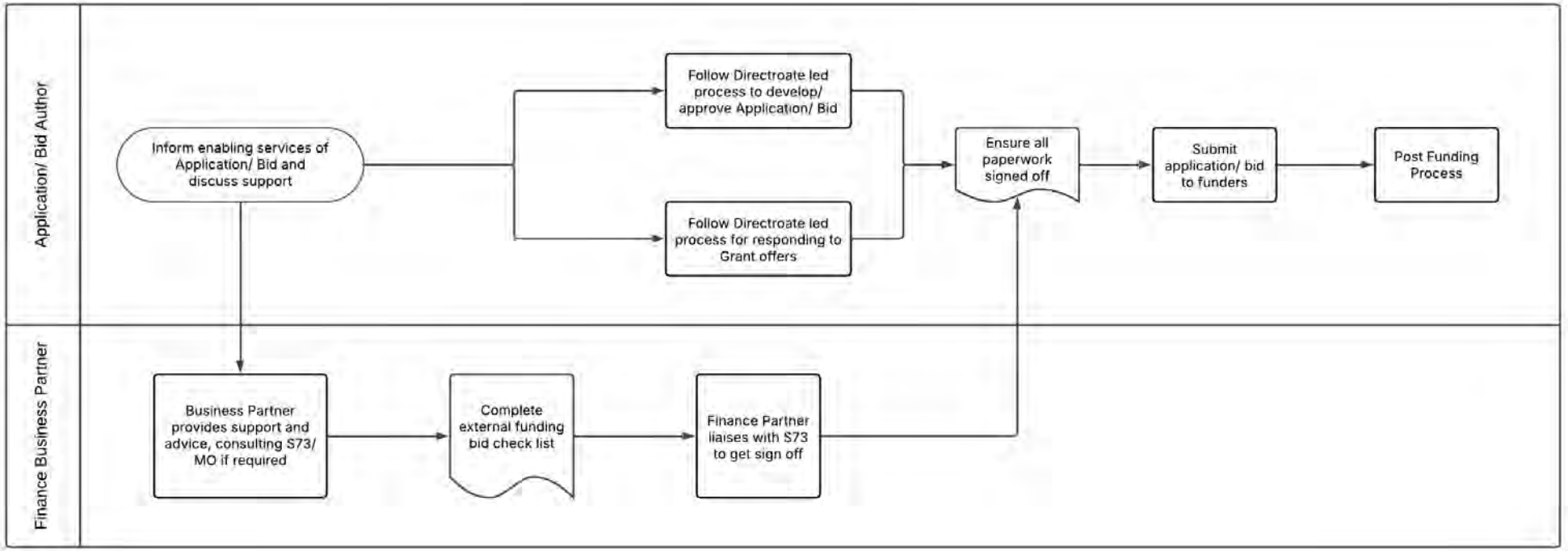
10.2.1. Contained within this Annex section is the following:

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

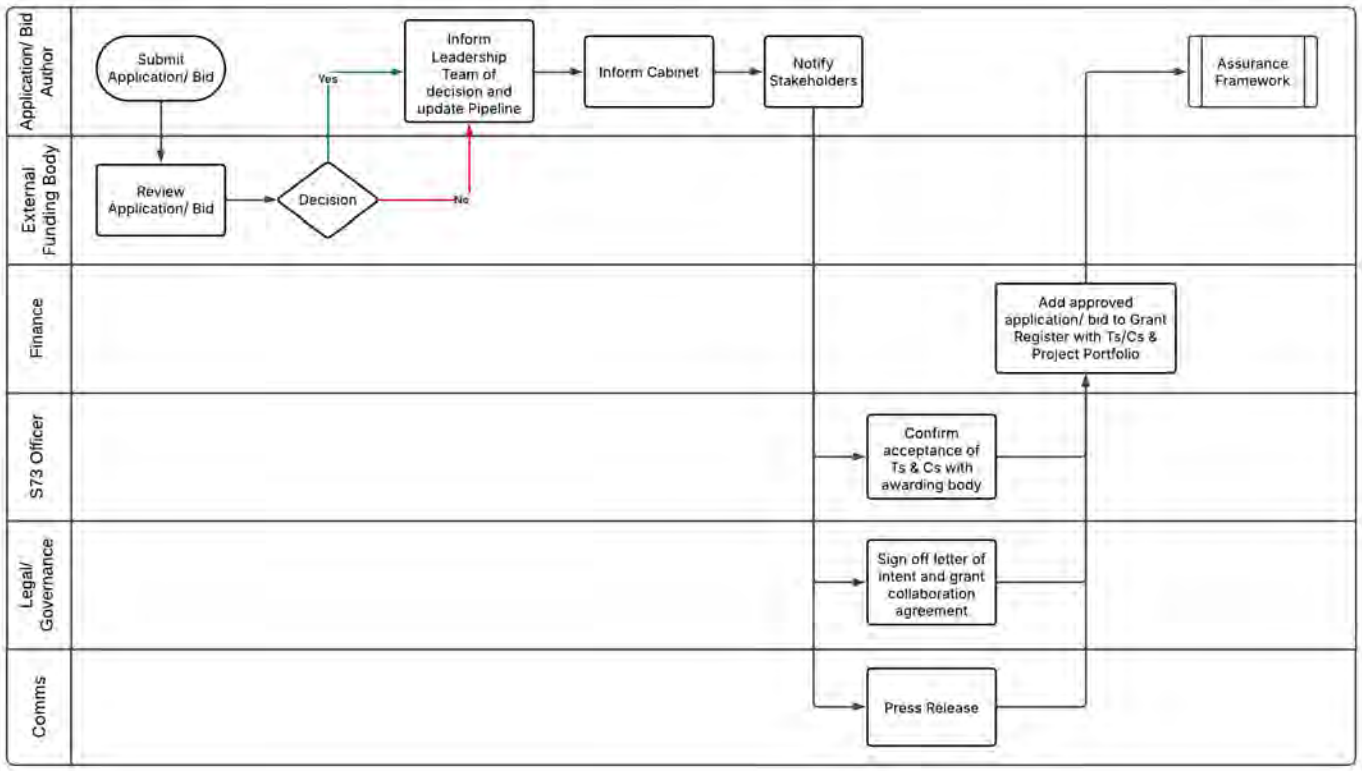
Annex A: Bid Process (External Funding Application Process) (Part A)



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



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


Application/ Bid Author
External Funding Body
Finance
S73 Officer
Legal/ Governance
Comms
Submit Application/ Bid
Review Application/ Bid
Decision
Yes
No
Inform Leadership Team of decision and update Pipeline
Inform Cabinet
Notify Stakeholders
Assurance Framework
Add approved application/ bid to Grant Register with Ts/Cs & Project Portfolio
Confirm acceptance of Ts & Cs with awarding body
Sign off letter of intent and grant collaboration agreement
Press Release

Annex B: Transport Annex (Transport Programmes & Projects)

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.

Highways Maintenance and Integrated Transport Block Funding

5. Funding for the majority of the 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.

7. 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.

8. 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

9. 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.

10. A mechanism will be used, whereby options are appraised. This will facilitate onwards ranking and prioritisation of options with unfeasible options removed.

11. 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.

12. 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. Schemes may be "retained" by DfT where they meet certain conditions e.g. costs are over £50m or the scheme has impacts on national networks. Retained schemes are subject to additional engagement from DfT, with the nature of the engagement determined on a case-by-case basis. If DfT approval of a business case is required, this would modify the usual investment approval process outlined in the SAF

Appraisal

13. 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.

14. 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.

15. 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.

16. The assessment requirement will primarily be proportionate to the scale of the investment as set out in the table below, but will also reflect possible major cost escalation or potential major adverse impacts, and 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. 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.

17. 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)

Scale of Scheme	Business Case Assessment (in alignment with DfT guidance)
< £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. 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 in the higher Value for Money categories as defined in paragraph 7.2.5, 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.

19. TAG will be used for all schemes but for schemes with low value (below £5m) a proportionate approach will be taken.

20. 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 or in accord with any information on Forthcoming Changes available at the time, if reasonably practicable. 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 TVCAs 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. TVCAs 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

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 of an external evaluation of Adult Skills which will take place on an annual basis.

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.

9. TVCA ASF Funding Rules are published on our website in August every year, they are shared as a draft with contracted providers in advance of this. They are draft until we have reviewed our rules against DfE Funding Rules. The Combined Policies for 2026/27 were issued as draft as part of the procurement process and again will be reviewed against DfE rules prior to being finalised and published.

10. Provider allocations are also published annually, usually August/September - click link

Stakeholder Engagement

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

12. Previously stakeholder engagement has taken the form of Adult Education Budget Provider events where all providers come together at least annually. Following Cabinet in March 2025 a series of stakeholder workshops were held in order to shape the Adult Skills provision from 2026/27 academic year. Adult Skills is also a regular agenda item at the Education, Employment and Skills Advisory Group, chaired by the TVCA Cabinet Portfolio Lead for EES

Local Skills Implementation Plan (LSIP)

13. 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

14. 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.

15. 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

16. 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.

Annex D: Glossary

AF	Assurance Framework
TVCA	Tees Valley Combined Authority
CA	Combined Authority
ASF	Adult Skills Fund
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
TAG	DFTs Transport Analysis Guidance

Version No	Date	Amended? Y/N	Section Amended	Reasons for Amendment/Changes Made
1.0	01/03/26		J Townsend	Final draft approved for submission to TVCA for consideration to submit to Government.
1.1	15/07/26		J Townsend	Amended draft to take account of MHCLG, DWP and DfT feedback
	25/09/26			Amendments to be made as set out in Cabinet report prior to publication

TEES VALLEY

For more information contact
info@teesvalley-ca.gov.uk
www.teesvalley-ca.gov.uk

@TeesValleyCA

Cabinet

Tees Valley Combined Authority

Date			25 September 2026
Agenda Item			10
Report Title			Code of Conduct for Members
Accountable Cabinet Member			Mayor Ben Houchan
Accountable Chief Officer			**Andrew Perriman** Director of Legal & Governance (Monitoring Officer)
Accountable Employee			**Andrew Perriman** Director of Legal & Governance (Monitoring Officer)
Report considered by			Pre-Cabinet process Audit and Governance Committee on 8 September 2026. A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 11 September 2026.
Key Decision		No	This item has been determined not to be a key decision.
Public Report	Yes		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	**Adopt** the Member Code of Conduct at Appendix 1.
B	**Note** the Code of Conduct Complaints Procedure at Appendix 2.

Purpose

1. The purpose of this report is to ask Cabinet to adopt the proposed Member Code of Conduct at **Appendix 1**, which reflects the Local Government Association (LGA) model approach for Tees Valley Combined Authority.

2. The report also includes the Code of Conduct Complaints Procedure at **Appendix 2**, which has been developed by the Monitoring Officer and approved by the Audit and Governance Committee. The procedure sets out how complaints alleging a breach of the Members' Code of Conduct will be received, assessed, investigated and determined. It is intended to ensure complaints are handled fairly, proportionately, consistently, transparently and in accordance with the principles of natural justice.

Executive Summary

3. This report proposes the adoption of a refreshed Member Code of Conduct based on the Local Government Association model code and the approval of a supporting Code of Conduct Complaints Procedure. The proposed Code, attached at **Appendix 1**, provides a clear standards framework for the Tees Valley Mayor, Cabinet members, committee and sub-committee members, independent members, members of Mayoral Development Corporation Boards and Committees, and members of the Tees Valley Business Board when acting in their official capacity. It sets out expected standards of conduct, including respect, bullying, harassment and discrimination, confidentiality, disrepute, use of position, use of resources, cooperation with standards processes, interests, and gifts and hospitality.

4. **Appendix 2** sets out the procedure for receiving, assessing, investigating and determining complaints alleging a breach of the Code. Together, the Code and Complaints Procedure strengthen the Combined Authority's governance framework by promoting high standards of conduct, supporting consistency for members who hold roles across more than one authority, improving transparency for complainants and subject members, and reducing the risk of uncertainty or inconsistency in the handling of standards matters.

Background

5. The Localism Act 2011 requires relevant authorities to promote and maintain high standards of conduct by members, and co-opted members, and to adopt a Code of Conduct consistent with the Seven Principles of Public Life. The LGA Model Code of Conduct 2020 was developed as a sector-wide template to help authorities maintain high standards, support members in their roles and safeguard public trust in local government. It is proposed that Tees Valley Combined Authority adopts the model code of conduct to replace its existing code.

6. The code of conduct applies to the Tees Valley Mayor, Cabinet members, local authority appointed committee and sub-committee members, independent committee and sub-committee members, members of the Boards and Committees of the Mayoral Development Corporations and members of the Tees Valley Business Board when acting in their official capacity or in a way that would give that impression to a reasonable member of the public.

7. The Code sets out expected standards relating to respect, bullying, harassment and discrimination, officer impartiality, confidentiality, disrepute, use of position, use of

resources, cooperation with investigations, interests, and gifts and hospitality. The accompanying Complaints Procedure provides a practical route for complaints, including jurisdiction checks, assessment, informal resolution, investigation, hearing arrangements, possible sanctions, notification of decisions, reviews, confidentiality and periodic review.

8. The Code is built around the Seven Principles of Public Life and sets out specific obligations for members, including registering and disclosing interests and registering gifts or hospitality with an estimated value of at least £50 within 28 days of receipt. It also explains that failure to register or disclose a disclosable pecuniary interest may be a criminal offence under the Localism Act 2011.

9. The current code of conduct adopted by the Combined Authority is compliant with the legislative requirements and is fit for purpose. However, it is proposed that it is replaced with the LGA model code to ensure that best practice is being followed and to create consistency for "twin-hatted" members. Adopting the model code will also aid members of the authority and members of the public with their understanding of the standards regime as it is a recognised code and there is significant guidance on the LGA website explaining the meaning and application of each part of the code. The LGA model code was created by a cross-party working group.

10. **Appendix 2** provides the operational procedure for handling Code of Conduct complaints. It identifies the role of the Monitoring Officer, Independent Persons, any Investigating Officer and the Audit and Governance Committee, and provides for complaints to be submitted using the authority's online complaint form, by email or by post.

11. The proposed complaints procedure formalises the process the Monitoring Officer follows when dealing with code of conduct complaints, providing clarity and consistency for complainants and the subjects of complaints. The procedure also confirms the role of the Independent Persons and the role of the Audit and Governance Committee in standards matters.

12. The procedure also sets out the approach that will be taken in regard to malicious or vexatious complaints, ensuring that members are protected from obviously spurious complaints and those that are clearly designed to intimidate or harass.

13. Training and guidance on the Code of Conduct will be provided to TVCA members through induction and ongoing member development during the year. Any member who is the subject of a Code of Conduct complaint will be able to access procedural support from TVCA.

Partnership & Engagement

14. The proposals have been developed by the Monitoring Officer, having regard to the LGA model approach and the need for clear local arrangements. The newly appointed

Independent Persons for standards have been consulted and are supportive of the proposed approach.

15. The Audit & Governance Committee considered the Member Code of Conduct and the Complaints Procedure at its meeting on 8 September 2026 and made the following observations / recommendations:

    a. The Committee resolved to recommend the Code of Conduct for approval by the Cabinet.
    b. The Committee approved the Code of Conduct Complaints procedure.
    c. The Committee requested that Monitoring Officer considered whether members should be required to complete a DBS check.

Other Options Considered

16. There is a do-nothing option which is not recommended as the Code of Conduct for members should be regularly reviewed and this update will bring the code into line with the LGA Model Code, representing sector best practice.

17. There is an option to adopt an alternative code of conduct, however this is not recommended as it could create inconsistency for members holding office at more than one authority and cause confusion for members of the public.

Appendices

Appendix 1: Draft Member Code of Conduct.
Appendix 2: Draft Code of Conduct Complaints Procedure.

Cabinet is requested to consider the following identified implications:	
Financial Implications	
17.	There are no direct financial implications arising from the recommendations. Adoption and implementation of the Code and Complaints Procedure will be managed within existing governance and legal resources. External investigation costs may arise in the most serious or complex complaints, where the Monitoring Officer considers it appropriate to appoint an Investigating Officer, and will be managed through existing budget arrangements.
Legal Implications	
18.	Section 27 of the Localism Act 2011 requires relevant authorities to promote and maintain high standards of conduct by members and co-opted members. Section 28 requires authorities to adopt a Code of Conduct consistent with the Seven Principles of Public Life and to have arrangements for dealing with allegations that members have failed to comply with the Code.

19.	The proposed Code and Complaints Procedure support compliance with those statutory duties and will form part of the Combined Authority's governance framework once adopted. The procedure confirms that the Monitoring Officer will administer the arrangements, may consult Independent Persons, may appoint an Investigating Officer in appropriate cases and may refer matters to a hearing before a sub-committee of the Audit and Governance Committee where required.

Equality & Diversity Implications

20.	There are no adverse equality and diversity implications arising directly from the recommendations. A clear and accessible Code of Conduct and Complaints Procedure support inclusive participation in local democracy by setting expectations for respectful conduct, prohibiting discrimination and providing transparent arrangements for raising concerns.

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

Risk	X	Assurance Framework		Procurement	
Improvement	X	Environment		HR & IT	

21.	**Risk Assessment** The principal risk is that, without a clear and current Code and complaints process, there may be reduced confidence in the arrangements for maintaining high standards of member conduct. Adoption of the Code at **Appendix 1** and the Complaints Procedure at **Appendix 2** mitigates this risk by providing clear behavioural expectations, defined routes for complaints, jurisdiction and assessment checks, options for informal resolution, investigation and hearing arrangements, and appropriate oversight by the Monitoring Officer, Independent Persons and Audit and Governance Committee arrangements.
22.	**Improvement** The recommendations within this report directly support the commitment within the Organisational Improvement Plan to review and implement any necessary changes to the Code of Conduct for Members and Officers. The changes will ensure the Code and associated complaints procedure reflect best practice and support high standards of conduct, accountability and effective governance.

5.2 Member Code of Conduct

Introduction

All Mayoral Strategic Authorities are required to adopt a member code of conduct. The Tees Valley Combined Authority has chosen to adopt the Model Code of Conduct developed by the Local Government Association (LGA). The model code was produced by the LGA in association with key partners and after extensive consultation with the sector, as part of its work on supporting all tiers of local government to continue to aspire to high standards of leadership and performance.

Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a member, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow members, local authority officers and the reputation of local government. It sets out general principles of conduct expected of all members and your specific obligations in relation to standards of conduct. The LGA encourages the use of support, training and mediation prior to action being taken using the Code. The fundamental aim of the Code is to create and maintain public confidence in the role of member and local government.

Application

This Code applies to Combined Authority Board Members, voting Co-opted Members and Independent Members together referred to as Members), in all aspects of public life.

This includes:

- The Mayor of the Tees Valley
- Members of the Cabinet
- Local Authority appointed Committee and Sub-Committee Members
- Independent Committee and Sub-Committee Members
- Members of the Boards and Committees of the Mayoral Development Corporations
- Members of the Tees Valley Business Board

You are expected to follow this Code when you are:

- conducting the work of the Combined Authority,
- representing the Combined Authority on any external organisation, and
- otherwise acting in your official capacity or where your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a Member.

The Code applies to all forms of communication and interaction, including:

- at face-to-face meetings
- at online or telephone meetings

• in written communication • in verbal communication • in non-verbal communication • in electronic and social media communication, posts, statements and comments.	
General Principles of Member Conduct	
Everyone in public office at all levels who serve the public or deliver public services including ministers, civil servants, Members, members and local authority officers should uphold the Seven Principles of Public Life, also known as the Nolan Principles. These Principles are listed in **Appendix A.**	
Building on these principles, the following general principles have been developed specifically for the role of Member. In accordance with the public trust placed in me, on all occasions: • I act with integrity and honesty • I act lawfully • I treat all persons fairly and with respect; and • I lead by example and act in a way that secures public confidence in the role of Member. In undertaking my role: • I impartially exercise my responsibilities in the interests of the local community • I do not improperly seek to confer an advantage, or disadvantage, on any person • I avoid conflicts of interest • I exercise reasonable care and diligence; and • I ensure that public resources are used prudently in accordance with my local authority's requirements and in the public interest.	
Standards of Member Conduct	
This section sets out your obligations, which are the minimum standards of conduct required of you as a Member. Should your conduct fall short of these standards, a complaint may be made against you, which may result in action being taken. Guidance is included to help explain the reasons for the obligations and how they should be followed.	
General Conduct	
1	**Respect**
	As a Member: **1.1 I treat other Members and members of the public with respect.**

	1.2 I treat local authority employees, employees and representatives of partner organisations and those volunteering for the local authority with respect and respect the role they play. Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a Member, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack. In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in Members. In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the local authority, the relevant social media provider or the police. This also applies to fellow Members, where action could then be taken under the Member Code of Conduct, and local authority employees, where concerns should be raised in line with the local authority's Member- officer protocol.
2	**Bullying, Harassment and Discrimination**
	As a Member: **2.1 I do not bully any person.** **2.2 I do not harass any person.** **2.3 I promote equalities and do not discriminate unlawfully against any person.** The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others. The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

	Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The Equality Act 2010 places specific duties on local authorities. Members have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.
3	**Impartiality of officers of the Authority**
	As a Member: **3.1 I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the local authority.** Officers work for the local authority as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.
4	**Confidentiality and access to information**
	As a Member: **4.1 I do not disclose information:** **a. given to me in confidence by anyone** **b. acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless** **i. I have received the consent of a person authorised to give it;** **ii. I am required by law to do so;** **iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or** **iv. the disclosure is:** • **reasonable and in the public interest; and** • **made in good faith and in compliance with the reasonable requirements of the local authority; and** • **I have consulted the Monitoring Officer prior to its release.** **4.2 I do not improperly use knowledge gained solely as a result of my role as a Member for the advancement of myself, my friends, my family members, my employer or my business interests.**

	4.3 I do not prevent anyone from getting information that they are entitled to by law. Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that discussions, documents and other information relating to or held by the local authority must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.
5	**Disrepute**
	As a Member: **5.1 I do not bring my role or local authority into disrepute.** As a Member, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other Members and/or your local authority and may lower the public's confidence in your or your local authority's ability to discharge your/its functions. For example, behaviour that is considered dishonest and/or deceitful can bring your local authority into disrepute. You are able to hold the local authority and fellow Members to account and are able to constructively challenge and express concern about decisions and processes undertaken by the authority whilst continuing to adhere to other aspects of this Code of Conduct.
6	**Use of Position**
	As a Member: **6.1 I do not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.** Your position as a member of the local authority provides you with certain opportunities, responsibilities, and privileges, and you make choices all the time that will impact others. However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.
7	**Use of local authority resources and facilities**
	As a Member: **7.1 I do not misuse authority resources.** **7.2 I will, when using the resources of the local authority or authorising their use by others:**

	a. act in accordance with the local authority's requirements; and **b. ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the local authority or of the office to which I have been elected or appointed.** You may be provided with resources and facilities by the local authority to assist you in carrying out your duties as a Member. Examples include: • office support • stationery • equipment such as phones, and computers • transport • access and use of local authority buildings and rooms. These are given to you to help you carry out your role as a Member more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the local authority's own policies regarding their use.
8	**Complying with the Code of Conduct**
	As a Member: **8.1 I undertake Code of Conduct training provided by my local authority.** **8.2 I cooperate with any Code of Conduct investigation and/or determination. 8.3 I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.** **8.4 I comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.** It is extremely important for you as a Member to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the local authority or its governance. If you do not understand or are concerned about the local authority's processes in handling a complaint you should raise this with your Monitoring Officer.
Protecting your reputation and the reputation of the local authority	
9	**Interests**
	As a Member: **9.1 I register and disclose my interests.** Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority. You need to register your interests so that the public, local authority employees and fellow Members know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or

	before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other Members when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained. You should note that failure to register or disclose a disclosable pecuniary interest as set out in **Table 1**, is a criminal offence under the Localism Act 2011. **Appendix B** sets out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from your Monitoring Officer.
10	**Gifts and hospitality**
	As a Member: **10.1 I do not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the local authority or from persons who may apply to the local authority for any permission, licence or other significant advantage.** **10.2 I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.** **10.3 I register with the Monitoring Officer any significant gift or hospitality that I have been offered but have refused to accept.** In order to protect your position and the reputation of the local authority, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a Member. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered. However, you do not need to register gifts and hospitality which are not related to your role as a Member, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a Member. If you are unsure, do contact your Monitoring Officer for guidance.

Agenda item 10
Appendix 1

Appendices

Appendix A – The Seven Principles of Public Life

The principles are:
Selflessness Holders of public office should act solely in terms of the public interest.
Integrity Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.
Objectivity Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
Accountability Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
Openness Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
Honesty Holders of public office should be truthful.
Leadership Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B - Registering interests

Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in Table 1 (Disclosable Pecuniary Interests) which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in **Table 2 (Other Registerable Interests).**

"Disclosable Pecuniary Interest" means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.

2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the Member, or a person connected with the Member, being subject to violence or intimidation.

3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in Table 1, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest.

Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.

5. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which ***directly relates*** to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in Table 2), you

must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which directly relates to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

8. Where a matter arises at a meeting which ***affects*** –

a. your own financial interest or well-being;
b. a financial interest or well-being of a relative or close associate; or
c. a financial interest or wellbeing of a body included under Other Registrable Interests as set out in Table 2

you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied

9. Where a matter (referred to in paragraph 8 above) ***affects*** the financial interest or well-being:

a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

10. Where you have an Other Registerable Interest or Non-Registerable Interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

Table 1: Disclosable Pecuniary Interests

Agenda item 10
Appendix 1

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the Authority) made to the Member during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a Member, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract made between the Member or his/her spouse or civil partner or the person with whom the Member is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the Authority — (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land and Property	Any beneficial interest in land which is within the area of the Authority. 'Land' excludes an easement, servitude, interest or right in or over land which does not give the Member or his/her spouse or civil partner or the person with whom the Member is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.

Licenses	Any licence (alone or jointly with others) to occupy land in the area of the Authority for a month or longer.
Corporate tenancies	Any tenancy where (to the Member's knowledge)— (a) the landlord is the Authority; and (b) the tenant is a body that the Member, or his/her spouse or civil partner or the person with whom the Member is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where— (a) that body (to the Member's knowledge) has a place of business or land in the area of the Authority; and (b) either— (i)) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the Member, or his/ her spouse or civil partner or the person with whom the Member is living as if they were spouses/civil partners have a beneficial interest exceeds one hundredth of the total issued share capital of that class.

* 'director' includes a member of the committee of management of an industrial and provident society.

* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Agenda item 10
Appendix 2

Procedure for Dealing with Code of Conduct Complaints

1. Purpose

1.1 This procedure sets out how complaints alleging a breach of the Members' Code of Conduct will be received, assessed, investigated and determined. It is intended to ensure that complaints are handled fairly, proportionately, consistently, transparently and in accordance with the principles of natural justice.

2. Scope

2.1 This procedure applies to complaints that the Tees Valley Mayor, an elected or independent member has failed to comply with the Code of Conduct in force at the time of the alleged conduct. It does not apply to service complaints, employee conduct matters, political group disputes, complaints about decisions properly taken by the authority, or matters that are more appropriately dealt with by another body or legal process.

3. Key Principles

3.1 Complaints will be assessed objectively and without bias.

3.2 The response will be proportionate to the seriousness of the alleged conduct.

3.3 All parties will be treated with courtesy and respect.

3.4 Confidential information will be protected, subject to legal requirements and the need for procedural fairness.

3.5 The subject member will normally be told the identity of the complainant and the substance of the complaint unless there is a good reason not to do so.

3.6 Complaints will be progressed as promptly as circumstances allow.

4. Roles and Responsibilities

4.1 The **Monitoring Officer** has overall responsibility for administering this procedure and may delegate functions to a Deputy Monitoring Officer or another suitably appointed person.

4.2 The authority will appoint up to three **Independent Persons** to assist the Monitoring Officer with Code of Conduct complaints. The Independent Person's views will be sought and taken into account where required by law and where the Monitoring Officer considers it appropriate.

4.3 An external **Investigating Officer** may be appointed to investigate a complaint if deemed appropriate by the Monitoring Officer. This will normally be reserved for the most serious and complex complaints.

4.4 The Tees Valley Combined Authority (TVCA) **Audit and Governance Committee** may determine complaints referred to it by the Monitoring Officer in accordance with this procedure. The Audit and Governance Committee will also receive a regular report from the Monitoring Officer detailing the number of Code of Conduct complaints received and the outcomes of those complaints, subject to confidentiality.

5. Making a Complaint

5.1 A complaint should be submitted in writing to the Monitoring Officer using the authority's online complaint form or by email to Monitoringofficer@teesvalley-ca.gov.uk. Complaints may also be submitted by post to: The Monitoring Officer, Tees Valley Combined Authority, Teesside Airport Business Suite, Teesside International Airport, Darlington, DL2 1NJ.

5.2 The complaint should identify the member complained about, describe the alleged conduct, explain why the complainant considers the Code of Conduct may have been breached, and provide any supporting evidence. Reasonable assistance will be offered where a complainant has difficulty putting a complaint in writing.

5.3 Anonymous complaints will not normally be accepted unless the Monitoring Officer considers that there is a clear public interest in doing so, the allegation is sufficiently serious, and enough information has been provided to allow the matter to be considered fairly.

6. Initial Acknowledgement and Jurisdiction Check

6.1 The Monitoring Officer will acknowledge receipt of the complaint, normally within five working days. The Monitoring Officer will then decide whether the complaint is within jurisdiction. A complaint will normally be within jurisdiction where:

6.1.1 the complaint is about one or more named members;
6.1.2 the member was in office at the time of the alleged conduct;
6.1.3 the member was acting in an official capacity or where their actions would give the impression to a reasonable member of the public with knowledge of all the facts that they were acting in an official capacity (the 'capacity test');
6.1.4 the Code of Conduct was in force at the relevant time; and
6.1.5 the alleged conduct, if proven, could amount to a breach of the Code of Conduct.

6.2 For elected members of constituent authorities appointed to the TVCA Cabinet, its committees, or the boards and committees of the Mayoral Development Corporations, the TVCA Monitoring Officer will only consider complaints about conduct carried out in an official TVCA capacity. Where the alleged conduct relates to the member's role with their constituent authority, the TVCA Monitoring Officer will refer the complaint to that authority's Monitoring Officer.

6.3 If the complaint is outside jurisdiction, the Monitoring Officer will notify the complainant and explain, where appropriate, whether another route may be available. If the matter may involve criminal conduct or a failure to register or declare interests as required by law, the Monitoring Officer may refer it to the police or another appropriate body and may pause this procedure pending the outcome.

7. Assessment of the Complaint

7.1 Where a complaint is within jurisdiction, the Monitoring Officer will consult with the Independent Person to determine whether the complaint will be accepted or rejected based on the criteria set out below.

7.2 In deciding how to proceed, the Independent Person / Monitoring Officer may consider:

7.2.1 the seriousness of the allegation;
7.2.2 whether the complaint appears to be politically motivated, malicious, vexatious, trivial or repetitious;
7.2.3 whether the complaint is supported by evidence;
7.2.4 whether an investigation would be proportionate and in the public interest;
7.2.5 whether the matter has already been considered or resolved;
7.2.6 whether the alleged conduct occurred too long ago to allow a fair investigation; and
7.2.7 whether informal resolution would be appropriate.

7.3 The assessment decision will normally be one of the following: no further action; informal resolution; referral for investigation; referral to another procedure or body; or deferral pending another process.

8. Vexatious and Malicious Complaints

8.1 The Monitoring Officer may, in consultation with the Independent Person, dismiss a complaint at the assessment stage where they consider it to be malicious, vexatious, repetitive, politically motivated, retaliatory or "tit-for-tat", or otherwise an abuse of the complaints process. In reaching this decision, the Monitoring Officer may take into account the timing and context of the complaint, the relationship between the parties, any pattern of previous complaints, the evidence provided, and whether progressing the matter would be proportionate or in the public interest.

8.2 The Monitoring Officer will consider referring any complaints that are clearly designed to intimidate, bully or harass a member to the Force Elected-Official Advisor (FEOA) within Durham Constabulary.

9. Informal Resolution

9.1 The Monitoring Officer may seek to resolve a complaint informally where this is appropriate and proportionate. Informal resolution may include:

9.1.1 an explanation,
9.1.2 an apology,
9.1.3 mediation,
9.1.4 training,
9.1.5 guidance,
9.1.6 clarification of expectations, or other practical action.

9.2 Informal resolution does not require a formal finding that the Code of Conduct has been breached.

10. Investigation

10.1 Where a complaint is referred for investigation, the Monitoring Officer will appoint an Investigating Officer and agree the scope of the investigation. The subject member will be notified of the complaint and invited to respond, unless there is a valid reason to delay notification. The Investigating Officer may request documents, interview relevant people, seek written representations, and take any other reasonable steps required to establish the facts.

10.2 The Investigating Officer will prepare a draft report setting out the evidence, findings of fact and any statements from the complainant, the subject member or witnesses. The complainant and subject member will normally be given an opportunity to comment on factual accuracy before the report is finalised.

11. Decision Following Investigation

11.1 After considering the final investigation report and after consulting with the Independent Person, the Monitoring Officer may decide that no further action is required, or that informal resolution remains appropriate, or that the matter should be referred to a hearing to be carried out by a sub-committee of the Audit and Governance Committee.

12. Hearing or Decision-Making Meeting

12.1 Where a hearing is required, the subject member will be given notice of the hearing, the procedure to be followed, the evidence to be considered and the potential outcomes. The hearing will consider whether the facts are established, whether the Code of Conduct has been breached, and what action, if any, should be taken. The Monitoring Officer's recommendations and the Independent Person's views will be sought and taken into account before a final decision is made.

13. Possible Outcomes and Sanctions

13.1 Where no breach is found, the complaint will be dismissed. Where a breach is found, the authority may take action that is lawful and proportionate. This may include:

13.1.1 issuing a formal finding or censure;
13.1.2 requesting an apology;
13.1.3 recommending training, mentoring or mediation;
13.1.4 recommending removal from committees, outside bodies or representative roles where the authority has power to do so;
13.1.5 withdrawing facilities or access to resources where lawful and proportionate;
13.1.6 publishing the decision; or
13.1.7 making recommendations to the relevant other authority.

13.2 The authority cannot suspend or disqualify a member from office under this procedure.

14. Notification of Decision

14.1 The Monitoring Officer will notify the complainant and subject member of the outcome in writing, giving reasons for the decision. Where appropriate, the decision notice may also be published, subject to data protection, confidentiality and public interest considerations.

15. Review of Decisions

15.1 There is no automatic right of appeal against a decision made under this procedure. The Monitoring Officer may, at their discretion, arrange for an assessment decision to be reviewed where the complainant identifies a material procedural error, new evidence that could not reasonably have been provided earlier, or another compelling reason why the decision should be reconsidered.

16. Failure to Co-operate or Comply with Sanctions

16.1 Where a member fails to cooperate with this procedure or does not comply with any sanction or action imposed following consideration of a complaint, the Monitoring Officer may refer the matter to a hearing before a sub-committee of the Audit and Governance Committee.

17. Timescales

17.1 Complaints will be handled as promptly as possible. Timescales may vary depending on the complexity of the complaint, the availability of parties and witnesses, the need to obtain evidence, or the involvement of another body such as the police. The Monitoring Officer will keep parties informed of significant delays where appropriate.

18. Confidentiality, Data Protection and Records

18.1 Information obtained through this procedure will be handled in accordance with data protection legislation and any relevant retention policy. The Monitoring Officer will keep appropriate records of complaints, assessment decisions, investigations, outcomes and any action taken. Information will only be shared where necessary for the fair handling of the complaint, compliance with legal duties, or another legitimate purpose.

19. Review of this Procedure

19.1 This procedure will be reviewed periodically to ensure that it remains legally compliant, proportionate and effective, and that it reflects relevant legislation, guidance and good practice.

Cabinet

Tees Valley Combined Authority

Date			25 September 2026
Agenda Item			11
Report Title			**Overview and Scrutiny Committee Annual Report**
Accountable Cabinet Member			Not applicable
Accountable Chief Officer			**Andrew Perriman** Director of Legal & Governance (Monitoring Officer)
Accountable Employee			**Connor Malone** Statutory Scrutiny Officer
Report considered by			A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 11 September 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			Not applicable

Recommendation(s)

The Combined Authority Cabinet is recommended to:

A	**Endorse** the Overview & Scrutiny Committee's Annual Report for 2025/26 provided in Appendix 1.

Purpose

1. The purpose of this report is to seek the endorsement, by Cabinet, of the Overview and Scrutiny Committee's Annual Report for the 2025/26 Municipal Year.

Background

2. The Scrutiny Protocol for English Institutions with Devolved Powers states that:

   "An annual report should be published to broadcast the work of the Overview and Scrutiny Committee demonstrating how the committee's work influences and benefits the outcomes of the institution and its strategic goals and priorities. For combined authorities, this should be formally considered by its constituent members."

3. In accordance with this guidance, a draft Annual Report was provided to the Committee Chair and Vice Chair for consideration in advance of Committee review.

4. The Committee considered the draft report on 9 September 2026 at its first meeting of the municipal year. Members welcomed the report, noting that it provided a summary of the Committee's activity during 2025/26 and reflected the introduction of a more structured annual reporting approach.

5. During consideration of the report, Members requested that reference be made to the view of the Education, Employment and Skills Working Group that a task and finish approach would be beneficial in addressing the breadth of issues within its remit, particularly those focused on improving opportunities for young people.

6. The Committee approved the Annual Report for submission to Cabinet, subject to this amendment being incorporated into the final version.

Partnership & Engagement

7. The Draft Annual Report was presented in advance of publication to the Chair and Vice Chair of the Committee for consideration. Cabinet also received a draft version of the report through its informal meeting processes.

Appendices

8. Appendix 1: Overview and Scrutiny Committee Annual Report 2025/26

Cabinet is requested to consider the following identified implications:	
Financial Implications	
9.	There are no financial implications in regard of this report.
Legal Implications	

10.	There are no legal implications in regard of this report.

Equality & Diversity Implications

11.	There are no Equality and Diversity implications in regard of this report.

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

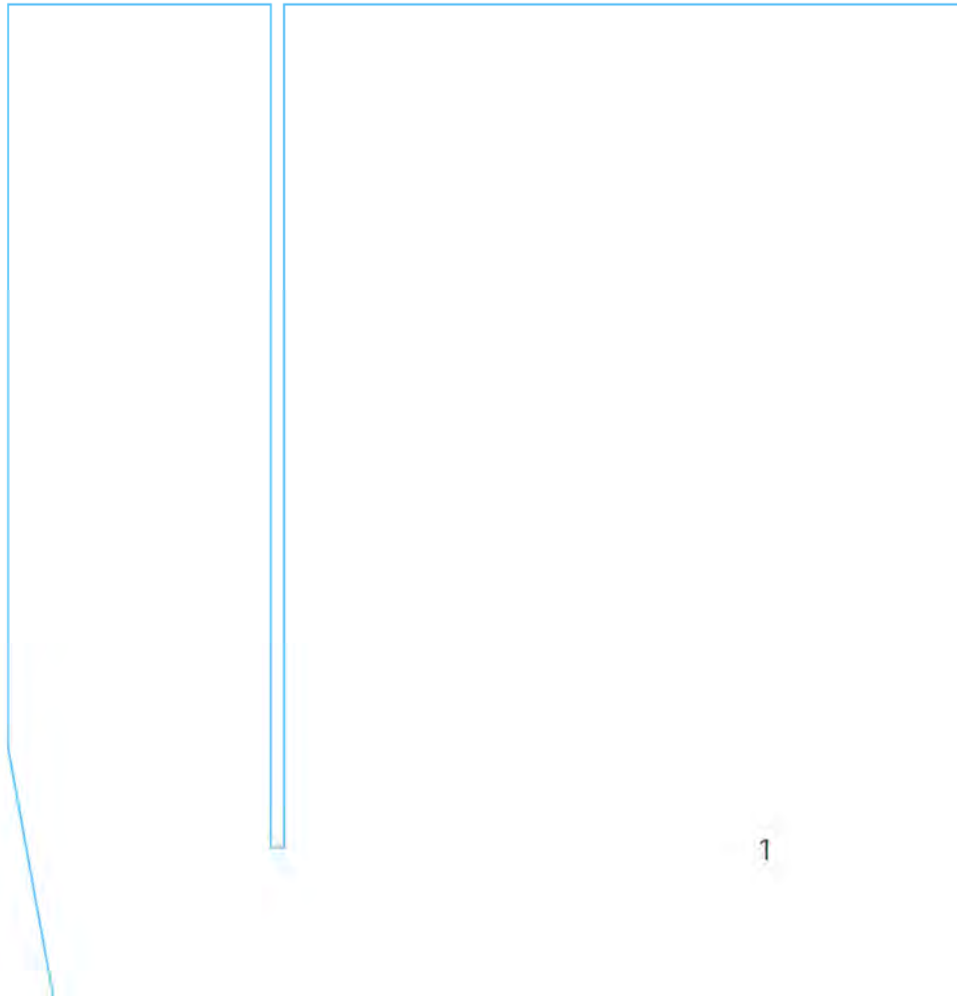
Risk		Assurance Framework		Procurement	
Improvement	X	Environment		HR & IT	

10.	**Improvement** The improved Annual Report supports the ongoing scrutiny improvement journey by providing a clearer and more comprehensive account of progress made throughout the year. It demonstrates the delivery of the Scrutiny Protocol and highlights improvements within the governance of the Committee in relation to actions provided within the Centre for Governance & Scrutiny review. In doing so, it provides assurance that scrutiny continues to evolve in line with best practice.

Overview and Scrutiny Committee

Annual Report 2025/26

9 September 2026



Foreword from the Chair



As Chair of the Overview and Scrutiny Committee, I am pleased to present the 2025/26 Annual Scrutiny Report for the Tees Valley Combined Authority. This report highlights the Committee's work over the past year in providing constructive challenge, examining key decisions and policies, and supporting the principles of transparency, accountability, and effective governance across the Combined Authority.

Effective scrutiny plays a vital role in good governance. It is about asking constructive questions, considering evidence, engaging with stakeholders, and making recommendations that support better outcomes for residents and communities across the Tees Valley. Throughout the year, the Committee has examined a range of strategic issues and key decisions, drawing on the insight of officers, partners, and external stakeholders.

This report provides an overview of the Committee's activities during 2025/26, highlighting the work undertaken by the Committee and the impact of our work.

On behalf of the Committee, I would like to thank all those who have contributed to the scrutiny process during the year. Their engagement and cooperation have been invaluable in supporting effective and meaningful scrutiny.

Councillor Ian Blades
Chair of the Overview and Scrutiny Committee 2025/26

The Tees Valley Combined Authority

The Tees Valley Combined Authority (TVCA) exists to further the sustainable and inclusive growth of the Tees Valley economy. It was established in April 2016 and has been built on a strong history of collaboration between the constituent authorities, the private sector and other partners.

The Tees Valley is defined as the area covered by five constituent authorities. They are:

- Stockton-on-Tees Borough Council;
- Darlington Borough Council;
- Hartlepool Borough Council;
- Redcar and Cleveland Borough Council; and
- Middlesbrough Council.

The Combined Authority is led by the Tees Valley Mayor, Ben Houchen, and a Cabinet made up of the Mayor, Leaders from its constituent councils and the Chair of the Tees Valley Business Board in a non-voting capacity.

The Overview and Scrutiny Committee

The Combined Authority has established an Overview and Scrutiny Committee in accordance with the relevant statutes and the Combined Authority's constitution, to scrutinise and support the decision-making of the Combined Authority Cabinet and the Tees Valley Mayor.

The purpose of these arrangements will include:

- Monitoring decisions or other action taken by the Cabinet and Mayor, and submitting reports and recommendations for improvement and/or change;

- Reviewing the strategies and policies of the Combined Authority and holding the Mayor, Cabinet Members and officers to account for their delivery.

2025/26 Municipal Year

Cabinet appointed the Overview and Scrutiny Committee at its meeting on 27 June 2025. The Committee comprises 15 councillors drawn from the five constituent authorities listed above. This section should be read alongside the appendices to this report, which provide supporting detail on the Committee's wider governance improvement activity during the municipal year. Appendix 1 sets out progress against the principles of the Scrutiny Protocol, including agreed actions, RAG status and supporting commentary. Appendix 2 summarises the implementation of recommendations made by the Centre for Governance and Scrutiny, showing how these have informed the Committee's development and TVCA's wider governance improvement work.

The membership for the 2025/26 municipal year is detailed below.

Chair	**Councillor Ian Blades**	**Middlesbrough**	Member	Councillor Lynn Pallister	Redcar & Cleveland
Vice-Chair	**Councillor Rachel Creevy**	**Hartlepool**	Member	Councillor Glyn Nightingale	Redcar & Cleveland
Member	Councillor Ian Haszeldine	Darlington	Member	Councillor Craig Hannaway*	Redcar & Cleveland
Member	Councillor Sonia Kane	Darlington	Member	Councillor Tony Riordan	Stockton
Member	Councillor Andy Keir	Darlington	Member	Councillor Lynn Hall	Stockton
Member	Councillor John Nelson	Hartlepool	Member	Councillor Jim Beall	Stockton
Member	Councillor Mike Young*	Hartlepool			
Member	Councillor David Branson	Middlesbrough			
Member	Councillor Dennis McCabe	Middlesbrough			

** Stood down from Committee during Municipal Year.*

At its first meeting on 10 September 2025, the Committee received a report presenting an initial draft work programme for 2025/26, which included suggestions from Cabinet to support the Committee's exploration of task-and-finish topics. In line with the TVCA Constitution, the Committee automatically establishes a Finance and Resources Sub-Committee to consider the annual budget.

At this meeting, the Committee moved to establish five thematic sub-committees to act in a shadow capacity alongside the established Cabinet portfolios. These groups were as follows:

Portfolio Area:	Transport and Infrastructure
Cabinet Member:	Councillor Steve Harker
O&S Sub-Committee* Chair:	Councillor David Branson

Portfolio Area:	Finance & Resources, Inward Investment
Cabinet Member:	Mayor Chris Cooke
O&S Sub-Committee* Chair:	Councillor Ian Haszeldine

Portfolio Area:	Creative Place
Cabinet Member:	Councillor Brenda Harrison / Pamela Hargreaves
O&S Sub-Committee* Chair:	Councillor Jim Beall

Portfolio Area:	Education, Employment and Skills
Cabinet Member:	Councillor Lisa Evans
O&S Sub-Committee* Chair:	Councillor Rachel Creevy

Portfolio Area:	Business Growth and Net Zero
Cabinet Member:	Councillor Alec Brown
O&S Sub-Committee* Chair:	Councillor Lynn Pallister

**On 15 October 2025, the Committee adopted enhanced Terms of Reference which established a system of Thematic Leads. These arrangements replaced the previously proposed Sub-Committee model, with appointed Members taking responsibility for defined thematic areas and providing focused scrutiny of the corresponding Portfolio Holder's remit. Where appropriate, Thematic Leads may establish a Sub-Committee to undertake more detailed examination of specific matters.*

The Impact of Scrutiny

The Overview and Scrutiny Committee met a total of seven times during the municipal year. All Committee meetings opened as quorate; however, low attendance at some meetings caused proceedings to become inquorate on occasion.

Attendance 25/26

The attendance figure, by Authority, is listed below:

Authority:	Attendance %:
Stockton-On-Tees Borough Council	100 %
Middlesbrough Council	76.19 %
Darlington Borough Council	85.71 %
Redcar and Cleveland Borough Council	68.42 %
Hartlepool Borough Council	63.16 %

It should be noted that changes in membership during the year, including those arising from elections and other in-year appointments, resulted in periods where representation on the Committee varied. This has had an impact on the attendance totals presented above. However, throughout the year, each meeting was attended by at least one representative from every constituent authority, ensuring that all constituent councils remained represented in the Committee's proceedings.

Work Programme 25/26

The following sections provide a summary of the Overview and Scrutiny Committee's work from June 2025 onwards, highlighting the key areas of activity undertaken during the year.

Strengthening Scrutiny and Supporting Organisational Improvement

Throughout 2025/26, the Overview and Scrutiny Committee played an important role in supporting TVCA's programme of organisational improvement, while maintaining its independent role of challenge, oversight and assurance.

Following the issuing of the Government's Best Value Notice in April 2025, the Committee became an important part of the Authority's improvement journey. At its June 2025 meeting, the Committee considered the emerging Organisational Improvement Plan, providing member input and challenge before formally endorsing the Plan and agreeing how Overview and Scrutiny would contribute to its implementation and monitoring.

The Committee's involvement ensured that scrutiny was not simply consulted on organisational improvement but was positioned as an active participant in strengthening governance, accountability and transparency across TVCA.

The Committee subsequently continued to develop its own improvement arrangements, including reviewing its Terms of Reference, strengthening its work programming arrangements and establishing clearer relationships with other statutory committees.

18 June 2025 – *Item 4: Best Value Notice – Improvement Plan:* Overview-Scrutiny-Committee-Agenda-and-Papers-18.06.25.pdf

Organisational Improvement Plan: Organisational Improvement Plan - About

A Stronger and More Structured Work Programme

A key achievement during the year was the development of a more structured and forward-looking Overview and Scrutiny work programme.

In September 2025, the Committee considered and agreed its work programme for the 2025/26 municipal year. This built on the Committee's previous thematic reviews and introduced a more systematic approach to scrutiny across TVCA's strategic priorities.

The Committee established thematic arrangements to support scrutiny of Cabinet portfolio areas, alongside retaining the Finance and Resources Sub-Committee for the annual budget consultation process. This provided a clearer mechanism for Members to maintain oversight between full Committee meetings and allowed scrutiny activity to be focused on areas where detailed member engagement could add the greatest value.

By November 2025, the Committee had further refined its work programme, aligning it more closely with TVCA's forward plan and strategic priorities. This included consideration of how pre-decision scrutiny could be strengthened so that Members could contribute earlier to the development of policy and strategic decisions.

10 September 2025 – Work Programme Minutes: Microsoft Word - DRAFT Minutes - O&S - 10 September 2025

15 October 2025 – Work Programme Minutes: Microsoft Word - DRAFT Minutes - O&S - 19 November 2025

19 November 2025 – Work Programme Minutes: Microsoft Word - DRAFT Minutes - O&S - 19 November 2025

Transport and Improving Regional Connectivity

Transport remained an important area of scrutiny during the year. Following the Committee's previous Transport Sub-Committee review, Members considered Cabinet's response to the recommendations in September 2025. Cabinet had accepted the recommendations, providing an important example of scrutiny influencing the Authority's policy and delivery arrangements.

The Committee also received an update on physical integration and alignment across the transport network, including consideration of rail integration and the development of more connected transport provision across Tees Valley.

The Committee's continued tracking of recommendations demonstrated that scrutiny did not end when a report was agreed. Members maintained oversight of how recommendations were being implemented and sought further information where necessary.

10 September 2025 – *Item 5: Cabinet Response to Recommendations:* Overview-and-Scrutiny-Committee-Agenda-and-Papers-10-September-2025.pdf

Rail Integration Presentation: 10 September Presentation

Education, Employment and Skills

The Committee continued its focus on education, employment and skills, recognising the importance of ensuring that Tees Valley residents are equipped to benefit from the region's economic opportunities.

Particular attention was given to improving opportunities for young people, including ensuring that their voices and experiences informed policy development, while Members continued to consider the importance of aspiration, early intervention and access to education, employment and skills opportunities.

The Education, Employment and Skills Working Group recognised the breadth of issues within this area and considered that a focused task-and-finish approach would be beneficial, particularly in supporting more detailed scrutiny of priorities linked to improving opportunities for young people. This work has contributed to the Authority's wider consideration of its future approach to skills and helped ensure that scrutiny findings informed strategic policy development.

Holding the Mayor and Cabinet to Account

Mayoral Question Time continued to provide an important mechanism for direct democratic accountability.

During the year, Members used Mayoral Question Time and written questions to explore a broad range of strategic issues, including:

- Regional investment and regeneration;
- Teesworks and the Development Corporations;
- Teesside International Airport;
- Transport connectivity;
- Social Value and procurement;
- Investment in cultural assets;
- Employment and future economic opportunities; and
- The Authority's financial and governance arrangements.

The Committee demonstrated its willingness to ask detailed and constructive questions on behalf of residents across the Tees Valley, while also using the responses received to identify areas requiring further scrutiny or clarification.

Where the Mayor was unable to attend a scheduled session, the Committee maintained its commitment to accountability by submitting questions for written response. On 10 June 2026, on the advice of the Monitoring Officer, an informal session of Mayoral Question Time was held following the meeting becoming inquorate.

Questions to the Tees Valley Mayor: Microsoft Word - O&S Questions to the Mayor

19 November 2025 – *Tees Valley Mayor Attended:* Microsoft Word - DRAFT Minutes - O&S - 19 November 2025

10 June 2026 (Inquorate Mayoral Question Time): Overview & Scrutiny Meeting - Mayoral Question Time | 10 June 2026 | Tees Valley Combined Authority

Scrutiny of Governance, Decision-Making and Accountability

Governance was a particularly significant strand of the Committee's work during 2025/26.

In November 2025, Members considered proposed changes to TVCA's constitutional arrangements relating to decision-making. The Committee used this opportunity to examine how decision-making, pre-decision scrutiny, the forward plan and relationships with other governance bodies could be strengthened. Members also considered and approved an updated Terms of Reference, helping to clarify the role and purpose of the Committee and supporting the development of a stronger scrutiny function.

The Committee also explored the relationship between Overview and Scrutiny and the Audit and Governance Committee, with work subsequently progressing towards a Memorandum of Understanding between the two Committees.

Together, these activities supported a clearer and more effective governance framework and demonstrated the Committee's commitment to continuously improving the way scrutiny operates.

18 June 2025 – *Item 4: Best Value Notice – Improvement Plan:* Overview-Scrutiny-Committee-Agenda-and-Papers-18.06.25.pdf

19 November 2025 – *Items 5/6 – constitution and improvement plan:* OS-Agenda-Papers-19.11.25.pdf

14 January 2026 – *Item 4 – MOU with A&G:* Overview-and-Scrutiny-Committee-Agenda-and-Papers-14-January-2026.pdf

Recommendation Tracking and Follow-Up

A significant development during the year was the Committee's continued emphasis on recommendation tracking. Members considered progress against recommendations arising from previous scrutiny reviews, including the Transport and Education, Employment and Skills reviews.

This provided an important mechanism for ensuring that recommendations translated into action and that the Committee could return to issues where further progress or information was required.

The approach reflects a move towards outcome-focused scrutiny, ensuring that the Committee's work has a continuing impact beyond the meeting at which a report is initially considered.

10 September 2025 – *Item 6: Recommendation Tracking* - Overview-and-Scrutiny-Committee-Agenda-and-Papers-10-September-2025.pdf

Working Across the Tees Valley

The Committee brought together elected Members from all five constituent local authorities, providing a region-wide perspective on TVCA's work. This enables Members to consider issues not simply from the perspective of individual councils, but in terms of their wider impact across the Tees Valley.

The Committee's work during the year demonstrated the value of collaborative scrutiny, with Members contributing local knowledge and different perspectives to strategic regional issues. This approach was particularly important during the Authority's organisational improvement journey, where strengthening relationships between TVCA and its constituent authorities was identified as a key priority.

Developing a Modern Scrutiny Function

The Committee used 2025/26 not only to scrutinise TVCA's policies and decisions, but to strengthen the scrutiny function itself. Members considered how the Committee could operate more effectively, including:

- Clearer work programming;
- Stronger alignment with the Cabinet forward plan;
- Increased opportunities for pre-decision scrutiny;
- Clearer roles for the Committee and Thematic Lead;
- Improved recommendation tracking;
- Stronger relationships with the Audit and Governance Committee;
- Clearer arrangements for scrutiny of Mayoral Development Corporations; and
- Appropriate training and development for Members.

This work has created a stronger foundation for future scrutiny and supports the Committee's ambition to become increasingly proactive, strategic and outcome focused.

10 September 2025 – *Items 6-8* - Overview-and-Scrutiny-Committee-Agenda-and-Papers-10-September-2025.pdf

Minutes: Microsoft Word - DRAFT Minutes - O&S - 10 September 2025

Recording: Overview & Scrutiny Meeting | 10th September 2025 | Tees Valley Combined Authority

Looking Ahead

The work undertaken during 2025/26 provides a strong platform for the Committee's future programme. The Committee has developed a clearer strategic work programme, strengthened its governance arrangements and continued to demonstrate its ability to challenge, influence and provide assurance on the decisions of TVCA.

The development of thematic scrutiny arrangements, improvement recommendation tracking and greater emphasis on pre-decision scrutiny will enable Members to engage earlier with strategic priorities and follow issues through from initial consideration to implementation.

The Committee will continue to play an important role in supporting TVCA's continuous improvement journey, ensuring that effective scrutiny, transparency, accountability and meaningful Member engagement remain central to the Authority's governance arrangements.

Further Information

Further information regarding the work of the Overview and Scrutiny Committee, including agenda papers for its meetings, can be found here: Overview & Scrutiny Committee - About

Name of Contact Officer: Connor Malone
Post Title: Governance and Scrutiny Officer
Email Address: Connor.Malone@teesvalley-ca.gov.uk

Appendix 1: Implementation of the Scrutiny Protocol

	Principle	CfGS Review of Scrutiny	Agreed Recommendation	RAG Status	Detail
1.	Pool of members	*No formal arrangements exist for the provision of training and development (some induction-style training has been provided, and members have received briefings on some substantive subjects that could be construed as contributing to training and development outcomes).* *Information/briefings are shared with members on an ad hoc basis, and through reports in committee (often through the Group Update item, a standing item on the OSC agenda).* *In 2021/22 members contributed to a constitutional review, which resulted in a formal submission to government that rules around quoracy be reviewed. Evidence from Annual Reports issued by the committee suggest some issues and risks about quoracy but no greater than that which has presented in other CAs.*	To ensure members are provided with suitable training and development opportunities linked to key scrutiny activity. Development of information sharing and briefings on emerging areas to enable members to engage effectively at meetings.	Amber	Regular chair briefings are now in place, including extended agenda-setting sessions with the Chair and Vice-Chair. Additional sessions are also held with the Chief Executive and Senior Responsible Officer. Training sessions have been delivered by CfGS, with further sessions planned for the new municipal year. Mandatory training requirements will be considered as part of the Governance Improvements in the Organisation Improvement Plan.

	Principle	CfGS Review of Scrutiny	Agreed Recommendation	RAG Status	Detail
2.	Politically-balanced membership	*Membership of the Committee is proportionate. No action required.*	No further action required.	Green	[redacted]
3.	Geographically balanced membership			Green	
4.	Appointment of chair	*Legal requirements on chairing are met.* *The (2023-24) Chair did not enjoy a productive relationship with the CA as a whole, although relationships with some individual officers are positive. Within the CA there is respect overall for the position of Chair and a desire to improve relationships, but this is difficult in the context of the wider member/officer mistrust that we note elsewhere.* *The role of the Chair is limited and frustrated by mistrust, mutual misunderstandings and misinterpretations of scrutiny's wider role within the authority.*	To continue development of chair's briefings (scheduled to take place a week before the date of agenda publication) to ensure that all relevant information has been provided and to respond to key issues. Pre-meetings to take place with the chair on the day of the meeting to consider any developments since publication of the agenda and to ensure the smooth running of the meeting.	Green	As outlined under Principle 1, more detailed sessions are now held with the Chair. The Chair has developed a strong working relationship with the Authority and senior officers. The appointment process for the Chair has been clarified within the Terms of Reference

	Principle	CfGS Review of Scrutiny	Agreed Recommendation	RAG Status	Detail
5.	Sustained appointments made on interest and skills	*By and large, nominations from constituent authorities are not made on the basis of interest and skills.* *The CA puts in place formal induction-style training for new members and arrangements such as site visits to familiarise members with the wider context of the CA's work. Beyond this members are reliant on scrutiny training and development arrangements made by their own authorities.*	Constituent authorities to be reminded of the importance of nominating members based on their experience, interests and skills set. (See response to no. 1 in relation to development of information sharing and briefings on emerging areas to enable members to engage effectively at meetings.)	Green	Engagement continues with constituent authorities through the NEREO network for North East scrutiny officers. Officers maintain regular communication with Democratic Services teams across the constituent authorities.
6.	Well-resourced training			Green	Funded training is being provided, with resources allocated to ongoing development needs. A more detailed induction programme is scheduled for delivery in the 2026/27 municipal year.

	Principle	CfGS Review of Scrutiny	Agreed Recommendation	RAG Status	Detail
7.	Inviting technical expertise	*Deep dives and a more rigorous approach to the design of the work programme (and the agendas of individual meetings) means that scrutiny has begun to think more creatively about the need for outside input. Attendance at meetings (and invitations to provide evidence) do, however, seem to have focused on those organisations with the closest connections to TVCA. Most to whom we spoke considered that deep dive work ought to be "digging deeper", and a part of this will be drawing in evidence from a wider range of sources.*	Representatives to be invited to provide technical expertise, particularly as part of deep dive reviews (as evidenced as part of the reviews in relation to buses and south tees development corporation in 2023/24.) To develop terms of reference with a focus on adding value and ensuring clear outcomes.	Green	The Committee introduced SMART recommendations and tracking in the previous municipal year to strengthen Principle 7. Terms of Reference are designed to reflect the Committee's need for appropriate technical expertise where required.
8.	Remuneration and status	*Remuneration arrangements are as set out in law, with changes having recently been made.* *There is an ongoing disagreement on scrutiny's right to review and oversee bodies other than the CA. This affects scrutiny's access to information. We provide more detail on this in the main body of the text.*	Remuneration to be reviewed through the use of an Independent Remuneration Panel (IRP).	Amber	An Independent Remuneration Panel (IRP) was approved by TVCA Cabinet in December 2025. Work is underway to resolve membership issues, as some authorities no longer hold contact details for their appointed representatives. An initial meeting is planned for late April.

	Principle	CfGS Review of Scrutiny	Agreed Recommendation	RAG Status	Detail
9.	Holding the Mayor and the institution to account	*There are consistent issues around Mayoral attendance at committee, and engagement with committee work. Some of this stems from misunderstandings about when attendance is "required", and necessary.* *Questioning often focuses on operational detail, and appears forensic. This granular, technical focus has led to clarity on important matters – but also means that there is a risk that more fundamental, strategic matters are not attended to.*	Mayor's question time to be introduced. Two separate sessions to take place during the municipal year. The sessions to be focussed solely on mayor's questions.	Green	Mayor's Question Time (MQT) sessions have been established and are now in place.
10.	Participation in pre-policy and pre-decision scrutiny	*In 2022 scrutiny experimented with a form of pre-decision scrutiny at the request of a committee member who wanted to replicate the form of this scrutiny that operated in her authority. This took the form of a formal referral from Cabinet on the topic of investment planning.* *There is not a clear thread between scrutiny's activity, and executive action, in part because scrutiny does not choose to look at matters which connect with the content of the FP.* *In a broader sense most stakeholders feel that scrutiny has little impact, and this is backed up*	To provide opportunities for pre-decision scrutiny through the work of the finance and resources sub-committee, focussed on reviewing the budget as part of the overall budget consultation process. Members to be encouraged to identify opportunities for pre-decision / pre-policy scrutiny as part of its deep dive reviews, review of the forward plan and group updates.	Green	Training delivered in September 2025 will be refreshed in September 2026, alongside an enhanced induction programme.

	Principle	CfGS Review of Scrutiny	Agreed Recommendation	RAG Status	Detail
		by the lack of a clear thread between scrutiny's activities and actions and decisions taken by the Mayor and others. There is not the alignment that we would expect between scrutiny's work programme			
11.	Provision to call-in	*Provision exists for call-in but the facility has not (since 2022) been used. The Forward Plan is produced regularly and shared with members (see above).* *Rules for call-in are set in the constitution. The current procedure is within the law, but is more restrictive than that which applies in some other combined authorities.*	The constitution sets out the rules for calling-in a decision.	Amber	The call-in process will be reviewed in line with the constitutional amendments proposed.
12.	Regular performance monitoring	*Work programming is dominated by generalised updates – the approach to this general update has been revised since mid-2023. There is now evidence of a more focused approach but there is not the balance of items on the agenda that we would expect to see.*	Development of a clearly focussed and structured work programme. Recommendation tracking to be implemented to review the level of progress made against recommendations arising from deep dive reviews and to provide	Green	The work programme is structured and allows flexibility to accommodate changes. Recommendation tracking is active and reported to the Committee in line with members' requests.

	Principle	CfGS Review of Scrutiny	Agreed Recommendation	RAG Status	Detail
		There are attempts (usually in the Group Update) to bring scrutiny to areas of TVCA operations but these are inconsistent from meeting to meeting. The committee does return to items of ongoing concern regularly but there does not seem to be any strategy underpinning this. *Performance issues are not (for example) escalated from other forums such as Audit or CA Cabinet; opportunities to identify and escalate CA-related performance concerns from the scrutiny functions of constituent authorities are also not taken.*	members with an opportunity to consider whether further scrutiny is required.		
13.	Robust work planning	*Work programming has improved over 2023, but the approach still seems scattergun. It is not clear where work programme items come from. Members have a sense about issues which hold local importance and controversy – we note detailed discussion recently on (for example) STDC remediation, transport delivery, crustacean dieoff, on support for the International Airport.* *There is not the evidence to suggest a broader process of dialogue and conversation about the relative priority of different items (or the selection of items for "deep dives").*	Cabinet members to be invited to suggest areas for overview and scrutiny to explore as part of its deep dive reviews to ensure a more strategic approach. That the work programme provides a clear timescale for undertaking deep dive reviews and other key scrutiny activity. That the work programme remains robust and flexible to consider new and emerging areas.	Green	Cabinet members are approached annually for suggested areas of scrutiny, and members take part in informal work-planning sessions before the first meeting of the municipal year. The work programme incorporates timescales for task-and-finish activity while retaining flexibility for new and emerging issues.

	Principle	CfGS Review of Scrutiny	Agreed Recommendation	RAG Status	Detail
14.	Focused task and finish exercises	*In 2023/24 the committee has acted to introduce "deep dives" as a model for scrutiny; sub-committees have been established to engage in forensic examinations of two areas of member interest – major contracts at STDC and bus service provision. Feedback from both pieces of work has been broadly positive although there is little evidence of meaningful impact.*	Focussed task and finish exercises to be established with clear reporting timescales. Initial presentations and information gathering exercises to be established to inform terms of reference and maximise the potential for ensuring meaningful impact.	Green	The implementation of SMART recommendations into the task and finish exercises has refocussed the activity. In advance of topic selection, sub-committees explore areas within the respective directorate in advance of making a decision to review.
15.	Strong relationships with stakeholders	*There appear to be limited links between CA and LA scrutiny. LAs will sometimes undertake scrutiny work on matters adjacent to CA scrutiny's responsibilities, without the CA scrutiny function being involved or aware.*	Development of regional scrutiny officers' network meetings with constituent authorities to avoid duplication of effort and to discuss best practice.	Green	Officers meet regularly through the NEREO network and also engage directly with officers from the constituent authorities. Officers also share best practice through CfGS events, the Combined Authorities Governance Network, and ADSO.
16.	Regular self-evaluation and reflection	*There is an annual reporting process for scrutiny although this tends to focus on scrutiny's activity rather than its impact.* *A substantial member-officer exercise was undertaken during 2023 to review and improve scrutiny processes, with changes being put in*	Development of annual report with a greater focus on the impact of overview and scrutiny. To include a focus on looking ahead and emerging issues.	Green	An enhanced Annual Report was produced for the 2024/25 municipal year, aligned with best practice and placing greater emphasis on impact.

	Principle	CfGS Review of Scrutiny	Agreed Recommendation	RAG Status	Detail
17.	Access to data, research and analysis	*place from summer 2023 onwards, although (as we note in the main body of this report) it did not have the desired effects.*			
18.	Strong relationship with audit committees	*There is little practical liaison between the OSC and Audit. There is some understanding of the need for this (in theory) but no sense of urgency around the need for even informal liaison, which given the challenges to governance highlighted in the Tees Valley Review is surprising.*	To facilitate informal meetings with chairs and officers to manage shared areas of interest and responsibility and to identify opportunities for the committees to work collaboratively.	Green	The Committee has established a Memorandum of Understanding (MoU) with the Audit & Governance Committee to support a consistent and collaborative relationship between the two committees.

Appendix 2: Implementation of CfGS Recommendations

CfGS Action	Detail	Status
1A - Clarify and articulate scrutiny's role	Significant progress has been made in clarifying the role and purpose of scrutiny through enhanced member development, strengthened work programming arrangements, regular Chair and Vice-Chair briefings, engagement with senior officers and the introduction of structured accountability mechanisms. These improvements have been further supported through the Authority's wider governance improvement programme and the development of a Codified Constitution, which will formally define the role of Overview and Scrutiny within the governance framework and establish clear relationships between scrutiny, the executive and partner organisations. Once adopted, the Constitution will provide the formal articulation of scrutiny's role sought by the CfGS review.	Closed (subject to adoption of Codified Constitution)
1B - Agree scrutiny's role in financial governance and risk through a protocol	Scrutiny's role in financial oversight has been strengthened through ongoing activity of the Finance and Resources Sub-Committee and the establishment of a Memorandum of Understanding between the Overview and Scrutiny Committee and the Audit and Governance Committee. This has improved collaboration on areas of shared interest, including governance, risk and assurance. The Codified Constitution will further clarify the respective responsibilities of Cabinet, Audit and Governance Committee and Overview and Scrutiny Committee, providing the governance framework envisaged by the recommendation.	Closed (subject to adoption of Codified Constitution)
2A - Executive-Scrutiny Protocol	Considerable progress has been made in formalising working relationships between scrutiny, the executive and senior officers. Enhanced Chair briefings, agenda-planning meetings, greater engagement with senior officers, recommendation tracking and structured work-planning processes have created more transparent and consistent arrangements. These improvements are intended to be embedded within the new Codified Constitution, removing the need for a standalone protocol and providing a comprehensive constitutional framework governing executive-scrutiny relationship.	Closed (subject to adoption of Codified Constitution)

2B - Structured relationship with the Mayor	The introduction of dedicated Mayor's Question Time sessions has established a structured and transparent mechanism through which the Mayor can be held to account by the Committee. These sessions are now embedded within the scrutiny cycle and represent a significant improvement in accountability arrangements and executive-scrutiny engagement.	Closed
2C - Systematised oversight of STDC	Since publication of the CfGS review, Government has issued specific guidance on the scrutiny of Mayoral Development Corporations, clarifying the role of Combined Authority Overview and Scrutiny Committees. The guidance confirms that scrutiny committees may scrutinise mayoral decisions relating to MDCs, require attendance from the Mayor and relevant officers, access documentation relating to MDC decisions and invite MDC representatives to attend meetings. Locally, scrutiny has continued to undertake structured reviews relating to STDC, supported by formal work programming, task-and-finish reviews and recommendation tracking arrangements. Taken together, the national guidance and local governance improvements provide the systematic oversight framework sought by the review.	Closed
3A - Proactive information-sharing arrangements	Significant improvements have been made to information-sharing arrangements through regular Chair briefings, engagement with the Chief Executive and senior officers, enhanced agenda-setting processes and greater visibility of emerging issues. Information-sharing arrangements have become more structured and proactive than at the time of the review. The Codified Constitution will formalise arrangements for information access, transparency and reporting, providing a clear framework for member access to information and supporting effective scrutiny.	Closed (subject to adoption of Codified Constitution)
3B - Information requirements	The introduction of structured work programming, enhanced task-and-finish reviews, recommendation tracking and improved scrutiny planning has ensured that information requests are increasingly linked to	Closed

linked to scrutiny investigations	clearly defined lines of inquiry and agreed review objectives. Information gathering is now more targeted and better aligned with scrutiny priorities.	
4A - Evidence-based work programming	Work programming arrangements have been significantly strengthened through annual planning sessions, engagement with Cabinet members, the establishment of clear timelines for reviews and the introduction of flexible mechanisms to respond to emerging issues. Recommendation tracking and SMART recommendations have further improved the Committee's ability to demonstrate impact and monitor outcomes arising from scrutiny activity.	Closed
5A - Member training and development programme	A comprehensive programme of member development has been implemented, including training delivered by the Centre for Governance and Scrutiny, regular briefing sessions and enhanced induction arrangements. Further development activity continues to be planned and delivered as part of the Authority's commitment to continuous improvement.	Closed
5B - Officer awareness and understanding of scrutiny	Relationships between scrutiny and officers have strengthened considerably through regular engagement sessions, increased involvement of senior officers and more collaborative working practices. This has helped embed a greater understanding of the role, remit and value of scrutiny across the organisation.	Closed
5C - Coordination with constituent authorities on member development	Ongoing engagement through the NEREO network, regular liaison with constituent authority Democratic Services teams and participation in regional and national scrutiny networks has strengthened collaboration and the sharing of good practice. These arrangements support a coordinated approach to member development and scrutiny improvement across the Tees Valley.	Closed

Cabinet

Tees Valley Combined Authority

Date	25 September 2026			
Agenda Item	12			
Report Title	**Delegated Decisions**			
Accountable Cabinet Member	**Mayor Ben Houchen** Chair of the Cabinet			
Accountable Chief Officer	**Andrew Perriman** Director of Legal & Governance (Monitoring Officer)			
Accountable Employee	**Andrew Perriman** Director of Legal & Governance (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 11 September 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	Not applicable			

Recommendation(s)

The Combined Authority Cabinet is recommended to:

A	**NOTE** The delegated decisions made since Cabinet last met on 31 July 2026.

1. Purpose

1.1 The purpose of this report is to provide Cabinet with detail of any Delegated or Urgent Decisions made since Cabinet last met on 31 July 2026.

2. Executive Summary

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

2.2 Since the date of its last meeting on 31 July 2026, two Delegated Decisions have been taken.

2.3 Since the date of its last meeting on 31 July 2026, no Urgent Decisions have been taken.

3. Delegated Decisions

3.1 Delegated Decision **CF18-2026** below has been taken in line with the Tees Valley Combined Authority Revised Assurance Framework, as agreed by Cabinet on 27 September 2024.

A decision was taken to approve the allocation of £34,950,309 of CRSTS capital funding to South Tees Development Corporation (STDC) for delivery of the Steel House Park & Ride project, subject to completion of a funding agreement and standard assurance, monitoring and claims requirements.

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.**

3.2 Delegated Decision **CF22-2026** below has been taken in line with the Tees Valley Combined Authority Revised Assurance Framework, as agreed by Cabinet on 27 September 2024.

A decision was taken to approve the allocation of £19.987m of CRSTS capital funding to South Tees Development Corporation (STDC) for delivery of the Teesworks Multi-Modal Transport Hub project (the Hub), subject to completion of a funding agreement and standard assurance, monitoring and claims requirements.

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.**

4. Partnership & Engagement

4.1	A draft version of this report was circulated in advance and discussed with Informal Cabinet on the 11 September 2026.

5.	**Appendices**
5.1	Appendix 1 – Delegated Decision CF18-2026 Appendix 2 – Delegated Decision CF22-2026

Cabinet is requested to consider the following identified implications:

6.	**Financial Implications**
6.1	There are no direct financial implications arising from the recommendation in this report.

7.	**Legal Implications**
7.1	There are no direct legal implications arising from the recommendation in this report.

8.	**Equality & Diversity Implications**
8.1	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.

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

Risk		Assurance Framework		Procurement	
Improvement	**x**	Environment		HR & IT	

9	**Improvement**
9.1	The transparency and publication of delegated decisions demonstrate TVCA's commitment to transparency, openness, compliance and Good Governance. This approach is embedded within the organisation.

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.

OFFICER:	DATE DECISION TAKEN:
Sally Cowley, Appraisal Manager	30th July 2026
DECISION NO:	**DELEGATION POWER AND PAGE OF CONSTITUTION:**
CF18-2026	Revised TVCA Assurance Framework agreed by Cabinet on 27th September 2024 (Minute No. TVCA 20/2024).

DETAILS OF DECISION:

To approve the allocation of £34,950,309 of CRSTS capital funding to South Tees Development Corporation (STDC) for delivery of the Steel House Park & Ride project, subject to completion of a funding agreement and standard assurance, monitoring and claims requirements.

A business case has been submitted by STDC seeking capital investment of c£34.95m to deliver the Steel House Park & Ride project ('the project'). This is a strategic multi-modal transport hub that will provide 1,500 parking spaces on a 14-hectare site in the north-east of Teesworks. The facility includes: 1,254 standard car parking spaces, 150 Electric Vehicle (EV) charging spaces, 30 disabled bays, 45 minibus/van spaces, 30 motorcycle spaces and 8 cycle spaces housed in eight shelters.

The project is designed to facilitate a modal shift, where workers park at the hub and are transported into the Teesworks site via high-frequency bus services during peak morning and evening hours.

Infrastructure on-site includes a bus station amenity building, internal road with access barriers and a dedicated bus station zone. Access to the facility is provided via a new signalised junction on the A1085 Trunk Road, located approximately 470m north-east of the existing 'Redcar Gate' roundabout.

Full planning permission has already been granted, and works have commenced on site 'at risk'. Scheduled to open in 2027, the park & ride facility forms a key component of the wider transport strategy supporting major development projects within Teesworks, including the Net Zero Teesside (NZT) scheme.

The NZT Development Consent Order identified the requirement for a construction worker travel management strategy, including the provision of a park & ride facility at Steel House to:

- Minimise traffic impacts on the local highway, and
- Facilitate the safe and efficient movement of workers during the construction phase.

The facility is expected to play an important role in supporting the delivery of the NZT project, which is proposed as the UK's first gas-fired power station with carbon capture, utilisation and storage (CCUS) technology and forms part of the wider ambition to establish Teesside as the UK's first net zero industrial cluster.

The scheme is well advanced and has been tendered to ensure timely delivery for inward investors. High-level Key Milestones are as follows:

- Project Start Date – January 2024
- Construction Start – April 2026
- Phases 1 & 2 (Highways Works) Completion Date – June 2026
- Phase 3 (Car Park) Completion – January 2027
- Proposed Opening / Fully Operational – May 2027

FINANCIAL IMPLICATIONS:

This decision will commit £34,950,309 from the CRSTS 2026/27 allocation, breakdown of costs provided within the table below. Funding aligns with the CRSTS programme allocation requirement as funds will be committed by 31/03/2027 and fully defrayed by 31/03/2028.

Expenditure Heading	2025/26	2026/27	TOTAL
Phase 1 & 2 Construction Works	£7,383,082	£2,297,962	**£9,681,044**
Phase 3 Construction Works	£7,950,955	5,966,310	**£13,917,265**
Other Physical Enabling Works	£8,800,000	£660,000	**£9,460,000**
Project Delivery Management	£1,060,000	£590,000	**£1,650,000**
Third Party Fees	£220,000	£22,000	**£242,000**
TOTAL	**£25,414,037**	**£9,536,272**	**£34,950,309**

Subject to agreement to this request a funding agreement will be issued to STDC which will clearly set out the funding and the outputs which the organisation is expected to achieve.

Due to the level of eligible expenditure already incurred by the Grant TVCA will release a payment of £28,220,485.68 (twenty-eight million, two hundred and twenty thousand, four hundred and eighty five pounds and sixty eight pence) to the Grant Recipient upon the Funding Agreement being fully executed by both parties.

The Grant Recipient will provide a fully evidence claim and reconciliation within 60 days of grant payment.

The balance of the Grant, being £6,729,823.32 (six million, seven hundred and twenty nine thousand, eight hundred and twenty three pounds and thirty two pence., shall be released through standard quarterly payments in arrears, subject to submission and approval of eligible expenditure claims by the Grant Recipient, supported by appropriate evidence and in accordance with TVCA's claims and monitoring requirements.

This approach ensures timely reimbursement of costs already defrayed, whilst maintaining appropriate assurance requiring the Grant Recipient to provide a fully evidenced claim and reconciliation within 60-days of grant payment.

Ongoing performance monitoring will be undertaken by TVCA's Performance, Risk & Assurance Team with progress updates being provided on a quarterly basis.

EXISTING CABINET DECISION WHICH ASSIGNED THE NECESSARY FUNDING:

Investment in a transport infrastructure package to support the development of the Teesworks site was originally identified in the "CRSTS2" programme agreed by Cabinet in January 2024. The need to accelerate this work to support developments / job creating investments on site was identified and the Teesworks Transport Infrastructure Investment Programme was accepted into the Transport CRSTS Delivery Programme following discussions with DfT and agreement to a change control request in December 2025.

However, following the establishment of a consolidated funding settlements from 2026/27 for TVCA, year 5 of CRSTS funding has subsequently been rolled into the Mayoral Transport Fund and a draft Local Transport Delivery Plan was produced, agreed by Cabinet and submitted to DfT in March 2026.

IS THIS A KEY DECISION?

This DDR is not a new Key Decision because the relevant programme funding and delegation were approved by Cabinet through Decision No. TVCA88/25. This decision implements that approved delegation and does not introduce a new policy position or additional funding commitment outside the approved programme.

"AGREE 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."

RELEVANT CABINET POLICY FRAMEWORK:

The City Region Sustainable Transport Settlement (CRSTS) is governed at a national level by Department for Transport (DfT) guidance and at a regional level by Mayoral Combined Authority (MCA) Assurance Frameworks, Mayoral Transport Plans and Strategic Economic Plans.

One of the six growth generating themes in the Strategic Economic Plan (SEP) is Transport & Infrastructure. The SEP details the desire to boost economic growth in the Tees Valley by providing key investments in transport infrastructure. This includes facilitating local, regional, national and international road and rail connectivity through collaborative investment in physical infrastructure projects.

The Strategic Transport Plan (STP) has been agreed by Cabinet and sets out the investment priorities.

The CRSTS Programme includes 6 investment packages:

- Cycling and Walking
- Rail

- Bus
- Decarbonisation
- Digital
- Accessing Opportunity

PROCESS OF PARTNER CONSULTATION:

The draft Local Transport Delivery Plan agreed by Cabinet outlined the Teesworks / East A66 / A174 growth corridor which comprised a number of projects including: Teesworks East Transport Hub (identified within CRSTS programme)

Prior to agreement by Cabinet, this draft Local Transport Delivery Plan (LTDP) had been developed in conjunction with local authority representatives through a regular Transport Investment Programme meeting which is attended by Transport Advisory Group representatives.

The draft LTDP was also discussed with Transport Committee members individually to help shape the overall programme and was agreed at a workshop prior to formal consideration and agreement by Cabinet

Tees Valley Management Group have been consulted – no objections received in relation to the proposal by the deadline of 30th July 2026.

HOW THE ASSURANCE PROCESS WILL BE APPLIED TO THE DECISION:

In line with the TVCAs Assurance Framework projects proposed for funding from this allocation are subject to the development of a business case and its subsequent appraisal.

Final sign off for individual projects is delegated to the Combined Authority Chief Executive (in consultation with Tees Valley Management Group), the Section 73 Officer and Monitoring Officer.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

The options assessment approach undertaken comprises of three stages, as follows:

- Stage 1: A long list of options has been developed based on four scenarios, comprising: 'Do Nothing', 'Do Minimum', 'Do Something' and 'Do Maximum'.
- Stage 2: Each long list was assessed against critical success factors, to demonstrate strategic alignment with a well-evidenced rationale for intervention, alongside clearly defined objectives & outcomes, deliverability and affordability. This resulted in a shortlist of options being identified for further assessment.
- Stage 3: A more detailed assessment of the short-listed options has been undertaken to determine the preferred option following detailed transport modelling being undertaken.

This approach aligns with Green Book and DfT Guidance.

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

None identified

SIGNATURE:  CHIEF EXECUTIVE DATE: 30/07/2026	SIGNATURE:  MONITORING OFFICER DATE: 30/07/2026	SIGNATURE:  FINANCE DIRECTOR PP Interim Deputy S73 Officer DATE: 30/07/2026
All sections below are for Governance Team use only DATE REPORTED TO MANAGEMENT GROUP: 13/08/2026		
KEY DECISION ~~YES~~ NO *If Yes circulate to Overview & Scrutiny Committee within 2 working days* DATE CIRCULATED: OFFICER NAME:		
DEADLINE DATE FOR CALL IN BY OVERVIEW & SCRUTINY COMMITTEE (5 days from the date Committee notified of the decision): N/A		
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

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.

OFFICER:	DATE DECISION TAKEN:
Sally Cowley, Appraisal Manager	20th August 2026
DECISION NO:	**DELEGATION POWER AND PAGE OF CONSTITUTION:**
CF22-2026	Revised TVCA Assurance Framework agreed by Cabinet on 27th September 2024 (Minute No. TVCA 20/2024).

DETAILS OF DECISION:

To approve the allocation of £19.987m of CRSTS capital funding to South Tees Development Corporation (STDC) for delivery of the Teesworks Multi-Modal Transport Hub project (the Hub), subject to completion of a funding agreement and standard assurance, monitoring and claims requirements.

The Hub will deliver a strategic transport and logistics facility located on a 7.3-hectare site north of the A1053/A66/Tees Dock Road roundabout, including:

- Approximately 150 articulated HGV parking spaces and 204 car/van parking spaces;
- A two-storey gatehouse and security buildings to control access into the Lackenby and British Steel industrial zones;
- High-quality driver welfare facilities containing shower, toilet and catering provision, alongside a dedicated hydrogen refuelling station to support the transition to zero-emission freight; and
- Internal access roads, on-site bus stops and a pedestrian footpath link, enabling drivers to access nearby commercial and leisure facilities.

The facility is expected to play an important role in supporting the delivery of the NZT project, which is proposed as the UK's first gas-fired power station with carbon capture, utilisation and storage (CCUS) technology and forms part of the wider ambition to establish Teesside as the UK's first net zero industrial cluster.

High-level Key Milestones for project delivery are as follows:

- Project Start Date: 1 March 2026
- Procurement of Design & Build Contractors: June to September 2026
- Contract Mobilisation & Detailed Design: October – December 2026
- Site Clearance and Remediation Works: January to April 2027
- Civil Engineering & Building Construction: May 2027 to March 2028
- Proposed Opening / Full Operation: April to May 2028.

FINANCIAL IMPLICATIONS:

This decision will commit £19.987m from the CRSTS allocation, breakdown of costs provided within the table below.

Cost Heading	Estimated Cost	Expenditure Profile		
		2025/26	2026/27	2027/28
Surveys & Investigations	£200,000	£0	£200,000	£0
Construction Works	£14,830,000	£400,000	£3,595,000	£11,060,000
Consultancy Services	£2,300,000	£50,000	£1,145,000	£880,000
Third Part Costs	£50,000	£10,000	£40,000	£0
Contingency	£2,607,000	£0	£880,000	£1,727,000
TOTAL	£19,987,000	£460,000	£5,860,000	£13,667,000

Subject to agreement to this request a funding agreement will be issued to STDC which will clearly set out the funding and the outputs which the organisation is expected to achieve.

Ongoing performance monitoring will be undertaken by TVCA's Performance, Risk & Assurance Team with progress updates being provided on a quarterly basis. The proposed payment mechanism for the grant is quarterly in arrears, as per TVCA's standard T7Cs.

EXISTING CABINET DECISION WHICH ASSIGNED THE NECESSARY FUNDING:

Investment in a transport infrastructure package to support the development of the Teesworks site was originally identified in the "CRSTS2" programme agreed by Cabinet in January 2024. The need to accelerate this work to support developments / job creating investments on site was identified and the Teesworks Transport Infrastructure Investment Programme was accepted into the Transport CRSTS Delivery Programme following discussions with DfT and agreement to a change control request in December 2025.

However, following the establishment of a consolidated funding settlements from 2026/27 for TVCA, year 5 of CRSTS funding has subsequently been rolled into the Mayoral Transport Fund and a draft Local Transport Delivery Plan was produced, agreed by Cabinet and submitted to DfT in March 2026.

IS THIS A KEY DECISION?

This DDR is not a new Key Decision because the relevant programme funding and delegation were approved by Cabinet through Decision No. TVCA88/25. This decision implements that approved delegation and does not introduce a new policy position or additional funding commitment outside the approved programme.

"AGREE 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."

RELEVANT CABINET POLICY FRAMEWORK:

The City Region Sustainable Transport Settlement (CRSTS) is governed at a national level by Department for Transport (DfT) guidance and at a regional level by Mayoral Combined Authority (MCA) Assurance Frameworks, Mayoral Transport Plans and Strategic Economic Plans.

One of the six growth generating themes in the Strategic Economic Plan (SEP) is Transport & Infrastructure. The SEP details the desire to boost economic growth in the Tees Valley by providing key investments in transport infrastructure. This includes facilitating local, regional, national and international road and rail connectivity through collaborative investment in physical infrastructure projects.

The Strategic Transport Plan (STP) has been agreed by Cabinet and sets out the investment priorities.

The CRSTS Programme includes 6 investment packages:

- Cycling and Walking
- Rail

- Bus
- Decarbonisation
- Digital
- Accessing Opportunity

PROCESS OF PARTNER CONSULTATION:

The draft Local Transport Delivery Plan agreed by Cabinet outlined the Teesworks / East A66 / A174 Growth Corridor which comprised a number of projects including: Teesworks East Transport Hub (identified within CRSTS programme)

Prior to agreement by Cabinet, this draft Local Transport Delivery Plan (LTDP) had been developed in conjunction with local authority representatives through a regular Transport Investment Programme meeting which is attended by Transport Advisory Group representatives.

The draft LTDP was also discussed with Transport Committee members individually to help shape the overall programme and was agreed at a workshop prior to formal consideration and agreement by Cabinet

Tees Valley Management Group have been consulted – no objections received in relation to the proposal by the deadline of 20th August 2026 at 12:00 noon.

HOW THE ASSURANCE PROCESS WILL BE APPLIED TO THE DECISION:

In line with the TVCAs Assurance Framework projects proposed for funding from this allocation are subject to the development of a business case and its subsequent appraisal.

Final sign off for individual projects is delegated to the Combined Authority Chief Executive (in consultation with Tees Valley Management Group), the Section 73 Officer and Monitoring Officer.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

The options assessment approach undertaken comprises of three stages, as follows:

- Stage 1: A long list of options has been developed based on four scenarios, comprising: 'Do Nothing', 'Do Minimum', 'Do Something' and 'Do Maximum'.
- Stage 2: Each long list was assessed against critical success factors, to demonstrate strategic alignment with a well-evidenced rationale for intervention, alongside clearly defined objectives & outcomes, deliverability and affordability. This resulted in a shortlist of options being identified for further assessment.
- Stage 3: A more detailed assessment of the short-listed options has been undertaken to determine the preferred option following detailed transport modelling being undertaken.

This approach aligns with Green Book and DfT Guidance.

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

None identified

SIGNATURE:	SIGNATURE:	SIGNATURE:
 CHIEF EXECUTIVE DATE: 20/08/2026	 MONITORING OFFICER DATE: 20/08/2026	 Interim FINANCE DIRECTOR DATE: 20/08/2026
All sections below are for Governance Team use only DATE REPORTED TO MANAGEMENT GROUP:		
KEY DECISION ~~YES~~ NO *If Yes circulate to Overview & Scrutiny Committee within 2 working days* DATE CIRCULATED: OFFICER NAME:		
DEADLINE DATE FOR CALL IN BY OVERVIEW & SCRUTINY COMMITTEE (5 days from the date Committee notified of the decision): N/A		
DATE FUNDS CAN BE RELEASED:		

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

Cabinet

Tees Valley Combined Authority

Date	25 September 2026			
Agenda Item	13			
Report Title	**Quarter 1 Draft Revenue & Capital Outturn 2026/27**			
Accountable Cabinet Member	**Mayor Chris Cooke** Portfolio Holder for Inward Investment and Finance			
Accountable Chief Officer	**Alan Layton** Interim Group Director of Finance & Resources			
Accountable Employee	**Laura Parsons** Interim Head of Finance			
Report considered by	Pre-Cabinet process A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 11 September 2026.			
Key Decision		Yes **X**	No	This is a key decision in accordance with the Constitution.
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	**Note** the draft revenue outturn position of a net surplus of £1.705m for the year ending 31 March 2027, an adverse variance of £0.278m against the budget for £1.983m.

B	**Note** the forecast revenue project expenditure in Appendix 1 of £86.093m, an increase of £2.710m from the budgeted amount of £83.383m, but a reduction of £5.359m from the grant income received due to reprofiling of project expenditure.
C	**Note** the proposed contributions to reserves of £3.443m and contributions from reserves of £1.738m, a net movement to revenue reserves of £1.705m.
D	**Note** the total usable revenue reserves of £59.275m as at 31 March 2027.
E	**Note** the draft outturn for the Capital Programme of £189.534m for the financial year to 31 March 2027, an increase of £68.645m against budgeted capital expenditure of £120.889m.
F	**Note** the capital reserves forecast of £112.308m as 31 March 2028 and the proposed use of £97.093m of capital grants in year.

Purpose

1.1 To provide details of the draft revenue and capital outturn position for Tees Valley Combined Authority (TVCA) for the year ending 31 March 2027, highlighting any key variances to the approved budget for the year, based on the provisional outturn position as at the end of Quarter 1 (30 June 2026).

1.2 The report highlights key variances within the draft outturn position and details of the draft reserves (revenue and capital) position at the end of March 2027 for Cabinet to consider.

1.3 The report also provides a draft outturn for Capital expenditure by Directorate within the Capital Programme for 2026/27.

2 EXECUTIVE SUMMARY

2.1 In March 2026, Cabinet approved a net revenue budget with a surplus of £1.983m. £1.000m was to be drawn down from reserves to contribute to Hartlepool Development Corporation and the surplus £2.983m was contributed to the Lease

Wrap reserve £1.028m, £0.500m to the Election reserve and £1.455m to the Devolution reserve.

2.2 At Quarter 1 (30 June 2026), the Tees Valley Combined Authority is forecasting a net contribution to reserves of £1.705m for 2026/27, compared with the budgeted contribution of £1.983m. This represents an adverse variance of £0.278m, although the overall financial position remains stable and reflects prudent forecasting assumptions in several key areas.

2.3 The most significant adverse movement relates to a reduction in forecast Enterprise Zone business rate income of £5.233m, reflecting delays in the confirmation of valuations and operational dates for Enterprise Zone sites. Until formal valuations are received from the Valuation Office Agency, it is considered prudent to exclude this income from the forecast position. This pressure is largely offset by a forecast saving of £6.140m on interest payable, arising from lower than anticipated borrowing requirements due to the continued use of internal cash balances and the timing of capital expenditure.

2.4 An additional £1.000m of Mayoral Capacity Funding is expected to be received during the year, providing support for our devolution preparations and as a holding position this is shown as being put into a reserve while we assess what is needed for our preparations. There remains uncertainty around the level of support service recharges recoverable from grant-funded programmes, and a prudent forecast of £4.000m has been included pending approval of the revised recharge methodology at Quarter 2.

2.5 Directorate budgets are forecasting a combined overspend of £2.314m, principally driven by reduced grant recharge income. These pressures are partially offset by underspends across Operations and Infrastructure, resulting from vacant posts, grant-funded staffing and lower than anticipated ICT expenditure.

2.6 The Authority continues to maintain a robust treasury management position. Forecast interest receivable from loans is broadly in line with budget, with £14.464m expected from loans to South Tees Development Corporation (STDC). A detailed cashflow review and stress testing exercise has confirmed that STDC loan arrangements remain financially sustainable over the life of the loans and loan agreements are being put in place in-line with the previous Cabinet decision. Appropriate bad debt provisions continue to be maintained against Goosepool and Liberty Steel loan interest where recoverability remains uncertain.

2.7 The Capital Programme is forecasting expenditure of £189.534m against an approved budget of £120.889m, reflecting the acceleration of transport schemes, additional

grant-funded activity and the progression of projects through the Final Business Case approval process. Significant investment continues across transport, regeneration, business growth, net zero and housing programmes, with delivery of approximately £86.1m of revenue-funded programmes and £189.5m of capital investment forecast during 2026/27.

2.8 Revenue reserves are forecast to increase from £57.570m to £59.275m, representing a net contribution of £1.705m. This includes additional contributions to the Mayoral Capacity Reserve and continued annual transfers to the Lease Wrap and Election Reserves. The overall movement strengthens the Authority's financial resilience and provides additional capacity to manage future financial risks and opportunities.

2.9 Overall, the Quarter 1 forecast demonstrates a resilient financial position, with the impact of reduced Enterprise Zone income largely mitigated by lower borrowing costs and additional government funding. While some uncertainty remains around grant recharge income and Enterprise Zone valuations, the Authority is forecast to remain within its overall approved budget framework and continues to strengthen its reserve position during 2026/27.

3.0 Quarter 1- Draft Revenue Outturn

At the end of Quarter 1 (30 June 2026), the draft outturn position is forecast to deliver a net contribution to reserves of £1.705m. This represents an adverse variance of £0.278m compared with the budgeted contribution to reserves of £1.983m.

3.1 Table 1 below provides a breakdown of the forecast by Directorate.

Table 1 Q1 Forecast of Outturn by Directorate

Directorates	Budget 26/27 £'000	Forecast Q1 26/27 £'000	Variance to Budget £'000
Mayoral Costs	411	344	(67)
Mayoral Costs	**411**	**344**	**(67)**
Chief Executive	1,355	1,577	222
Legal and Governance	2,619	2,620	0
Infrastructure	145	96	(49)
Operations	3,292	2,834	(459)
Finance and Resources	1,896	2,121	225
Business Solutions	2,295	2,319	24

Inward Investment and Marketing	1,375	1,384	9
Management fee grant Income (Support services recharged)	(6,342)	(4,000)	2,342
Directorates Total	**6,637**	**8,951**	**2,314**
Central Expenses			
TVCA Property Overhead Costs	726	726	-
Lease Wrap income	(1,028)	(1,028)	-
Interest Payable	25,440	19,300	(6,140)
Interest Receivable Treasury Management	(1,500)	(1,500)	-
Interest Receivable (On lending)	(20,678)	(20,718)	(40)
Contribution to bad and doubtful debt	6,189	6,224	35
MRP	8,531	8,531	-
Investment Properties (Net Return)	(373)	(430)	(57)
Net Central Expense Costs	**17,306**	**11,105**	**(6,202)**
Emp NI Grant	(180)	(180)	-
Devolution Funding	(15,000)	(15,000)	-
Mayoral capacity	(2,258)	(3,258)	(1,000)
Total Core Funding	**(17,437)**	**(18,437)**	**(1,000)**
Enterprise Zone Business rates	(8,899)	(3,667)	5,233
Enterprise Zone Business rates Total	**(8,899)**	**(3,667)**	**5,233**
Net (Surplus)/Deficit	**(1,983)**	**(1,705)**	**278**
Contribution from Reserves	(1,000)	(1,738)	(738)
Contribution to Reserves	2,983	3,443	460
Net Expenditure	**-**	**(0)**	

3.3 Table 2 below provides a summary of the major variances against budget at Q1 2026/27.

Table 2 Major Variances against budget at Quarter 1 2026/27

Directorates	Budget 26/27 £'000	Draft Outturn Forecast £'000	Variance from Budget £'000	Detail of Movement
Chief Executive	1,355	1,577	222	Increased spend on recruitment and Interim support

Directorates	Budget 26/27 £'000	Draft Outturn Forecast £'000	Variance from Budget £'000	Detail of Movement
Operations	686	450	(236)	ICT- reduced spend on Software and Systems
	331	242	(89)	Operations salary savings due to vacant positions
	873	717	(156)	Performance, Risk & Assurance Team increased salary recharge to grant funding
Finance and Resources	(1,200)	(918)	282	Reduced recharge from group entities
Central Support Recharged to Grant	(6,342)	(4,000)	2,342	Reduction in support services recharged to grant until confirmation of the recharge mechanism.
Central Expenses	25,440	19,300	(6,140)	Reduction in Interest Payable due to under borrowed position
Mayoral Capacity funding	(2,258)	(3,258)	(1,000)	An additional £1m to be received in year for Mayoral Capacity funding
Enterprise Zone Business rates	(8,899)	(3,667)	5,233	Reduction in Enterprise Zone rates due to delays in confirmed valuation

3.4 The forecasts for Q1 include an adjustment for the 2026/27 Local Government pay award agreed by the LGA which confirms a 3.3% increase in pay for all officers. The current salary budget is £14.426m, including staff funded directly from grant. A 3% increase on salaries was built into the base budget so the additional cost to the authority is £0.043m for 2026/27.

3.5 Table 2 above shows the major variances by directorate and detailed descriptions of the variances are included below.

Chief Executive (Overspend £0.222m)

3.6 An overspend of £0.222m is expected due to the on-going recruitment exercises and the provision of interim support.

Legal and Governance (On Budget)

3.7 The Legal and Governance salary budget was increased for 2026/27 to allow for a restructure and budget for interim support whilst the restructure is implemented. The forecast assumes that costs in the year will be within the approved budget.

Infrastructure (Underspend of £0.049m)

3.8 A net budget of £0.014m for revenue costs associated with transport licences, subscriptions and staff expenses was included within the 2026/27 budget. However, it

is forecast that these activities will be funded entirely by grant resulting in an underspend against budget.

3.9 The Digital Trade Testbed did not budget for any income as it is too early to assess the market interest. However, a small amount of income has been received and a forecast of £0.030m in line with last year's outturn is expected.

Operations (Underspend £0.459m)

3.10 ICT is forecast to underspend by £0.236m, which is primarily due to an increased budget for outsourced services based on prior years costs. Additional costs for equipment replacement and licences were previously included and these will be reviewed and confirmed in Q2.

3.11 Performance, Risk and Assurance is forecast to underspend by £0.114m due to increased salaries funded by grant.

3.12 Operations is forecast to underspend by £0.089m due to vacancies within the team.

Finance & Resources (Overspend £0.225m)

3.13 Group Recharges is forecast to underachieve income by £0.282m. This is considered a prudent estimate whilst the review of development corporations is on-going and updated service level agreements need to be agreed with other entities.

3.14 TVCA running costs previously held central costs, but these costs are now accounted for within the appropriate cost centre. An underspend of £0.063m is forecast due to a reduction in subscriptions and staff expenses.

Business Solutions (Overspend £0.024m)

3.15 Investment Development is forecast to make salary savings of £0.034m due to posts budgeted at higher salary scale points.

3.16 The Teesworks Skills Academy is an office space designed for meetings and corporate hire leased by TVCA. Costs incurred for rent, service charges and utilities have the potential to be offset by rental income for hire of the space. However, whilst efforts are made to generate rental income, the running costs of £0.065m will offset the other underspends.

Inward Investment (Overspend of £0.009m)

3.17 Revenue costs incurred for the management of the Freeport are forecast to be £0.147m, which is due to a revenue grant to Teesside University who oversee the operation of the Digital test bed.

3.18 The Business Board has reviewed its operations and costs going forward will reduce significantly, resulting in a forecast saving of £0.096m.

3.19 There have been savings against Inward investment of £0.082m. A new Inward Investment Strategy has been prepared and is being presented to Cabinet as **Item 17** on this agenda. Capacity within the team is being reviewed.

3.20 Communications and Marketing are forecast to underspend by £0.066m due to reduced spend on staff expenses, stationery and equipment costs.

Support services recharged to Grant Delivery

3.21 TVCA delivers multiple grant funded projects. Within the budgets for these projects, where possible and within the terms and conditions of the grants, a management fee is applied to the project expenditure.

3.22 These amounts are included within business cases for grant delivery projects that are approved by Cabinet.

3.23 A new support service recharge calculation, which allocates this income against core services based on the level of activity each service provides to support delivery was carried out for the 2026/27 budget. This is due to be updated and subject to approval will be implemented at Q2. A prudent forecast of £4.000m is included in Q1 and confirmed amounts will be presented at Q2.

3.24 Salaries of staff that are directly responsible for delivery of grant funded projects are funded directly from grant and these costs are included within the relevant directorate net position.

Central Expenses

3.25 Property costs for 2026/27 are forecast in line with budget.

3.26 Lease wrap income for the rent of land is forecast as £1.028m for 2026/27. This amount is transferred to reserves to mitigate any future payment holidays.

3.27 Interest payable was budgeted for equal to the capital financing requirement for TVCA. However, due to timings of grant income and delays in capital expenditure, this level of borrowing has not been required. The forecast at Q1 is interest payable of £19.300m, a saving of £6.140m.

3.28 Interest receivable includes interest receivable from Goosepool 2019 Ltd loans. However, a corresponding bad debt provision has been made for this amount due to its doubtful recoverability. An exercise is currently being undertaken to assess these loans and any potential financing of these loans by Goosepool 2019 Ltd.

3.29 Interest of £14.464m for 2026/27 is due to be received from STDC. A comprehensive cashflow review with additional stress testing has been undertaken, which provides assurance that the loans to STDC can be fully financed within the lifespan of the loans.

Freeport

3.30 The Teesside Freeport continues to focus on its core activities across the three tax sites at Teesworks East, Teesworks West and Wilton International. The tax zones are attracting strong market interest, with ongoing engagement with landowners progressing a number of live investment opportunities. Alongside this, the 5G Testbed, managed by Teesside University, is supporting innovation within the Freeport, with recent trials demonstrating significant reductions in processing times and showcasing the potential productivity benefits of advanced digital infrastructure.

3.31 The Digital Testbed is currently operated by Teesside University. £0.147m is forecast to be provided in grant funding to the University for staffing for the Digital Test bed project.

Costs Analysis by Type (CIFPA categories)

3.32 Table 3 below presents the Income and Expenditure by expenditure type (CIPFA category).

Table 3- Income and Expenditure by Expenditure Type

Directorates	Budget 26/27	Forecast Outturn Q1 26/27	Variance Adverse/ (Positive)
	£'000	£'000	£'000
Employee Costs	11,241	10,802	(439)
Agency Costs	1,019	1,845	826
Premises Costs	4,564	4,605	41
Transport Costs	55	56	1
Third Party Payments	15,834	15,834	-

Directorates	Budget 26/27	Forecast Outturn Q1 26/27	Variance Adverse/ (Positive)
	£'000	£'000	£'000
Supplies and Services	84,280	91,528	7,248
Expenditure Total	**116,992**	**124,669**	**7,677**
Core Funding	(17,687)	(18,691)	(1,004)
Government Grant	(81,971)	(78,380)	3,591
Capacity & Capability Grant funding (to support capital schemes)	-	(11,913)	(11,913)
Rental Income	(5,539)	(5,539)	-
Concessionary Fares	(14,834)	(14,834)	-
Other Fees and Charges	(1,733)	(1,234)	498
Enterprise Zone Income	(8,899)	(3,667)	5,233
Management fee grant Income (Support services recharged)	(6,342)	(4,000)	2,342
Income Total	**(137,006)**	**(138,260)**	**(1,254)**
Financing Activities	18,031	11,886	(6,145)
Contribution To Reserves	1,983	1,705	(278)
Net (Surplus)/Deficit	**0**	**0**	**0**

Employee costs

3.33 Within the employee establishment, some posts are funded through external grants. For these roles, employee costs are recharged to the relevant grant income, ensuring that the net cost to TVCA's establishment budgets reflects the true underlying position.

3.34 Interim support costs of £1.019m were approved within the 26/27 budget due to the on-going restructures of the Finance and Legal and Governance Teams. £0.400m and £0.619m respectively was agreed to fund interim support whilst restructures are implemented and improvement plans delivered. Spend on the interim support costs is funded by the underspend on employee costs.

3.35 Table 3 excludes any central support recharge. Instead, actual costs are presented by expenditure type, with grant-funded support service costs shown separately to maintain transparency.

Third Party Payments

3.36 TVCA oversee the Concessionary Fares Scheme on behalf of the local authorities. This is shown as third party payments to the bus operators and concessionary fare income received from the local authorities is £14.834m.

3.37 A revenue contribution of £1.000m was approved in March 2027 to Hartlepool Development Corporation.

Supplies and Services

3.38 Supplies and Services primarily relate to service delivery costs, grant and project expenditure, along with core activities including insurance, internal and external audit and legal/consultancy costs.

Income

3.39 Funding of £18.691m is received annually to fund the core activities and staffing of TVCA. This includes Devolution funding £15.000m, Mayoral capacity funding £3.258m, Employees NI Grant £0.180m and Business rates retention of £0.250m.

3.40 Government grant income is received to fund service delivery (programmes and projects). Revenue grants are also received to fund the revenue costs of capital projects. Detail on service delivery is provided below.

3.41 Rental income is received for the Seah Wind site, but this is offset by lease costs for the land, with the remaining income transferred to reserves. The 6 Centre Square property and investment property also provides rental income.

Service Delivery

3.42 **Appendix 1** shows the performance of grant funded and TVCA funded projects, showing government grant received, forecast spend at Q1 and any amounts that will be carried forward or put to reserves, along with detail of the project and programme.

3.43 The forecast for Q1 shows that TVCA will deliver £86.093m of projects and programmes in 2026/27 to improve travel and transport, business growth, education, Net Zero and Creative and cultural services.

Enterprise Zone Business Rates

3.44 The budgeted Enterprise Zone business rates income is due to TVCA as the successor body of the Local Enterprise Partnership (LEP) body "Tees valley Unlimited". The government state “all business rate growth within the zone for a period of at least 25 years will be retained locally for reinvestment in the local area.

Enterprise Zone status is awarded on the basis that retained business rates are used 'to support the Local Enterprise Partnership's economic priorities". As the successor body to the LEP, TVCA are entitled to 50% of the relevant business rate income.

3.45 Enterprise Zone income has been forecast as £3.667m, which is a reduction of £5.233m. This is due to delays in the valuation of one of the sites. Until the operational date has been formally confirmed, it is felt prudent to exclude this from the provisional outturn position.

3.46 Once a formal valuation is issued from the Valuation Office Agency, it will confirm both the rateable value and the effective date of the assessment. It is currently anticipated that this income will come on stream in 2026/27; however, this income has only been forecast for Q4.

4 Treasury Management

4.1 The approved budget for 2026/27 included a £1.500m interest receivable income budget for cash balances held in the bank.

4.2 The 2026/27 budget for interest payable is £25.440 million. This provision has been calculated with reference to the Authority's Capital Financing Requirement (CFR) and reflects the level of borrowing required to support the capital programme. The budget demonstrates that the Authority has sufficient resources to meet its borrowing requirement, should internal cash balances be insufficient to fund cash flow requirements.

4.3 However, borrowing is not expected to be required at this level, as the Authority will continue to utilise available cash balances and other internal resources where appropriate. Consequently, the interest payable forecast has been reduced to reflect the estimated borrowing requirement and associated borrowing costs for 2026/27, resulting in a revised forecast of £19.300 million. This forecast remains subject to ongoing review and may be amended to reflect changes in the Authority's cash flow position, borrowing requirements and prevailing interest rates.

4.4 Table 4 below summarises the Authority's current loan portfolio and the interest payable on the loans drawn down for 2026/27, prior to any new borrowing and refinancing of current loans.

Table 4 – TVCA borrowing portfolio 2026/27

Loan Type	Original Loan Principal £'000	Term Years	RATE	Start Date	Maturity	2026/27 Interest Payable £'000
PWLB Fixed Annuity	£30,000	20	2.67%	22/01/2020	22/01/2040	674
PWLB Fixed Annuity	£37,500	20	3.92%	01/12/2022	01/12/2042	1,356
PWLB Fixed Annuity	£37,500	25	4.04%	01/12/2022	01/12/2047	1,432
PWLB Fixed Maturity	£25,000	3	5.31%	29/09/2023	29/09/2026	1,328
PWLB Fixed Maturity	£20,000	3	5.12%	22/11/2023	22/11/2026	1,024
PWLB Fixed Annuity	£70,000	20	4.63%	21/12/2023	21/12/2043	3,113
PWLB Fixed Annuity	£30,000	25	4.98%	12/09/2024	12/09/2049	1,471F
PWLB Fixed Annuity	£30,000	14	4.98%	13/12/2024	13/12/2038	1,477
PWLB Fixed Maturity	£20,000	1.25	4.83%	17/03/2025	17/06/2026	727
UKIB Fixed Annuity	£111,049	50	1.99%	01/05/2024	01/05/2074	2,175
PWLB Fixed Maturity	£20,000	4.5	4.75%	31/12/2025	30/06/2030	338
PWLB Fixed Maturity	£20,000	5	4.79%	26/11/2025	25/11/2030	258
						15,373

Interest receivable – Group and third-party loans

4.5 The interest receivable budget for 2026/27 is £20.678m and the draft outturn for 2026/27 is £20.718m as shown in Table 5 below.

4.6 Interest payable for the Goosepool 2019 Ltd loans has been accrued for in the TVCA financial outturn. However, a bad debt provision for the total interest accrued will similarly be provided for, meaning a net nil impact on the Authority's outturn position. An exercise is currently on-going to assess the potential refinancing options for these loans and will be reported to a future Cabinet.

4.7 Interest accrued on the loan made to Liberty Steel, as included within Table 5 below, will now also be provided for as a bad debt and doubtful debt, as attempts to contact the firm have been unsuccessful and they are no longer at the address on file. Efforts will continue to make contact with the firm during 2026/27.

Table 5 – TVCA interest Receivable 2026/27

Loan Title	Date Loan Advanced	Opening Balance	Interest rate	Interest Payable 2026/27
South Tees DC				
TVCA Investment Programme	2019-2022	46,865,383	3.50%	1,640,288
STDC General 1	31/03/2023	79,450,094	4.00%	3,178,004
STDC General 2	31/03/2024	73,593,327	4.67%	3,436,808
STDC General 3 (Heavy Lift)	31/03/2024	6,800,000	4.63%	314,840
STDC NZT 1	01/11/2024	14,295,753	5.00%	714,788
STDC NZT 2	31/03/2025	12,340,823	4.75%	586,189
STDC 24/25 Loan	31/03/2025	47,167,926	5.00%	2,358,396
STDC 25/26 Loan	31/03/2026	27,789,239	5.00%	
Quay (UKIB)	2021-2024	112,318,249	1.99%	2,235,133
Total		420,620,794		14,464,447
Goosepool 2019 Ltd	31/03/2022	214,044	Var	6,186,094
Liberty Steel	01/04/2016	1,475,986	7.94%	37,793
TeesAMP	01/04/2016	4,086,565	1.64%	29,923
		426,397,389		20,718,257

4.8 Within the TVCA budget, under the terms within the loan agreements for STDC, there is an assumption that loans are deemed to be drawn down on 31 March each year, with interest becoming payable on the second financial year after the loan is drawn down i.e. a one-year interest holiday is granted to STDC. As such the 2025/26 loan interest is not payable until 27/28.

4.9 A comprehensive cashflow review with additional stress testing has been undertaken, which provides assurance that the loans to STDC can be fully financed within the lifespan of the loans, and this is supported by independent advice. Principal repayments will be made on a sweep arrangement based on a set cash balance maintained within the STDC bank account and balances above this used to calculate the principal repayment to be made. £4.314m in principal loan repayments have been received within Q1.

5 Investment Properties – net returns

5.1 TVCA has two investment properties, 6 Centre Square and Zetland Car Park, and an investment asset Electric Charge Point Opex, which generates a small income from usage.

5.2 Table 6 below presents the 2025/26 draft outturn position of these investment properties.

Table 6: Investment assets forecast outturn Q1

Investment Property	Budget 26/27	Q1 Forecast	Variance Q1
6 Centre Square Opex	(357,800)	(357,800)	-
Electric ChargePoint Opex	(100,000)	(100,000)	-
ZETLAND CAR PARK COSTS	84,400	42,200	(42,200)
	(373,400)	(415,600)	(42,200)

5.3 At Q1 all assets are expected to achieve budget. Zetland Car Park is forecast to achieve a small underspend of £0.042m.

5.4 Both 6 Centre Square and Zetland Car Park are currently being reviewed and further updates will be provided to Cabinet.

6 Capital Programme Draft Outturn 2026/27

6.1 The capital budget for TVCA for 2026/27 is £120.889m. The draft outturn is £189.534m, which is an overspend of £68.645m against the budget. Table 7 below presents the 2026/27 capital programme by directorate.

Table 7 – 2026/27 Capital Forecast by Directorate

Capital Programme	Budget 2026/27 £'000	Expenditure Q1 £'000	Forecast Outturn £'000	Forecast var to Budget £'000
Business Solutions				
Net Zero				

Capital Programme	Budget 2026/27 £'000	Expenditure Q1 £'000	Forecast Outturn £'000	Forecast var to Budget £'000
Warm homes	15,808	-	25,549	9,741
Net Zero Total	**15,808**	**-**	**25,549**	**9,741**
Business Growth				
Tees valley Business Fund	-	99	99	99
Business Growth Total	**15,808**	**99**	**99**	**99**
Local Growth				
Investment Zones Funding	19,469	-	7,230	(12,239)
Place based Capital- Billingham	1,500	-	1,500	-
Place based Capital- DBC	2,000	-	2,000	-
Local Growth Total	**22,969**	**-**	**10,730**	**(12,239)**
Business Solutions Total	**38,777**	**99**	**36,378**	**(2,399)**
Inward Investment & Marketing				
STDC Regeneration	6,327	-	7,636	1,309
Inward Investment & Marketing Total	**6,327**	**-**	**7,636**	**1,309**
Transport				
Transport Investment Programme (Total)	**75,785**	**20,310**	**145,520**	**69,735**
CRSTS Programme	-	17,510	33,100	
Highways Maintenance	-	2,560	5,130	
LUF Programme	-	240	5,440	
Other Transport Schemes	-	-	12,010	
Pipeline Schemes	-	-	89,840	
Total Capital Programme	**120,889**	**20,409**	**189,534**	**68,645**

6.1 Actual expenditure on the Capital programme at Q1 is lower than forecast, however this is due to multiple projects and programmes being in the pre-delivery phase. The forecast shows that these project and programmes will start delivery in 2026/27.

6.2 There are a further two programmes currently in the planning stage that are not captured within the budget, that will be added to the revised budget for 2026/27 and forecasts presented in the Q2 Outturn report.

- Brownfield Housing - £32.600m capital funding to be delivered by 2029/30, £15.700m of funding for 2026/27.

- Local Growth Fund - £33.500m of Capital and Revenue funding will be combined with existing funding streams to deliver £71.399m of projects to enable business growth and cultural and creative programmes.

Business Solutions Capital Programme

6.3 The Business Solutions Directorate deliver a large range of capital projects. These include major programmes across Business Growth, Net Zero, Creative and Cultural programmes and Warm Homes.

6.4 Business Solutions are forecast to deliver £36.279m of capital expenditure, an underspend of £2.399m from the capital budget of £38.777m for 2026/27. This underspend is due to reprofiling of the Investment Zone funding of £13.239m to align the expenditure with the project plan. This is offset by increased expenditure on Warm Homes Wave 3 of £9.741m, due to additional funding secured for this scheme.

Transport Capital Programme

6.5 The Transport Capital Programme is forecast to deliver £145.5m of investment during 2026/27, comprising approved transport capital programmes currently in delivery together with a significant pipeline of schemes progressing through the Final Business Case (FBC) approval process.

6.6 Current expenditure totals £20.3m, with a further £4.1m committed across live projects. Delivery activity continues across the CRSTS Programme, Highways Maintenance Programme, Levelling Up Fund (LUF) Programme and a range of other transport capital schemes, including rail station improvements, digital infrastructure, highways investment and regeneration-related transport projects.

6.7 The largest element of the approved programme is the CRSTS Programme (£33.1m), supported by Highways Maintenance (£5.1m), LUF (£5.4m) and a further £12.0m of other transport capital investment. A further £89.8m relates to schemes that have submitted Final Business Cases and are progressing through governance and approval processes. These comprise the Steel House Gateway (£34.9m), Multi Hub (£20.0m), South Bank (£20.0m) and Wider Highways (£15.0m) schemes.

6.8 The 2026/27 budget was based on the new integrated transport settlement funding, however there is CRSTS funding from the previous Capital programme that has been reprofiled to 2026/27.

6.9 Appendix 2 shows the breakdown of forecast transport spend at a detailed project level.

Capital Programme Funding

6.10 TVCA's capital programme is primarily funded by Government grant, however there are a small number of mainly legacy projects still on-going that are funded by borrowing. Funding for the capital programme is shown below in Table 8.

Table 8: Capital Programme Funding

Capital Programme Funding	Budget 2026/27 £'000	Forecast Outturn £'000	Forecast var to Budget £'000
Government Grants	111,062	178,299	67,237
TVCA Borrowing	9,827	11,235	1,408
Total Funding	**120,889**	**189,534**	**68,645**

Other Capital Expenditure

South Tees Development Corporation (STDC)

6.11 The STDC regeneration budget provides access to capital loans to facilitate capital expenditure. £6.327m was budgeted for in 2026/27, however the forecast has increased by £1.309m to £7.636m.

6.12 Within the TVCA Investment Plan, funding for STDC regeneration costs was not budgeted beyond 2026/27. The initial business case assumed that income generated by STDC would be sufficient to cover expenditure and that no further funding would be required. However, this is dependent on the receipt of business rates and the timely valuation of Enterprise Zone sites by the Valuation Office Agency (VOA). Any future funding requirements will be provided in accordance with the approved loan terms and conditions.

Hartlepool Development Corporation (HDC)

6.13 HDC has no budget for capital expenditure for 2026/27. However subject to approval of a business case for Middleton Grange Shopping centre, capital expenditure of £0.765m for 2026/27 is required in order to facilitate savings and ensure that the shopping centre generates income sufficient to cover its expenses.
This will be funded within existing HDC resources.

Middlesborough Development Corporation (MDC)

6.14 MDC currently has £1.198m of capital funding remaining from the approved £10.000m funding available from TVCA. £0.698m is forecast for expenditure on Gresham in year.

7 Reserves

7.1 As a Combined Authority, TVCA maintains both a General Fund balance and earmarked reserves for revenue purposes. The Authority also maintains capital reserves, which cannot be used for revenue purposes.

7.2 The General Fund balance is a general contingency for unplanned or unforeseen expenditure arising during a financial year. Earmarked reserves have been set aside for specific purposes. Within earmarked reserve balances, there can be ringfenced reserves which must be used for the purposes for which they are set aside for. For TVCA, this would ordinarily relate to unspent government grants which are rolled forward to future years, but must be spent in line with the grant terms and conditions. For un-ringfenced reserves, Cabinet can take a decision to repurpose those reserves if the original purpose has been superseded or a different priority identified.

Revenue Draft Outturn Reserves position

7.3 The budget approved in March 2026, presented a contribution to reserves of £1.983m. The draft outturn position at Q1 is a net contribution to reserves of £1.705m made up of a contribution from reserves of £1.738m and a contribution to reserves of £3.443m.

7.4 Table 9 below presents the reserves position at 1 April 2026, along with any forecast movements to and from reserves for 2026/27.

Table 9: Summary of Revenue Reserves 2026/27

Revenue Reserve Description	Balance as at 01/04/2026 £'000	Contribution (to)/from Forecast £'000	Balance forecast as at 31/3/2027 £'000
General Fund	(1,500)	-	(1,500)
General Fund Total	**(1,500)**	**-**	**(1,500)**
Earmarked Grant Reserves - Ringfenced	(46,754)	(790)	(47,544)
Earmarked Grant Reserves - Ringfenced Total	**(46,754)**	**(790)**	**(47,544)**
Earmarked reserves – non-ringfenced			
Mayoral Capacity Reserve	-	(1,000)	(1,000)
Business Rate Growth	(382)	-	(382)
Devolution Reserve	(4,934)	85	(4,849)
Transformation Reserve	(1,000)	-	(1,000)

Financial Resilience Reserve	(3,000)	-	(3,000)
Earmarked reserves – non-ringfenced Total	**(9,316)**	**(915)**	**(10,231)**
Total Revenue Reserves	**(57,570)**	**(1,705)**	**(59,275)**

7.5 Net movement to reserves is £1.705m. Contributions to reserves total £3.443m, which is made up of £1.915m contribution to non-ring-fenced reserves and £1.528m contribution to ring fenced reserves.

7.6 **Appendix 3** shows the detailed reserves movements for 2026/27. Table 10 below shows the movements to reserves against the budgeted reserves movements.

Table 10: Movements to and from Reserves

Budget 2026/27 £'000	Movements to/from reserves	Q1 Forecast 2026/27 £'000
	Transfers from reserve	
1,000	Contribution to HDC	1,000
-	Creative Place Programme	738
1,000	**Transfers from reserve**	1,738
	Transfers to reserve	
(1,028)	Lease Wrap Reserve	(1,028)
(500)	Election Reserve	(500)
(1,455)	Net Surplus 2026/27	(915)
-	Mayoral Capacity Fund	(1,000)
(2,983)	**Transfers to reserve**	(3,443)
(1,983)	**Total Reserve movement**	(1,705)

7.7 A £0.738m contribution from reserves relates to the approved budget roll forward request for the Creative Place programme. £2.671m was transferred to reserves in 2025/26. It is forecast that £0.738m will be drawn down to supplement the available budget.

7.8 £1.000m will be drawn down from the devolution reserve to fund the contribution to Hartlepool Development Corporation.

7.9 The lease wrap arrangement for the SeAH land site provides a net income of £1.028m. This is contributed to reserves annually to mitigate against future payment holidays.

7.10 A new election reserve was approved in the 2026/27 budget, which contributes £0.500m annually to the reserve to cover election costs.

7.11 The net surplus within the 2026/27 budget was £1.455m after other contributions to reserves. Q1 forecasts a net surplus of £0.915m after other contributions to reserves. This is due primarily to the changes in interest payable and recharges to grant, which have resulted in a small change to the overall forecast of £0.278m.

7.12 An increased mayoral capacity funding grant of £1.000m has been received for 2026/27. This has been included within the forecast for 2026/27 and as a holding position pending the identification of the additional capacity that is needed this year preparing for the upcoming devolution, is currently shown as a contribution to reserves.

7.13 The overall transfer to reserves of £1.705m represents a positive movement, strengthening the Authority's financial resilience against future uncertainties and improving its overall financial position.

8 Capital Reserves 2026/27

8.1 The Authority had opening capital reserves of £209.401m for 2026/27. This is planned to reduce by £97.093m during the year, primarily due to CRSTS expenditure on transport projects.

8.2 Table 11 below shows the capital reserves.

Table 11: Summary of Capital Reserves forecast position 2026/27

Capital Reserve	Opening Balance 2026/27 £'000	Planned use/contribution in 2026/27 £'000	Closing Balance 2026/27 £'000
Active Travel	(3,489)		(3,489)
BOHO	(55)		(55)
Brownfield Housing	(14,368)		(14,368)
Bus Strategy	(73)		(73)
Cross Pavement	(524)		(524)

Capital Reserve	Opening Balance 2026/27 £'000	Planned use/contribution in 2026/27 £'000	Closing Balance 2026/27 £'000
CRSTS	(130,821)	98,723	(32,098)
CTEC Capital	(331)		(331)
CTEC Project Based	(348)		(348)
Freeport (Capital)	(830)		(830)
Highways Maintenance	(230)		(230)
Investment Zone	(12,797)		(12,797)
Levelling Up Fund	(3,972)		(3,972)
LEVI	(6,471)		(6,471)
Mayoral Renewables fund	1		1
Post 16	(6,100)		(6,100)
Rural England Prosperity Fund	1,506	(1,506)	-
Smart Infrastructure Pilot	60		60
SHDF 2	(151)		(151)
TCF	(18,101)		(18,101)
TSOG	-		-
UKSPF	124	(124)	-
Wynyard	(270)		(270)
Green Homes Grant	(613)		(613)
STDC Business Case	(739)		(739)
LUF2 Programme Management	(5,379)		(5,379)
Urban Traffic management	(215)		(215)
RNEP	(273)		(273)
ZEBRA- DFT	(4,942)		(4,942)
	(209,401)	**97,093**	**(112,308)**

9 Conclusion

9.1 The Quarter 1 forecast indicates that the Authority remains in a strong and sustainable financial position, with a forecast net contribution to reserves of £1.705m for 2026/27. While this represents an adverse variance of £0.278m against the budgeted contribution to reserves, the overall position continues to demonstrate effective financial management and prudent forecasting.

9.2 The most significant pressure relates to the forecast reduction in Enterprise Zone business rate income pending confirmation of site valuations and operational dates. This has been substantially offset by lower than anticipated borrowing costs arising from the continued use of internal cash balances and the timing of capital expenditure. The receipt of additional Mayoral Capacity Funding further strengthens the Authority's financial position and contributes to increased financial resilience.

9.3 The Authority continues to make significant investment across the Tees Valley through its revenue and capital programmes, supporting delivery of transport improvements, regeneration, business growth, skills, housing and net zero initiatives. Whilst there remain areas of uncertainty, particularly in relation to grant recharge income and Enterprise Zone business rates, these risks are being actively monitored and managed through the regular budget monitoring process.

9.4 Revenue reserves are forecast to increase during the year, providing additional capacity to respond to future funding pressures and emerging priorities. The Treasury Management position remains robust, with lower borrowing requirements than originally anticipated and assurance from ongoing cashflow reviews that existing lending arrangements remain sustainable.

9.5 Overall, the Quarter 1 forecast demonstrates that the Authority is well placed to deliver its priorities during 2026/27, whilst maintaining a prudent approach to financial management. Further updates will be provided through the Quarter 2 monitoring report as forecasts are refined and key assumptions are confirmed.

Cabinet is requested to consider the following identified implications:	
Financial Implications	
10.	The financial implications are set out in the report.
Legal Implications	
11.	This report complies with the Authority's Constitution and governance procedures. There are no other legal implications.
Equality & Diversity Implications	
12.	There are no equality and diversity implications in 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	

13.	**Risk** The relevant risks are set out in the report.
14.	**Improvement** The robust and regular reporting of financial performance promptly throughout the financial year reflects best practice.

Agenda item 13 Appendix 1

2025/26 Revenue	Service Delivery Area	Grant issuing body	Budget 2026/27	Grant received 2026/27	Forecast Expenditure	Forecast Variance Q1	Details
	BUSINESS SOLUTIONS						
8,490,000	INVESTMENT ZONE (REVENUE)	MHCLG	8,220,000	8,220,000	6,222,990	(1,997,010)	Investment Zone expenditure is profiled across multiple years to 28/29 totalling £80m, expenditure has been lowering in the early years whilst schemes are launched, £18m of these funds are allocated to Business Growth and will fund Business Growth programme in the Local Growth Fund.
-	Local Growth Fund	MHCLG	6,000,000	5,630,343	3,531,000	(2,099,343)	Local Growth Fund launches in 2026/27 and will deliver £71m worth of projects utilising the £34m revenue and capital funds, along with other funding streams to deliver a programme of local growth, including Business Growth, Digital and Creative programmes, funds have been reprofiled to reflect the programme timetable.
21,539,566	UKSPF	MHCLG	-	6,950,662	6,180,662	(770,000)	UKSPF has been extended to Sept 2026, the remaining £6.950m of UKSPF funds were carried forward into 2026/27 to be spent by this date, due to business grants not coming to fruition by the funding deadlines it is forecast that £0.770m will be unspent.
	ADULT EDUCATION						
30,126,696	ADULT EDUCATION BUDGET	DFE	30,126,700	30,126,696	30,126,696	-	Adult education funding is allocated per academic year, the funding of £30,126m relates to the 25/26 April-July and the 26/27 Sept-March academic years. We are forecast to deliver the full programme to the level of the grant funding.
2,132,500	LEVEL 3 FCFJ	DFE	2,132,500	2,132,500	2,132,500	-	Free courses for Jobs are delivered annually and we are forecast to deliver the full programme to the level of the grant funding.
2,851,500	SKILLS BOOTCAMP	DFE	2,851,500	938,767	938,767	-	Skills bootcamps deliver courses to give sector specific skills to remove barriers to employment, £2.529m will be spent delivering the courses during 2026/27, remaining funding will be reprofiled to future years.
	Other Education						
162,655	CEC CENTRAL HUB	Careers & Enterprise	293,900	308,040	308,040	-	Careers and Enterprise Company funding is designed to drive up the standard of careers education and is paid to TVCA annually (each academic year) and covers delivery as well as staffing costs which are match funded by TVCA, we are forecasting to utilise the full value of the grant funding.
-	CONNECT TO WORK	DWP	3,100,000	3,100,000	3,100,000	-	Connect to Work funding is received annually to provide courses to give applicants the skills or resources to gain employment.
-	CTEC Teacher Industry Exchange	DFE	-	110,362	103,144	(7,218)	New funding has been made available to support the construction industry and deliver construction courses, courses will be delivered in year to the full value of the grant funding. Underspend will be requested to move into Phase 2 from August 2026. Awaiting DFE approval)
-	MADE SMARTER	DWP	-	72,613	72,613	-	Staffing and Marketing costs to manage a programme for Advanced Manufacturing.
2,192,811	YOUTH TRAIL BLAZER	DWP	4,900,000	4,777,425	4,777,425	-	The Tees Valley Youth Guarantee Trailblazer aims to improve outcomes for young people by strengthening access to careers education, work experience, skills development and employment opportunities across the region. This will be delivered in year to the full value of the grant funding.
	CREATIVE PLACE PROGRAMME						
195,000	ARTS COUNCIL ENGLAND-ENGINE ROOM	ACE	390,000	585,000	100,000	(485,000)	Engine Room is a transformative programme designed to position Tees Valley as a nationally recognised hub for creative production and export. Supported by ACE and TVCA.
2,987,215	CREATIVE PLACE PROGRAMME	TVCA	1,391,213	1,322,122	1,322,122	-	The £22.5m Creative place C&VE programme (including UKSPF funding) has been extended to 2028/29 with £2.7m committed to projects, £1.322m will be spent in year delivering a range of cultural and creative projects.
	ARTS COUNCIL ENGLAND Inclusive Music Making	ACE	-	1,000	1,000	-	Support to diversify music making through a series of events for music providers. In delivery.

Agenda item 13 Appendix 1

2025/26 Revenue	Service Delivery Area	Grant issuing body	Budget 2026/27	Grant received 2026/27	Forecast Expenditure	Forecast Variance Q1	Details
22,500	ARTS COUNCIL ENGLAND One Creative North	ACE	-	2,500	2,500	-	Project complete and spent. Support to develop One Creative North, a collaboration of The Great North and stakeholders including sector leads, Arts Council England and Public Service Broadcasters aimed at unleashing that economic potential of the creative industries.
135,000	ARTS COUNCIL ENGLAND Sonic Futures	ACE	-	15,000	15,000	-	In Delivery - ACE contribution towards TVCA funded Sonic Futures Project - will be spent this year. A music development programme to support music artists and music professionals to accelerate their music careers.
22,500	ARTS COUNCIL ENGLAND Music Education Strategy	ACE	-	7,500	7,500	-	Project Complete and spent. ACE support, match with TVCA funds for the development of a Music Education Strategy for Tees Valley.
15,000	ARTS COUNCIL ENGLAND Financial Literacy	ACE	-	15,000	15,000	-	Project Delivered. An ACE supported pilot to run a financial literacy programme to support cultural freelancers and organisations to deepen their understanding and skills in financial management, private and social investment.
-	WYCA Northern Music Export Office	WYCA	-	367,044	367,044	-	1st Tranche of WYCA contribution to Northern Music Export Office - delivery until Mar 2029. North Music Export Office will support music artists and music professionals to showcase, export and tour their work internationally. This is multi partner project with NEMSA, TVCA and WYCA
-	NEMCA Northern Music Export Office	NEMSA	-	367,044	367,044	-	1st Tranche of NEMSA contribution to Northern Music Export Office - delivery until Mar 2029. North Music Export Office will support music artists and music professionals to showcase, export and tour their work internationally. This is multi partner project with NEMSA, TVCA and WYCA
	NET ZERO						
1,185,000	NET ZERO HUB	DESNZ	1,125,000	910,000	910,000	-	Net Zero hub funding for provision of the Net Zero Service for Tees Valley.
-	Hub Transition Funding	DESNZ	-	150,000	150,000	-	
10,000	Energising Britain Event	DESNZ	-	10,000	12,000		
-	Community Energy Sector Development	DESNZ	-	150,000	150,000	-	Aimed at reducing energy bills of the Community sector to enable them to gain revenue to revive communities.
-	HEAT NETWORK ZONING	DESNZ	-	35,000	35,000	-	To transform and develop Heat Zoning networks across the region.
584,169	RURAL COMMUNITY ENERGY FUND	DESNZ	-	584,169	584,169	-	To assist local communities to develop locally owned renewable energy projects.
-	National Local Net Zero Knowledge Sharing	DESNZ	-	100,000	100,000	-	Spend proposal to be finalised - will be implementing decisions made at national Hub level.
	INVESTMENT DEVELOPMENT						
17,619	BROWNFIELD HOUSING	DEFRA	-	700,000	700,000	-	£0.7m has been received to support the planning and development and delivery of the £33.3m capital Brownfield housing grant to deliver to unlock housing delivery on previously developed land by addressing barriers such as contamination, infrastructure constraints and other abnormal development costs.
-	LOCAL NATURE RECOVERY STRATEGY		-	38,706	38,706	-	£0.038m of LNRS grant income was carried forward from 2025/26 will be spent in year to deliver schemes aimed at Nature recovery.
100,000	ROUGH SLEEPING GRANT	MHCLG	152,100	1,021,496	1,021,496	-	New grant income for Rough Sleeping and Homelessness has been received; a needs survey will be procured during 2026/27 and resolutions rolled out in partnership with the local authorities.
-	SPATIAL DEVELOPMENT AD LOCAL GROWTH PLAN	MHCLG	1,700,000	1,700,000	1,700,000	-	A new spatial development strategy is in process and will be presented to Cabinet for approval.
	BUSINESS GROWTH						

Agenda item 13 Appendix 1

2025/26 Revenue	Service Delivery Area	Grant issuing body	Budget 2026/27	Grant received 2026/27	Forecast Expenditure	Forecast Variance Q1	Details
430,400	BUSINESS GROWTH HUB	BEIS	430,400	430,400	430,400	-	BEIS Growth hub grant provides funding for staff to deliver the business growth hub which offers business advice.
	Transport Programme						
8,603,480	Local Authority bus grant	DFT	8,663,000	8,663,000	8,663,000	-	As part of the new Integrated Transport Settlement £20.570m of Revenue funding will be received in 2026/27, £11.907m of this funding is for capacity and capability to fund the revenue costs of the Capital programme, costs include feasibility studies, staffing costs and programme management. £8.663m is received for Bus services to fund bus lines, concessions and other costs to ensure suitable provision of public transport.
	CAPABILITY FUND (ACTIVE TRAVEL)	DFT	266,000	266,000	266,000	-	
	Transport for city Regions	DFT	2,896,000	2,896,000	2,896,000	-	
	Local Electric Vehicles	DFT	235,000	235,000	235,000	-	
	CRSTS	DFT	8,510,000	8,510,000	8,510,000	-	
81,803,611			**83,383,313**	**91,449,388**	**86,092,817**	**(5,358,571)**	

AGENDA ITEM 13

APPENDIX 2

Transport 2026/27 Forecast Capital Outturn (Quarter 1) by Project

CRSTS Programme

Project Code	Project	Spend £'000	Commitments £'000	Total Forecast Outturn (26/27) £'000
PROJ-4489 / PROJ-0001	Darlington Rail Station	550	5,200	2,680
PROJ-1150 / PROJ-4491	Middlesbrough Rail Station	160	1,300	3,790
PROJ-4490	Eaglescliffe Station	10	1,200	1,210
PROJ-2558 / PROJ-4495 / PROJ-2877	Teesworks Stations & Transport Hubs	930	110	1,310
PROJ-1153 / PROJ-4496	Station Accessibility & Modal Integration Enhancements	40	280	710
PROJ-2353	Redcar Central Station	10	-	580
PROJ-4511 / PROJ-4512	Digital Programme	210	440	3,850
PROJ-4509	Electric Vehicle Programme (LEVI)	40	50	470
PROJ-1033 / 1034 / 1035 / 1036 / 4515	Highways Authority Funding	16,070	-	16,080
Various	Active Travel & Bus Corridor Portfolio	-510	170	2,420
Total CRSTS Programme		**17,510**	**8,750**	**33,100**

Highways Maintenance

Project Code	Project	Spend £'000	Commitments £'000	Total Forecast Outturn (26/27) £'000
PROJ-2825	Redcar & Cleveland Highway Maintenance Fund	530	0	1,060
PROJ-2829	Stockton-on-Tees Highway Maintenance Fund	690	0	1,370
PROJ-2831	Darlington Highway Maintenance Fund	470	0	950
PROJ-2834	Hartlepool Highway Maintenance Fund	350	0	700
PROJ-2837	Middlesbrough Highway Maintenance Fund	530	0	1,050
Total Highways Maintenance		**2,570**	**-**	**5,130**

Levelling Up Fund (LUF) Programme

Project Code	Project	Spend £'000	Commitments £'000	Total Forecast Outturn (26/27) £'000
PROJ-1007	Darlington Town Centre to Northgate	0	30	310
PROJ-1008	Bowesfield Lane to Stockton Town Centre	0	20	20
PROJ-1009	Stockton Town Centre to Bishopton Road	0	20	20
PROJ-1010	Middlesbrough Town Centre to Newport Bridge	160	70	780
PROJ-1011	Middlesbrough Town Centre to South Bank	50	0	40
PROJ-1012	Redcar Town Centre to West Dyke Road	0	90	190
PROJ-1013	Saltburn to Marske	-10	80	180
PROJ-1014	Hartlepool Town Centre to Catcote Road	0	10	1,670
PROJ-1015	Hartlepool Town Centre to Seaton Carew	0	10	2,190
CL000	Programme Management	30	10	40
Total LUF Programme		**230**	**340**	**5,440**

Other Transport Capital Schemes

Project Code	Project	Spend £'000	Commitments £'000	Total Forecast Outturn (26/27) £'000
PROJ-4554	Freeport Digital Test Bed	-	-	620
PROJ-4627	Smart Infrastructure Pilots Programme	-	-	1,390
PROJ-1181	Zero Emission Bus Regional Areas (ZEBRA2)	-	-	10,620
Various	Other Grant Funded Schemes	-	-	- 620
Total Other Transport Capital Schemes		**-**	**-**	**12,010**

FBC Pipeline Schemes

Project Code	Project	Spend £'000	Commitments £'000	Total Forecast Outturn (26/27) £'000
FBC-01	Steel House Programme	-	-	34,900
FBC-02	Multi Hub Programme	-	-	19,980
FBC-03	Wider Highways Programme	-	-	14,970
FBC-04	South Bank Programme	-	-	19,990
Total FBC Pipeline Schemes		**-**	**-**	**89,840**

Agenda Item 13
Appendix 3

Revenue Reserve Description	Balance as at 31/3/2026 £'000	Planned use/contribution £'000	Balance as at 31/3/2027 £'000
General Fund	(1,500)	-	(1,500)
General Fund Total	**(1,500)**	**-**	**(1,500)**
BUSINESS SOLUTIONS	**(15,170)**	**738**	**(14,432)**
Adult Education	(5,659)	-	(5,659)
Kickstart	(238)	-	(238)
Creative place	(2,671)	738	(1,933)
Beis Net Zero Hub	(1,614)		(1,614)
DECC City Deal	(51)		(51)
Low Carbon Action Plan	(66)		(66)
Hydrogen	(1,106)		(1,106)
Sector network	(114)		(114)
WHSF	(1,416)		(1,416)
SSI Reserves	(2,221)		(2,221)
SSI Devolved Funds	(14)		(14)
TRANSPORT	**(27,385)**	**-**	**(27,385)**
LEVI Capability Fund	(790)		(790)
Consolidated Active Travel Fund	(1,019)		(1,019)
ICTS DFT	(3,232)		(3,232)
CRSTS	(21,469)		(21,469)
Levelling up Fund	(79)		(79)
Concessionary Fares	(412)		(412)
Bus Capacity	(385)		(385)
FINANCE	**(4,199)**	**(1,528)**	**(5,727)**
Election Reserve	-	(500)	(500)
Seah Lease	(4,199)	(1,028)	(5,227)
Earmarked Grant Reserves - Ringfenced Total	**(46,754)**	**(790)**	**(47,544)**
Earmarked reserves – non-ringfenced			
Mayoral Capacity Reserve	-	(1,000)	(1,000)
Business Rate Growth	(382)		(382)
Devolution Reserve	(4,934)	85	(4,849)
Transformation Reserve	(1,000)		(1,000)
Financial Resilience Reserve	(3,000)		(3,000)
Earmarked reserves – non-ringfenced Total	**(9,316)**	**(915)**	**(10,231)**

Cabinet

Tees Valley Combined Authority

Date			25 September 2026
Agenda Item			14
Report Title			**On-Lending Policy**
Accountable Cabinet Member			**Mayor Chris Cooke** Portfolio Holder Finance, Organisational Improvement and Business Growth
Accountable Chief Officer			**Alan Layton** Interim Group Director of Finance & Resources
Accountable Employee			**Alan Layton** Interim Group Director of Finance & Resources
Report considered by			A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 11 September 2026.
Key Decision		No X	This item has been determined not to be a key decision.
Public Report	Yes X		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	**Approve** the On-Lending Policy attached in **Appendix 1.**
B	**Note** the governance and reporting arrangements set out in the policy.

Purpose

1. TVCA as a public sector organisation is required to adhere to CIPFA guidance on all financial matters. CIPFA developed the Prudential Code for Capital Finance in Local Authorities (the Prudential Code) 2021 edition as a professional code of practice to support local authorities in taking decisions on capital expenditure.

2. The On-Lending policy has been written to ensure compliance with the CIPFA guidance.

3. Key objectives of the Prudential Code are to ensure, within a clear framework, that local authorities' capital investment plans are affordable, prudent and sustainable; that treasury management decisions are taken in accordance with good professional practice; and that local strategic planning, asset management planning and proper option appraisal are supported.

4. One specific objective of the Prudential Code is that the risks associated with service and commercial investments are "proportionate to their financial capacity such that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services" (Prudential Code, paragraph 1 f)). This is a matter for each authority to judge with the guidance of its chief financial officer (s73). This is closely related to the authority's risk appetite, and the two must be considered together.

5. Further to this, the guidance requires that in setting its treasury management strategy the authority must be clear that security, liquidity and yield are the prime objectives of its treasury management activities. This is a requirement of CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-sectoral Guidance Notes (2021) (the Treasury Management Code).

Executive Summary

6. TVCA cabinet approved the draft Tees Valley Local Growth Plan – Our Plan for Regional Prosperity at its meeting on 26 June 2026. This sets out a number of regional ambitions that will be delivered in part through third parties.

7. TVCA on-lend to third parties in pursuit of delivering these strategic regeneration ambitions. For 2026/27 as set out in the budget approved by Cabinet on 20 March 2026, £541m has been advanced by TVCA to third parties and this is forecast to increase by £54m by 31 March 2027.

8. TVCA require an On-Lending and Investment Policy to strengthen the governance framework around providing loans to third parties. The policy sets out the parameters and requirements for such loans being made as set out in **Appendix 1**.

Background

9. Cabinet at its meeting on 20 March 2026 approved the final capital and revenue budgets for 2026/27, revised MTFP to 2029/30 and capital programme 2026/27 – 2029/30. This report set out the borrowing undertaken by the authority to on-lend to third parties and the revenue implications of such lending.

10. The Authority's Capital Financing Requirement (CFR), underlying need to borrow, was forecast to be £675m at 1 April 2026. Against this underlying need to borrow, the Authority's opening externally borrowed position was forecast to be £429m, rising to

£553m at 31 March 2027. Of the total CFR, £549m related to borrowing undertaken by the Authority to on-lend to third parties. At 1 April 2026, £541m will have been advanced to third parties and this is forecast to increase by £54m by 31 March 2027. The Treasury Management (TM) Strategy for 2026/27 approved by Cabinet at its meeting on 20 March 2026 sets out that TVCA undertakes borrowing to fund long term capital expenditure and capital investment activity in the region. All borrowing, and any subsequent lending, is associated with TVCA's regeneration and investment strategy in the region and is not undertaken primarily for commercial return.

11. TVCA Cabinet has previously approved a loan facility to STDC of £350m. At the end of 2025/26, the total drawdown was estimated to be c£260m. This leaves £90m available to be drawn down in future years. TVCA Cabinet has also approved a £75m facility for the other two development corporations (Middlesbrough and Hartlepool), but the budget currently assumes that this facility will not be utilised in 2026/27.

On-Lending Key Highlights

12. The purpose of the On-Lending policy is to set out when and how the Authority may provide loans to third parties (including development corporations or subsidiaries) and to ensure all lending and investment decisions:

- Support the Authority's strategic priorities through an effective strategic planning and decision-making framework to ensure that all capital expenditure plans are prudent and affordable, however they are financed.
- Protect the public purse by determining that capital expenditure and investment decisions are affordable, prudent and sustainable, and to set limits on the amount of borrowing in the context of wider capital planning
- Deliver appropriate financial returns for the level of risk taken

13. The Authority may provide loans where:

- The entity is a partner or the authority has a financial interest in the entity and that entity is delivering or contributing to the strategic objectives of the region as set out in the regional regeneration plan
- There is a **robust business case** including:
    - Clear purpose of the loan
    - Sound financial standing and is financially sustainable
    - Full risk assessment
- The Authority has:
    - Carried out appropriate due diligence approved by the s73 Officer
    - Obtained necessary approvals by Cabinet
    - Subsidy control assessment

14. All loans must:

- Cover the Authority's cost of borrowing whereby Interest charged must be at least equal to the Authority's borrowing rate
- Include a margin to reflect risk to the authority and administrative costs (subject to subsidy control assessment) with no primary intent to make a financial return from the investment
- Have clear repayment terms Including a repayment schedule, security (if applicable), and default provisions
- Be proportionate to risk such that the loan size and exposure must be manageable within overall treasury management limits as set out in the Treasury Management Strategy and can be contained within the financial sustainability assessment of the borrowing entity

15. The policy sets out how risk is assessed and managed.

16. The key requirements for each proposal are:

- A formal HM Treasury compliant business case for loan values above £2m, and an abbreviated business case for lower values
- Finance and legal review and formal subsidy assessment
- Approval in line with the Authority's decision framework

Partnership & Engagement

17. The Portfolio Holder for Finance, Organisational Improvement and Business Growth has been an advocate of the introduction of such a policy and was consulted on the policy proposed. A draft version of this report was shared and discussed informally with Cabinet on the 11 September 2026.

Appendices

18. **Appendix 1** – TVCA On-Lending and Investment Policy

Cabinet is requested to consider the following identified implications:

Financial Implications

19.	The TVCA budget for 2026/27 approved by TVCA cabinet on 20 March 2026 set out that at 1 April 2026, £541.015m will have been advanced to third parties and this is forecast to increase by £54.015m by 31 March 2027. The Treasury Management Strategy 2026/27 approved by TVCA at the same Cabinet meeting clarifies that all borrowing, and any subsequent lending, is associated with TVCA's regeneration and investment strategy in the region and is not undertaken primarily for commercial return.
20.	The adoption of this policy strengthens the Authority's governance and controls over on-lending arrangements and formalises the process and key requirements for future on-lending proposals.

Legal Implications

21.	There are no legal implications in respect of the contents of this report, the Policy application in respect of On-Lending will be subject to any legal requirements contained in agreements made by the Combined Authority under the policy to ensure policy requirements are adhered to.
22.	Funding approvals in accordance with the policy will be subject to the Combined Authorities decision process in accordance with the Constitution.

Equality & Diversity Implications

23.	There are no equality and diversity implications with this policy.

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

Risk	X	Assurance Framework		Procurement	
Improvement	X	Environment		HR & IT	

24.	**Risk** The establishment of this clear policy which manages on-lending by TVCA contributes to mitigating the risks around on-lending. It provides a robust framework for the consideration of any such decisions.
	Improvement

25.	The proposed On-Lending Policy supports the Organisational Improvement Plan commitment to embed finance best practice across the Authority's financial management arrangements. By establishing a clear framework for on-lending activity, the Policy will strengthen governance, oversight and accountability, support long-term financial sustainability, ensure risks are managed appropriately, and promote prudent and sustainable decision-making in line with CIPFA guidance.

Appendix 1

Tees Valley Combined Authority

On-Lending and Investment Policy

Purpose

1. To set out when and how the Authority may provide loans to third parties (including development corporations or subsidiaries).

2. To ensure all lending and investment decisions:

    - Support the Authority's strategic priorities through an effective strategic planning and decision-making framework to ensure that all capital expenditure plans are prudent and affordable, however they are financed.
    - Protect the public purse by determining that capital expenditure and investment decisions are affordable, prudent and sustainable, and to set limits on the amount of borrowing in the context of wider capital planning
    - Deliver appropriate financial returns for the level of risk taken

3. The Prudential code 2021 differentiates between investments for Treasury management, commercial investments and 'Investments for service purposes' (or service investments) which are taken or held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services.

4. This policy primarily relates to service investments which the prudential code defines as follows:

    - Service investments may or may not involve financial returns; however, obtaining those returns will not be the primary purpose of the investment.
    - For local authorities, service investments will normally constitute capital expenditure, and it may be appropriate to borrow to finance service investments (Prudential Code, paragraph 95).

    .

5. To meet the code's classification, an investment must be directly involved in the delivery of a service for example loans to development corporations for regeneration, loans to subsidiaries for providing services, a shareholding in a shared service vehicle, and investments in local companies for regeneration. An investment made only to produce

income to support service finances is an investment for commercial purposes and not for service purposes and is not covered by this policy.

6. The Treasury Management Strategy 2026/27 approved by TVCA at its meeting on 20 March 2026 sets the authorised limit for borrowing which is the legal level of overall borrowing that the authority is permitted to take. The borrowing associated with on lending must be included within this limit. This limit is reviewed annually and any changes approved by Cabinet for the following year.

7. Further to the authorised limit, the TM Strategy sets the operational boundary which is based on the Authority's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Authority's estimates of capital expenditure. Any on lending will be included explicitly in the capital expenditure plans.

8. The Treasury Management Strategy further clarifies that all borrowing, and any subsequent lending, is associated with TVCA's regeneration and investment strategy in the region and is not undertaken primarily for commercial return.

9. This policy sits within the overall requirements of the Treasury Management Strategy and must adhere to the principles and limits set within the strategy.

10. The authority is required to do a mid-term treasury management report to Cabinet each year which reports the performance against the strategy as at 30 September of each financial year. This will include an update position for on lending and compliance with this policy.

CIPFA Classification

11. This policy relates to investments as defined within the CIPFA prudential code as "investments for service purposes".

    'Investments for service purposes' (or service investments) are taken or held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services.

12. Service investments may or may not involve financial returns; however, obtaining those returns will not be the primary purpose of the investment.

13. For local authorities, service investments will normally constitute capital expenditure, and it may be appropriate to borrow to finance service investments Prudential Code,

Policy Objectives

14. The objectives of the policy mirror those of the CIPFA Prudential Code which are to provide a framework for local authority capital finance that will ensure for individual local authorities that:

- capital expenditure and investment plans are affordable and proportionate
- all external borrowing and other long-term liabilities are within prudent and sustainable levels. Prudence is more than simply a narrow financial concept. It requires the authority to ensure that its capital investment decisions can deliver the authority's asset management and community strategy.
- the risks associated with investments for service and commercial purposes are proportionate to their financial capacity such that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services
- treasury management and other investment decisions are taken in accordance with professional good practice
- that in taking decisions above the combined authority is accountable, by providing a clear and transparent framework.

Scope

15. This policy applies to all on lending that supports the delivery of the regeneration of the region, including:

    - Loans to Authority owned companies or companies which the authority has a financial interest in, including development corporations
    - Loans to joint ventures or partnerships
    - Loans to external third parties where there is a clear public benefit
    - Investments linked to lending arrangements

16. This policy does not apply to taking equity stakes in applies to all on lending that supports the delivery of the regeneration of the region, including:

Key Principles

17. The Prudential Code requires local authorities to determine that capital expenditure and investment decisions are affordable, prudent and sustainable, and to set limits on the amount they can afford to borrow in the context of wider capital planning. an effective strategic planning and decision-making framework to ensure that all capital expenditure plans are prudent and affordable, however they are financed.

18. The authority must report the following matters for all service investments:

    - The approach to investments for service purposes in a clear business case including:
        - defining the authority's objectives
        - risk appetite and risk management in respect of these investments
        - processes ensuring effective due diligence.
    - An assessment of affordability, prudence and proportionality in respect of the authority's overall financial capacity (i.e. whether plausible losses could be

absorbed in budgets or reserves without unmanageable detriment to local services).
- Details of financial and other risks of undertaking investments for service and how these are managed.
- Limits on total investments for service purposes and for commercial purposes, respectively (consistent with any limits required by other statutory guidance on investments).
- Requirements for independent and expert advice and scrutiny arrangements.

19. While business cases may provide some of this material, the information contained in them must be periodically re-evaluated to inform the authority's overall strategy.

20. The s73 Officer will review all business cases prior to approval by members.

Circumstances Where Loans May Be Provided

21. The Authority may provide loans where:

- The entity is a partner or the authority has a financial interest in the entity and that entity is delivering or contributing to the strategic objectives of the region as set out in the regional regeneration plan
- There is a **robust business case** including:
    - Clear purpose of the loan
    - The project is financially sustainable
    - Full risk assessment
- The Authority has:
    - Carried out appropriate due diligence approved by the s73 Officer
    - Obtained necessary approvals by Cabinet
    - Subsidy control assessment

Financial Requirements

22. All loans must:

- Cover the Authority's cost of borrowing whereby Interest charged must be at least equal to the Authority's average cost of borrowing rate
- Include a margin to reflect risk to the authority and administrative costs (subject to subsidy control assessment) with no primary intent to make a financial return from the investment and therefore below private sector lender rates
- Have clear repayment terms Including a repayment schedule, security (if applicable), and default provisions
- Be proportionate to risk such that the loan size and exposure must be manageable within overall treasury management limits as set out in the Treasury Management Strategy and can be contained within the financial sustainability assessment of the borrowing entity

Risk Management

23. A full risk assessment must be completed for each proposal, covering:

    - Financial risk (repayment, cashflow)
    - Delivery risk (project viability)
    - Market risk

24. Risk mitigation should include:

    - Security or guarantees
    - Step-in rights
    - Covenants and monitoring requirements

25. Exposure limits agreed by Cabinet should be set for:

    - Individual borrowers
    - Total on-lending portfolio

Monitoring and Reporting

26. All loans and investments must be regularly monitored in terms of financial performance and compliance and reported at least half yearly through established governance routes.

27. Borrowers must provide at least annual financial updates in accordance with the loan agreements allowing for full audit access

Governance and Approvals

28. All proposals require:

    - A formal HM Treasury compliant business case for loan values above £2m, and an abbreviated business case for lower values
    - Finance and legal review and formal subsidy assessment
    - Approval in line with the Authority's decision framework

Review

29. This policy will be reviewed annually to ensure:

    - It reflects market conditions
    - It remains aligned with the Authority's priorities

Cabinet

Tees Valley Combined Authority

Date			25 September 2026
Agenda Item			15
Report Title			**Wholly or Partly Owned Companies Policy**
Accountable Cabinet Member			**Mayor Chris Cooke** Portfolio Holder Finance, Organisational Improvement and Business Growth
Accountable Chief Officer			**Alan Layton** Interim Group Director of Finance & Resources
Accountable Employee			**Alan Layton** Interim Group Director of Finance & Resources
Report considered by			A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 11 September 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	**Approve** the Wholly or Partly Owned Authority Companies Policy 2026-29 and supporting minimum standard as set out in **Appendix 1 and 1A**.

Purpose

Policy Summary

1. The policy and supporting Minimum Standard provide a consistent standard against which companies can be assessed to provide the organisation with assurance that

governance is fit for purpose and the business case for establishment of a company and ongoing business plan for the company is robust, demonstrating value for money and safeguarding public monies.

2. The key elements of the policy and supporting minimum standard designed to ensure robust governance are:

   - An HM Treasury Green Book compliant business case should be in place for all proposed companies.
   - Due diligence should be completed to ensure the business case is robust.
   - It contains measures to ensure any company structure and reporting arrangements established will provide the Authority with assurance that the company meets the principles of good governance articulated in the Minimum Standard as set out in **Appendix 1A.**
   - That roles and responsibilities are clearly understood and that those who hold them have the skills, capacity and experience to deliver those roles fully.
   - That regular formal reviews of arrangements are considered by the appointing body to assess whether the business case for the company is still present.

3. If agreed, it will be implemented and the one existing company arrangement, Goosepool 2019, will be reviewed against this new model and the minimum standards set out in **Appendix 1A**. Any resulting changes to governance appointments, such as shareholder representation, will be made in line with the Constitution and best practice and reported to Cabinet.

Executive Summary

4. TVCA has elected to use wholly or partly owned companies to deliver the regional economic regeneration and deliver strategic infrastructure to support the economy. A policy is required to strengthen the governance framework ensuring that the arrangements provide the Authority with assurance that the company is required to achieve the Authority's ambitions, provides value for money from its activities and has appropriate corporate governance arrangements in place.

5. The purpose of this report is to seek approval of the proposed policy attached in **Appendix 1** that sets out how the Authority will develop, operate, and review wholly or partly owned authority (WPOAC) companies.

Background

6. The Authority is looking to put in place appropriate governance arrangements for Wholly or Partly Owned Authority Companies to ensure compliance with CIPFA guidance on this.

7. The key elements of the policy and supporting Minimum Standard are:

- An HM Treasury Green Book compliant business case should be in place for all proposed companies.

- Due diligence should be completed to ensure the business case is robust.
- Implementation plans of the company should ensure that its structure and reporting arrangements provide the Authority with assurance that it meets the principles of good governance articulated in the Minimum Standard.

- That roles and responsibilities are clearly understood and that those who hold them have the skills, capacity and experience to deliver those roles fully.

- That regular formal reviews of arrangements are considered by the appointing body to assess whether the business case for the company is still present.

8. The policy will only apply where the Authority's position within a partly owned company meets the government definition of a 'person with significant control' (PSC). Government defines PSC as:

    - has more than 25% shares or voting rights in the company;

    - can appoint or remove a majority of directors;

    - can influence or control the company or trust.

Partnership & Engagement

9. The Wholly or Partly Owned Companies Policy has been discussed and shared with the Portfolio Holder for Finance, Organisational Improvement and Business Growth. A draft version of this report was shared and discussed informally with Cabinet on the 11 September 2026.

Appendices

10. **Appendix 1** - Minimum Standard
Appendix 1A – Proposed Wholly or Partly Owned Authority Companies Policy

Cabinet is requested to consider the following identified implications:

Financial Implications

11.	There are no direct financial implications arising directly from this report and policy. Application of the policy will support the Authority to ensure compliance with the requirements of the Best Value Duty. The Minimum Standard will ensure that any business case for establishment of a company will fully assess the costs and benefits, including costs of ensuring it is appropriately resourced to meet its obligations in relation to corporate governance; including information governance, legal support, data protection, health and safety, risk, insurance, performance management and HR.

Legal Implications

12.	The policy and supporting Minimum Standard will support compliance with company law and good practice guidance issued by sectoral leaders such as the Chartered Institute of Public Finance and Accountancy (CIPFA). The policy supports officers and members who may be required to undertake a formal director role within a company to understand their legal responsibilities.

Equality & Diversity Implications

13.	There are no significant equality and diversity implications with this policy.

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

Risk	X	Assurance Framework		Procurement	
Improvement	X	Environment		HR & IT	

14.	**Risk** The policy and compliance with it provide greater assurance around the contribution any company that is established will have towards achievement of the Authority's priorities. It will also ensure that the risks of any companies are fully articulated and formally reported back to the Authority on a regular basis during the lifetime of the company.
15.	**Improvement** The proposed Policy supports the organisation's improvement by strengthening governance and finance practices in line with best practice. The Policy establishes a

	consistent framework for the oversight of Authority-owned companies, strengthening governance, accountability and assurance. It will support effective decision-making, promote value for money and ensure alignment with CIPFA guidance.

Agenda Item 15

Appendix 1

Tees Valley Combined Authority

Wholly or Partly Owned Companies Policy

Summary

1. This policy sets out how the Authority will develop, operate, and review Wholly or Partly Owned Authority Companies (WPOAC) to strike an appropriate balance between allowing a company the freedom to manage its activities and ensuring that its arrangements provide the Authority with assurance that the company is required to achieve the Authority's ambitions, the arrangement is providing value for money from activities and there are appropriate corporate governance arrangements in place.

2. The following sections outline:
    - Purpose
    - Definitions
    - Scope
    - Legislative and regulatory framework
    - Policy statement
    - Roles and responsibilities
    - Supporting policies, procedures and standards; and
    - Monitoring and review arrangements.

3. This policy also sets a minimum standard for the establishment, governance and review of any WPOAC (attached at Appendix 1A) to support compliance with the aims of this policy.

4. The principle of "comply or explain" is expected in relation to following the requirements of this policy. Compliance with the requirements contained here is mandated, unless there is a good, well-argued, evidence based and documented reason for adopting a different approach, agreed with the Authority's S73 Officer and Monitoring Officer. Constitutional and legal requirements must still be followed

Purpose

5. Through the implementation of this policy, the Authority aims to ensure any companies established that it either partly or wholly owns:
    - Are only established following completion of a HM Treasury Green Book compliant robust business case which identifies that there is a compelling business case that meets the standards set out in the supporting Minimum Standard
    - Have appropriate controls and freedoms, with sufficient control for the Authority, to ensure that its investment is protected, appropriate returns on investment can be obtained and that the activities of the entity are aligned with the values and strategic objectives of the Authority

- Have clear understanding of roles and responsibilities between the Authority and any wholly or partly owned Authority companies. Roles involved in the oversight and operation of the company are occupied by those with the skills and experience to deliver them
- Have in place arrangements that ensure regular assurance is provided and that the entity continues to be relevant and required.

6. Effective implementation of this policy will ensure that the Authority understands its wholly or partly owned Authority companies, how they contribute to strategic objectives and provision of assurance around good governance.

Definitions

Owned Authority Company	A separate legal entity, either partly or wholly owned by the Authority, established to deliver a specific range of functions and/or commercial activity following the agreement of the appropriate decision-making body within the Authority.
Value for Money	Wholly or Partly Owned Authority Company uses resources in a way that creates and maximises public value.
Company Governance	The governance arrangements that will be put in place and maintained during the life of the company in order to meet the requirements of this policy and supporting minimum standard.
Authority shareholder	The position can be made up by a number of appointees or one individual who review the performance of the board and ensure investments and policy objectives are being delivered by the Company in line with the Authority's expectations.
Company Board Chair	The chair provides clear board leadership, supporting the directors and chief executive of the entity and taking account of the shareholders views.
Executive Directors	They are focused on running the Authority Company's business activities and implementing the boards plans and policies. They may be expected to be board members, although this is not essential.
Non-Executive Directors	Non-Executive Directors have a wider role, providing independent and constructive challenge. They are in place to bring independent judgment to bear on issues of subject matter expertise, strategy, performance, resources including key appointments and standards of conduct.
Nolan principles	Seven principles set out by Lord Nolan in 1995, including a code of conduct across public life, outlining the ethical standards public sector workers and elected officials are to adhere to.
Articles of association	Written, published rules that determine how the company is run and is agreed by the shareholders or guarantors, directors and (where there is one) the company secretary.
Shareholder agreement	the shareholders' agreement is a confidential document, whereas the articles of association are open for the public to view at Company House. This may affect the decision about what is included in the articles of association and what should be kept private in the shareholders' agreement. Typically, a shareholder agreement will cover the following: • The nature of the company and its purpose

	• The process for appointing and removing directors • How decisions about the company will be made • How disputes will be resolved • The shareholders' rights to information • How shares will be distributed and sold • Any restraint provisions on shareholders

Scope

7. This policy applies to all arrangements of the Authority meeting the corporate definition of wholly or partly owned authority companies outlined in this policy.

8. For partly owned Authority companies, this policy will apply where the Authority's position meets the government definition of a 'person with significant control' (PSC). Government defines PSC as:
   - has more than 25% shares or voting rights in the company
   - can appoint or remove a majority of directors
   - can influence or control the company or trust.

9. The policy applies to all elected members and employees of the Authority (both permanent and temporary).

Legislative and regulatory framework

10. Key elements of the legislative and regulatory framework relevant to partnership governance are set out below.

Localism Act 2011	The Act gave Local authorities new and broader general powers of competence in accordance with section 1 of the act.
Local Government Act 2003	Gives Local Authorities the power to set up companies to trade with a view to making a profit in relation to any of their existing functions. Companies Act 2006 - Sets out statutory duties of directors of companies to be legally responsible for running the company and providing information on the company's structure and operation to Companies House.
Companies Act 2006	Sets out statutory duties of directors of companies to be legally responsible for running the company and providing information on the company's structure and operation to Companies House. Duty on Company Directors to act in the best interests of the company to promote its success including that they must consider the: • consequences of decisions, including the long term • interests of its employees • need to support business relationships with suppliers, customers and others • impact of its operations on the community and environment • company's reputation for high standards of business conduct • need to act fairly to all members of the company.

The Five Case Business Model: HM Treasury, Government Green Book. HM Treasury Green Book	HM Treasury Green Book approach to public sector investment, adopting the five-case model, as set out in the 'Guide to Developing the Project Business Case, Better business cases: for better outcomes'.
Freedom of Information Act 2000	If the company is wholly owned by one Local Authority, it will be subject to the Act. If it is owned by more than one Local Authority, it is exempt.

11. This policy is also shaped by best practice guidance published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Policy Statement

12. Each existing or prospective wholly or partly owned Authority company will have a lead manager of appropriate seniority who sits on the Authority's Leadership Management Team. The lead will be responsible for ensuring that wholly or partly owned Authority companies are developed, governed, and reviewed in line with this policy.

13. Development of any new wholly or partly owned Authority companies will be a project and be managed in line with the Authority's wider governance and policy framework.

14. All formal wholly or partly owned Authority company agreements and structures proposals (incorporated partnerships or other) will be agreed by the s73 Officer and Monitoring Officer following approval of a HM Treasury compliant robust business case, in line with the Authority's wider governance and policy framework.

15. All wholly or partly owned Authority companies will meet the minimum standard of governance set out in the Minimum Standard appended to this policy.

16. Once established, the performance of wholly and partly owned companies will be reported quarterly to the Cabinet, and updates to Overview and Scrutiny Board at least annually. Reporting will cover ongoing compliance with this policy, activity and its alignment with the Authority's objectives.

Roles and key responsibilities

Executive Members	Responsible for agreement of this policy and adhering to it when acting in line with this policy in their Executive Member capacity or Authority appointed company role.
Elected Members	Elected members may be appointed to wholly or partly owned Authority companies' boards and will scrutinise the performance of such Authority companies in line with its governance arrangements and their appointed roles

	Members must be aware of their responsibilities under the Local Code of Corporate Governance and Codes of Conduct for members and employees and ensure that the Authority companies that they are involved in comply with this policy. Any concerns should be escalated to Monitoring Officer of the Authority.
Company Directors	Act within their powers under the company's constitution. promote the success of the company. A director must act in a way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members (shareholders) as a whole. Directors must exercise independent judgement, developing their own informed view of the company's activities. It is the responsibility of all directors to avoid or manage conflicts of interest which may affect their objectivity. If situations arise which impose multiple claims on a director's attention or loyalty, it is essential that they disclose them to fellow board members. It will then be up to the other non-conflicted board members (or the shareholders, in some cases) to decide how to manage or approve the conflict and maintain the integrity of the board's decision-making process.
Company	The designated shareholder(s) responsible for representing the company
Shareholder Representative	Authority's ownership of the wholly or partly owned authority company.
Monitoring Officer	Provide advice on partnership models and governance arrangements where appropriate and signs off all formal arrangements prior to approval. Be provided with regular assurance that the company is operating in line with expected governance arrangements
Section 73 Officer	Ensure the proposed company's arrangements will provide the Authority with Value for Money. Be provided with regular assurance that the company is continuing to provide Value for Money
Leadership Management Team Lead	Responsible for ensuring any proposed company is established in line with this policy. Once a company is in operation, ensuring that appropriate assurances are provided back to the Authority on the governance of its operation and value for money delivery. Providing regular assurance around the ongoing need for the company to be maintained.

Supporting policies, procedures and standards

The following policies, procedures and standards will be implemented across the Authority to support effective partnership governance.

- Risk Management Framework

Monitoring and Review Arrangements

17. This policy will be reviewed every three years, unless there is significant development that would require a more urgent review e.g., new legislation.

Agenda Item 15

Appendix 1A

Tees Valley Combined Authority

Wholly or Partly Owned Authority Companies Minimum Standard

Introduction

1. This document supports compliance with the Wholly or Partly Owned Authority Companies (WPOAC) policy by providing a best practice checklist of the minimum required to be followed when considering establishing a company arrangement that will be within the scope of the policy, oversight during the company's lifetime and how the continued existence of a company should be regularly reviewed.

Development - Development of a proposal to establish a Company

2. Where it has been identified that a company, in some form may be required to achieve the Authority's objectives, the following steps must be taken.

Business Case

3. A business case should be developed that considers the need for the company, in line with the Authority's wider governance and policy framework, that:
   - Sets out the strategic context together with the overall vision and ensure that the objectives for the required activity are clear
   - assesses why establishing a company is the best assessed option against the range of delivery models available to the Authority
   - ensure that the costs and benefits – both direct and indirect – are clear and that evaluation is driven by long-term benefits
   - ensure a comprehensive appraisal of the range of options for service delivery in such a way that decision makers are assured that there has been a fair assessment of the delivery models e.g., in house, outsource, partnership working, Local Authority Trading company, Joint Venture, Teckal company etc.
   - sets out the investment and other resources required in the recommended option to achieve the objectives, along with a clear illustration of the true costs of borrowing where this is appropriate.

4. In line with the Authority's programme and project management assurance arrangements and supporting framework, it is likely that a Business Case will also be required. Within this, the assessment of any company should also consider how it will be resourced to meet the obligations of this minimum standard in relation to corporate governance; including information governance, legal support, data protection, health and safety, risk, insurance, performance management and HR.

5. Further guidance on the content of the business case can be sought from the Authority's appraisal function and the Chartered Institute of Public Finance and Accountancy (CIPFA) detailed 'Local Authority Owned Companies, good practice guidance' (2022).

Stakeholder involvement

6. The Director lead should ensure that any exploration of a business case for the establishment of a company includes early engagement with stakeholders including:

    - Executive Member(s) and the Mayor, and where the ultimate decision maker is a body other than Cabinet, politicians that sit on that body
    - The Chief Executive
    - The Monitoring Officer
    - The Section 73 Officer
    - The appraisal function

Due Diligence

7. Prior to finalisation of any full business case, a due diligence process should be completed to ensure the above has resulted in a proposal where the financial, legal, taxation and operational implications of the proposed company are understood and the assumptions for its creation are robust.

8. An external review, or an internal review by someone who has not been involved in the process and who has the knowledge and skills to consider the following questions should be undertaken addressing the following questions:
    - Are the proposals aligned with the Authority's Strategic objectives?
    - Are the desired outcomes from the company clearly stated Authority values?
    - Where other partners are involved is there a clear alignment of expectations?
    - Does the proposal fully articulate the risks to the authority, including financial, reputational and service delivery risks?
    - Would there still be a robust business case for the company if there was a change in the political administration of the Authority?
    - Is there a clear rationale for creating the company?
    - Does the proposal fully articulate the whole cost of establishing and maintaining a company including staffing and governance?
    - Does the authority have the right skills in place to successfully deliver a company, including oversight and occupation of key company roles by councillors and members?

9. This will include ensuring the following documents are in place before a Cabinet decision is taken on the principle of establishing a company:
    - A business case
    - A business plan
    - Proposed articles of association

- A shareholder/member or governance agreement that covers issues such as expected standards in relation to corporate governance, including the expected risk appetite of the company and how it will be managed
- Commissioner clarity – where a local authority company is contracted to provide services to the local authority (the shareholder) it is advisable to establish a client/contractor split
- Agreements providing for the authority's provision of services and (if relevant) provision or transfer of assets and liabilities to the company
- Policy on secondments and / or employment by the Company
- Additional agreements as required, including data protection, records management and information-sharing protocols
- Policy on conflicts of interest
- Documents concerning funding flows – loans and advance payments • Authority internal policy documents that may apply to the company, such as standing orders and financial and contract regulations
- A clear exit strategy
- Any reserved matters that can only be done in agreement with the shareholders.

Taking the decision

10. At the point a decision is taken to proceed, a detailed implementation plan will be delivered that covers key aspects of good corporate governance including:
    - ICT, systems, security, hardware and software
    - Staffing
    - Banking, VAT and accounts
    - Information governance
    - Legal compliance
    - Records management
    - Performance and budget oversight by the Board and Authority
    - Internal and External audit requirements.

Implementation – Structure, Roles and Responsibilities

11. A Company will need sufficient freedom to achieve its objectives in order to thrive. A commercial entity needs to be able to act with agility to compete with other companies in the market, taking into account changing conditions.

12. The governance of the company will need to be in place at the outset and ensure that the Authority retains effective oversight of the company, thereby protecting its investment and ensuring that trading activities are carried out in accordance with the Authority's ethos and values.

Company Structure

13. The Company's structure should be set up to provide the following:
    - Clear formal communication channels between the company and the Authority both to the Leadership Management Team lead responsible for oversight but also to

provide formal regular assurance back to the Authority on the ongoing effectiveness of the company and its delivery against its business plan and the Authority's objectives. This will be on at least a quarterly basis.

- A performance framework that ensures the board are fully sighted on the performance of the company, its risk management and the effectiveness of its internal controls.
- The company, within its governance documents, should clearly articulate its risk appetite as part of a risk management policy and that should be agreed and regularly reviewed by the Board.
- Delivery processes that ensure best value is achieved in relation to investments by ensuring appropriate frameworks are in place to oversee delivery. This could include project management tools, procurement policy, financial management etc.
- Training for proposed Board Members to ensure they understand their proposed roles, expectations, risks they will be taking on, the conflict of interest process and any other relevant aspect of good governance. This should be repeated regularly. Completion of training should be a requirement of ongoing Board Membership. An annual review of Board skills should be completed and the outcome reported in assurance reports to the Authority. Provision of access to financial data to ensure the Authority can maintain its legal obligations in relation to financial reporting.
- Consideration of the financial reporting regime the company will be required to follow
- Provision of external audit of the company's accounts with the presumption that any company using public money would be subject to external audit.
- Internal audit arrangements for the company using either the Authority's existing provider or securing an alternative provider.
- A communications plan that sets out how company information will be published to provide the public with information about the operation of the company while also maintaining commercial confidentiality where necessary to ensure the company can operate on an equal footing with its competitors.
- A conflict-of-interest policy governing company directors and staff. This will cover situational conflicts that will not be permitted including:
    - Cabinet members holding a portfolio who also serve as a director of a company under the control of the same portfolio
    - Councillors taking shareholder decision in respect of a company of which they are also a director.
    - Officers who serve as director for a company will not also be allowed to undertake the Shareholder Representative role for the Authority.
    - Conflicts prohibited by the Authority's constitution.

Roles and responsibilities of the Authority

14. It will be the Lead Director for the following decisions (subject to agreement with partners where it is a joint venture) during the life of the company:
    - registering the company and associated persons with Companies House
    - drawing up documentation to support the company's governance and structure

- appointing the board chair
- agreeing board memberships and board members' responsibilities
- determining the regularity of meetings
- determining audit arrangements, and
- agreeing how the company should be financed
- identification and agreement of client / contractor splits where the company provides services to the Authority.

Roles and Responsibilities of the Company Board's Chair

15. The Chair must:

- Set clear expectations around style, tone and content of board discussions
- Ensure the Board has effective decision-making processes that meet good governance standards
- Ensure there is sufficient challenge involved in major proposals
- Ensure meetings are held without company employees are present in order to facilitate a full and frank airing of views, where that is required
- Ensure that an appropriate level of information is received by the Board in order for informed decisions to be made.

Roles and responsibilities of the Board

16. The Board will:

- Provide leadership
- Model compliance with good governance conduct through its behaviour
- Monitor performance against the objectives and risk
- Evaluate courses of action to achieve objectives and make strategic decisions
- Be accountable for the company's activities to the Authority, ensuring regular reporting to the Authority.

17. Company Directors will:

- Act at all times in the best interests of the company as required by company law
- Be responsible for ensuring they have the skills and knowledge to undertake their roles effectively
- Act only within their roles as set out in the Company Memorandum and Articles of Association and only use their powers for the purposes for which they are conferred (this will require a clear understanding of the differences between roles when acting as either an Executive Director of the Company, a non-Executive Director and when acting in other roles outside of the company e.g. Elected Member, officer of the Authority etc.)
- Promote the success of the company
- Exercise independent judgement
- Exercise reasonable, care, skill and diligence
- Avoid actual, potential and perceived conflicts of interest by adhering to a conflict-of-interest policy

18. Executive Directors are working employees of the company, responsible for strategic decision-making and ensuring effective running of business operations.

19. Non-Executive Directors will provide expertise, hold the company to account for its performance and compliance with good governance through constructive challenge and scrutiny.

20. Where there is a requirement for a company to act at 'arms-length' in order to achieve its objectives, strong consideration should be given to appointing a chair who is independent of the Authority.

Roles and responsibilities of Shareholder Representative

21. Within the current governance model of the Authority, the Elected Mayor determines the Shareholder representative. The function can be delegated to an officer or the Executive. The representative should have due regard to the views of the Shareholder Board when exercising their role as the shareholder representative.
22. Where applicable, depending on the nature of the legal entity, the Authority should identify who the personal with significant control is and register them with Companies House.

Roles and responsibilities of a Shareholder Board

23. A formal Shareholder Board should be established to advise the shareholder representative. This Board will provide oversight from the Authority's perspective and be the mechanism by which non-Executive Members, can hold the company to account. Directors of the Company are required to attend Shareholder Boards to present information as required.
24. Each company will be different, however when establishing the governance, consideration should be given as to how the views of the Board will be given to the representative and then reflected in the business meetings of the Board.

<u>Good Governance in practice – Operating effectively and with integrity</u>

Managing conflicts of interest

25. When appointing Non-Executive Directors, the Authority should consider the good practice of having some distance between key authority decision makers and company decision makers in terms of personnel.
26. There should be a conflict-of-interest policy and supporting register that meets legal obligations and compliance with it is clearly the responsibility of individuals acting in various company roles.
27. All potential conflicts of interest should be referred to the Authority's Monitoring Officer and the Company Secretary.

TVCA scrutiny

28. The Director lead should ensure the Authority's Overview and Scrutiny Committee (OSC) is able to exercise its power in relation to scrutiny of the operation of local authority companies as part of its work programme.

29. The Authority's Annual Governance statement, considered Audit & Governance Committee, should include reference to how the Authority monitors and evaluates the effectiveness of the governance arrangements set out in this minimum standard.

Keeping a record

30. Minutes must be taken for all board meetings that provide a complete record of those present, declarations of interest, discussion, decision, and the rationale for it. They must be kept for 10 years.

Authority performance monitoring of the Company

31. Quarterly reports on the performance of the Company, finance reporting, delivery of the company against its objectives as set by the Authority, and its risk management arrangements should be considered by the appointing Authority body, usually Cabinet, on a quarterly basis. This report should set out progress against an annual business plan that clearly articulates planned activity to achieve the aims of the company, address any internal or external audit recommendations.

Review to ensure that the company still the best vehicle to achieve the required objectives

32. As a minimum, a review of the company, its structure and its delivery should be conducted by the Lead Director at least annually to assess whether the business case for its establishment is still relevant, whether the company is operating as intended and is effective. The outcome of this review should be referenced in the annual report to the relevant committee of the Authority. The CIPFA detailed guidance should be used to shape this review.

Questions to consider when assessing the effectiveness of the company include:

- Does the Board have the mix of skills, experience and knowledge in the context of developing and delivering the strategy, the challenges and opportunities, and the principal risks facing the company?
- Are the purpose, direction and values of the company clearly communicated and does the Board provide effective leadership in these areas?
- Are there succession and development plans in place?
- Does the board work together as a cohesive unit?
- Do key board relationships support the overall effectiveness of the Board?
- How effective are individual directors?
- Is the quality of information provided on the company and its performance sufficient to meet Shareholder requirements?
- Do the quality and timing of papers and presentations to the board support board effectiveness?
- Is the quality of discussions around individual proposals sufficient and is enough time allowed for proposals to be properly considered?
- Does the company secretary/secretariat support the Board effectively?
- Is there demonstrable clarity of the decision-making processes and authorities, looking back on key decisions made over the year?

- Are processes for identifying, reviewing and managing risks in place and functioning well?
- Can the board demonstrate that it communicates with, and listens and responds to, shareholders and other key stakeholders?
- Are processes for identifying, reviewing and managing risks in place and functioning well?
- Can the board demonstrate that it communicates with, and listens and responds to, shareholders and other key stakeholders?

Cabinet

Tees Valley Combined Authority

Date	25 September 2026		
Agenda Item	16		
Report Title	Local Transport Delivery Plan 2026/27 – 2031/32		
Accountable Cabinet Member	**Cllr Stephen Harker** Portfolio Holder for Transport and Digital Infrastructure		
Accountable Chief Officer	**Jonathan Spruce** Director of Infrastructure		
Accountable Employee	**Alan Weston** Head of Transport		
Report considered by	Pre-Cabinet process		
Key Decision	Yes **X**	No	This is a key decision as it relates to the allocation of funding in the Capital Programme.
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	**AGREE** that TVCA submits the Local Transport Delivery Plan to the Department for Transport to meet the October 2026 deadline.
B	**AGREE** to delegate authority to the Cabinet Portfolio Lead for Transport and Digital Infrastructure and the Transport Committee to finalise the Local Transport Delivery Plan following any feedback on the Plan from the Department for Transport, following the Cabinet, and prior to formal submission.

C	**APPROVE** the acceptance of the Local Transport Delivery Plan programme within the Tees Valley Investment Pipeline, in accordance with the Single Assurance Framework.
D	**AGREE** to delegate authority to the Director of Infrastructure to take all decisions to manage and deliver the Local Transport Delivery Plan programme within the approved investment package allocations, as shown in Appendix B, including decisions required to progress business cases for each project/package/ programme with authorisation to spend up to 10% of the total approved investment package capital allocations for this purpose and the revenue allocations to support the development and delivery of the programme.. This is to be done in consultation with the Cabinet Portfolio Lead for Transport and Digital Infrastructure and the Transport Committee, to ensure that the requirements of the Memorandum of Understanding between the Department for Transport and TVCA are met.
E	**AGREE** to delegate the approval of project/package/programme business cases in accordance with the Single Assurance Framework, and in consultation with Cabinet Portfolio Lead for Transport and Digital Infrastructure.
F	**NOTE** that recommendations F – H of the Cabinet Paper dated 20 March 2026 regarding the delivery of the Tees Valley Bus Service Improvement Plan element of the Local Transport Delivery Plan programme remain valid.
G	**NOTE** that the Transport Committee will receive a quarterly update on progress in delivering the Local Transport Delivery Plan programme and report any significant issues to Cabinet.
H	**AGREE** to receive an annual report on progress in delivering the Local Transport Delivery Plan programme including any variances approved through the delegation.

1. Purpose

1.1. The purpose of this report is to:

- Seek Cabinet approval to submit the Local Transport Delivery Plan (LTDP) to the Department for Transport (DfT), based on the previously agreed Transport

Capital Investment Programme for the period to 2031/32 but following further refinements to the programme since the Draft LTDP was approved in March 2026.

- Seek Cabinet approval to delegate approval of the final version of the LTDP to the Cabinet Portfolio Lead for Transport and Digital Infrastructure and the Transport Committee once TVCA has received confirmation on the final format for the submission from the DfT following the Cabinet and following any feedback on the Plan between the Cabinet meeting and formal submission.

- Seek Cabinet approval to delegate authority to the Director of Infrastructure to take all decisions required to progress business cases for each project/package/programme identified in the LTDP programme, including authorisation to spend up to 10% of the total approved investment package capital allocations for this purpose and the revenue allocations to support the development and delivery of the programme.

- Seek Cabinet approval to delegate the approval of project/package/ programme business cases in accordance with the Single Assurance Framework, and in consultation with Cabinet Portfolio Lead for Transport and Digital Infrastructure.

2. Executive Summary

2.1. The current Transport Investment Programme includes the main devolved funding sources – City Region Sustainable Transport Settlement (CRSTS) and Transport for City Regions (TCR) – which TVCA has secured in the past. It also includes smaller amounts of other funding, which TVCA has been able to secure, to support the delivery of specific transport projects and programmes, including the delivery of the aspirations set out in the Bus Service Improvement Plan on behalf of the Enhanced Partnership.

2.2. In December 2025, the Department for Transport (DfT) wrote to TVCA setting out a new approach to further local transport funding consolidation. From April 2026, TVCA will receive a single Mayoral Transport Fund (MTF) allocation, which will consolidate a number of grants:

- CRSTS 2026/27 (capital and revenue)
- Highways Maintenance incentive funding 2026/27 (capital)
- TCR settlement 2027-32 (capital and revenue)
- Active Travel Fund 2026-30 (capital and revenue)

- Local Electric Vehicle Infrastructure (LEVI) Capability Funding 2026-29 (revenue)
- Local Authority Bus Grant 2026-29 (revenue).

2.3. The MTF is a flexible fund that is intended to be used to deliver a wide range of local transport outcomes, to be reported on via an Outcomes Framework set by DfT. The flexible approach to the MTF programme also includes the final year of the CRSTS programme, enabling schemes to be delivered when they have reached the right level of project maturity to enable business cases to be produced, reviewed and assured in accordance with the TVCA Single Assurance Framework.

2.4. TVCA was required for set out how it proposes to use its MTF allocation in a Draft Local Transport Delivery Plan (LTDP) in March 2026. This Draft LTDP, in a format prescribed at that point by DfT, was presented to Cabinet and approved for submission at the meeting on 20 March 2026.

2.5. A Final LTDP is required by 31 October 2026, although the format of this submission has not yet been confirmed by DfT. However, since March 2026, more detailed work has been undertaken on the programme to the point where the Final LTDP can now be presented to Cabinet for approval, subject to confirmation on the final format for the submission from the DfT and following any feedback on the Plan between the Cabinet meeting and formal submission.

3. Understanding the Mayoral Transport Fund Allocation and Flexibility

3.1. The December 2025 letter from DfT outlining the arrangements for the new flexible MTF confirmed allocations based on the 2025 Spending Review settlement and subsequent Ministerial decisions for all of the previously separate funding allocations for the following grants:

- CRSTS 2026/27 (capital and revenue)
- Highways Maintenance incentive funding 2026/27 (capital)
- TCR settlement 2027-32 (capital and revenue)
- Active Travel Fund 2026-30 (capital and revenue)
- Local Electric Vehicle Infrastructure (LEVI) Capability Funding 2026-29 (revenue)
- Local Authority Bus Grant 2026-29 (revenue).

3.2. In view of delayed progress on a number of schemes, TVCA also has additional CRSTS funding from years 1 – 4, which has not yet been spent and this also needs to be considered in the context of the LTDP programme.

3.3. This means that the totality of the MTF allocation is £986.954m capital and £97.999m revenue comprised as follows:

- CRSTS 2026/27 allocation (£62.437m capital and £8.5m revenue)
- TCR 2027-32 (£916.0m capital and £62.0m revenue)
- Highways Maintenance incentive funding 2026/27 (£5.127m capital)
- Active Travel Fund 2026-30 (£3.38m capital and £0.79m revenue)
- Local Electric Vehicle Infrastructure (LEVI) Capability Funding 2026-29 (£0.70m revenue)
- Local Authority Bus Grant 2026-29 (£25.89m revenue).

3.4. Highway maintenance incentive funding for 2026/27 has already been allocated between the local authorities, and the Active Travel Fund revenue element of the MTF has been allocated to deliver services to encourage walking, wheeling and cycling. Following recommendations from the Transport Committee, in March 2026, Cabinet agreed how to allocate the Local Authority Bus Grant element of the MTF and this will see additional supported bus services starting this month.

3.5. Therefore, the work since March 2026 has concentrated on refining the allocation of the TCR element of the MTF allocation alongside the continued delivery of the projects within the CRSTS programme that have already been confirmed by Cabinet and are in the process of being delivered.

3.6. TVCA has some discretion over a level of overprogramming to assume within the capital allocations within the MTF, balancing risk of scheme delivery with effective management of the programme. Although TVCA would remain responsible for any cost overruns to agreed government funding allocations within a defined allocation, overprogramming is helpful to manage change and fluctuations in spend over time. The Transport Committee has recommended allowing **20%** overprogramming of the MTF capital element within the LTDP programme. This gives a total capital allocation to 2031/32 of just under **£1.340bn**, principally comprising:

- £217.864m CRSTS remaining (including 2026/27 allocation)
- £916.000m TCR capital
- £3.388m Active Travel Fund capital
- £5.127m Highway Maintenance Fund capital
- £197.391m MTF overprogramming.

3.7. The MTF can be spent flexibly across modes, in line with funding terms and expectations. The DfT expects the MTF to be spent on local transport outcomes, including infrastructure projects across all modes (including for highways maintenance, active travel, bus, light rail and electric vehicle charging infrastructure); schemes to benefit bus services and /or bus passengers, behaviour

change programmes, and to build capacity and capability to develop and deliver local transport investment and policies.

3.8. Although there is flexibility across the MTF allocation, it should be noted that any proposed schemes which are deemed to be novel, contentious or repercussive (including considering scheme value for money), interact with national networks or have a capital cost over £50 million full life cost may be 'retained' by the DfT. In addition, no more than 10% of TCR funding can be allocated towards local highways schemes that increase capacity of the network, unless by exception and then subject to Ministerial approval.

4. Refining the Local Transport Delivery Plan

4.1. The Draft LTDP approved in March 2026 set out the planned delivery of the MTF allocation across a number of key packages as follows:

Investment Package	Proposed MTF Revenue Allocation	Proposed MTF Capital Allocation
TeesRail	£10.000m	£180.100m
Unlocking Strategic Sites	£0m	£596.000m
Capacity and Pinch Points	£17.000m	£204.705m
Sustainable Transport	£38.569m	£176.288m
Digital Transformation	£0m	£70.000m
Back Office / Project Development	£32.430m	£0m
Total	**£97.999m**	**£1,227.093m**

4.2. Since March 2026, two workshops have been held with the Transport Committee to review and challenge the programme set out in the LTDP. This was not intended to change significantly the range of schemes included within the programme, but to understand how to best reflect local priorities and needs within the Final LTDP.

4.3. Following the first workshop on 2 June 2026, the Transport Committee requested that TVCA consider the following as part of the next iteration of the LTDP programme:

- An appropriate level of overprogramming, considering the impact of 20, 25 and 30% of the TCR capital allocation on the overall programme
- Future road maintenance allocations within the LTDP programme should reflect an ambition to progress towards removing all 'red' ratings across the Tees Valley Key Route Network and be index-linked in future years to reflect inflationary pressures

- More funding should be allocated to programme of sustainable transport schemes to support town centre regeneration
- The Final LTDP should include a programme for future regeneration site connections/enhancements on the Key Route Network, as yet undetermined.

4.4. TVCA also commissioned a 'Sprint Review' of the majority of the projects included in the Draft LTDP. Given the scale of investment involved and the importance of ensuring deliverability within anticipated funding periods, there is a need to establish a clear understanding of the status of individual projects, their programme requirements, expected expenditure profiles and the principal risks and dependencies that may affect successful delivery. The outcomes from the Sprint Review provide an initial programme-level assessment intended to support programme oversight, future decision-making and the development of a robust delivery framework.

4.5. For around 20 projects/packages within the Draft LTDP, the 'Sprint Review':

- Summarises the scope, purpose and strategic rationale of each project
- Reviews the current stage of project development and delivery readiness
- Identifies key programme milestones and indicative delivery timescales
- Assesses current budget allocations and available expenditure information
- Reviews key risks, constraints and external dependencies
- Highlights areas where additional information, assurance or intervention may be required to support successful delivery
- Provides a programme-level view of programme maturity, affordability and deliverability.

4.6. In providing a high-level delivery programme for each project/package and a supporting quarterly expenditure forecast, the 'Sprint Review' has provided an independent and critical review of the Draft LTDP that provides greater confidence in recommending the revised LTDP programme to Cabinet. A summary report from the 'Sprint Review' is included at **Appendix A**.

4.7. The 'Sprint Review' concludes that the LTDP programme demonstrates strong alignment with TVCA's strategic objectives and contains a balanced mix of short-term deliverable projects and longer-term transformational investments. However, successful delivery will depend upon proactive programme management, affordability monitoring, business case coordination, resource planning and effective management of external dependencies.

4.8. A second workshop was held with the Transport Committee on 2 September 2026 to report back on the key findings of the 'Sprint Review' and to demonstrate to the

Committee how the steer on the Final LTDP set out in paragraph 4.3 has been taken into account.

4.9. In particular, a new arrangement for highways maintenance funding has been recommended by the Transport Committee. This would see the highways maintenance element of the LTDP programme inflated by 5% from 2022/23-2026/27 in shadow form to provide a new baseline for 2027/28 at £27.599m, with a further 8% per annum increase to 2031/32, at which point the annual allocation would be £37.548m, over double the annual allocation in 2022/23.

4.10. In addition, a separate allocation of £15 million has been provided to improve road safety across the Key Route Network so that this can be targeted towards locations of greatest need and not compete with highway maintenance for funding, as happens currently. This links directly with the outcomes framework and provides funding to help reduce the number of road casualties.

4.11. For town centre regeneration, a significant allocation is included in the LTDP programme for each local authority to take forward sustainable transport schemes to support complementary regeneration proposals.

4.12. The LTDP programme now includes an allocation for infrastructure enhancements on the Key Route Network that will support employment and housing.

4.13. There has also been a repackaging of some of the projects/programmes to reflect objectives and the comment arising from the Sprint Review around links to external dependencies. **Appendix B** contains a summary of the Final LTDP programme as developed with the Transport Committee and through the 'Sprint Review'.

4.14. The table below summarises the revised totals across the refined packages.

Investment Package	Proposed LTDP Revenue Allocation	Proposed LTDP Capital Allocation
TeesRail	£5.000m	£256.240m
National Networks/Key Route Network	£16.000m	£469.787m
Supporting Growth and Regeneration	£6.000m	£378.319m
Sustainable Transport	£38.569m	£165.766m
Digital Transformation	£1.375m	£65.601m
Programme Development/ Management (including LEVI)	£31.055m	£0m
Total	**£97.999m**	**£1,339.713m**

4.15. As shown in Appendix B, all of the interventions that were prioritised by Cabinet in January 2024 for what was then known as the 'CRSTS2' programme are still included in the LTDP programme within one of the investment packages. The only changes to these projects since January 2024 have been the provision of updated cost estimates and/or revised delivery timeframes.

4.16. The estimated spend profile for the LTDP programme as presented is shown in the table below, based on the initial programme developed by the 'Sprint Review'.

2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
£104.031m	£203.362m	£265.335m	£257.951m	£271.726m	£237.308m

4.17. It should be noted that there is also a forecast spend of £135.954m on four projects beyond the nominal end of the MTF allocation in 2031/32, based on the initial programme developed through the 'Sprint Review'.

4.18. Cabinet approval is sought to submit this Final LTDP to the DfT following the further refinements to the programme since the Draft LTDP was approved in March 2026. The Final LTDP is to be submitted by 31 October 2026. Cabinet is also asked to agree the acceptance of the LTDP programme within the Tees Valley Investment Pipeline, in accordance with the Single Assurance Framework.

4.19. The format of the Draft LTDP was prescribed by the DfT, but TVCA has not yet received details of the format of the Final LTDP. In view of ongoing changes to devolution and funding flexibilities, TVCA needs to engage further with DfT on the issues of 'retained' schemes and whether more than 10% of the TCR funding element can be allocated towards local highways schemes that increase capacity of the network, which is still thought to be subject to Ministerial approval.

4.20. Therefore, Cabinet approval is also sought to delegate approval of the final version of the LTDP to the Cabinet Portfolio Lead for Transport and Digital Infrastructure and the Transport Committee once TVCA has received confirmation on the final format for the submission from the DfT following the Cabinet and also following any feedback on the Plan between the Cabinet meeting and formal submission.

5. Accelerating Delivery of the Local Transport Delivery Plan

5.1. Effective management of an overall programme against a series of defined outcomes, as is envisaged by the Outcomes Framework prescribed by the DfT and as will be necessary for the effective operation of the LTDP programme, requires a

shift from the previous way of managing of a series of individual projects that is classed as a 'programme' to take a more holistic look at the totality of the planned interventions.

5.2. The work done for the 'Sprint Review' has provided a good starting point for the ongoing management of the programme, but also includes the following recommendations:

- Establish enhanced programme-level governance
- Prioritise business case and assurance capacity
- Actively manage affordability risks
- Coordinate third-party approvals
- Strengthen risk and dependency management
- Refine spend profiles and delivery forecasts.

5.3. In terms of the former two, Cabinet approval is sought for two important delegations to enact the recommendations of the 'Sprint Review'.

5.4. First, delivering the CRSTS programme as a series of individual schemes and with multiple funding allocations has meant that there are multiple delegations for revenue and capital across different funding streams leading to confusion on the appropriate approvals required for project development and delivery.

5.5. Therefore, Cabinet approval is sought to delegate authority to the Director of Infrastructure to take all decisions to manage and deliver the programme within the approved investment package allocations, as shown in Appendix B, including decisions required to progress business cases for each project/package/programme with authorisation to spend up to 10% of the total approved investment package capital allocations for this purpose and the revenue allocations to support the development and delivery of the programme. . This will to be done in consultation with the Cabinet Portfolio Lead for Transport and Digital Infrastructure and the Transport Committee, in order to ensure that the requirements of the Memorandum of Understanding (MoU) between the DfT and TVCA are met.

5.6. Second, it is important to accelerate the production and approval of business cases, in particular producing package or programme-level business cases in the first instance, as envisaged by the Single Assurance Framework.

5.7. Therefore, Cabinet approval is sought to delegate the approval of project/package/ programme business cases in accordance with the Single Assurance Framework, and in consultation with Cabinet Portfolio Lead for Transport and Digital Infrastructure.

5.8. The Cabinet paper in March 2026 included a number of delegations to both the Director of Infrastructure and the Transport Committee regarding the delivery of the Bus Service Improvement Plan element of the LTDP programme. Cabinet is asked to note that these delegations should continue in order that this element of the programme is not delayed.

6. Ongoing Local Transport Delivery Plan Monitoring and Delivery

6.1. Beyond submission, TVCA proposes that the Transport Committee will receive a quarterly update on progress in delivering the LTDP programme and report any significant issues to Cabinet. Appropriate governance arrangements will be developed to allow the Transport Committee to manage the overall programme effectively to ensure delivery and prudent financial management.

6.2. TVCA also proposes preparing an annual report for Cabinet on progress in delivering the LTDP programme including any variances approved through the delegations set out in this report.

7. Partnership & Engagement

7.1. TVCA has engaged closely with Officers and Members in each local authority on the development and recommended content of the Final LTDP programme.

7.2. Mechanisms are in place to ensure ongoing engagement with other key stakeholders, including Teesside International Airport, Network Rail, National Highways and South Tees Development Corporation on the programme, as well as transport operators.

7.3. TVCA and the local authorities continue to follow the guidance established by Active Travel England in relation to design review processes for individual projects.

7.4. Additional public consultation and engagement will take place as projects and programmes reach an appropriate level of design and development maturity to enable this to take place in a meaningful way.

8. Appendices

- Appendix A – Tees Valley Transport Investment Programme Review Summary
- Appendix B – Final Local Transport Delivery Plan

Cabinet is requested to consider the following identified implications:

Financial Implications

9.1. It is welcomed that a number of funding streams have been consolidated into a single MTF funded programme which will improve delivery flexibility. The recommendations from the Sprint Review and the move to quarterly and annual reporting are also welcomed.

9.2. The capital allocation for the LTDP programme is just under £1.340bn and it is important to note that this includes a 20% overprogramming allocation and an ambitious expenditure profile. Overprogramming is a common approach to reduce programme slippage and drive delivery. The risk this brings is the potential of overspending the funding provided, with the unfunded expenditure falling on TVCA. This risk needs be contained and managed within the LTDP programme. As also should other risks such as cost estimation, inflation and market volatility. There should be strong programme and financial management, including the application of appropriate contingency management and any risk of any residual overspend managed through revising allocations. The outcome of the Sprint Review and the commitments in the report that any changes regarding allocations to the projects, packages and programmes will be managed and reported as set out in paragraphs 6.1 and 6.2 provides a degree of assurance.

9.3. The MoU between DfT and TVCA sets out the requirement that the MTF allocation is conditional on the submission to the DfT of:

- Written confirmation from the Chief Finance Officer (sometimes known as the Section 151 officer or Section 73 officer) that:
    - the Local Transport Delivery Plan represents value for money (VfM); complies with the LTA's statutory requirements including to have due regard to the Public Sector Equalities Duty; and that they will continue to monitor this and comply with the Department's requirements;
    - they consider the funding has been allocated and used for the purposes set out in this MoU and be set out in the following terms: *"To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to the MTF have been complied with."*

9.4. The s73 Officer will require assurance from the Director of Infrastructure to support the MoU confirmation.

Legal Implications

9.5. All decisions must be taken in accordance with TVCA's statutory powers under relevant transport and local government legislation, and in line with TVCA's Constitution and Single Assurance Framework. Delegations to Officers and Committees must be properly documented to ensure transparency and accountability.

9.6. Any agreements entered into, including leases, funding arrangements, and service contracts, must comply with applicable contract law and the Contract Procedural Rules. Procurement processes must ensure fairness, transparency, and value for money.

9.7. Where external funding is involved, TVCA must adhere to the terms and conditions of grant agreements to avoid any risk of clawback or breach – this includes compliance with DfT guidance and assurance processes.

Equality & Diversity Implications

9.8. Two of the high-level outcomes which the current Transport Capital Investment Programme has been designed to deliver on, relate to equality and diversity:

- Improve access for those with physical disabilities, mental health conditions, learning difficulties and those with sensory impairment.
- Improve equality of opportunity for remote and deprived communities and enhance health and wellbeing.

9.9. These outcomes are an integral part of the LTDP programme going forward.

9.10. As each project/programme is developed, the equality impacts will be fully considered through Equality Impact Assessments and appropriate mitigations will be implemented. All procurement specifications will include a requirement to consider the equality impacts as projects are developed.

9.11. TVCA is already effectively applying this approach in delivering the current Transport Capital Investment Programme, including engagement with local and national bodies representing the different protected characteristics.

9.12. Additional expectations and guidance set out in the MTF include using funding settlements to improve accessibility. The guidance states that authorities must be role models in inclusive policy making and embed active consideration of

accessibility within the development and delivery of policies funded through their consolidated funding settlement. In particular, they must:

- Appoint or identify a specific senior officer responsible for overseeing the development and delivery of policies consistent with inclusion principles, and who is equipped to challenge potential omissions at the highest levels within governance structures, so that the importance of accessibility is understood, valued and implemented within all projects.
- Appoint or identify an "Accessibility Group" to advise officers and elected officials on the transport and mobility needs of disabled people, to support authorities to deliver policy which is responsive to the needs of disabled transport users.
- Remunerate disabled people for their input on projects where consolidated funding is used.
- Implement an appropriate training programme (and refresh cycle) for disability and accessibility equality, with completion mandatory as part of continued professional development for relevant professionals involved in commissioning, developing and delivering projects which use consolidated funding, and require relevant contractor staff to be trained to an equivalent level.
- Agree infrastructure and service designs supported by consolidated funding only where they comply with government guidance on accessibility, or where there is a strong, evidenced and adequately mitigated reason for departing from it, such as to enhance accessibility beyond minimum expectations.
- Adopt a "whole or end to end journey" approach to transport design, enabling inclusive door-to-door journeys by disabled people, and considering the interaction between transport modes, streetscapes and the wider built environment.
- Embed inclusive design and delivery principles within procurement activity, holding contractors to the same standards as the authority itself.
- Promote continued review of legislation, regulation and guidance as it relates to disability and accessibility so that relevant processes are informed by the latest information, best practice and standards.
- Promote a culture of openness with disabled transport users about changes to facilities and services, keeping them informed of both plans and progress in implementing them, and to support them to continue travelling with confidence.

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

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

Risk

9.13. As noted in paragraph 9.2, TVCA will be liable for any expenditure beyond the MTF allocation and so this is a risk, although the programme will be managed within the allocation.

9.14. The Sprint Review has identified a risk rating for each project/programme within the LTDP programme based on the current status of each intervention and the type of intervention proposed. These designations will be kept under review by TVCA and will inform work on bringing forward business cases to reduce the identified risk where practicable.

Assurance Framework

9.15. As noted in paragraph 5.7, business cases will be approved in accordance with the scheme of delegation set out in the Single Assurance Framework.

Procurement

9.16. All contracts into to deliver the LTDP programme will adhere to the TVCA Procurement Strategy and in line with applicable contract law and the Contract Procedural Rules. Procurement processes must ensure fairness, transparency, and value for money.

Tees Valley Transport Investment Programme Review: Summary Report of the Initial Assessment of Project Readiness, Delivery Programmes and Spend Profiles

Stantec

Prepared for:
TVCA

Prepared by:
Stantec

Date:
August 2026

Stantec UK Limited

Revision Record

Revision	Description	Author	Date	Quality Check	Date	Independent Review	Date
1	Draft	AB, HD, AA	August 2026	TBC		AA	August 2026

Disclaimer

The conclusions in the Report titled Tees Valley Capital Programme Review: Initial Assessment of Project Readiness, Delivery Programmes and Spend Profiles are Stantec's professional opinion, as of the time of the Report, and concerning the scope described in the Report. The opinions in the document are based on conditions and information existing at the time the scope of work was conducted and do not take into account any subsequent changes. The Report relates solely to the specific project for which Stantec was retained and the stated purpose for which the Report was prepared. The Report is not to be used or relied on for any variation or extension of the project, or for any other project or purpose, and any unauthorized use or reliance is at the recipient's own risk.

Stantec has assumed all information received from TVCA (the "Client") and third parties in the preparation of the Report to be correct. While Stantec has exercised a customary level of judgment or due diligence in the use of such information, Stantec assumes no responsibility for the consequences of any error or omission contained therein.

This Report is intended solely for use by the Client in accordance with Stantec's contract with the Client. While the Report may be provided by the Client to applicable authorities having jurisdiction and to other third parties in connection with the project, Stantec disclaims any legal duty based upon warranty, reliance or any other theory to any third party, and will not be liable to such third party for any damages or losses of any kind that may result.

Prepared by:

Signature

Printed Name

Reviewed by:

Signature

Printed Name

Approved by:

Signature

Printed Name

Table of Contents

Executive Summary ..... **ii**
1 Introduction **1**
1.1 Purpose of the assessment 1
1.2 Methodology 1
2 Programme Assessment Findings **3**
2.1 Programme-Wide Themes 3
2.2 Overall Assessment 4
3 Programme-Wide Risks, Issues and Dependencies **5**
3.1 Introduction 5
3.2 Strategic Delivery Risks 5
3.3 Business Case and Assurance Bottlenecks 5
3.4 Financial and Affordability Risks 6
3.5 Delivery and Programme Risks 6
3.6 Organisational Capacity and Resource Considerations 6
3.7 Key Dependencies 7
3.8 Summary 7
4 Summary of Assessment and Recommendations **8**
5 Capital Project Review Proforma (TVCA) **10**

Executive Summary

The Tees Valley Combined Authority (TVCA) Transport Investment Programme represents a significant portfolio of transport, regeneration and digital infrastructure investment intended to support economic growth, improve connectivity, unlock development opportunities and strengthen the region's long-term economic resilience. The current programme comprises approximately twenty projects and programmes with indicative investment exceeding £1 billion and extending through to 2032.

The review identifies a programme that is strategically ambitious and generally deliverable but characterised by varying levels of project maturity, delivery readiness and cost certainty. A number of projects are well advanced and progressing through final business case, design or early delivery stages, including the Teesworks Transport Improvements Programme, Middlesbrough Rail Station, Elwick Bypass, South Bank New Station, BSIP Bus Priority Improvements and the Digital Twin Programme. These schemes have established delivery pathways, defined milestones and relatively clear routes to implementation.

Other projects remain in earlier stages of development and continue to face uncertainty regarding scope, cost and programme requirements. These include Middlesbrough Bus Station, Teesside International Airport Station, Stockton Care and Health Innovation Zone and elements of the town centre regeneration programme. These schemes require further design development, business case preparation, stakeholder engagement and funding certainty before delivery confidence can be increased.

A recurring theme across the programme is dependency on external approvals and third-party stakeholders, particularly **Network Rail, Department for Transport, National Highways, Homes England** and **planning authorities**. Affordability pressures are also evident in several projects where current cost estimates exceed indicative allocations, including Middlesbrough Bus Station, Transporter Bridge Maintenance, Teesside International Airport Station and A66 Resilience.

Overall, the programme demonstrates strong alignment with TVCA's strategic objectives and contains a balanced mix of short-term deliverable projects and longer-term transformational investments. Successful delivery will depend upon proactive programme management, affordability monitoring, business case coordination, resource planning and effective management of external dependencies.

1 Introduction

The Tees Valley Combined Authority (TVCA) is preparing to deliver a substantial programme of capital investment across the Tees Valley over the period to 2032. The emerging programme comprises a diverse range of transport, regeneration and digital infrastructure projects designed to support economic growth, improve connectivity, enhance the resilience of strategic networks, unlock development opportunities and contribute to wider place-based regeneration objectives. The programme includes major highway schemes, rail & station enhancements, bus & active travel programmes, digital transport initiatives, town centre regeneration projects and strategic development-enabling infrastructure.

The scale and complexity of the programme presents both significant opportunities and delivery challenges. Several schemes are already progressing through development and business case stages, while others remain at an early concept or feasibility phase. The programme also includes several programme-level funding allocations intended to support future project development or respond to emerging infrastructure requirements across the Tees Valley. Consequently, projects demonstrate varying levels of maturity, certainty, affordability and delivery readiness.

Given the scale of investment involved and the importance of ensuring deliverability within anticipated funding periods, there is a need to establish a clear understanding of the status of individual projects, their programme requirements, expected expenditure profiles and the principal risks and dependencies that may affect successful delivery. This report forms an initial programme-level assessment intended to support programme oversight, future decision-making and the development of a robust delivery framework.

1.1 Purpose of the assessment

The purpose of this report is to provide an initial assessment of the projects currently identified within the TVCA Transport Investment Programme and to establish a consolidated evidence base regarding their current position. Specifically, the assessment seeks to:

- Summarise the scope, purpose and strategic rationale of each project.
- Review the current stage of project development and delivery readiness.
- Identify key milestones and indicative delivery timescales.
- Assess current budget allocations and available expenditure information.
- Review key risks, constraints and external dependencies.
- Highlight areas where additional information, assurance or intervention may be required to support successful delivery.
- Provide a programme-level view of programme maturity, affordability and deliverability.

The report is not intended to provide a detailed business case review, technical appraisal or formal assurance assessment. Rather, it provides a high-level position statement based on information currently available from project teams and programme stakeholders and is intended to inform future programme management and prioritisation activities.

1.2 Methodology

The assessment has been informed through a review of project proformas completed by project sponsors and programme leads across the current programme. A two day in person workshop was held

in Darlington on 30 June and 1 July 2026 to run through each proforma with the project lead. A blank proforma is included at the back of this report for reference. These proformas captured information relating to project objectives, current delivery status, anticipated programme milestones, funding allocations, delivery risks and external dependencies.

Information from the individual submissions has been reviewed and consolidated into a standardised proforma format to enable comparison across the programme. Where appropriate, qualitative observations have been made regarding project maturity, delivery readiness, affordability and programme confidence. The assessment has also identified recurring themes affecting multiple schemes, including business case approvals, stakeholder dependencies, land assembly requirements, Network Rail interfaces, development partner engagement, procurement challenges and funding uncertainties.

Using this information, we were able to create an initial programme for the portfolio of projects and then use this to create an initial spend profile.

As an initial programme review, the assessment is based on information available at the time of reporting and has not included independent technical verification of project costs, schedules or risk assessments. Further detailed assurance work may be required as projects progress through business case development and delivery planning stages.

2 Programme Assessment Findings

We undertook an initial assessment of the current programme, drawing together the evidence captured through the review proformas. The assessment focuses on project maturity, deliverability, affordability and the principal risks and dependencies that may influence successful delivery over the programme period to 2032. While most projects demonstrate a clear strategic rationale and alignment with broader Tees Valley growth objectives, there is significant variation in project readiness, cost certainty and delivery confidence across the programme.

Overall, the programme contains a mixture of mature projects progressing towards construction, schemes currently in design and business case development, and strategic investment programmes where specific projects have yet to be fully defined. Consequently, delivery risk varies considerably between programmes and will require different levels of intervention and oversight moving forward.

2.1 Programme-Wide Themes

Analysis of the project proformas identifies several recurring themes that cut across multiple projects.

Dependence on External Approvals

Many projects require approvals/inputs from organisations outside of TVCA control, including:

- Network Rail.
- Department for Transport.
- National Highways.
- Local Planning Authorities.
- Homes England.

These dependencies create programme risks that could affect multiple projects simultaneously.

Business Case and Assurance Capacity

A recurring issue identified across several projects relates to the volume of business cases, appraisals and approvals required within a relatively compressed timeframe. Several project teams highlighted resource constraints relating to appraisal, commercial support, legal services and programme management. This suggests that organisational capacity may become a critical constraint as larger numbers of projects move into delivery.

Cost Inflation and Affordability Pressure

Several schemes have already identified cost increases since earlier feasibility studies or business cases were undertaken. This is particularly evident for rail, bridge and highway schemes where design development and inflation have significantly increased expected costs. As projects progress, there is a risk that additional affordability challenges emerge across the wider programme.

Land Assembly and Third-Party Interests

A number of major projects depend upon land acquisition, utility diversion, third-party agreements or potential Compulsory Purchase Orders (CPOs). These dependencies are particularly evident within

Darlington Northern Link Road, Stockton Care and Health Innovation Zone, South Bank Station and Elwick Bypass. These issues have the potential to become major drivers of programme delay if not managed proactively.

2.2 Overall Assessment

The current programme demonstrates strong strategic alignment with the Tees Valley's wider economic growth, connectivity and regeneration ambitions. There is a healthy mix of short-term deliverable schemes and longer-term strategic investments capable of generating substantial economic and place-based benefits.

However, the review also indicates that the programme is entering a critical period in which a large number of projects will require business case approvals, funding decisions, procurement activity and stakeholder engagement simultaneously. Delivery confidence is strongest amongst projects with established scopes and approved business cases, while a smaller number of projects remain subject to significant funding, affordability or deliverability uncertainties.

Overall, the programme can be characterised as ambitious but broadly deliverable, provided that sufficient programme management capacity is maintained, affordability pressures are actively managed, and key external dependencies are addressed through a coordinated programme-level approach.

3 Programme-Wide Risks, Issues and Dependencies

3.1 Introduction

The review of individual project proformas demonstrates that, while the programme comprises a diverse range of projects at different stages of development and delivery, many face a common set of risks, constraints and dependencies. Several of these issues are not project-specific and have the potential to affect multiple programmes simultaneously. As a result, effective programme management and proactive risk mitigation will be critical to maintaining delivery momentum and ensuring that funding can be deployed within the required timescales.

The assessment suggests that the most significant programme-wide challenges relate to approvals and governance processes, programme affordability, organisational capacity, third-party dependencies and delivery coordination across multiple concurrent projects.

3.2 Strategic Delivery Risks

External Approval and Governance Risk

A significant proportion of the programme is dependent upon external organisations for approvals, technical sign-off and project assurance. Many of the rail-related projects require extensive engagement with Network Rail, while major highway schemes require interaction with National Highways and the Department for Transport. Similarly, planning approvals, environmental consents and funding approvals are required across several regeneration projects.

These approval processes often operate outside of TVCA's direct control and can introduce uncertainty into programme delivery. Delays in obtaining approvals may result in slippage of key milestones, delayed expenditure and potential challenges in meeting funding deadlines.

3.3 Business Case and Assurance Bottlenecks

The programme contains a large number of projects requiring business case development, appraisal and formal approvals within a relatively concentrated period. Several project teams highlighted concerns regarding appraisal capacity, internal approval processes and the availability of specialist commercial, legal and programme management resources.

Several major schemes are expected to progress through Outline Business Case and Full Business Case stages between 2026 and 2028. Without adequate assurance capacity, this could create bottlenecks that delay multiple projects simultaneously. The challenge is compounded by the increasing complexity of projects as they move towards detailed design and procurement.

3.4 Financial and Affordability Risks

Cost Escalation

Cost uncertainty remains one of the most significant risks across the programme. A number of projects have already experienced substantial increases in estimated costs compared to earlier feasibility studies or outline business cases. This is particularly evident within rail, bridge and major infrastructure schemes, where inflation, scope development and technical complexity have driven cost increases.

Reliance on Third-Party Funding

A number of projects are dependent upon funding contributions from external organisations, including developers, Government departments, Homes England and other funding partners. Several schemes also assume future funding opportunities such as private developer contributions that have not yet been secured.

3.5 Delivery and Programme Risks

Land Assembly and Property Constraints

Land ownership and acquisition challenges emerge as a recurring theme across several major projects. Some schemes are dependent upon negotiations with multiple landowners, while others may ultimately require CPOs to secure delivery.

Utilities and Infrastructure Constraints

Several projects identify utility diversions and existing infrastructure as potential barriers to delivery. These risks are often difficult to quantify during early project stages but can lead to substantial programme delays and cost increases if not identified early.

Environmental and Planning Constraints

Several projects face environmental, ecological and planning-related risks. These are particularly relevant for projects involving new infrastructure, complex sites or sensitive environments.

3.6 Organisational Capacity and Resource Considerations

A recurring theme throughout the review is the importance of maintaining sufficient organisational capacity to support programme delivery. Several projects identified concerns regarding the availability of specialist resources in areas such as:

- Business case development.
- Appraisal and assurance.
- Procurement.
- Commercial management.
- Legal support.
- Programme management.

The challenge is heightened by the fact that many projects are expected to reach key approval and procurement milestones within a similar timeframe. Without appropriate resource planning, capacity constraints could become a programme-level risk that affects multiple schemes simultaneously.

There are also capacity considerations within partner organisations, including local authorities, Network Rail and delivery partners. Several interventions rely on local authority-led project development, while others require intensive engagement with external stakeholders whose own resources may be constrained.

3.7 Key Dependencies

The review identified a range of critical dependencies that cut across multiple projects and should be monitored at programme level, including the following:

Strategic Dependencies

- Network Rail approval and delivery processes.
- DfT business case approvals and funding decisions.
- National Highways approvals and network interfaces.
- Homes England funding and regeneration support.

Development Dependencies

- Planning permissions and statutory approvals.
- Land assembly and property acquisition.
- Utility diversions and infrastructure modifications.
- Developer contributions and private-sector investment.

Internal Dependencies

- Business case appraisal capacity.
- Governance and approval processes.
- Procurement and commercial support.
- Programme management and oversight arrangements.

3.8 Summary

The assessment indicates that the most significant challenges facing the programme are not necessarily individual project risks but rather the cumulative effect of multiple projects competing for approvals, funding, internal resources and external stakeholder engagement at the same time. While many schemes are progressing positively, the scale of the programme means that delays, affordability pressures or resource constraints within one area have the potential to affect delivery elsewhere.

Taken together, the evidence reviewed suggests that successful delivery will require a strengthened programme management approach, focused on proactive risk management, affordability monitoring, resource planning and coordinated engagement with key external partners. Doing so will help ensure that individual project challenges do not become programme-wide delivery issues and that the programme remains on track to achieve its strategic objectives through to 2032.



4 Summary of Assessment and Recommendations

The review concludes that the TVCA Transport Investment Programme is ambitious, strategically aligned and broadly capable of delivery within the funding period. However, the programme is entering a critical phase where multiple projects will simultaneously require business case approval, procurement activity, stakeholder engagement and funding decisions. Active programme management will therefore be essential to maintaining delivery confidence.

Key recommendations are as follows:

Recommendation 1 – Establish Enhanced Programme-Level Governance

Implement a strengthened programme management framework with regular monitoring of programme milestones, approvals, risks, interdependencies and funding commitments. This should include programme-wide reporting focusing on affordability, delivery confidence and critical path activities.

Recommendation 2 – Prioritise Business Case and Assurance Capacity

Given the volume of schemes expected to progress through Outline Business Case and Full Business Case stages between 2026 and 2028, TVCA should ensure sufficient specialist consultancy support is available to supplement internal resources. This may include support for business case preparation, economic appraisal, assurance reviews, commercial advice, programme management and stakeholder engagement.

Recommendation 3 – Actively Manage Affordability Risks

Projects exhibiting potential funding pressures should be subject to early intervention and affordability reviews. Particular attention should be given to Middlesbrough Bus Station, Transporter Bridge Maintenance, Teesside International Airport Station, Stockton Care and Health Innovation Zone and A66 Resilience. Options for scope refinement, value engineering and additional funding sources should be explored.

Recommendation 4 – Coordinate Third-Party Approvals

TVCA should establish a programme-wide engagement strategy for Network Rail, DfT, National Highways, Homes England and planning authorities to manage the cumulative impact of approval processes and reduce the risk of programme delays.

Recommendation 5 – Strengthen Risk and Dependency Management

A consolidated programme risk register should be maintained to capture common risks relating to land assembly, utilities diversions, planning consents, stakeholder approvals, contractor capacity and funding certainty. Particular focus should be given to projects dependent upon CPO activity, land acquisition or major third-party agreements.

Recommendation 6 – Refine Spend Profiles and Delivery Forecasts

Several interventions remain dependent upon future project identification and prioritisation. TVCA should continue to refine spend forecasts and delivery programmes as the scopes mature to improve

funding management and provide greater certainty regarding programme cashflow requirements through to 2032.

Overall, the programme contains a strong portfolio of projects capable of generating significant transport, regeneration and economic benefits across the Tees Valley. While affordability pressures and delivery risks remain for several schemes, the overall programme is considered deliverable provided that programme governance, resource planning, affordability management and stakeholder coordination remain a strategic priority throughout the delivery period.

5 Capital Project Review Proforma (TVCA)

Project Name:	
Project Lead:	
Date Completed:	

Current Delivery Stage & Progress

What is the current stage of the project and actual progress against plan?

- Current stage (e.g. outline design, detailed design, procurement, delivery)
- % complete vs planned % at this stage
- Key milestones achieved vs baseline

Programme Position (Baseline vs Forecast)

What is the current forecast completion date compared to the approved baseline?

- Baseline completion date
- Current forecast completion date
- Variance (weeks/months)
- Key milestone slippage (if any)

Drivers of Programme Risk

What are the top 3 risks impacting programme delivery and their quantified impact?
For each risk:

- Description
- Likelihood (H/M/L or %)
- Estimated delay impact (time)
- Mitigation and current status

Budget Position (Fact-Based)

What is the current financial position?

- Approved budget

- Current forecast outturn
- Variance (£ and %)
- Committed vs uncommitted spend

Dependencies & Deliverability Constraints

What external dependencies or constraints could impact delivery?

- Planning / approvals
- Land / utilities / third parties
- Funding conditions / timelines
- Status (on track / at risk / delayed)

With every community, we redefine what's possible.

Stantec is a global leader in sustainable engineering, architecture, and environmental consulting. The diverse perspectives of our partners and interested parties drive us to think beyond what's previously been done on critical issues like climate change, digital transformation, and future-proofing our cities and infrastructure. We innovate at the intersection of community, creativity, and client relationships to advance communities everywhere, so that together we can redefine what's possible.

Stantec UK Limited
100 Barbirolli Square
Manchester
M2 3PW
UNITED KINGDOM
stantec.com

TEES VALLEY

Local Transport Delivery Plan High Level Programme (2026 – 2032)

Package/Programme/Project	MTF Revenue (£m)	MTF Capital (£m)
Tees Rail		
A package of investments in our rail network to enable the introduction of additional passenger services to enhance connectivity by addressing capacity constraints, improve accessibility and customer experience at all stations and ensure capacity on the network to enable the growth of rail freight		
Capital investment in: • Middlesbrough Station • Redcar Central Station improvements • South Bank New Station • Teesside International Airport Station • Eaglescliffe to Northallerton W12 Gauge Clearance • Other infrastructure enhancements that enable the introduction of new train services (eg Darlington to Hartlepool) and increased frequency to make progress towards TVCA's aspirations of direct connectivity between centres and 2tph frequency at all stations • Other station improvements, including enhancing first mile/last mile connectivity and accessibility • Infrastructure enhancements that improve access to the rail freight network		256.240
Further development of projects and programmes including: • East Cleveland Connectivity Enhancements • Middlesbrough to Nunthorpe Improvements • Decarbonising the Railway • Work to develop a new rail partnership with Great British Railways	5.000	

Package/Programme/Project	MTF Revenue (£m)	MTF Capital (£m)
National Networks/ Key Route Network		
A package of investments to maintain, repair and improve the existing Tees Valley Strategic Road and Key Route Networks, including measures to improve road safety across our network		
Capital investment in: • Darlington Northern Link Road • A689 Improvements • Elwick Bypass • Increased Highway Maintenance Funding (including a specific allocation for the A66) • Road Safety Programme • Other infrastructure enhancements on the KRN that will support employment and housing		469.787
Further development of projects and programmes including: • New Tees Crossing • Eastern Tees Crossing	16.000	
Supporting Growth and Regeneration		
A package of multi-modal investments to facilitate growth by helping to unlock a number of strategic housing and employment sites		
Capital investment in: • Teesworks Transport Improvements Programme • Tees Central • Individual programmes of activity to support complementary regeneration across our town centres (including restoration of the Transporter Bridge)		378.319
Further development of projects and programmes including: • Sustainable transport projects in town centres • West Dyke Road Level Crossing	6.000	

Package/Programme/Project	MTF Revenue (£m)	MTF Capital (£m)
Sustainable Transport		
A package of investments in public transport infrastructure and services to encourage modal shift and offer an alternative to the private car		
Capital investment in: • BSIP Bus Priority Improvements, including: o Middlesbrough to Hartlepool corridor o Middlesbrough to Ingleby Barwick corridor o Middlesbrough to Coulby Newham corridor o Middlesbrough to East Cleveland Hospital corridor o Darlington Branksome to Red Hall corridor o Redcar to Middlesbrough corridor o Middlesbrough to Netherfields / Overfields corridor o Darlington to Middlesbrough (via Stockton) corridor o Darlington to Durham corridor • Tees Valley wide Bus Shelter Improvements • Middlesbrough Bus Station • Active Travel Improvements, including: o Hartlepool Town Centre to the Headland o Middlesbrough: Green Lane o Nunthorpe to Guisborough o A68 to Cockerton and Faverdale o A689 Hartlepool Town Centre to Wolviston o Thornaby to Stockton Town Centre o Redcar town centre to South Bank / Teesworks o Middlesbrough to South Bank o Norton to Stockton Town Centre o Yarm Road to Teesside International Airport Business Park		165.766

Package/Programme/Project	MTF Revenue (£m)	MTF Capital (£m)
o Marton Road to Nunthorpe • Connected and Autonomous Vehicles		
Revenue support for: • Sustainable Bus Network for the Future • Fares Initiatives • Overcoming Barriers to Employment Programme	38.569	
Digital Transformation		
A package of investments in digital technology to drive efficiency and improvement from our existing transport networks		
Enhance the capability of the Digital Twin to improve the efficiency of the transport network and improve the customer experience	1.375	65.601
Programme Development/ Management	31.055	
TOTAL	**97.999**	**1,339.713**

Note: There is also a forecast spend of £135.954m on four projects beyond the nominal end of the Mayoral Transport Fund allocation in 2031/32, based on the initial programme developed

Cabinet

Tees Valley Combined Authority

Date			25 September 2026
Agenda item			17
Report Title			Tees Valley Inward Investment Strategy
Accountable Cabinet Member			**Councillor Alec Brown** Portfolio Holder
Accountable Chief Officer			**Craig Peacock** TVCA Director of Inward Investment & Marketing
Accountable Employee			**Michael Kendall** TVCA Inward Investment Manager
Report considered by			A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 11 September 2026.
Key Decision	Yes **X**	No	This is a Key Decision on the basis that: a. 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.
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	**APPROVE** the Tees Valley Inward Investment Strategy 2026–2031, attached at Appendix 1, for publication and adoption.
B	**AGREE TO DEVELOP AND ENTER INTO AN INTER-AUTHORITY AGREEMENT** with Tees Valley local authority partners to enable consistent delivery of the Business Tees Valley model, including the sharing of resources, data and procurement opportunities where this supports effective programme delivery.

Purpose

1. The purpose of this report is to seek Cabinet approval for the publication and adoption of the Tees Valley Inward Investment Strategy 2026–2031 and agreement to develop and enter into an Inter-Authority Agreement with local authority partners.

Executive Summary

2. The Strategy sets out how Tees Valley will attract more UK and overseas investment between 2026 and 2031. Its aim is to create good jobs, help local firms win work and bring lasting benefits to all five boroughs.

3. The Strategy provides a shared approach for Tees Valley partners to promote the region, support investors and coordinate activity. It also shows investors that Tees Valley is ready for investment.

4. It supports Our Plan for Regional Prosperity and the UK's Modern Industrial Strategy. It focuses on five areas where Tees Valley has clear strengths: Chemical & Process, Clean Energy, Life Sciences & Biomanufacturing, Advanced Manufacturing, and Digital & Creative.

5. The approach will be more proactive. We will identify and pursue the businesses and projects that offer the greatest value to Tees Valley, while continuing to respond quickly to new enquiries.

6. Delivery will bring together partners to support investors' needs, with projects and results tracked through the CRM. Formal joint-working arrangements between the Combined Authority and constituent councils will include an Inter-Authority Agreement, shared resources, common operating procedures and coordinated performance management. This will make better use of expertise and capacity across Tees Valley, reduce duplication and maximise public value.

7. Cabinet is asked to approve the Strategy for publication and adoption and agree to develop and enter into an Inter-Authority Agreement with local authority partners.

Detail

Tees Valley Inward Investment Strategy 2026–2031

8. Tees Valley has 713,000 residents, an economy worth £18.9 billion and more than 17,450 businesses. It has already attracted £5.5 billion of overseas investment.

9. Our aim is for Tees Valley to be known as a confident place that is pro-investment where businesses can invest, grow and succeed.

10. The Strategy aims to attract more high-quality investment, create well-paid jobs, help local suppliers, improve support for investors and bring partners together to deliver projects.

11. The work has three parts:

    a. focus on the sectors and markets where Tees Valley can compete;
    b. promote the region, find new leads and support investors; and
    c. bring partners together around sites, infrastructure, skills, innovation and finance.

Target sectors and growth opportunities

12. Work will focus on Chemical & Process, Clean Energy, Life Sciences & Biomanufacturing, Advanced Manufacturing, and Digital & Creative. These are the areas where Tees Valley has the strongest assets, workforce and business base.

13. Key opportunities include carbon capture, offshore wind, defence and aerospace, space, civil nuclear, critical minerals and sustainable aviation fuel. Tees Valley can build on its industrial sites, ports, utilities, research centres and supply chains. Sector and country priorities will be reviewed as markets, technology and global conditions change.

14. Initial overseas priorities are Europe, the Middle East, the Far East, the USA and Canada. Activity will be based on evidence from businesses, trade bodies, advisers and Government.

15. Marketing will be targeted and practical. It will use digital campaigns, sector information, trade missions, events, media coverage, local business voices and direct contact with investors.

16. Sector leads will identify target businesses and give investors one clear route into the region. Each serious project will receive a prompt response covering sites, skills, infrastructure, innovation, funding and delivery.

17. Existing investors will receive ongoing support to grow, innovate and use more local suppliers. Partners will share appropriate information so they can remove barriers early.

18. A regional list of sites and buildings will show who owns them, their planning status, available utilities and when they could be ready. This will help us match projects to suitable places and show where more work or funding is needed.

19. Training will reflect the needs of our main sectors and live projects. We will link investors with universities and research centres.

Next Steps

20. If Cabinet approves the Strategy, it will be published and supported by a delivery plan. The Chief Executive will have overall officer accountability, with the Director of Inward Investment & Marketing responsible for day-to-day delivery. The plan will set clear actions, owners, milestones and measures covering campaigns, sector and market work, investment offers, investor support and partner activity.

21. The CRM will track each project from first contact to delivery and later growth. Officers will review the pipeline and performance each month. Constituent councils will receive monthly reports detailing inward investment activity.

22. The Combined Authority will oversee delivery through its officer governance arrangements and regular engagement with constituent local authorities and delivery partners. Cabinet will retain strategic oversight. Any decision reserved to Cabinet, the Mayor or another committee will be taken through the route set out in the Constitution.

23. We will work closely with the Office for Investment and other Government partners on major projects and shared priorities.

24. Officers will review delivery regularly, so it remains relevant to investor needs, Government policy and changing markets. Minor operational changes may be made within existing officer delegations. Any material change to the Strategy's purpose, priorities or intended outcomes will be brought back to Cabinet for approval.

Background

25. Inward investment can help grow the Tees Valley economy, raise productivity and bring more money into local communities. The Strategy sets out how the region will promote its offer, win projects and support businesses that are already here.

26. Investors want reliable supply chains, competitive costs, skilled people and practical ways to cut carbon. Tees Valley can meet these needs through its industrial sites, utilities, transport links, development land and track record of delivery.

27. The Strategy supports Our Plan for Regional Prosperity, the Tees Valley Local Growth Plan and the UK's Modern Industrial Strategy. It also links to regional plans for transport, skills, innovation, digital links, energy and place.

Monitoring Performance

28. The CRM will track projects and results. Commercial information will remain confidential.

29. Partners will share non-confidential information on investor demand, market trends and site needs. This will reduce duplication and help projects reach the right location and support.

30. Delivery plans will set detailed targets. Reporting will focus on new investment, good jobs, productivity, local supply-chain benefits and investor experience.

Partnership Working

31. The Combined Authority will work with local authorities, Government, site owners, ports, universities, colleges, sector bodies and businesses. Partners will use one clear regional message and bring the right support around each project.

32. The approach will put investors first, give clear and impartial advice, respond quickly and build long-term relationships.

33. Enquiries will be handled confidentially and fairly. Public and private partners will work together to provide the best response to each investor.

34. To support this joint approach, the Combined Authority will work with the five constituent councils to develop an Inter-Authority Agreement. The agreement will set out the respective roles and responsibilities of the Combined Authority and each council, including how staff and specialist expertise may be shared, how investor enquiries and referrals will be managed, and how activity will be coordinated to provide a consistent service across Tees Valley.

35. The Inter-Authority Agreement will also provide a clear basis for appropriate data sharing, common operating procedures, coordinated performance management and joint procurement or commissioning where this improves delivery and value for money.

36. The Strategy draws on economic and market evidence, sector knowledge, partner input and the Local Growth Plan.

37. We will continue to work with businesses, local authorities, advisers, investors and delivery partners so the approach remains practical and relevant through to 2031.

Appendices

38. **Appendix 1** – Tees Valley Inward Investment Strategy 2026–2031

Cabinet is requested to consider the following identified implications:	
Financial Implications	
39.	The Tees Valley Inward Investment Strategy 2026-2031 will be funded from the remaining resources approved by Cabinet in 2019 to support the promotion of Tees Valley as an investment destination. Subject to review £1.000m remains available.
40.	A review of the Inward Investment function is currently underway to ensure it is sufficient to enable delivery of the Strategy. Any additional resource will be considered through the budget setting process and reported to Cabinet through standard financial reporting.
41.	Financial performance and resource requirements will be monitored through the Strategy's delivery arrangements to ensure resources are used effectively and value for money is achieved.
Legal Implications	
42.	There is no legal duty to prepare an Inward Investment Strategy. Cabinet is the appropriate body to approve the regional strategic direction set out in the Strategy. Approval does not replace any statutory, constitutional or assurance requirement. Legal issues for individual projects, including procurement, subsidy control, data protection, planning, property and contracts, will be considered separately before any commitment is made.
Equality & Diversity Implications	
43.	The Strategy aims to create well-paid and accessible jobs, help local firms win work and spread benefits across all five boroughs.
44.	Approving the Strategy does not create any direct equality or diversity issues. These will be considered as individual projects are developed. Equality Impact Assessments will be completed where needed.

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

Risk	X	Assurance Framework		Procurement	

Improvement	X	Environment		HR & IT	

Risk

45.	The overall risk is manageable. The Strategy gives the region a clear basis for choosing priorities, coordinating delivery and measuring results.
46.	The main risks are: • competition from other places, changes in the economy, high energy costs and changes in Government policy; • sites, infrastructure, utilities or skills not being ready when investors need them; • not generating or winning enough strong projects; • partners giving mixed messages or providing a fragmented service; and • damage to the region's reputation if delivery does not match expectations.
47.	These risks will be managed through clear ownership, targeted activity, regular reviews, partner engagement, project tracking and formal reporting. Any funded proposal will be subject to the TVCA Constitution, Financial Regulations and Assurance Framework before approval.
48.	The delivery plan will set clear owners, milestones and reporting arrangements. Strategic risks will be escalated through the Authority's risk management arrangements, and any matter requiring a formal decision will be referred to the appropriate decision-maker.
49.	The overall risk is rated medium and is considered acceptable, subject to regular review and oversight.

Improvement

50.	The Strategy directly supports the Tees Valley Combined Authority's Organisational Improvement Plan. It strengthens partnership working with constituent councils, provides clearer ownership and accountability, and introduces consistent arrangements for managing and reporting inward investment activity.
51.	The delivery plan will set clear actions, owners, milestones and measures. Investment activity and performance will be reviewed each month, with constituent councils receiving monthly reports. This will improve transparency, support shared decision-making and allow issues or gaps in delivery to be identified early.
52.	The Strategy will also support continuous improvement by using performance data, partner feedback and lessons from delivery to improve how the region attracts, manages and supports investment. This approach reflects the Improvement Plan's focus on stronger governance, effective partnerships, organisational performance and shared accountability.



TEES VALLEY

Our Plan for Investment-Led Growth

Inward Investment Strategy 2026-2031

CONTENTS

4 Executive Summary

6 Introduction

8 Vision, Objectives and Outcomes

12 Target Sectors and Markets

24 Economic and Competitive Analysis

26 The Tees Valley Investment Proposition

34 Global Opportunities

36 Marketing and Promotion Strategy

40 Investor Engagement and Support

46 Delivering and Measuring Success











EXECUTIVE SUMMARY

Tees Valley is a region built on industry, invention and reinvention. Its compact economic geography, strategic east coast location, globally significant industrial assets and proven ability to deliver major projects create a compelling platform for domestic and international investment.

This strategy sets out how the public and private sectors will work together across Tees Valley to secure a greater share of investment, convert opportunity into productive growth and ensure that new investment creates good jobs, stronger supply chains and lasting benefits across all five boroughs.

Our approach will focus on the sectors where Tees Valley can compete nationally and globally – Chemical & Process, Clean Energy, Life Sciences & Biomanufacturing, Advanced Manufacturing, and Digital & Creative. These strengths will be supported by targeted investor engagement, investible sites, infrastructure, talent, innovation and a coordinated regional offer.



INTRODUCTION

Home to 713,000 people and an economy worth £18.9billion, Tees Valley is one of the UK's most significant locations for industry and innovation in materials and engineering biology. The region is home to more than 17,450 businesses and has attracted £5.5billion in foreign direct investment, reflecting strong investor confidence.

Securing further new inward investment is necessary to support Tees Valley's ambition to grow the economy, raise productivity and put more money into local communities. This strategy provides a clear framework for promoting the region, generating and converting investor opportunities, supporting established investors and coordinating the partners, powers and assets required to attract investment.

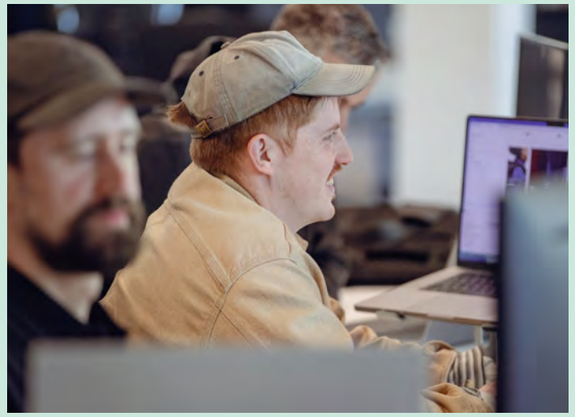
It responds to a period of significant change in global markets, technology, energy and trade. Businesses are seeking resilient supply chains, competitive locations, skilled people and credible routes to lower-carbon growth. Tees Valley can answer that need through industrial-scale assets and utilities, outstanding connectivity, major development land and a culture that turns ambition into delivery.

The strategy supports Our Plan for Regional Prosperity and the UK's Modern Industrial Strategy and aligns with wider plans for transport, skills, innovation, digital connectivity, energy and place.

We will adapt the existing inward investment model, shifting the emphasis from responding to enquiries to proactively identifying and pursuing the opportunities that offer the greatest value to Tees Valley.

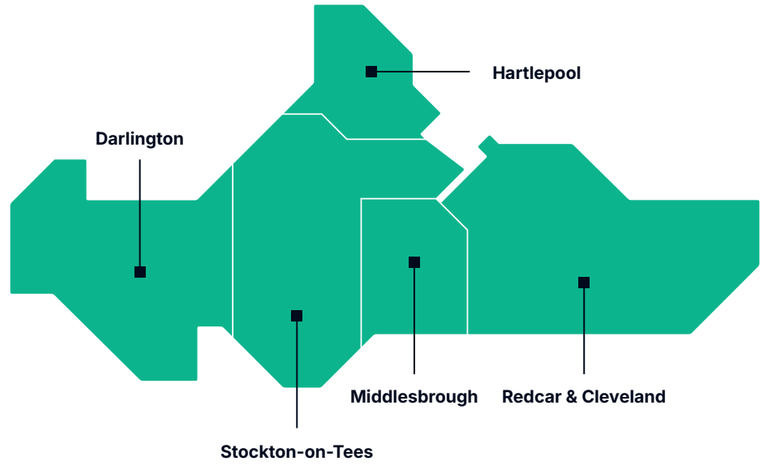
This strategy will be delivered during the next five years to 2031 and will be both pre-emptive and reactive to changes in global geo-politics, technology and markets, to maximise inward investment opportunities during this period.











Tees Valley is the UK's most confident, distinctive and delivery-focused region – known for combining industrial scale, digital creativity and quality of life in a way few places can match. It is a place that people choose to live well, build businesses, invest with confidence and to be part of something that is moving forward.

OUR VISION



Our objectives are to:

1. Secure a greater share of domestic and foreign direct investment by landing more high-quality projects in priority sectors to support economic diversification.
2. Create productive, good-quality, well-paid jobs and strengthen local supply chains.
3. Improve investor conversion, retention, expansion and advocacy.
4. Work with partners to support the investible pipeline of sites, propositions and opportunities.
5. Strengthen public-private collaboration to mobilise the assets, expertise and resources needed to secure and deliver investment.

By 2031, our intended outcomes will be:

1. Tees Valley secures a larger share of domestic and international investment, with more high-quality projects landed in priority sectors.
2. Investment creates more productive, well-paid and accessible jobs, increases local procurement and strengthens regional supply chains.
3. Investors experience a faster and more consistent journey, improving conversion, satisfaction, retention, expansion and advocacy.
4. Additional investment ready sites, propositions and commercially credible opportunities, with risk-sharing models helping to address development contraints.
5. A coordinated public-private delivery model that mobilises partners, assets and resources around investor needs and accelerates projects from enquiry to operation.

TARGET SECTORS & MARKETS

As outlined in Our Plan for Regional Prosperity, Tees Valley will concentrate resources where its assets, levers, powers and funding create a credible national and global advantage which is fuelled by our talent, connectivity, productivity and innovation.





CHEMICAL & PROCESS

An integrated industrial ecosystem with a well-developed infrastructure, a skilled, dedicated workforce supported by experienced educational settings and skills providers, and established supply chains and routes to lower-carbon production.

ALIGNMENT TO THE UK'S MODERN INDUSTRIAL STRATEGY



CLEAN ENERGY

Offshore wind, carbon capture, hydrogen, sustainable fuels, nuclear and supporting supply chains with communities that have generational expertise in specialisms such as complex fabrication.

ALIGNMENT TO THE UK'S MODERN INDUSTRIAL STRATEGY







ADVANCED MANUFACTURING

Engineering, defence, aerospace, energy and transport technology businesses play a critical role in the UK's international trading position. These sectors account for more than three-quarters of Tees Valley's total goods exports, compared to around half nationally.

ALIGNMENT TO THE UK'S MODERN INDUSTRIAL STRATEGY



LIFE SCIENCES & BIOMANUFACTURING

Research, scale-up and commercial manufacturing is supported by nationally significant facilities and supporting infrastructure, which enables businesses to undertake the entire process lifecycle from invention, innovation, commercialisation and manufacturing. Care and health innovation is a focus, with an opportunity to attract new investment in clinical facilities, infrastructure, medical education and digital health innovation.

ALIGNMENT TO THE UK'S MODERN INDUSTRIAL STRATEGY







DIGITAL & CREATIVE

Growth opportunities include gaming, screen, music, performing arts, software, artificial intelligence, immersive technology and industrial digitalisation. Our digital sector is the fastest growing outside of London as a result of a strong, connected ecosystem that provides the infrastructure, skills and specialisms to contribute to national growth through increased regional production, collaboration and intellectual property exports. Together, these capabilities drive growth within the sectors and support innovation, productivity and new opportunities – particularly where digital technologies and creative content converge. Investment in 5G infrastructure, including the Teesside Digital Trade Testbed is creating an environment for advanced industrial connectivity and real-time data applications.

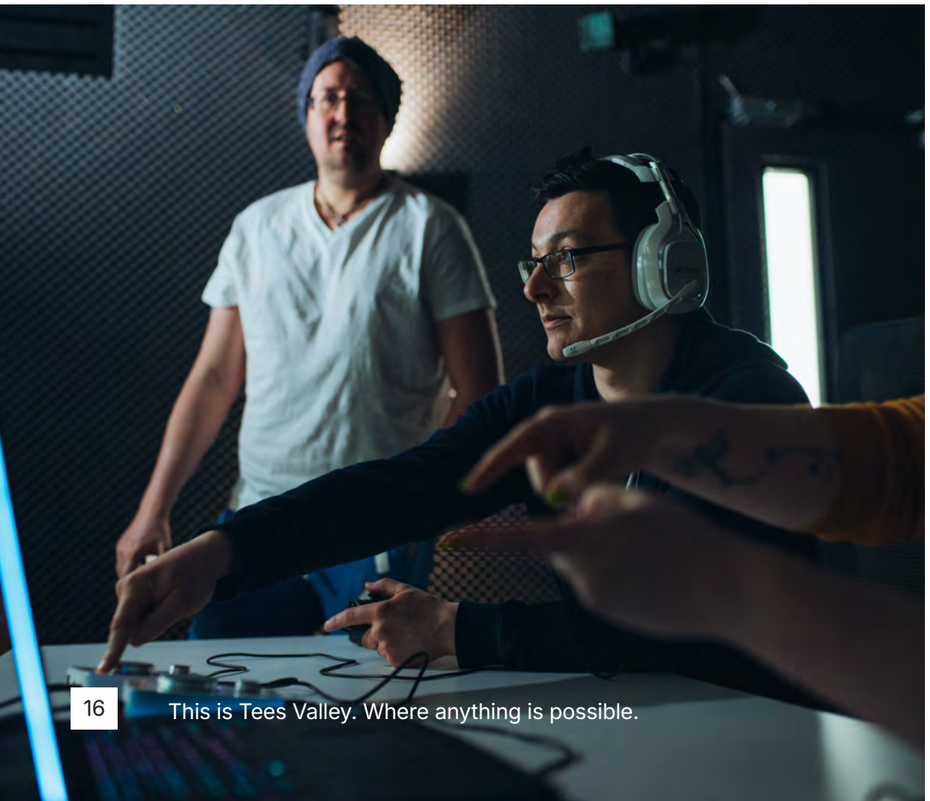
The region's port, airport and industrial estates provide ideal test environments for AI-powered logistics, border technologies and smart infrastructure solutions. Grid connected brownfield sites are also stimulating new hyperscale AI and data infrastructure projects.

ALIGNMENT TO THE UK'S MODERN INDUSTRIAL STRATEGY











ENABLING MARKETS

- Logistics
- Professional & Business Services
- Construction
- Health Innovation
- Critical Minerals

PRIORITY GROWTH OPPORTUNITIES





Carbon Capture and Storage

Net Zero Teesside Power is a first-of-a-kind gas-fired power station with carbon capture and storage (CCS) capabilities, designed to capture up to around two million tonnes of CO_2 each year.

The Northern Endurance Partnership is developing the transport and storage network that will connect CO_2 emitters to secure storage beneath the North Sea – this capability is co-located with clean energy and hydrogen production, enabling the decarbonisation of existing industrial assets and new opportunities in sustainable bio-based manufacturing, new fuels and net zero supply chains.

The 2026 East Coast Cluster Teesside selection process opened a route for further projects seeking network access by 2032, creating opportunities across capture technology, pipeline and compression equipment, monitoring, maintenance and industrial decarbonisation services.

Offshore Wind

The Crown Estate intends to launch Offshore Wind Leasing Round 6 in the first half of 2027. This opportunity could accommodate around 6GW or more, predominantly through fixed-bottom turbines off the North East coast. It will provide greater commercial visibility for developers and suppliers and strengthen the region's value proposition for component manufacturing, fabrication, port logistics, operations and maintenance, marine services and digital support.

Tees Valley is already a designated Offshore Manufacturing Centre and has UK Government Centre for Offshore Renewable Engineering status, recognising our existing port infrastructure, skilled workforce and experienced local supply chains.

Defence and Aerospace

Rising national defence expenditure and a stronger emphasis on sovereign capability, resilient supply chains and procurement from UK small businesses create opportunities for Tees Valley's advanced manufacturing base and infrastructure suited to support defence activity.

Priority markets include dual-use technologies, precision engineering, materials, munitions supply chains, autonomous systems, cyber, homeland air and missile defence, maintenance and specialist services.

Space

Lockheed Martin's proposed £85million satellite assembly, integration and testing facility at NETPark in County Durham could stimulate further investment across the North East space supply chain. Growth opportunities exist in satellite components, advanced materials, electronics, secure communications, testing, data applications and dual-use technologies. Tees Valley is well positioned to capitalise on demand and support national ambitions to cement the UK's position as a spacefaring nation.

Boulby Underground Laboratory is supporting multidisciplinary studies with a focus on quantum technologies and particle physics, with the site offering one of a few facilities in the world where such studies can take place – and the only one of its kind in the UK. The scientists at Boulby intend to expand the facilities over the next decade, building on their initial work in the 1990s in the search for Dark Matter.

Civil Nuclear

Tees Valley is already home to a nuclear power station that accounts for 2% of Great Britain's peak electricity demand, which also has significant nuclear licensed land available for development and an existing, experienced workforce.

Centrica and US-based X-energy have identified Hartlepool as the preferred first site for up to 12 Xe-100 advanced modular reactor units, subject to approvals. The proposal could add up to 960MW of new capacity and generate high-temperature heat for industry. It reinforces opportunities in nuclear-grade fabrication, heavy vessels, fuels, components, construction, inspection, maintenance and specialist professional services.

Sustainable Aviation Fuel

Tees Valley hosts several Sustainable Aviation Fuel (SAF) developers progressing engineering design and cost studies towards final investment decisions. The UK SAF Mandate began at 2% of total jet fuel demand in 2025, increases to 10% in 2030 and reaches 22% in 2040. The proposed revenue certainty mechanism is intended to address investment risk through long-term contractual support.

Tees Valley's industrial sites, feedstock and utilities infrastructure, port access, process-engineering capability and proximity to Teesside International Airport create a strong proposition for production and associated supply chains. Recent Government funding has seen seven local firms awarded a total of £65million into SAF R&D, which could result in significant further investment in the region.

Critical Minerals

Growth in battery recycling, electronic waste recovery and urban mining creates opportunities across collection, separation, refining, recovery and reuse.

The UK's Critical Minerals Strategy aims for recycling to meet 20% of national demand by 2035 and identifies Teesside among England's areas of strength. Building on existing industrial capabilities, the region can support an integrated value chain linking resource recovery and midstream processing to advanced manufacturing customers.





Rationale for Sector Selection

Tees Valley's sector priorities reflect the areas in which its industrial assets, specialist workforce, innovation capability and market access provide the strongest basis for productivity, exports and inward investment. The region combines an established chemical and process cluster with fast-growing clean energy, advanced manufacturing, digital and creative, and life sciences capabilities. Its historic strength in scaling complex industrial processes supports the commercialisation of emerging technologies including CCS, SAF, hydrogen, advanced nuclear and resource recovery.

The chemical and process sector remains a cornerstone of the regional economy, supported by co-located feedstocks, utilities, infrastructure and supply chains. Clean energy is a major growth market spanning offshore wind, hydrogen, CCS, sustainable fuels and nuclear. Advanced manufacturing provides enabling capability across energy, chemicals, defence, aerospace and transport, while digital technologies increasingly drive automation, simulation, artificial intelligence and productivity across the industrial base and wider economy.

Gaming and visual effects are playing a key role in diversifying the Tees Valley economy by creating high-value opportunities beyond traditional industrial sectors. Building on strengths in digital technology, creative content and specialist skills, the region is continuing to develop nationally significant capabilities in games development, animation, virtual production and screen industries.

Life sciences and biomanufacturing add a complementary high-value market, with the region able to support the innovation lifecycle from research and development through scale-up to commercial manufacturing. Health innovation, logistics, trade and infrastructure act as enabling markets and broaden demand for construction, engineering, professional services and smart systems. Across these sectors, the investment proposition is reinforced by deep-water ports, Teesside Freeport and Investment Zone, strategic development land, established export routes and strong road, rail, air, sea and digital connectivity.







ECONOMIC & COMPETITIVE ANALYSIS

Our Competitive Position

Tees Valley combines industrial size, available development land, industrial utilities and pipelines, deep-water port access, lower operating costs, strong research assets and devolved delivery powers. The region's compact, integrated economic make-up enables efficient commercialisation opportunities such as through the rapid diffusion of technology as well as effective connectivity to the whole of the UK. Its principal challenge is to convert these advantages into a consistently visible and investor-ready proposition while addressing constraints around skills, infrastructure capacity, perceptions and project readiness.





Strengths

- Industrial clusters and strategic sites
- Road, rail, air and sea connectivity which is export ready
- Research and innovation assets
- Competitive costs
- Permissive planning and consenting processes
- Dedicated, skilled workforce
- Freeport and Investment Zone

Points of Leverage

- Skills alignment
- Infrastructure dependencies and resilience
- Site readiness
- External perceptions
- Awareness/Publicising opportunities
- Industrial footprint
- Airport and port expansion
- Knowledge spillovers

Opportunities

- Net zero industry
- Industrial decarbonisation
- Resilient supply chains
- Industrial digitalisation
- Defence and space
- Health innovation
- New international capital
- Life Sciences and Biomanufacturing and Chemical and Process ecosystem
- Integration with existing innovation assets

Risks

- Global competition
- Energy costs
- National policy uncertainty
- Constrained finance
- Project delay
- Labour and supply-chain pressures.



TEES VALLEY INVESTMENT PROPOSITION

Tees Valley forms a compact, well connected, functional economic geography with significant assets. Covering more than 300 square miles and being centrally located on the UK's east coast between Edinburgh and London, Tees Valley is perfectly placed for investment.

Our region is made up of the five boroughs of Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees that collectively contribute £19billion to the national economy. Tees Valley's investment proposition is underpinned by a strong logistics and trade economy, leveraging its coastal location and industrial heritage.

The region benefits from:

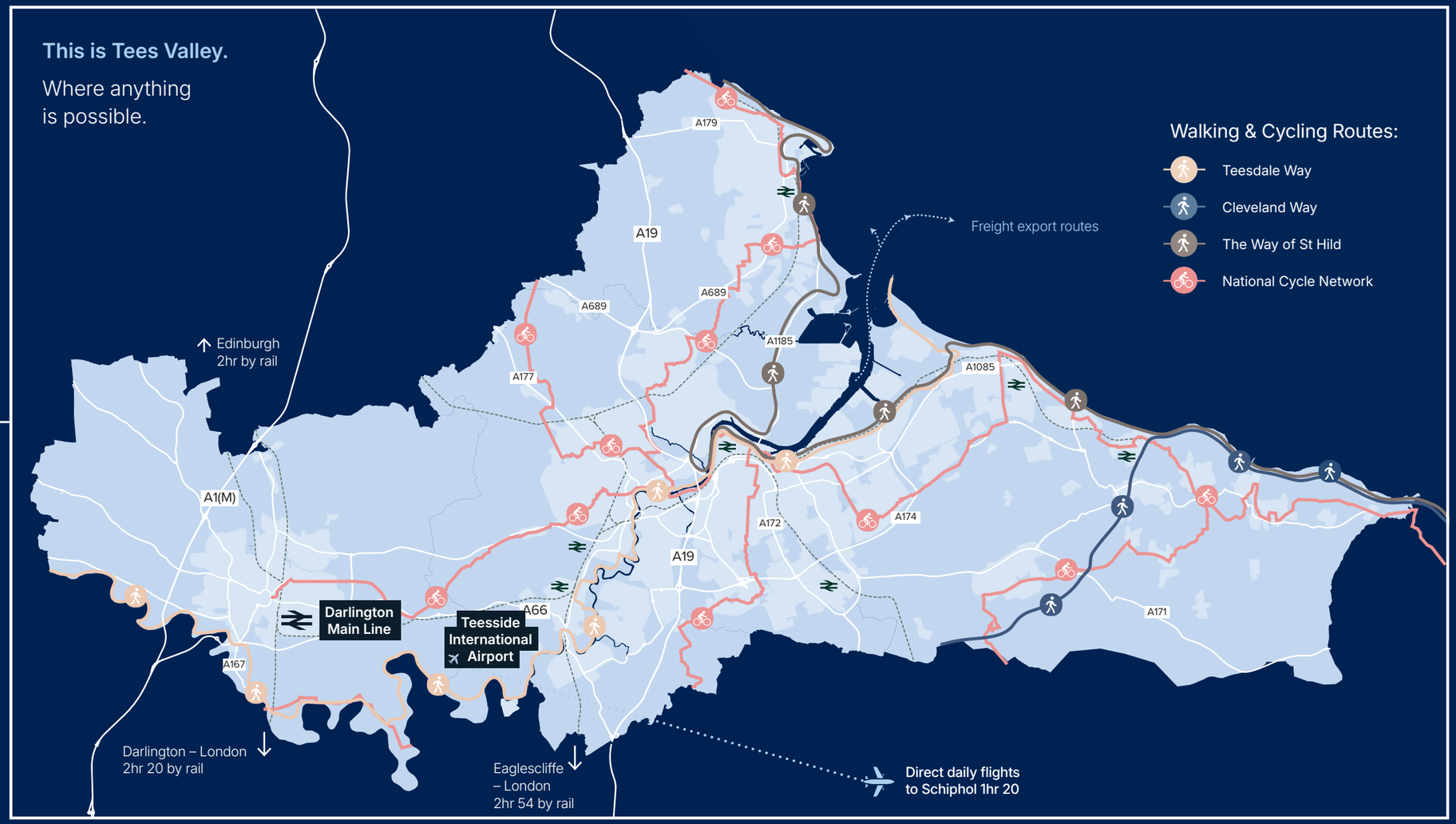
- one of the UK's largest port complexes
- a major Freeport with tax and customs advantages
- established global export routes





Regional Offering





Tees Valley is Britain's best-connected region when it comes to trade, centrally located on the east coast and with 63% of distribution and manufacturing centres within four hours.

It has some of the least congested roads in the country – even though 78% of local people travel by car or van as their preferred mode of transport. Our urban centres are directly connected by dual carriageway, with the A1(M), A66 and A19 providing easy access to the whole of the UK.

Darlington Station, on the East Coast Main Line, underwent a £140million redevelopment in 2026, with an ambitious redesign making it a true gateway to the region and catalyst to further economic regeneration. New platforms are unlocking reliability and future capacity, journeys between Darlington and London taking 2.5hr and Darlington to Edinburgh 2hr.

The region has convenient international connectivity from Teesside International Airport. It offers daily flights to Amsterdam Schiphol, which serves more than 160 destinations worldwide. The Airport Business Park is also becoming a major hub for cargo, logistics and aviation-based activity and is home to national and international companies such as FedEx, Willis Aviation Services, Draken and Airbourne Colours.

Tees Valley has ten miles of operational river along the Tees, the deepest berths on the east coast of England, 5.4km of quayside, five roro berths and over 1,400,000sq2 of warehousing space. We are home to England's largest exporting port and, with lock-free access to the North Sea, Tees Valley is ideal for companies who need access to global markets. The port facilities are well-connected via road and rail, providing easy access to the rest of the UK and the recently

Now, more than £1billion of infrastructure improvements are planned across our transport network, boosting roads, rail and stations for people, businesses and freight, public transport to allow local people to access jobs, education and training and much more.

Tees Valley is Britain’s best-connected region when it comes to trade, centrally located on the east coast and with 63% of the UK's distribution and manufacturing centres within four hours.

Key Sites

- Wilton International, the largest chemical site in UK, is home to major global companies including Huntsman. It boasts private utility infrastructure, existing steam, power and water networks. development-ready land and decarbonisation and pipeline infrastructure, with pipeline corridors linking the south and the north of the river Tees. These help reduce cost, risk and delivery times for investors.

- Adjacent to this is Redcar’s Wilton Centre – one of Europe’s largest R&D sites, positioned for businesses working in circular economy, life sciences and biomanufacturing, sustainable processing and manufacturing technology. The 75-acre park is home to leading organisations including CPI and Fujifilm Biotechnologies and sits in the heart of the North East Process Industry Cluster.

- Darlington’s Science Park, centrally located next to the town centre and train station is home to some of the biggest developments in life sciences and biomanufacturing in the region. This includes CPI, the home of the National Biologics Manufacturing Centre, and Teesside University’s world-class National Horizons Centre.

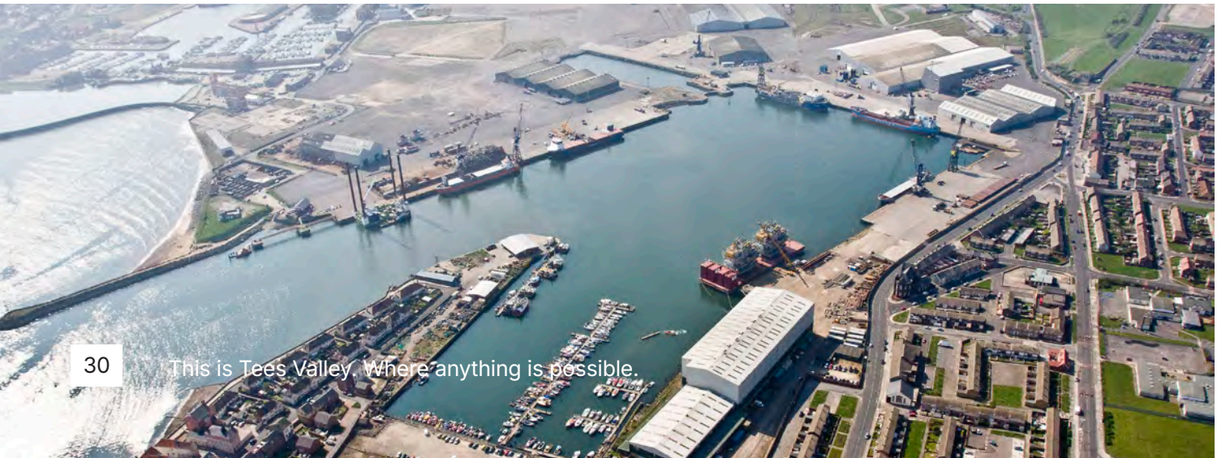
- Teesworks is the UK’s largest industrial zone, primed for clean energy and advanced manufacturing activity. It has secured more than £7billion in investment, with SeAH Wind’s offshore wind monopile production facility and Net Zero Teesside Power’s revolutionary gas-fired power plant with CCS capabilities.

- Boho Zone, in Middlesbrough, is the heart of the region’s digital sector – the UK’s fastest growing outside London. Major game designers such as Double Eleven and Observer Interactive are driving the industry forward alongside other digital innovators.

- Hartlepool is Tees Valley’s creative heart. The Northern School of Art and Northern Studios are developing and retaining talent in the creative industries. A TV and Film Production Village, is under development to help drive our screen industries sector to the next level.

- Teesside International Airport Business Park is an 818-acre world-class business destination, providing unique airside access at the heart of one of the UK’s largest and most integrated industrial economies. The Park is home to more than 40 existing occupiers from a range of industries including FedEx, Willis, Draken and Airbourne Colours, who have all recently invested to expand their operations at the Business Park.

- Teeslink will deliver approximately 775,000 sq ft of industrial and logistics space for the region. The securing of hybrid planning consent in 2025 has enabled detailed consent for the infrastructure works and outline consent for delivery of B2/B8 units of up to 500,000 sq ft. The site has been designed with flexibility in mind, and a wide range of unit sizes can be accommodated to meet occupier demand. Teeslink also has direct access to the national rail network which forms part of the national Strategic Freight Network.



Sector Opportunities

- Tees Valley Investment Zone is a £160million programme of investment and support to drive the development of the region’s creative and digital sectors, potentially leading to the creation of 2,000 jobs and tens of millions in private sector funding. It is one of only 12 in the country. This emerging Digital and Creative cluster supports Gaming & Animation, E-Commerce, Software Development, Cyber Security, Performing & Visual Arts, Music Production, Photography & Videography and Design UX/UI

- The region’s growing digital sector, supported by the Tees Valley Investment Zone, is increasingly being recognised as an attractive location for artificial intelligence (AI) investment and data centres. Discussions are taking place with major international companies exploring opportunities to establish data centre facilities in the area.

- The new Teesside Digital Trade Testbed (DTT) has a private 5G network covering a significant area of Teesside Airport’s northern estate to test and trial digital trade innovation in a controlled environment. It is equipped with IoT sensor networks, secure data integration platforms, and edge compute capability to link physical cargo movements with live digital trade data. Its findings will inform the UK Border Strategy, delivering large-scale cost and time savings while shaping digital trade policy and digital inclusion in global supply chains.

- In Stockton-on-Tees, plans are under way to develop a nationally significant Care and Health Innovation Zone. A significant and recognised cluster of health, social care, research, teaching and learning facilities will sit across 50 hectares of currently brownfield land. The zone has the opportunity to regenerate key sites and drive economic growth.

Other Benefits and Assets

- Teesside Freeport – the UK’s first operational freeport – builds on established strengths in chemicals and materials processing, biomanufacturing, offshore wind, and renewable energy. It offers tax reliefs to eligible businesses situated within Tax Sites, which will run until 2031. Freeport incentives and significant private sector investment are supporting projects to move quickly from concept to operation.

- Darlington Economic Campus is part of Government’s strategic decision to relocate civil service jobs outside of London as part of its Places for Growth Programme. This multi-departmental hub now houses staff from the HM Treasury, Department for Business, Innovation, Science, and Trade, Ministry for Housing, Communities and Local Government, Department for Energy Security and Net Zero, Department for Culture, Media and Sport, the Competition and Markets Authority and Office for National Statistics. This move has created direct and indirect jobs, led to increased footfall within Darlington and ensured that the region’s voice gets heard – putting Tees Valley at the forefront of Government policy and decision making.

- The region boasts close working relationships with Teesside University, which was named University of the Year in digital and AI strengths. Four Russell Group universities Durham, Leeds, Newcastle and York are all within one hour’s travel.

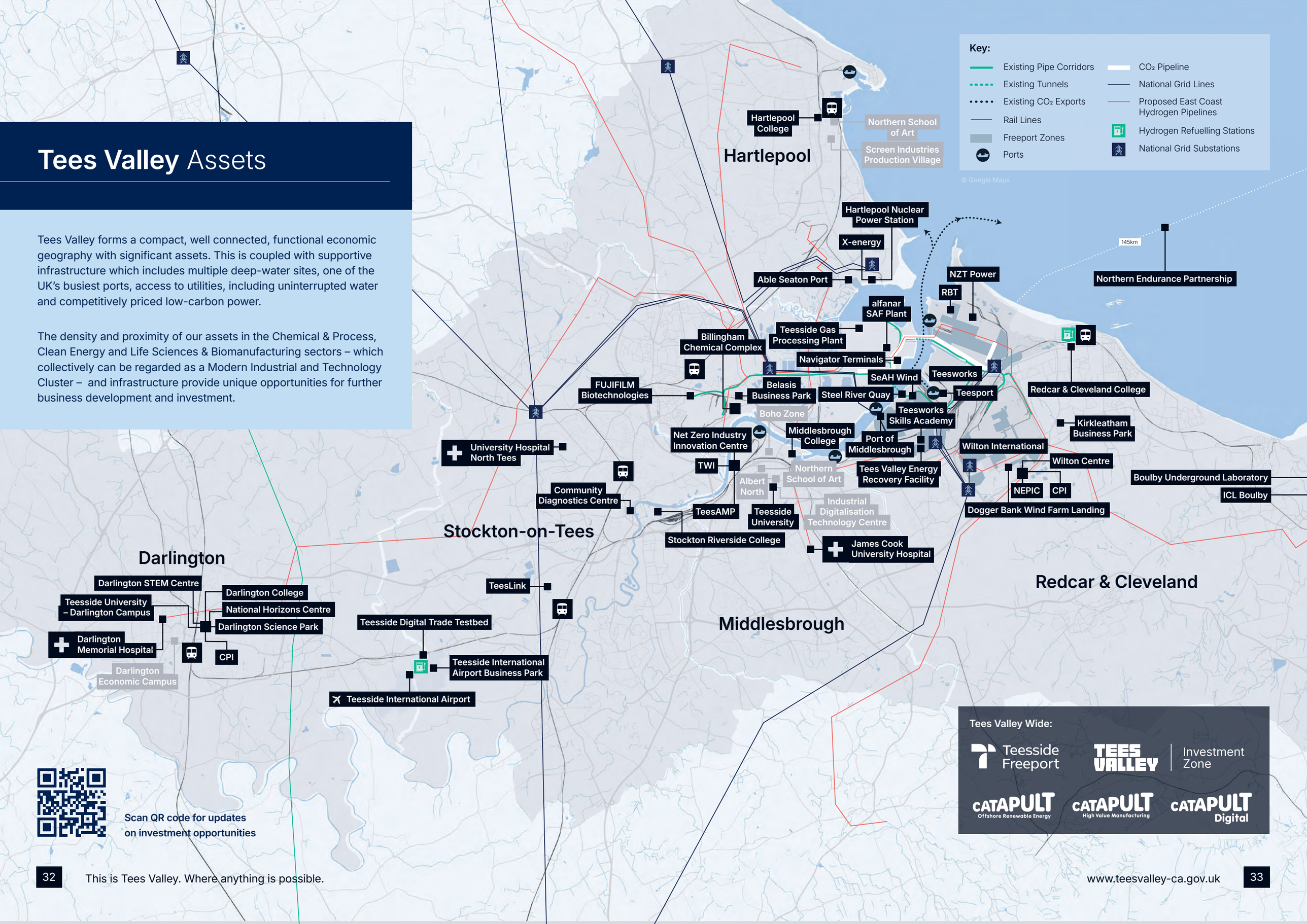
- Excellent relationships have been established with planning departments at Tees Valley Combined Authority’s five constituent Local Authorities, to ensure a smooth, flexible and fast planning process for investors.

- Tees Valley is one of the most affordable places to live in the country, meaning you get more for your money for a fantastic quality of life. Its five unique boroughs boast beautiful countryside and dramatic coastline and are more than the sum of their parts.

Tees Valley Assets

Tees Valley forms a compact, well connected, functional economic geography with significant assets. This is coupled with supportive infrastructure which includes multiple deep-water sites, one of the UK's busiest ports, access to utilities, including uninterrupted water and competitively priced low-carbon power.

The density and proximity of our assets in the Chemical & Process, Clean Energy and Life Sciences & Biomanufacturing sectors – which collectively can be regarded as a Modern Industrial and Technology Cluster – and infrastructure provide unique opportunities for further business development and investment.



Scan QR code for updates on investment opportunities

GLOBAL OPPORTUNITIES

The identification of countries and markets for new investment opportunities is informed by sector and project level intelligence provided by trade associations, business groups, intermediaries and Government partners including the Office for Investment, Department for Business, Innovation, Science and Trade and Foreign, Commonwealth & Development Office, as well as Our Plan for Regional Prosperity – the Tees Valley Local Growth Plan. The country focus and markets for growth will be kept under review to respond to any future changes in global geo-politics, technology and market dynamics, to help maximise the inward investment opportunities during this period.

USA & CANADA

Examples include the states of California, North Carolina, South Carolina, Texas, Washington, Alberta and British Columbia

- Digital & AI
- Data Centres
- Advanced Manufacturing
- Life Sciences and Biomanufacturing
- Clean Energy incl. Civil Nuclear
- Defence and Aerospace
- Critical Minerals
- Space

EUROPE

Examples include Germany, France, Belgium, Netherlands, Norway and Denmark

- Advanced Manufacturing
- Offshore Wind
- Carbon Capture and Storage
- Chemicals
- Sustainable Aviation Fuel
- Space
- Biomanufacturing

MIDDLE EAST

Examples include Saudi Arabia, Qatar and UAE

- Chemicals
- Sustainable Aviation Fuel
- Hydrogen
- Sovereign Wealth Funds
- Infrastructure

FAR EAST

Examples include Japan, South Korea and China

- Offshore Wind
- Clean Energy
- Advanced Manufacturing
- Digital Technologies
- Critical Minerals & Batteries
- Life Sciences and Biomanufacturing





MARKETING & PROMOTION STRATEGY

A confident, outward-facing investment destination

Marketing will use targeted digital campaigns, investor content, sector propositions, trade missions, events, media relations, business ambassadors and direct engagement. Activity will be driven by market intelligence and aligned to the investor journey, from awareness and consideration through to location decision and advocacy.

Dynamic and creative marketing will raise the profile of Tees Valley as a bold, credible and globally relevant investment destination. It will build international recognition, increase awareness of the region across the UK and overseas, and ensure Tees Valley becomes a place investors, partners and decision-makers recognise as a premier destination to do business. The approach will educate, inform and promote with confidence, telling the story of the region's distinctive strengths, proven delivery and how it is creating the next generation of industrial, creative and innovation-led growth.

Marketing will move from a largely reactive model to a proactive, insight-led programme that creates engaging content, opens new conversations and presents the region differently. Activity will be delivered locally, regionally, nationally and globally, with messaging adapted to target markets and investor priorities. It will be ambitious, professional and commercially focused, while being authentic, driven and energetic.

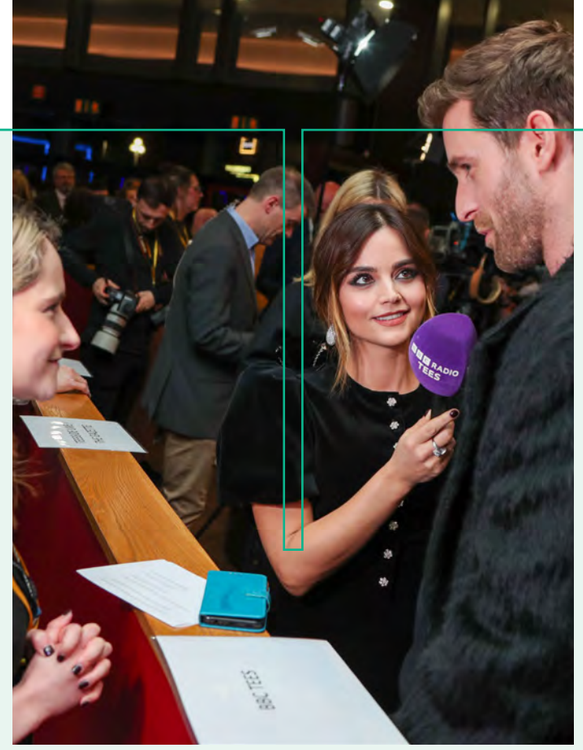
To support international recognition, we will also leverage the strength of the Great North brand and work with neighbouring areas, wider UK regional clusters and national partners to demonstrate scale, collaboration and ambition. Alignment with partners and key stakeholders, demonstrates to investors that Tees Valley is part of a larger, joined-up UK proposition while still offering a distinctive, agile and delivery-focused location.

Delivery will be coordinated across the Combined Authority, Local Authorities, Government, site owners, ports, universities, colleges, sector bodies and the business community. Partners will present a single regional story, share intelligence and mobilise the right support around each opportunity.

Marketing and communications will consider language, translation, local context, business etiquette, barriers to engagement and cultural differences to ensure messages land with relevance and respect. This will be particularly important in priority international markets, where trust, credibility and long-term relationships are essential to investor confidence.

Marketing and Communication Objectives

1. Build national and international recognition of Tees Valley as a leading investment destination with distinctive strengths in Chemical and Process, Clean Energy, Advanced Manufacturing, Life Sciences and Biomanufacturing and Digital and Creative.
2. Generate high-quality investor awareness, leads and engagement by promoting clear sector propositions, investible opportunities and evidence of delivery.
3. Create a consistent and compelling regional narrative that partners, stakeholders and ambassadors can use confidently across markets and channels.
4. Shift marketing and communications from reactive promotion to proactive storytelling, targeted campaigns and relationship-building that support the full investor journey.





Communications Approach

- A strategic, consistent media engagement programme will target regional, national, international and trade publications to secure coverage of activity, milestones, investment opportunities and wider regional developments.
- Business success will be showcased through targeted online, print and video case studies, demonstrating the impact of support and the benefits of locating, scaling and investing in Tees Valley.
- Expert-led thought leadership will be placed in targeted regional and industry publications, including contributions from local business leaders, key partners and other recognised experts.
- Keynote speaker opportunities will be supported for relevant spokespeople, including Teesside University's international team, regional business leaders and sector specialists.
- Regular, joined-up stakeholder communications will ensure partners are sharing a consistent narrative, aligned messages and timely updates.
- A network of local ambassadors will be established to advocate the benefits and impact of this work in an authentic and meaningful way, alongside collaboration with established local networks and business representative organisations.
- Inbound press and public relations trips will be used to bring international media, commentators and influencers into the region, helping them experience the scale, capability and ambition of Tees Valley first-hand.

Marketing Approach

- We will undertake targeted market research in priority sectors and geographies to ensure campaigns are insight-led, culturally intelligent and aligned to target market needs, expectations and behaviours. This insight will inform messaging, content, channels and engagement activity.
- An inward investment microsite will act as the region's shop front, with strong messaging, film, sector propositions, site information and lead generation. The site will feel dynamic, professional and investor-focused, presenting Tees Valley as a destination that means business.
- Events activity will bring together stakeholders locally, nationally and internationally through trade missions, international trade shows, familiarisation tours and an ambitious global investor summit.
- International partnerships and sponsorships will be identified and developed, including town twinning opportunities, event sponsorships and strategic links that can open doors, increase visibility and create trusted routes into target markets.
- Leads will be generated and nurtured through targeted direct marketing campaigns linked to the in-house CRM, with tailored collateral for each stage of the business development process.
- Collateral and resources will be developed to support campaigns and wider communications with investors, partners, businesses and stakeholders, including video case studies, explainer films, site visits, progress updates, announcements, interviews, pitch decks, print collateral and exhibition displays.
- Digital marketing channels will regularly update audiences on progress and opportunities, including social media, partner engagement, e-newsletters and, where appropriate, paid campaigns through LinkedIn advertising, digital media partnerships and Google ads.

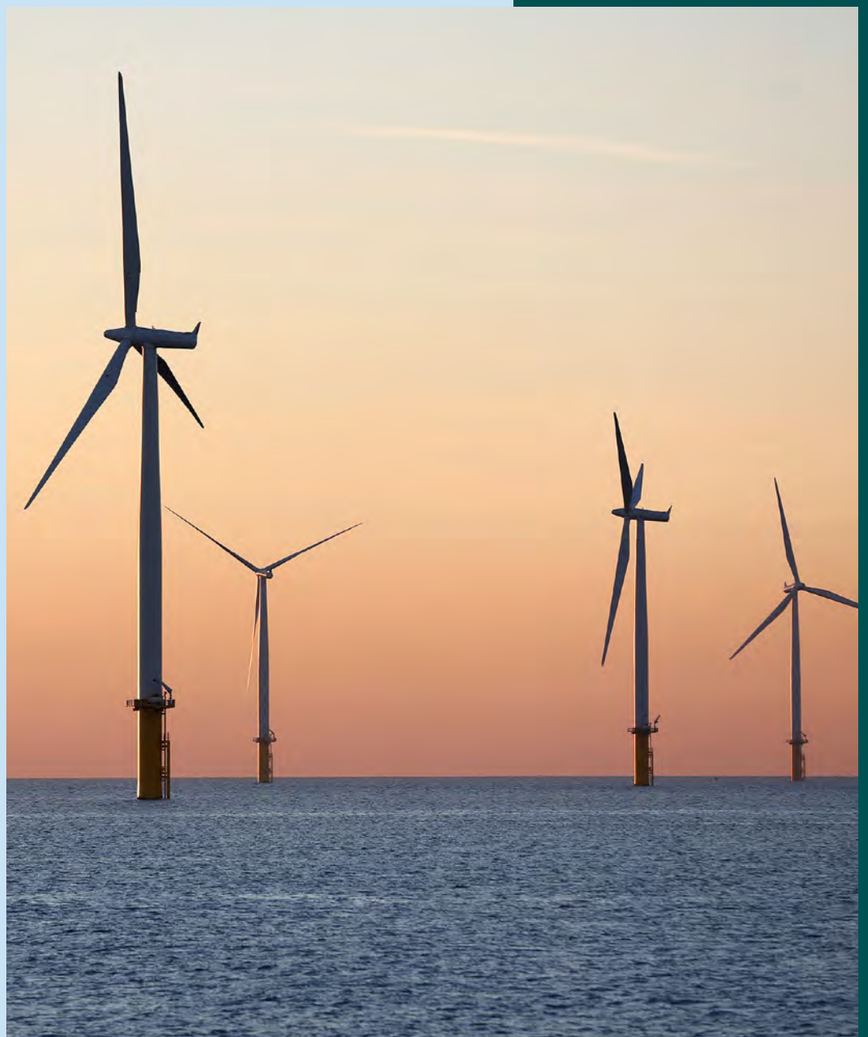
INVESTOR ENGAGEMENT & SUPPORT

From first conversation to long-term growth

Tees Valley will take a proactive, intelligence-led approach to investor targeting. Dedicated sector leads will identify priority businesses, intermediaries and markets, coordinate engagement and provide a single route into the region. Every qualified opportunity will receive a prompt, tailored response covering sites, skills, infrastructure, innovation, funding and delivery support.

A coordinated account management and aftercare programme will support established investors to expand, innovate and embed local supply chains. Investor intelligence will be shared across regional partners so that barriers are identified early and opportunities are mobilised at pace.





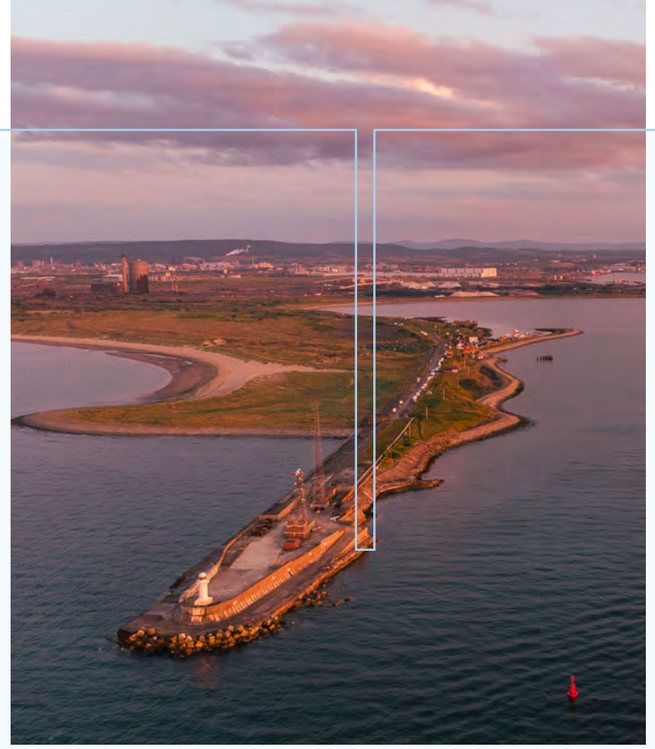


Enquiry Management and Transparency

Inward investment project requirements will continue to be dealt with on a confidential and impartial basis, with public and private partners operating in a virtual team to support the Inward Investment service with competitive solutions that best align with the investor's project requirements.

Partnership working remains a core principle for delivery, and we will continue to liaise closely with our Local Authorities, other public partners and with relevant private sector businesses to optimise the inward investment service. Partnership working is supportive of project traction and the de-risking of investment decisions. Practically, and as non-exhaustive examples, this is addressed by meeting key project levers, including details on planning, business accommodation, local supply chains, innovation assets, infrastructure and skills resources.

Projects will continue to provide tailored responses. The service will nurture existing relationships and establish new relationships, building trust and adding value by being consultative, intelligent, responsive and ultimately service-led in delivery.





Infrastructure and Site Development

A regional site catalogue will bring together priority land, premises, ownership, planning status, utilities, infrastructure and delivery timescales. This will allow opportunities to be matched quickly to credible locations and expose the enabling investment required to move sites from potential to readiness.

Investment in transport, energy, water, digital connectivity and commercial space will be prioritised where it unlocks strategic growth. Teesside Freeport and the Digital & Creative Investment Zone will remain central to the offer, combining targeted incentives with sector specialisation, infrastructure and coordinated delivery.

Skills and Workforce Development

Skills planning will be aligned to the needs of target sectors and live investment projects. Employers, colleges, universities and specialist training providers will work together to anticipate demand, shape curricula and create direct pathways into new jobs.

Devolved programmes and employer investment will support upskilling, reskilling and recruitment, helping residents access opportunity while giving investors confidence in a sustainable talent pipeline.

Innovation and Research & Development

Tees Valley will connect investors to its universities, research centres, demonstration assets and industrial partners from the outset. The emphasis will be on translating research into commercial production, supporting collaborative projects and accelerating the journey from concept and pilot to scale-up and market.

This coordinated innovation offer will help firms access specialist facilities, knowledge, funding and supply-chain partners while increasing research and development activity across the regional business base.

Sustainability and Clean Growth

The region will promote investments that strengthen energy security, reduce industrial emissions and build resilient low-carbon supply chains. Opportunities span carbon capture, hydrogen, offshore wind, sustainable fuels, nuclear, resource efficiency and circular production.

Investors will be supported to understand infrastructure, regulation, funding, partnerships and routes to market, ensuring clean growth is translated into deliverable projects with lasting economic and environmental value.

Funding and Financial Incentives

Support will be tailored to the needs and delivery stage of each project. The regional team will help investors navigate relevant grants, loans, tax and customs benefits, innovation support, skills programmes and private finance, while maintaining a clear focus on additionality and value for money.

Public investment will be used strategically to unlock viable private-sector activity, address evidenced barriers and accelerate projects that advance priority sectors, productive employment and regional resilience.

PARTNERSHIP WORKING

Our role is to coordinate the regional proposition, proactively working to remove barriers, streamline processes and align the right organisations around each opportunity to ensure projects progress efficiently from initial engagement to delivery.

PROFESSIONAL & ADVISORY SERVICES

- Legal Services
- Accountancy and Tax Advisors
- Corporate Finance Specialists
- Recruitment and Talent Partners
- Marketing and Communications Agencies

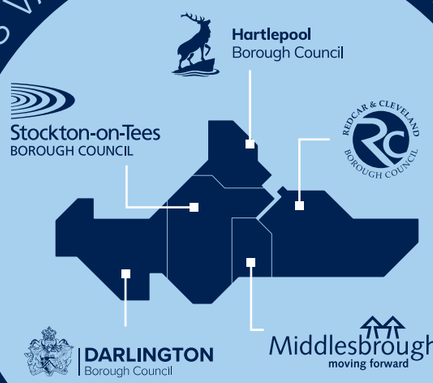
UK GOVERNMENT

- Office for Investment
- Department for Business, Innovation, Science and Trade
- Foreign, Commonwealth & Development Office
- No.10 North
- Ministry for Housing, Communities & Local Government
- Other Government Departments and Agencies

BUSINESS & INDUSTRY LEADERSHIP

- Tees Valley Business Board
- Business Representative Organisations
- Chambers of Commerce and Membership Bodies
- Sector Groups and Trade Associations
- Existing Tees Valley Businesses
- Strategic Investors

TEES VALLEY COMBINED AUTHORITY



TEES VALLEY COMBINED AUTHORITY

STRATEGIC AMBASSADORS & PLACE PROMOTION

- Middlesbrough Football Club
- Recognised Tees Valley Brands
- Regional Ambassadors and Influencers
- Expats/diaspora

PROPERTY, DEVELOPMENT & INVESTMENT MARKET

- Landowners
- Developers
- Commercial Property Agents
- Investment and Location Consultants
- Corporate Intermediaries
- Infrastructure Providers

INNOVATION, SKILLS & TALENT PARTNERS

- Teesside University
- Durham University
- Research and Innovation Organisations
- Skills and Training Providers
- Innovation Networks and Clusters

Partnership Principles

Investor-First

Place investor needs at the centre of decision-making and service delivery

Impartial Guidance

Provide impartial, evidence-based solutions and guidance to investor interests

Responsive Delivery

Ensure investors receive timely, coordinated and professional support

Long-term relationships

Build and nurture long-term productive partnerships built on trust and mutual outcomes



DELIVERING & MEASURING SUCCESS

A Customer Relationship Management (CRM) system has been implemented to manage and monitor the full investor journey, from initial awareness and enquiry through qualification, project delivery, and expansion. The system provides a consistent evidence base for decision-making, performance management, and investor support.

Performance reporting will look at both investment pipeline progress and wider economic outcomes, keeping activity focused on securing investments that create long-term value across Tees Valley.

Key measures will include:

- Investment enquiries, qualified opportunities and conversion rates.
- Value of domestic and foreign direct investment secured.
- Jobs created and safeguarded, including measures of job quality and accessibility.
- Gross Value Added (GVA), productivity improvements and export growth.
- Investor satisfaction, aftercare engagement and business expansion activity.
- Local supply chain participation and the distribution of economic benefits across the five boroughs.



A performance framework will be developed to provide a clear and consistent basis for measuring success. This will establish baseline measures and 2031 ambitions for key indicators including investment secured, projects landed, jobs safeguarded and created, investor satisfaction and investment-ready opportunities.

The framework will support evidence-based decision making, inform delivery priorities and ensure activity remains focused on securing investment that creates long-term economic value across Tees Valley. Performance reports will be produced and circulated monthly, providing stakeholders with timely insight into pipeline activity, project progress and economic outcomes.

A coordinated governance framework will bring together the Combined Authority, Local Authorities and delivery partners to review performance, identify emerging opportunities, resolve barriers to delivery and respond to changing market conditions.

Regular engagement with the Office for Investment will also support intelligence sharing, alignment with national priorities and the coordinated management of strategically significant investment opportunities.

While commercial confidentiality will always be respected, there is significant value in sharing non-sensitive intelligence relating to investor demand, sector trends, site requirements and market opportunities. Developing a culture of information sharing across partners will improve regional intelligence, reduce duplication of effort and help ensure investment opportunities are directed to the right sites and support at the right time.

Investment is not delivered by any one organisation. It relies on strong partnerships, shared ambition and coordinated action across the public and private sectors. The Combined Authority will continue to share relevant reports with partners and, over time, will work alongside Local Authorities, landowners and other stakeholders to develop a more comprehensive picture of investment activity across Tees Valley. This shared evidence base will strengthen collaboration and enable partners to respond collectively to emerging opportunities and challenges. The strategy will be subject to regular review to ensure continued alignment with regional priorities, investor demand, and national policy developments, with progress monitored and reported through established governance arrangements.

This is Tees Valley.
Where anything is possible.

TEES VALLEY

For more information contact
invest@teesvalley-ca.gov.uk
www.teesvalley-ca.gov.uk/invest

@TeesValleyCA

Cabinet

Tees Valley Combined Authority

Date			25 September 2026	
Agenda Item			18	
Report Title			Tees Valley Investment Zone: Capital Strategy	
Accountable Cabinet Member			**Mayor Chris Cooke,** Portfolio Holder for Business Growth	
Accountable Chief Officer			**Sarah Walker,** Director of Business Solutions	
Accountable Employee			**Charlie Kemp,** Interim Head of Business Solutions, Head of Creative Place	
Report considered by			Pre-Cabinet process A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 11 September 2026.	
Key Decision			Yes **X**	No 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). 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.
Public Report	Yes X	No	Whilst this paper is a Public Report, a section of the supporting Capital Review report, produced by consultants, will be withheld due to the inclusion of commercially sensitive information.	
Voting arrangements			In accordance with the Constitution.	

Recommendation(s)

The Combined Authority Cabinet is recommended to:

A	**APPROVE** the Tees Valley Investment Zone Capital Programme within the requirements of the funding envelope, including the Phase 1 and Phase 2 strategic priorities identified within the Review, as the framework for future investment decisions.
B	**DELEGATE** approval of individual business cases and project development activity to the Director of Business Solutions in consultation with the Combined Authority's Statutory Officers in accordance with the Assurance Framework and in consultation with the Accountable Cabinet Portfolio Leads for Business Growth and Investment.
C	**DELEGATE** authority to the Director of Business Solutions to manage and deliver the approved Capital Programme within the strategic framework and budgets approved by Cabinet, in consultation with the Accountable Cabinet Portfolio Leads for Business Growth and Investment.
D	**NOTE** that quarterly updates on delivery of the Tees Valley Investment Zone and Capital Programme will be provided to Cabinet, including: • progress against the Capital Review recommendations; • business case development; • project approvals; • expenditure; • match funding secured; • partner commitments secured; • risks and approved variances.

Purpose

1. The purpose of this paper is to:
   a) Present the findings of the Tees Valley Investment Zone Capital Review.
   b) Seek approval for the proposed Tees Valley Investment Zone Capital Programme and associated investment priorities.
   c) Seek approval for governance and delegation arrangements to enable the development and delivery of future projects through the Assurance Framework.
   d) Provide an update on progress in delivering the Tees Valley Investment Zone and the role of capital investment in supporting delivery of the approved Vision and Missions.

Executive Summary

2. The Digital & Creative Tees Valley Investment Zone (TVIZ) Capital Review was commissioned following Cabinet approval of the TVIZ Vision, Missions and Principles in December 2025 to determine how the remaining capital programme could best support delivery of those objectives. The review concluded that successful digital and creative ecosystems are not created through individual capital projects alone, but

through the combination of physical infrastructure, business support, innovation activity, skills development, investment, networks and sector leadership. It also identified the importance of providing clear progression pathways for businesses, access to shared specialist facilities and equipment, and infrastructure that supports innovation, commercialisation and the development of intellectual property.

3. The review found that whilst Tees Valley possesses strong digital, creative and research assets, gaps remain in the infrastructure available to support growing businesses, creative production and innovation activity. In particular, it identified a shortage of affordable grow-on space for scaling digital and creative businesses, a need for greater access to shared production facilities and creator-economy infrastructure, and an opportunity to strengthen connections between digital technology, game development, screen production, content creation, research and entrepreneurship.

4. To address these challenges, the review recommends two priority capital interventions for delivery during Phase 1 of the TVIZ programme. These are the creation of a Digital & Creative Enterprise Hub in Middlesbrough, focused on business growth, innovation and commercialisation, and a Creative Production Hub in Hartlepool, focused on creator-economy activity, specialist facilities, shared equipment and production supply chains. The review concludes that investment within the Boho cluster provides the strongest opportunity to support business growth in Middlesbrough, whilst a hub-and-spoke model centred on the BIS, Clippy Club site and Production Village provides the strongest opportunity to support creative production activity in Hartlepool.

5. The review further concludes that these interventions should be viewed as part of a connected ecosystem rather than standalone projects. It recommends a complementary two-hub model, with Middlesbrough acting as the focal point for digital enterprise, innovation and commercialisation activity and Hartlepool acting as the focal point for creative production, creator-economy and production supply-chain activity. Whilst place-based TVIZ capital investment is focused on Middlesbrough and Hartlepool in accordance with the TVIZ geography and focused cluster development in specific sub sectors, TVCA recognises the significant digital, technology and creative business base in neighbouring Stockton-on-Tees and the strong functional relationships that exist across the Tees Valley economy. Capital programme activity with therefore be supported through region-wide, shared programming, business support, specialist technology access and industry engagement, helping to strengthen the wider digital, creative and innovation ecosystem.

6. Indicative planning assumptions within the Review suggest capital investment ranges of approximately £7m-£10m for the Middlesbrough Digital & Creative Enterprise Hub, £3m-£5m for the Hartlepool Creative Production Hub and £3m-£5m for shared technology infrastructure and equipment. These figures are indicative only and do not constitute approved project budgets. Final allocations will be subject to project case approval.

7. Alongside these capital priorities, the review recommends a number of complementary enabling actions to further support Mission achievement across the Tees Valley. These include increasing access to Teesside University's Digital Life

facilities, strengthening connections between the Middlesbrough and Hartlepool clusters and wider regional clusters and assets, developing a stronger TVIZ identity and partner attraction programme, and securing the operating, delivery and investment partners required to support long-term sustainability.

8. The review also recommends progression of feasibility studies, options appraisals and project development activity (£1-2m) for a future Phase 2 pipeline, including House of Fraser, Hartlepool Town Hall Theatre, the Health & Care Innovation Zone and wider 'Creative Places Regeneration' opportunities designed to strengthen long-term cluster development and place-based growth (£1-2m).

9. Cabinet is therefore asked to approve the Capital Review and associated Capital Strategy as the framework for future investment decisions and delivery of the TVIZ Capital Programme

Detail

Strategic Context and Background

10. In March 2025, Cabinet approved the Tees Valley Investment Plan Refresh, including establishment of the Digital & Creative TVIZ. As part of that decision, capital investment was approved to support the expansion of Northern Studios in Hartlepool, alongside provision for future investment in digital and creative infrastructure within Middlesbrough and Hartlepool. The programme was co-developed with Government in response to significant growth opportunities within the digital, creative and screen sectors and the opportunity to position Tees Valley as a nationally significant cluster for digital and creative enterprise, innovation and production.

11. At that time, £32 million of capital funding was identified for investment within the designated TVIZ cluster locations of Middlesbrough and Hartlepool, comprising:
    a) £15 million for the expansion of The Northern Studios, Hartlepool;
    b) £13 million for sector-focused infrastructure in Middlesbrough and Hartlepool;
    c) £3 million for digital connectivity infrastructure; and
    d) £1 million for enabling and severance works.

12. To date, £15m has been committed to the expansion of The Northern Studios in Hartlepool following business case development and approval. A business case is in development for the deployment of the £3m digital connectivity infrastructure budget. A budget of £13 million therefore remains for sector-focused infrastructure in Middlesbrough and Hartlepool and £1 million remains for enabling and severance works.

13. In addition, a further £14.88 million of flexible capital funding was identified within the Tees Valley Business Growth pillar of the Investment Zone programme. Of this allocation, £9.3 million has been earmarked to support investment in intellectual property, content and product development activities aligned to the Investment Zone missions. The remaining balance provides flexibility to support enabling

capital infrastructure and complementary investments where these are required to maximise delivery of the Capital Review recommendations and wider Investment Zone objectives.

14. Whilst this element of funding is not geographically restricted to Middlesbrough and Hartlepool, the Capital Review concluded that the strongest immediate opportunity to deliver the Investment Zone Missions, build critical mass and attract partner investment is through strengthening the established and emerging clusters within these locations. The Review therefore recommends that available capital resources are initially focused on these priorities.

15. The TVIZ is structured across two funding phases. Phase 1 comprises the initial £80 million allocation and is focused on investments capable of being delivered, or demonstrating meaningful progress, by March 2029. Subject to Government approval, a second phase of TVIZ funding is anticipated between April 2029 and March 2034. The Capital Review was therefore required to consider both the immediate infrastructure priorities capable of supporting delivery of the TVIZ Missions within Phase 1 and the longer-term pipeline of opportunities which may form part of Phase 2.

16. As part of this Capital Review, the consultants met with officers from Stockton Borough Council and collectively identified the emerging Health & Care Innovation Zone, recognising its strong alignment with Mission 3 and its potential contribution to the wider TVIZ ecosystem. Whilst the Review concluded that Phase 1 capital investment should remain focused on the Middlesbrough and Hartlepool clusters – strengthening critical mass, infrastructure and market opportunities already emerging within those clusters – it also concluded that the strength and proximity of the digital sector in Stockton and the Health & Care Innovation Zone represents a strategically important longer-term opportunity. The Review therefore recommends that the TVIZ supports the further development of this proposition through feasibility and partnership development with a view to stronger alignment in Phase 2, creating an opportunity to bring together the region's business growth, creative production and applied innovation clusters.

17. In December 2025, Cabinet approved the TVIZ Vision, Missions and Principles [Decision 61/25] and agreed the overall delivery approach for the programme. Cabinet also approved the development of the Business Support Model, the commissioning of a Capital Review and the required resource plan to support delivery.

18. The approved TVIZ Vision is:
"Tees Valley is a UK powerhouse for world-class digital and creative enterprise, innovation and content where creativity sparks, industries scale and ideas go global."

19. Cabinet also approved three strategic missions which continue to provide the framework for investment decisions:
    a) **Mission 1**
    Become the UK's leading region for starting, scaling and sustaining innovative digital and creative business

b) **Mission 2**
Establish Tees Valley as an engine room of creative production
c) **Mission 3**
Grow a world-class base for applying digital and creative technologies to solve real-world challenges

20. In July 2026, Cabinet approved the Business Tees Valley programme, establishing a single integrated business growth system for the region and providing the business support, leadership development, access to finance and commercialisation framework through which much of the TVIZ revenue programme for business support will be delivered.

21. The Capital Review was commissioned to determine how the remaining capital programme could best support delivery of the approved TVIZ missions, respond to evolving market conditions and maximise the economic impact of public investment. Specifically, the review was tasked with:
    a) Re-testing the viability and strategic fit of existing capital proposals
    b) Identifying the new opportunities arising from changing market conditions and asset availability
    c) Maximising private-sector leverage and long-term investment
    d) Strengthening connections between physical infrastructure and wider business support, innovation and production activity
    e) Identifying opportunities to accommodate future anchor organisations and industry partners
    f) Producing a prioritised capital programme capable of supporting delivery of the TVIZ Missions whilst remaining achievable within current funding timescales.

22. The review was therefore required to identify interventions capable of delivery within Phase 1, whilst also developing a longer-term pipeline of opportunities capable of supporting future TVIZ investment beyond 2029. It therefore represents the next stage in implementation of the TVIZ, building upon the strategic framework approved by Cabinet and providing the physical infrastructure component of the wider programme.

Scope and Methodology of the Capital Review

23. The Capital Review was undertaken by Alvarez & Marsal consultants on behalf of the Combined Authority between May and August 2026.

24. The review was commissioned as a strategic investment prioritisation exercise rather than a traditional property review or feasibility study. Its purpose was not to undertake project-level economic appraisal, value for money assessment or business case development for individual investments. Rather, it was commissioned to identify the infrastructure, facilities and ecosystem interventions required to deliver the approved TVIZ Vision, Missions and Principles, assess how these needs are being addressed in comparator locations and determine which interventions are most aligned with market demand, strategic objectives and deliverability within the available funding period. Detailed economic appraisal and value for money

assessment will be undertaken as part of the development of individual business cases for recommended projects.

25. Rather than beginning with existing local projects or assets, the review first sought to identify the enabling infrastructure required to deliver the TVIZ Vision, Missions and Principles and only then assessed existing assets and opportunities against those identified needs.

26. Activity was conducted across four broad stages.
    a) **Mission-Led Infrastructure Assessment:**
    Consideration of the TVIZ Vision, Missions and Principles to establish the types of infrastructure required to support business growth, creative production and innovation at scale.
    b) **Comparator and Competitor Analysis**
    Review of national and international locations demonstrating strengths aligned to one or more of the TVIZ Missions, identifying the infrastructure, operating models and ecosystem characteristics that contribute to their success.
    c) **Assessment of Existing Assets and Opportunities**
    Assessment of existing infrastructure, assets and proposals within Tees Valley to identify strengths, gaps and opportunities and to determine how effectively current provision aligns with the identified infrastructure requirements. This included consideration of existing project proposals, potential sites, cluster assets and emerging opportunities.
    d) **Prioritisation and Capital Planning**
    Development of a prioritised Capital Plan, assessing opportunities against criteria including strategic alignment, mission contribution, deliverability, phasing, leverage potential, value for money and regional impact. The review also considered delivery models, investment partners, operating partners and funding opportunities capable of supporting long-term sustainability and private-sector participation.

27. Prior to commencement of the review, TVCA and Teesside University co-hosted a series of roundtables with business leaders from across Tees Valley's digital & creative industries ecosystems. The findings from these sessions informed the evidence base for the review and helped identify challenges, opportunities and infrastructure requirements from the perspective of businesses operating within the sector. The resulting report was provided to the consultants and is appended here at Appendix 1.

28. As part of Stage D of the consultants' methodology, workshops were held with representatives from Middlesbrough Council and Hartlepool Borough Council. Meetings were also held with Stockton Borough Council, the Chair of the Middlesbrough Development Corporation and the Chief Executive of North East Screen. These discussions supplemented the wider evidence base and provided insight into local ambitions, existing investment plans, delivery opportunities and potential partnership arrangements.

29. In addition to stakeholder engagement, the consultants undertook site visits across Middlesbrough and Hartlepool, including existing sector assets, development

opportunities and sites identified within the original TVIZ business case. This enabled the review team to assess the condition, suitability and strategic role of key assets, understand the relationship between sites and wider cluster geographies, and test the practical deliverability of potential interventions.

30. The review's findings and recommendations are therefore informed by a combination of comparator analysis, stakeholder engagement, sector insights, site visits and asset assessment. Together, these provided the basis for identifying infrastructure priorities, assessing opportunities and developing a prioritised Capital Plan aligned to the approved TVIZ Vision, Missions and Principles.

Capital Review: Key Findings

31. The review considered a range of national and international comparator locations, including ecosystems focused on digital technology, games, screen production, creative enterprise and innovation. Whilst differing significantly in scale, governance and specialism, a consistent set of themes emerged regarding the infrastructure, facilities and supporting conditions required to enable sustainable long-term growth. These findings provide a useful framework for considering future capital investment within the TVIZ.

32. The review found that **successful ecosystems do not rely solely on individual buildings** or capital projects. Instead, they combine physical infrastructure with business support, innovation activity, skills development, investment, networks and sector leadership to create connected growth systems capable of supporting businesses at different stages of development.

33. The review therefore focused on understanding the conditions, infrastructure requirements and ecosystem characteristics associated with successful digital and creative clusters, rather than undertaking comparative economic appraisal of individual development projects.

34. The strongest comparator locations **provide a clear progression pathway for businesses**, including affordable grow-on space for companies moving beyond incubation and start-up environments. The availability of flexible workspace capable of accommodating business growth was identified as a recurring characteristic of successful digital and creative clusters.

35. Access to **shared specialist facilities, equipment and production infrastructure** was also identified as an important component of successful ecosystems. Comparator locations frequently provide facilities that it would be difficult or uneconomic for individual businesses to access independently, helping to stimulate collaboration, reduce barriers to growth and improve competitiveness.

36. The review also found that **innovation and commercialisation infrastructure plays an increasingly important role** within successful clusters. The most competitive locations create opportunities for businesses, researchers and entrepreneurs to work together to develop, test and commercialise new products, services and intellectual property. Capital investment is most effective when coupled with complementary business support, innovation and commercialisation programmes.

37. A recurring finding throughout the review was that **many of the most successful ecosystems derive their strength from the interaction between digital technology, creative industries, games, production, research and entrepreneurship**. Growth opportunities are often generated at the intersection between these activities rather than within individual sectors operating in isolation. As such, successful capital investments create environments that encourage collaboration, knowledge exchange and the development of new products, services and intellectual property.

38. Collectively, these findings provide a useful framework against which the existing Tees Valley ecosystem can be assessed and against which future capital investment priorities can be considered.

Implications for Tees Valley

39. The review found that Tees Valley already possesses many of the foundations required to support a nationally significant digital and creative ecosystem. These include established digital and creative business communities, Teesside University's recognised strengths in digital technologies, existing cluster assets such as Boho in Middlesbrough and the Northern Studios and emerging Production Village in Hartlepool, and the complementary business support, research and innovation activity being delivered through the wider TVIZ programme.

40. Stakeholder engagement highlighted a number of existing strengths, including a collaborative business culture, a growing reputation within games, screen and digital sectors, and a strong pipeline of entrepreneurial and creative talent. However, the review also identified a number of infrastructure gaps relating to business growth, specialist production facilities, innovation and commercialisation and opportunities for greater collaboration across the digital and creative economy. These requirements are considered in more detail within the 'Priority Infrastructure Needs' section below.

41. Assessments of existing assets and opportunities concluded that Middlesbrough and Hartlepool remain the most appropriate locations for place-based capital investment during the current phase of the TVIZ programme. These locations contain the strongest concentration of relevant assets, businesses and institutions, whilst also presenting the greatest opportunity to build critical mass, attract private-sector investment and strengthen delivery of the TVIZ Missions.

42. Whilst elements of the wider Investment Zone capital programme are not geographically restricted, the Review concluded that the strongest immediate opportunity to deliver the Investment Zone Missions, address identified infrastructure gaps, build critical mass and attract partner investment is through strengthening the established and emerging clusters within Middlesbrough and Hartlepool. The Review therefore recommends that place-based capital investment remains focused on these locations during the current phase of the programme.

43. This does not imply that the benefits of the TVIZ are restricted to Middlesbrough and Hartlepool. Business support, access to finance, research and innovation activity and wider sector support programmes will continue to support businesses and opportunities across the Tees Valley. The Review also identified the Health & Care

Innovation Zone in Stockton-on-Tees as a strategically important longer-term opportunity aligned to Mission 3 and recommends that TVIZ supports its continued development through feasibility, partnership development and business case activity with a view to stronger alignment during Phase 2 of TVIZ delivery.

44. The review therefore recommends a two-tier approach to investment. Tier 1 focuses on addressing critical infrastructure gaps through interventions capable of delivery by March 2029, whilst Tier 2 focuses on progressing longer-term opportunities requiring further feasibility, partnership development and investment planning ahead of potential future delivery.

Priority Infrastructure Needs

45. The review assessed the enabling infrastructure required to support delivery of the approved TVIZ Missions and identified a number of priority infrastructure needs. These needs should not be viewed as standalone property requirements but as components of a wider ecosystem intended to support business growth, creative production and innovation.

Mission 1: Start Scale and Sustain Digital & Creative Businesses

46. Whilst Tees Valley does possess some strong start-up and incubation assets, the review confirmed that there **remains a shortage of affordable grow-on space and business growth infrastructure for digital and creative businesses**. Addressing this gap is critical to improving business retention, supporting scale-up activity and strengthening the wider digital and creative business base. Business growth infrastructure should be animated through the TVIZ's business support programme, delivering dynamic environments that support collaboration, investment readiness, commercialisation and business growth.

Mission 2: Engine Room of Creative Production

47. The review identified a need for greater access to shared production facilities, specialist equipment and creator-economy infrastructure capable of supporting activity across screen, music, digital content, immersive technologies and related supply chains. These facilities can reduce barriers to entry, strengthen local supply chains, support collaboration and increase the capacity of the wider production ecosystem.

Mission 3: Applying Digital & Creative Technologies to Real-World Challenges

48. The review identified a need for innovation and commercialisation infrastructure that brings together businesses, entrepreneurs, researchers and practitioners to develop, test and commercialise new products, services and intellectual property. Investment should support stronger pathways between research and innovation, commercialisation and business growth, building on existing strengths within the Tees Valley ecosystem.

Cross-Cutting Requirement: Convergence and Collaboration

50. The review concluded that the greatest opportunities for growth arise at the intersection between business growth, creative production and innovation activity. Priority should therefore be given to investments that support collaboration between digital technology, creative industries, production, entrepreneurship and research,

creating the conditions for the development of new products, services, businesses and intellectual property.

Recommended Investment Strategy

51. Having identified the infrastructure requirements necessary to support delivery of the TVIZ Missions, the review assessed existing project proposals, development opportunities and potential interventions against these needs. Projects were considered against criteria including strategic alignment, mission contribution, deliverability, affordability, leverage potential and likely economic impact.

52. The review recommends a phased approach to investment. Phase 1 focuses on the interventions capable of addressing identified infrastructure gaps whilst remaining deliverable within the current TVIZ funding period to March 2029. In parallel, a number of longer-term opportunities should continue to be progressed through feasibility, design development and partnership activity to create a pipeline of investable propositions for the intended Phase 2 TVIZ programme, covering the period April 2029 to March 2034.

Phase 1 Priorities (to March 2029)

53. The review concludes that Phase 1 investment should be focused upon addressing the most significant constraints within the established Middlesbrough and Hartlepool clusters. The recommended interventions collectively respond to the priority infrastructure needs identified through the review and support delivery of all three TVIZ Missions.

Middlesbrough Digital & Creative Enterprise Hub

54. The review identifies the development of a Digital & Creative Enterprise Hub in Middlesbrough as the principal intervention supporting Mission 1. The proposed hub would provide affordable grow-on space, shared facilities and infrastructure capable of supporting entrepreneurship, business growth, innovation and commercialisation.

55. The review recommends that the preferred location for this intervention is within the existing Boho cluster. Assessment of potential opportunities concluded that investment within the Boho cluster provides the strongest combination of strategic fit, existing business concentration, proximity to complementary assets and deliverability by March 2029.

56. In assessing alternative options, the Review concluded that the Boho cluster provides a stronger Phase 1 proposition than House of Fraser due to its existing occupier base, lower capital requirement, operational readiness and ability to be delivered within TVIZ timescales. Whilst House of Fraser remains strategically important, significant feasibility, condition assessment, funding development and operating model work is required before substantive capital investment can be justified.

57. The review also identifies an opportunity to build upon significant previous public-sector investment within the cluster. Whilst Boho remains an important focal point for digital and creative businesses, stakeholder engagement highlighted the need for

renewed activation, improved collaboration space and stronger links between physical infrastructure and business growth activity.

58. Future work will be undertaken in partnership with Middlesbrough Council and potential operating partners to develop the preferred Boho-based intervention, including operating arrangements, delivery responsibilities, occupier strategy and future investment requirements. The outcomes of this work will inform project cases, partnership arrangements and the preferred delivery approach.

59. The review also identifies the wider Boho-Albert Road-University corridor as the focus for future cluster development activity. This should include measures to strengthen Albert Road's role as a recognised Digital & Creative corridor, improve connections between key assets, coordinate public realm and place-making activity, and create a clearer progression pathway for digital and creative businesses.

60. The review therefore recommends a cluster-based approach to Middlesbrough's digital and creative economy. Under this model, the Boho cluster functions as the primary enterprise location, Digital Life provides access to specialist technology, talent development, innovation and research capability, and House of Fraser forms part of the longer-term regeneration and growth pipeline. Investment in the Albert Road corridor will help strengthen the physical and functional links between these assets, whilst building on the existing concentration of digital and creative businesses already located within the corridor.

Hartlepool Creative Production Hub

61. To support Mission 2, the review recommends the creation of a Creative Production Hub centred upon the existing production cluster emerging around Northern Studios and the wider Production Village. The proposed intervention would broaden access to creator-economy infrastructure, specialist facilities and production support space, complementing – rather than duplicating – the investment already being made through the Northern Studios expansion.

62. The review recommends a hub-and-spoke model centred upon the BIS, the former Clippy Club site and the wider Production Village. Assessment of potential opportunities concluded that a coordinated approach across these assets provides the strongest opportunity to support creative production, creator-economy activity and production supply-chain growth.

63. Under this approach, the BIS would provide a base for shared specialist facilities and equipment supporting content creation, podcasting, editing, music production and wider creator-economy activity. The Clippy Club site would provide affordable, flexible and collaborative workspace for production supply-chain businesses and growing creative enterprises, whilst helping to address demand arising from the wider Production Village.

64. Investment should seek to strengthen the connections between these assets and the wider Production Village, creating a more integrated ecosystem for production, content creation and business growth.

65. The Review further concludes that the long-term success of Hartlepool's production cluster will depend upon the effective integration of these assets with the wider Production Village ecosystem. In addition to the Phase 1 hub interventions, the

Review identifies the Hartlepool Town Hall Theatre as a potential future public-facing showcase venue capable of strengthening links between industry, audiences, skills activity and wider place-making objectives.

66. Future work will be undertaken in partnership with Hartlepool Borough Council and relevant stakeholders to determine how the recommended hub-and-spoke model can be implemented across the identified assets. This will include consideration of asset ownership, delivery arrangements, operating models, site requirements, occupier demand, infrastructure requirements and opportunities to secure additional investment and industry participation. The outcomes of this work will inform future project cases and delivery proposals.

Cross-Cutting Recommendations

67. In addition to the recommended capital interventions, the review identified a number of enabling actions required to maximise impact and support long-term ecosystem development. These actions are intended to strengthen connectivity between clusters, attract partners and raise the profile of Tees Valley's digital and creative capability.

Digital Life Activation

68. The review encourages exploration of opportunities to increase access to Teesside University's Digital Life facilities, equipment and expertise as an immediate enabling intervention. Digital Life should be viewed as an activation and demand-generation asset, providing businesses, entrepreneurs and learners with access to specialist facilities whilst the Phase 1 capital programme is developed.

69. TVCA and Teesside University will work together to explore the art of the possible and develop and appropriate programme of activity for the facility. This will include consideration of how Digital Life's facilities, equipment and expertise can support business engagement, industry events, innovation activity, entrepreneurship, talent development and wider TVIZ programming.

70. The programme will seek to test market demand, strengthen links between industry and research, support the development of future talent and inform future investment decisions relating to both revenue and capital interventions made through the TVIZ.

Strengthening the Cluster Corridor

71. The review identified a significant opportunity to strengthen connections between Middlesbrough's digital, innovation and technology assets and Hartlepool's production and creator-economy ecosystem. Whilst the Capital Review focuses place-based investment on Middlesbrough and Hartlepool, TVCA recognises that the region's digital and creative economy extends beyond the designated TVIZ locations. In particular, Stockton hosts a significant concentration of digital, technology and creative businesses and plays an important role within the wider ecosystem. Future programme activity should therefore seek to strengthen relationships between the Middlesbrough and Hartlepool clusters, Stockton's business base and complementary assets across the wider Tees Valley and elsewhere in the North East.

72. In practice, this requires action across physical connectivity, programme delivery and place positioning. The TVIZ team will work with Transport and Infrastructure

colleagues to explore opportunities to strengthen connections between clusters and key transport gateways, whilst also using the TVIZ's severance budget to consider public realm and wayfinding improvements to enhance access and sense of place and demonstrate synergy between the two areas.

73. Future TVIZ activity should promote shared programmes, events, business support and industry networks across both locations, encouraging collaboration and movement between the two clusters.

74. The TVIZ should also continue to build relationships with complementary digital, creative and production clusters beyond Tees Valley. In particular, strengthened connections with the growing production and screen infrastructure emerging elsewhere in the North East, including Sunderland, should continue to be developed, helping local businesses access wider markets, supply chains, talent and collaboration opportunities.

75. Externally, Middlesbrough and Hartlepool should be promoted as complementary components of the wider Tees Valley digital and creative ecosystem, creating a stronger collective proposition for businesses, investors and strategic partners whilst recognising the important contribution made by digital, technology and creative businesses across the wider region.

Tees Valley Investment Zone Brand and Positioning

76. The review identified the importance of developing a strong and distinctive identity for the TVIZ in order to attract businesses, talent, investors and strategic partners. This work is already underway with TVCA and Teesside University developing a shared communications and market positioning approach for the TVIZ and the region's digital and creative economy.

77. Future activity will focus on raising the national and international profile of these sectors, promoting Tees Valley's businesses, assets and opportunities and strengthening engagement with industry partners. This will be supported through the procurement of specialist communications and public relations expertise to increase industry visibility, secure national and international media coverage, support participation in key sector events and showcase Tees Valley's emerging strengths in digital, creative and production industries.

78. The programme will also support the development of a rolling calendar of industry-facing activity across Tees Valley, including speaker events, product launches, showcases and networking opportunities designed to strengthen the region's profile, build industry connections and create opportunities for investment, collaboration and business growth.

79. This activity will be aligned with TVCA's emerging Inward Investment Strategy and a wider TVIZ internationalisation agenda, including the identification of priority markets for partnership development, trade activity, knowledge exchange and international collaboration. Together, these activities will support the long-term positioning of Tees Valley in accordance with the three TVIZ Missions.

Developing the Phase 2 Investment Pipeline

80. In addition to the Phase 1 priorities, the review emphasises the importance of developing a pipeline of future capital opportunities capable of supporting continued TVIZ delivery beyond March 2029. Several opportunities were identified as strategically important but requiring further feasibility, option appraisal, market testing or partnership development before significant capital investment can be justified. These are:

    a) **House of Fraser building, Middlesbrough** – development of a mixed-use, publicly accessible CreaTech destination capable of accommodating future business growth, innovation, cultural and visitor-facing activity.

    b) **Hartlepool Town Hall Theatre** – enhancement of the Theatre as a mixed-use, broadcast-ready showcase venue, strengthening links between audiences, industry and the wider Production Village ecosystem.

    c) **Health & Care Innovation Zone in** Stockton – exploration of opportunities for a Mission 3-focused innovation asset, building upon the area's strengths in health, data, research and applied digital technologies.

81. The review therefore recommends that Phase 1 activity includes the development of feasibility studies, options appraisals and business cases for these longer-term opportunities. This will ensure that Tees Valley maintains a strong pipeline of investable propositions capable of supporting future TVIZ funding rounds, attracting strategic partners and responding to emerging market opportunities.

82. In addition to these individual opportunities, the Review identifies '**Creative Places Regeneration**' as a strategic priority for TVIZ investment. This approach focuses on strengthening the wider conditions required for cluster growth through measures including heritage asset reuse, affordable workspace, strategic property intervention, meanwhile use activity, mixed-use development and the optimisation of property assets within key cluster locations. The Review concludes that these opportunities require further demand assessment, feasibility work and market testing before significant capital investment can be justified but recommends that they form part of the future development pipeline.

Delivery Approach and Governance

83. The Capital Review establishes a strategic framework for investment rather than approving individual projects. The recommendations set out in this report identify the priority interventions, preferred locations and future development opportunities required to support delivery of the TVIZ Vision, Missions and Principles.

84. Cabinet's approval of the Capital Review does not in itself constitute approval of individual projects. Each intervention will be subject to further development, appraisal and approval in accordance with the Combined Authority's Assurance Framework. Future project development will consider scope, operating models, delivery arrangements, costs, funding requirements, outputs, outcomes, risks and long-term sustainability.

85. Subject to Cabinet approval, officers will progress project development activity, partnership discussions and project cases for the recommended interventions.

Where required under the Assurance Framework, individual projects will be brought back to Cabinet for approval.

86. Future progress updates will be provided to Cabinet through the established TVIZ reporting arrangements, including updates on project development, approvals, expenditure, partner engagement and delivery of the Capital Programme.

Funding and Investment Approach

87. The Capital Review was informed by the £13m remaining TVIZ capital allocation available for investment during Phase 1 of the programme, together with the wider £14.88m capital resources available to support TVIZ delivery in this period through the Business Growth pillar of the programme. Of that £14.88m, £9.3m has been earmarked for investment in the development of new creative IP as part of the wider business growth offer. Therefore, the total remaining capital to be allocated is £18.58m

88. In developing its recommendations, the Review sought to balance strategic ambition with deliverability, affordability and the requirement to secure meaningful outcomes within the current funding period ending March 2029. Consistent with findings from comparator locations, the Review concludes that public investment should be used to unlock additional investment wherever possible and should be focused on interventions capable of building critical mass, accelerating growth and attracting long-term partner support.

89. The Review also provides direction for deployment of the TVIZ's ringfenced digital connectivity (£3m) and severance (£1m) allocations (specific to Middlesbrough and Hartlepool). Future investment will consider connectivity requirements, digital infrastructure, resilience and capacity at priority hub locations, alongside opportunities to improve accessibility, wayfinding, public realm and wider connectivity between key assets, surrounding locations and transport gateways. In Middlesbrough, particular emphasis is placed on strengthening connections between Boho, Albert Road, the University campus and future town-centre creative assets.

90. In addition, provision will be required for enabling activity and development of the future Phase 2 pipeline, including feasibility studies, options appraisals and other preparatory activity required to bring forward subsequent investment opportunities. Further provision will also be required for 'Creative Places Regeneration' – strategic interventions in property, heritage reuse, workspace and cluster stewardship.

91. These figures represent indicative planning assumptions only and do not constitute approved project budgets. Final investment decisions will be subject to individual business cases and approval through the Assurance Framework.

92. This Capital Review identifies indicative phase 1 investment ranges set out below:

Report Recommendations	Indicative Allocation
Middlesbrough Digital & Creative Enterprise Hub	£7m-£10m
Hartlepool Creative Production Hub	£3m-£5m

Shared creative technology infrastructure and equipment, together with provision for enabling activity and development of the Phase 2 pipeline	£3m-£5m
Feasibility and development activity to support Phase 2 delivery	£1m-2m
Creative Places Regeneration	£1m-2m
Total	**£15m-£24m**

93. The final investment profile, phasing and allocation of funding between projects will therefore be determined through the business case process, informed by evidence of demand, deliverability, value for money, partner commitments and alignment with the Investment Zone Missions.

94. The indicative investment ranges identified by the Capital Review exceeds the funding currently available to the programme should all interventions be delivered at the upper end of the estimated cost ranges. Projects will therefore be progressed concurrently and assessed as part of a coherent programme, allowing investment decisions to be informed by affordability, value for money, partner contributions and delivery readiness. A key objective of project development will be to maximise match funding, partner investment and private-sector leverage in order to minimise the requirement for public sector funding and increase the overall scale and impact of the programme. Final allocations will be determined through the Assurance Framework and business case approval process.

95. Future project cases will consider the delivery, operating and funding arrangements required to ensure the long-term success of TVIZ investments. Consistent with the findings of the Capital Review, project development activity will include structured partner attraction, occupier engagement and investment development programmes designed to secure expertise, facilities, equipment, commercial credibility and operational capacity. Future project cases will also consider operating models, programming, revenue generation and long-term sustainability to ensure TVIZ assets remain responsive to industry requirements and capable of supporting growth beyond the current funding period.

Next Steps

96.

Timescale	Priority	Key Activity	Purpose / Outcome
October 2026	**Programme Development & Feasibility**	Establish joint project development arrangements with Middlesbrough Council and Hartlepool Borough Council and procure specialist programme, property and capital advisors to undertake options appraisal,	Agreed programme structure, delivery roadmap and evidence base to support development of investment-ready project cases. Projects are at different stages, and in some

		feasibility, concept design, cost planning, phasing, operating model development and project case support for the Phase 1 interventions where required.	cases pipeline projects have already undertaken significant development work which could result in earlier delivery once reviewed.
October 2026	**Digital Life Activation**	Agree programme of activity with Teesside University and establish arrangements for business, industry and community access.	Approved programme and delivery model.
November 2026	**TVIZ Brand and Positioning**	Complete Digital & Creative Investment Portfolio, appoint specialist PR support and launch partner engagement programme.	Investment portfolio and engagement programme in place.
March 2027	**Assurance and Approval Period**	Project case appraisal and due diligence undertaken.	Funding agreements in place.
September 2027	**Phase 2 Development Pipeline**	Progress feasibility studies, condition surveys, options appraisals and partnership activity for House of Fraser, Hartlepool Town Hall Theatre, Health & Care Innovation Zone and Creative Places Regeneration opportunities.	Investable Phase 2 Project Pipeline

Background

97. The Digital & Creative TVIZ was established through the Tees Valley Investment Plan Refresh approved by Cabinet in March 2025. The programme was developed in partnership with Government and Teesside University to accelerate growth across the digital, creative and screen industries and included capital investment for the expansion of Northern Studios alongside provision for wider digital and creative infrastructure investment within Middlesbrough and Hartlepool.

98. In December 2025, Cabinet approved the TVIZ Vision, Missions and Principles and agreed the overall programme delivery approach. As part of that decision, Cabinet approved the commissioning of an independent Capital Review to determine how the remaining capital programme could best support delivery of the TVIZ missions, respond to emerging opportunities and maximise the impact of public investment.

99. Since that decision, further work has been undertaken to develop the strategic direction of the TVIZ. This has included sector roundtables with businesses, engagement with local authorities and delivery partners, development of the Business Tees Valley programme, assessment of changing market conditions and commissioning of an independent Capital Review undertaken by Alvarez & Marsal. The review considered national and international comparator locations, existing Tees Valley assets, development opportunities and future investment requirements before producing a prioritised Capital Plan aligned to the approved TVIZ Vision, Missions and Principles.

100. The review considered a range of existing assets, potential locations and investment opportunities across Tees Valley. Alternative approaches included prioritising larger-scale regeneration opportunities during the current funding period, dispersing investment across a wider geography and focusing on standalone capital projects. The review concluded that the strongest strategic option was to focus Phase 1 investment on deliverable, ecosystem-building interventions within the established Middlesbrough and Hartlepool clusters, whilst simultaneously developing a pipeline of larger-scale opportunities for future TVIZ investment between 2029 and 2034.

101. This report therefore asks Cabinet to approve the Capital Review and associated Capital Strategy, including the Phase 1 and Phase 2 priorities identified through the review, and to agree the proposed governance, delegation and reporting arrangements required to support programme delivery.

Partnership & Engagement

102. The Capital Review was developed through a combination of stakeholder engagement, partner consultation and independent assessment undertaken by Alvarez & Marsal. Prior to commencement of the review, TVCA and Teesside University co-hosted a series of roundtables with businesses and sector representatives from across the digital, creative, screen, games and technology sectors. The findings of these sessions informed the evidence base for the review and helped identify the opportunities, challenges and infrastructure requirements experienced by businesses operating within the sector.

103. As part of the review process, workshops and meetings were held with Middlesbrough Council, Hartlepool Borough Council, Stockton-on-Tees Borough Council, the Middlesbrough Development Corporation, North East Screen and other key stakeholders. The review also considered the role of Teesside University, existing cluster assets, potential delivery partners, operating partners and future investment partners in supporting delivery of the TVIZ ambitions.

104. The recommendations contained within this report have been informed by ongoing engagement with Government, Teesside University, local authority partners, businesses, industry representatives and prospective delivery partners. The report has been considered through the Combined Authority's internal governance and programme management arrangements prior to submission to Cabinet.

105. Subject to Cabinet approval, a coordinated communications and stakeholder engagement programme will be undertaken to communicate the TVIZ Capital Strategy, support development of priority projects, promote investment

	opportunities and strengthen engagement with businesses, investors, delivery partners and local communities. Communications activity will align with the wider TVIZ brand and place-promotion programme and will support efforts to position Tees Valley as a nationally significant centre for digital and creative enterprise, innovation and production.
Appendices	
105.	Appendix 1 – Capital Review Report. Please note that pages 71 of the report onwards are exempt from publication as they contain commercially sensitive information relating to potential investment partners, delivery arrangements, funding assumptions and future investment opportunities.

Cabinet is requested to consider the following identified implications:

Financial Implications

106. The proposed capital programme will support the delivery of the Tees Valley Investment Zone objectives through investment in digital and creative infrastructure, business growth facilities and enabling works. Capital expenditure will create or enhance long-term assets that are intended to generate economic growth, attract external investment and support business expansion across the Tees Valley.

107. Whilst the programme is focused on capital investment, there is a significant risk that completed assets may create ongoing revenue commitments relating to staffing, maintenance, facilities management, utilities, programming, marketing and asset operation. If sustainable operating models and revenue funding streams are not secured, there is a risk that the assets will require ongoing public subsidy, placing additional pressure on future budgets. Individual business cases will therefore be required to demonstrate long-term financial sustainability, identify funding sources for ongoing operational costs, and provide assurance that any revenue implications can be managed within existing resources or through secured external funding. Projects that cannot demonstrate a viable and sustainable operating model may not achieve their intended benefits or deliver value for money over the life of the asset.

108. The Capital Review identifies indicative investment requirements of between £15 million and £24 million across the proposed programme. However, these allocations are planning assumptions only and do not represent approved budgets. Final capital expenditure will be subject to detailed appraisal, project

development and approval through the Combined Authority's Assurance Framework.

109. Investment decisions will seek to maximise leverage from public funding by securing contributions from partners, occupiers, developers, investors and other stakeholders. This approach will help reduce financial risk to the Combined Authority whilst increasing the overall scale and impact of investment.

110. All capital expenditure will need to comply with funding conditions, financial regulations, procurement requirements and governance arrangements, and will be monitored through the established programme management and reporting framework.

Legal Implications

111. The recommendations contained within this report establish a strategic framework for future investment and do not in themselves approve expenditure on individual projects, enter into contractual commitments or confer any rights on third parties.

112. All future projects arising from the TVIZ Capital Programme will be developed and approved in accordance with the Combined Authority's Assurance Framework, Constitution and Scheme of Delegation. Where required, individual projects will be subject to further legal review prior to approval.

113. Any future provision of funding, grants, subsidies, asset transfers, preferential occupation arrangements or other forms of financial assistance will be assessed on a project-by-project basis to ensure compliance with the Subsidy Control Act 2022 and any other applicable legal requirements.

114. Procurement of works, services, operators, delivery partners or professional advisors will be undertaken in accordance with the Procurement Act 2023, the Combined Authority's Contract Procedure Rules and any applicable funding conditions.

115. Appropriate legal agreements will be required in relation to project delivery, funding arrangements, partnership arrangements, property transactions, operator appointments and any third-party contributions. Legal due diligence will also be undertaken where projects involve property acquisition, disposal, leasing or occupation arrangements.

116. The recommendations contained within this report are therefore considered legally compliant, subject to future projects being progressed through the Authority's established governance, assurance, procurement and legal review processes.

Equality & Diversity Implications

117. The TVIZ Capital Strategy seeks to increase access to business growth, innovation and creative production opportunities across Tees Valley. The recommended interventions are intended to support businesses, entrepreneurs, creators and learners through improved access to workspace, facilities, equipment, business support and innovation infrastructure.

118. As the review establishes a strategic framework rather than approving individual projects, the equality implications of specific interventions will be considered through the development of future project cases. This will include consideration of accessibility, inclusion, participation, affordability and opportunities for under-represented groups.

119. The wider TVIZ programme places a strong emphasis on ensuring that opportunities created through investment are accessible to residents and businesses from across Tees Valley. Through future project development, partners will seek to maximise opportunities for participation, skills development, entrepreneurship and business growth for people with protected characteristics and those currently under-represented within the digital and creative sectors.

Other Significant Implications

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

Risk	X	Assurance Framework		Procurement	
Improvement	X	Environment		HR & IT	

Risk

120. The Capital Review establishes a strategic framework for future investment rather than committing funding to individual projects. The recommendations have been developed with consideration of project readiness, deliverability, affordability and alignment with TVIZ funding timescales. Individual project risks will be assessed through the development of future project cases and the Assurance Framework process. Key strategic risks include:

    a. **Programme Delivery**: The TVIZ capital programme is required to demonstrate meaningful progress by March 2029. Delays in project development, approvals, procurement, planning, partner negotiations or delivery could impact programme timescales and investment objectives. The review has therefore prioritised interventions capable of delivery within the current funding period.

    b. **Partner and Operating Model**: Delivery of the recommended interventions is dependent upon securing appropriate delivery, operating, funding and ecosystem partners. Failure to secure suitable partners, occupiers or operators could affect project viability, utilisation and long-term

sustainability. The review therefore places significant emphasis on partner attraction, operating model development and industry engagement.

c. **Demand and Market**: Changes in market conditions, industry demand, technology requirements or occupier demand could impact the long-term utilisation and sustainability of proposed assets. The review recommends a phased approach, including activation of existing assets such as Digital Life and development of future opportunities through feasibility and demand testing before significant capital commitments are made.

d. **Infrastructure and Connectivity**: Successful delivery of the TVIZ requires supporting infrastructure, including appropriate digital connectivity, power capacity, accessibility and wider cluster connectivity. Future project development will therefore need to align with the TVIZ's digital connectivity and severance programmes to ensure priority sites are capable of meeting industry requirements and can be effectively accessed by businesses, employees and visitors.

e. **Financial and Sustainability**: Future project costs, funding requirements and operating costs may differ from current assumptions. There is a risk that capital investment may not achieve the intended outcomes if sustainable operating models, revenue streams and partner contributions are not secured. Future project cases will therefore consider affordability, value for money, long-term sustainability and opportunities to leverage additional funding and investment.

f. **Pipeline and Opportunity**: Several strategic opportunities identified through the review, including the House of Fraser building, Hartlepool Town Hall Theatre and Health & Care Innovation Zone opportunities, require further feasibility, market testing and partner development before investment can be justified. Premature commitment of resources could reduce the flexibility required to respond to emerging opportunities and future TVIZ funding rounds.

121. These risks will be actively managed through the Combined Authority's programme governance arrangements, Assurance Framework, ongoing monitoring and regular reporting to Cabinet.

Improvement

122. The recommendations contained within this report support a number of the strategic priorities set out within TVCA's Organisational Improvement Plan. In particular:

g. **Rebuild Trust and Shared Ownership Across the Combined Authority** by providing a clear, evidence-led framework for future TVIZ investment developed through engagement with constituent local authorities, Teesside University and wider stakeholders, and by strengthening alignment between regional and local growth ambitions.

h. **Strengthen Governance, Oversight and Accountability** through the adoption of a clear strategic framework for investment, supported by the Assurance Framework, delegated decision-making arrangements, project

case development and regular reporting to Cabinet. Future investment decisions will be subject to appropriate appraisal, governance and approval processes.

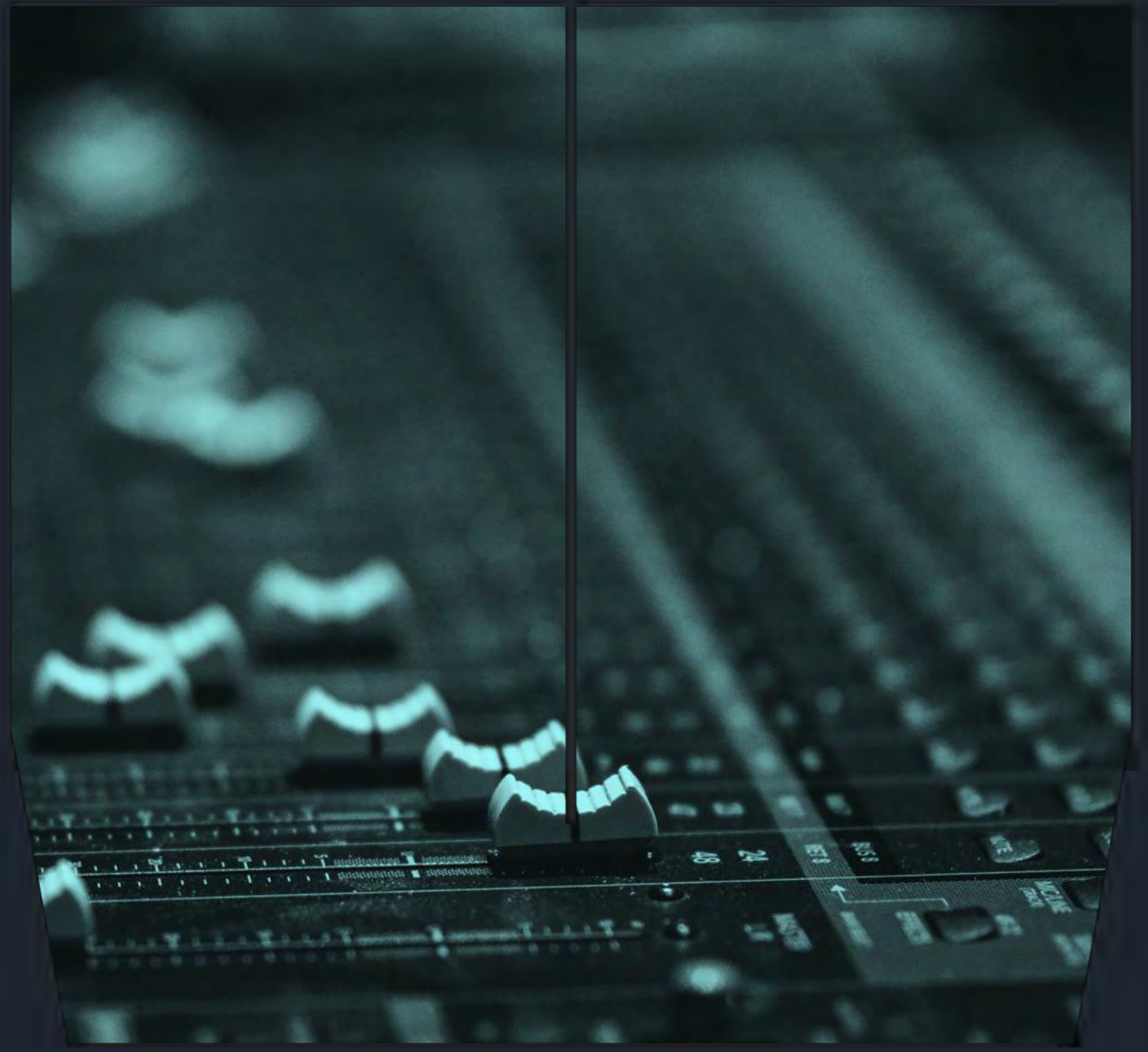
i. **Build a High-Performing Organisation with a Strong Operating Model** by establishing a prioritised and deliverable programme of activity, providing greater clarity regarding responsibilities, programme management, project development and partnership working across the TVIZ.

j. **Embed a Culture of Continuous Improvement and Openness** through the use of independent evidence, stakeholder engagement, comparator analysis and ongoing monitoring to inform investment decisions and future programme development. The report establishes a framework through which proposals can continue to be reviewed, tested and refined as market conditions and opportunities evolve.

k. **Deliver Strategic Clarity, Long-Term Planning and Prepare for the Next Phase of Devolution** by aligning future capital investment with the approved TVIZ Vision, Missions and Principles, establishing a clear set of Phase 1 priorities and developing a pipeline of future opportunities capable of supporting longer-term economic growth and future investment rounds.

Digital & Creative Investment Zone - Capital Review Report

15 September 2026



Contents

	Executive Summary	3
01	Background	9
02	Outward-facing Analysis	14
03	Enabling Infrastructure Need	40
04	Existing Assets	45
05	Delivery Approach & Partnering	60
06	Intervention Assessment & Prioritisation	67
07	Key Findings & Next Steps	80

Executive Summary

Capital Review Purpose



Tees Valley has secured significant capital investment through the Digital & Creative Investment Zone (IZ)—a long-term, place-based programme co-developed with Teesside University and Government to accelerate high-value growth in digital and creative sectors, with early focus on Middlesbrough and Hartlepool town centres.



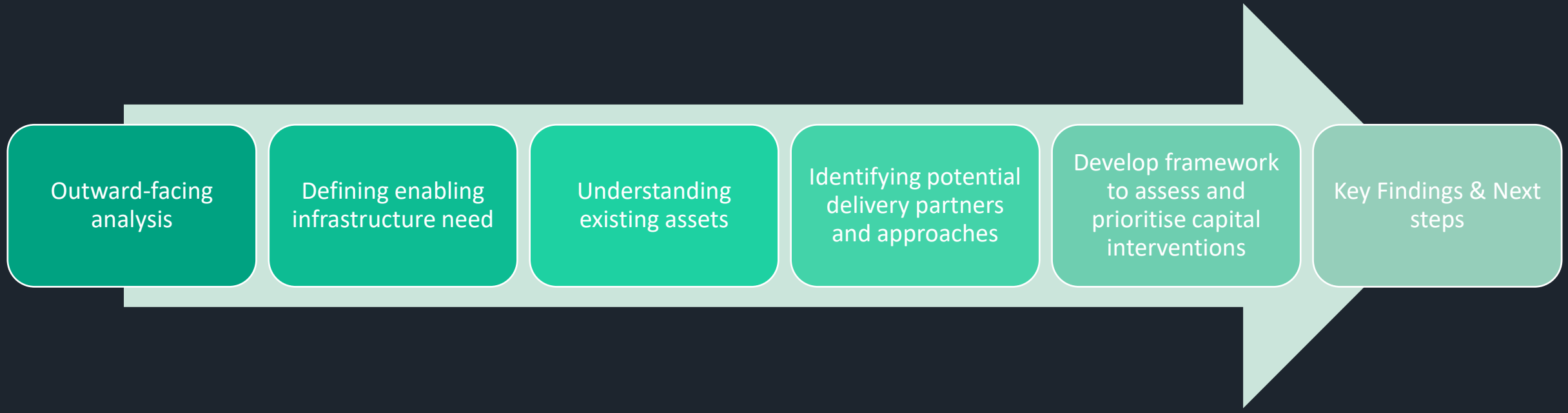
Since initial approval, the IZ's priorities have been refined and market conditions have shifted, requiring this strategic review to confirm that remaining capital investments are robust, mission-led and deliverable within the available funding periods (including the c£17m capital funding available for Phase 1 up to end of 2028/29).



This review provides a clear, prioritised capital project pipeline aligned with the IZ Vision and Missions, enabling TVCA to identify where investment should be prioritised, refined or re-sequenced to deliver sustainable, inclusive growth across the region.

Capital Review Methodology

This capital review follows a six-stage methodology: outward-facing analysis to obtain insight from UK and international best practice, definition of enabling infrastructure needs from evidence available, an audit of existing TVCA assets in scope and their strategic roles, identification of potential delivery partners and operating models, development of a project assessment framework to support prioritisation of investments and synthesis of key findings and next steps. This sequential approach ensures infrastructure priorities are evidence-led and capital projects can be prioritised against clear, defensible criteria.



Report Summary (1/3)

Outward-facing analysis

Analysis of 22 case studies across 5 key themes identifies 10 key recuring success factors in digital and creative ecosystems:

1. Invest in ecosystems, not individual assets
2. Anchor institutions can catalyse growth
3. Provide affordable, specialist and flexible shared infrastructure
4. Embed skills within the cluster
5. Strong local supply chains maximise economic impact
6. Community engagement and networks matter as much as buildings
7. Repurpose existing assets to accelerate delivery
8. Digital infrastructure is critical
9. Public investment must crowd in private capital
10. Build a strong cluster brand and celebrate success

Defining enabling infrastructure need

From evidence collected through the outward-facing analysis, IZ stakeholder interviews and TVCA data held, enabling infrastructure requirements were mapped directly to the IZ missions:

1. Business Growth Infrastructure - workspace, commercialisation and founder ecosystem
2. Creative Production Infrastructure - production facilities, supply chain and creator skills
3. Innovation & Enabling Infrastructure - digital, R&D and cross-sector innovation

Successful clusters invest in productive assets (equipment, talent, networks and operators) rather than property alone. This review follows that principle.

Understanding existing assets

8 existing assets were in scope for this review as potential locations for key enabling infrastructure:

1. Former House of Fraser building (Middlesbrough)
2. Boho Offices (Middlesbrough)
3. Digital Life Building (Middlesbrough)
4. The BIS (Hartlepool)
5. Hartlepool Town Hall Theatre
6. “Clippy Club” site (Hartlepool)
7. Middleton Grange Shopping Centre (Hartlepool)
8. Health & Social Care Innovation Zone (Stockton)

Report Summary (2/3)

Identifying potential delivery partners and approaches

Partners will be needed to take the lead on delivery and operation of the enabling infrastructure, and to contribute to the objective of securing match funding alongside the capital grant.

The report sets out the next steps needed to attract and secure partner support and private sector investment.

The programme will need to secure a blend of contributions and commitments, including from:

- delivery partners
- operating partners
- funding partners
- ecosystem partners

The report considers each shortlisted project in terms of likely scale of IZ investment, match funding and private-sector leverage potential, operators and occupiers, commercial sustainability and funding structures.

Develop framework to assess and prioritise interventions

Interventions have been identified and assessed via a framework to understand which are feasible within the time and funding envelope available whilst maximising impact to IZ's missions.

For Phase 1, priority interventions include:

- Opening up the Digital Life building for SME use
- Creating a dedicated Digital & Creative Enterprise Hub in Middlesbrough and a Creative Arts Production Hub in Hartlepool

Potential locations have been identified for these functions.

All Phase 1 projects will undertake a scoping process to confirm scope, approach, costs and benefits to ensure alignment with the IZ Outline Business Case.

In parallel, business case development will be undertaken for Phase 2 strategic opportunities to build the pipeline for sustained investment beyond the Phase 1 window.

Key Findings

Phase 1 activates existing assets through two complementary hubs in Middlesbrough and Hartlepool and better connects Digital Life with the local creator community (complemented by the Digital & Creative Embassy delivered via revenue funding) creating immediate workspace, specialist equipment access and business support within the Phase 1 delivery window (ending March 2029).

Phase 2 will support larger, place-based schemes (House of Fraser, Stockton Innovation Zone, cluster development) and continue to support the region's national positioning as the UK's leading digital and creative destination.

Immediate priorities are using the existing partnership with Teesside University to unlock Digital Life access and completing hub location appraisals, design and scoping, and defining operating models. Following this, TVCA should assess public realm requirements to unlock potential of these hubs and secure partner commitments to enable wider capital deployment.

Report Summary (3/3) – Next Steps

Phase 1 Priorities

- Secure agreement with Teesside University to open up access to Digital Life and open specialist facilities to the digital and creative industries
- Develop scope, delivery approach, and VFM validation for Middlesbrough Digital & Creative Enterprise Hub and Hartlepool Creative Production Hub
- Establish equipment strategies to complement the hub projects (including agreeing required equipment specifications with stakeholders)
- Contribute to wider IZ brand identity and awareness via targeted public realm improvements to support the clusters

Phase 2, Partner Attraction & Strategic Pipeline

- Undertake feasibility study and options appraisal for House of Fraser as a transformational regeneration opportunity (subject to external funding)
- Undertake feasibility study to position Hartlepool Town Hall Theatre as public-facing component of production ecosystem as a showcase venue
- Support property regeneration strategies to ensure property use in the clusters is optimized for relevant uses
- Develop an Investment Portfolio and strategic partnership programme to position the IZ as the UK's leading digital and creative growth destination

The capital plan looks to **respond to evidenced demand and create future markets**. Phase 1 addresses the gaps most concerning local businesses today, via projects capable of being addressed within the Phase 1 timeframe.

A consistent finding across the comparator analysis, stakeholder engagement and the three IZ Missions is that **the strongest digital and creative ecosystems succeed where creative production, games development, digital technology, innovation and entrepreneurship converge** to generate new IP, products and services.

The most successful comparators derive their advantage from this convergence. This principle runs through the capital plan: **the proposed capital projects are designed to bring these communities into shared spaces, around shared equipment and through shared programming**, rather than to serve each sector in isolation.

01 Background

Investment Zone Background

CONTEXT

The Digital & Creative Investment Zone (IZ) is a long-term, place-based programme to accelerate high-value growth in the digital and creative sectors across Tees Valley, co-developed by TVCA, Teesside University and Government, with a particular early focus on revitalising the town centres of Hartlepool and Middlesbrough.

IZ VISION

Tees Valley is a UK powerhouse for world-class digital and creative enterprise, innovation and content, where creativity sparks, industries scale and ideas go global. By uniting talent, business and research, we drive growth, fuel exports and build thriving places where communities, enterprise and opportunity flourish.

DELIVERED VIA 3 MISSIONS (each capital project prioritised in this review contributes to at least one mission)

1. Become the UK's leading region for starting and scaling innovative digital tech and creative businesses

2. Establish Tees Valley as an Engine Room of Creative Production

3. Grow a world-class base for applying digital and creative technologies to solve real-world challenges

UNDERPINNED BY 5 CROSS-CUTTING PRINCIPLES

1. Embed research and innovation at the heart of the cluster, strengthening links between industry, universities and applied R&D

2. Attract global investment & partnerships for lasting impact, leveraging Tees Valley's assets to secure long-term private-sector commitment

3. Connect sectors to spark new ideas and ventures, encouraging collaboration between digital, creative and wider priority sectors

4. Set the standard for access, diversity and inclusion, ensuring opportunities created through the IZ are accessible and inclusive

5. Grow a skilled, future-ready workforce, aligning infrastructure with skills development, progression and talent retention

Wider Investment Zone Context

Several activities identified through this review are **already being progressed through the wider Investment Zone programme**. These are acknowledged here as delivery context rather than recommendations of the capital review.

The capital recommendations in this report therefore focus on the interventions not already funded or underway, with the commitments already progressing acting as complementary enablers which de-risk and accelerate Phase 1 delivery.

The existing commitments strengthen the case for the Phase 1 capital priorities: they provide underpinning operating capability and connectivity that the physical infrastructure recommended in this review is designed to activate.

Already progressing, revenue funded

- **Digital & Creative :** business advice, investor engagement and showcase function
- **IZ brand development:** cluster identity and coordinated marketing
- **Cluster activation activity:** events, networking and community programming
- **Business support ecosystem:** coordinated support offer for digital and creative businesses

Already progressing, capital funded

- **Northern Studios / Hartlepool Film Studios expansion:** extending regional production capacity
- **Digital connectivity investment:** £3m ring-fenced capital for enhanced digital infrastructure (to be deployed in line with the findings of this review)
- **Severance fund:** £1m ring-fenced capital for public realm and wayfinding improvements

Partnership

- **Teesside University, Research Institution Partner:** a key formal role anchoring R&D, talent and innovation capability across the IZ – The University has state of the art facilities for visual production (LED volume stage), stop motion animation, games design, cyber security, robotics and coding – as well as office and workshop space for startup companies.

Background to the strategic capital review

01



Tees Valley has secured £160m funding for the IZ to drive growth in these sectors. Phase 1 of this funding is underway, with £80m available for the first 5 years (up to end of 2028/29)

While some commitments are already underway, a need was identified for **strategic review of the wider investment programme** to ensure robust, mission-led delivery across the remaining portfolio.

02



Since original approval, the Investment Zone's priorities have been refined, market conditions have shifted, and new inward-investment opportunities have emerged.

This review has been undertaken to **confirm that the remaining and future capital investments are robust, mission-led and deliverable** within the available funding periods.

03



This review consists of an independent, evidence-led assessment of existing and potential capital projects, testing their strategic fit, deliverability and contribution to the Investment Zone Vision and Missions.

The review enables TVCA to identify **where capital investment should be prioritised, refined, re-sequenced or redirected.**

04



The review identifies projects that can be delivered within the initial Investment Zone delivery window (with c£17m available to end of 2028/29) or phased with early preparatory investment in Phase 1 and completion in Phase 2.

This ensures remaining funding is **focused on the most deliverable, mission-led investments with the greatest long-term impact**.

Purpose of this report

Following completion of the review, this report provides a prioritised Investment Zone Capital Plan that:

- prioritises investment of the remaining c.£17m IZ funding to ensure delivery by March 2029;
- aligns capital investment with the IZ Vision, Missions and Investment Principles;
- focuses investment on infrastructure that enables business growth, creative production and innovation;
- maximises economic impact, additionality and private sector investment;
- builds on established digital and creative clusters across Tees Valley;
- retains flexibility to respond to inward investment and emerging opportunities;
- establishes a credible pipeline of future projects for subsequent Investment Zone funding rounds;
- provides Cabinet and delivery partners with confidence in the strategic direction, deliverability and affordability of the capital programme;
- Provides a roadmap of actions to ensure the deliverability of the proposed interventions; and
- supports future discussions with central government on subsequent Investment Zone funding rounds.

02 Outward-facing Analysis

Outward facing analysis - Methodology

To inform the assessment of Investment Zone opportunities, an outward-facing review of comparable places, projects and delivery models was undertaken. The objective was to identify the characteristics of successful innovation ecosystems, understand how these have been delivered elsewhere, and draw out practical lessons to inform TVCA's future investment priorities. These case studies are grouped by most relevant Investment Zone Mission.

Step 1

Identify Comparable Places

01



- Identified UK and international exemplars
- Focused on innovation districts, creative clusters and mixed-use regeneration
- Included projects with comparable ambition and scale to Tees Valley

Step 2

Assess Success Factors



02

- Infrastructure and assets
- Delivery and operating models
- Partnerships, governance & funding approaches
- Business support/ecosystems

Step 3

Identify Lessons for TVCA

03



- Common characteristics of successful places
- Critical enablers of investment and growth
- Transferable approaches relevant to the Tees Valley context

Step 4

Inform Investment Priorities



04

Used the evidence from the outward facing analysis to:

- identify infrastructure gaps
- Shape the project assessment framework
- Inform prioritisation of future capital investment

TEES VALLEY

Outward facing analysis - Case Study Summary

The case studies chosen for this analysis are grouped into 5 key themes.

★
Case studies with a star icon in the title indicate where TVCA and its partners have existing contacts

	Theme	Purpose	Case Studies
	**1. Innovation Districts & Cluster Development**	How places create globally competitive digital clusters through long-term public investment and governance	• **Eindhoven** -Long-term public-private collaboration to build a globally competitive innovation ecosystem. • **Golden Valley** -Using public land, anchor institutions and partnerships to deliver a cyber innovation district. • **Pittsburgh** -Repurposing industrial assets to transition from manufacturing to robotics and AI. • **Here East (London)**-Regenerating a major legacy site into a mixed-use innovation and technology campus.
	**2. Production & Creative Infrastructure**	Providing specialist facilities that attract productions and creative businesses	• **Atlanta** -Developing an integrated production district combining studios, housing, education and supply chains. • **Austin** -Growing a production cluster through affordable infrastructure, founder support and industry activation. • **London** -Building complete creative supply chains around world-class production infrastructure. • **Shinfield Studios** -Delivering globally competitive studio capacity to attract large-scale film and TV productions.
	**3. Flexible Creative Space & Commercial Models**	Lowering barriers to entry for freelancers and SMEs	• **Tileyard North-** Expanding a proven creative workspace brand into a regional heritage setting through public-private investment. • **Pirate Studios** -Making professional creative infrastructure affordable through technology-enabled operations. • **The Qube** -Combining flexible workspace, production facilities and community for creative SMEs. • **The RecordShop** -Integrating production space, mentoring and networks to support creative entrepreneurs. • **Hypha Studios** -Repurposing vacant buildings into affordable creative workspace through meanwhile use.
	**4. Skills, Talent & Innovation Support**	Linking education, research and commercialisation	• **Confetti** -Integrating education, commercial production and business growth within a single creative campus. • **CreativeXR (Digital Catapult)** -Accelerating innovation through shared specialist technology, funding and industry partnerships. • **Chroma** -Combining commercial creative infrastructure with skills and talent development. • **The Hive** -Co-locating education, business incubation and enterprise support to stimulate innovation. • **Bournemouth** – Utilising a university as the anchor institution for a high-growth digital and creative ecosystem.
	**5. Place-making, Community & Talent Retention**	Creating places where creative people want to stay	• **Belfast (Oh Yeah Music Centre)** -Building a creative ecosystem through community infrastructure and cultural programming. • **Norwich** -Growing a games cluster through university partnerships and flagship industry events. • **House for Artists (Barking)** -Retaining creative talent through affordable housing linked to cultural contribution. • **Cambridge** -Investing in future-proof digital connectivity as enabling infrastructure for innovation.

1. Innovation Districts & Cluster Development - Eindhoven, Netherlands

Key features

Transformed from the decline of Philips' manufacturing base into one of Europe's leading innovation ecosystems.

The Brainport Eindhoven region now generates around 25% of Dutch private R&D investment, is home to 7,500+ technology and innovation companies, and has become a global centre for semiconductors, advanced manufacturing, AI, design and digital technologies.

Enabling infrastructure

- High Tech Campus Eindhoven is a 1 km² innovation campus hosting 300+ companies and 12,500+ researchers, with shared labs, clean rooms, prototyping facilities and advanced digital infrastructure.
- Brainport Development provides dedicated cluster leadership, coordinating investment, skills and inward investment across government, industry and academia.
- Eindhoven University of Technology anchors research and talent, while Strijp-S has repurposed former Philips sites into a mixed-use innovation district.
- Growth has been enabled by long-term public investment through the Brainport National Action Agenda, regional and EU funding, alongside investment in transport, housing and connectivity.

Lessons for the IZ

- Invest in shared innovation infrastructure – build shared facilities that SMEs cannot afford individually.
- Create a permanent cluster organisation – putting in place a dedicated organisation which endures is as important as investing in physical assets.
- Repurpose industrial heritage – regenerate groups of existing assets into innovation districts / clusters rather than standalone developments.
- Coordinate public investment - align national, regional and local funding behind a long-term cluster strategy rather than isolated projects. Co-locate research, business and talent. University-industry proximity accelerates innovation and commercialization opportunities.

1. Innovation Districts & Cluster Development - Golden Valley, UK

Key features

In the process of creating the UK's flagship cyber, AI and national security innovation district, expected to deliver 12,000 jobs, 1m+ sq ft of commercial space and a nationally significant ecosystem for cyber and deep tech businesses.

Enabling infrastructure

- Public-private development model - Cheltenham Borough Council assembled the site and formed a joint venture with HBD to unlock private investment.
- The development is anchored by the 160,000 sq ft IDEA National Cyber Innovation Centre, providing flexible R&D, collaboration and event space for government, industry and academia.
- Backed by £100m+ of public funding (including UK Government support), alongside investment in transport, utilities, public realm and digital infrastructure.
- Strong partnerships with GCHQ, the University of Gloucestershire, University of Bristol and Gloucestershire College create an integrated innovation and skills ecosystem.

Lessons for the IZ

- Use public land redevelopment to crowd in private investment.
- Anchor development and collaboration around nationally significant institutions.
- Invest in enabling infrastructure before commercial buildings.
- Create innovation districts that integrate R&D, skills and business growth partnerships, not just office space.
- Align local and central government behind a long-term cluster strategy.

1. Innovation Districts & Cluster Development - Here East, UK

Key features

Repurposed the former Olympic Broadcast Centre in London into a major innovation campus colocating technology firms, universities, creative businesses and research organisations. Campus supports over 10,000 jobs with nearly a quarter of employees living locally. From survey data, over three quarters of tenants report workforce growth and nearly two thirds report turnover growth from being based on campus — evidence that the collaborative environment, not just the building, drives returns.

Enabling infrastructure

- Repurposed the former Olympic Broadcast Centre into flexible innovation space.
- Plexal established as a flagship innovation hub linking startups, corporates, investors and government (providing flexible use including hot desking, fixed desk, meeting rooms, private offices all available to secure daily or monthly).
- Co-location of universities (UCL, Loughborough), major firms and specialist R&D; provision of maker spaces, digital infrastructure, collaboration and event facilities.
- London Legacy Development Corporation (LLDC) led long-term place stewardship, with Olympic legacy investment and GLA support providing the infrastructure, governance and confidence to attract private investment.

Lessons for the IZ

- Build a collaborative ecosystem, which is more than just a business park or office building.
- Combine innovation operators, universities, industry and public partners around high-quality space.
- Back up the venture with long-term public stewardship and enabling infrastructure to create a self-sustaining cluster.

1. Innovation Districts & Cluster Development -Pittsburgh, US ★

Key features

Successfully transitioned from a declining steel economy into one of the world's leading robotics, AI and advanced technology clusters.

Today, Pittsburgh is home to 100+ robotics companies, major AI research centres and innovation activity spanning autonomous systems, advanced manufacturing and defence technologies.

Enabling infrastructure

- Carnegie Mellon University (CMU) anchored the cluster through world-leading robotics and AI research, commercialisation and talent.
- Robotics Factory provides accelerator programmes, prototyping facilities and scale-up support. Former steel sites including Hazelwood Green and Bakery Square have been repurposed into innovation districts with laboratories, flexible R&D space and collaborative workspaces. Growth has been accelerated through coordinated federal, state and philanthropic investment, alongside infrastructure upgrades and long-term place stewardship.
- The Pop District - designated creative zone surrounding The Andy Warhol Museum-six-block $60m redevelopment project providing a creative hub, transforming neighborhood with public art, studio spaces, and a concert venue

Lessons for the IZ

- Repurpose industrial assets into innovation districts/clusters.
- Anchor growth around world-class research and commercialization of that research.
- Combine R&D space with public-facing creative infrastructure to build place identity and to inspire future talent.
- Coordinate long-term public, private and philanthropic investment.
- Build on industrial strengths to create globally competitive technology clusters.

2. Production & Creative Infrastructure - Atlanta, US

Key features

Transformed into one of the world's leading film and television production hubs, attracting over $4bn of annual production spend through long-term investment in studios, workforce development, supplier capability and competitive state incentives.

Atlanta has complemented its production strengths with a globally recognised music industry, technology sector and strong international connectivity to create a diversified creative economy.

Enabling infrastructure

- World-class studio ecosystem including Trilith Studios, Tyler Perry Studios and Assembly Studios with 70+ sound stages, virtual production, backlots, workshops and production offices.
- Trilith's 700-acre mixed-use campus integrates studios with housing, retail, hospitality, education and public space, creating a complete production ecosystem.
- Georgia's transferable film tax credit (up to 30%) has driven sustained private investment.
- Georgia Film Academy provides a dedicated talent pipeline, supported by a mature supplier ecosystem spanning VFX, post-production, equipment hire and logistics.
- Strong international connectivity via Hartsfield–Jackson Atlanta International Airport and Atlanta's globally recognised music and entertainment brand reinforce the cluster.

Lessons for the IZ

- Build the creative ecosystem as well as facilities - co-locate production space with housing, education and amenities.
- Invest in talent and supply chains alongside physical infrastructure.
- Reduce production friction by developing integrated campuses and providing specialist support services.
- Leverage place branding and major events to improve brand recognition and attract investment and talent.
- Future-proof digital connectivity to support virtual production and cloud-based workflows.

2. Production & Creative Infrastructure - Austin, US ★

Key features

Austin's wider lesson is that success comes not from a single asset but from the interaction between creative production, digital technology, innovation and entrepreneurship. State film incentives, a strong independent film culture and long-term investment by the Austin Film Society (AFS) built the production base — but it is the interplay of film, music, gaming and technology communities, catalysed by global platforms such as SXSW, that generates the new IP, products and companies that define the cluster.

Enabling infrastructure

- Cluster supported by dedicated infrastructure including AFS's 20-acre studio campus, providing sound stages, flex stages, production offices, vendor facilities and affordable rental space for independent filmmakers, production companies and media businesses.
- Wider ecosystem is strengthened by AFS-led filmmaker grants, skills development programmes and industry events, while global platforms such as SXSW connect Austin's film, media and technology sectors with international audiences and investment.
- AFS Public - non-exclusive media studio that offers no-cost training, equipment facilities and content distribution services.
- (This infrastructure operates within a wider ecosystem where production, technology and entrepreneurship share networks, events and talent — SXSW alone brings the film, media, music and tech sectors into one arena annually, converting overlap into investment and enterprise.)

Lessons for the IZ

- Prioritise collaboration across sectors: Austin's strength comes from the overlap and convergence between film, gaming, technology and creative industries - infrastructure and programming should be designed to bring these communities together.
- Build the ecosystem alongside investment in the assets.
- Successful clusters need anchor organisations that curate activity, attract businesses and connect talent, investment and markets.
- Combine specialist infrastructure with affordable access: Austin Studios lowered barriers for emerging producers, while Capital Factory enabled start-ups to scale.
- Create pathways from talent to enterprise: grants, mentoring, accelerators and industry networks help convert ideas and skills into companies and jobs.

2. Production & Creative Infrastructure - Shinfield Studios (UK)

Key features

Shinfield Studios in Thames Valley (operated by Shadowbox Studios) has become one of the UK's premier production campuses through major private investment in world-class studio infrastructure, capitalising on strong demand for premium film and TV production outside London. Its proximity to London, Heathrow and an established screen supply chain has attracted major international productions while strengthening the wider Thames Valley creative economy.

Enabling infrastructure

- 18 sound stages
- Workshops, offices and production support space
- 9-acre backlot
- High-capacity power and digital infrastructure
- Direct motorway access
- University co-location, skills and apprenticeship programmes
- Phased delivery allowing productions before full completion of campus.

Lessons for the IZ

- Deliver production-ready infrastructure.
- Prioritise serviced sites with power, digital connectivity and flexible production space to attract anchor tenants quickly, then build skills/supply chains around them.

2. Production & Creative Infrastructure - London's Creative Production Ecosystem

Key features

Developed one of the world's leading creative production ecosystems, combining major film and television studios, music production facilities, post-production companies, gaming businesses and a large specialist workforce. London's strength comes from the concentration of creative talent, production infrastructure, education providers and global market access.

Enabling infrastructure

- Camden Film Quarter - creating a new production district anchored by 11 Oxygen Studios sound stages, alongside 70,000 sq ft of creative workspace, production facilities, post-production suites and education space, linked to the National Film and Television School and London Screen Academy.
- Tileyard London - creative campus model, combining 150+ studios, workspaces and event spaces with flexible access - from affordable hourly studios (TYX) to premium commercial production facilities (TYE Studios).
- Abbey Road Red - a creative technology incubator supporting innovation and start-ups.
- Wider ecosystem is anchored by major studio campuses (Pinewood, Shepperton, Elstree and Eastbrook Studios) and a leading games cluster supported by developers, publishers, technology firms, specialist talent and sector events such as the London Games Festival.

Lessons for the IZ

- Focus on supporting the supply chain alongside investment in the studios.
- Grow local VFX, post-production, sound, games, freelancers and specialist SMEs alongside anchor assets.
- Use anchor facilities to create local economic value.
- Connect major assets to local businesses through procurement, skills and industry networks.
- Repurpose heritage with purpose. Invest in high-quality fit-out and long-term ecosystem management to transform heritage buildings into commercially viable creative hubs.

3. Flexible Creative Space & Commercial Models - Tileyard North

Key features

Demonstrates successful regional expansion of a proven creative workspace model. Tileyard North extends the Tileyard brand (one of Europe's largest creative hubs, established in King's Cross) to Wakefield, showing how an established operator, ethos and community model can be deployed into a northern regional setting to close the gap between north and south creative industries. It is now the largest creative industries destination outside London and was funded in part by £8m Levelling Up grant.

Enabling infrastructure

- 135,000 sq ft creative industries hub formed from a complex of regenerated Grade II listed mill buildings, with over 80% of original building fabric retained.
- Phase 1 (opened 2023): delivered 25 music and creative studios, office space, a large event space and leisure facilities (including 400-capacity event venue and food and beverage uses)
- Phase 2 added complementary uses including a hotel, Grade A workspace and a riverside restaurant (creating mixed use destination).
- Located next to The Hepworth Wakefield gallery as the final piece of a ten-acre waterfront regeneration masterplan.LA

Lessons for the IZ

- Import a proven operator: an established brand, model and industry network de-risks delivery and builds credibility faster than creating a new operator from scratch.
- Make heritage the identity: repurposed heritage buildings can define the uniqueness of a location.
- Use public funding to unlock private capital: targeted public investment brought a stalled heritage site into commercial use
- Combine workspace with events, education and hospitality to attract talent and visitors, growing awareness of the cluster.

3. Flexible Creative Space & Commercial Models - Pirate Studios (company)

Key features

Built the world's largest self-service rehearsal studio operator (started in Bristol), with 700+ rehearsal and recording studios across the UK, Germany, Ireland and the US.

Pirate has expanded by making professional creative facilities significantly more affordable and accessible for emerging artists through technology-enabled operations.

Enabling infrastructure

- Technology-enabled creative infrastructure.
- Studios operate 24/7 using app-based booking, digital access control, automated monitoring and remote management, removing the need for on-site staff and reducing operating costs.
- Standardised studio design enables rapid rollout across repurposed industrial and commercial buildings, while flexible hourly pricing maximises utilisation.
- Locations are typically chosen in affordable industrial areas with good transport access rather than prime city-centre sites.

Lessons for the IZ

- Use technology to reduce operating costs – technology and automation can make creative infrastructure more commercially viable while keeping prices affordable. Flexible, 24/7 access generates higher occupancy and improves investment returns.
- Repurpose existing buildings – existing units can provide scalable creative space without major new-build investment.
- Design for SMEs and freelancers - Low-cost, flexible, bookable infrastructure lowers barriers to entry and helps grow the creative pipeline.

3. Flexible Creative Space & Commercial Models - The Qube (company) ★

Key features

Qube demonstrates how flexible, service-led creative infrastructure can widen access, maximise utilisation and support a sustainable operating model.

Its combination of flexible memberships, pay-as-you-go access, anchor industry occupiers and 24/7 technical support enables emerging creators to access high-quality facilities without significant upfront costs, while maintaining strong utilisation and industry engagement.

Designed as London's first creator economy clubhouse, to be used across the production spectrum including podcasts, music, photography, videography etc.

Enabling infrastructure

- Integrated creative clubhouse: membership unlocks access to a diverse mix of professional studios and creative spaces.
- Flexible specialist facilities and access model: 80+ spaces across recording, podcasting, DJ, photography, events, co-working and private offices. App-enabled booking, shared amenities and pay-as-you-go access maximise utilisation and lower barriers to entry.
- Connected creative ecosystem: Curated networking, workshops and industry collaborations connect freelancers, creators and businesses.
- High-quality connectivity and 24/7 technical support ensure facilities are accessible and production-ready.
- Major industry users provide a stable base of demand, drive utilisation and credibility, and connect emerging creators to established industry networks.

Lessons for the IZ

- Make specialist infrastructure accessible: Combine memberships, pay-as-you-go and flexible booking to lower barriers for emerging businesses.
- Design for high utilisation: Flexible access, multiple user groups and extended opening hours maximise the return on specialist facilities.
- Secure anchor industry users: Established companies can provide baseline demand, credibility and links into wider markets.
- Invest in the operating model: Technical support, active management and community-building are as important as the physical space.
- Build a sustainable model: Blend memberships, bookings and industry activity to support long-term operation and reduce reliance on public funding.

3. Flexible Creative Space & Commercial Models - The RecordShop (company)

Key features

Built one of London's leading independent music and content creation hubs, supporting emerging artists, producers and creative entrepreneurs through affordable access to professional facilities, industry networks and business support.

The RecordShop has become a recognised launchpad for independent talent by combining production infrastructure with incubation and community - utilising existing retail space.

Enabling infrastructure

- Integrated creative hub model. Provides professional recording studios, podcast studios, writing rooms, production suites, event space and co-working within a single campus.
- Members access flexible workspace, mentoring, industry masterclasses, networking events and business support alongside production facilities.
- The hub also hosts accelerator programmes and collaborates with brands, labels and public-sector partners to help creators commercialise their work and build sustainable businesses.

Lessons for the IZ

- Combine production space with business support.
- Create affordable, flexible access for freelancers and SMEs.
- Curate an active community through events, mentoring and industry partnerships.
- Use shared facilities to maximise utilisation while helping creative businesses scale.

3. Flexible Creative Space & Commercial Models - Hypha Studios (charity)★

Key features

Brought vacant buildings back into productive use by providing affordable, flexible studio and workspace for film, TV and creative businesses, supporting local creative economies while reducing vacancy (charity status means the organisation doesn't pay business rates but give equivalent amount to artists)

Enabling infrastructure

- Meanwhile-use specialist -converts vacant retail, office and industrial buildings into temporary studios, maker spaces, production facilities and creative workspaces through short-term agreements with landlords.
- Low-cost fit-outs enable rapid occupation while activating underused assets.

Lessons for the IZ

- Use meanwhile space to grow clusters quickly.
- Repurpose vacant property before investing in permanent infrastructure.
- Reduce barriers to entry through affordable, flexible space.

3. Flexible Creative Space & Commercial Models - STEAMhouse (company)

Key features

STEAMhouse (Birmingham) has created a low-barrier innovation hub by combining specialist creative facilities, flexible access and industry partnerships. The hub is located in a restored a heritage building and looks to provide a collaborative community, developing business ideas, skills, knowledge and ambition. Led by Birmingham City University, it offers pay-per-use access to high-value equipment through a token-based membership model, removing the need for costly subscriptions. A partnership with Cisco provides businesses with access to advanced digital technologies and expertise, while facilities including professional podcast and content studios support content creation alongside product innovation.

Enabling infrastructure

- Cisco innovation partnership
- Professional podcast and content studios
- Maker space and digital fabrication facilities
- Token-based, pay-per-use membership
- Co-working and collaboration space
- University-led business support

Lessons for the IZ

- Reduce barriers to specialist equipment through flexible pay-per-use shared access.
- Use corporate partnerships to enhance facilities and technical expertise.
- Combine workspace, specialist equipment and business support under one roof.
- Offer shared content creation facilities to support creative SMEs and freelancers.

4. Skills, Talent & Innovation Support - Confetti Institute of Creative Technologies, UK

Key features

Established one of the UK's leading industry-integrated creative technology campuses at Nottingham Trent University, positioning Nottingham as a centre for virtual production, esports, TV, music and digital content creation.

Enabling infrastructure

- Confetti X provides virtual production stages, TV studios, motion capture, XR labs, music recording studios, edit suites, esports facilities and performance venues within a single campus.
- Secured key partnerships from local (Nottingham Poetry Festival, BBC Introducing) to nationally (Bafta, Channel 4)
- Facilities are shared between students, researchers and commercial users, maximising utilisation and creating direct links between education and industry. Backed by NTU, with investment from local enterprise partnership, ERDF and wider regeneration funding, the campus also provides business incubation, industry partnerships and a direct talent pipeline.

Lessons for the IZ

- Maximise utilisation by investing in shared assets.
- Invest in production-grade facilities that serve both education and industry.
- Embed businesses alongside talent and research.
- Use public investment to de-risk specialist infrastructure and crowd in commercial activity.

4. Skills, Talent & Innovation Support - Creative XR (Digital Catapult), UK

Key features

Accelerated the adoption of XR, immersive content and virtual production across the UK's creative industries by helping SMEs develop, test and commercialise new technologies.

Since 2019, CreativeXR has supported 100+ start-ups and scale-ups, connecting them with major industry partners and investment opportunities.

Enabling infrastructure

- Innovation infrastructure rather than property.
- CreativeXR combines grant funding, technical expertise, mentoring, investor access and industry partnerships with access to Digital Catapult's Immersive Labs, including volumetric capture, motion capture, 5G testbeds, virtual production and XR demonstration facilities.
- Delivered with partners including Meta, Arts Council England, NVIDIA, Verizon, Snap and leading broadcasters, providing SMEs with access to specialist technology they could not afford independently.

Lessons for the IZ

- Invest in shared specialist infrastructure.
- Pair facilities with funding, technical support and commercial partners.
- Use challenge-led programmes to accelerate innovation and adoption.
- Create routes to market by connecting SMEs directly with major industry partners, investors and customers.

4. Skills, Talent & Innovation Support - Chroma, UK ★

Key features

Developed a commercially successful creative business spanning recording studios, education, rehearsal facilities and talent development, supporting both emerging artists and established clients.

Enabling infrastructure

- Integrated music production campus combining professional recording studios, rehearsal rooms, education facilities and business support.
- Operates a diversified commercial model across studio hire, training, live events and industry partnerships, maximising utilisation and creating multiple revenue streams.

Lessons for the IZ

- Diversify revenue streams beyond studio hire.
- Combine commercial activity with skills delivery.
- Create year-round utilisation through multiple complementary uses.

4. Skills, Talent & Innovation Support - Bournemouth, UK

Key features

Developed a high-growth digital and creative cluster by leveraging its universities as the foundation for talent, innovation and business growth. Bournemouth University and Arts University Bournemouth have created a pipeline of graduates in games, animation, VFX and digital media, supported by close industry collaboration, startup support and innovation programmes that have helped attract and grow leading digital businesses.

Enabling infrastructure

- Bournemouth University
- Arts University Bournemouth
- Specialist games, animation and VFX courses
- Innovation and incubation space
- Industry R&D partnerships
- Graduate talent pipeline

Lessons for the IZ

- Position Teesside University as the anchor institution for the IZ ecosystem.
- Integrate education, incubation and commercial space to create a seamless business growth pathway.
- Strengthen university-industry collaboration to improve graduate retention and attract inward investment.
- Invest in specialist skills aligned to target sectors (e.g. games, immersive, AI and digital production).

5. Place-making, Community & Talent Retention - Belfast, UK

Key features

Built a recognised music ecosystem that supports emerging artists, strengthens the local live music scene and increases Belfast's profile as a creative city. This includes Oh Yeah Music Centre - a flagship music hub, combining affordable creative space, business support and cultural programming to strengthen the regional music ecosystem and attract creative businesses into a single location. Belfast also received recognition as a UNESCI City of Music in 2021.

Enabling infrastructure

- Oh Yeah Music Centre (opened 2007 in repurposed heritage building) provides a dedicated music industry hub with rehearsal rooms, recording facilities, performance spaces, artist development programmes and mentoring.
- Wider ecosystem is supported by live music venues, festivals, networking activity and initiatives such as Sound of Belfast and the Northern Ireland Music Prize.

Lessons for the IZ

- Invest in sector-specific hubs that combine affordable facilities, skills development, mentoring and community-building.
- Creative clusters grow when emerging talent has access to infrastructure, routes to market and networks connecting artists with industry, audiences and investors.

5. Place-making, Community & Talent Retention - Norwich, UK

Key features

Developed a recognised UK gaming cluster built around a concentration of independent studios, creative technology businesses, talent and research capability. Norwich has established a reputation for supporting smaller game developers and interactive media companies, with the sector benefiting from links between industry, education and the wider creative economy.

Enabling infrastructure

- Norwich Games Festival raises the city's profile by connecting developers, students and industry through showcases, networking and events.
- Games Hub provides dedicated workspace, business support and networking, underpinning a growing community of games and immersive media studios.
- The cluster is strengthened by companies including Colibri Games and DeltaDNA (now Unity), alongside strong talent pipelines from Norwich University of the Arts and the University of East Anglia.

Lessons for the IZ

- Gaming clusters can grow without relying only on large anchor companies - regular events, developer communities and shared support networks can create visibility and collaboration opportunities for smaller studios.
- Invest in talent pipelines and routes into industry - links between universities, festivals and businesses help retain graduates and develop the workforce required by the sector.
- Create accessible entry points for SMEs - affordable workspace, mentoring, networking and showcasing opportunities are important for early-stage studios that may later scale.
- Sector events can act as cluster infrastructure, helping position a city externally, attract visitors and investors, and strengthen connections between local companies and global gaming networks.

5. Place-making, Community & Talent Retention - Barking (London), UK

Key features

Delivered by Create London and the London borough to create a new model of affordable artist housing that combines living, working and community activity, helping address the challenge of retaining creative talent in areas facing rising costs. A House for Artists provides affordable homes and dedicated studio/workspace for artists, while embedding creative activity within the wider neighbourhood through public programmes and events.

Enabling infrastructure

- £4.1m live/work development commissioned by the London Borough of Barking & Dagenham, co-commissioned by Create London, delivered by Be First and supported by the GLA.
- Scheme provides 12–14 affordable homes for artists and their families, dedicated studio/work areas, shared community facilities and a public programme space.
- Residents receive reduced rents in return for delivering free creative activity for the local community, linking affordable housing with creative participation and local engagement.

Lessons for the IZ

- Talent retention requires affordable living infrastructure - creative clusters need mechanisms to prevent artists and freelancers being displaced as areas grow.
- Combine housing with workspace and community activity - live/work models create stronger networks, collaboration and local engagement.
- Use affordability as a strategic tool - below-market housing can help secure the creative workforce that underpins wider investment.
- Design operating models early - the success of artist housing depends not just on the building, but on clear eligibility criteria, management arrangements and links to local cultural and creative programmes.

5. Place-making, Community & Talent Retention - Cambridge, UK

Key features

Developed one of the UK's leading technology clusters, supporting high-growth businesses across software, AI, life sciences technology and deep tech. A key enabler of Cambridge's innovation economy has been the availability of reliable, high-capacity digital connectivity that supports data-intensive research, collaboration and commercial activity.

Enabling infrastructure

- Light Blue Fibre manages Cambridge's publicly owned 100km+ fibre duct network, delivering high-capacity, wholesale digital infrastructure through a joint venture between the University of Cambridge and Cambridgeshire County Council.
- The Council's 'dig once' policy integrates fibre ducting into transport upgrades, adding 21km+ of new ducting while reducing future costs and disruption.
- Businesses can lease dark fibre through wholesale providers, providing scalable, interference-free connectivity for data-intensive industries.

Lessons for the IZ

- Make connectivity a strategic asset.
- Digital infrastructure should be planned alongside buildings, roads and utilities - not added later.
- Invest in ducts and fibre capacity early - shared duct networks reduce future disruption, avoid repeated street works and allow networks to scale as demand grows.
- Design for high-value users - gaming, virtual production, AI, VFX and cloud-based creative industries require low-latency, high-capacity and resilient connectivity.
- Open-access infrastructure creates competition - enabling multiple providers to use shared assets improves choice and avoids reliance on a single network operator.

Outward-facing analysis: Key Lessons for TVCA

Recurring Lesson	Evidence from Case Studies	Implications for TVCA
1. Invest in ecosystems, not individual assets	Eindhoven, Golden Valley, Here East, Atlanta, Bournemouth	Deliver complementary investments in infrastructure, skills, business support and placemaking rather than standalone capital projects.
2. Anchor institutions catalyse growth	GCHQ (Golden Valley), TU Eindhoven, NTU (Confetti), BBC (MediaCity), Bournemouth	Leverage universities, major employers and public institutions to attract investment, talent and supply chains.
3. Provide affordable, specialist and flexible shared infrastructure	Pirate Studios, CreativeXR, Confetti, Austin Studios, Qube, STEAMhouse, RecordShop	Offer scalable, affordable access to specialist facilities (studios, XR, virtual production, GPU compute) and flexible workspace for freelancers, start-ups and SMEs.
4. Skills should be embedded within the cluster	Confetti, Chroma, CreativeXR, Austin, Bournemouth	Integrate education, industry and commercial activity to improve talent retention and create direct pathways into employment.
5. Strong local supply chains maximise economic impact	London, Atlanta, Austin, Here East	Support local SMEs, freelancers and specialist suppliers to ensure spending is retained within the regional economy.
6. Community and networks matter as much as buildings	Oh Yeah Music Centre, Norwich Games Festival, Pop District, RecordShop	Invest in events, networking and cultural programming to build collaboration, cluster identity and talent attraction.
7. Repurpose existing assets to accelerate delivery	Tileyard North, Here East, Hypha Studios, London heritage buildings	Reuse industrial and heritage buildings where possible, combining adaptive reuse with targeted investment in modern creative infrastructure.
8. Digital infrastructure is a critical element	Cambridge, Golden Valley, Eindhoven	Invest early in fibre connectivity, power, compute capacity and digital infrastructure to support creative and technology businesses.
9. Use public investment to crowd in private capital	Golden Valley, Tileyard North, Eindhoven, Atlanta, CreativeXR, STEAMhouse	Use public funding to de-risk infrastructure, unlock private investment and establish commercially sustainable ecosystems.
10. Build a strong cluster brand and celebrate success	SXSW (Austin), Brainport Eindhoven, Belfast, Norwich Games Festival, CreativeXR	Develop a clear regional identity, actively promote local success stories and create flagship events that raise the profile of the cluster, attract investment, inspire future talent and strengthen business confidence.

Underpinning all ten lessons is a single theme - successful ecosystems combine communities and sectors.

03 Enabling Infrastructure Needs

Enabling Infrastructure Needs: Key Priorities

The most successful digital and creative clusters invest in productive assets (equipment, talent, R&D capability, networks and operators) rather than relying primarily on new build property development. The enabling infrastructure needs identified through the outward-facing analysis, stakeholder engagement and asset review have been mapped directly against the three IZ Missions and reflect evidenced current demand and infrastructure need. While the needs are mapped against the three Missions for clarity, they are mutually reinforcing: the highest impact comes where infrastructure enables creative production, games, digital technology, innovation and entrepreneurship to interact. Prioritisation of specific capital projects against these needs is undertaken in Section 06, using the Capital Framework criteria. Phase 1 investment is focused on the shared infrastructure that makes these interactions happen.

	Mission	Priority Enabling Infra Requirements	Illustrative Infrastructure
01.	Become the UK's leading region for starting and scaling innovative digital and creative businesses	**Digital & Creative Business Growth Infra** Affordable, flexible workspace Innovation & commercialisation infrastructure Founder ecosystem and investor engagement	Grow-on workspace Innovation hubs and collaboration space Shared specialist equipment (e.g. XR, gaming, maker spaces) Prototyping and demonstration facilities Showcase, networking and investor engagement infrastructure
02.	Establish Tees Valley as an Engine Room of Creative Production	**Creative Production Infra** Specialist production facilities Production supply chain infrastructure Skills and creator community infrastructure	Film, TV and content production studios Virtual production, XR and motion capture facilities Podcast, broadcast and music production studios Gaming labs and maker spaces Open-access studios and equipment/production kit Networking, showcase and event space
03.	Grow a world-class base for applying digital and creative technologies to solve real-world challenges	**Innovation & Enabling Infra** Digital infrastructure R&D and university-industry collaboration Cross-sector innovation infrastructure	High-capacity fibre connectivity *(utilising existing £3m ringfenced budget)* Power and GPU/AI compute capability University R&D and specialist facilities Applied innovation labs and demonstrator spaces Cross-sector collaboration hubs Living labs and testbeds

Enabling Infrastructure Needs: Mission 1

01. Digital & Creative Business Growth Infrastructure

Infrastructure Needs

- Incubator, accelerator and grow-on studios for SMEs
- Mid-sized scale-up workspace and flexible co-working
- Innovation hubs and shared specialist equipment (e.g. XR, gaming, maker spaces)
- Prototyping and demonstration facilities
- Showcase, networking and investor engagement infrastructure
- Identifiable, visible clusters of complementary businesses

Relevant lessons from outward-facing analysis

- Lessons 2, 3, 6, 7, 9, 10

Stakeholder Evidence

Across the roundtables, the 'missing middle' emerged as a critical gap – businesses outgrow incubators but cannot afford commercial-rate space, and flexible terms matter more than square footage. TU Launchpad is fully occupied, with strong demand and businesses reluctant to leave due to insufficient “next step” affordable office space.

Tech and games sessions identified a gap between R&D support and commercial viability – businesses lack space to move from prototype to market-ready product – alongside unmet demand for investor introductions and structured mentoring.

Placemaking, street activation, and mixed-use destinations were highlighted as central to building cluster identity and to creating environments where founders and creative talent want to remain.

Workspace and business support infrastructure serves founders across games, production, digital and creative technology - collaboration between them was consistently cited as a source of new products and IP.

Enabling Infrastructure Needs: Mission 2

02. Creative Production Infrastructure

Infrastructure Needs

- Film, TV and content production studios
- Virtual production, XR and motion capture facilities
- Podcast, broadcast and music studios; post-production and VFX hub
- Gaming labs, production workshops and maker spaces
- Shared production equipment and kit hire, with open-access routes for emerging creators (incl. technical support, training and distribution routes)

Relevant lessons from outward-facing analysis

- Lessons 3, 4, 5, 6, 7, 10

Stakeholder Evidence

IZ roundtables identified specialist equipment access as a growth bottleneck rather than entrepreneurial scarcity, with the Qube model cited as highly valuable in removing the capital barrier to entry.

Production sector noted the need to build supply chain depth around Production Village: complementary businesses in fabrication, props, costume and storage cannot afford standalone facilities.

Talent attraction and retention was the most consistent cross-sector constraint, with skills provision misaligned to industry need. Visitor economy infrastructure was identified as critical to supporting productions and external spend.

Stakeholders linked the skills gap to access: the Austin Public model (low- and no-cost equipment, studios and training open to all residents) shows how open-access infrastructure builds the participation base and talent pipeline that industry facilities draw on.

Production infrastructure is increasingly digital: virtual production, gaming and content creation draw on the same facilities, equipment and skills base.

Enabling Infrastructure Needs: Mission 3

***A separate £3m ring-fenced connectivity budget already exists and is intended to respond to the findings of this review. The requirements identified here provide its investment specification.**

03. Innovation & Enabling Infrastructure

Infrastructure Needs

- High-capacity fibre connectivity*
- Resilient power infrastructure
- Shared GPU/AI compute, cloud rendering and storage
- University R&D facilities, including CoSTAR-style labs
- Applied innovation labs, testbeds and demonstrator spaces
- Cross-sector collaboration hubs and living labs
- Future-ready digital backbone for remote production*

Relevant lessons from outward-facing analysis

- Lessons 1, 2, 8, 9

Stakeholder Evidence

Stakeholders have highlighted data connectivity and computing power as emerging barriers for AI and immersive technology companies. Enhanced digital connectivity is fundamental to productivity and attracting inward investment.

Regional perception of Tees Valley's digital capability lags London and Manchester; enhanced infrastructure would signal investment-readiness to external talent and companies (GPU as a service is being explored by TVCA).

Games and tech sessions flagged demand for IP-focused innovation infrastructure e.g. virtual production testing, design iteration and deal-making support. This would connect university R&D programmes to commercial application.

Cross-sector collaboration hubs, testbeds and living labs are designed to convene production, games, digital and innovation communities around real-world challenges.

These investments anticipate demand: compute capacity, virtual production and applied innovation infrastructure position Tees Valley for markets that are forming now.

04 Existing Assets

Existing Assets Overview: Geographical Context of Middlesbrough Assets

The map below shows where the existing assets discussed in this section are located within Middlesbrough.

Middlesbrough's digital and creative cluster is a corridor running from Boho zone along Albert Road to the University.

This capital review focuses on investments which strengthen the corridor between Boho and the town centre - and enable and sequence other investments.

Albert Road's functions as the spine of the cluster as a result of its Enterprise Zone legacy and existing business base; any Phase 1 intervention has been assessed for its contribution to the whole geography, including wider place-making and regeneration objectives.

Key

- **Albert Road** - former Enterprise Zone with existing concentration of digital and creative businesses
- **House of Fraser -** large asset with regeneration potential
- **Digital Life Building -** Teesside University (TU) digital innovation and teaching hub
- **Boho Zone –** collection of digital, creative, and business hub office space
- **Launchpad –** TU business incubator space
- **Former M&S Building -** former department store being redeveloped by private investor
- **Middlesbrough Town Hall –** fully operational historic, cultural venue

Location of existing assets in Middlesbrough



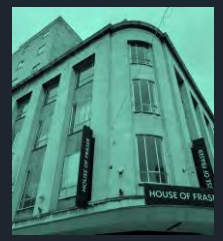
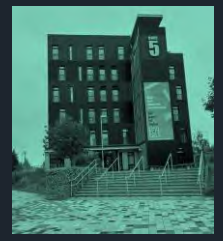
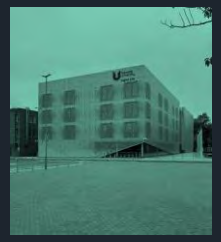
Location of Boho offices



TEES VALLEY

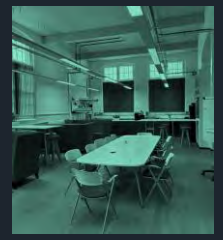
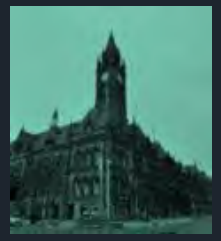
Existing Assets Overview: Middlesbrough (1/2)

The table below details the infrastructure assets relevant to the IZ and details whether they were included in the scope of this capital strategy review and why. Using existing assets has the potential to reduce capital requirements and accelerate delivery.

Asset	In Scope?	Justification
 **Former House of Fraser Building** *Middlesbrough* Grade II listed, seven floor building in town centre - currently unused.	✓	Publicly owned asset which could be repurposed to meet infrastructure need e.g. office space. However, would be complex to deliver and expensive to retrofit the building. Phased approach and co-investor funding required. Pneuma Group previously expressed coinvestment interest (owner of Double Eleven).
 **Boho Zone Offices** *Middlesbrough* Digital, creative, and business hub - flexible workspaces and business support facilities (mix of council-owned, council-developed and privately owned/managed)	✓	Represents existing SME and innovation capacity which is key to wider IZ ecosystem. Could be expanded/repurposed as hub and grow on space to focus on attracting a pipeline of occupiers, collaborators and users of future digital and creative infrastructure.
 **Teesside University (TU): Digital Life Building** *Middlesbrough* Digital innovation hub owned and operated by TU with industry-standard facilities.	✓	A core IZ asset, providing specialist technology infrastructure, talent development and a platform for industry collaboration aligned to digital and creative growth, however third-party use is currently somewhat constrained.

Existing Assets Overview: Middlesbrough (2/2)

The table below details the infrastructure assets relevant to the IZ and details whether they were included in the scope of this capital strategy review and why. Utilising of existing assets to deliver IZ capital projects can reduce capital requirements and accelerate delivery.

Asset	In Scope?	Justification
 **Former M&S Building** *Middlesbrough* Previous department store which was acquired by a private owner (April 2026).	✕	Previously publicly owned leading to inclusion in earlier IZ thinking. Subsequently sold to private owner - enabling third-party investment or partnership. Currently under development and due to reopen as a new, multi-brand Ideal Home Department Store in August 2026, hence out of scope.
 **Teesside University: Launchpad** *Middlesbrough* Fully occupied university incubator (24 spaces) offering low-cost workspace plus mentoring and expertise for digital/creative start-ups.	✕	Provides the IZ with a pipeline of emerging businesses, supporting startup creation, commercialisation and future occupier demand for innovation space. However, owned by TU and at full capacity. Relevant to this review as there is a gap in suitable, affordable grow on office space for companies leaving Launchpad.
 **Middlesbrough Town Hall** *Middlesbrough* Grade II listed, historic cultural venue with 1,190-seat theatre. Fully operational - £7.7m refurbishment in 2018.	✕	Already refurbished with an active cultural programme. Not flagged as priority within stakeholder feedback for IZ infrastructure. Existing focus on distributed production/gaming/creator assets.

Existing Assets Overview: Geographical Context of Hartlepool Assets

The map below shows where the existing assets discussed in this section are located within Hartlepool.

The focus of Hartlepool's cluster will be on existing key assets including:

- The BIS
- Hartlepool Town Hall Theatre
- "Clippy Club" site
- Middleton Grange Shopping Centre

IZ capital investment will complement the Screen Industries Production Village which is under development alongside redevelopment of Northern Studios. The Village will repurpose 9 disused buildings to provide vital pre and post-production support, building on the existing facilities including the Northern Studios and The BIS and acting as a catalyst for complementary regeneration and growth.

Key

The BIS – Council managed creative business hub

Hartlepool Town Hall Theatre- active, heritage town theatre

The Northern Studios- film/TV production complex currently undergoing £33.5m expansion

"Clippy Club" site – vacant, demolished site for future use

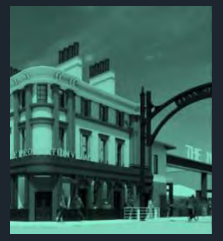
Middleton Grange Shopping Centre– operational, publicly-owned centre

Location of existing assets in Hartlepool



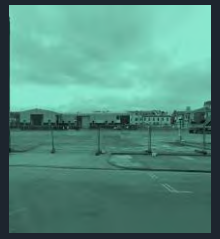
Existing Assets Overview: Hartlepool & Stockton-on-Tees (1/2)

The table below details the infrastructure assets relevant to the IZ and details whether they were included in the scope of this capital strategy review and why.

	Asset	In Scope?	Justification
	**The BIS** *Hartlepool* Council-managed creative business hub; with 28 units.	✓	Council open to suggestions on alternative operating models. Major podcasting company with local roots expressing relocation interest. Retrofit to creator-economy model deliverable in 3 years. Studios (Podcast / Dolby Atmos) would strengthen sector appeal.
	**Hartlepool Town Hall Theatre** *Hartlepool* Grade II listed active town theatre, with potential to expand/upgrade.	✓	Identified gap in local premiere/experience venue for production sector/support Production Village ecosystem. Can serve industry convenings and creative anchor role. TIME+SPACE 2025 report detailed recommended expansion/development options and next steps.
	**Production Village** *Hartlepool* £33.5m expansion of the North East's flagship film and TV production hub is fully funded & underway (completion due 2027)	✗	Expansion of Northern Studios already underway, however, complementary infrastructure in the surrounding Production Village should be considered (see "Clippy Club" detailed on next slide). Additionally, **there is a requirement for 'meanwhile' space whilst the Northern Studio works are underway.**

Existing Assets Overview: Hartlepool & Stockton-on-Tees (2/2)

The table below details the infrastructure assets relevant to the IZ and details whether they were included in the scope of this capital strategy review and why.

	Asset	In Scope?	Justification
	**"Clippy Club" site** *Hartlepool* Former site of social club/car wash near Production Village.	✓	Strategically located near the BIS and Production Village – potential interim use (up to 5 floors) and/or permanent expansion alongside a new public square functioning as the heart of the production village. Identified as strategic intervention to bridge construction gap. Site cleared for future use, although power and data capability to be established.
	**Middleton Grange Shopping Centre** *Hartlepool* Publicly-owned town centre asset undergoing mixed-use regeneration.	✓	Strategic regeneration opportunity supporting the wider Production Village ecosystem. Potential to accommodate creative workspace, visitor economy, hospitality, flexible commercial space and town centre activation. Capital investment could strengthen the production supply chain, improve footfall and support talent retention, complementing Production Village investment.
	**Health & Social Care Innovation Zone** *Stockton-on-Tees* Health innovation focused development zone.	✓	Potential to extend IZ into healthcare digital innovation. Strong university/NHS partnership foundation. Addresses regional health inequalities and growing skills demand.

Existing Assets In Scope:
House of Fraser Building

Grade II listed Italianate department store in Middlesbrough town centre; opened 1923 as Binns, rebranded 1953. Permanently closed 2022 after 18 months trading under Sports Direct.

Purchased by Middlesbrough Council originally (2020, £1m) and now owned by TVCA. The building has been vacant since 2022 and costs £100k/year to maintain.

High-level feasibility studies have been completed on the building by the Council and TVCA. Originally proposed for office-led mixed-use redevelopment as cultural venue for music/creative arts studios (basement and ground floor).

Strategically located for IZ within the Boho–town centre corridor and close to the Albert Road spine.

TEES VALLEY



Existing Assets In Scope:
Boho Zone Offices

A network of flexible workspaces and business support facilities in Hartlepool supporting entrepreneurs, SMEs and creative/digital businesses through affordable space, collaboration and enterprise programmes.

Cluster established through targeted government investment in key anchor buildings (Boho One, Boho Five & Boho X) while private developers subsequently invested in and operated complementary commercial space.

Boho One, Five (pictured) and Eight operations recently transferred from local authority operation to private provider (Regus). Boho Five benefits from business rates relief. Occupation across the offices varies (Boho Five occupancy currently at 60%).

Boho One (flagship building) requires remediation works whilst Boho Five is fully operational and offers office accommodation for up to 50 small and medium sized enterprises.

TEES VALLEY



Existing Assets In Scope:
TU Digital Life Building

A £40m flagship digital innovation building which is owned and operated by TU which brings together AI, robotics, immersive media, games, cybersecurity, cloud technologies and digital twins within industry-grade teaching, research and collaboration spaces, alongside conference and event facilities (incl. advance 750-capacity auditorium) which are available for hire.

Facilities include high-tech virtual production suite featuring LED volumes and camera tracking. Gaming companies have expressed an interest in utilising these facilities, however, there is an existing security barrier which prevents this.

In July 2026, an AHRC Creative Industries Clusters Round 2 bid was submitted by TVCA in partnership with North Yorkshire and Country Durham which includes opening up access to/maximising use of the Digital Life Building through hosting events and powering cross-regional digital innovation and skill, which will expand the impacts of the IZ.

TEES VALLEY



Existing Assets In Scope:
The BIS

Grade II listed former Post Office, restored 2019. 28-unit creative business hub managed by Hartlepool Council.

Units range 13-172m² (studio, office, workshop). Award-winning facility (RTPI Awards 2021). Serves creative startups, designers, makers. Located Whitby Street, Innovation & Skills Quarter, near Hartlepool Train Station.

Potential to retrofit to creator-economy model and provide production infrastructure e.g. podcast studio, Dolby Atmos studio facility upgrade to strengthen sector appeal.

TEES VALLEY



Existing Assets In Scope:
Hartlepool Town Theatre

Grade II listed building - opened 1897 as Town Hall and later converted to a theatre 1977. 397-402 seat proscenium arch auditorium (2 levels with balcony). Small upstairs theatre, rehearsal spaces, dressing rooms, Empire Bar, theatre school. Located Raby Road, town centre.

Currently hosts comedy, drama, children theatre, music, pantomime (professional and community productions). A feasibility study completed by TIME+SPACE (July 2025) assessed and recommended redevelopment options and outlined potential next steps.

Theatre could hold a key role within Hartlepool's production cluster – upgrades/expansion may be required to enable it as a showcase venue which links industry and the community, creating value as a public-facing component of the production ecosystem.

TEES VALLEY



Existing Assets In Scope: “Clippy Club” site

Former social club/car wash site located in Production Village area and near the BIS.

Currently vacant following the demolishing/removal of the prior building uses.

Identified as a potential site for uses adjacent to the requirements of the Production Village and/or supporting the wider production supply chain (including potential, interim use).

Part of the site has potential to be developed as public realm / square as a focal point for the Production Village.



TEES VALLEY

Existing Assets In Scope:
Middleton Grange Shopping Centre

Town centre retail and mixed-use asset with significant regeneration potential, forming a key component of Hartlepool's wider town centre renewal -freehold owned by Hartlepool Borough Council with HDC acquiring the long leasehold and managing the asset since 2023.

Existing investment has focused on improving the retail offer and public realm – plans are in place to demolish part of the site and consolidate the existing area (preserving the former Binns store building).

Future capital priorities centre on partial demolition and redevelopment, repurposing underutilised space, strengthening leisure and cultural uses, considering repurposing in line with production village requirements and supporting increased town centre footfall.

TEES VALLEY



Existing Assets In Scope:

Stockton Health Tech (Tees Valley Care & Health Innovation Zone)

Tees Valley Care and Health Innovation Zone: 110-hectare brownfield (Teesdale Business Park 50ha plus Tees Marshalling Yards 60ha). Vision approved Oct 2023.

Tees Valley Community Diagnostic Centre (£39.7m) opened Stockton High Street with 5 diagnostic machines.

Planned: health spine, open innovation campus (academic research centre), supported by Stockton Riverside College and Teesside University. Sports/wellbeing facilities planned. Jobs: 5,500 current to 14,500 target. Housing: 600 to 4,200 units. Learners: 3,000 to 7,000 daily.

Potential for IZ involvement in digital (med-tech, data) uses within planned collaboration centre to be linked to attraction of anchor occupiers.

TEES VALLEY



05 Delivery Approach & Partners

Approach to delivery approach and partners

This section of the report sets out:

- the range of delivery models which will be applied across Phases 1 and 2;
- the next steps to be undertaken to secure partner support and private sector investment.

Background

The IZ has a range of existing partners across its ecosystem, who will need to make project specific commitments in relation to their involvement in any specific project. In addition, further partners will be secured as Phase 1 and 2 projects develop and project specific commitments will need to be obtained from those partners as well.

A programme to actively identify and attract potential partners will be a priority of the next steps following this review.

Across the programme, the projects will have involvement from a blend of partners:

Delivery Partners | **Operating Partners** | **Funding Partners** | **Ecosystem Partners**

Section 6 later in this report includes a commentary for each Phase 1 project on the extent of partner support, scale of IZ investment needed, match funding assumptions (degree and nature of funding potential), private-sector leverage, anchor occupiers, delivery partners, operator models and commercial sustainability considerations.

Role definition

The partner roles relevant to the IZ projects are as follows:

Delivery Partner

Responsible for scoping, design, construction, sourcing of land, property, equipment for a IZ project – typically assuming risks associated with delivery including delivery cost, timescales and fitness for purpose.

Operating Partner

Responsible for management, marketing, operation and maintenance of a service – typically assuming risks associated with operation including operating cost, demand risk, marketing and fitness for purpose.

Funding Partner

Responsible for providing grant or donation (typically non recoverable), equity funding (tied to successful financial performance) or debt funding (repayable irrespective of financial performance) to a project.

Ecosystem Partner

Responsible for providing expertise, support, in-kind commitments and collaborative resources to a project and/or using the services provided by a project as an anchor customer or occupier.

Partners may fulfil more than one role on a project. For example, an ecosystem partner could also be a funding, operating or delivery partner. A private sector partner may combine donation and equity funding with a delivery and/or operations partner role. A public sector funding partner may combine provision of grant funding with protection to another partner for a key operating risk such as demand risk.

Delivery models

A delivery model determines responsibility for delivery, operation and funding of a project under the IZ. The projects delivered across Phases 1 and 2 will use a blend of the following delivery models:

Model 1	Model 2	Model 3	Model 4
Publicly delivered **Publicly operated** **Publicly funded** (e.g. university, council, TVCA)	**Publicly delivered** **Privately operated** **Blended funding** (blend of donation, grant, equity, debt)	**Privately delivered** **Privately operated** **Blended funding** (blend of donation, grant, equity, debt)	**Privately delivered** **Privately operated** **Privately funded**

Model 1 will be applicable in Phase 1 for limited early stage enabling scenarios which act as a catalyst for further projects.

Model 2 will be appropriate where a public sector organisation is contributing a building or facility for use by others.

Model 3 provides a balanced approach with delivery and operational responsibility placed in the hands of those with the right expertise, supported by public funding, and will be most applicable for Phase 2 projects combining public and private involvement.

Model 4 relates to complementary privately originated projects, with strong standalone financial attractiveness which do not need public sector contributions, typically seen in Phase 2 as a market response to Phase 1 and other investments.

Attracting further partners and securing commitments

The IZ programme will align its offer to potential partners, in order to attract partners and secure commitments from them, providing:

- clear articulation of the baseline level of economic activity, talent pool and future plans;
- a profile of key demand drivers, underpinned by guarantees from IZ or others where appropriate;
- explanation of the support offer from IZ and the basis on which support will be provided;
- clarity on project risks and opportunities involved in participating in each IZ project.

The IZ will also use the incentive of IZ capital support to secure non-capital commitments from partners where necessary (for example to secure operational continuity commitments).

Examples of key risks to be refined on a project specific basis, may include:

Risk category	Issue	Indicative mitigation
Design / scoping phase risks	Fitness for purpose of design or specification, overestimate of demand	Protections to operator and funder from project originator
Construction phase risks	Site issues, cost overruns, supplier failure, cost to complete responsibility	Retention of key delivery risks by project originator
Loss of key partner	Loss of e.g. an operator or anchor tenant could impact financial performance for other partners	Step in obligations to mitigate partner loss impact in defined scenarios
Demand risks	Demand and/or revenues lower than anticipated, demand affected by failure of a third party	Protections to operator for defined events, exclusivity agreements, non competes
Operating risks	Operating costs higher than anticipated, obsolescence, malicious and accidental damage	Risk sharing on operational matters, agreed replacement cycles

Partner activation – next steps

TVCA has built a strong longlist of potential partners for IZ projects, included in the annex to this report.

The next step in the process of securing and confirming partner involvement is focused on securing the necessary partner support and commitment for identified projects

Next steps will include:

- securing firm commitments from existing partners for Phase 1 projects;
- developing the Digital & Creative Investment Portfolio to articulate the opportunity in Phases 1, 2 and beyond, including clear information about the priority projects, talent base and existing ecosystem partners;
- developing a clear articulation of the IZ offer to prospective partners, including risk protections, funding commitments and other forms of support;
- refining Phase 1 project scopes and undertaking design development on Phase 1 projects;
- deepening engagement through in person events and promoting the opportunities to participate in IZ projects through trade/industry events, PR and targeted marketing campaigns.

06 Intervention Assessment & Prioritisation

Approach to intervention assessment & prioritisation

This section assesses the capital interventions to be prioritised in two steps:

1. What interventions would be feasible to deliver within the time and funding available whilst also maximising impact?

2. Of the existing assets, would any be suitable locations for the interventions where required?

Classifying the interventions required

INTERVENTIONS IN SCOPE		
Category	**Project / Intervention**	**One-line Descriptor**
1. Capital investment	**Middlesbrough Digital & Creative Enterprise Hub**	Create the commercial home for Tees Valley's games, digital and creative technology businesses, supporting collaboration, innovation and growth (could consider TU and established businesses as anchor tenants).
	Hartlepool Creative Production Hub	Develop the production infrastructure and support ecosystem needed for film, TV, music and content businesses to scale locally.
	Public Realm & Wayfinding	Deliver targeted improvements around priority hubs and corridors to improve connectivity, visibility and attractiveness.
	Targeted Creative Technology Infrastructure & Equipment	Invest in high-demand specialist equipment and infrastructure that can be deployed by March 2029, supporting AI, immersive technologies, virtual production and creative production.
2. Programme / revenue activity	**Business Growth & Creative Programmes**	Provide incubation, commercialisation, skills and investor engagement to turn infrastructure into business growth.
	Digital Life Access Programme	Unlock Teesside University's specialist facilities, equipment and expertise for SMEs and industry, testing demand for future commercial-facing infrastructure.
3. Ecosystem development	**Creative Ecosystem & Supply Chain Development**	Connect businesses, universities, anchor institutions and supply chains to increase collaboration, market access and private-sector participation.
	Industry Partnerships & Shared Access Model	Partner with universities, industry and equipment providers to make specialist infrastructure and kit accessible to businesses through affordable, flexible access models.
4. Long-term pipeline	**Future Creative Technology Infrastructure**	Develop case for larger-scale specialist infrastructure once demand, technology requirements, partners and sustainable operating models established.
	Creative Places Regeneration	Develop creative neighbourhoods through affordable workspace, heritage regeneration, strategic property acquisition and mixed-use development (subject to demand/feasibility).
	Visitor Economy Infrastructure	Explore complementary hospitality, immersive events space and accommodation infrastructure that can support future creative-sector growth and place development.

INTERVENTIONS OUT OF SCOPE		
Project / Intervention	**One-line Descriptor**	What is underway and why it is out of scope of this review
Connected Creative Places (digital)	Deliver targeted digital infrastructure improvements that make creative hubs connected.	£3m investment in digital connectivity committed
Digital & Creative	Establish a single front door for investment, business support, commercialisation support, inward investment and promotion of the IZ.	Virtual Embassy to be delivered via IZ revenue funding
Cluster Activation & Brand Development	Build a nationally recognised IZ through coordinated events, networking, marketing and industry engagement.	Cluster activation activity to be funded by IZ revenue funding.

Interventions Summary

While the review considers the wider set of interventions required to support the IZ ambition, the primary focus of this assessment is the prioritisation of capital investment opportunities for the IZ capital envelope. Programme, ecosystem and longer-term pipeline interventions are therefore considered as enabling or future opportunities, but are not scored alongside capital projects.

Intervention	Type	Assessment approach	Phase 1 recommendation
Middlesbrough Digital & Creative Enterprise Hub	Capital	Capital prioritisation	**Priority investment**
Hartlepool Creative Production Hub	Capital	Capital prioritisation	**Priority investment**
Public Realm & Wayfinding	Capital	Capital prioritisation	**Targeted investment**
Shared Creative Technology Infrastructure & Equipment	Capital	Capital prioritisation	**Priority / targeted investment**
Business Growth & Creative Programmes	Programme / revenue	Enabling activity assessment	**Core enabling activity**
Digital Life Access Programme	Programme / revenue	Enabling activity assessment	**Targeted pilot**
Creative Ecosystem & Supply Chain Development	Ecosystem	Ecosystem assessment	**Core enabling activity**
Industry Partnerships & Shared Access Model	Ecosystem	Ecosystem assessment	**Core enabling activity**
Future Creative Technology Infrastructure	Long-term pipeline	Pipeline maturity assessment	**Develop business case**
Creative Places & Cultural Regeneration	Long-term pipeline	Pipeline maturity assessment	**Retain / develop evidence base**
Visitor Economy Infrastructure	Long-term pipeline	Pipeline maturity assessment	**Monitor / explore**

Teesside Airport Business Suite
Teesside International Airport
Darlington DL2 1NJ

01325 792 600
www.teesvalley-ca.gov.uk

Follow us @TeesValley_Biz



TEES VALLEY

Cabinet

Tees Valley Combined Authority

Date			25 September 2026	
Agenda Item			19	
Report Title			Tees-Humber Local Innovation Partnership Fund	
Accountable Cabinet Member			**Mayor Chris Cooke** Portfolio Holder for Finance, Organisational Improvement and Business Growth.	
Accountable Chief Officer			**Sarah Walker** TVCA Director of Business Solutions	
Accountable Employee			**Chris Rowell** TVCA Head of Net Zero	
Report considered by			Pre-Cabinet Process A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 11 September 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	**NOTE** the update on the joint Tees-Humber Local Innovation Partnership, its purpose, progress to date, proposed activities, and future milestones.
B	**NOTE** the strategic opportunity presented by the Local Innovation Partnership Fund (LIPF), the strength of business demand, the governance position, and the programme timetable.

C	**ENDORSE** the programme position and continued participation in the LIPF and Triple Helix process to help secure a deliverable, investable and balanced portfolio that maximises benefits for the Tees Valley.

Purpose	
1.	The purpose of this report is to provide Cabinet with an update on the Tees-Humber Local Innovation Partnership Fund programme and to seek endorsement for TVCA's continued participation in the partnership and associated governance arrangements.
2.	This opportunity directly supports delivery of the Tees Valley Local Growth Plan by strengthening one of the region's nationally important growth sectors and translating industrial, innovation and clean energy assets into new investment, higher productivity and good quality jobs.
3.	The UK Research and Innovation (UKRI) Local Innovation Partnerships Fund (LIPF) presents an opportunity to accelerate clean energy innovation, industrial decarbonisation and commercialisation across the Tees-Humber cluster, building on established regional strengths and supporting collaboration between business, academia and the public sector.
Executive Summary	
4.	The UKRI LIPF is a £500 million programme designed to support high-potential innovation clusters through place-based investment and collaboration. Following submission into a competitive process of separate proposals by Tees Valley and Humber, UKRI invited both areas to develop a joint proposition focused on clean energy innovation and industrial decarbonisation, supported by a combined £30 million allocation. The resulting Tees-Humber Clean Energy Innovation Partnership has been developed around five workstreams: Offshore Wind, Hydrogen, Waste-to-X and Sustainable Fuels, Carbon Capture, Utilisation and Storage (CCUS), and Cluster Development and Ecosystem Growth.
5.	The proposed programme builds on previous innovation activity across Tees Valley, including TVCA's investment in the Net Zero Industry Innovation Centre, delivery of the Tees Valley Net Zero Launchpad and the priorities identified within the Innovate UK Tees Valley Local Action Plan. It seeks to strengthen innovation capability, support commercialisation, attract investment and accelerate growth within sectors identified as regional strengths, whilst contributing to the objectives of the Tees Valley Local Growth Plan.
6.	Industry engagement has demonstrated significant demand for the programme, with 43 Expressions of Interest received from 40 businesses seeking approximately £155.1 million of support against the available £30 million allocation. The submitted projects represent a substantial pipeline of innovation opportunities across the

	clean energy and industrial decarbonisation sectors. This report provides Cabinet with an update on programme development and seeks support for TVCA's continued participation in the partnership as the programme progresses towards UKRI consideration and implementation.
	The Opportunity
7.	The Tees-Humber Clean Energy Innovation Partnership has been developed in response to UK Research and Innovation's (UKRI) Local Innovation Partnerships Fund (LIPF), which seeks to accelerate innovation-led economic growth through place-based investment in high-potential innovation clusters.
8.	The Local Innovation Partnership Fund was developed by UKRI in two strands: the Earmarked Strand and the Competed Strand, announced in October 2025. The Earmarked Strand was awarded to ten established mayoral combined authorities, for which TVCA was not eligible. Tees Valley therefore entered the Competed Strand, through which places could bid for up to £20m.
9.	There was a requirement to adopt a Triple Helix approach, and a board was formed, led by Teesside University, comprising TVCA, local authority representatives, universities and industry partners from across the Tees Valley region.
10.	Tees Valley engaged with other regions and clusters during the initial bidding process to identify areas of strategic alignment, including discussions with Humber and South West Wales. The evidence base and workshops led by Teesside University and supported by the Triple Helix Board identified Clean Energy as Tees Valley's strongest innovation opportunity, reflecting the region's industrial base, innovation assets and economic strengths.
11.	Tees Valley and Humber initially progressed separate proposals through the UKRI process. Following assessment, UKRI identified significant alignment between the two areas, including complementary industrial strengths and innovation opportunities, and invited both regions to develop a joint proposition focused on clean energy innovation and industrial decarbonisation. A combined allocation of up to £30m has subsequently been made available, subject to UKRI approval of the proposed portfolio.
12.	Analysis and industry engagement identified complementary strengths across the two regions. Tees Valley demonstrated particular strengths in Waste-to-X and Carbon Capture, Utilisation and Storage (CCUS), while the Humber proposition focused on Hydrogen and Offshore Wind. Both areas identified the importance of wider cluster support activities, including skills, commercialisation and supply chain development.

	Programme Development Process
13.	Following UKRI's invitation to develop a joint programme in April 2026, a cross-boundary project development team was established comprising representatives from both combined authorities, universities and business engagement teams.
14.	To identify potential projects, an Expression of Interest (EOI) process was launched on 7th July 2026 across the partnership area. The process was informed by earlier industry engagement activity and designed to identify projects capable of delivering innovation-led economic growth while meeting UKRI's requirements. A simplified expression of interest form was developed based on UKRI's submission criteria, enabling businesses to provide information in a consistent and proportionate way.
15.	The EOI process remained open for three weeks, allowing sufficient time for assessment, project development, portfolio design and Triple Helix Board consideration ahead of the 7 September submission deadline.
16.	The assessment process was structured around four stages: 1. **What** the project will deliver. 2. **Why** the activity is needed. 3. **How** the project will be delivered. 4. **Impact** generated through innovation, economic growth and commercialisation.
17.	The process considered innovation potential, economic impact, deployment readiness, funding requirements, match funding requirements, deliverability and risk. Around 50% of the assessment weighting focused on deployment and deliverability considerations to support the development of a credible and investable portfolio. Match funding formed an important consideration within portfolio development, demonstrating commercial commitment, improving value for money and increasing confidence in project delivery. This helped shape the balance of projects taken forward and supported the development of a credible and investable portfolio.
18.	Three independent assessment panels were established, each consisting of academic and combined authority representatives from both regions. Assessors were kept independent from project development activity where possible and conflict of interest procedures were implemented throughout the process.
19.	Industry engagement demonstrated significant demand for the programme, with 43 Expressions of Interest received from 40 businesses seeking approximately £155.1m of support against the available £30m allocation. The proposed projects represent a substantial pipeline of innovation opportunities across the clean energy and industrial decarbonisation sectors.
	Proposed Programme
20.	The proposed programme has been developed around five complementary workstreams designed to strengthen innovation capability, support commercialisation, attract investment and enhance long-term cluster competitiveness. Some strands are

	led by large anchor private sector partners with spill over through University collaboration. Others are open access University led approaches building shared facilities with anchor partners. This helps manage risk and ensure match leverage is maximised.
	Offshore Wind Innovation – Humber Lead
21.	The Offshore Wind Innovation workstream is designed to strengthen innovation, manufacturing capability and supply chain competitiveness within the offshore wind sector. The programme will support the development, testing and demonstration of new technologies and processes, helping to accelerate commercialisation and enhance the competitiveness of businesses operating within the offshore wind value chain.
22.	Underpinning the aim to grow the innovation ecosystem of offshore wind turbine manufacture, HATTI will establish two integrated innovation centres: • Aura Innovation Centre for an Anchor company, other OEMs and supply chain companies to innovate, validate and demonstrate technology, • Inno-Lab within the pre-existing blade factory, focussed on deployment of innovations and process improvement
23.	The development of an innovation centre provides an opportunity for the Tees Valley supply chain to work with anchor companies and utilise the resources available to support innovation activity.
24.	Indicative UK benefits include: • UK serviceable markets of £46bn. • Global serviceable markets of £139bn. • Incremental ten-year GVA of £4.9bn to £8.0bn. • Net jobs increase of 1,300 to 2,600.
	Hydrogen Innovation – Humber Lead
25.	The Hydrogen Innovation workstream focuses on supporting the development and deployment of low-carbon hydrogen technologies and associated infrastructure. Activity will concentrate on innovation challenges associated with hydrogen production, system integration, optimisation and end-use applications, helping to accelerate the transition from development to commercial deployment.
26.	The Humber Hydrogen Accelerator will deliver a pipeline of collaborative innovation and demonstration projects involving universities, industrial partners and supply chain businesses across the wider East Coast Cluster. Innovation facilities at the Aura Innovation Centre and DIAM will support trials, simulation, validation and collaboration activities.
27.	Expected benefits include increased investment, supply chain growth, inward investment opportunities and enhanced cluster collaboration across the Tees-Humber partnership area.

	Waste-to-X and Sustainable Fuels – Tees Valley Lead
28.	The Waste-to-X and Sustainable Fuels workstream aims to accelerate the development and commercialisation of technologies that convert waste streams into higher-value products, including sustainable fuels, energy products and circular materials. Activity will support innovation, testing, validation and scale-up while addressing barriers to commercial deployment.
29.	The programme seeks to strengthen the region's position as a centre for sustainable fuels, circular carbon and resource recovery innovation, whilst providing businesses with improved access to facilities, expertise and infrastructure that support technology validation, commercial readiness and investment attraction.
30.	The Circular Carbon & Materials Scale-Up Facility will create a shared innovation asset that supports businesses across the Tees-Humber Cluster to accelerate the development, validation and commercialisation of circular carbon, biochar, recovered materials and advanced manufacturing technologies. Through access to specialist facilities, equipment and technical expertise, the project will reduce barriers to innovation and provide businesses with the evidence required to progress towards commercial deployment.
31.	The Sustainable Fuels & Circular Chemicals Scale-Up and Validation Programme will create a shared innovation capability that supports businesses across the Tees-Humber Cluster to accelerate the development and commercial deployment of sustainable fuels, circular chemicals and Waste-to-X technologies.
32.	Indicative outputs include: **Waste-to-X Facility** • Businesses supported: 30 • Technologies supported: 12 • Collaborative projects: 15 • Private investment leveraged: £4.6m • Follow-on investment unlocked: £11.3m • Jobs created/safeguarded: 20 • New products/process developed: 5 • Businesses accessing facility: 25
33.	**Waste-to-X Validation** • Businesses supported: 25 • Technologies supported: 15 • Collaborative projects: 7 • Private investment leveraged: £10.3m • Follow-on investment unlocked: £171m • Jobs created/safeguarded: 15 • New products/processes developed: 5

	• Businesses accessing facility: 20
	Carbon Capture, Utilisation and Storage (CCUS) - Tees Valley Lead
34.	The CCUS workstream is focused on strengthening innovation capability across carbon capture, utilisation, storage and carbon removal technologies. The programme will support technology development, testing, validation and commercialisation activities through the creation of shared innovation capability and expertise.
35.	The project addresses a significant market failure by providing access to specialist carbon capture and carbon removal infrastructure that would be prohibitively expensive for most businesses to establish independently. By creating a shared testing, validation and demonstration environment, the programme will reduce technical and commercial risk and accelerate deployment.
36.	The CCUS Testbed and Direct Air Capture (DAC) Hub will create a nationally significant innovation asset that supports the development, validation and commercialisation of carbon capture and carbon removal technologies across the Tees-Humber Cluster.
37.	Indicative outputs include: • CCUS/DAC technologies supported: 5 • Collaborative projects: 10 • Private investment leveraged: £18.1m • Follow-on investment unlocked: £178m • Jobs created/safeguarded: 20 • Researchers and engineers engaged: 13 • Technologies progressing towards deployment: 2 • Industrial partners engaged: 10
	Cluster Development and Ecosystem Growth - Joint
38.	The Cluster Development and Ecosystem Growth workstream provides enabling activity that supports the wider programme and strengthens collaboration across the clean energy cluster. Activity will focus on cluster intelligence, systems integration, supply chain development, business growth, workforce development, investment promotion and international engagement.
39.	This workstream builds on previous TVCA investments and activity, including the Innovate UK Launchpad Pilot and the Net Zero Industry Innovation Centre. It is intended to strengthen the long-term innovation ecosystem, improve coordination across the partnership and ensure that innovation activity translates into sustained economic growth, investment and high-value employment opportunities.
	Expected benefits include: • Enhanced cluster-wide planning and coordination. • Increased investment readiness.

	• Faster progression from innovation to deployment. • Improved integration across Hydrogen, CCUS, Waste-to-X and Offshore Wind. • Stronger supply chains and SME growth. • Increased inward investment and international recognition. • Improved workforce planning, skills development and talent retention.
	Tees Valley Impact
40.	This opportunity directly supports delivery of the Tees Valley Local Growth Plan by strengthening one of the region's nationally important growth sectors and translating industrial, innovation and clean energy assets into new investment, higher productivity and good quality jobs.
41.	Across Tees Valley's five Local Growth Plan growth sectors, Clean Energy is the only sector to have grown its business base since 2019. The number of Clean Energy jobs increased by 13% during this period, compared to workforce growth of 3% overall. Employment concentration is the second highest across the five growth sectors, average wages are the second highest at £45.4k, and GVA per job is the highest at £276.2k.
42.	Analysis produced by TVCA using Lightcast data forecasts growth in Clean Energy employment from 4,636 jobs in 2024 to 5,237 jobs in 2034, representing an increase of 601 jobs. Using the average GVA per job, these additional jobs would contribute approximately £166m to the Tees Valley economy each year by 2034.
43.	Given the programme's focus on CCUS and Waste-to-X technologies, it is estimated that around 10-20% of future Clean Energy job growth could be supported through activities associated with the programme. This could equate to between £17m and £33m in additional annual GVA, with wider economic benefits generated through business growth, innovation commercialisation, supply chain development and private investment.
	Governance and Delivery
44.	The programme operates through a Triple Helix governance model bringing together academia, industry and the public sector.
45.	The Tees Valley Triple Helix Board supported development of the original Tees Valley proposition and continues to provide regional strategic input. Following UKRI's invitation to develop a joint programme, a Joint Tees-Humber Triple Helix Board was established with representation from both regions, including representatives from academia, industry and the public sector.
46.	The Joint Triple Helix Board supports programme development and provides recommendations to UKRI. However, it does not make final investment decisions. UKRI remains the decision-making body and will contract directly with project lead organisations. Cabinet is not being asked to approve individual projects but the strategic framework for the programme as one voting member on the Board.

47.	TVCA is represented on the Tees Valley Triple Helix Board by the Director of Business Solutions, who was appointed by the Chief Executive as TVCA's officer representative.
48.	Subject to final portfolio approval, Teesside University is expected to lead the CCUS and Waste-to-X workstreams on behalf of the partnership, whilst Humber partners are expected to lead the Hydrogen and Offshore Wind workstreams. A Programme Management Office will support programme reporting, portfolio coordination, risk management, monitoring and evaluation, compliance and liaison with UKRI.
49.	Detailed implementation and programme management arrangements will continue to be refined with partners and UKRI as the programme progresses from portfolio development into delivery.

The Tees-Humber Local Innovation Partnership Fund Programme

Background

50.	The UK Research and Innovation (UKRI) Local Innovation Partnerships Fund (LIPF) is a £500 million programme designed to support high-potential innovation clusters through place-based investment, collaboration and a Triple Helix delivery model involving business, academia and the public sector.
51.	Tees Valley originally developed a proposal under the competed strand of the LIPF programme. Following assessment, UKRI identified significant alignment between Tees Valley and Humber, including complementary industrial strengths, innovation assets and strategic ambitions focused on clean energy and industrial decarbonisation. As a result, UKRI invited both areas to develop a joint proposition supported by a combined allocation of £30 million. The resulting Tees-Humber Clean Energy Innovation Partnership seeks to accelerate clean energy innovation and industrial decarbonisation across the wider Tees-Humber industrial cluster and is expected to operate through to March 2031.
	Building on our existing innovation strengths
52.	The proposed LIPF programme builds on a number of innovation interventions that have been delivered across Tees Valley in recent years.
53.	TVCA invested £5.2 million towards the £13.8 million Net Zero Industry Innovation Centre (NZIIC), delivered with Teesside University and partners, to establish dedicated research, innovation and business support infrastructure focused on industrial decarbonisation, clean energy, circular economy technologies and industrial digitalisation.
54.	The programme also builds on the success of the Tees Valley Net Zero Launchpad, one of two Innovate UK pilot Launchpads established in 2022. Through the programme, approximately £6 million of Innovate UK funding was made available to support

	innovation-led business growth, with 23 projects across sectors including hydrogen, offshore wind, industrial decarbonisation and recycling receiving support.
55.	These investments were subsequently reflected in the Innovate UK Tees Valley Local Action Plan, which identified net zero, bioscience, digital and advanced manufacturing as priority innovation clusters and set out a shared ambition to increase innovation intensity, commercialisation activity, business growth and inward investment.
56.	The proposed LIPF programme therefore represents a further stage in the development of the region's innovation ecosystem, seeking to translate existing innovation strengths and industrial capabilities into larger-scale commercialisation, deployment and investment opportunities across the clean energy and industrial decarbonisation sectors.
	Previous Governance Arrangements
57.	The Tees Valley Triple Helix Board was established to support the development of the Tees Valley LIPF proposition and provide strategic leadership for innovation across the region.
58.	The Board brings together representatives from industry, academia and the public sector and has supported the development of innovation priorities, funding opportunities and collaborative proposals. Teesside University currently provides secretariat support, and the Board is chaired by a business representative to maintain an industry-led approach to innovation governance. There is an opportunity to bring the Board into TVCA Governance in the future.
	Alternative Options Considered
59.	Separate Tees Valley and Humber proposals were the initial approach. Following UKRI assessment and the invitation to develop a joint proposal, partners progressed a single Tees-Humber programme reflecting the combined opportunity identified by UKRI. A Tees Valley-only proposal is not an option offered by the funder.
60.	Not engaging with the process was also considered. However, this would have resulted in the funding opportunity not being available to the Tees Valley innovation ecosystem and would have meant missing a significant opportunity to support sectors and activities prioritised within the Tees Valley Local Growth Plan.

Timeline

61.

Date	Milestone
October 2025	UKRI launches the Local Innovation Partnerships Fund programme and invites places to develop proposals focused on high-potential innovation clusters.
October 2025	Guidance and process launched.

	January 2026	Tees Valley establishes its Triple Helix Board to support innovation strategy development, funding opportunities and preparation of a Tees Valley LIPF proposition.
	February 2026	Tees Valley and Humber submit separate proposals to the competitive strand of the LIPF programme.
	April 2026	UKRI identifies strong alignment between the two areas and invites both regions to develop a joint Tees-Humber proposal supported by a combined £30 million allocation.
	July 2026	Expressions of Interest process launched to identify potential projects for inclusion in the programme portfolio.
	July 2026	43 Expressions of Interest received from 40 businesses across the Tees Valley and Humber partnership area.
	August 2026	Assessment, appraisal and portfolio development undertaken by the partnership, supported by Triple Helix engagement and UKRI discussions.
	6 August 2026	Tees Valley Triple Helix Board considers and approves approach for joint programme. Portfolio holder and Tees Valley Mayor Briefed.
	7 August 2026	Joint Triple Helix Board consideration of the emerging programme portfolio.
	21 August 2026	Further Joint Triple Helix Board meeting to review the proposed portfolio and provide further strategic input.
	7 September 2026	Submission of the final Tees-Humber investment portfolio to UKRI.
	29 September 2026	UKRI portfolio approval panel.
	October 2026 onwards	Ongoing co-creation activity with UKRI and mobilisation of approved programme activity.
	2026-2031	Delivery period for approved projects within the Tees-Humber Clean Energy Innovation Partnership.
	March 2031	Planned completion of programme delivery.

Cabinet is requested to consider the following identified implications:

Financial Implications

62.	The Tees-Humber Local Innovation Partnership Fund programme is funded by UK Research and Innovation (UKRI) and does not require a financial contribution from TVCA at this stage. Cabinet is not being asked to approve any expenditure or commit additional Combined Authority resources through this report.
63.	Should the programme be approved by UKRI, funding will be managed in accordance with the terms and conditions of the funding agreement and the governance arrangements established for the partnership. TVCA's role is limited to participation in the partnership and associated governance arrangements.
64.	Any future proposals requiring financial support, match funding, capital investment or other resource commitments from TVCA will be subject to separate consideration and approval through the Authority's established governance and decision-making processes.
65.	The programme has the potential to secure up to £30 million of external investment into the Tees-Humber clean energy innovation ecosystem, supporting innovation, commercialisation, business growth and the delivery of the Tees Valley Local Growth Plan.

Legal Implications

66.	Any partnership, collaboration, funding or other forms of agreement in relation to the Tees-Humber Local Innovation Partnership Fund will require review and consideration by TVCA's legal team, with support from specialist external legal advisors if determined necessary by TVCA legal.
67.	Any proposed onward grants of funding to any grant recipient, especially where that grant recipient may be an Enterprise operating in the marketplace will need to be assessed to ensure compliance with the Subsidy Control Act 2022.
68.	Any procurement of consultants, contractors or other service providers undertaken by TVCA will need to comply with the Procurement Act 2023.

Equality & Diversity Implications	
69.	There are no equality and diversity implications attached to the recommendations in this report.

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

Risk	✓	Assurance Framework		Procurement	
Improvement	✓	Environment		HR & IT	

70. **Risk**

High-level risks relate principally to:

a. **UKRI approval, programme deliverability, governance and compliance.** The programme remains subject to UKRI portfolio approval and any subsequent funding agreement, creating a risk that the final scope, funding profile or delivery timetable may change. This will be managed through continued engagement with UKRI, the Tees-Humber partnership and the Triple Helix governance arrangements.

b. **There is a delivery risk arising from the scale and complexity of the proposed multi-partner portfolio,** including dependencies between workstreams, capacity within delivery organisations, match funding requirements, procurement activity and the need to mobilise projects within the programme timetable. These risks will be managed through detailed implementation planning, proportionate due diligence, programme management arrangements, risk reporting and monitoring of milestones, outputs and benefits.

c. **There is also a reputational and benefits realisation risk if the programme does not secure a balanced portfolio for Tees Valley, does not deliver the anticipated economic benefits, or if businesses are unsuccessful following strong market interest.** This will be mitigated through continued representation on the relevant governance boards, clear communications with partners and businesses, and ongoing monitoring of Tees Valley outcomes including investment, commercialisation, supply chain development, skills and jobs.

71. **Improvement**

a. The content of this report supports TVCA's Organisational Improvement Plan by demonstrating the application of improved partnership working, governance, assurance and transparent decision-making in the development of a significant cross-regional innovation programme. The

	report reflects the Improvement Plan themes of Partnerships, Governance, Use of Resources, Culture and Continuous Improvement by setting out the strategic rationale for TVCA's involvement, the role of the Triple Helix model, the approach to business engagement, the assessment and prioritisation process, and the governance arrangements through which TVCA will continue to represent Tees Valley interests. b. In particular, the report evidences a collaborative approach to strategic priority setting by working with the Humber, Teesside University, local authority, academic and industry partners to develop a joint proposition aligned to regional strengths and the Tees Valley Local Growth Plan. It also supports improvement in governance and assurance by clearly explaining the role of the Tees Valley and Tees-Humber Triple Helix Boards, identifying that UKRI remains the accountable funder and final decision-maker, and clarifying that TVCA's role is to participate in the strategic framework and represent Tees Valley interests rather than approve individual projects. c. The report also contributes to continuous improvement by demonstrating an evidence-led and transparent approach to programme development, including use of an Expression of Interest process, independent assessment panels, conflict of interest arrangements, consideration of deliverability and risk, and proposed programme management arrangements. This supports the wider organisational aim of strengthening decision-making, improving confidence in programme delivery, and embedding clearer links between strategic priorities, investment decisions, risk management, benefits realisation and accountability.

Cabinet

Tees Valley Combined Authority

Date			25 September 2026
Agenda Item			20
Report Title			**Workforce Development Programme Update**
Accountable Cabinet Member			**Cllr Lisa Evans** Portfolio Holder for Education, Employment and Skills
Accountable Chief Officer			**Sarah Walker** Director of Business Solutions
Accountable Employee			**Jacqui Banks** Business Solutions Manager (Skills)
Report considered by			Pre-cabinet process A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 11 September 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	**Note:** the update on the Employment and Skills Policy Announcements.
B	**Endorse:** the development of the Tees Valley Workforce Action Plan, as the framework for aligning employment, skills, workforce, health and business support activity across Tees Valley and for preparing the region for future devolved responsibilities.
C	**Endorse:** the establishment of the Tees Valley Jobs & Skills Taskforce to provide strategic leadership, partnership coordination and oversight of workforce priorities across the Tees Valley, noting that formal funding, commissioning and programme decisions will remain subject to the Combined Authority's established governance arrangements.
D	**Note:** the progress of the Adult Skills Fund procurement and the governance and assurance arrangements set out in this report.

E	**Note:** the update on the MSA Apprenticeship Brokerage Pilot.
F	**Note:** the update on the Better Futures Fund.
G	**Note:** the update on the Pathways to Work Innovation Fund.
H	**Note:** the additional funding for the Teacher Industry Exchange programme and the proposed award process.

Purpose

1. This report provides Cabinet with an update on the delivery and development of key Workforce Development programmes being progressed through the Business Solutions Team. It summarises progress against current priorities, identifies emerging funding and partnership opportunities, and sets out the implications for the Tees Valley employment and skills system.

2. Specifically, the report provides updates on:
    - Recent employment and skills policy announcements contained within the Government's *Rewiring the State* Cabinet Statement (July 2026) including those areas that may impact future devolved responsibilities, funding arrangements, and the design and delivery of employment, skills and workforce development programmes across Tees Valley.
    - Tees Valley Workforce Action Plan
    - Adult Skills Fund Procurement
    - Mayoral Strategic Authority (MSA) Apprenticeship Brokerage Pilot
    - Department for Culture, Media and Sport (DCMS) Better Futures Fund
    - Department for Work and Pensions (DWP) £60 million Pathways to Work Innovation Fund
    - Teacher Industry Exchange additional funding

3. The report is intended to ensure Cabinet is informed of key developments, emerging opportunities and associated risks, and to support strategic decision-making on Tees Valley's employment, skills and workforce development priorities.

Executive Summary

4. This report brings together the principal workforce development activity being progressed by the Combined Authority during a period of significant national reform. The Government's direction of travel is towards greater local control of skills, employment support and public service integration. This creates an opportunity for Tees Valley to shape a more coherent, employer-responsive system, while requiring the Authority to maintain strong governance, delivery capacity and readiness for further devolved responsibilities.

5. Alongside immediate commissioning activity, including Adult Skills provision and emerging funding opportunities, officers are developing the Tees Valley Workforce Action Plan which is the delivery plan for the Get Tees Valley Working Plan (agreed by Cabinet in September 2025) and the workforce element of the Tees Valley Local Growth Plan (agreed by Cabinet

in June 2026). The Action Plan will align careers, employment, skills, health and business support around three connected workforce journeys: Preparation, Retention and Progression, and Participation. The Action Plan will support coordinated investment and partnership delivery. The current system comprises multiple funding streams, programmes and delivery partners. Although individual interventions deliver positive outcomes, the overall offer can be difficult for residents and employers to navigate and can create gaps or duplication. The Plan will establish a clearer customer journey and a stronger basis for prioritising and coordinating public investment.

6. It is proposed that the Combined Authority should convene a Tees Valley Jobs & Skills Taskforce chaired by the Tees Valley Mayor to support collaborative development and implementation of the Plan and to maximise impact from future devolution. It will bring together employers, education and training providers, local authorities, health partners, the Department for Work and Pensions, business representatives and other key stakeholders. Formal funding and commissioning decisions will remain within the Combined Authority's established governance and assurance framework or the appropriate funder.

7. The revised Adult Skills Fund procurement was launched on 28 August 2026 following review against the Local Skills Improvement Plan and existing grant-funded provision. The four-lot structure targets legal entitlements, pathways to employment and Skills Bootcamps. A two-stage competitive flexible procedure, cross-functional evaluation, independent moderation and established delegated decision-making arrangements are intended to secure compliant, transparent awards, with contracts expected to commence February 2027.

8. The report also highlights three material external opportunities, illustrating both the scale of opportunity available to Tees Valley and the strategic coordination challenge that the Workforce Plan and Taskforce are intended to address.

9. The Combined Authority has submitted a £9.442m proposal for the national Apprenticeship Brokerage Pilot. The proposal is designed to engage 2,000 SMEs, create 1,750 apprenticeship opportunities and support 1,500 apprenticeship starts by young people aged 16–24, including 600 young people who are not in education, employment or training. The outcome of the national assessment process has been delayed.

10. Better Futures Fund: DCMS are exploring the role of local and regional government, prioritising a place-based approach to the fund's delivery. Any future participation will be subject to confirmation from Government of the delivery model, eligibility, a 1:1 match-funding requirement and local partnership capacity.

11. Pathways to Work Innovation Fund: Officers are considering the potential for a Tees Valley proposal focused on innovative employment support for disabled people and residents with long-term health conditions. Any bid will depend on the final eligibility and assessment criteria, evidence of additionality, partner capacity and alignment with existing provision.

12. A further £132,000 allocation from the Department for Education will support the Teacher Industry Exchange programme (phase 2) linked to the Construction Technical Excellence College.

13. The principal risks are procurement challenge or delay, uncertainty in national funding decisions, capacity pressure arising from simultaneous programme development, and fragmentation if new responsibilities are introduced through separate delivery structures. These risks will be managed through published procurement controls, cross-functional assurance, staged mobilisation, partner engagement and alignment of new activity to the proposed strategic framework and outcomes plan.

14. Cabinet is therefore asked to note progress on the Adult Skills Fund procurement and associated assurance arrangements; endorse the development of the Tees Valley Workforce Action Plan and establishment of the Tees Valley Jobs & Skills Taskforce; and note the additional funding for Teacher Industry Exchange.

Employment and Skills Policy Announcements

15. The employment and skills announcements contained within the Government's *Rewiring the State* Cabinet Statement (July 2026) set out a significant programme of devolution, including greater responsibility for skills, employment support and public service integration for Strategic Authorities and Mayoral Combined Authorities.

16. The reforms are intended to enable local areas to design services around the needs of residents and employers, supporting economic growth and reducing economic inactivity.

17. Key employment and skills announcements include:

- Devolution of 16-19 Skills Funding - The Government has announced its intention to provide Mayoral Strategic Authorities with control of the 16-19 education and skills budget. This will enable local leaders to design and commission technical and vocational education pathways that better reflect local labour market demand and economic priorities.

- Regional Technical and Vocational Pathways - Mayors will be expected to develop locally tailored technical and vocational pathways from age 14 onwards, creating clearer routes into employment, apprenticeships and further learning. This will include an expectation that local areas work with employers to secure high-quality work experience opportunities for young people.

- Greater Integration of Employment, Skills and Health Support - The Statement commits to providing local leaders with greater powers and flexibility to align education, employment, health and wider support services. The objective is to create more integrated pathways into work and learning, particularly for young people and those facing barriers to employment.

- Devolution of Employment Support- The Government has confirmed that employment support responsibilities will be devolved to Mayoral Strategic Authorities. Local areas will be given greater responsibility for procuring and delivering tailored employment programmes, including specialist support for people who are long-term unemployed. This represents a significant shift towards locally designed employment support services.

- Tackling Economic Inactivity - A central aim of the reforms is to enable local areas to reduce youth inactivity and improve labour market participation. The Government expects integrated local employment, skills and health systems to play a key role in supporting more residents into work and addressing local workforce challenges.

- Stronger Employer and Business Engagement - The Statement emphasises the role of employers in shaping local skills provision and workforce development. The proposed reforms are intended to better align education and training delivery with employer demand, supporting productivity, inward investment and economic growth.

Implications for Tees Valley

18. The announcements indicate a continued shift towards greater local control over skills and employment support provision. Subject to further policy detail, the reforms could significantly expand the role of the Tees Valley Mayoral Strategic Authority in shaping post-16 education, employment support, workforce development and the integration of skills, health and economic growth interventions.

19. The proposals align closely with existing regional priorities to address economic inactivity, improve progression into good work, and ensure the skills system responds effectively to employer demand.

20. In addition to announcements in the Rewiring the State – Cabinet Statement, other government funded programmes and initiatives to help employers benefit from meaningful opportunities for young people aged 16 to 24 include:

    - £3,000 Youth Jobs Grant[1] for every person aged 18 to 24 that a business hires across Great Britain who has been looking for work for six months or more, available from June 2026. The Youth Jobs Grant is a separate Scheme to the Jobs Guarantee. While these both come under the Government's Youth Guarantee, they have different objectives and serve different cohorts of young people.

    - Subsidised 6-month jobs through the expanded Jobs Guarantee[2] to create over 90,000 jobs nationally over the next three years.

[1] https://www.gov.uk/government/publications/youth-jobs-grant/youth-jobs-grant-grant-guidance
[2] https://www.business.gov.uk/campaign/recruit-with-jobcentreplus/build-your-future-workforce/

- £2,000 Apprenticeship hiring payment for smaller businesses (non-levy employers), in England, taking on a new apprentice aged 16 to 24, as part of a drive to create 50,000 more apprenticeships for young people (nationally), available from October 2026.

- Fully funded apprenticeship training for smaller businesses (non-levy employers) for apprentices 16 to 21 years old. From August 2026 this will be for all eligible 16 to 24-year-olds.

- £1,000 to support an apprentice in the workplace if, at the start of their apprenticeship training, they are one of the following:

    - 16 to 18 years old (or 15 years old if the apprentice's 16th birthday is between the last Friday of June and 31 August)
    - 19 to 24 years old with an education, health and care (EHC) plan
    - 19 to 24 years old and have been in care

- Free bus travel 24/7 for disabled people - from 1 April 2027, people who hold a disabled bus pass can travel on buses for free, no matter the time of day. This extra support will help to open up access to workplaces, education, training, and other opportunities.

21. In addition, National Grid has also announced a £5m Power Within Employability Fund to support 5,000 young people (nationally) who are not in employment, education or training over the next five years while helping address skills shortages in the energy and infrastructure sectors. The programme is due to start early part of next year (2027). The fund will help participants access a range of support tailored to the needs of young people furthest from the labour market.

Tees Valley Workforce Action Plan

22. The Combined Authority is developing a Tees Valley Workforce Action Plan, which is the delivery plan for the Get Tees Valley Working Plan and the workforce element of the Tees Valley Local Growth Plan, as the framework for aligning employment, skills, careers, health and business support priorities and activity, with the current and future workforce needs of the Tees Valley economy.

23. The Plan will provide a single, evidence-led basis for coordinating investment, strengthening partnership delivery and preparing for further devolution. It responds to the Government's ambition to raise the employment rate to 80%, the expanding role of Strategic Authorities in local labour markets and national reforms intended to join up skills and employment support more closely with employer demand.

24. This strategic approach is required because Tees Valley continues to face persistent labour market challenges, including employment below the national average, high levels of economic inactivity and reported skills shortages. These challenges sit alongside rising

demand for higher-level technical skills, an ageing workforce and unequal employment and skills outcomes between places and communities.

25. The current system includes multiple funding streams, programmes and delivery partners. While individual interventions deliver positive outcomes, the overall offer can be difficult for residents and employers to navigate and can create gaps or duplication. The Plan will provide a clearer customer journey and a stronger basis for prioritising, commissioning and coordinating public investment.

26. The Plan will also provide the mechanism through which national reforms and new devolved responsibilities can be incorporated into a coherent local system, rather than creating separate or competing delivery structures. This includes closer alignment between the Local Skills Improvement Plan, Strategic Authorities, employers and providers, alongside revised post-16 vocational pathways and an increased focus on apprenticeships, youth participation and progression.

27. The proposed vision is:
"A joined-up, evidence-led and employer-responsive workforce system that enables residents to access opportunity, supports employers to secure and develop the workforce they need, and provides the skills required for sustainable and inclusive economic growth across Tees Valley."

28. The Plan therefore represents a shift from managing individual programmes to planning and commissioning a coherent workforce system. It will enable the Combined Authority and partners to anticipate demand, build clearer pathways into priority sectors, support employers to recruit and retain talent, enable residents to enter and progress in work, reduce inequalities and maximise the impact of devolved and national funding.

29. The organising framework for the Tees Valley Workforce Action Plan will be the three connected workforce journeys set out in the Employment and Skills Strategy 2022 and reflected in the Get Tees Valley Working Plan. These journeys provide a structure for supporting residents and employers across the full workforce lifecycle:

    - Preparation – preparing the future workforce
      This journey will strengthen the future talent pipeline through high-quality careers education, employer engagement, work experience and clear technical and vocational pathways, including apprenticeships and T Levels. It will be informed by labour market intelligence and learner insight so that young people understand local opportunities and are equipped to access them.

    - Retention and Progression – retaining, progressing and growing the workforce
      This journey will support productivity and workforce resilience through employer workforce planning, training needs analysis, upskilling and reskilling, apprenticeships, progression to higher-level qualifications and inclusive recruitment and retention practices. It will help employers grow the skills they need while supporting individuals to progress in work.

- Participation – supporting entry and re-entry to the labour market
  This journey will support residents who are unemployed, economically inactive or face barriers to participation. It will align local workforce hubs, adult skills, careers guidance, apprenticeships, sector-based training and health-related employment support with relevant national programmes. Its objective is to increase participation, reduce economic inactivity and enable more residents to benefit from economic growth.

30. Each journey will be supported through a tiered Combined Authority offer:
    - Universal – accessible information, advice and core support available across Tees Valley;
    - Targeted – additional support for priority groups, places and sectors; and
    - Bespoke – tailored interventions responding to specific employer, investment or workforce requirements.

31. This approach will allow current and future programmes to be aligned consistently by identifying the relevant workforce journey and level of offer. It will support a coherent, flexible system and provide clearer routes through support for residents, employers and delivery partners.

32. The Plan will be supported by an outcomes framework and Action Plan, enabling progress to be tracked for residents, employers and the Tees Valley economy. Proposed outcome areas are summarised below.

Residents	Employers	Tees Valley economy
• greater awareness of careers and progression routes; • improved employability and work readiness; • higher participation in employment, apprenticeships and further learning; and • reduced barriers to participation and progression.	• stronger workforce planning and recruitment pipelines; • increased engagement in skills and workforce development; • greater use of apprenticeships and technical pathways; and • improved employee retention and progression.	• higher employment and participation; • reduced economic inactivity and youth disengagement; • improved productivity, earnings and skills supply; • narrower geographical and socio-economic inequalities; and • a coordinated workforce system responsive to growth and investment.

Tees Valley Jobs & Skills Taskforce

33. Given the scale of the opportunity and the pace of devolution, it is proposed that the Combined Authority convenes a Tees Valley Jobs & Skills Taskforce, chaired by the Tees Valley Mayor, to support the collaborative development and implementation of the Tees

Valley Workforce Action Plan. The Taskforce would bring together employers, education and training providers, local authorities, health partners, the Department for Work and Pensions, business representatives and other key stakeholders.

34. The role of the Taskforce will be to:
    - agree a shared regional workforce vision and priorities;
    - oversee implementation and alignment of programmes, funding and emerging devolved responsibilities;
    - strengthen labour market intelligence and identify future workforce requirements linked to major investments and priority sectors;
    - promote a "no wrong door" approach for residents and employers;
    - advise on investment priorities; and
    - monitor delivery, outcomes, risks and strategic impact.

35. The Taskforce would provide strategic leadership, coordination and oversight. It would not replace formal decision-making arrangements but would strengthen partnership alignment around a shared workforce agenda. Formal funding, commissioning and programme decisions would remain within the Combined Authority's established governance and assurance arrangements.

Adult Skills Fund Procurement

36. The Adult Skills Fund procurement launched in January 2026 was withdrawn in May 2026. All bidders were notified and advised that a revised opportunity would be published.

37. Officers reviewed the requirement against the recently published Local Skills Improvement Plan 2026-29 and the provision commissioned through grant-funded providers. This informed a revised opportunity designed to complement existing provision and respond to identified resident and employer needs.

38. The revised opportunity is structured into four lots, enabling provision to be commissioned against distinct priority areas:

    - Lot 1 – Legal Entitlements: English, mathematics and essential digital skills.
    - Lot 2 – Legal Entitlements: first full Level 2 and Level 3 qualifications.
    - Lot 3 – Pathways to Employment.
    - Lot 4 – Skills Bootcamps.

39. Bidders may apply for more than one lot. For each lot, bids must remain within the published maximum award value. The Combined Authority may appoint more than one provider to each lot, subject to the outcome of the evaluation and the available budget.

40. The revised procurement opportunity was launched on 28 August 2026 through the Delta eSourcing portal.

41. The procurement timetable is set out in Table 1.

Table 1 – Adult Skills Fund Procurement Timetable	
Stage	Date(s)and time(s)
Issue CFP Stage 1 (Participation) – Submission Template (Procurement Specific Questionnaire (PSQ))	28th August 2026
Deadline for Clarification Questions for CFP Stage 1	Friday 18th September 2026 (3pm)
Deadline for CFP Stage 1 (Participation) PSQ Submission	Friday 25th September 2026 (5pm)
CFP Stage 1 Evaluation of PSQ	Monday 28th September 2026 – Wednesday 21st October 2026
Notification of result of CFP Stage 1 at PSQ stage	Friday 23rd October 2026
Issue CFP Stage 2 – Invitation to Submit Initial Tenders sent to bidders who passed CFP Stage 1	Wednesday 28th October 2026
Deadline for Clarification Questions for CFP Stage 2	Wednesday 4th November 2026 (3pm)
Deadline for CFP Stage 2 Submission – Initial Tenders	Wednesday 11th November 2026 (3pm)
CFP Stage 2 Evaluation	Thursday 12th November 2026 – Friday 22nd January 2027
Notification of result of CFP Stage 2 Submission	Friday 29th January 2027
Standstill period	Minimum 8 working days – day 1 is when Contract Award notice is published
Expected date of award of Contract(s)	Wednesday 10th February 2027
Contract Mobilisation	February 2027
Expected Contract commencement	Monday 22nd February 2027

42. The procurement is being conducted as a two-stage competitive flexible procedure, enabling proportionate assessment of bidder suitability before evaluation of delivery proposals.

43. Stage 1 – participation and due diligence. The Procurement Specific Questionnaire will assess bidder eligibility and capacity, including:

    - registration on the Central Digital Platform and a valid UK Provider Reference Number;
    - legal and regulatory compliance, including modern slavery, safeguarding and Prevent requirements;
    - financial standing and due diligence;
    - capacity to operate management information systems and submit accurate Individualised Learner Record data;
    - Matrix Standard accreditation and Ofsted status; and
    - declarations relating to any previous contract termination.

    Each bidder will receive an overall Stage 1 outcome of Pass, Pass with Conditions or Fail. Only bidders meeting the participation requirements will proceed to Stage 2.

44. Stage 1 will be evaluated by officers from Procurement, Business Solutions and Legal, with the financial evaluation carried out by an independently procured external specialist service. Finance officers will provide oversight and assurance where required. Conflicts of interest will be managed throughout the process, and a clear audit trail will be maintained to ensure transparency and accountability.

45. Stage 2 – tender evaluation. Bidders will submit proposed skills programmes in accordance with the invitation to tender. Proposals will be assessed against the published criteria in the following areas:
    - Delivery and outcomes – understanding of the regional context; alignment with priorities; accessible delivery arrangements; learner and employer engagement; and credible achievement of outcomes.

    - Delivery plan and rationale – the evidence supporting proposed learning aims, qualification levels, course duration and delivery volumes, together with the rationale for any subcontracting.

    - Organisational capacity, quality and mobilisation – arrangements for maintaining high-quality delivery, timely and accurate data, competent staffing, performance management, reporting and business continuity.

46. Stage 2 will be evaluated by Combined Authority officers, potentially supported by Department for Work and Pensions (TBC) colleagues in Tees Valley, with independent moderation by an external procurement specialist. Evaluation will be undertaken against the published criteria and methodology.

47. In accordance with the delegation approved by Cabinet in December 2025, the final evaluation outcomes and recommended allocations will be agreed by the Combined

Authority Chief Executive and the Tees Valley Mayor, in consultation with the Cabinet Portfolio Holder. Before contract award, participating bidders will receive assessment summaries, and the required contract award notice and standstill process will be completed.

48. 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 Service providers in 2027.

MSA Apprenticeship Brokerage Pilot

49. The Government has committed significant additional investment through the Growth and Skills Levy to expand apprenticeship opportunities for young people aged 16-24 and help employers address critical skills shortages. This reflects a renewed national focus on apprenticeships as a route into skilled employment at a time when apprenticeship participation among young people has declined and the number of young people not in education, employment or training (NEET) has increased significantly.

50. The Government invited Mayoral Strategic Authorities to submit proposals to participate in a national apprenticeship brokerage pilot. The pilot is intended to test how mayoral areas can better connect young people aged 16–24 to local apprenticeship opportunities by aggregating employer demand, coordinating provider capacity and improving the matching of suitable candidates to vacancies.

51. Up to £140m revenue funding is available nationally for 2026/27 to 2028/29, including up to £60m for pilot delivery costs and up to £80m for apprenticeship training and assessment. The national pilot is expected to operate across five to eight MSAs, launch in autumn 2026 and run until March 2029, with each successful MSA able to secure up to £10m.

52. Following Director-level consideration on 1 July 2026, and consultation with the Cabinet portfolio lead, approval was given to submit a full Tees Valley bid and commit officer resource to develop the proposal. In response, Tees Valley Combined Authority submitted a proposal seeking £9.442m over three years to deliver a locally tailored brokerage model aimed at increasing apprenticeship participation amongst young people and supporting greater employer engagement.

Pilot Development

53. The Tees Valley submission proposes an independent, place-based Apprenticeship Brokerage Pilot led by the Combined Authority. It is designed to build on and coordinate, rather than duplicate, existing activity delivered through TVCA and strategic partners and key stakeholders.

54. The submission identifies a strong strategic fit with the Local Growth Plan, Local Skills Improvement Plan and Get Tees Valley Working Plan. It responds to key local challenges, including fragmented employer and learner referral routes, limited dedicated apprenticeship brokerage, high levels of youth disengagement and under-use of apprenticeships by SMEs.

55. The delivery model is structured around three core functions: employer brokerage, young people's brokerage and a Tees Valley Apprenticeship Talent Pool. The proposed brokerage service will create opportunities by identifying workforce needs and generating vacancies; make connections by matching employers, providers and young people through a coordinated pathway and remove barriers through tailored support for recruitment, progression and participation. The Talent Pool will support near-miss referrals, shared vacancy intelligence, sector-based matching and in-work support.

56. The proposed delivery timetable is phased across three years. Year 1 will mobilise and test the model, including governance, recruitment, referral and data-sharing processes, the establishment of an apprenticeship talent pool and initial employer and learner cohorts; Year 2 will scale and embed activity, expanding employer engagement, vacancies, NEET and SEND pathways and partner delivery and Year 3 will sustain and mainstream successful brokerage functions, maximising apprenticeship starts and informing a long-term model.

57. If approved, the pilot is expected to engage 2,000 SMEs, create 1,750 apprenticeship opportunities and support 1,500 apprenticeship starts by young people aged 16-24, including 600 young people currently identified as NEET. The programme would also provide targeted financial support to both employers and young people, helping to address barriers to apprenticeship participation.

58. If successful, the pilot would represent a significant opportunity to strengthen the local apprenticeship system, support economic growth, address skills shortages and increase participation amongst young people, particularly those who face barriers to employment. The programme would position Tees Valley as a national testbed for apprenticeship brokerage and generate valuable learning to inform future skills policy and delivery. Officers will continue to engage with Government and will bring forward any necessary funding acceptance and implementation decisions through the appropriate governance processes.

Timescales

59. The proposal was submitted to the Department for Work and Pensions (DWP) on 13 July 2026. Applicants were originally advised that the outcome of the national assessment process would be announced by 14 August 2026. However, at the time of writing, the outcome has not yet been confirmed.

60. DWP has subsequently advised that there has been a delay to the assessment process, and a revised timetable for announcing the successful pilot areas has not yet been issued.

61. A further report will be submitted to the Combined Authority Cabinet detailing the outcomes of the proposal.

Better Futures Fund

62. On 29 January 2026, the Department for Culture Media and Sport (DCMS) published guidance and information about the Better Futures Fund.

63. The £500 million Better Futures Fund (BFF) will support up to 200,000 children and their families over the next 10 years. It will do this by bringing together government, local communities, charities, social enterprises, investors and philanthropists, to deliver place-based solutions to complex social problems.

64. The funding will primarily be for the commissioning of Social Outcomes Partnerships (SOPs), with government payments tied to the achievement of measurable improvements in people's lives, such as school attainment, improved youth employment, and reduced youth reoffending.

Fund Development

65. DCMS are currently in the final design stages of the fund development in close collaboration with a range of stakeholders from across local government, the impact economy, and civil society.

66. DCMS are exploring the role of local and regional government, prioritising a place-based approach to the fund's delivery. A finalised position on the role of local and regional government in helping to deliver the BFF will be confirmed by summer 2026.

67. The fund will aim to raise another £500 million from local government, social investors, and philanthropists on top of the government's funding, creating total funding of up to £1 billion.

68. Any funding would need to be used to commission Social Outcomes Partnerships (SOPs) locally and would need to be match funded at a ratio 1:1, and be used in line with BFF child poverty policy objectives.

69. Funding would then be received over a seven-year period from 2029/30, providing time to develop the use of partnerships between now and then. Some funding may come before 2029/30 to help develop readiness.

Timescales

70. DCMS are anticipating a two-stage rollout with a dedicated capacity and capability building programme.

71. The first phase is expected to invite bids in Summer 2026 for projects where all partners have a track record of successful social outcomes partnership delivery. This will be followed by a multi-year second phase, anticipated to launch in 2027, designed to significantly scale up the number of social outcomes partnerships and widen participation across the market.

72. DCMS are committed to a 10-year funding lifecycle, ensuring funding is accessible for the duration of the programme.

DWP £60m Pathways to Work Innovation Fund

73. The Government has announced a £60 million Pathways to Work Innovation Fund, designed to stimulate innovative and evidence-based approaches that help disabled people and individuals with long-term health conditions enter, remain in, and progress in employment.

74. The Fund represents a national call to action for organisations across the public, private and voluntary sectors to develop and test ambitious new models of employment support that complement existing provision and improve employment outcomes for those facing health-related barriers to work.

75. Key features of the programme include:

    - An initial £10 million funding competition will open in September 2026, inviting organisations across the UK to bid for funding to pilot genuinely innovative approaches to employment support.

    - Successful projects are expected to commence delivery in early 2027.

    - A second funding round worth £50 million is anticipated to launch in January 2027, with delivery commencing during the 2027/28 financial year.

    - The primary objective is to test and evaluate new interventions that support disabled people and those with long-term health conditions to move into employment, sustain work, and achieve better labour market outcomes.

    - Funded activity must complement and add value to existing provision, including programmes such as Connect to Work and WorkWell. Proposals must not duplicate or displace support already available through these programmes.

    - Individuals engaging with existing employment and health support programmes may also participate in Innovation Fund initiatives where a clear additional benefit can be demonstrated.

    - The Department for Work and Pensions (DWP) has indicated that technology and Artificial Intelligence (AI) are expected to form an important component of many proposals, although innovation will not be limited to digital solutions.

    - Detailed eligibility criteria, assessment requirements and bidding guidance are currently being finalised by DWP and are expected to be published ahead of the September launch.

76. The Innovation Fund presents a significant opportunity for local areas and delivery partners to shape the future of employment support by testing scalable approaches that improve outcomes for people with disabilities and long-term health conditions, while generating evidence to inform future national policy and investment decisions.

Next Steps

77. In advance of the funding competition opening, officers will continue to monitor developments and engage with DWP and regional partners as further details of the Fund become available. Subject to the final eligibility criteria and guidance, partners should review local needs, identify gaps in existing provision, and explore opportunities for collaborative bids involving local authorities, health partners, employers, voluntary sector organisations and technology providers, ensuring any proposals add value alongside existing programmes such as Connect to Work and WorkWell. A further update will be provided when the funding competition formally launches.

Teacher Industry Exchange

78. The Combined Authority has received a further allocation of £132k from the Department for Education to support the Teacher Industry Exchange (TIE) programme that is directly linked to the Construction Technical Excellence College (CTEC).

79. The grant is intended to support:
    - industry professionals to deliver teaching within FE settings; and
    - existing FE construction teachers to undertake industry placements and continuing professional development activity that maintains and enhances sector skills and knowledge.

80. This allocation is for the period 1 April 2026-31 March 2027, and is subject to further allocations for future years, subject to availability.

81. As part of the Memorandum of Understanding (Mou) with the Combined Authority and DfE, the CTEC "spoke" (The ETC) was required to submit a Delivery Plan to the Combined Authority setting out how the TIE funding is to be utilised including outcomes

Partnership & Engagement

82. The Cabinet Portfolio holder for Education, Employment and Skills has been briefed on the revised Adult Skills Fund procurement opportunity and the associated delivery, governance and assurance arrangements.

83. The Tees Valley Workforce Action Plan is being developed internally at this stage to establish a clear evidence base, delivery framework and proposed initial priorities. The emerging Plan will subsequently be brought to the Education, Employment and Skills Advisory Group, chaired by the Cabinet Portfolio Holder for Education, Employment and Skills.

84. The MSA Apprenticeship Brokerage Pilot proposal was submitted to the Department for Work and Pensions following the 14th July deadline. The proposal will be brought to the Education, Employment and Skills Advisory Group on 11 September for consideration and feedback.

85. The Pathways to Work Innovation Fund will be presented to the Education, Employment and Skills Advisory Group on 11 September 2026 to ensure members are informed of its objectives, potential benefits and alignment with wider regional education, skills and employment priorities.

86. The establishment of the Jobs & Skills Taskforce will provide a joined up, mechanism to develop partnerships and lead engagement across the whole portfolio.

Cabinet is requested to consider the following identified implications:

Financial Implications

87. The development of the Tees Valley Workforce Action Plan and establishment of the proposed Jobs & Skills Taskforce will be undertaken within existing staffing and budget resources. The Taskforce will provide strategic oversight and coordination only and will not create any additional decision-making or commissioning responsibilities outside existing governance arrangements.

88. The Adult Skills Fund procurement will be funded from the Authority's devolved Adult Skills Fund allocation. Contract awards will be made within the approved budget envelope and in accordance with the procurement, assurance and delegated approval arrangements previously agreed by Cabinet.

89. The Apprenticeship Brokerage Pilot, Better Futures Fund and Pathways to Work Innovation Fund represent potential future funding opportunities. No financial commitment is required from the Combined Authority at this stage. Should any funding applications be successful, further reports will be brought forward to seek approval for funding acceptance and delivery arrangements where required.

90. Participation in the Better Futures Fund may require a 1:1 match funding contribution and the commissioning of Social Outcomes Partnerships. The financial implications of any future involvement will be assessed once the Government confirms the final delivery model, eligibility criteria and funding requirements.

91. The Department for Education has awarded a further £132,000 grant allocation for the Teacher Industry Exchange programme for the period 1 April 2026 to 31 March 2027. The funding is fully grant funded and will be used in accordance with the agreed Memorandum of Understanding and approved Delivery Plan.

92. At this stage there are no additional unbudgeted financial pressures arising directly from the recommendations contained within this report. Any future financial implications resulting from new devolved responsibilities, funding opportunities or programme developments will be reported through the appropriate governance and budget-setting processes.

Legal Implications

93.	There are no legal implications in respect of this report, where requirements for support though legal advice on grants or funding is required, support will be available through legal services

Equality & Diversity Implications

94. The proposals are expected to have a positive equality impact by widening access to employment, skills and apprenticeship opportunities, particularly for residents who experience barriers to participation or progression.

95. Commissioned providers will be required to deliver accessible and inclusive provision, comply with relevant equality duties, and monitor participation and outcomes to identify and address any differential impacts.

96. Equality considerations will be embedded within programme design, procurement, mobilisation and performance management, with proportionate equality impact assessments completed as individual programmes and delivery arrangements are developed.

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

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

Procurement

97. The procurement is being conducted under a competitive flexible procedure. The staged approach separates participation, and due diligence checks from evaluation of delivery proposals. Published criteria and methodology, cross-functional evaluation, declarations and management of conflicts of interest, independent moderation, assessment summaries and the statutory award and standstill process will support fairness, transparency and a robust audit trail.

Risks

98. Procurement: Challenge or delay could affect contract award and mobilisation.

99. Funding: National funding decisions may be delayed or subject to additional conditions.

100. Capacity: Concurrent programme development and mobilisation may place pressure on resources.

101. Delivery: New responsibilities could create fragmented delivery arrangements.

102.	Mitigation: Risks will be managed through established governance and assurance, cross-functional oversight, due diligence, staged mobilisation, partner engagement and regular monitoring. Material changes will be escalated through the appropriate governance route.

Improvement

103. The proposals in this report support delivery of the Tees Valley Combined Authority Improvement Plan by strengthening strategic coordination, partnership working and organisational readiness for further devolution.

104. The Tees Valley Workforce Plan will provide a clear framework for aligning employment, skills and workforce investment, while the proposed Jobs & Skills Taskforce will improve collaboration across key partners and support more effective delivery of regional priorities.

105. The Adult Skills Fund procurement and associated assurance arrangements demonstrate a commitment to robust governance, transparency and evidence-led decision making.

106. Collectively, the proposals will help create a more coordinated workforce system, improve outcomes for residents and employers, and strengthen the Combined Authority's capacity to deliver future devolved responsibilities.

Cabinet

Tees Valley Combined Authority

Date			25 September 2026
Agenda Item			21
Report Title			**Strategic Place Partnership**
Accountable Cabinet Member			**Mayor Ben Houchen** Portfolio Holder: Investment, Housing & Planning & Development Corporations
Accountable Chief Officer			**Jonathan Spruce** TVCA Director of Infrastructure
Accountable Employee			**Elaine Fryett** TVCA Interim Head of Investment Development
Report considered by			A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 11 September 2026.
Key Decision	Yes X	No	This is a Key Decision on the basis that 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).
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	**RECEIVE** an update on the development of the Strategic Place Partnership with Homes England.

B	**APPROVE** the Partnership Business Plan and associated governance arrangements.

Purpose

This report provides Cabinet with:

a. an overview of the proposed Strategic Place Partnership (SPP) with Homes England; and
b. a recommendation to approve the Partnership Business Plan and associated governance arrangements.

Background

1. The *English Devolution and Community Empowerment Act April 2026* sets out a framework for Homes England to work with Mayoral Strategic Authorities, including Tees Valley Combined Authority, to develop Strategic Place Partnerships (SPP). The SPP model is intended to strengthen collaboration at sub-regional level, particularly in areas with significant ambitions for place-based growth and regeneration. In addition to working with the Combined Authority and local authorities, engagement is also taking place with the Tees Valley Housing Partnership.

2. The SPP will address key challenges and opportunities across the Tees Valley, supporting housing delivery as part of a broader strategic approach to economic regeneration, infrastructure planning and placemaking. It will support improvements in the supply, diversity and affordability of housing, helping to provide the right homes in the right locations, meet local need, and attract and retain talent for the region's growing industries. This will be delivered through a Partnership Business Plan and as part of an integrated approach with the Local Growth Plan and through the emerging Spatial Development Strategy for the region.

Executive Summary

3. Homes England has identified the Tees Valley as a priority location for a Strategic Place Partnership, reflecting the area's significant opportunities for housing-led, mixed-use regeneration and growth. The Partnership will provide a formal framework for Homes England, the Combined Authority, local authorities and the Tees Valley Housing Partnership to align priorities, capacity and expertise to unlock strategic housing sites, support brownfield regeneration and strengthen the housing pipeline. Cabinet is asked to note progress to date and approve the Partnership Business Plan and associated governance arrangements, which will guide delivery and provide oversight through the agreed SPP governance structure.

Partnership Business Plan & Governance

4. The Partnership Business Plan at **Appendix 1** sets out the SPP approach and governance arrangements.
5. Homes England has identified Tees Valley as a place where it can support the creation of vibrant and successful communities, working with local leaders and partners to deliver housing-led, mixed-use regeneration and growth. This includes helping to unlock existing and emerging opportunity sites, many of which are brownfield, have a significant industrial legacy, and face viability challenges linked to comparatively low market values.

6. The Partnership will adopt a brownfield-first approach, addressing challenges including land availability and viability, infrastructure requirements, remediation arising from the area's industrial legacy, town centre regeneration, poor quality housing stock and affordability.

7. A collaborative, place-based approach will strengthen the housing pipeline and support sustainable development across the Tees Valley. This approach recognises the distinct opportunities and challenges of different places and communities, while providing greater choice across the regional housing market and travel-to-work area.

8. Partners have identified three strategic objectives for the SPP, which support the Tees Valley's wider ambitions for housing and regeneration and add value to existing activity.

    - SO1: Unlock strategic housing sites to meet local needs by accelerating the delivery of healthy, accessible and high-quality homes, providing affordable and tenure-diverse options for households across the Tees Valley through a short-, medium- and long-term pipeline.
    - SO2: Create the conditions for increased housing investment and delivery in the Tees Valley by diversifying delivery models, strengthening partnership working and enabling innovation.
    - SO3: Support town centre regeneration and renewal through high-quality residential development, helping to create vibrant and attractive places to live, work and visit.

9. A series of spatial and thematic focus areas has been identified where targeted, upfront public sector intervention can help create the conditions for private sector investment. Within these areas, the SPP will identify interventions that address market failure, unlock development potential, and support regeneration and housing growth. The Business Plan also includes case studies demonstrating how targeted, collaborative intervention can accelerate delivery, stimulate investment and support the creation of high-quality places.

10. Homes England and Tees Valley partners have an established track record of collaboration across several key projects. The SPP will build on this by identifying

opportunities and focus areas at sufficient scale to support shared strategic objectives. The SPP will add value by:

i. supporting place-based working to identify and develop key housing regeneration and delivery opportunities, build a pipeline of sites, and unlock projects within focus areas where market failure is constraining delivery;

ii. aligning collective resources, capacity and expertise at an early stage in project development, while reducing duplication across workstreams and focus areas;

iii. identifying short-, medium- and long-term investment opportunities and providing a platform for engagement with private sector partners and Registered Providers, underpinned by a shared ambition for places and communities;

iv. allocating resources to develop investment-ready strategic propositions, including transformational projects, to support access to capital funding and delivery;

v. aligning partner tools, enabling activity and existing or future investment, noting that the SPP does not guarantee investment and that investment decisions will continue to be made through each partner's approval processes; and

vi. formalising the intent of the SPP through Terms of Reference and a robust governance structure, ensuring senior-level engagement to provide leadership, advice, strategic direction and oversight of the Partnership's programme. Further governance information is provided at section 4.5 and Appendix 2.

11. The SPP Partnership Business Plan is underpinned by a Delivery and Resource Plan setting out activity against the three strategic objectives, including responsibilities and timescales. Progress will be monitored through the agreed governance structure.

12. The SPP Board will sit within the governance of Tees Valley Combined Authority's Housing Portfolio and comprise senior executive-level representatives from the Combined Authority, Homes England and the Tees Valley Housing Partnership. The Board will agree the SPP Business and Delivery Plans for onward approval through Homes England and Combined Authority governance, monitor delivery, and act as an escalation forum for project-level delivery and resource allocation issues. The Board will operate in an advisory capacity, with investment decisions taken through the relevant partners' existing governance arrangements.

13. An SPP Senior Officer Group will report to the SPP Board and comprise senior officers from Homes England, Tees Valley Combined Authority, the local authorities and the Tees Valley Housing Partnership. It will prepare and report against the SPP Business and Delivery Plans, submit a single joint pipeline to the SPP Board for agreement, determine appropriate funding routes for projects requiring decisions or escalation,

provide direction to SPP Working Groups, and escalate matters to the SPP Board as required.

14. The Board and Senior Officer Group will be supported by SPP Working Groups, which will drive delivery and progress key workstream objectives. Homes England regional SPP lead(s), with partner support, will manage these groups, coordinate activity and ensure alignment with the wider pipeline and project delivery priorities set out in the SPP Delivery Plan. The Working Groups will take forward agreed workstreams and report progress to the Senior Officer Group.

Cabinet is requested to consider the following identified implications:

Financial Implications

15. The Strategic Place Partnership (SPP) does not create any direct financial commitment for the Combined Authority or partner organisations. The Partnership is intended to provide a framework for collaboration, aligning resources, expertise and investment priorities across Homes England, the Combined Authority, local authorities and the Tees Valley Housing Partnership.

    Delivery of the SPP Business Plan and associated governance arrangements will be undertaken using existing staff resources from participating organisations. Any costs associated with programme management, project development and partner engagement will be met from existing budgets unless otherwise approved through the relevant governance processes.

    The SPP may support the development of future funding and investment opportunities, including the preparation of business cases and bids for Homes England, Government and other external funding programmes. However, the Partnership does not guarantee funding or investment, and any future financial commitments, grant agreements or capital investment proposals will be subject to separate approval through the appropriate governance and assurance arrangements of the relevant organisation.

    The Partnership is expected to strengthen the Tees Valley's ability to attract external investment and secure funding to support housing delivery, brownfield regeneration, infrastructure improvements and town centre renewal. Any financial risks arising from individual projects will be assessed and managed as part of the development and approval of those schemes.

    At this stage there are no additional unbudgeted financial pressures arising directly from the recommendations contained within this report. Any future resource requirements associated with the delivery of specific projects or

	interventions identified through the SPP will be reported separately for consideration and approval.

Legal Implications

16.	Any written agreements between TVCA, Homes England and the other local authorities (whether legally binding or not) will require review by TVCA's legal team. Any proposed onward grants of funding to any grant recipient, especially where that grant recipient may be an Enterprise operating in the marketplace will need to be assessed to ensure compliance with the Subsidy Control Act 2022. Any procurement of consultants, contractors or other service providers undertaken by TVCA will need to comply with the Procurement Act 2023.

Equality & Diversity Implications

17.	There are no impact on groups of people with protected characteristics arising from the recommendations in this report.

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

Risk		Assurance Framework		Procurement	
Improvement	X	Environment		HR & IT	

18.	**Improvement** The identification of schemes from the Strategic Place Partnership Pipeline supports our commitment to implement a collaborative approach to long-term priority setting and planning as set out in the Organisational Improvement Plan.

Homes England

TEES VALLEY

CONFIDENTIAL

Tees Valley Strategic Place Partnership

Partnership Business Plan

Homes England and Tees Valley Combined Authority

Strategic Place Partnership - Partnership Business Plan Executive Summary

The English Devolution White Paper (December 2024) sets out a commitment to Mayoral Strategic Authorities, such as Tees Valley Combined Authority, for Homes England to work with them to develop a Strategic Place Partnership (SPP). The SPP is a model developed by Homes England to enable greater collaboration and partnership working at a sub-regional scale, recognising those places such as the Tees Valley, with ambitious proposals for place-based growth and regeneration. In addition to working with the Combined Authority and Local Authorities, we are actively engaging with the Tees Valley Housing Partnership.

Tees Valley is a region with a strong heritage, industrial history and a distinctive cultural and lifestyle offer. Its communities play an important role in shaping the region and will continue to influence its future development.

The pride, spirit and hospitality evident across Tees Valley's communities contribute significantly to the character of the region. Tees Valley is also home to a new generation of creators, makers and doers who are helping to shape its future. However, there remains an opportunity to support improved outcomes for people across the region, whether they live in urban centres, rural communities or coastal areas, enabling them to realise their potential and enhance their quality of life.

Through continued collaboration between partners, there is an opportunity over the coming decade to drive positive change and support Tees Valley's ambition to be recognised as a prosperous region with a growing economy, thriving places, strong communities and remarkable businesses.

The SPP will seek to overcome specific challenges and maximise opportunities across the Tees Valley to support the delivery of housing as an integral part of a strategic approach to economic regeneration, infrastructure planning and place making. Collectively, we need to improve and increase the supply and diversity in the housing mix across Tees Valley, including accelerating the delivery of affordable homes. We will do this by providing the right homes in the right locations, meeting local need and attracting and retaining talent for our growing industries as part of an integrated Local Growth Plan and spatial planning approach through our emerging Spatial Development Strategy for the region. We will:

"...accelerate the supply of good quality homes across the whole housing market, revitalise our town centres and urban core, bring forward surplus public and blighted brownfield land for development".

This ambition is underpinned by the five high level local growth priorities and three shared priorities of the **Tees Valley Local Growth Plan – Our Plan for Regional Prosperity**:

CONFIDENTIAL

High-level Local Growth Priorities

1 **Grow our globally competitive modern industrial and technology cluster and enabling Advanced Manufacturing sector by** securing further investment, deepening our innovation expertise and attracting and retaining talent.

2 **Accelerate our rapidly growing digital cluster and creative cluster** by securing further investment, growing our business base and attracting and retaining talent.

3 **Diversify and drive the growth of our foundational economy** by increasing business density and developing the skills of our people to get more people into work.

4 **Create the environment for growth and accelerate regeneration** of our communities making Tees Valley an attractive place to live, study, work, invest and visit

5 **Accelerate the development** of strategic transport, energy, digital and housing infrastructure to maximise the potential of our growth opportunities and create the environment for growth.

Shared Priorities

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. Addressing this will require HMG and TVCA to work together to explore actions. This would deliver a more joined-up approach which addresses local workforce challenges, providing the talent pipeline for key growth sectors.

B Transport

Improve transport accessibility and travel experiences to better connect workers across the region to employment and industrial sites. Addressing this will require HMG and TVCA to work together to explore actions. This would support residents to access more economic opportunities, with businesses better able to attract talent across a wider geography and facilitate growth and inward investment.

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. Addressing this will require HMG and TVCA to work together to explore actions. This would provide the foundations for greater business investment and expand the available talent pool for business, boosting growth and productivity in key sectors.

The ambition and strategic priorities of the Tees Valley align firmly with Homes England's overarching mission and objectives to:

"enable the delivery of high-quality, safe and sustainable homes and vibrant, inclusive communities…unlock housing and regeneration opportunities, transform the housing market and drive innovation for lasting impact"

(Homes England Strategic Plan, 2025).

Through this SPP, Homes England has identified that the Tees Valley is a place where it can support the creation of vibrant and successful places, working with local leaders and other partners to deliver housing-led, mixed-use regeneration and growth. This will include helping to unlock the Tees Valley's existing and emerging opportunity sites, many of which are brownfield with a heavy industrial history, as well as low values compared to other regions.

We will take a brownfield first approach, overcoming challenges including land availability/viability, infrastructure requirements, land remediation due to our industrial legacy, town centre regeneration, poor quality housing stock and crucially, affordability.

We can achieve more through working together in partnership. The development of our housing pipeline and a sustainable, place-based approach to development, recognises the potential opportunities of our different places and communities across the Tees Valley, providing choice across the region and in our housing market and travel to work areas, as well as responding to different challenges in communities.

Working together, we have identified three strategic objectives of the SPP that support the Tees Valley's wider ambition for housing and regeneration, adding value to the work already happening.

SO1	Unlock strategic housing sites to meet local needs by accelerating the delivery of healthy, accessible, high-quality homes. These homes will offer affordability and tenure choice to people at all income levels across the Tees Valley, through a pipeline of short, medium and long-term proposals
SO2	Create the right conditions to encourage investment and development in housing delivery in the Tees Valley, by diversifying delivery models, developing partnership working and enabling innovation
SO3	Contribute to the regeneration and renewal of our town centres through the development of high-quality living accommodation, helping to create vibrant and attractive places to live, work and play

CONFIDENTIAL

We have identified a series of Spatial and Thematic Focus Areas where targeted, upfront public sector intervention can help create the conditions for private sector investment, enabling coordinated action that will unlock development potential and transform places across the Tees Valley. Within these areas, the SPP will pinpoint interventions that deliver tangible positive impacts, address market failure, and catalyse regeneration and housing growth, ensuring our efforts contribute directly to achieving the SPP's strategic objectives. Throughout the Business Plan we also highlight a number of case studies that demonstrate how targeted, collaborative intervention can help accelerate delivery, stimulate investment, and support the creation of vibrant, high-quality places.

Homes England and the Tees Valley have a successful track record of working together across several key projects, making a difference locally. This SPP will take existing collaboration to the next level, through identifying and working together on opportunities and focus areas, which provide scale and contribute towards meeting shared strategic objectives. The SPP will add value by:

- Place-based working, identifying and developing key opportunities for housing regeneration and delivery through building a pipeline of sites and unlocking projects within focus areas that overcome market failure.
- Aligning our collective internal resources, drawing on the capacity, strengths, capability and expertise of each partner at an early stage in project development, and reducing duplication across workstreams and focus areas.
- Identifying early, mid- and longer-term opportunities to invest, and to provide a platform to take forward with private sector partners and Registered Providers (RPs), underpinned by a shared ambition for our places and communities.
- Allocating resources to develop investment ready, strategic propositions including transformational projects, to access capital funds and achieve delivery.
- Aligning our tools, including enabling activity and existing and new investment (noting that the SPP does not guarantee investment and investment decisions will continue to be taken by each partners approval processes).

Formalising the intent of the SPP by establishing Terms of Reference and a robust governance structure – ensuring senior level engagement to provide leadership, advice, strategic direction and to oversee the delivery of the Partnership's programme across the region. More information on governance is included at 4.5 and Appendix 2.

The SPP Partnership Business Plan is underpinned by a Delivery and Resource Plan focusing on the three strategic objectives, and who will do what and when to ensure delivery. These will be monitored in line with the governance structure and requirements.

Sitting within the governance of Tees Valley Combined Authority's Housing Portfolio, the SPP Board will comprise senior executive level representatives from the Combined Authority, Homes England and the Tees Valley Housing Partnership. The Board will agree the SPP Business

CONFIDENTIAL

and Delivery Plans (for onward submission to Homes England and Tees Valley Combined Authority governance for approval), monitor delivery against these plans, and act as an escalation forum for project level delivery and resource allocation challenges. The Board will operate in an advisory capacity, with investment decisions taken through the existing governance structures of the relevant SPP partners.

An SPP Senior Officer Group will report into the SPP Board and will comprise senior officers from Homes England, Tees Valley Combined Authority, the individual Local Authorities and the Tees Valley Housing Partnership. It will be responsible for preparing and reporting against the SPP Business and Delivery Plans, submitting a single, joint pipeline to the SPP Board for agreement, and determining appropriate funding routes for projects requiring decisions or escalation. It will also provide direction to SPP Working Groups and escalate matters to the SPP Board as required.

The Board and Senior Officer Group will be supported by a number of SPP Working Groups, which will drive delivery and progress key workstream objectives. Homes England regional SPP lead(s) will manage these groups, with support from partners, coordinating activity and ensuring alignment with wider pipeline and project delivery priorities set out in the SPP Delivery Plan. The Working Groups will take forward specific workstreams identified in the SPP Business and Delivery Plans and report to the Senior Officer Group, providing updates on progress against key priorities.

CONFIDENTIAL

Tees Valley Strategic Place Partnership Business Plan

1. Introduction

1.1. The Tees Valley

The Tees Valley is made up of five Local Authorities: Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees-on-Tees. Collectively, the 5 boroughs contribute £19 billion to the national economy. 713,000 people live in Tees Valley with a GVA at approximately £55,300 per job filled. 10,671 direct jobs and more than £900 million have been added to the Tees Valley economy since 2019, demonstrating the significant economic potential of the region. It is home to almost 18,000 businesses, with notable sectoral strengths in its globally competitive Modern Industrial and Technology Cluster, which comprises: Clean Energy, Chemical and Process, Bio Engineering, Life Sciences and Advanced Manufacturing, and its emerging Creative and Digital Technologies growth sectors. Significant investment has already been made across its boroughs to ensure the region has the infrastructure to support major investments and continue being an industrial powerhouse.

In October 2015, the five Local Authorities and the Tees Valley Local Enterprise Partnership signed a devolution deal with Government. Tees Valley Combined Authority was launched in April 2016 with a remit to seek to secure investment, create jobs and grow the regional economy. The Tees Valley Devolution Deal provided the transfer of powers for skills and employment, transport, planning and investment from central government to the region. A 30-year agreement worth more than £450 million plus a further £500 million was allocated to invest in local projects over the subsequent five years. Since 2015, this has enabled Tees Valley Combined Authority to create an investment fund with the focus of investments being set out in its Investment Plan.

The Tees Valley Strategic Economic Plan (SEP) (2016-2026) and Investment Plan (2019-2029) aimed to accelerate the supply of high-quality homes across the housing market whilst recognising the current housing offer presents a challenge in attracting skilled and experienced labour into the area.

In 2018, the Ministry of Housing, Communities and Local Government awarded £12.8m to Tees Valley Combined Authority for the first phase of the Housing Growth Corridor; a joint bid between Stockton-on-Tees and Darlington to provide 3,350 houses across two sites. To date, approximately 1,600 homes have been delivered with the remainder expected to be completed by 2027. Work has recently commenced on a transformational £120 million waterfront housing development in Hartlepool. The development is the largest single investment in Hartlepool in over 25 years. A mixed scheme, it develops multiple brownfield sites for housing alongside retail, leisure and medical facilities.

CONFIDENTIAL

1.2. A Strategic Place Partnership for the Tees Valley

The *English Devolution and Community Empowerment Act 2026* provides for the establishment of a formalised Strategic Place Partnership with Homes England and combined authorities at a Mayoral Strategic Authority level, such as in the Tees Valley - building on the successful track record of collaborating with government in the region.

The government will consider potential investment into housing propositions that emerge from the SPP, which is also expected to oversee a programme based on a long-term pipeline of strategic sites across the region.

The Partnership's strategic objectives are set out at page 4 in the Executive Summary.

There is a pressing need to deliver well-designed, future proof homes that are integrated into our regeneration ambitions. Ensuring the right type and mix of housing in the right locations will not only respond to local needs but also play a vital role in attracting and retaining the talent required to support our growing industries. Housing is a fundamental component of mixed-use regeneration, and with public sector support, it can unlock viability and stimulate wider investment.

The Tees Valley continues to face challenges in bringing forward complex and underutilised sites, many of which will not come forward without targeted public sector intervention. Through the SPP, Homes England and Tees Valley Combined Authority are establishing a long-term, coordinated approach to unlock these sites and drive regeneration, sustainable housing growth, and placemaking. This Partnership Business Plan sets out a shared commitment to a pipeline of short, medium, and long-term interventions that will help tackle market failure and support the delivery of a diverse and resilient housing offer across the region.

The SPP is not solely focussed on building more homes, but creating sustainable high-quality places where people want, and can afford, to live, work and play – places across the Tees Valley they are proud to call home.

It requires a long-term commitment and aims to create investible opportunities through shared approaches to:

- Visioning and planning.
- Ensuring tenure choice, diversifying the housing market sector.
- Land assembly and de-risking investment, including through demolition where appropriate.

CONFIDENTIAL

- Investing in connectivity and community infrastructure.
- Taking a holistic approach to enabling comprehensive place-based approaches, that supports net zero, health and quality of life.
- Identifying and actively planning for the links to wider Tees Valley Combined Authority and Local Authority strategic objectives across all portfolio areas.
- Leveraging in private investment.
- Maximising use of statutory powers and economies of scale.

Achieving our objectives will require a range of partners to share our ambition for the Tees Valley. We know that many homes will be delivered by the private sector with no need for public sector support. However, we want to encourage partners to work with us to contribute towards our broader ambition, in line with targeted planning policies including those relating to quality, design and sustainability.

Collaborative working across the public and private sector, and by developing relationships between local, regional and national levels of government is therefore crucial. We will consider how to maximise the benefits of strong, close working with others to shape and deliver housing growth, transformation and regeneration across our region.

CONFIDENTIAL

2. Housing, Regeneration and Place Making in the Tees Valley

2.1. The Ambition

The Tees Valley has a strong and proven record of collaborative working with partners to unlock and deliver significant investment in new homes, including the regeneration of previously developed land. High quality homes and neighbourhoods across the Tees Valley underpin wellbeing and quality of life, and Tees Valley Combined Authority is committed to delivering more and better homes in safe, sustainable neighbourhoods. Alongside new homes, there is a clear need to increase the supply of social and affordable housing. Tees Valley Combined Authority is equally focused on working in partnership to raise standards across the existing housing stock and support the creation of vibrant, attractive places to live.

Through the SPP Board and its Housing Portfolio, Tees Valley Combined Authority will articulate its policy approaches to housing, strategic infrastructure, spatial planning, and regional growth, seeking to:

- Increase housing delivery, including more affordable and social homes and the regeneration of brownfield sites.
- Improve the vitality and resilience of high Streets, town centres and urban cores.
- Accelerate opportunities to reduce carbon emissions by supporting the creation of energy efficient homes, including retrofitting social housing and enabling retrofit across all tenures.
- Work with Local Authorities and partners to improve standards in the private rented sector, setting clear expectations for quality and management.

The SPP will play a key role in driving this ambition, ensuring the delivery of the right homes in the right places to support inclusive economic growth. Crucially, this will not focus on housing in isolation. Instead, the SPP will consider wider placemaking opportunities, including employment and skills facilities, cultural and social infrastructure, green and blue spaces, and strategic transport and highways investment—ensuring each place has what it needs to thrive.

Throughout the Business Plan, case study examples illustrate how coordinated action and partner collaboration can unlock opportunities and accelerate delivery. The added value of the SPP lies in its ability to help overcome long standing challenges on strategic and stalled sites, supporting clean and inclusive growth. By working collaboratively, partners can maximise the impact of statutory powers, relationships, funding tools, delivery vehicles, economies of scale, capacity, and private sector leverage to turn ambition into delivery.

CONFIDENTIAL

The emerging ‘Northgate Masterplan’ seeks to address the need for high-quality town centre living in Darlington. The emergence of the Darlington Economic Campus (DEC) has reinforced the need for a new residential offer in the region, which will attract and retain talent. DEC builds on the long-established presence of DfE and will provide a permanent base for more than 1,000 civil servants in the Town across nine government departments including HM Treasury. Construction is underway and due for completion in Q4 2027, it therefore being crucial the residential scheme is expedited towards delivery, with the public sector engagement and funding necessary to ensure viability.

The scheme is made up of a series of underused brownfield sites in an area that once thrived with an interesting local history. Comprised primarily of a cluster of car parks and underutilised buildings, the location is ideal to create a new sustainable urban neighbourhood which will support the revitalisation of the town centre.

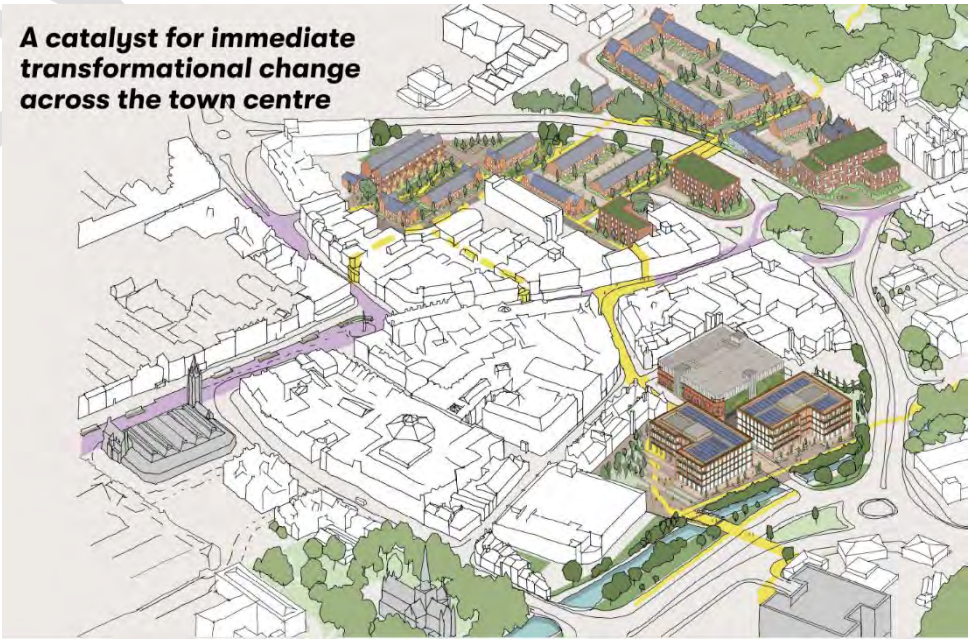
Darlington Borough Council selected Cityheart as its town centre development partner in August 2025. Cityheart is in discussion with a number of leading residential funders / operators including an RP Strategic Partner and award-winning Build-to-Rent specialist, both of whom have been carefully selected for their ability and experience in offering sustainable and affordable town centre living products.

Most of the site usefully sits within council ownership already, and therefore the team have a thorough understanding of site constraints. Moreover, the Council has submitted outline plans for the ‘Kendrew’ street site to further expedite delivery on the northern parcel.

The masterplan proposes a mix of one-, two-and three-bedroom homes, designed to be attractive to working professionals, couples and young families wanting all the benefits of town centre living. The scheme will embrace the highest standards of urban design and deliver significant placemaking and wider community benefit.

The Cityheart partnership is strategizing delivery routes and funding mechanisms for the scheme, whilst collaborating with Homes England to provide vital assistance in land assembly and viability constraints. The goal is to unlock these sites as quickly as possible to capitalise on the economic transformation happening in Darlington.

Creating a new thriving urban neighbourhood for Darlington – to retain talent and revitalise the town centre.



2.2. The Challenges

Overcoming the key housing challenges for the Tees Valley are at the heart of the SPP and will drive forward our collective actions:

Our Industrial Legacy Many of our pipeline sites will require significant remediation to bring them forward for housing and successful places where people want to live, because of their previous industrial use. These sites are often in sustainable locations, well connected to public transport and economic opportunities. Land, which forms strategic sites, is also often in multiple ownerships with collaboration failure. Many of these sites have remained vacant for years and are causing blight to the wider area – negatively impacting on our towns and urban centres. Targeted investment and collaboration will be needed to unlock these, to meet the longer-term ambitions for our region.	**New House Building Targets** The Government's standard method for calculating local housing need provides a minimum number of homes to be planned for. Local Authorities should use the standard method as the starting point when preparing the housing requirement in their plan. There has been some significant uplift to the housing targets set by the new methodology. This is likely to create challenges for some authorities to identify a 5-year housing land supply and to identify a housing pipeline through their local plan reviews.
Existing Housing Stock Within the region, there are numerous areas of older housing stock which are considered end of life and of poor quality, especially in the inner urban areas. There is often a high number of empty and neglected homes, and poorly managed dwellings owned by absentee landlords. There is also a mismatch between the housing stock that is available against the current demands of residents, especially the ability to cater for people as they age.	**Lack of Housing Product and Viability** Within the Tees Valley, certain types of housing product are largely absent e.g. build to rent or purpose-built student accommodation, along with very modest intermediate market products. Given low rents, higher costs and funders assessment of risk is having an impact on yields. This in turn leads to viability concerns. Market making housing schemes are therefore placed in a very challenging position and it could make them unviable.
Strategic Transport/Infrastructure There is a need for investment in the transport network and wider infrastructure to enable housing growth across the Tees Valley. This investment in road, rail and bus could unlock sites of strategic importance. This will help the Local Authorities deliver upon their house building targets. At this moment in time, nutrient neutrality remains a barrier to the delivery of housing and by investing in infrastructure we should be able to provide a solution to this issue.	**Ageing and Health Inequalities** To deliver on the region's economic ambitions, Tees Valley must continue to attract and retain people with the skills required to support emerging employment opportunities. The area faces significant demographic pressures with an ageing population. Around 20% of residents are aged 65 and over, a proportion expected to increase further in the coming years. All Tees Valley Local Authorities are ranked among the top 30 most health-deprived areas nationally, and more than 32,000 households are currently

CONFIDENTIAL

	living in fuel poverty. These challenges reinforce the need to increase the supply of healthy, sustainable homes while also enhancing the overall quality and range of the housing offer. By creating attractive, high-quality places to live, the region can better support inclusive growth, improve health and well-being, and draw new talent to take up the jobs being created across the Tees Valley.
Affordability While the Tees Valley appears to offer comparatively affordable house prices when assessed against national averages, this masks significant underlying challenges. Headline affordability does not fully reflect the realities of income and employment deprivation or the wider cost of living pressures experienced by many households. The region's geographic diversity also affects connectivity, influencing the choices residents can reasonably make about where they live in relation to employment opportunities. These affordability pressures highlight the need to provide the right mix of quality homes in sustainable, well-connected locations. Ensuring that housing supply meets the needs of our communities and supports the wider economy will be critical to delivering inclusive growth across the Tees Valley.	**Regeneration Takes Time** Sustainable regeneration takes time and involves significant consultation with residents and other stakeholders and partners. It requires strong political and executive leadership and support, across multiple spending review periods. It requires significant expertise and capacity which can create a strain on limited staff resources. The SPP will aim to maximise the benefit of the resources available and explore delivery vehicles and investment that bring in private sector expertise, with a collective willingness to drive high quality and sustainable project delivery.

CONFIDENTIAL

Improving road safety and supporting housing and economic growth in Hartlepool: A19 Grade separated junction and link road north of Elwick

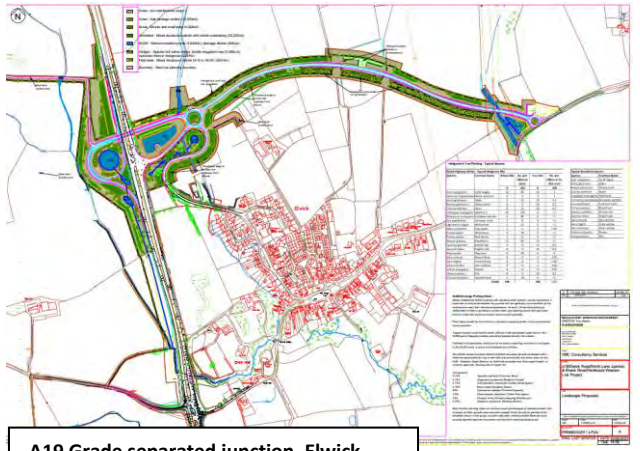
Major improvements to infrastructure are on the horizon that will improve road safety, support housing and economic growth, and reduce traffic congestion. Planning permission was granted in January 2024 for the construction of a new A19 grade separated junction and a new link road, north of Elwick Village.

Located on the A19 between the A179 Sheraton and A689 Wolviston Interchange. The grade separated junction includes an overbridge in the vicinity of the existing A19/North Lane junction, and a single carriageway road to the north of Elwick Village, joining the existing Elwick Road that leads into the urban area of Hartlepool. The scheme will provide a much needed third main route from the A19 into the urban area of Hartlepool.

The scheme will allow for the delivery of housing along the western edge of Hartlepool, whilst providing a better infrastructure network which will in turn reduce congestion on the A689 and A179, the two key access routes into Hartlepool. Business growth, and importantly housing and economic growth can progress without having negative impacts upon Elwick. Traffic flow through Elwick will be reduced, ensuring Elwick maintains its rural charm. Access points to the A19 will be safer which is of paramount importance.

Strategic housing developments such as High Tunstall and Quarry Farm 2 will contribute towards funding of the scheme, along with Tees Valley Combined Authority funding. To date, the council has secured land within the 2018 Hartlepool Local Plan, secured contributions via legal agreements and funding, approved planning permission, and is progressing with the paperwork for a compulsory purchase order to ensure land required can be obtained. The CPO will progress shortly and is expected to be decided in 2026. If confirmed, it is expected that development will start in 2027, taking approximately 18-24 month to complete.

This is a significant infrastructure project for Hartlepool that provides opportunity to improve road safety, maintain the rural charm of Elwick, allow housing delivery, and enhance opportunities for economic growth.



A19 Grade separated junction, Elwick



Elwick Park

Tees Central: A new care and health driven community at the heart of the Tees Valley

Tees Central is a strategic place making opportunity in the heart of the Tees Valley, being one of the largest and most significant rail connected, brownfield regeneration opportunities in the Country.

The Marshalling Yards is 67-hectare former railway sidings, straddling the boundary of two Local Authorities, in both Stockton-on-Tees and Middlesbrough. The site remains in active rail use and is circumnavigated by both freight and passenger lines. To develop the site, rationalisation of rail use must take place and vehicular and pedestrian access secured for residential and commercial redevelopment.

Work has focussed on the rationalisation and improvement of rail connectivity and the development of a high-level master plan to establish the quantum of development that could take place. The site is large enough to accommodate 2-3,000 homes alongside a large quantum of commercial space and clinical facilities, but no fixed uses have yet been established.

The site provides a huge opportunity for the expansion of the economic growth aspirations for Stockton-on-Tees on Tees and would greatly increase the GVA of the Tees Valley economy and create large number of new jobs. It also supports the development of the Tees Valley Care and Health Innovation Zone (TVCHIZ), through enhanced physical linkages to existing and potential new medical and education led development opportunities on Teesdale Business Park, providing a potential platform for significant investment in new clinical facilities at the heart of the Tees Valley.

Early engagement with stakeholders is underway to understand the future of rail on this site with large parts of the site being under-utilised or disused. Partnership working Between Stockton-on-Tees-on-Tees Borough Council, Tees Valley Combined Authority, Platform4 and Homes England continues to explore funding opportunities to facilitate the next stages of work. £150m of strategic transport interventions to unlock the site has been committed by Tees Valley Combined Authority as part of



Image: Tees Central from the north, showing only 50% of the 67-hectare site
Credit: Stockton-on-Tees Council



Image: Tess Valley Care & Health Innovation Zone Illustrative masterplan for Tees Central
Credit: Stockton-on-Tees Council / Arup

2.3. The Opportunities

There is a strong appetite amongst partners to increase the pace and scale of good quality housing delivery across the Tees Valley. The key housing opportunities at the heart of the SPP that will drive forward our collective actions:

Collective Delivery of Housing Growth Local Plans are in place in each local authority. Some authorities are starting the process to review them. In addition, the Combined Authority has commenced the preparation for its Spatial Development Strategy. We have the planning frameworks and policies in place to deliver homes in most/all of the priority spatial focus areas identified in this Plan. And whilst land remediation or viability may present barriers to overcome, our strategic pipeline sites are often in sustainable locations, well connected to public transport and economic opportunities. We are open for business and in partnership through targeted investment and collaboration we will deliver together to unlock sites and meet the longer-term ambitions for our region.	**Place Making – New Housing Products** There is need to create the right conditions to help new housing products come into Tees Valley, which can help stimulate, diversify, change and grow the housing market. These new housing products can help economic growth sectors, such as digital, retain graduates and skilled residents, and deliver economic growth.
Investment in Strategic Infrastructure to Unlock Growth The Local Growth Plan and Strategic Infrastructure Plan are critical drivers to support economic growth across the Tees Valley. Investment in infrastructure can address current market failures and it can benefit housing growth. Working collaboratively with private investors, developers and government departments, we can present opportunities to co-invest, co-develop and consider alternative investment models to bring forward housing development in sustainable locations. Well positioned housing growth, in connected locations will increase the need for large scale infrastructure investment, including enabling active travel and green open space supporting our wider carbon reduction and health and well-being objectives.	**Town Centre Living** We will seek to create opportunities to develop new housing growth on vacant and brownfield within town centres to support the regeneration of our high streets. New residents in town centres are likely to spend money within them and could help stimulate new businesses to bring empty commercial units back into economic use.

CONFIDENTIAL

Diversify the Housing mix and Support Housing Choice We can offer greater housing quality and choice through supporting the provision of a mix of housing that enables private ownership, affordable homes, social housing, market rental and council housing. We will look to work with partners to deliver the right type and tenure of housing in appropriate locations which will provide quality choice for the residents of the Tees Valley.	**Maximise Investment and Enable Land Assembly** Through focussing on shared priorities in our housing pipeline we will unlock sites and provide a catalyst for wider regeneration ambitions. The provision of targeted investment will help to tackle site viability issues where reclamation, topography, land assembly, utilities connections or capacity, and environmental requirements which may inhibit delivery. By demonstrating that developable land is readily available, we can strengthen our position for further public and private sector investment, maximising investment potential and presenting real opportunities for strategic growth.
Exemplar for Partnership in Action Tees Valley is recognised for its people, its culture and its welcoming spirit. Our residents are proud of where they live, and we want every household to have access to a quality choice of housing and safe, warm homes that enable healthier, more resilient communities. By working in partnership with stakeholders, investors, housing providers and the construction sector, we bring the passion and drive needed to deliver meaningful change. We already have a strong track record of partnership working. By harnessing social value, available resources, joint procurement models, sector capabilities and skills development, we can continue to position Tees Valley as an exemplar for connected places and partnership in action. With Registered Providers that have capacity for ongoing development, working alongside ambitious Local Authorities, we are well placed to accelerate delivery. Through sharing best practice, considering market capacity and enhancing technical capabilities, we will maximise the impact of our resources while exploring delivery vehicles and place specific requirements to unlock housing across the region.	

CONFIDENTIAL

Middlehaven: A transformative new development

Middlehaven is a site on a prime location and presents an exceptional opportunity for urban renewal and the creation of a new community within the town. The redevelopment of Middlehaven is needed to address several critical challenges faced by the town and its surrounding areas, which are common to many towns and cities across the north. These include:

- A lack of high-quality urban housing that appeals to a broad demographic, particularly young professionals and families.
- Underused land with limited visual and economic contribution to the town.
- A population decline, and particularly the out migration of economically active individuals, resulting in reduced discretionary spending and local investment.
- Highly trained or qualified young people leaving the town and not returning.
- The need for Middlesbrough Council to generate additional income streams, such as enhanced council tax receipts will be greatly enhanced by the development of Middlehaven.

Addressing these challenges requires a bold, collaborative approach to urban regeneration. Middlehaven's development will capitalise on the area's proximity to major transport links, its rich history, and its potential as a cultural and economic hub. Capital and Centric have a track record of delivering award-winning developments that demonstrate their ability to combine expertise in creating a masterplan vision, with a commitment to long term community creation and curation. Their appointment as development partner for Middlehaven could positively impact residents and visitors for generations to come.

This regeneration project aligns with Middlesbrough Council's broader efforts to revitalise the town. Initiatives such as the deployment of over £14 million of Future High Street Fund grant to enhance the town centre, including the transformation of Captain Cook Square into a leisure hub and the arrival of Level X and STACK, demonstrate the Council's commitment to creating a dynamic and sustainable urban environment.

The delivery of over 2000 homes and commercial space will increase the number of residents and businesses in Middlesbrough, leading to increase discretionary spend in the town and more activity. More than that, the increase in residents and companies locating there will lead to an increase in council tax and business rate revenue for the town.





2.4. Managing Risk

There is considerable opportunity for the SPP to make a real difference through achieving its objectives. However, we are well aware of the risks to delivery. We will monitor the key risks, including those identified below and mitigate where possible.

Economic Conditions Given the current national economic context, viability challenges remain a significant risk for complex sites. The assessment of projects on the pipeline, and business cases for potential funding support, will test deliverability as well as value for money and strategic fit.	**Construction Cost Inflation** Over the last 5 years, there have been significant rises with construction costs both in terms of prices for materials but also labour. These costs associated with construction will need to be closely monitored. We will base investment decisions on robust technical due diligence and financial appraisals which include contingency and risk management around costs.
Availability of Funding There is a risk that there is insufficient funding or that it is not flexible enough in terms of how it is used or timescales for use, to unlock and maximise the benefits of some of the projects on our pipeline. The current economic climate makes it increasingly challenging to create funding certainty and market confidence. Initially, we will focus on priority projects and seek to understand them at a granular level, as well as start undertaking due diligence on medium to longer term priorities, to manage this.	**Partners Capacity to Deliver** The Tees Valley Housing Partnership has highlighted some challenges which will impact on the delivery of new housing and the challenge of retrofitting existing homes. The capacity for construction partners also remains a challenge. Our close working with individual partners/bidders, the Tees Valley Housing Partnership and other organisations, will highlight any emerging challenges for priority projects at an early stage.
Capacity and Skills Across the Built Environment Sector We know that there is a risk that resourcing issues, across the sector, could hold back project delivery. The SPP will seek to focus its human resource on a relatively small number of priority projects and key areas of work. There are also challenges associated with the supply chain and construction skills. This will be mitigated by working closely with the Education, Employment and Skills portfolio.	**Political Change / Public Policy** As public sector bodies, a substantial proportion of our activity is linked to the political and public policy priorities of the time – nationally and locally. The devolved powers and funding through the Devolution Deal and the *English Devolution and Community Empowerment Act 2026* will enable Tees Valley Combined Authority to set a clear direction for its partners, including the SPP. Strategic cases for investment will be based on evidence of need and supporting economic growth.

Risk management will be undertaken through the delivery of the SPP. The governance structure will provide a mechanism to escalate risks and issues when required to the SPP Board.

3. Place Based Delivery

3.1. The Tees Valley Strategic Place Partnership Strategic Objectives

The SPP's strategic objectives will support the ambitions of the Tees Valley and address the challenges and opportunities outlined in section 2. The objectives will add value to the work we are already doing. This is set out at a high level, in the introduction, with an indication of a range of solution focussed activities provided below.

Strategic Objective	Why?	The SPP will...
SO1. Unlock strategic housing sites to meet local needs by accelerating the delivery of healthy, accessible, high-quality homes. These homes will offer affordability and tenure choice to people at all income levels across the Tees Valley, through a pipeline of short, medium and long-term proposals	To address barriers to delivery and accelerate housing development which enables a diverse and inclusive housing offer that responds to the varied needs of communities across the Tees Valley	• Encourage collaboration to strengthen business cases for investment in place and scale the delivery of homes that meet local needs, ensuring they are attractive to residents and aligned with economic opportunities. • Support close working with key partners to determine barriers and opportunities on strategic sites. • Identify opportunities for coordinated and targeted intervention across local authority areas to accelerate housing delivery and optimise the use of strategic sites. • Engage with Registered Providers to increase the supply of high-quality, accessible homes, including in areas where housing challenges are more pronounced, and maximise affordable housing delivery with support from Homes England's Social and Affordable Homes Programme. • Promote the implementation of a consistent standard for the delivery of affordable and social homes, providing a clear framework for Registered Providers and Local Authorities to define quality requirements and set clear expectations for developers. • Create a pipeline which identifies short, medium, and long-term housing projects that require intervention from a range of stakeholders and partners. • Expand the mix of housing types and tenures, including family homes, single-person accommodation, and specialist or supported housing to ensure provision meets diverse local needs and supports coordinated, strategic delivery across priority sites.
SO2. Create the right conditions to encourage investment and development in	To foster a more flexible, collaborative, and innovative housing market in the Tees	• Enable sharing of data between partners on housing demand, supply, and market trends across the Tees Valley to inform decision making and create a consistent, evidence-based approach to planning and delivery. • Explore and implement a range of diverse and innovative housing delivery approaches, including joint ventures, mixed tenure schemes, and public private partnerships.

housing delivery in the Tees Valley, by diversifying delivery models, developing partnership working and enabling innovation	Valley that accelerates the delivery of high-quality homes through enhanced access to funding and strong stakeholder support, creating the conditions for a diverse range of housebuilders to thrive within the region.	• Group pipeline sites strategically by theme or focus area to enable individual sites to benefit from interventions that may not be achievable in isolation, including realising opportunities for cross-boundary collaboration where complementary initiatives are possible. • Support compelling projects to draw private and public sector investment into housing development within the Tees Valley. • Encourage a proactive approach to design, development and financing challenges that overcomes barriers, increases delivery, and responds to local housing needs. • Monitor and adapt delivery activities through joint reviews of the pipeline to respond to changing market conditions, policy shifts, and emerging opportunities, ensuring interventions remain dynamic and impactful. • Promote collaborative learning by enabling partners to share lessons learned and best practices, facilitating knowledge exchange that enhances efficiency, sparks innovation, and delivers timely, high-quality outcomes at pace. • Position partners to secure funding by identifying viable projects and assessing delivery challenges, while developing solutions that overcome barriers and enable successful implementation.
SO3. Contribute to the regeneration and renewal of our town centres through the development of high-quality living accommodation, helping to create vibrant and attractive places to live, work and play	To provide a revitalised housing offer within Tees Valley town centres by improving conditions, diversifying housing types and tenures, and breathing new life into underused and vacant spaces to stimulate local economies and enhance quality of life across the region.	• Facilitate the development of a compelling SPP with clear narrative to support regeneration and place based discussions and attract additional partners and investors. • Carry out a prioritisation exercise that identifies housing led regeneration projects which have potential to act as catalysts for wider town centre economic and social benefits and utilise a range of funding, skills and expertise to unlock their development. • Compliment placemaking strategies such as the Tees Valley Local Growth Plan, Spatial Development Strategy, and Strategic Infrastructure Plan and aligning housing investments with transport, green spaces, education, and health to support integrated regeneration. • Provide a clear channel through governance structures and provide feedback to Government to influence policy, investment tools, and address place based and town centre regeneration challenges effectively. • Create a more balanced and attractive town centre housing offer that meets the needs of current and future residents.

3.2. The Tees Valley Strategic Housing Pipeline

Opportunities for regeneration and growth within this section of the Business Plan are framed around three key elements:

- **Spatial Focus Areas** – specific places and growth locations (see section 3.3)
- **Local Authority Priorities** – how these translate across each area (see section 3.4)
- **Thematic Priorities** – common objectives that underpin delivery (see section 3.5)

The Plan is supported by a joint Homes England and Tees Valley Strategic Housing Pipeline - a dynamic tool that identifies sites and projects for public intervention. This enables those with the strongest alignment to Combined Authority and Homes England strategic objectives to be progressed into investable propositions. The pipeline is subject to regular review with each local authority, with opportunities evolving as existing sites move into delivery and new prospects emerge.

3.3. Tees Valley Spatial Focus Areas

The SPP has defined a series of cross boundary spatial focus areas that reflect housing growth priorities, town centre regeneration ambitions, strategic infrastructure needs, and wider development opportunities now. These areas have been shaped collaboratively by Tees Valley Combined Authority and its constituent Local Authorities to ensure alignment with local priorities and regional objectives.

By concentrating activity within these spatial priorities, the SPP seeks to create the conditions that unlock additional public and private sector investment and accelerate housing delivery. The focus areas include:

- **Town Centre Regeneration** – Driving renewal and economic growth through new town centre living opportunities within urban cores and service centres which align with wider regeneration programmes.
- **Housing Growth Areas and Strategic Sites** – Facilitating large-scale housing delivery and urban expansion, including designated garden village communities such as Burtree and Skerningham, and significant greenfield sites in West Stockton-on-Tees, South Middlesbrough, Wynyard Park, and Hartlepool's South West extension.
- **Housing Renewal and Brownfield Land Development** – Accelerating housing delivery and estate renewal on brownfield/vacant land and major regeneration sites, including Tees Central, Middlehaven and Gresham.
- **Infrastructure Linked Development** – Recognising that strategic infrastructure investment is critical to unlocking housing opportunities, the SPP will align with the forthcoming Tees Valley Strategic Infrastructure Plan and support major projects such as the A19 Tees Crossing,

CONFIDENTIAL

Darlington Northern Link Road, and Elwick Bypass/Hartlepool Western Link Road to ensure housing and regeneration progress in tandem with infrastructure delivery.

- **Strategic Employment and Innovation Sites** – Supporting housing development connected to employment-led investment that is outlined in the Tees Valley Local Growth Plan.
- **Coastal and Rural areas** – Strengthening the long-term sustainability of our coastal and rural communities by addressing geographical barriers and ensuring residents in these areas have access to services and social and affordable housing.

Further detail on each local authority's spatial priorities is set out in the "Places on a Page," which will guide resource allocation and activity. These priorities span short-term opportunities and medium- to long-term projects requiring upfront due diligence and planning, all aligned with the SPP's strategic objectives to accelerate housing delivery, create the right conditions for investment, and enable wider regeneration.

Looking ahead the Tees Valley Combined Authority is leading on the development of preparation of a Spatial Development Strategy (SDS) for Tees Valley, reflecting the requirements of the *Planning and Infrastructure Act 2025*. As a high-level spatial plan, which will look ahead for at least 20 years, the SDS will identify broad locations and spatial priorities for growth. Collaborative working through the SPP and SPP monitoring will inform and shape the SDS, including the delivery progress and further potential of the Spatial Focus Areas. In setting a long-term spatial strategy and investment framework for the area the SDS may identify specific growth locations and regeneration opportunities that would frame future SPP activities and spatial focus areas.

CONFIDENTIAL

The Tees Valley



3.4. Our Places on a Page

Darlington on a Page

Key Contextual Facts

- A population of 112,500 with an employment rate of 76.8%.
- The Local Authority area's population is projected to grow by 10.6% between 2023 and 2047 and 5.2% household growth.
- In terms of IMD score, 88th most deprived Local Authority in England with 17% of Lower Super Output Areas in the 10% most deprived areas (11 out of 65 LSOAs).
- Current housing delivery over the last 5 years is 95% of the Local Plan target or 110% against the Governments standard methodology.
- Net shortfall in delivery of 235 affordable homes per year which is 70% over the last 5 years against the Strategic Housing Market Assessment estimated requirement.



Local Plan Status

The Darlington Borough Local Plan was adopted in February 2022. The Plan's spatial strategy is centred around the urban core and urban expansion of Darlington including two garden village communities and three service villages of Heighington, Hurworth and Middleton St George. The Plan is currently undergoing a review which is mainly focused on employment land provision.

Housing Growth and Regeneration Focus Areas

- The Local Plan includes several large strategic sites around the outskirts of Darlington, including 2 designated Garden Village Communities which in total compromise up to 6,000 dwellings. Alongside these major developments, additional housing growth has concentrated on Middleton St George.
- Darlington has a vibrant town centre but like many town centres across the country it faces challenges. We need to ensure Darlington is a place where people want to live, work and visit.
- There has been unprecedented economic growth in Darlington over the last 5 years including the opening of an Amazon facility and the relocation of several government departments focused on the Darlington Economic Campus.
- Teesside University has now established a base in Darlington, which alongside Darlington Science Park, cement Darlington's position as a centre for innovation and opportunity.
- Darlington benefits from excellent transport connectivity by air, rail and road, positioning it strongly for continued economic growth. The Council is committed to unlocking this potential by creating opportunities for existing businesses to expand and attracting new enterprises to the area. Recent substantial investments in the mainline railway station and Teesside International Airport reinforces Darlington's strategic advantage as a transport hub for the region.

Focus Areas for SPP Activity

- Investment opportunities for town centre regeneration, which includes commercial and residential development
- Delivery of quality housing provision including the designated Garden Village Communities of Burtree and Skerningham.
- Increasing the provision of a cross tenure mix to reflect all housing needs.
- Accelerated delivery of a Darlington Northern Link Road alongside targeted infrastructure investment to unlock development opportunities, including bringing forward projects at Ingenium Parc.

CONFIDENTIAL

Hartlepool on a Page

Key Contextual Facts

- Population of approximately 93,486 (2022) with 67.9% employment rate. Population is projected to grow by 5.1% by 2047.
- Current delivery is 218% of the Housing Delivery Test, with further housing delivery projected to outperform more optimistic local plan growth targets. Current median income to housing price ratio is 4.17, suggesting a high level of general housing affordability.



Local Plan Status

The Hartlepool Local Plan was adopted in May 2018 and provides an ambitious land use strategy and policy framework up to 2031. Growth will be based on a balanced urban development and expansion concentrated in areas adjoining the existing built up areas with homes and commercial uses being delivered alongside local and strategic infrastructure improvements which allow Hartlepool to grow in sustainable manner.

Housing Growth and Regeneration Focus Areas

- A new multi-million-pound leisure facility is underway on the Waterfront, scheduled for completion in 2026, alongside a £120 million waterfront housing development that has commenced, creating 410 jobs.
- Hartlepool's housing growth spans key sites such as the South West Extension, Upper Warren, Quarry Farm, and High Tunstall, each integral to delivering the overall locational strategy. Wynyard remains central to the shared ambition of Hartlepool and Stockton-on-Tees-on-Tees Borough Councils to develop the area into a sustainable community.
- Planning permission has been granted for a £33.5m expansion of Hartlepool's film and TV production sector, supported by strategic employment sites including Queens Meadow, Southern Business Zone, Oakesway, and specialist locations at The Port and North Graythorpe. The port and business parks present major investment opportunities in growth sectors such as offshore wind, renewable energy, and other eco-industries. Prime land at Hartlepool Marina offers further scope for significant economic growth.
- The town centre remains a priority hub for economic and social activity, with the council committed to promoting major leisure and tourism developments across Hartlepool. Seaside regeneration projects at Seaton Carew are also thriving, enhancing recreational and leisure opportunities.
- A new link road north of Elwick, including a grade-separated junction on the A19, will create a third high-quality access route to Hartlepool and is expected to be operational by 2028. Plans also anticipate the development of a new nuclear power station, reinforcing the area's strategic infrastructure and energy capabilities.

Focus Areas for SPP Activity

- Enable the delivery of large scale strategic sites such as the South West Extension, Upper Warren, Quarry Farm, High Tunstall and Wynyard Park.
- Facilitate housing-led regeneration within Hartlepool's Town Centre and Waterfront, including tackling poor quality and vacant housing stock.
- Supporting the development of strategic infrastructure which could unlock future housing growth, including the new link road north of Elwick.
- Accelerating housing growth connected to strategic employment sites such as at Queens Meadow, Southern Business Zone, Oakesway, The Port and North Graythorpe.

CONFIDENTIAL

Middlesbrough on a Page

Key Contextual Facts

- Middlesbrough has a local resident population of 148,583. Of this, 20.8% are children and young people aged 0 to 15, 62.4% are of working age (16 to 64), and 16.8% are aged 65 and over. 54.6% of residents are economically active.
- The borough's population is projected to increase 6% from 2023 to 2047.
- Housing delivery against the 2023 Housing Delivery Test was 235%.

Local Plan Status

The existing local plan has delivered 2158 net dwellings since 2020.
The new Local Plan was submitted to the Secretary of State on 30th September 2025. A Planning Inspector has been appointed to conduct the examination.
The plan will enable the authority to meet a housing requirement of 420 dwellings per annum.

Middlesbrough Local Authority



Housing Growth and Regeneration Focus Areas

- Two strategic housing sites, Middlehaven and Gresham, are being brought forward, each featuring a mix of residential and employment development with a strong emphasis on town centre regeneration.
- Smaller allocations have been identified within the borough for housing delivery over the next five years, totalling 1,002 dwellings across the following sites: Nunthorpe Grange, Newham Hall Farm, Hemlington, North Strait Lane, and Stainsby
- Central Middlesbrough functions as a primary commercial centre of the Tees Valley. The area serves as a focal point for civic and professional services, contributing to the region's administrative and business infrastructure. It is also a recognised educational hub, home to Teesside University and Middlesbrough College, and hosts one of the UK's leading digital centres, supporting innovation and enterprise. The town benefits from strong transport connectivity, including a direct rail link to London and proximity to Teesside International Airport, reinforcing its status as a transport hub and gateway to national and international markets.

Focus Areas for SPP Activity

- Tackling empty homes and driving the regeneration of Middlesbrough town centre and its surrounding areas.
- Meeting housing demand, both now and in the future.
- Tackle the distressed housing market, primarily within the private rented sector, to improve conditions and bring about more balance.
- Enabling the delivery of strategic housing sites at Middlehaven and Gresham.
- Accelerating housing development on greenfield sites to the south of the town by overcoming barriers such as Nutrient Neutrality, Biodiversity Net Gain requirements, and significant infrastructure costs.

CONFIDE

Redcar and Cleveland on a Page

Key Contextual Facts

- Population of 137,168 (2022) with 51.5% economically active (2021 Census) and 72.5% of the working age population in employment (2025 Nomis).
- The borough's population is expected to grow by 3.2% between 2023 and 2047 (2022 based projections) with 14.3% household growth over the same period.
- Ranked 25th most income deprived Local Authority in England and has 25% of Lower Super Output Areas in the 10% most deprived areas (2025 IMD).
- Housing delivery against the 2023 Housing Delivery Test was 645% (prior to changes to the Housing Standard Methodology).

Redcar and Cleveland Local Authority



Local Plan Status

The Redcar & Cleveland Local Plan was adopted in 2018. The plan set out a minimum requirement of 3,978 net additional dwellings over the period 2015/16 to 2031/32 and 3,700 houses have been delivered between 2015 and 2024. Due to the age of the plan, the changes to the housing standard methodology now mean that a further 3,155 will be needed before 2030 and new permissions and allocations will be required to support this delivery.

The plan also sets out spatial strategies for Urban, Coastal, Rural and South Tees areas and supports measures to deliver sustainable communities and broaden the housing offer.

Housing Growth and Regeneration Focus Areas

- Due to the increased housing requirement, housing delivery will be a challenge for the borough and new opportunities for housing growth need to be identified across the area.
- Over £200million has already been committed to the remediation of Teesworks, a nationally significant brownfield regeneration site, expected to create 20,000 new jobs in high value industries. The employment opportunities arising from Teesworks have the potential to lead to economic and social benefits for the borough, particularly in the South Bank and Greater Eston area.
- The £25 million Redcar Town Deal, £15.2 million Guisborough Levelling Up programme, £20 million Eston Pride in Place initiative, and the £6 million grant-funded investment in Redcar Central Station will deliver significant benefits to the town centres across these areas. Together, they will drive regeneration that enhances culture, leisure, and community opportunities, while improving the overall accessibility of these centres.

Focus Areas for SPP Activity

- **Increase Housing Delivery –** enable the delivery of urban expansion or new settlement sites to meet increased housing delivery requirements.
- **South Bank and Greater Eston –**accelerate housing development on sites within and adjacent to the settlement boundaries to build on the opportunities from employment related investment.
- **Main Towns and Service Centres –**. facilitate a diverse housing offer that aligns with regeneration programmes in the main service centres of Redcar, Guisborough, Eston and Loftus while enhancing the long-term sustainability of rural communities.
- **Facilitating Housing Regeneration and Renewal** – support housing delivery on brownfield land and other regeneration sites in the borough to meet identified needs and support programmes designed to address social deprivation.

CONFIDEN

Stockton-on-Tees-on-Tees on a Page

Key Contextual Facts

- Population of 200,112 with 78% economically active.
- Projected 3.8% population growth and 17.9% household growth over the next 20 years between 2023 and 2047.
- 41st (out of 296) most deprived Local Authority in England and 19.4% of Lower Super Output Areas in the 10% most deprived areas.
- Current delivery at 124% of housing need against 2023 Housing Delivery Test.



Local Plan Status

The Stockton-on-Tees-on-Tees Local Plan was adopted in January 2019. Following a review in January 2024 it was determined the plan needed updating with work commencing in 2025. The Local Plan sets out a requirement for at least 10,150 new dwellings over the plan period 2017/18 to 2031/32 of which 5,000+ were expected to be delivered on 14 allocations.

Since 2017/18 some 5,500+ net additional dwellings have been built. Annual average completions since adoption of the Local Plan in 2019 is currently 690 net additional dwellings per year.

Housing Growth and Regeneration Focus Areas

- Around 4,000 homes are proposed to come forward at two strategic allocations at West Stockton-on-Tees and Wynyard Park. Delivery of the first 969 homes as part of the West Stockton-on-Tees SUE commenced in late 2021. At Wynyard Park two developments (350 units) commenced during the preparation of the Local Plan and are completed. The wider site remains an attractive developable greenfield location. Masterplans have been developed to support both areas.
- Significant concentrations of brownfield sites in the central core could benefit from Brownfield Housing Funding including Tees Central - the redevelopment of Tees Marshalling Yard, recognised in the Local Plan as a major residential-led regeneration opportunity.
- There is on-going development in the South of the borough and this is likely to increase in the coming years.

Focus Areas for SPP Activity

- Deliver new Town Centre Living opportunities across the Boroughs town centre urban cores (brownfield developments).
- Accelerate Brownfield housing delivery including the significant opportunity presented by Tees Central.
- On-going housing delivery in the South of the borough, Wynyard and West Stockton-on-Tees.
- Increase the delivery of accommodation that supports independent living - supporting our residents to live in their own homes.
- Increase the delivery of truly affordable homes across the borough, offering rental and ownership options that reflect a range of income levels.
- Tackle housing market failure and improve conditions in the private rented sector
- Focus on supporting the borough to reach carbon net zero.

CONFIDENTIAL

3.5. The Tees Valley Strategic Place Partnership – Thematic Priorities

We have also identified several common thematic priorities that are fundamental to delivering our ambition.

Accelerating the Delivery of Social and Affordable Homes

Our goal is a diverse and inclusive housing offer that reflects the varied needs of communities across the Tees Valley. Central to this is accelerating the delivery of social and affordable homes, including those designed for specialist requirements, while ensuring a diverse mix of tenures and price points that foster sustainable communities and genuine affordability. Private rents exceed Local Housing Allowance across each of Tees Valley's local authority areas, providing a clear case for increased affordable housing delivery. The SPP will seek to tackle regionally specific viability challenges to deliver high quality, sustainable affordable homes, exploring opportunities to combine Social and Affordable Homes Programme, which has made £27 billion worth of funding available to deliver 300,000 new social and affordable homes over the next decade, and other funding programmes to secure and accelerate development.

A key priority is expanding the supply of truly affordable homes, offering both rental and ownership options for households at all income levels. Embedding affordability as a core principle will alleviate housing pressures, strengthen community resilience, and support long-term stability. Alongside this, we will increase the availability of accommodation that enables independent living, ensuring residents with additional needs can remain safely and comfortably in their own homes.

While progressing complex sites within urban areas often presents challenges, advancing smaller sites in rural locations can also be difficult. Affordability pressures mean that demand for affordable homes in rural communities is significant yet dispersed. Delivering small-scale affordable housing in villages, including those in more remote areas, brings viability constraints and management complexities.

Additionally, the Tees Valley's ageing population is driving increased demand for specialist and supported housing at a time of rising cost pressures and service delivery challenges.

Realising the potential of the SPP to act as a catalyst to increase the delivery of affordable homes, locally active housing associations and stock owning l:ocal Authorities have come together to form the Tees Valley Housing Partnership (TVHP). Collectively, the organisations in the TVHP provide more than 52,000 homes, which equates to 18% of all homes across Tees Valley. The TVHP have identified 3 priorities – Boost affordable housing delivery; Improve health outcomes; and Support inclusive economic growth.

CONFIDENTIAL

There are around 13,000 households in the Tees Valley on council housing waiting lists. The TVHP members are planning on delivering 3,500 new homes over the next five years. TVHP partners have fed their sites into our shared pipeline, to explore investment options and bring funding together where needed.

Tackling Poor Quality Homes and Empty Properties

Addressing structural imbalances in the housing market is essential to creating resilient and sustainable communities. 3.8% of housing stock in the Tees Valley is empty, of which 37% has been empty for more than six months (Source: Live Table 615). Individually, the Local Authorities have a strong record of tackling on empty properties, using enforcement when needed and partnering with Registered Providers to refurbish and re-let, bringing dwellings back into use as affordable homes. We will implement targeted interventions to tackle market failure, including supporting action on long-term empty properties and buildings to bring them back into productive use.

Improving conditions within the private rented sector is also a key focus, particularly in areas experiencing distress or persistent challenges. Alongside this, we will strengthen efforts to address poor quality homes through coordinated renewal programmes that target social deprivation, improve living standards, and enhance neighbourhood appeal in the most disadvantaged areas.

Through these measures, we aim to restore confidence in local housing markets, reduce inequality, and create vibrant and attractive places to live, work and play.

Unlocking Land, Infrastructure and Overcoming Barriers to Delivery

Unlocking land and addressing infrastructure constraints are fundamental to accelerating housing delivery across the Tees Valley. Addressing these challenges will require coordinated action, innovative solutions, and strong partnership working across the public and private sectors. We will work collaboratively with key partners to understand the challenges and opportunities associated with strategic sites and to identify coordinated, targeted interventions that optimise their use across local authority areas.

Given that many priority sites lie on former brownfield and greenfield land, significant remediation, infrastructure and utilities work will be required before homes can be delivered. Our strategic pipeline depends on sufficient capacity across utilities, water, electricity, heat networks, waste, digital systems, and wider social infrastructure. To meet this need, we will collaborate with utility providers, regulators, and Government to plan and secure investment that unlocks growth at scale.

The Tees Valley Strategic Transport Plan sets out the region's ambitions to provide a high quality, quick, affordable, reliable, low carbon and safe transport network for people and freight to move within, to and from the Tees Valley. By continuing to implement the plan, Tees Valley Combined Authority will deliver an integrated transport system which improves transport accessibility and travel experiences to better

CONFIDENTIAL

connect workers across the region to employment and industrial sites. This will support residents to access more economic opportunities, with businesses better able to attract talent across a wider geography and facilitate growth and inward investment. The Local Transport Delivery Plan (2026/27 - 2031/32) sets out how Tees Valley Combined Authority is going to invest over £1 billion of devolved, consolidated transport funding to deliver its ambitions.

Providing viable alternatives to private car use is essential to improving accessibility and enabling a modal shift towards more sustainable options. This includes enhancing walking and cycling networks and ensuring the public transport system meets current and future needs. As new residential developments come forward, the role of buses, cycling, and walking must be embedded in planning to ensure services are accessible and car dependency is reduced. At the same time, significant highway infrastructure improvements will remain necessary to support housing and economic growth. Current constraints on the transport network act as barriers to development and delay delivery of key employment and housing sites required to achieve regional growth ambitions.

The SPP will strengthen public-sector collaboration to identify and release land suitable for housing and placemaking. Through alignment with the regional One Public Estate Partnership, we will adopt a strategic approach to asset management and disposal that supports the ambitions of Tees Valley Combined Authority and maximises the delivery of high quality, affordable homes on public sector land.

CONFIDENTIAL

Church Lane North Estate, Eston: Regeneration Beyond Bricks and Mortar

The completion of the Church Lane North regeneration scheme marks the transformation of an estate that had long been affected by anti-social behaviour, crime, and socio-economic challenges. Originally built to a once award-winning Radburn design, the estate had an oversupply of low-quality open spaces, limited private gardens, and poorly lit parking courts with little natural surveillance. A complex network of footpaths and alleyways also created opportunities for anti-social behaviour and criminal activity. In addition, the non-traditional construction of the homes meant poor insulation, resulting in cold spots and higher-than-average heating bills for residents.

A comprehensive redesign has reshaped the estate. New roads now improve access and parking, and the removal of underused grassed areas has allowed for larger private gardens. Two high-quality, purpose-designed open spaces have also been created for community use.

To support sustainability and reduce fuel poverty, external wall insulation and new roofs have been installed. These improvements have significantly boosted energy efficiency across residents' homes while also enhancing the overall appearance and kerb appeal of the estate. The scheme has also delivered 33 new homes, providing a broader choice of property types and sizes, as well as new routes into home ownership through shared ownership and rent-to-buy options.

Beyond the physical improvements, investment has been made in supporting residents into employment and training, alongside providing money and benefits advice to help households build financial skills and resilience. This scheme has seen an £18m investment in the local area which also was awarded regeneration scheme of the year at the 2025 national Construction News awards.

Funding from the scheme has included grant contributions from Homes England and the MHCLG Estate Regeneration Fund and has also unlocked a number of sites on the periphery of the estate for future development as a result of the investment made.









Tees Valley Housing Partnership: The Union Village Regeneration Project

For over 20 years, the Union Village area in Gresham suffered from industrial decline, derelict land, high crime and persistent anti-social behaviour. Following the loss of steel and shipbuilding jobs, around 600 homes were demolished and £50m invested through the early 2000s housing market renewal programme. Despite this, large sites remained vacant and unviable for private developers, becoming hotspots for crime and ASB. Data reinforced the urgency: high economic inactivity, rising environmental crime, and 13,000 households waiting for a home across the Tees Valley. Thirteen Group, in partnership with Middlesbrough Council, Tees Valley Combined Authority, and Homes England committed to transforming the area through a combined physical and social regeneration strategy, which delivered 145 new homes.

Learning from leading inner-city housing schemes like Goldsmith Street, the project prioritised safety, cohesion and high-quality design. Key features included perimeter-block layouts, tenure-blind design, secure private gardens, communal garden courtyards and full Secured by Design principles. This was coupled with early behavioural expectations, long-term stewardship commitments and a new identity, Union Village, reflecting the area's diverse heritage and the partnerships behind its transformation.

The project began during the Covid-19 pandemic, leading to material shortages, delays and design changes, but strong partnership working kept the scheme within contractual timescales. Gresham also faced community tensions and was affected by the 2024 national riots, prompting Thirteen to increase wardens and community safety officers, strengthen joint work with the police and maintain support for all residents. Shared communal gardens carried risks of ASB and neighbour disputes, which were addressed through a resident-designed good neighbour agreement, clear pre-tenancy expectations, a dedicated Community Connector and resident-led garden groups.

The first customers moved into Union Village in February 2025, and the impact has already been clear: between 2020 and 2025, fly-tipping fell by 65%, ASB reports by 83% and crime by 64%. Tenancies have become more stable, with turnover dropping from 9% to 4.5% and arrears from 4% to 2.9%. Community cohesion is strengthening through regular resident meetings and shared garden events. A joint social value plan with Esh Group has also delivered £4.9m in local value, 10 jobs, 511 apprenticeship weeks, £80k in donations, 616 volunteer hours and 437 SME climate-training hours.







Attracting Investment

Attracting investment is a core theme of the SPP and is fundamental to accelerating housing delivery across the Tees Valley. There is severe developer underrepresentation within the region. Only 36 residential developers are active within the Tees Valley, less than half the developer capacity of comparable regions such as North Yorkshire. Of the developers active, the region is dominated by national and multi-regional housebuilders, with very few SME or regional builders especially within town centres and urban cores. Tees Valley faces a structural supply-side constraint reflected by limited competition and risk of a homogenous product. Growing the developer ecosystem, particularly SMEs and mixed tenure specialists, is critical to long term delivery and ensuring the right type and mix of homes which responds to local needs.

We will adopt a proactive approach to design, development, and financing challenges to removing barriers, increasing delivery, and ensuring housing proposals are responsive to local needs. This will include exploring and implementing innovative delivery models such as joint ventures, mixed tenure schemes, and public–private partnerships to broaden development capacity and create flexible routes to delivery. By diversifying approaches, we can unlock opportunities and strengthen resilience within the housing market.

To enhance the investment landscape, we will champion compelling projects that attract both private and public sector capital into housing development. Early identification of viable opportunities and assessment of delivery challenges will position partners to secure funding more effectively. Through this, we will develop practical solutions that remove obstacles and enable the successful implementation of high-quality housing schemes. Our ambition is clear: to create the right conditions for investment, accelerate delivery, and ensure that housing growth supports inclusive, sustainable communities across the Tees Valley.

More information on how we will seek to maximise opportunities through partnership working is set out in section 4.2.

Environmental Commitments and Net Zero Alignment

The SPP will maintain a targeted focus on supporting the region's transition to carbon net zero. By embedding sustainability principles into housing and regeneration activity, the SPP will help enhance the long-term resilience of urban and rural communities. Growth will be aligned with wider environmental objectives, ensuring that development contributes positively to climate goals, protects natural assets, and supports the creation of places that are sustainable, inclusive, and future ready.

CONFIDENTIAL

4. Working Together

4.1. Growth Corridors, Strategic Infrastructure and Place Making

The SPP is an important element of the range of strategic plans being developed for the Tees Valley that will help the Combined Authority's to deliver upon its ambitions for economic growth and place making. There is a need to co-ordinate activity to avoid duplication and delay. There are key housing focus areas across the Tees Valley that are identified in this SPP, some of which will require new strategic infrastructure to unlock them and enable development to be brought forward.

4.2. Partnerships that make a difference

The SPP is focused on enabling the delivery of new homes and place making initiatives where the market is unable to do so – where there is market failure.

Achieving our ambitions and objectives will require genuine partnership working. Alongside the Combined Authority, constituent Local Authorities, Registered Providers, Homes England, and the wider One Public Estate all have a vital role in creating places people are proud to call home - supporting regeneration, health, and net zero/sustainability objectives. Delivering this will depend on individual organisations contributing their expertise, capabilities, and resources to enable growth, diversification, and innovation in creating mixed, thriving places.

We have established strong relationships with Registered Providers, investors, and developers, all aligned around providing the right homes in the right places. Ensuring affordability across all communities remains central to our ambition. The Tees Valley Housing Partnership - bringing together proactive Registered Providers with the Combined Authority and Local Authorities - will be a key partner in delivering the objectives of this SPP, building on a strong track record of delivering good-quality, affordable homes.

Most homes will be delivered by the private sector and major housebuilders, without the need for support from the public sector. Even where this is the case, we are keen to engage these partners in helping us achieve the broader ambitions of the Tees Valley Devolution Deal, around education, skills and employment, energy and climate, transport, culture and economic development as they bring forward their projects.

4.3. Shared values

The *English Devolutions and Community Empowerment Act 2026* highlights the importance of strong partnership working and collaboration between Combined Authorities and Homes England. The preparation of this SPP is a clear articulation of this partnership working, providing us all with the opportunity to develop a single vision of what housing success looks like alongside a shared pipeline and other opportunities for joint working (with a focus on short- and medium-term prospects) with all five Local Authorities, and to collaborate on affordable housing

CONFIDENTIAL

development with the Tees Valley Housing Partnership. This approach also provides strong foundations and a clear regeneration baseline for the development of the SDS which will shape and identify longer term prospects for joint working.

4.4. Aligning internal resources and public sector investment

The SPP will establish a governance structure that enables senior level discussion and negotiation between Homes England and Tees Valley Combined Authority. The creation of this Business Plan is the first step in strengthening our relationship and has been prepared by the Combined Authority, Local Authorities, Homes England and the Housing Partnership.

Through the SPP, partners agree to work closely to progress the identified strategic objectives, enabling greater alignment and focus of resources to unlock housing and regeneration opportunities. Fundamental to this new way of working and ensuring added value, is the commitment of each organisation to draw on the knowledge and expertise of each partner and identify the appropriate resource to respond to activity set out in the Delivery and Resource Plan.

We will identify the barriers preventing development from coming forward and determine what is required to unlock it, taking a funding agnostic approach. We will then identify and align our tools, including enabling activity and existing and new investment (noting that the SPP does not guarantee investment and investment decisions will continue to be taken by each partners approval processes), such as the National Housing Delivery Fund (NHDF), which will make over £3 billion of capital grant funding available to unlock land, address viability challenges and fund the provision of enabling infrastructure; the National Housing Bank (NHB), which will provide up to £16 billion of debt, equity and guarantee products; and the Social and Affordable Homes Programme (SAHP), which will provide at least £27 billion of capital grant funding to support the delivery of new affordable homes. Further information on each of these funding streams is available in the Homes England Investment Prospectus. In addition to Homes England funding, the SPP will increasingly seek to align other available funding, investment and devolved powers at a place level.

Every opportunity will be taken to use the SPP as a catalyst to bring government departments and agencies around the table for a place-based discussion on housing and wider regeneration and place making.

CONFIDENTIAL

4.5. Governance

The SPP is formalised through a Memorandum of Understanding (MoU), including this Partnership Business Plan as an annex. This Strategic Place Partnership has a formal governance structure including the SPP Board, with senior engagement to drive partnership working across the Tees Valley and hold all partners to account. The Board sets the strategic direction of the Partnership, providing a forum for liaison between the parties for the delivery of the Business Plan, including overseeing the development of business cases for priority projects and assessing performance against the strategic objectives. Its responsibilities are as follows:

- Overseeing the development of a joint Tees Valley housing pipeline, business cases and investible propositions for priority projects.
- Receiving regular reports on progress from working groups towards achieving the strategic objectives and hold the working groups to account on this.
- Make recommendations as it sees fit, on any matter within its remit, to Homes England or Tees Valley Combined Authority.
- Engaging key partners both locally and nationally in the effective delivery of the SPP strategic objectives
- Ensure and commit resource and capacity to deliver the SPP Business Plan, including the Delivery and Resource Plan.

The Board can support schemes at investment stage, but investment decisions will remain with the investing bodies whether that be through Homes England or Tees Valley Combined Authority assurance processes or other parties.

Board Members will be supported by relevant officers with administrative support to be provided by Homes England and Tees Valley Combined Authority.

For the avoidance of doubt, it should be noted the Partnership Board has 'responsibilities' as set out in the MoU; it does not have any decision-making powers delegated to it by the Parties.

An SPP Senior Officer Group will report into the SPP Board and will comprise senior officers from Homes England, Tees Valley Combined Authority, the individual local authorities and the Tees Valley Housing Partnership. It will be responsible for preparing and reporting against the SPP Business and Delivery Plans, submitting a single, joint pipeline to the SPP Board for agreement, and determining appropriate funding routes for projects requiring decisions or escalation. It will also provide direction to SPP Working Groups and escalate matters to the SPP Board as required.

The Board and Senior Officer Group will be supported by a number of SPP Working Groups, which will drive delivery and progress key workstream objectives. Homes England regional SPP lead(s) will manage these groups, with support from partners, coordinating activity and ensuring alignment with wider pipeline and project delivery priorities set out in the SPP Delivery Plan. The Working Groups will take forward

CONFIDENTIAL

specific workstreams identified in the SPP Business and Delivery Plans and report to the Senior Officer Group, providing updates on progress against key priorities. Appendix 2 sets out the proposed governance and operational working arrangements for the SPP.

4.6. Roles and Responsibilities

The following table sets out the roles and responsibilities of each of the partners in this Strategic Place Partnership.

Homes England	Tees Valley Combined Authority	Local Authorities/Housing Partnership
• To intervene in the housing market, deliver mixed tenure and unlock land through intervention across the breadth of its existing and emerging tools. • Appropriate resourcing of the Delivery and Resource Plan to achieve the strategic objectives through drawing on capacity, skills and expertise from across the Agency. • Commitment of resource funding (to be agreed on annual basis subject to budget availability) to support the achievement of the strategic objectives. • Coordination of cross-government discussion with Tees Valley Combined Authority. • Administration of the SPP governance.	• To enable inclusive economic growth across existing and emerging tools. • Appropriate resourcing of the Delivery and Resource Plan to achieve the strategic objectives through drawing on capacity, skills and expertise from across the Combined Authority. • Commitment of resource funding (subject to approvals through the Combined Authority's assurance framework) to support the achievement of the strategic objectives. • Coordination of cross-government discussion with Homes England. • Administration of the SPP governance. • Consider the role and use of Mayoral Development Powers to support the delivery of agreed SPP priorities. • Lead on the identification of longer-term place-based opportunities (through the Spatial Development Strategy).	• Clear articulation of area priorities, including frontloading advice through planning, regeneration and development teams. • Lead on identification of place-based opportunities within respective areas (for example through Local Plan revisions, housing needs assessments) • Progress decisions in accordance with relevant accountabilities • Consider the use of statutory, convening and enabling powers in delivery of agreed SPP priorities. • Appropriate resourcing of the Delivery and Resource Plan to achieve the strategic objectives through drawing on capacity, skills and expertise from across the individual organisations.

CONFIDENTIAL

4.7. Monitoring and Reporting

Monitoring progress and programme risks against the SPP is of vital importance to the partners. The strategic objectives, and the Delivery and Resource Plan, have been designed to be able to be measured either through quantitative or qualitative means. Progress will be reported to the SPP Board, reflected in the Terms of Reference for the Board.

4.8. Engagement and Communication

Partners will ensure consistent messaging with external stakeholders about the SPP, to ensure delivery partners are fully engaged to deliver the strategic objectives and to identify the mechanisms engagement. This will also identify opportunities for publicity on the progress on the SPP activities.

4.9. Equality, Diversity and Inclusion

The Tees Valley Combined Authority and Homes England hold equality, diversity and inclusion central to organisational strategy and delivery. The Equality Act and Health Inequalities Duty as per the *English Devolution and Community Empowerment Act 2026* requires all public sector partners of the SPP to meet certain duties ensuring we are proactive in taking measures that tackle inequality. This SPP has been developed with equality and community needs at its core, the strategic objectives and focus areas outlined strive to create inclusive, well-connected and accessible places that provide good quality and affordable homes for people across the region.

CONFIDENTIAL

Appendix 1 - What is a Strategic Place Partnership?

Homes England has developed the SPP as a model for partnership working between Homes England and partners at the sub-regional scale with ambitious proposals for place-based growth and regeneration. The SPP is part of a broader social, environmental and economic vision for the place built on a strong pipeline of potential opportunities.

The approach seeks to maximise opportunities in the most ambitious places by identifying a shared ambition and creating a shared commitment to making the pipeline in these places more investible. It does not provide direct access to capital funding, but it enables a more focussed approach to the deployment of capacity and resources by Homes England and the Combined Authority to support partners in unlocking opportunities of scale and building longer term resilient housing supply. The model seeks to create added value by combining the strengths of each partner and the resources that they can each bring and lever in.

This document, a shared business plan, sets out the aligned ambition and priorities of the partnership, which is bespoke to the Tees Valley and its unique characteristics, and how working together more closely through pooling resources will progress the pipeline of housing and regeneration projects to achieve the ambition.

The SPP approach is based on the following principles:



The model has been developed in partnership with the Ministry of Housing, Communities and Local Government (MHCLG). The Ministry will support the SPP to make connections across government and with key policy areas, to support a place-based approach in the Tees Valley.

CONFIDENTIAL

How does a SPP work?

The SPP for the Tees Valley will be formalised through a Memorandum of Understanding (MoU), with this Partnership Business Plan (PBP) the key annex of the MoU. The PBP is a shared plan which sets out the detail of the Partnership including:

- The ambition of the partners and the partnership.
- The place-based challenges and opportunities in the Tees Valley
- The strategic objectives for the SPP and an indication of measurement of how the objectives are being met.
- Delivery and Resource plan which sets out how the objectives will be achieved, with a focus on outcomes and outputs achievable in Year 1 of the partnership.
- The pipeline and place-based priorities (nearer term, medium term and long term).
- Principles for working together and a governance plan.

Whilst the objectives are intended to be long term the SPP sets a relationship and intended outputs and outcomes for a minimum of 5 years. This is detailed through the Delivery and Resource Plan which will be set out on an annual basis and focus on the intended outputs and outcomes for the year ahead.

Progress against the Delivery and Resource Plan will be reviewed quarterly by SPP Senior Officer Group and biannually at the Strategic Place Partnership Board to ensure progress.

CONFIDENTIAL

Appendix 2 – SPP Governance

SPP Board

- **Chaired by MSA Mayor/Deputy Mayor/Senior Executive**
- **Strategic level steering and monitoring of SPP activity** – agrees SPP Business and Delivery Plans (for onwards submission to Homes England and MSA governance for approval) and monitors delivery against this.
- **Escalation forum** for project-level delivery/resource allocation challenges – with route for further escalation (ultimately to government ministers) if required and subject to agreed framework.
- **Meets every six months**

SPP Senior Officer Group

- **Co-chaired by Homes England Regional Director/AD and MSA Senior Official.** Includes representation from senior Homes England technical experts as required.
- **Oversees preparation of annual SPP business and delivery plans and submits to SPP Board for agreement**, ahead of submission to respective Homes England and MSA governance forums for approval.
- **Responsible for the production of a single, joint pipeline and for determining appropriate funding routes for projects within this**
- **Monitors delivery of business plan workstreams and resource allocation and has sight of all relevant Homes England/MSA activity in the region,** preparing quarterly update for SPP Board.
- **Reviews market/partner intelligence and policy developments and directs SPP Working Groups to respond as appropriate** and/or escalates to SPP Board.
- **Where challenges or matters arise requiring decisions or escalation, provides steers to SPP Working Groups and/or escalates to SPP Board as required.**
- **Provision to deliver workstream specific functions** (e.g. on the SAHP) as required
- **Meets every three months**

SPP Working Groups

- **Led by Homes England regional SPP lead(s)** to manage the groups, coordinate its activity and align with other pipeline and project deliver priorities contained within the SPP delivery plan.
- **Working level with joint representation** from relevant Homes England and MSA officials, including technical experts.
- **Thematic working groups to progress specific workstreams** identified in SPP Business and Delivery Plans (e.g. affordable housing delivery, land assembly strategy). Majority of business carried out offline supported by a regular meeting rhythm.
- **May deliver specific functional requirements** – e.g. on the SAHP
- **Majority of work "offline" supported by regular meeting structure**

CONFIDENTIAL

Cabinet

Tees Valley Combined Authority

Date		25 September 2026	
Agenda Item		22	
Report Title		**Brownfield Housing Fund Round 4 Strategic Framework**	
Accountable Cabinet Member		**Mayor Ben Houchen** Portfolio Holder: Investment, Housing & Planning & Development Corporations	
Accountable Chief Officer		**Jonathan Spruce** TVCA Director of Infrastructure	
Accountable Employee		**Elaine Fryett** TVCA Interim Head of Investment Development	
Report considered by		A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 11 September 2026.	
Key Decision	Yes X	No	This is a Key Decision on the basis that 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)
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	**APPROVE** the Brownfield Housing Round 4 Programme Business Case (Appendix 1) which has been appraised in accordance with the Assurance Framework (Appraisal Outcome Report can be found in Appendix 2).

B	**AGREE TO DELEGATE** final sign-off of the BHF Round 4 Programme Business Case to the Combined Authority's Statutory Officers to include any recommended changes/amendments post Cabinet, in consultation with the Accountable Cabinet Portfolio Leads for Housing and Investment.
C	**AGREE** to delegate authority for subsequent project-level investment decisions in accordance with the arrangements and thresholds set out in this report.
D	**AGREE TO DELEGATE** authority to the Director of Infrastructure to take all decisions to manage and deliver the programme within the strategic framework and budgets agreed by Cabinet through this paper and the BHF Programme Business Case, including responsibility for programme management, commissioning, intervention prioritisation, operational decision making, and performance monitoring and reporting, in consultation with the Accountable Cabinet Portfolio Leads for Housing and Investment where required.
E	**AGREE** to receive an annual report on progress in delivering the programme including any variances approved through the delegation.

Purpose

The purpose of this report is:

a. Provide a brief overview of the Brownfield Housing Fund (BHF) Round 4.
b. To seek approval of the Brownfield Housing Fund (BHF) Round 4 Programme level business case (Appendix 1).
c. Provide an overview of the programme appraisal process and outcome report (Appendix 2).
d. To seek approval to delegate authority for final sign-off of the BHF Round 4 Programme Business Case to the Combined Authority's Statutory Officers to include any recommended changes/amendments post Cabinet, in consultation with the Accountable Cabinet Portfolio Leads for Housing and Investment.
e. To seek approval to delegate authority for subsequent project-level investment decisions in accordance with the arrangements set out in this report.
f. To seek approval to delegate authority to the Director of Infrastructure to take all decisions necessary to manage and deliver the programme within the strategic framework and budgets approved by Cabinet, including responsibility for programme management, commissioning, intervention prioritisation, operational decision making, and performance monitoring and reporting, in consultation with the Accountable Cabinet Portfolio Leads for Housing and Investment.
g. To seek agreement that Cabinet receives an annual report on the progress of programme delivery, including details of any variances approved through delegated authority arrangements.

Executive Summary

1. The Brownfield Housing Fund (BHF) Round 4 is the latest phase of a long-term government investment programme designed to unlock housing delivery on previously

developed land and stalled sites by addressing barriers such as contamination, infrastructure constraints and other abnormal development costs. Building on the success of the first three rounds of funding, which secured £32.9m for the Tees Valley and are supporting the delivery of more than 1,500 new homes across the region, Round 4 provides a further £33.3m (£32.6m capital and £0.7m revenue) to accelerate the remediation and development of brownfield sites. The programme is expected to unlock approximately 1,085 additional homes, supporting the delivery of the Tees Valley Local Growth Plan, driving regeneration, and bringing forward sustainable housing development across the region.

2. In June 2026, TVCA Cabinet considered a report on the Brownfield Housing Fund (BHF) Round 4 and approved, in principle, the establishment of a £33.3m programme to support the remediation and enabling of brownfield sites across Tees Valley. Cabinet also approved the proposed approach to programme development, including the identification of projects through the development of a pipeline, the development of a programme-level business case, and the use of revenue funding to support programme mobilisation, project level business case development and technical appraisal.

3. This report represents the next stage of the assurance and approval process and seeks Cabinet approval of the Brownfield Housing Round 4 Programme, subject to final due diligence of the Programme Business Case (Appendix 1) in accordance with the Assurance Framework.

4. A Memorandum of Understanding (MoU) with MHCLG sets out the funding profile for the BHF Round 4 programme as follows:

Table 1: BHF Round 4 financial profile (millions)

Year	2026/27	2027/28	Y2028/29	2029/30	TOTAL
CDEL	£15.7	£3.5	£3.5	£9.9	£32.6
RDEL	£0.7	£0	£0	£0	£0.7
				TOTAL	£33.3

5. The BHF Round 4 Programme is being developed in accordance with TVCA's existing assurance framework, while also ensuring the approach is consistent and puts into practice key principles from the emerging Single Assurance Framework (SAF) from the outset. This provides an early opportunity to demonstrate the future SAF in practice, by taking an in-year funding opportunity through a staged and proportionate assurance process.

6. The Programme is being developed as follows:



Progress to Date

Stage 1: Concept

7. Following confirmation of the Brownfield Housing Fund (BHF) Round 4 allocation, Cabinet considered a report in June 2026 and approved, in principle, the establishment of the BHF Round 4 Programme and the proposed approach to programme development. This included approval to develop a programme-level business case, establish a project pipeline through a combination of the Strategic Place Partnership (SPP) Pipeline and an open call process, and utilise available revenue funding to support programme mobilisation and business case development. Stage 1 is therefore complete.

Stage 2: Pipeline Development

8. Following Cabinet approval, TVCA launched an open call for Expressions of Interest (EOIs) and the programme pipeline is now live, with a closing date of 4 September 2026 for projects to be considered for Year 1 funding.

9. All EOIs received to date have been assessed against the published gateway criteria to determine eligibility for BHF support. Eligible applicants will subsequently be invited to complete a Project Maturity Assessment, which is being designed to assess project readiness, deliverability and the potential for funding to be invested within programme timescales.

10. To date (14 September 2026), **13** EOIs have been received, **all** of which have been verified as eligible for BHF funding and **10** deemed suitable for Year 1 delivery with a BHF ask of £29.5m and delivery of 1,241 new homes. The current overall BHF ask is £34.6m with delivery of 1,573 new homes. The 10 Year 1 projects are currently undergoing a Project Maturity Assessment to test deliverability and TVCA are working with partners on the other EOIs at the same time.

11. To support applicants through the process, specialist consultants have been appointed to undertake the Project Maturity Assessments and provide business case workshops, guidance and technical support to help projects progress through the maturity gateway process and improve the quality of submissions.

Stage 3: Programme Business Case Development

12. The programme-level business case has been developed in accordance with the Assurance Framework and reflects the emerging principles of the Single Assurance Framework and is detailed in the report. The business case considers the strategic, economic, commercial, management and financial case for the programme and includes the proposed programme structure, governance arrangements, investment approach and expected programme outcomes which is detailed below.

13. The Business Case has been appraised in accordance with the assurance framework and the outcome report can be found in Appendix 2. The outcome report concluded that the Programme Business Case presents a credible, deliverable and affordable proposal which aligns with HM Treasury Green Book principles and the TVCA Assurance Framework. The programme demonstrates a clear strategic rationale, a positive value for money case, appropriate commercial and financial arrangements, and robust governance and management controls. Subject to the continued application of project-level appraisal, assurance and approval requirements, the programme is considered suitable for Cabinet approval.

Stage 4: Project Approvals

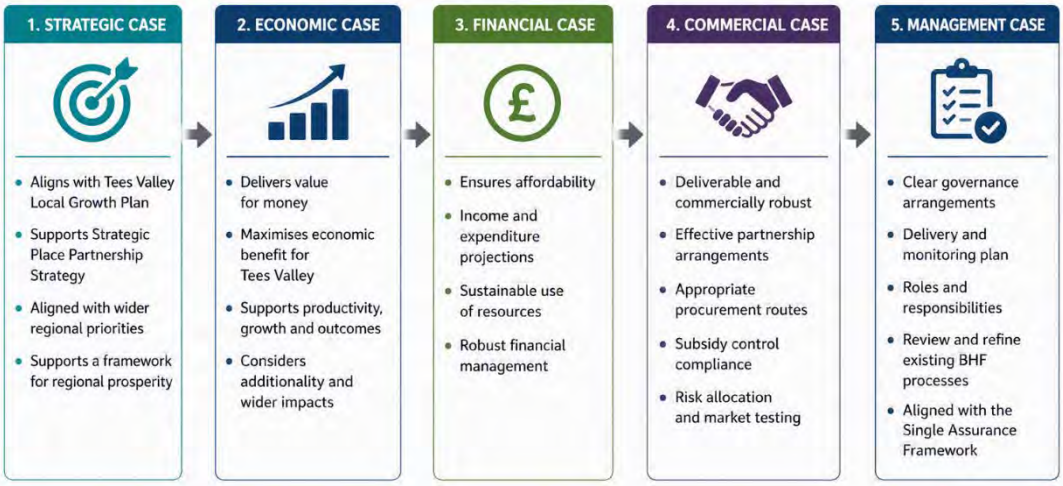
14. Subject to approval of the BHF Round 4 Programme, deliverable projects will proceed to the project-level business case stage. TVCA will work closely with project sponsors to complete proportionate business cases in accordance with the Assurance Framework and emerging SAF requirements. TVCA is currently procuring specialist consultants to utilise the available BHF revenue allocation in support of project development and technical appraisal activity. This support is expected to be in place by the end of September 2026 and will provide additional capacity to accelerate the development of eligible projects, while ensuring that project business cases meet the required appraisal standards.

15. Projects identified as capable of contributing towards the Year 1 capital expenditure profile will be prioritised for appraisal and approval. Following approval, Grant Funding Agreements will be put in place with successful recipients and projects will move into delivery. Progress against programme outputs, expenditure profiles and housing delivery targets will be monitored through established programme governance arrangements and reported to Cabinet through the proposed annual reporting process.

Programme level business case and strategic framework

16. To ensure alignment with the decision thresholds and key principles set out in the emerging Strategic Assurance Framework (SAF), a programme-level business case has been developed (Appendix 1). Cabinet is requested to approve the Brownfield Housing Fund (BHF) Round 4 Programme, which has been appraised in accordance with the Assurance Framework (Appraisal Outcome Report can be found in Appendix 2). Approval is also sought to delegate authority for the final sign-off of the BHF Round 4 Programme Business Case to the Combined Authority's Statutory Officers to include any recommended changes/amendments post Cabinet, in consultation with the Accountable Cabinet Portfolio Leads for Housing and Investment.

17. The business case has been developed in accordance with HM Treasury Green Book Principles as follows:



Strategic case

18. The purpose of the strategic case is to ensure that BHF Round 4 aligns with the Tees Valley Local Growth Plan, Strategic Place Partnership Strategy and wider regional priorities, supporting the delivery of a clear framework for regional prosperity.

19. The Brownfield Housing Fund Round 4 Programme has been developed to address the viability barriers that prevent brownfield housing sites from coming forward across the Tees Valley. The programme is strongly aligned with national, regional and local housing, regeneration and economic growth priorities and will support the delivery of approximately 1,085 new homes through the remediation and enabling of previously developed land. The programme builds on the success of the first three rounds of BHF funding, which have secured £32.9m of investment and are supporting the delivery of more than 1,500 homes across the Tees Valley.

20. The strategic need for intervention arises from a well-established market failure. Many brownfield sites across the Tees Valley are affected by contamination, infrastructure constraints, abnormal development costs, fragmented land ownership and low land values, creating viability gaps that prevent development from proceeding without public

sector support. The programme will use devolved Government funding to overcome these barriers, unlock stalled developments, support regeneration, attract private sector investment and help meet identified housing needs across the region.

21. The programme directly supports delivery of the Tees Valley Local Growth Plan, the emerging Strategic Place Partnership, local authority housing and regeneration priorities, and national objectives to accelerate housing delivery and brownfield regeneration. In doing so, it is expected to generate significant benefits including the remediation of approximately 45 hectares of brownfield land, £252m of leveraged investment, £49.5m of land value uplift and wider economic and social benefits across the Tees Valley.

22. The Programme Business Case identifies six critical success factors which have shaped programme design and appraisal:

    - **Achievability** – delivering the programme within Government timescales and enabling the start of approximately 1,085 homes by programme completion.
    - **Affordability** – ensuring the programme is delivered within the available BHF allocation without requiring additional TVCA funding.
    - **Strategic Fit** – contributing to the objectives of the Local Growth Plan, housing strategies and regeneration priorities across Tees Valley.
    - **Capacity and Capability** – ensuring TVCA, delivery partners and project sponsors have the resources, expertise and governance arrangements necessary to deliver successfully.
    - **Value for Money** – maximising economic, social and regeneration benefits and leveraging private sector investment through a positive business case.
    - **Sustainability and Energy Efficiency** – supporting the delivery of sustainable housing, remediation of brownfield land and contributing towards wider environmental and net-zero objectives.

23. This provides Cabinet with assurance that the programme is both strategically important and capable of delivering significant housing, regeneration and economic growth outcomes across the Tees Valley.

Economic case

24. The purpose of the economic case is to ensure that it delivers value for money and maximum benefit for Tees Valley. The programme economic case assessed a range of options for delivering the BHF Round 4 allocation and identified the approach that would maximise housing delivery, regeneration outcomes and value for money. The assessment considered six options:

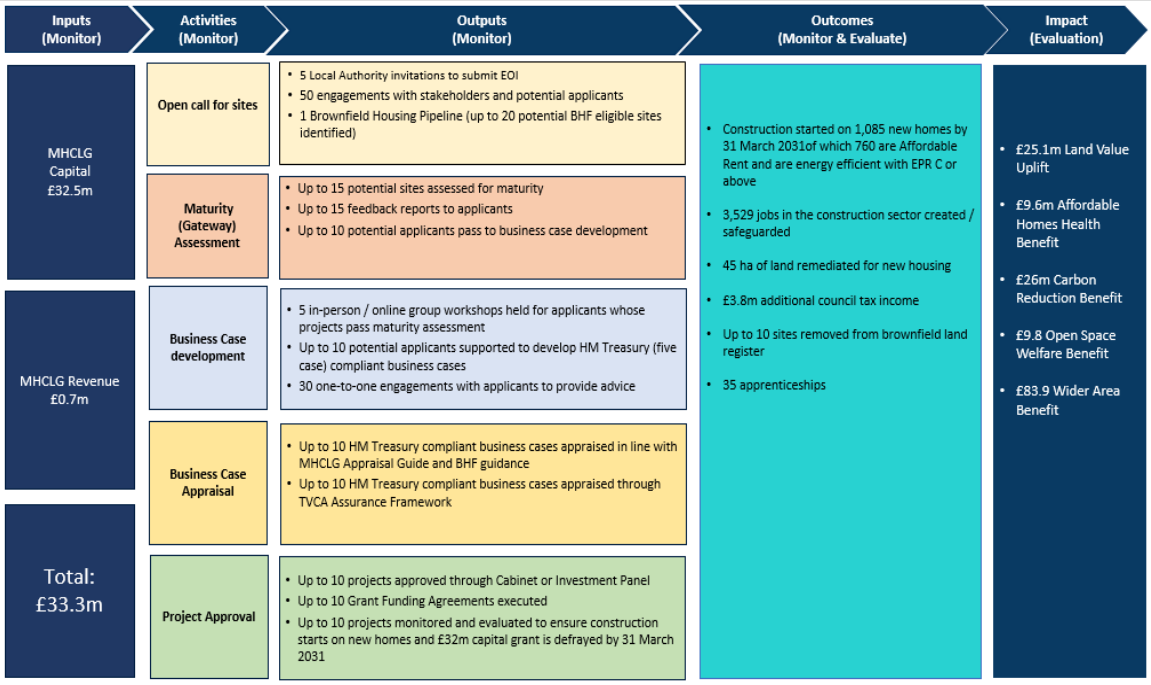
    - **Option 1**: Do Nothing, declining the funding opportunity.
    - **Option 2:** Accept the funding and allocate it equally across the five Local Authorities.
    - **Option 3:** Accept the funding and invite project business cases without developing an overarching programme framework.

- **Option 4:** Accept the funding and deliver through an open call for sites, supported by project maturity assessments, business case workshops and development support.
- **Option 5:** Accept the funding and appoint an external delivery partner to administer the programme.
- **Option 6:** Accept the funding and supplement it with additional capital investment to fund costs outside BHF eligibility rules.
- **Option 7:** Accept the funding but limit eligibility to Local Authority projects

25. The options were tested against the programme's critical success factors. Following this assessment, **Options 1, and 4** were shortlisted for detailed appraisal, with Options 2, 3, 5 and 6 discounted as they were not affordable, or considered capable of consistently achieving programme objectives or represented greater delivery risks.

26. The preferred option is **Option 4**, which combines an open call for projects with project maturity assessments, business case development support and a robust appraisal process. This approach achieved the highest overall ranking, generating a positive **Net Present Social Value (NPSV) of £46.6m** and a **Benefit Cost Ratio (BCR) of 1.43:1**, whilst also providing the strongest alignment with the programme's strategic objectives and lowest overall delivery risk.

27. Through delivery of the preferred option, the programme is expected to unlock approximately **1,085 new homes**, including around **760 affordable homes**, remediate approximately **45 hectares of brownfield land**, generate **£25.1m of land value uplift**, 35 apprenticeships, create new or retain over three thousand construction employment opportunities and generate around £3.8m of additional council tax income as per the following logic model:



28. The economic case therefore concludes that delivery through a managed programme approach, supported by an open call, pipeline development, business case support and project appraisal, represents the most effective and value-for-money mechanism for deploying the BHF Round 4 allocation and achieving the programme's housing and regeneration objectives across the Tees Valley.

Commercial case

29. The purpose of the commercial case is to ensure the programme is deliverable and commercially robust, with appropriate partnership arrangements, procurement routes and subsidy control compliance in place.

30. The programme commercial case sets out the arrangements for delivering the BHF Round 4 and concludes that a hybrid delivery model, combining TVCA programme management with specialist external support, provides the most effective mechanism for ensuring robust project selection, appraisal and delivery.

31. TVCA will act as the accountable body for the programme and will oversee programme management, appraisal, approvals, monitoring and reporting. Specialist consultants are in place/being commissioned to support project maturity assessments, business case workshops, business case development and technical appraisal of projects, helping applicants develop robust proposals and ensuring compliance with assurance requirements.

32. Subsidy Control compliance will be assessed on a project-by-project basis. No funding will be awarded until appropriate assessments have been completed and legal

requirements satisfied. Where required, funding agreements will include appropriate conditions relating to subsidy control, delivery, monitoring and clawback.

33. The programme will operate in accordance with the Procurement Act 2023 and TVCA procurement procedures. All procurement of external support services has been through compliant procurement routes to ensure value for money whilst maximising social value outcomes. Project sponsors receiving funding will also be expected to comply with relevant procurement and funding requirements through the terms of their Grant Funding Agreements.

34. Overall, the commercial case concludes that the proposed delivery model provides a clear, transparent and proportionate process for identifying, developing and approving brownfield housing projects, whilst ensuring strong governance, legal compliance, value for money and effective use of the £33.3m funding allocation

Financial case

35. The purpose of the financial case is to ensure affordability, sustainability and appropriate management of programme resources through robust income and expenditure projections.

36. The programme financial case confirms that the BHF Round 4 Programme is fully funded through a confirmed allocation from MHCLG and does not require any additional financial contribution from TVCA. The programme comprises £32.6m capital funding and £0.7m revenue funding, providing a total programme value of £33.3m over the period to 2029/30.

37. The capital allocation will be used to support remediation and enabling works on eligible brownfield housing sites, whilst the revenue allocation will fund programme management, pipeline development, project maturity assessments, business case development support, technical appraisal, assurance and monitoring activities. This revenue funding is critical to ensuring a sufficient pipeline of investment-ready projects can be developed and approved within Government timescales.

38. The economic value for money assessment of the programme assumes public sector partners will provide investment of at least £60m to unlock the housing sites.

39. Robust financial controls will be applied throughout programme delivery. Individual projects will be subject to business case appraisal, due diligence, subsidy control assessment, funding agreements, monitoring and claims verification before funding is released. Funding will only be awarded where applicants can demonstrate an evidenced viability gap, deliverability and compliance with BHF requirements.

40. The financial case also identifies several key financial risks which will be managed through robust appraisal and assurance processes, milestone-based Grant Funding Agreements, ongoing performance monitoring and the ability to reallocate funding where projects fail to meet programme requirements.

41. Overall, the financial case concludes that the programme is affordable, financially sustainable and represents an effective use of Government funding to unlock housing delivery, regeneration and wider economic benefits across the Tees Valley.

Management case

42. The purpose of the management case is to ensure clear governance, delivery and monitoring arrangements are established. This will include reviewing and refining existing BHF processes to ensure programme management and decision-making are aligned with the emerging Single Assurance Framework.

43. The management case demonstrates that robust governance, programme management and assurance arrangements are in place to ensure the successful delivery of the programme. BHF Round 4 will be delivered as a single managed programme. The governance model aligns to the Tees Valley Combined Authority (TVCA) leadership arrangements and operates within the following governance structure to provide political oversight, strategic oversight, assurance and scrutiny in accordance with TVCAs Assurance Framework.

Governance

Role/Governance Body	Responsibility
TVCA Cabinet	Approves BHF Round 4 programme strategic framework, considers projects/interventions above £5m (above £2.5m temporarily before new Single Assurance Framework fully operational) and receives annual programme performance reports summarising performance, financial position, delivery progress, key risks, and any material decisions taken under delegated authority. Provides strategic direction, ensures alignment to wider Tees Valley priorities, and takes major decisions where required (e.g., significant programme changes, budget reallocations beyond delegated limits, approvals aligned to CA decision-making processes). Receives escalations on high-impact risks, material underperformance, or significant reputational issues.
TVCA Overview & Scrutiny Committee	Provides scrutiny of programme performance and decision-making, including outcomes achieved, value for money, and responsiveness to stakeholders.
Audit & Governance Committee	Provides assurance over the programme's governance, risk management, control environment, and the adequacy of management information and audit trail arrangements.

Cabinet Investment and Housing Portfolio Leads	Consulted on programme management, delivery and investment decisions taken under delegated authority from Cabinet. o Cllr Graham Harrison: Portfolio Holder for Energy Infrastructure and Housing (joint portfolio with the Tees Valley Mayor) o Mayor Ben Houchen: Portfolio Holder for Investment, Housing (joint portfolio) & Planning & Development Corporations

Decision making

The BHF Round 4 Programme will operate through programme-specific governance arrangements aligned to the TVCA Assurance Framework and the principles of the emerging Single Assurance Framework (SAF). Approval of the Programme Business Case by Cabinet reflects that the overall programme value exceeds £5 million and establishes the strategic framework for delivery, including the approved funding envelope, outputs, outcomes and delivery approach. **Through this report, Cabinet are asked to approve the Programme Business Case** (Appendix 1) which has been appraised in accordance with the Assurance Framework (Appraisal Outcome Report can be found in Appendix 2). Cabinet are also being asked to approve the delegation of **subsequent project-level investment decisions in accordance with the arrangements set out below.**

44. It is proposed that following approval of the business case by Cabinet through this report, **final sign-off of the BHF Round 4 Programme Business Case to the Combined Authority's Statutory Officers to include any recommended changes/amendments post Cabinet, in consultation with the Accountable Cabinet Portfolio Leads for Housing and Investment.**

45. Individual projects brought forward through the programme will be subject to project-level business case appraisal and assurance processes in accordance with the Assurance Framework. Such project approvals will focus on confirming strategic fit with the approved programme, value for money, affordability, deliverability and compliance with programme requirements. Cabinet will receive an annual report on programme performance, delivery progress and the use of delegated powers.

46. To enable efficient programme delivery, Cabinet is asked to delegate authority for approval of project-level business cases as follows, with all decisions taken in consultation with the Cabinet Investment Portfolio Lead and joint Cabinet Housing Portfolio Leads:
    - **Projects up to £1 million**: approval delegated to the Section 73 Officer and Monitoring Officer.
    - **Projects between £1 million and £2.5 million**: approval delegated to the Chief Executive in consultation with the Section 73 Officer and Monitoring Officer.
    - **Projects above £2.5 million**: approval delegated to the Investment Committee*

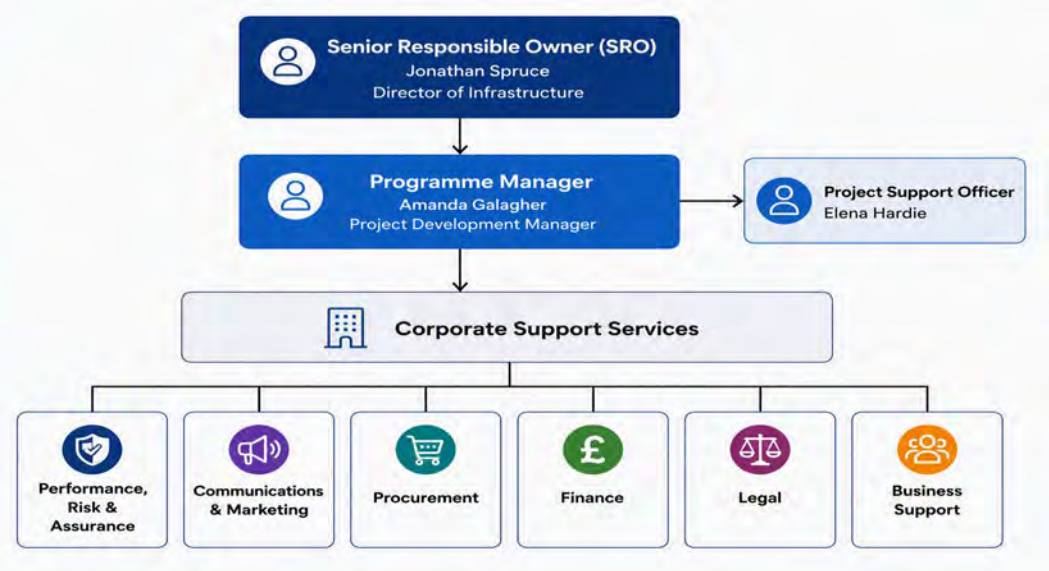
* If project business cases come forward before the Investment Committee is operational, any project with a value exceeding £2.5 million will be referred to Cabinet for strategic consideration and endorsement.

47. Following completion of appraisal and assurance, an Outcome Report will be prepared for each project and submitted through the appropriate decision-making route in accordance with the thresholds set out above.

48. Any material change to the approved programme scope, funding allocation, outputs, outcomes, geography, delivery approach or strategic direction will be managed through the Authority's change control procedures and escalated in accordance with the Assurance Framework and governance arrangements where required.

Delivery

49. The programme has a robust and credible delivery structure with clear roles and responsibilities to ensure effective delivery:



50. **Agreement is sought to delegate authority to the Director of Infrastructure, as Senior Responsible Owner (SRO), to manage and deliver the BHF Round 4 Programme within the strategic framework and budget approved by Cabinet through this paper, including responsibility for programme management, commissioning, intervention prioritisation, operational decision making, and performance monitoring and reporting, in consultation with the Cabinet Investment Portfolio Lead and joint Cabinet Housing Portfolio Leads**. This will include responsibility for programme management, commissioning, intervention prioritisation, operational decision-making, performance monitoring, reporting, and ensuring that project-level investments are progressed through the appropriate appraisal, assurance and approval processes in accordance with the Authority's governance arrangements.

51. The Management Case includes comprehensive arrangements for risk management, monitoring and evaluation, stakeholder engagement and benefits realisation. Delivery will be supported through grant funding agreements, performance monitoring, post-investment evaluation and annual reporting to Cabinet on programme performance, delivery progress and the use of delegated powers to ensure the successful delivery of programme outputs and outcomes.

Milestones and next steps

52. Key next steps and associated milestones are as follows:

Milestone	Indicative target
Cabinet approves in principle the concept of the BHF Round 4 Programme	July 2026
Investment Pipeline development through assessment of SPP Pipeline and wider open call	August 2026
External support for gateway assessments and business case workshops in place	August 2026
Cabinet approves BHF Programme level Business Case	September 2026
External support for project level business cases and technical appraisal in place	September 2026
Project-level decisions made for eligible and deliverable projects	January 2026 onwards
Grant Funding Agreements in place	March 2026 onwards
Housing starts to commence	Before March 2031

Partnership & Engagement

53. A Communications and Marketing approach has been developed as part of the programme business case. Ahead of its formal approval, proactive communications and engagement activity is ongoing to raise awareness of the funding opportunity and encourage EOIs from key stakeholders and partners (including local authorities, the SPP Task and Finish Group and Tees Valley Housing Group) to support the development of a strong project pipeline. This activity will ensure that stakeholders are aware of the funding opportunity, understand the eligibility and assessment requirements, and are informed of the process and timescales for submitting proposals for consideration and potential inclusion within the Investment Pipeline.

Cabinet is requested to consider the following identified implications:

Financial Implications

54. The Brownfield Housing Fund (BHF) Round 4 allocation provides £33.3 million of funding from the Ministry of Housing, Communities and Local Government,

	comprising £32.6 million capital funding (CDEL) and £0.7 million revenue funding (RDEL) over the period 2026/27 to 2029/30.
55.	Subject to execution of the Memorandum of Understanding with MHCLG and approval by cabinet, the funding will be incorporated into TVCA's approved capital and revenue programmes. The programme will be managed in accordance with the Authority's financial regulations, assurance framework and grant conditions.
56.	The £32.6 million capital allocation will be used to support eligible brownfield remediation and enabling projects that unlock housing delivery across the Tees Valley. Funding allocations to individual projects will be subject to separate appraisal, approval and business case requirements before any commitment of funding is made.
57.	The £0.7 million revenue allocation is proposed to be used to support the development and delivery of the programme, including programme management and staffing, communications and stakeholder engagement activity, project development support, business case preparation, gateway assessments and technical appraisal. Utilisation of this funding will reduce the need to draw upon existing TVCA resources to establish and implement the programme. Failure to utilise the funding in accordance with the agreed profile and grant conditions could result in funding being reprofiled, reduced or clawed back by Government.
Legal Implications	
58.	TVCA Legal has reviewed the initial draft of the MOU drafted by MHCLG and has requested some minor amendments to be incorporated by MHCLG. As with previous MOUs received from MHCLG, it is not legally binding. However, TVCA shall need to ensure it complies with the terms of the MOU.
59.	Any proposed onward grants to any grant recipient, especially where that grant recipient may be an Enterprise operating in the marketplace will need to be assessed to ensure compliance with the Subsidy Control Act 2022. Any procurement of consultants or contractors undertaken by TVCA will need to comply with the Procurement Act 2023.
Equality & Diversity Implications	
60.	An Equality Impact Assessment has been undertaken for the programme and concludes that the BHF Round 4 Programme is not expected to have any adverse impacts on people with protected characteristics. The programme is anticipated to have positive effects through increasing housing supply, supporting the regeneration of brownfield land and widening access to housing opportunities across the Tees Valley. In addition, all projects seeking funding through the programme will be required to undertake proportionate project-level Equality Impact

	Assessments to ensure equality considerations are embedded throughout project development and delivery.

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

Risk	X	Assurance Framework		Procurement	
Improvement	X	Environment		HR & IT	

61. **Risk Assessment**

The key risks relate to delivery timescales, the development of a sufficient pipeline of eligible projects, compliance with MHCLG grant conditions, and the ability to contract the required level of capital and revenue funding within 2026/27. These risks are heightened by the need to progress a programme-level business case, launch the gateway process, appraise project-level business cases and complete funding agreements within a compressed timeframe. Ongoing risk management will be embedded throughout programme mobilisation and delivery, with risks actively identified, assessed, monitored and escalated through the agreed governance arrangements.

62. The main risks and mitigations are:

- Delivery risk: Projects may not be sufficiently developed to meet the required appraisal, approval and contracting milestones. This will be mitigated through early market engagement, clear applicant guidance, business case workshops and close monitoring of the Tees Valley Investment Pipeline. Progress will be reviewed regularly against agreed milestones, with emerging delivery issues escalated promptly for management action.
- Funding and compliance risk: Failure to meet MHCLG conditions or annual funding profiles could affect TVCA's ability to draw down or retain funding. This will be mitigated through programme-level governance, regular monitoring against the funding profile and alignment with the TVCA assurance framework. Compliance requirements will be tracked throughout delivery to provide assurance that funding conditions remain understood, evidenced and met.
- Pipeline risk: The programme launch may not generate enough eligible or deliverable schemes to meet the programme outcomes. This will be mitigated by developing a Communications Plan to promote the opportunity widely and engage local authorities and partners.
- Appraisal and assurance risk: Project business cases may require additional development before approval. This will be mitigated by providing revenue-funded business case support, technical appraisal capacity and early feedback to applicants. Assurance checkpoints will be maintained so that appraisal findings, conditions and required improvements are recorded and monitored through to resolution.

63.	• Contracting risk: Delays in legal agreements or applicant approvals could affect the ability to commit funds by the required deadline. This will be mitigated through early preparation of grant funding agreements, clear applicant requirements and regular escalation through programme governance. Contracting progress will be monitored as part of routine programme reporting, with barriers identified early and escalated where decisions or additional support are required. • Programme oversubscription: Creates challenge around prioritisation, transparency and stakeholder expectations. Mitigation is to use published eligibility and assessment criteria, retain clear audit trails, communicate outcomes and feedback consistently and prioritise schemes based on strategic fit, deliverability, value for money and ability to start on site quickly. Overall, the risks are considered manageable, provided the programme is mobilised quickly, governance arrangements are confirmed, and progress is monitored closely against the milestones set out in this report. Continued assurance will be maintained through routine risk review, performance monitoring, controls, issue escalation and evidence-based reporting to the relevant programme governance forums. This will ensure that risks remain visible, mitigations remain effective, and any changes to risk exposure are addressed in a timely and proportionate manner.
64.	**Improvement** The process to develop the BHF Round 4 Programme proposes a combination of the identification of schemes from the emerging Strategic Place Partnership Pipeline and an Expression of Interest. This supports our commitment to implement a collaborative approach to long-term priority setting and planning as set out in the Organisational Improvement Plan.



TEES VALLEY

Brownfield Housing Fund Round 4 Programme

Programme Business Case
Date or Version: August 2026 (version 2)

RESTRICTED: BUSINESS CASE

FOR TVCA USE ONLY – INITIAL GATEWAY CHECK	
TVCA Reference Number	PRGM-1141
Programme / Project Name	Brownfield Housing Fund Round 4
TVCA Group Company / Directorate	Infrastructure
TVCA Cabinet Allocation Amount	£32,549,299
Cabinet Decision reference & date	TVCA 29/26 31 July 2026
Change required from SOBC to FBC?	No
Strategic Theme this project contributes to	Infrastructure
Investment Plan KPI this project delivers	NA
Equality Impact Assessment Signed?	Yes
Mayoral / Corporate Policy fit	Yes
Subsidy Control Checklist Signed by Legal?	NA
Is a CMA Referral required?	No
Outline Stakeholder Management Plan?	Yes
Contractual structure eg JV, partnership	NA
Date of receipt of completed application	TBC
Priority Project?	No
Form signed	TBC
PROJECT DEVELOPMENT INTIATION DECLARATION	
I declare that the proposed programme / project referred to above has received the appropriate authorisation to proceed into Business Case Development. I declare I have considered the roles and responsibilities of the internal team members and external advisors appointed to develop the project further, and confirm they present no conflict of interest.	
SRO Signature:	
Project Development Manager Allocated: Amanda Gallagher	

SUPPORT TO DEVELOP THE PROJECT AND BUSINESS CASE IS PROVIDED BY A PROJECT DEVELOPMENT MANAGER FROM TVCA.

This form is the main document in the suite of information that makes up a Business Case for submission to Tees Valley Combined Authority (TVCA) in support of investment in a Programme / Project. This document presents the proposed programme or project case as a descriptive narrative. This is used in conjunction with the supporting Evidence Pack workbook where detailed analysis and calculations are carried out, and any other supporting Appendices.

The Business Case form is structured in alignment with HM Treasury Green Book Five Case Model for appraising public value. It provides a management tool for evidence based and transparent decision making and a framework for the delivery, management and performance monitoring of the Programme / Project.

More details are available in the Business Case Guidance Notes. The five cases can be summarised as:



The content of the business case must be supported by relevant technical detail including robust economic analysis and delivery plans. Statements of facts made in this document must be confirmed by references to sources and/or by providing appropriate appendices, which should be clearly referenced in the business case.

Note: Before making a submission, TVCA expect that all other funding sources have been fully explored. Confirmation of this will be requested with full details/evidence during the application process.

TVCA DISCLAIMER
Submitted Business Cases are subject to TVCA's appraisal process including appropriate due diligence. Following this process, a decision to fund or not will be made under the Local Assurance Framework. There should be no expectation of funding assistance unless and until both parties sign a Funding Agreement. All the project sponsor's costs and charges incurred in making this Business Case shall be for the project sponsor's account and cannot be claimed as part of the Programme / Project

FOR DEVELOPMENT USE ONLY: VERSION CONTROL				
Date	Version No	Section Ref	Summary of Significant Change	Initials
16.07.26	1		Initial Draft	AG
18.08.26	2		First full draft	KW

PROJECT SPONSOR DETAILS	
Lead Organisation:	Tees Valley Combined Authority
Registered Address:	Teesside Airport Business Suite Teesside International Airport Darlington DL2 1NJ
Type of Organisation:	Combined Authority
Date of Formation:	2016
Company Registration Number:	N/A
VAT Registration Number:	GB232680224
Are you part of a group of companies?	Yes – TVCA, Teesside International Airport, South Tees Development Corporation, Teesside Freeport, Hartlepool Development Corporation and Middlesbrough Development Corporation.
If so, who is the parent company?	Tees Valley Combined Authority Group
Lead Sponsor: name	Jonathan Spruce
Lead Sponsor: telephone number	07505 052620
Lead Sponsor: email address	Jonathan.spruce@teesvalley-ca.gov.uk
Lead Sponsor: position in organisation	Director of Infrastructure
Contact address if different from above:	NA
Project Manager: name	Amanda Gallagher
Project Manager: telephone number	07500 723292
Project Manager: email address	Amanda.gallagher@teesvalley-ca.gov.uk
Project Manager: position in organisation:	Project Development Manager
Contact address if different from above:	NA

PUBLICITY STATEMENT

The Brownfield Housing Fund (BHF) is a public funding land enabling programme, which is devolved to Mayoral Combined Authorities (MCAs) and supports activity to remediate land and enable residential development to be delivered, which without the intervention of BHF would otherwise stall or remain undeveloped.

Brownfield sites can be challenging to develop, as they generally have issues relating to contamination or existing infrastructure that makes development more expensive.

First announced in 2020, our current £32.9million Brownfield Housing Fund is delivering more than 1,500 new homes on 11 brownfield sites across Tees Valley.

The 2026 BHF round 4 allocation for Tees Valley was announced in April 2026 and aims to unlock 1,085 homes with £32,549,299 capital grant over four years.

The fund is devolved to Tees Valley Combined Authority (TVCA) and is managed as part of our Investment Fund, in line with our current assurance framework.

EXECUTIVE SUMMARY	
TVCA Ref:	PRGM-1141
Programme / Project Name:	Brownfield Housing Fund Round 4

Location: (delete as appropriate)	Tees Valley
Total Programme / Project Cost:	£32,549,299
TVCA funding requested: £	£0
Total of other funding sources: £	£32,549,299
Total of other funding sources: £	£60,480,000

Vision

1. The Vision for the Brownfield Housing Programme Round 4 is:

   'To unlock the redevelopment of brownfield land across the Tees Valley by overcoming viability barriers, accelerating the delivery of high-quality and sustainable homes, supporting regeneration, and creating thriving places that enable economic growth, attract investment and improve opportunities for local communities'

Detailed description

2. The Brownfield Housing Fund (BHF) is a public funding land enabling programme, which is devolved to Mayoral Combined Authorities (MCAs) and supports activity to remediate land and enable residential development to be delivered, which without the intervention of BHF would otherwise stall or remain undeveloped. The programme has been designed to target funding to address the viability issues that the brownfield projects face, alongside supporting wider economic development interventions. The aims of the programme are to:
   - Provide enabling investment to brownfield sites that are stalled and commercially unviable to develop. This will be aligned with wider strategic investment programmes and priorities;
   - Develop net additional housing units on brownfield sites that will contribute to addressing housing need and the regeneration of local areas blighted by derelict and contaminated land, reducing the associated social and environmental issues including crime;
   - Provide greater housing choices, improving the flexibility of the local property market to respond to changes in demand. The increased provision of housing in highly accessible locations will support a net increase in the supply of labour available to local businesses;
   - Improve perceptions of local areas and support increased land values and viability across the Tees Valley;
   - Support the construction industry and local supply chains, safeguarding and creating new jobs, cultivating a key enabling sector in the transformation of Tees Valley; and
   - Increase local employment retention, the attraction of new labour and improved property market, which will contribute to local productivity growth and support local economic growth ambitions.

3. TVCA has previously been allocated £32.9m BHF through three rounds which is successfully delivering over 1,500 new homes across multiple brownfield sites across the Tees Valley. A fourth round of BHF was announced for the Tees Valley in April 2026, which aims to unlock a further 1,085 homes with £32.5m of funding over four years, with £18m to contract in 2026-27.

Programme objectives

4. The BHF Round 4 Programme has two SMART objectives.

OBJECTIVE 1

Specific	Unlock brownfield housing delivery and regeneration across the Tees Valley by addressing viability barriers and accelerating residential development on previously developed land
Measures of Success	• Approximately 1,085 homes unlocked. • Approximately 45 hectares of brownfield land remediated and brought back into productive use. • Reduction in up to 10 stalled or constrained brownfield sites including reduction of sites on Brownfield register.
Achievable Realistic	Due to previous rounds of BHF, these targets are deemed realistic and achievable as set out in the case studies in section 1.4.
Timescale	Homes brought forward will start on site before 31 March 2031

OBJECTIVE 2	
Specific	Develop a sustainable pipeline of investment-ready brownfield housing projects that supports future housing growth, regeneration priorities and investment opportunities across the Tees Valley.
Measures of Success	• 1 Tees Valley Brownfield Housing Pipeline created. • Minimum of 20 projects added to the Pipeline. • Up to 10 eligible projects progressed from "in development" to "deliverable" status. • Up to 10 project business cases developed and approved. • Full utilisation of the £33.3m BHF allocation in accordance with Government funding requirements. • Strengthened pipeline of brownfield opportunities capable of supporting future funding bids and investment programmes.
Achievable/ Realistic	Due to previous rounds of BHF, these targets are deemed realistic and achievable as set out in the case studies in section 1.4.
Timescale	Homes brought forward will start on site before 31 March 2031

Programme Critical Success Factors

5. The programme has the following Critical Success factors as detailed in section 1.7:
    - Achievability: Deliver the programme within Government timescales, fully allocate available funding and enable the start of approximately 1,085 homes.
    - Affordability: Deliver the programme within the £33.3m BHF allocation and approved budgets, without requiring additional TVCA resources.
    - Strategic Fit: Support the objectives of the Local Growth Plan, housing growth, brownfield regeneration and wider economic development priorities across Tees Valley.
    - Capacity and Capability: Ensure TVCA, delivery partners and project sponsors have the skills, resources and governance arrangements necessary to successfully deliver projects.
    - Value for Money: Demonstrate effective use of public funding through positive economic outcomes, delivery of agreed outputs and leverage of private sector investment.
    - Sustainability and Energy Efficiency: Support the delivery of sustainable homes, the reuse of brownfield land and wider environmental and net zero objectives.

Delivery mechanism

6. TVCA, as the accountable body, is developing a pipeline of potential brownfield housing projects through a combination of an open call for Expressions of Interest and engagement with Local Authority partners and the emerging Strategic Place Partnership Pipeline. All

submissions are assessed against BHF eligibility criteria, with eligible schemes progressing through a maturity assessment process to determine project readiness and deliverability.

7. Projects identified as requiring further development have been categorised as "in development" and will continue to be supported through the Tees Valley Investment Pipeline. Projects assessed as sufficiently mature and deliverable are progressing to the project business case stage.

8. Specialist consultants have been appointed, and further support is being procured through the programme's revenue allocation, to provide business case workshops, project development support and technical appraisal. This will assist applicants in preparing robust, HM Treasury-compliant business cases and support timely progression through the assurance process.

9. Subject to approval of the Programme Business Case, eligible and deliverable projects will be invited to submit project-level business cases. Priority will be given to schemes capable of supporting the Year 1 capital expenditure profile, ensuring the programme can meet Government funding requirements and delivery timescales.

10. Project business cases will be appraised in accordance with the TVCA Assurance Framework and emerging Single Assurance Framework principles. Funding decisions will be taken through a proportionate approval process based on project value and risk. During the transition to the new governance arrangements, projects exceeding £2.5m will be referred to Cabinet for strategic endorsement before approval is delegated to the Chief Executive in consultation with the Statutory Officers and relevant Portfolio Leads. Once the new arrangements are fully operational, projects above £5m will be referred to Cabinet in accordance with the emerging Single Assurance Framework.

11. Following project approval, Grant Funding Agreements will be entered into with successful applicants before funding is released and delivery commences. TVCA will monitor performance, expenditure, outputs and outcomes throughout the life of the programme, with progress reported annually to Cabinet through established governance arrangements.

Key milestones

Milestone	Date
Cabinet approves in principle the concept of the BHF Round 4 Programme	July 2026
Investment Pipeline development through assessment of SPP Pipeline and wider open call	August 2026
External support for gateway assessments and business case workshops in place	August 2026
Cabinet approves BHF Programme level Business Case	September 2026
External support for project level business cases and technical appraisal in place.	September 2026
Project-level decisions made for eligible and deliverable projects.	January 2027 onwards
Grant Funding Agreements in place	March 2027 onwards
Housing starts to commence	Before March 2031

Key risks

12. This programme has a comprehensive risk register (tabs 3.8 and 4.7 in evidence pack – Appendix 1). All level risks have effective mitigations in place. High risks include:

Risk	Mitigation
Failure to deliver Strategic Objectives: TVCA Local Growth Plan and local housing needs	Robust processes to support scheme eligibility and produce HM Treasury compliant business cases. Assurance and governance frameworks in place to appraise schemes and give approvals
Change in political leadership at National or Local level and a change, reduction or removal of support	Member briefings and engagement, signed MOU with MHCLG and governance framework in place
Interest rates and inflation increase, making projects more costly to deliver	Robust processes to support scheme eligibility and produce HM Treasury compliant business cases. Assurance and governance frameworks in place to appraise schemes and give approvals
Poor communication of programme with stakeholders and project sponsors result in low take up	Communications Plan in place covering press release and engagement activity. Early engagement with LAs and housing providers complete. Run open call for sites including providing a prospectus and EOI.
Malicious cyber activities such as hacking, malware, ransomware, and phishing attacks	Cyber security in place. Insurance against attacks in place and requested from all commissioned consultants involved
Changes in national policy, funding requirements or programme guidance affect eligibility, reporting, spend profile or delivery priorities	Maintain dialogue with Government, review guidance updates, assess implications through programme governance and update applicants and funding agreements where required
Insufficient pipeline of brownfield housing schemes to meet programme outputs and homes-started target	SPP and OPE pipelines in place. Run a proactive call for projects, engage Local Authorities and delivery partners early, review known brownfield opportunities and maintain a live pipeline with development actions
Programme oversubscription creates challenge around prioritisation, transparency and stakeholder expectations	Use published eligibility and assessment criteria, retain clear audit trails, communicate outcomes and feedback consistently and prioritise schemes based on strategic fit, deliverability, value for money and ability to start on site quickly

Investment overview

13. BHF Round 4 Programme if funded through MHCLG against the following profile:

Year	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**TOTAL**
CDEL	£15.7	£3.5	£3.5	£9.9	£32.6
RDEL	£0.7	£0	£0	£0	£0.7
				TOTAL	£33.3

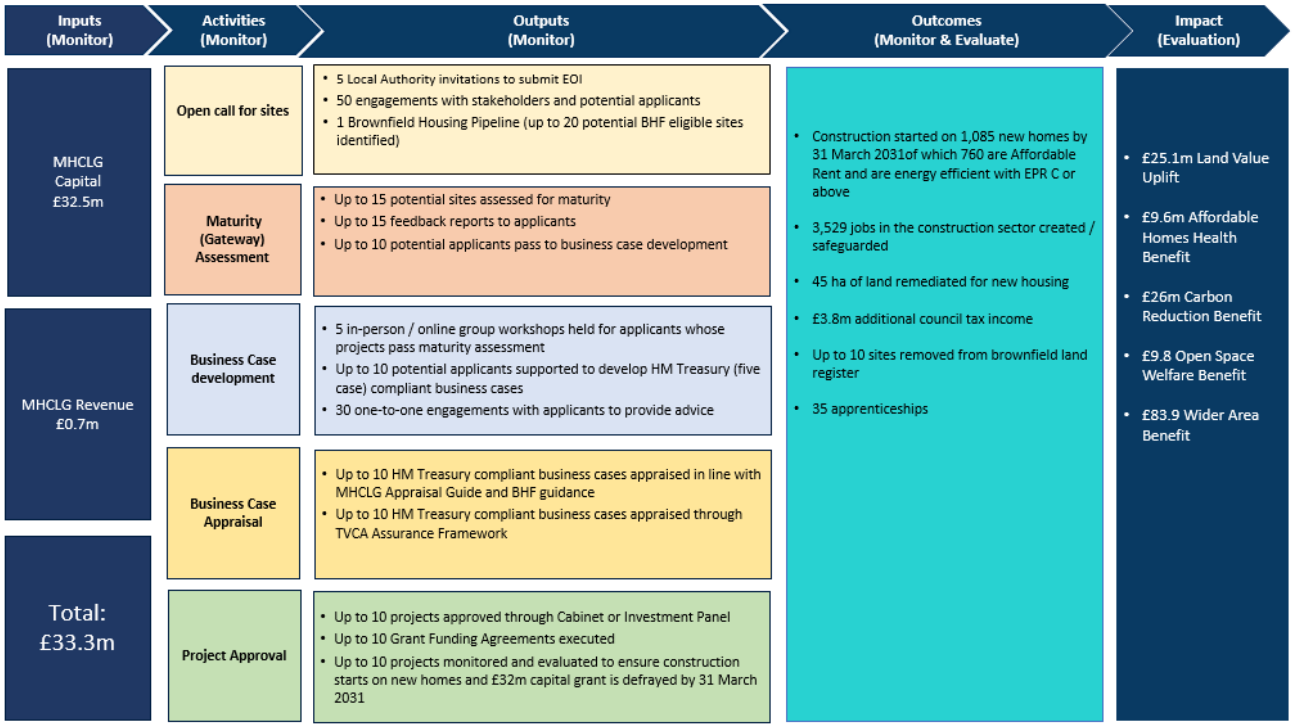
Impact and logic model

14. With the above investment, BHF Round 4 will have a significant impact which will generate:
    - £25.1m Land Value Uplift
    - Affordable homes health benefits £9.6m

- Carbon reduction benefits £26.0m
- Welfare Benefits associated with Open Space £9.8m
- Wider area impacts estimated at £83.9m

15. In addition, benefits not monetised in the value for money calculations include:
    - 35 apprenticeships in construction sector
    - 3529 construction jobs supported
    - 45 ha of land remediated
    - £3.8m additional council tax income

16. The programme will leverage in significant investment and has a positive BCR of 1.43.



CASE 1: STRATEGIC CASE

Key Messages:

- Brownfield Housing Fund Round 4 is strongly aligned with local, regional and national policy objectives, including the Tees Valley Local Growth Plan, the emerging Strategic Place Partnership, the emerging Tees Valley Spatial Development Strategy, and the housing and planning strategies of each constituent local authority.
- The programme will support the delivery of approximately 1,085 new homes across the Tees Valley, helping to meet identified housing needs, support population and labour market growth, and provide the homes required to underpin economic development and inward investment.
- The programme will accelerate the regeneration of previously developed land, bringing stalled and underutilised brownfield sites back into productive use, supporting sustainable development and reducing pressure on greenfield land.
- Public intervention is required to address the viability challenges associated with brownfield development across the Tees Valley, where low land values, contamination, infrastructure

requirements and abnormal development costs often prevent sites from being delivered by the market alone.	
1.1 Strategic fit with Sponsor Organisation's Strategic or Local Plans	
Name of Plan / Strategy / Programme	**Summarise the relevant sections, and describe how this Programme / Project fits**
Tees Valley Local Growth Plan	The Tees Valley Local Growth Plan identifies housing and commercial development as a key enabler of regional productivity, labour market growth and place-based regeneration. The Plan recognises that economic growth depends upon the availability of high-quality housing to attract and retain skilled workers, support investment and create sustainable communities across the Tees Valley. The Brownfield Housing Fund (BHF) Round 4 will directly contribute to these objectives by accelerating housing delivery on previously developed land, supporting regeneration, improving housing supply and enabling growth in locations linked to employment and infrastructure investment.
TVCA Investment Pipeline	Housing-led regeneration and the redevelopment of brownfield land remain established investment priorities for TVCA. Previous rounds of the Brownfield Housing Fund have supported the delivery of more than 1,500 homes across 11 sites within the Tees Valley. BHF Round 4 builds on this success by unlocking additional sites and supporting the delivery of 1,085 new homes, ensuring continued progress towards strategic housing and regeneration objectives.
Strategic Place Partnership Business Plan	The emerging Strategic Place Partnership between Homes England, TVCA and the constituent local authorities identifies housing delivery, brownfield regeneration, sustainable communities, town centre living and housing market diversification as core priorities. The partnership acknowledges the challenges of brownfield viability, infrastructure requirements and housing market constraints across the Tees Valley. BHF Round 4 provides a key delivery mechanism to address these challenges and support the achievement of agreed place-based outcomes.
Development of a Tees Valley Spatial Development Strategy	The Planning and Infrastructure Act 2025 requires Mayoral Strategic Authorities to prepare a Strategic Development Strategy (SDS) to provide a long-term framework for growth across their area. The SDS will establish the strategic pattern, scale and distribution of development across the Tees Valley, providing a spatial strategy that guides Local Plans and supports sustainable economic growth. It will identify strategically significant locations for housing, employment and regeneration development; allocate housing growth to the most appropriate locations; identify infrastructure requirements needed to support delivery; and include policies relating to housing, affordable housing, land use, environmental protection and strategic regeneration. The SDS will also identify areas where environmental enhancement, restoration or protection is required and coordinate investment in transport, utilities, energy and economic infrastructure. By unlocking brownfield housing sites across the Tees Valley, BHF Round 4 directly supports the anticipated objectives of the SDS, providing development-ready opportunities that can contribute to the

	delivery of strategic housing growth, urban regeneration and sustainable place-making. The programme will help ensure that identified housing requirements can be delivered in sustainable locations, support the reuse of previously developed land, reduce pressure on greenfield sites and enable housing growth to be aligned with wider economic and infrastructure priorities. As such, BHF Round 4 will act as an important delivery mechanism for the emerging spatial strategy of the Tees Valley and the implementation of future SDS policies.
Darlington Borough Council Draft Homes Strategy 2025-2030	Darlington's emerging Homes Strategy identifies housing delivery as fundamental to supporting economic growth, health and wellbeing and sustainable communities. The strategy seeks to increase housing supply, improve affordability, support regeneration and ensure a diverse housing offer which meets the needs of existing and future residents. BHF Round 4 aligns with these objectives by supporting development on brownfield land and increasing the supply of quality homes within the borough.
Darlington Borough Council Private Sector Housing Strategy 2022-2027	Darlington's Private Sector Housing Strategy recognises that housing plays a fundamental role in improving health, wellbeing, life opportunities and economic prosperity. The Strategy's vision is to provide homes that meet residents' needs, are affordable, safe, secure, sustainable and support a good quality of life. Key priorities include improving housing quality, reducing health inequalities, bringing empty homes back into use, increasing energy efficiency, tackling fuel poverty and supporting the delivery of new homes to meet future demand. The Strategy specifically acknowledges that a growing population and changing lifestyles require additional homes that are affordable, located in the right places and of sufficient quality to support future demand. It also highlights the importance of making best use of existing housing assets and supporting economic growth through housing provision. BHF Round 4 directly supports these objectives by enabling the development of new homes on previously developed land, bringing underutilised sites back into productive use, supporting housing supply growth and creating sustainable communities that contribute to economic growth and improved quality of life. By addressing viability constraints that prevent development on brownfield sites, the programme helps deliver the additional housing required to meet future needs while supporting wider regeneration, wellbeing and place-making objectives identified within the Strategy.
Hartlepool Local Plan	The Hartlepool Local Plan establishes the planning framework for growth and prosperity within the borough to 2031, with a clear objective of delivering a wide range and choice of homes, supporting economic growth and creating high-quality places. Housing policies HSG1 and HSG1a seek to ensure a sufficient supply of housing land and support the delivery of new homes across sustainable locations within the borough. The Local Plan also promotes regeneration, the effective use of previously developed land, housing market renewal and the delivery of mixed and balanced communities.

	BHF Round 4 directly supports these objectives by addressing viability barriers associated with brownfield development, unlocking housing sites that would otherwise remain undeveloped, and contributing towards the delivery of the borough's housing and regeneration ambitions. The programme also aligns with wider Local Plan objectives relating to sustainable development, urban regeneration, economic growth and place-making.
Middlesbrough Publication Local Plan	Middlesbrough's Publication Local Plan provides the borough's strategic planning framework to support sustainable growth, regeneration and improved quality of place. The Plan identifies housing delivery as a key component of economic growth and seeks to ensure an adequate supply of homes through a combination of brownfield regeneration, urban renewal and sustainable development locations. The Plan promotes the efficient use of previously developed land, prioritises regeneration opportunities within the urban area and supports mixed-use development capable of revitalising town centre and regeneration locations. The Plan also recognises the importance of housing delivery in supporting Middlesbrough's economic ambitions, improving neighbourhood quality and attracting and retaining residents. BHF Round 4 directly supports these objectives by addressing abnormal remediation and infrastructure costs which prevent brownfield sites from coming forward for development. Through unlocking stalled and underutilised sites, the programme will accelerate housing delivery, support regeneration objectives, improve housing supply and contribute towards the creation of sustainable communities. The programme therefore aligns strongly with the Local Plan's objectives for housing growth, urban regeneration, effective use of land, place-making and sustainable economic development
Redcar and Cleveland Housing Strategy 2024-2027	The Housing Strategy seeks to increase housing choice, improve housing quality, support economic growth and attract investment through the creation of sustainable communities. The Strategy highlights the importance of housing delivery in supporting population retention and growth associated with major economic opportunities across the borough. BHF Round 4 contributes directly to these ambitions by enabling residential development on constrained brownfield sites and supporting regeneration.
Stockton-on-Tees Borough Council Local Plan	The Stockton-on-Tees Local Plan provides the statutory planning framework for growth across the borough and seeks to deliver sustainable communities through the provision of new housing, regeneration and investment. The Plan supports the delivery of a significant supply of new homes to meet identified housing needs, whilst promoting development in sustainable locations and encouraging the reuse of previously developed land. The Local Plan recognises the importance of housing delivery in supporting economic growth, retaining and attracting residents, and creating balanced and inclusive communities. It also places emphasis on regeneration opportunities within the Borough's urban areas, town centres and

	strategic development locations, alongside the provision of supporting infrastructure. BHF Round 4 aligns strongly with these objectives by enabling housing development on previously developed sites that face significant viability challenges arising from remediation, infrastructure or abnormal development costs. Through unlocking stalled brownfield opportunities, the programme will contribute to housing supply, support regeneration priorities, make more effective use of land and help create sustainable communities that support the Borough's long-term economic growth ambitions. The programme therefore directly supports the Local Plan's objectives relating to housing growth, regeneration, sustainable development and place-making.
1.2 Strategic fit with National and Regional Policy / Strategy Documentation	
Name of Strategy	Summarise relevant strategy and explain how the Programme / Project aligns
English Devolution and Community Empowerment Act 2026	The Act establishes Strategic Authorities as key delivery partners for housing, regeneration, strategic planning and economic development. The legislation introduces enhanced powers relating to planning applications of strategic importance, brownfield development, housing delivery and local growth planning. As a Strategic Mayoral Authority, TVCA has an increasingly important role in coordinating housing growth across the region. BHF Round 4 directly supports these responsibilities by enabling residential development, unlocking brownfield land and supporting place-based regeneration.
Planning and Infrastructure Act 2025	The Planning and Infrastructure Act 2025 forms a central part of the Government's programme to accelerate housing delivery, support economic growth and remove barriers within the planning system. The Act introduces a range of reforms designed to streamline planning processes, accelerate infrastructure delivery, strengthen development corporation powers, facilitate land assembly and compulsory purchase, support regeneration, and create the conditions necessary to deliver the Government's ambition of 1.5 million new homes. The legislation specifically seeks to reduce delays in bringing forward housing and infrastructure projects while improving the effectiveness of the planning system and supporting sustainable development. The BHF Round 4 directly contributes to the objectives of the Act by addressing viability barriers that prevent brownfield sites from being developed, accelerating housing delivery on previously developed land, supporting regeneration and helping to bring forward development-ready sites. By enabling the remediation and unlocking of constrained brownfield land, the programme complements the Act's wider objective of increasing housing supply, supporting growth and ensuring that planning and infrastructure constraints do not prevent sustainable development from proceeding. The programme also aligns with the Act's emphasis on regeneration, land assembly, development corporations and the timely delivery of homes in locations that support economic growth and place-making.

National Planning Policy Framework (December 2024)	The National Planning Policy Framework places significant emphasis on delivering a sufficient supply of homes, making effective use of land and supporting sustainable development. The revised Framework strengthens support for brownfield development by requiring substantial weight to be given to suitable brownfield sites and seeks to increase housing delivery nationally. BHF Round 4 aligns strongly with these objectives by overcoming viability barriers that prevent previously developed land from being brought forward for residential use.
Homes England Strategic Plan 2025-30	Homes England's Strategic Plan identifies the delivery of approximately 280,000 homes and the unlocking of land capable of supporting almost 400,000 homes as key national objectives. The Plan prioritises regeneration, housing delivery, affordable housing, brownfield development, strategic place partnerships and the removal of barriers that constrain housing growth. BHF Round 4 directly supports these objectives by enabling housing development on challenging brownfield sites and complementing the emerging Strategic Place Partnership between Homes England and the Tees Valley.

1.3 Conclusion: Summarise overall strategic fit and importance to Tees Valley

17. The Brownfield Housing Fund Round 4 programme demonstrates a strong strategic fit with the priorities of Tees Valley Combined Authority, the five constituent local authorities, Homes England and Government. The programme directly supports the delivery of the Tees Valley Local Growth Plan, the emerging Strategic Place Partnership and future Spatial Development Strategy by accelerating housing delivery, supporting regeneration and increasing the supply of development-ready brownfield sites across the region. The Programme will directly contribute to the delivery of the following impacts for Tees Valley:
    - £25.1m Land Value Uplift
    - Affordable homes health benefits £9.6m
    - Carbon reduction benefits £26.0m
    - Welfare Benefits associated with Open Space £9.8m
    - Wider area impacts estimated at £114.5m
    - 35 apprenticeships in construction sector
    - 3529 construction jobs supported
    - 45 ha of land remediated
    - £3.8m additional council tax income

18. The programme aligns with housing, regeneration and planning priorities identified by Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees. Across the Tees Valley there is a consistent policy objective to increase housing supply, support economic growth, improve housing choice, regenerate previously developed land and create sustainable communities. BHF Round 4 provides a practical mechanism for delivering these ambitions by overcoming viability barriers and enabling development to proceed on sites that would otherwise remain stalled or undeveloped.

19. At a national level, the programme directly supports the objectives of the English Devolution and Community Empowerment Act 2026, the Planning and Infrastructure Act 2025, the National Planning Policy Framework and the Homes England Strategic Plan 2025-30. These policies collectively seek to increase housing delivery, strengthen strategic planning, unlock brownfield land, support regeneration and deliver sustainable economic growth. BHF Round

4 contributes to the Government's ambition to significantly increase housing supply by enabling residential development on constrained brownfield sites.

20. The programme is of strategic importance to the Tees Valley because it addresses a well-established market failure. Although the region has a significant pipeline of brownfield opportunities, many sites are affected by contamination, remediation requirements, infrastructure constraints, fragmented ownership and low-end values which create viability gaps that private developers are unable to absorb. Without intervention, many of these sites would remain undeveloped, delaying housing delivery and regeneration outcomes.

21. Through targeted capital investment, the programme will unlock approximately 1,085 new homes across the Tees Valley, supporting the delivery of strategic housing sites, town centre regeneration projects, brownfield redevelopment opportunities and wider place-making objectives. The programme will support development in key growth locations including town centres, regeneration areas, strategic housing allocations and areas of economic growth across Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees.

22. Delivery of new homes will provide wider economic benefits by supporting construction activity, safeguarding and creating employment opportunities, generating additional expenditure within local supply chains and increasing confidence for further investment. These outcomes contribute directly to the objectives of the Tees Valley Strategic Economic Plan and Investment Plan through increased housing delivery, regeneration, employment creation and Gross Value Added (GVA) growth.

23. The programme will also deliver wider social value benefits by supporting the creation of sustainable communities, increasing access to quality housing, improving neighbourhoods and helping to attract and retain residents required to support the region's economic ambitions. Development supported through the programme will be expected to maximise social value outcomes including local employment, apprenticeships, skills development, supply chain opportunities and environmental sustainability measures, with detailed requirements set out through programme governance and funding agreements.

24. Overall, BHF Round 4 represents a strategically important investment that will support housing growth, unlock regeneration opportunities, address market failure and contribute to the long-term economic prosperity of the Tees Valley. The programme is fully aligned with local, regional and national priorities and provides an essential intervention to accelerate housing delivery and sustainable growth across the region.

ASSESSMENT OF NEED

1.4 Evidence of Need, Supply and Demand

25. Assessment of need has been determined using the following evidence base:
    - Situational analysis (Evidence of need, supply and demand)
    - Benchmarking
    - Gap analysis and complementarity with other funding Programmes
    - Assessment of Additionality (VFM) and Market Failure Analysis
    - SWOT

Situational analysis

26. Assessment of need has been informed by the Strategic Housing Market Assessments (SHMAs), Local Plans and Housing Strategies prepared by the five Tees Valley local

authorities, together with evidence contained within the Tees Valley Local Growth Plan and associated economic evidence base. These documents consistently identify the need for additional housing delivery to support population growth, labour market expansion, economic development and place-based regeneration.

27. The Tees Valley economy is entering a period of growth driven by major investments across sectors including offshore wind, clean energy, advanced manufacturing and logistics. Growth associated with Teesworks, Net Zero industry projects, Freeport activity and wider inward investment is expected to increase demand for housing across the region. The availability of suitable housing is a critical factor in attracting and retaining workers, supporting business investment and enabling sustainable economic growth. Failure to increase housing supply risks constraining labour market growth and limiting the benefits arising from these strategic investments.

28. Evidence from local authority housing assessments identifies a continued requirement for a broad range of housing products, including family housing, affordable housing, specialist accommodation and market-led residential development. Market indicators demonstrate that housing demand across Tees Valley remains resilient. In the year ending September 2025, Tees Valley recorded 10,538 residential sales, equating to 14.8 sales per 1,000 residents, the highest rate amongst comparable mayoral areas and above both the North East and England averages. Population estimates also show the Tees Valley population increased by 3,028 residents between 2024 and 2025, with notable growth amongst older age groups and continued growth across the working-age population. Demand pressures are also evident within the affordable housing sector. The Tees Valley Housing Partnership reports around 13,000 households on local authority housing waiting lists across the region and notes that new affordable homes can attract up to 200 applications per property, demonstrating significant unmet housing demand. Tees Valley Housing Partnership already have plans to deliver 3,500 new homes over the next five years, but current evidence demonstrates that additional housing delivery will be required if supply is to keep pace with existing and future demand.

29. Brownfield sites form an important component of this future housing land supply and are frequently identified within Local Plans as suitable locations for residential development and regeneration-led growth.

30. Despite this identified demand, many brownfield sites across the Tees Valley remain stalled or underdeveloped. The Northern Housing Consortium's Renew report identifies approximately 225 hectares of brownfield land across Tees Valley with capacity for 8,984 homes, representing one of the region's most significant opportunities for future housing growth. However, the report concludes that brownfield land which is technically available for development often remains undeveloped because the economics cannot be made to work without public intervention. The report highlights contamination, remediation requirements, infrastructure costs, fragmented ownership, planning complexity and weak market viability as persistent barriers to delivery, particularly in lower-value housing markets. It further identifies major Tees Valley regeneration opportunities including Middlesbrough Middlehaven (3,400 homes), Hartlepool Development Corporation (1,300 homes) and Stockton Municipal Quarter (400 homes), demonstrating the scale of the future brownfield housing pipeline that remains dependent upon public sector intervention and infrastructure investment.

31. Evidence gathered through previous rounds of the Brownfield Housing Fund, local authority site assessments and developer engagement demonstrates that market delivery is constrained by a range of abnormal costs. These commonly include contamination remediation, demolition requirements, flood mitigation, utility diversions, poor ground conditions, access improvements and strategic infrastructure requirements. In many locations these costs exceed the residual land value generated by residential development, creating viability gaps which prevent schemes from proceeding without public intervention. The Renew report concludes that "the fundamental barrier to housing-led regeneration in the North is viability" and notes that development values in many northern markets are fundamentally incapable of supporting the costs of brownfield regeneration without public subsidy. Tees Valley exemplifies this challenge, having some of the lowest residential land values of any Mayoral Combined Authority area, averaging approximately £1.1 million per hectare, significantly below the England average.

32. The challenge is particularly acute within areas of lower residential values where development costs are often comparable with other parts of the country but sales values are insufficient to support the additional burdens associated with brownfield regeneration. As a consequence, developers frequently prioritise greenfield opportunities or delay investment until market conditions improve. This results in underutilised land remaining vacant, reduced housing delivery, lower levels of private sector investment and missed regeneration opportunities.

33. The experience of Union Village, Gresham, Middlesbrough, demonstrates these challenges in practice. The 145-home development was delivered on a long-vacant 3.5-hectare brownfield site that remained undeveloped for several years due to weak market conditions, viability challenges and a lack of funding to support regeneration. Delivery was only achieved through a partnership involving Middlesbrough Council, Thirteen, Homes England and the Tees Valley Brownfield Housing Fund. The Renew report highlights Union Village as an example of how public sector intervention can unlock strategically important brownfield sites that would otherwise be unlikely to come forward.

34. The scale of the opportunity is significant. The Renew report identifies approximately 225 hectares of brownfield land across the Tees Valley with capacity for 8,984 homes, demonstrating the substantial contribution brownfield regeneration can make towards meeting identified housing need. However, as evidenced by sites such as Union Village and the wider strategic regeneration opportunities at Middlehaven and Hartlepool, many locations continue to face significant viability and infrastructure constraints that are unlikely to be resolved through the market alone. Without targeted intervention, a substantial proportion of this pipeline is unlikely to come forward within planned timescales.

35. The BHF Round 4 allocation seeks to address these barriers by supporting eligible sites where a clear viability gap can be demonstrated and where public investment will accelerate delivery. The programme is expected to unlock approximately 1,085 homes across the Tees Valley, making a significant contribution towards meeting identified housing demand and supporting wider regeneration objectives.

36. In summary, evidence from local housing market assessments, local planning policy and regional economic growth forecasts demonstrates a clear need for additional housing delivery across the Tees Valley. Whilst demand for new homes continues to grow, the supply of deliverable brownfield housing sites remains constrained by significant viability challenges. The existence of a brownfield pipeline capable of delivering almost 9,000 homes, combined

with clear evidence that many sites remain stalled due to viability barriers, demonstrates the need for continued intervention through the Brownfield Housing Fund.

37. The BHF Round 4 programme is therefore required to address a clear market gap, unlock stalled housing opportunities and support the delivery of approximately 1,085 additional homes that will contribute to economic growth, regeneration and sustainable communities across the Tees Valley.

Benchmarking

38. The proposed BHF Round 4 programme builds on a strong track record of brownfield housing delivery across the Tees Valley and reflects lessons learned from previous rounds of Brownfield Housing Fund investment. Since 2020, Tees Valley Combined Authority has secured £32.9 million of Brownfield Housing Fund investment to unlock housing development on previously developed land. By 2026, eleven schemes had been approved, with the programme on course to deliver 1,554 homes, attract more than £258 million of additional public and private investment, remediate over 36 hectares of brownfield land and support almost 4,000 construction jobs. Independent evaluation undertaken during the programme concluded that the intervention had successfully accelerated delivery on sites that would otherwise have stalled due to viability constraints.

39. The proposed Round 4 programme has been developed using evidence and delivery experience from earlier BHF investments. These schemes demonstrate that targeted public investment can successfully overcome abnormal development costs, unlock viable residential development and generate substantial housing, regeneration and economic benefits. They also provide confidence that the proposed Round 4 outputs of 1,085 homes are realistic and achievable.

Case Study 1: Union Village, Gresham, Middlesbrough

40. Union Village forms part of the wider Gresham regeneration area in central Middlesbrough, where land had been assembled and cleared through the former Housing Market Renewal Programme but remained vacant for several years following the withdrawal of funding. Brownfield Housing Fund support of £2.47 million enabled site remediation, demolition works, service diversions and the removal of contaminated infrastructure which had prevented development from coming forward. The completed first phase delivered 145 affordable homes and catalysed wider regeneration activity within the area.

41. The scheme demonstrated that viability challenges associated with brownfield regeneration can be overcome through targeted intervention and strong partnership working between the Combined Authority, local authority, housing provider and Homes England. Key lessons learned include the importance of early viability assessment, flexibility in responding to changing market conditions and the need to align housing investment with wider town centre regeneration objectives. These lessons have directly informed the design of the Round 4 programme, particularly the focus on schemes where public investment can unlock wider regeneration outcomes

Case Study 2: Grove Hill, Middlesbrough

42. The Grove Hill scheme is a 10-hectare brownfield regeneration project located within a wider former Housing Market Renewal area. Despite being marketed for development since 2008, the site attracted limited private sector interest due to viability challenges associated with remediation, infrastructure requirements and weak market values. Brownfield Housing Fund support of £2.8 million enabled land assembly, remediation works, highway improvements and utility connections, unlocking the delivery of 296 affordable homes. The development represents approximately 30% of Middlesbrough's annual housing requirement and has brought a long-vacant site back into productive use.

43. The scheme demonstrates the role that brownfield funding can play in unlocking sites where private sector delivery has repeatedly failed despite long-term market exposure. A key lesson learned is that relatively modest public intervention can unlock significantly larger private and registered provider investment where abnormal costs are the principal barrier to development. This experience underpins the Round 4 approach of targeting funding towards clearly evidenced viability gaps to maximise housing outputs and leverage additional investment.

Case Study 3: Hartlepool Waterfront

44. Hartlepool Waterfront represents one of the largest housing-led regeneration projects currently being delivered within the Tees Valley. The 11.1-hectare waterfront site had remained largely undeveloped for more than twenty years despite possessing planning permission and occupying a highly sustainable town centre location. Brownfield Housing Fund support of £15 million has enabled remediation, site preparation and infrastructure works required to unlock the scheme. The development will deliver 626 residential units and supports the wider ambitions of the Hartlepool Development Corporation and town centre regeneration programme.

45. The scheme illustrates the scale of viability challenges affecting complex brownfield sites and demonstrates how public intervention can unlock transformational regeneration opportunities that are unlikely to proceed through market delivery alone. Lessons learned from Hartlepool Waterfront reinforce the importance of long-term pipeline planning, early site preparation activity and integrating housing delivery with broader economic development and placemaking objectives. These principles have informed the prioritisation and appraisal approach adopted for BHF Round 4.

46. Relevance to the Round 4 Programme: Collectively, previous BHF investments demonstrate that brownfield intervention in the Tees Valley consistently delivers housing outputs, attracts substantial additional investment and addresses market failures which would otherwise prevent delivery. Earlier rounds of funding have already secured over 1,500 homes and leveraged more than £258 million of wider investment from approximately £32.9 million of Brownfield Housing Fund support. This established delivery record provides strong evidence that the proposed Round 4 investment of £32.5 million and target of 1,085 homes is both realistic and achievable.

47. The experience gained through programme delivery has also strengthened project appraisal, pipeline development and programme management arrangements across the Tees Valley. Consequently, Round 4 represents not a new intervention, but the continuation and expansion of a proven approach that has already demonstrated its ability to unlock stalled sites, accelerate housing delivery and support wider regeneration objectives across the region.

Gap analysis and complementarity with other funding Programmes

48. The following table provides an assessment of complementarity with other national/regional funding pots designed to bring forward brownfield housing sites:

Title of Fund	Description	Assessment of Additionality
BLRF	Brownfield Land Release Fund (OPE) - Round 3 £100m capital available nationally, being released in September for land enabling works.	Only available to Local Authorities. Cannot be used to co-fund with BHF.
SAHP	Social and Affordable Homes Programme 2026-2036 (Homes England) – £27.3b available to HE investment partners to support the capital costs of developing new social and affordable housing in England (outside London).	Cannot be used for land enabling activities.

Assessment of Additionality (VFM) and Market Failure Analysis

49. The programme is expected to generate a high level of additionality. Funding will only be provided where applicants can demonstrate that development would not proceed, would be substantially delayed, or would deliver significantly fewer homes without intervention. The programme therefore focuses on genuinely constrained sites where grant assistance enables activity that the market would not otherwise deliver. This approach minimises deadweight and maximises the additional housing output generated through public investment.

50. Displacement effects are expected to be limited. The programme primarily supports sites that are currently stalled due to viability constraints rather than competing with viable housing developments already progressing through the market. By increasing overall housing supply and bringing forward previously undeveloped brownfield land, the programme is expected to complement rather than displace existing development activity. The intervention will also support regeneration objectives by directing investment towards previously developed urban sites, helping to reduce pressure for development on greenfield land.

51. The programme has been developed to address the following market failures:

- Demonstration effect/Missing Market: Brownfield sites within the area have remained undeveloped due to real or perceived market risks associated with site remediation, abnormal development costs, and uncertain demand. Public sector intervention is required to demonstrate the viability of bringing forward these sites for residential development, thereby increasing market confidence and encouraging future private sector investment. Successful delivery can also improve perceptions of the area as an attractive place to live, supporting wider population growth and inward investment objectives.
- Coordination effect: Many brownfield sites are constrained by fragmented land ownership, multiple stakeholders, infrastructure dependencies, and complex planning requirements. Individual landowners and developers often lack the incentive or ability to coordinate investment and site assembly at the scale required to unlock development.

The programme provides a coordinated approach to overcoming these barriers, aligning public and private sector partners to accelerate housing delivery.

- Provision of a Public Good: Brownfield regeneration generates a range of public benefits that are not fully captured by private developers, including environmental improvements, remediation of contaminated land, enhanced public spaces, reduced pressure on greenfield sites, and wider social and economic regeneration. As these benefits are largely non-excludable and extend beyond the immediate development site, the private sector alone is unlikely to invest at the level required to realise these outcomes.
- Funding Gap in relation to housing development. A significant market failure exists where the cost of bringing forward brownfield land exceeds its development value, resulting in schemes that are not commercially viable without intervention. This funding gap arises from several factors:
- Commercial Viability: Abnormal costs associated with remediation, demolition, site preparation, utilities diversion, and infrastructure provision can make development financially unviable.
- Availability of Development Finance: Lenders are often reluctant to support developments on complex brownfield sites due to perceived risks and uncertain returns, resulting in restrictive lending terms or reduced access to finance.
- Developer Financial Capacity and Risk Appetite: Developers may lack the financial resources or willingness to absorb the upfront costs and risks associated with brownfield redevelopment, leading to stalled or undelivered housing schemes despite identified housing need.

52. Public intervention through this programme is therefore justified on the basis that public funding helps overcome viability barriers, accelerate the delivery of new homes, regenerate underutilised land, and generate wider economic, social, and environmental benefits that would not otherwise be realised by the market alone.

SWOT Analysis

53. Strengths

- Strong and evidenced housing demand across all five local authorities
- Significant pipeline of brownfield opportunities capable of supporting housing growth and regeneration
- Builds on the successful delivery of earlier BHF programmes
- Supports wider economic growth ambitions by aligning housing delivery with major investment and employment opportunities, supporting the delivery of the Local Growth Plan
- Aligns housing delivery with major economic growth and inward investment opportunities
- Builds on existing strong partnership working between TVCA, local authorities, landowners and developers.

54. Weaknesses

- High abnormal development costs on many brownfield sites
- Low residential values in some locations affect development viability
- Complex land assembly, acquisition and site preparation requirements may increase delivery timescales and viability.
- Site remediation and infrastructure requirements can create additional delivery risks and costs and affect viability.

- Dependence on public sector intervention to unlock some sites
- Delivery timescales can be longer than greenfield development

55. Opportunities
    - Unlock delivery of approximately 1,085 new homes across Tees Valley
    - Accelerate regeneration of vacant, derelict and underutilised brownfield sites
    - Support workforce growth associated with major investment projects and economic development opportunities
    - Leverage private sector investment and improve market confidence
    - Improve place attractiveness, community wellbeing and local tax revenues.
    - Contribute towards net zero objectives through the reuse of previously developed land.

56. Threats
    - Construction cost inflation and market uncertainty
    - Continuing viability pressures affecting developer appetite and scheme viability/development appraisals
    - Delays associated with planning approvals, land assembly, remediation or infrastructure delivery
    - Capacity constraints within constructure sector and supply chains
    - Reduced developer confidence and slower housing delivery if intervention is not available
    - Changes to government policy funding priorities or regulatory requirements.

1.5 Need for Public Intervention

57. Public intervention is required because the market is not currently able to bring forward a sufficient number of brownfield housing sites across the Tees Valley at the pace or scale required to meet local housing and regeneration objectives. Evidence from previous Brownfield Housing Fund rounds, local authority site work and developer engagement shows that many otherwise suitable sites are affected by viability gaps caused by abnormal development costs, lower residential values and complex delivery requirements.

58. These viability barriers commonly include contamination remediation, demolition, ground stabilisation, flood mitigation, utilities diversions, access works, infrastructure upgrades, site servicing and land assembly. In many cases these costs must be incurred before development can start, but they do not generate a corresponding increase in end value. As a result, the residual land value available to support development is insufficient to cover the abnormal costs, meaning that schemes stall, are delayed, or are reduced in scope.

59. Without public funding, developers are likely to continue prioritising less constrained sites or defer investment until market conditions improve. This would result in brownfield land remaining vacant or underused, slower housing delivery, continued pressure on greenfield land and missed opportunities to regenerate urban areas. It would also limit the ability of the Tees Valley to provide the homes needed to support population growth, labour market expansion and major economic investments across the region.

60. The Brownfield Housing Fund Round 4 allocation will address this market failure by providing targeted capital grant to close evidenced viability gaps on eligible brownfield sites. Funding will only be awarded where applicants can demonstrate that intervention is necessary to enable delivery, accelerate development, increase housing outputs or improve deliverability.

This approach ensures that public funding is focused on genuinely constrained sites where market delivery alone is unlikely to proceed within required timescales.

61. The intervention is expected to generate strong additionality. It will unlock approximately 1,085 homes across the Tees Valley and bring forward sites that would otherwise remain stalled, delayed or undelivered. By increasing overall housing supply on previously developed land, the programme is expected to complement rather than displace existing market activity. Displacement is therefore expected to be limited because support will be directed towards sites that are not currently viable without grant assistance.

62. Public intervention will also deliver wider benefits which are not fully captured by private development appraisals. These include regeneration of vacant and derelict land, improved neighbourhood quality, increased confidence for private investment, support for construction employment and apprenticeships, improved housing choice, and the creation of more sustainable communities in locations aligned with local plans and economic growth priorities.

63. The programme is therefore justified as a proportionate and targeted response to an evidenced market failure. It will enable TVCA to use devolved funding to unlock brownfield housing delivery, support regeneration, reduce barriers to development and ensure that constrained sites can contribute to the region's housing and economic growth ambitions.

1.6 Constraints	
Constraint	Description
Timing	The programme must be delivered within Government timescales for the BHF Round 4 allocation, with annual allocations contracted by the required deadlines and all eligible grant defrayed by 31 March 2031. The intervention has therefore been designed around a time-limited open call, early project maturity assessments, business case development support and phased approval routes to ensure projects can progress quickly into grant funding agreements and delivery.
Financial	The programme is constrained by the fixed capital allocation of £32,549,299 and the need to demonstrate value for money, affordability and additionality across all funded projects. Funding will only be awarded where a clear viability gap is evidenced, costs are eligible under BHF requirements, and intervention is necessary to unlock housing delivery. The programme has been developed to work within this constraint through competitive assessment, project level business case development, robust appraisal, staged approvals, grant funding agreements and ongoing financial monitoring.
Eligibility and Subsidy Control	All activity must comply with BHF eligibility rules, subsidy control requirements, procurement obligations and TVCA assurance processes. Awards must be supported by appropriate due diligence and legal review before funding is committed. The intervention has therefore been structured so that each project is assessed individually, with subsidy control considerations, eligible expenditure, deliverability and compliance requirements confirmed before approval and reflected in funding agreements.
Planning and Site Readiness	Delivery is dependent on the readiness of individual sites, including planning status, land ownership, technical feasibility, design development, utility capacity, site investigation and remediation

	requirements. Many brownfield sites are affected by uncertainty around abnormal costs and programme risk. The programme has been developed to manage this constraint through gateway maturity assessments, evidence requirements, business case development, technical appraisal and milestone-based funding conditions.
Market Conditions and Developer Capacity	The programme is exposed to wider market constraints including construction cost inflation, interest rates, contractor capacity, developer appetite, sales values and supply chain pressures. These factors may affect viability, delivery timescales and the ability of projects to progress to start on site. The intervention has been designed to prioritise deliverable projects, require robust cost evidence and maintain flexibility to reallocate funding where projects cannot meet required milestones.
Geographic and Policy Fit	Funding must support brownfield housing delivery within the Tees Valley and align with local housing need, regeneration priorities, strategic growth objectives and the requirements of the Brownfield Housing Fund. The programme has therefore been developed as a Tees Valley-wide call for sites, enabling proposals from across the five local authority areas to be assessed against consistent criteria while ensuring investment is directed to locations where intervention will unlock additional homes and regeneration benefits.
1.7 Critical Success Factors	
Critical Success Factor	Description and SMART Measures of Success
Achievability	The programme must be capable of delivering all agreed Brownfield Housing Fund outputs and outcomes within Government timescales. Success will be measured through the full allocation of funding, achievement of expenditure profiles, and enabling the construction start of approximately 1,085 homes by programme end.
Affordability	The programme must be affordable to TVCA. It must be of a scale that enables successful delivery without exceeding budgetary constraints. The programme must be affordable within the available BHF allocation and TVCA's approved budget. Success will be measured by delivery within approved financial limits, effective budget management, and no requirement for unapproved additional resources. TVCA have no further resources to invest into the programme.
Strategic fit	The programme must contribute directly to the priorities of the Local Growth Plan, local housing strategies, brownfield regeneration objectives, and wider economic growth ambitions. Success will be measured through the number of homes unlocked, brownfield sites brought forward, and contribution to strategic housing and regeneration targets.
Capacity & Capability	The programme will ensure parties have the capacity and capability to deliver the quality and timeliness of individual schemes/projects. The programme must ensure that TVCA, delivery partners and project sponsors have the necessary skills, resources, governance arrangements and delivery experience to successfully implement funded projects. Success will be measured through effective programme management, project delivery against milestones, and compliance with funding requirements.

Value for money	The programme must demonstrate efficient use of public funding and generate positive economic and social benefits. Success will be measured through achievement of a Benefit Cost Ratio (BCR) >1, delivery of agreed outputs and outcomes, and the amount of private sector investment leveraged.
Sustainability & energy efficiency	The programme should support the delivery of sustainable housing and contribute to net zero ambitions. Success will be measured by the proportion of homes achieving EPC C or above (or equivalent standards), incorporation of renewable energy technologies and modern methods of construction where appropriate, and the remediation and reuse of previously developed land.

CASE 2: ECONOMIC CASE

Key Messages:

- Comprehensive options analysis undertook which considered 7 options against the programme's critical success factors.
- The preferred option generates a Net Present Public Value of £46.6m assessed over a 60 year period, a BCR of 1.43.
- The Programme will directly contribute to the delivery of the following monetisable impacts for Tees Valley:
    - £25.1m Land Value Uplift
    - Affordable homes health benefits £9.6m
    - Carbon reduction benefits £26.0m
    - Welfare Benefits associated with Open Space £9.8m
    - Wider area impacts estimated at £83.9m
- 1,085 new homes to be built, of which 750 will be affordable rent, and all of which will be EPC C or above reducing residents' bills and carbon footprint.
- The project is expected to create and/or safeguard 3,529 jobs including 35 apprenticeships in the construction sector, generating £227m in construction GVA.
- 45 hectares of brownfield land brought back in to use with the development likely to attract new skilled workers to the regional economy and increase resident expenditure in the local economy.
- £3.8m additional council tax income per year across the 5 local authorities.
- Improved investor confidence in Tees Valley as a region increasing the likelihood of further investment in the future.

2.1 Options Development: Long list to short list

OPTION	DESCRIPTION
Option 1: Do nothing - No programme intervention	No programme intervention. Do not accept Brownfield Housing Fund allocation. Brownfield sites continue to be brought forward solely through market-led investment and existing funding mechanisms.
Option 2: Do minimum - LA split	TVCA accepts Brownfield Housing Fund and divides allocation equally between the five Local Authorities, to distribute the Fund.
Option 3: Do something - Applicant submits project business cases without there being an overarching programme level business case	TVCA accepts Brownfield Housing Fund and invites submission of completed Project Business Cases to TVCA, for appraisal without doing a programme level business case
Option 4: Do something - Open Call for Sites with development support	TVCA accepts Brownfield Housing Fund and launches open call for sites, along with project maturity assessments carried out and Business Case development support for applicants.
Option 5: Do something - External delivery partner	TVCA accepts Brownfield Housing Fund and procures an external delivery partner to administer the Fund.

Option 6: Do something - Additional Capital Investment	TVCA accepts Brownfield Housing Fund and supplement the Fund with additional capital investment to be spent against BHF ineligible costs.
Option 7: Do something – LA projects only	TVCA accepts Brownfield Housing Fund but limits eligibility to Local Authority projects, reducing delivery risk and ensuring alignment with local housing strategies.

2.2 Shortlisted Options: Monetary Costs and Benefits

Critical Success Factors	Options						
	1	2	3	4	5	6	7
Achievability							
Affordability							
Strategic fit							
Capacity & Capability							
Value for money							
Sustainability & energy efficiency							
Shortlisted (Y/N)	Y	N	N	Y	N	N	N

64. The following options has been shortlisted for detailed appraisal against the 'do nothing' option (Option 1):
    - Option 4: Under this option, the full benefits will be delivered, in the most cost-effective way, in addition to generating the greatest returns of NPSV and BCR.

65. The following provides an explanation as to why the listed options were not shortlisted for detailed appraisal:
    - Option 2: Under this option not all housing sites may be delivered, and the housing target may not be met
    - Option 3: Under this option there is a risk of Treasury non-compliant business cases and undeliverable projects
    - Option 5: Under this option there would not be enough time to mobilise and deliver the fund effectively
    - Option 6: Under this option match funding would be used to assist with ineligible costs such as construction. This option incurs significant additional costs, however this is not confirmed as affordable for TVCA so it has not been shortlisted for detailed appraisal at this time.

66. Lichfield have carried out the value for money assessment, the calculations summarised below. The assumptions behind the calculations follow guidance provided by MHCLG and Treasury Green Book, drawing on recognised sources for measuring benefits, and data averages from other BHF schemes across the North East for proxy values.

Value for Money Assessment - BHF Round 4			
		Value (£) Raw	Value (£) Formatted
A	Present Value Benefits (£m)	**£ 154,457,604**	**£154.5m**
A_1	Land Value Uplift	**£ 25,120,675**	**£25.1m**
A_2	Affordable Homes Health Benefits	**£ 9,589,363**	**£9.6m**
A_3	Carbon Reduction Benefits	**£ 25,982,257**	**£26.0m**
A_4	Welfare Benefits Associated with Open Space	**£ 9,834,153**	**£9.8m**
A_5	Wider Area Impacts	**£ 83,931,156**	**£83.9m**
A_{19}			0
B	**Total Costs (All Public Funding)**	**£93,029,299**	
B_1	*Brownfield Housing Fund (BHF)*	*£32,549,299*	
B2	*Other Public Funding*	*£60,480,000*	
C	**Present Value Costs (All Public Funding)**	**£91,361,824**	
D	**Present Value Costs OB Adjusted (All Public Funding)**	**£107,806,952**	
D_1	*Brownfield Housing Fund*	**£37,729,981**	
E	Net Present Public Value (£m) [A-D]	**£46,650,652**	
F_1	Initial' Benefit Cost Ratio (Total Public Sector) (A_1 - A_5 / D)	**0.23**	
F_2	Adjusted' Benefit Cost Ratio [A / D] (Total Public Sector)	**1.43**	
F_3	VfM category (Total Public Sector)	Low Value for Money	
BHF Specific			
G_1	Net Present Public Value (£m) [A-D_1]	**£116,727,623**	
G_2	Initial' Benefit Cost Ratio (BHF) (A_1 / D_1)	**0.67**	
G_3	Adjusted' Benefit Cost Ratio (BHF) [A / D_1]	**4.09**	
G_4	VfM category (BHF)	Very High Value for Money	

67. Details on the assumptions and calculations for this and the comparison scenarios referenced below are provided in Appendix 7.

2.3 Shortlisted Options: Sensitivity Analysis

68. Sensitivity analysis is provided by considering scenarios based on the previous rounds of BHF and more challenging housing target. It is assumed an average density of 30 dwellings per hectare, as the types of housing units expected, typically range between 25 and 40 units per hectare in the Tees Valley.

69. The preferred option scenario assumes 1,085 units delivered at a density of 30.14 units per hectare.

BHF	BHF Funding	Dwellings	Intervention Rate
R1-R3 proposed	£33m	1,964	£16,800
R1-R3 achieved (to date)	£27.8m	1,554	£17,900
BHF Round 4	**£32.5m**	**1,085 assumed**	**£30,000 per dwelling**
BHF potential Scenario 1	£32.5m	1,937	£16,800
BHF potential Scenario 2	£32.5m	1,818	£17,900
BHF potential Scenario 3	£32.5m	1,499	£21,708

70. For comparison, scenario 1 is based on the earlier rounds of BHF, where the proposed grant intervention rate was £16,800, aiming to deliver 1964 dwellings. With the same assumptions for outputs, this would generate a BCR of 2.56.

71. Scenario 2 is based on the delivery to date of earlier rounds of BHF. Currently this has an intervention rate of £17,900, delivering 1554 dwellings, achieving a BCR at 2.4.

72. The calculations behind these scenarios are provided in Appendix 7, and show the cautious nature of the intervention rate and dwelling numbers proposed in BHF Round 4. To demonstrate a range of outputs from the programme, a more challenging target number of dwellings is shown in Scenario 3, which could deliver a BCR of 1.98.

2.4 Shortlisted Options: Non-Monetary Costs and Benefits

73. Option 4 generates the following benefits which have not been monetised in the value for money calculations:
    - 35 apprenticeships will be delivered as part of the programme allowing young people to gain valuable skills
    - 3529 construction jobs supported – new of continuing – which contribute to additional GVA from the construction sector
    - 760 of the 1,085 homes will be affordable rent properties, allowing for better access to modern accommodation for those on lower wages
    - All new homes will be EPR C or above, reducing residents' energy bills and contributing to a reduction in carbon emissions
    - Increased investor confidence in Tees Valley increasing the likelihood of further investment in the future
    - 45 ha of land remediated
    - £3.8m additional council tax income

2.5 Shortlisted Options: Delivery Risks

74. Significant risks are present around costs overrunning or inflation and interest rate increases impacting the programme's ability to deliver the individual projects. Option 1 is not affected by these factors and Option 4 can be safeguarded from such risks by robust processes to ensure deliverability.

75. Other risks are present around none/delayed mobilisation and delivery of the Fund and/or not delivering the required outputs of the Fund. Whilst Option 4 avoids these risks, it is unavoidable for Option 1.

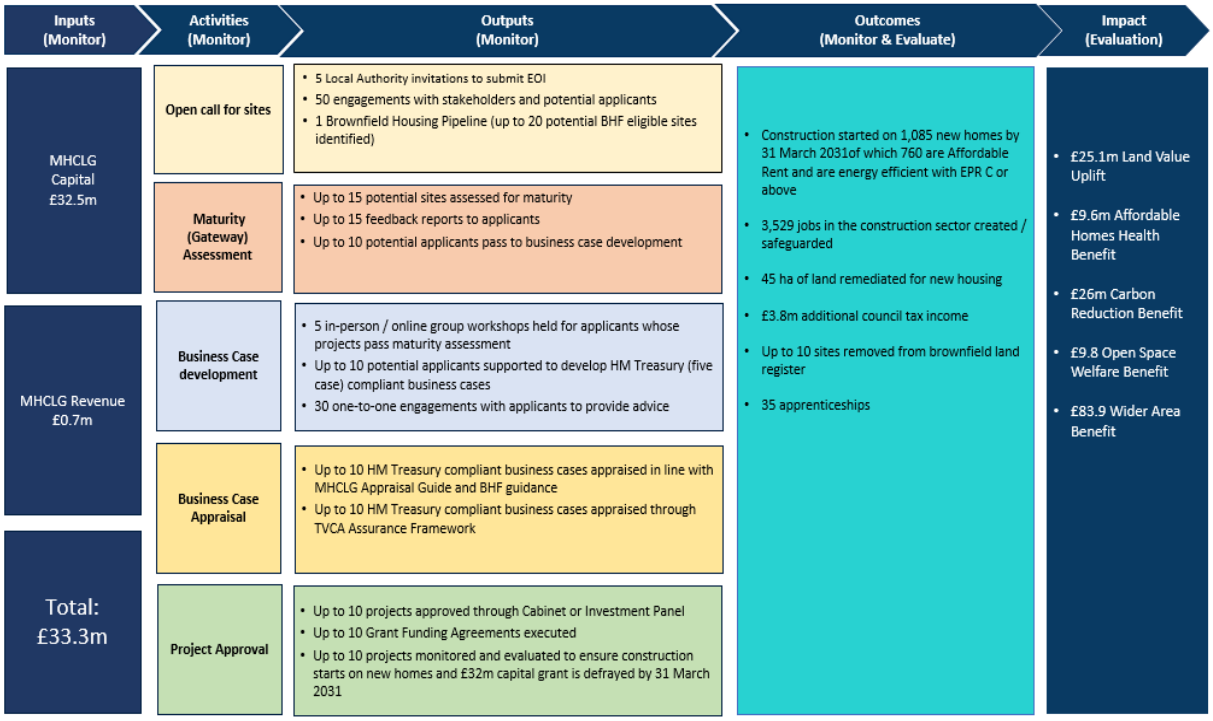
76. Option 4 therefore has the lowest risk as the above risks either do not affect it or can be safeguarded from them by robust processes.

2.6 Preferred Option Justification:

77. Option 4 is the preferred option as it as it not only provides the highest BCR but also NPSV as well as delivering all non-monetary benefits. . Option 4 also delivers the programme with the lowest risk chance and potential impact. Option 4 is therefore the preferred option.

2.7 Preferred Option: Headline Outputs, Outcomes and Impacts

78. The Economic Case has found Option 4 to be the preferred option with a BCR of 1.43. The outputs, outcomes and impacts are summarised:



CASE 3: COMMERCIAL CASE

Key Messages:

- Commercial arrangements and Subsidy Control will be considered on a project-by-project basis.
- BHF Round 4 will be delivered through a hybrid in-house and externally commissioned model, combining:
    - Externally procured expertise to undertake Project Maturity (Gateway) Assessments on each project, deliver business case workshops and provide project business case development support for applicants.
    - Externally procured expertise to undertake technical appraisal of business cases, alongside TVCA Appraisal Team.
- TVCA Performance, Risk and Assurance will monitor projects and complete returns to MHCLG.
- TVCA Procurement Procedures will be followed to ensure compliance with the 2023 Procurement Act including the Social Value of at least 20% on tenders over £100k.

3.1 Subsidy Control

79. As this is a programme level business case, subsidy control will be considered on a project by-project basis as they are called off the programme.

80. Each project will require a complete proportionate business case which will include a subsidy control assessment to be carried out and approved by TVCA's legal team. No grant shall be awarded, and no contract shall be entered into or procured under this programme without reviewing the subsidy control assessment of each potential award.

3.2 Delivery Mechanism

81. The process for identifying, assessing and selecting projects for Brownfield Housing Fund Round 4 has been structured into two clear phases. This approach will enable TVCA to develop a robust pipeline of eligible brownfield housing opportunities before progressing the most deliverable projects through business case appraisal, approval and grant funding agreement.

Phase 1: Developing the BHF Round 4 pipeline

82. During Phase 1, TVCA will identify potential sites, open a call for projects and assess submissions to determine eligibility and readiness. TVCA will review known brownfield opportunities, including sites emerging through the Strategic Place Partnership pipeline, and work with local partners to identify projects that may be suitable for BHF support. A public call will be launched in early August 2026 inviting eligible organisations to submit Expressions of Interest. The prospectus will set out who can apply, the information required, the assessment process and key timescales.

83. Applicants seeking consideration for Year 1 funding will be required to submit an Expression of Interest by 4 September 2026. Submissions will be reviewed against the BHF eligibility criteria. Projects that do not meet the criteria will not progress further and applicants will be advised of the reason. Eligible projects will then be invited to complete a maturity, or gateway, assessment covering strategic fit, deliverability, value for money, risks, dependencies, funding position, planning status and the strength of evidence available to support a future business case.

84. Following the maturity assessment, each eligible project will be categorised within the programme pipeline. Projects will be identified either as eligible and in development, where the project meets the broad BHF eligibility criteria but requires further development before progressing; or eligible and deliverable, where the project has sufficient maturity to move towards business case development and approval. At the end of Phase 1, TVCA will retain a clear record of each assessed project, including the assessment outcome, evidence gaps, recommended actions and whether the project should remain in development or progress towards business case approval.

85. Projects retained in the pipeline will be invited to take part in hosted business case workshops. These sessions will explain the business case requirements, evidence expectations, value-for-money approach, assurance process and practical next steps for preparing a compliant proposal as part of Phase 2.

Phase 2: Project business case approvals

86. During Phase 2, projects categorised as eligible and deliverable will be invited to submit a project business case. Applicants will work with TVCA and any appointed support provider to develop proportionate proposals for funding consideration. It is intended that the overarching Programme Business Case will have been developed and approved by TVCA Cabinet in September 2026, providing the programme-level approvals framework within which individual project business cases can be considered.

87. To be considered for Year 1 funding, applicants will be required to submit project business cases by 30 October 2026. Business cases will be appraised in line with TVCA's current Assurance Framework and relevant Government guidance before being taken through the appropriate decision-making process. Each appraisal will consider eligibility, deliverability, value for money, subsidy control, financial risk, outputs, outcomes and compliance with BHF requirements.

88. A decision will then be made on whether to approve funding for each project. Where funding is approved, TVCA will enter into the relevant grant funding agreement with the applicant before delivery begins. Successful applicants with Year 1 funding must have any required internal approvals in place and enter into grant funding agreements by 31 March 2027.

89. This phased approach will ensure that only eligible, deliverable and evidence-based projects progress to funding approval, while maintaining flexibility to support projects that require further development and to reallocate funding where projects are unable to meet programme milestones.

3.3 Procurement Approach

Procurement approach

90. TVCA has established financial regulations and contract procedure rules set out within the TVCA Constitution, which provide the governance framework for all procurement activity. All procurement documentation will be maintained in accordance with TVCA's document retention policy, including specific requirements relating to externally funded programmes, ensuring transparency, accountability and an appropriate audit trail.

91. All procurement activity will be undertaken in accordance with the Procurement Act 2023 and associated statutory guidance, ensuring:
    - Open and fair competition;

- Transparency and integrity throughout the procurement process;
- Equal treatment of suppliers;
- Proportionate procurement processes; and
- Delivery of value for money through effective competition and robust evaluation.

92. Procurement routes will be selected based on the nature, value and risk of the requirement to ensure compliance with legislative requirements and the achievement of best value. Where contract values exceed the relevant procurement thresholds:
    - £173,100 (ex. VAT) for services and supplies;
    - £552,950 (ex. VAT) for light-touch/social services; and
    - £4,327,500 (ex. VAT) for works;

93. Procurements will be conducted in accordance with the applicable provisions of the Procurement Act 2023. Where required, procurement opportunities will be advertised via the Find a Tender service unless an appropriate and compliant framework agreement or dynamic market is utilised. Below-threshold procurements may be undertaken through a Request for Quotation (RFQ) process in accordance with TVCA's procurement procedures, ensuring proportionality whilst maintaining competition and value for money

94. Procurement and legal teams will support the development, assurance and governance of procurement activities, including the selection of the appropriate route to market, preparation of procurement documentation, evaluation methodologies and award recommendations. This will help ensure compliance, minimise the risk of challenge and support robust decision-making.

95. Contracts awarded through these processes will be subject to appropriate contract management and performance monitoring arrangements to ensure that suppliers deliver the required outcomes, performance standards and ongoing value for money throughout the contract term.

Procurement of services

96. BHF Round 4 Programme includes £0.7m of revenue, of which £0.32m is to be procured to provide the following key support services:

Service	Contractor	Procurement approach	Current position
Maturity (Gateway) Assessments	Cushman & Wakefield	Request for Quote	Contract issued, inception meeting to be scheduled.
Business Case Workshops	Cushman & Wakefield	Request for Quote	Contract issued, inception meeting to be scheduled.
Project business case support	TBC	Open procurement	Tender to go live w/c 17 August.
Project business case technical appraisal	TBC	Open procurement	Tender to go live in August.

97. Value for money will be secured through robust project appraisal, proportionate procurement processes, effective contract and grant management, and ongoing performance monitoring, rather than through price competition alone. Funding decisions will consider the optimum combination of whole-life cost, quality, outcomes and wider economic, social and environmental benefits.

98. All funded projects will be required to demonstrate that they deliver value for money through the efficient, effective and economical use of public funds. Applicants must provide evidence that project costs are proportionate to the anticipated outputs, outcomes and wider benefits, and demonstrate how value for money will be achieved and maintained throughout the project lifecycle.

99. Applications will be subject to appropriate appraisal and due diligence processes, including assessment of project costs, deliverability, risk, financial viability and anticipated benefits. Funding recommendations will be supported by appropriate governance and approval processes to ensure public funds are allocated transparently and responsibly.

100. Successful applicants will be required to enter into a Grant Funding Agreement and comply with the programme's Conditions of Grant. This will include maintaining appropriate financial records, evidencing expenditure, retaining supporting documentation, and demonstrating that funding has been used solely for the approved purposes.

101. Grant recipients must comply with all relevant public procurement legislation, procurement thresholds and organisational procurement policies, where applicable. Procurement activity should be undertaken in a fair, transparent and competitive manner, with appropriate records retained to demonstrate compliance, transparency and the achievement of value for money.

102. Recipients will be required to provide regular monitoring information and evidence of expenditure and delivery. TVCA reserves the right to undertake assurance, audit and verification activities to ensure funding remains compliant with programme requirements and continues to deliver value for money throughout the funding period.

Social Value

103. To maximise the wider benefits of public expenditure, all procurements with a value exceeding £100,000 will include proportionate social value requirements aligned to TVCA's strategic priorities and economic growth objectives.

104. Suppliers will be required to demonstrate how they will deliver tangible benefits to the Tees Valley, including opportunities for local employment, skills development, apprenticeships, support for SMEs and local supply chains, innovation, and environmental sustainability. Social value commitments will be evaluated as part of the procurement process and incorporated into contractual obligations where appropriate.

105. Delivery of these commitments will be actively monitored and managed throughout the contract lifecycle. Suppliers will be required to report against agreed measures and key performance indicators, with progress reviewed through regular contract management meetings. This will ensure commitments remain deliverable, measurable and aligned to TVCA's objectives, enabling corrective action where necessary.

106. By embedding social value into procurement and contract management arrangements, TVCA will ensure that its procurement activity contributes to sustainable economic growth, increased local opportunity and improved outcomes for communities across the Tees Valley.

3.4 External Permissions and Studies	
3.4.1 Feasibility Studies	
107.	NA – this is a programme level business case. As projects are called off through a proportionate business case, TVCA will ensure applicants provide details of any feasibility studies to help demonstrate market demand etc.
3.4.2 Land Ownership	
108.	NA as this is a programme level business case. Land ownership will be checked as part of project level requests for funding.
3.4.3 Planning Permission	
109.	NA as this is a programme level business case. Planning permission and other regulatory requirements will be checked as part of project level requests for funding.
3.4.4 Detailed Design	
110.	NA as this is a programme level business case. Design stage will be checked as part of project level requests for funding.

CASE 4: FINANCIAL CASE

Key Messages:

- The programme is affordable within the confirmed MHCLG Brownfield Housing Fund Round 4 allocation of £32,549,299 and does not require additional TVCA investment.
- There is no match funding requirement; the allocation is sufficient to meet eligible programme costs, including capital grant activity and £695k of revenue funding to support programme management, development support, appraisal, assurance and monitoring.
- The preferred option will use the available funding to unlock approximately 1,085 homes across constrained brownfield sites, with expenditure managed through project-level business cases, approvals, funding agreements and ongoing financial monitoring.
- Financial risk will be controlled through eligibility checks, subsidy control review, cost scrutiny, milestone-based grant claims, performance monitoring and the ability to reallocate funding where projects do not meet required delivery milestones.

4.1 Summary of Expenditure and Funding

111. BHF Round 4 Programme is funded through MHCLG against the following profile:

Year	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**TOTAL**
CDEL (£m)	£15.7	£3.5	£3.5	£9.9	£32.6
RDEL (£m)	£0.7	£0	£0	£0	£0.7
				TOTAL	£33.3

4.2 Match funding

112. To unlock the sites, it is assumed a further £60m of public sector funding will be required.

4.3 Leverage Funding

113. The Brownfield Housing Fund Round 4 programme is expected to generate significant leverage and wider financial benefits as a direct result of unlocking housing delivery on constrained brownfield sites. To unlock the sites it is assumed further public sector funding of £60m will be required.

114. All leverage and income assumptions will be reviewed through project-level business cases, appraisal and funding agreement processes.

4.4 Operating Model: projected income and expenditure

115. N/A

4.5 What will the TVCA funding be paying for?

116. N/A – this is a MHCLG grant – no funding is required from TVCA

4.6 Details of other funding routes explored

117. None- this is devolved funding from MHCLG

4.7 Type of financial assistance sought

118. N/A – this is a MHCLG devolved fund – no financial assistance is sought from TVCA.

4.8 Financial Return to TVCA

119. N/A – there is no financial return to TVCA. This is not TVCA investment.

4.9 Financial Risks

Financial Risk	Mitigating Action
Programme cost exceeds budget	Regular meetings to ensure allocation is not over committed.
Cost overruns	£695k revenue funding in place to cover operational costs of managing the programme.
Fraud	The Finance manager will be asked to check companies house for contractor viability etc and expenditure will be in accordance with the financial standards of TVCA.
Unexpected costs	£695k revenue funding in place to cover operational costs of managing the programme. There are no other costs to TVCA.
Income does not meet business plan expectations / demand projections not met	We will be assessing and prioritising projects for this reason.
Inability to secure other external funding	The core programme is fully funded.
Interest rates and inflation increases, making projects more costly to deliver	We will be assessing and prioritising projects for this reason.
Funding agreements did not deliver such as not hitting agreed outputs, timescales and budgets - which could result in clawback of funding	We will be assessing and prioritising projects before a GFA is approved and PRA will monitor expenditure and performance of projects.
Delivery partners / contractors go into liquidation / financial difficulties	The Finance manager will be asked to check companies house for contractor viability. Projects will be monitored throughout delivery.
Failure to get into contract in line with project programme	Critical path mapped out and robust process of eligibility, maturity assessment, business case development and appraisal in place to ensure GFAs for projects are in place for programme requirements.
Non-compliance with funder requirements / ineligible expenditure	Claims process in place as part of project's monitoring arrangements, which requires evidence of eligible expenditure.
Running costs exceed business plan forecasts	We have mapped activity so we will not exceed the funds we have been allocated.

4.10 Cashflow of Programme / Project

120. The Brownfield Housing Fund operates on an annual performance-based funding model. Whilst a multi-year allocation has been agreed with MHCLG, funding for future years remains provisional and is subject to satisfactory programme performance and compliance with the terms of the fund. Once the initial MOU is singed with MHCLG, a grant determination letter is issued to TVCA with year 1 payment.

121. To secure the release of the following year's allocation, TVCA must submit the required annual statement and monitoring returns, demonstrating that expenditure has been incurred broadly in line with the agreed spend profile, programme and project delivery milestones are being

achieved, projects continue to meet the fund objectives, including delivering acceptable Value for Money and addressing evidenced market failure, and that the programme has received the necessary Section 73 Officer assurance.

122. Following review of the annual statement, MHCLG will determine whether sufficient progress has been made and, if satisfied, will release funding in accordance with the agreed annual payment profile. Failure to demonstrate adequate progress, significant slippage against the spend profile, or non-compliance with the fund requirements may result in future funding being delayed, reduced or withdrawn.

123. To mitigate this risk, TVCA will seek to commit the available Brownfield Housing Fund allocation to eligible projects as early as practicable. Establishing a committed pipeline at the earliest opportunity will provide greater certainty over future expenditure, delivery milestones and housing outputs, reducing the risk of underspend or slippage and providing MHCLG with confidence that future annual allocations can be released in line with the agreed funding profile.

124. Grant funding provided by TVCA to project sponsors will ordinarily be paid on a defrayed expenditure basis, with claims being made against eligible costs that have already been incurred and evidenced. This approach supports effective financial management and assurance over the use of public funds. In exceptional circumstances, advance payments may be considered where a clear justification can be demonstrated; however, any such arrangement will be assessed and approved on a project-by-project basis and will be subject to appropriate risk management and assurance requirements.

CASE 5: MANAGEMENT CASE

Key Messages:

- TVCA will act as the accountable body, providing overall programme management, governance, assurance, risk management, monitoring and reporting.
- Local Authorities will play a key role in identifying, developing and facilitating brownfield housing schemes that align with local housing and regeneration priorities.
- The programme is supported by formal funding arrangements with MHCLG and project-level funding agreements with successful applicants.
- A robust governance structure provides political oversight, scrutiny, assurance and clear decision-making routes, aligned to the TVCA Assurance Framework.
- The Director of Infrastructure will act as SRO and has responsibility for programme delivery, with Cabinet retaining oversight of strategic decisions and higher-value investments.
- Funding will be allocated through a structured two-phase process covering pipeline development, project assessment, business case appraisal and approvals.
- The programme aims to build a strong pipeline of deliverable brownfield housing projects capable of accelerating housing delivery across Tees Valley.
- Strong programme management arrangements are in place, supported by dedicated leadership, programme management resources and specialist corporate services.
- Risk management is embedded throughout the programme, with formal risk registers, escalation processes and change control procedures supporting delivery. Key risks include policy changes, inflationary pressures, insufficient project pipeline, delivery delays, stakeholder engagement challenges and cyber security threats.
- Stakeholder engagement and communications are supported through a dedicated communications plan. Marketing activity will focus on driving awareness of funding opportunities and generating high-quality project applications from eligible organisations.
- Delivery will generate wider social, economic and environmental benefits, including housing growth, regeneration, sustainable development and reduced pressure on greenfield sites. Social value, equality, sustainability and environmental considerations will be embedded within project appraisal, procurement and delivery arrangements.
- Monitoring and evaluation arrangements will track programme outputs, outcomes and impacts, ensuring accountability and continuous improvement.
- The programme will create a long-term legacy through a mature pipeline of investment-ready sites, strengthened partnerships, improved governance arrangements and greater readiness to secure future housing and regeneration funding.

5.1 Delivery Partners

125. The BHF Round 4 Programme has the following delivery partners:

Partner	Role and commitment
Tees Valley Local Authorities	Local Authorities will play a key role in identifying, developing and promoting suitable brownfield housing opportunities within their respective areas. They will support the development of project proposals, provide local intelligence regarding housing need and development constraints, and assist in identifying priority sites capable of contributing towards programme objectives. Local Authorities will also support planning and regulatory processes where appropriate, work collaboratively with landowners, developers and other stakeholders to facilitate delivery, and participate in programme governance and monitoring arrangements. Through their strategic housing, planning and regeneration functions, Local Authorities will help ensure that projects align with local priorities and contribute towards wider housing growth, regeneration and economic development objectives.
Homes England and Government Departments	Provide strategic policy alignment, funding oversight and engagement on housing, regeneration and investment priorities where appropriate.
TVCA	Act as the Accountable Body for the programme, responsible for programme management, appraisal, approvals, monitoring, assurance, governance, risk management, stakeholder engagement and reporting.
Professional Advisers and Consultants	Provide specialist technical support where required, including business case development, appraisal, viability assessments, valuation advice, legal support, cost consultancy, monitoring and evaluation, environmental assessments, equality impact assessments and other specialist services necessary to support programme delivery and assurance.

5.2 Formal Partnership Arrangements

126. The BHF Round 4 Programme has the following partnership arrangements:

Partner	Partnership arrangement
Ministry of Housing, Communities	TVCA has entered into a Memorandum of Understanding (MoU) with MHCLG setting out the terms and conditions of the BHF Round 4 allocation. The MoU establishes the funding award, programme objectives, outputs and outcomes, expenditure profile, monitoring and reporting requirements, assurance arrangements, and the responsibilities of both parties. The MoU provides the formal framework through which TVCA will administer and manage the Fund and can be found in Appendix 2.
Project Sponsors / Grant Recipients	Successful applicants will enter into funding agreements with TVCA which will set out the conditions of funding, project outputs and outcomes, milestone requirements, payment arrangements, monitoring obligations, subsidy control requirements, clawback provisions and reporting requirements.

5.3 Details of Programme / Project Management Structure

Governance

127. BHF Round 4 Programme will be delivered as a single managed programme by TVCA as accountable body and lead partner. TVCA will have clear political oversight, independent scrutiny, robust assurance and an auditable management information trail. The governance model aligns to the Tees Valley Combined Authority (TVCA) leadership arrangements.

128. The programme will operate within the following governance structure to provide political oversight, strategic oversight, assurance and scrutiny in accordance with TVCAs Assurance Framework.

Role/ Governance Body	Responsibility
TVCA Cabinet	Approves BHF Round 4 programme strategic framework, considers projects/interventions above £5m (above £2.5m temporarily until the Single Assurance Framework is fully operational) and receives annual programme performance reports summarising performance, financial position, delivery progress, key risks, and any material decisions taken under delegated authority. Provides strategic direction, ensures alignment to wider Tees Valley priorities, and takes major decisions where required (e.g., significant programme changes, budget reallocations beyond delegated limits, approvals aligned to CA decision-making processes). Receives escalations on high-impact risks, material underperformance, or significant reputational issues.
TVCA Overview & Scrutiny Committee	Provides scrutiny of programme performance and decision-making, including outcomes achieved, value for money, and responsiveness to stakeholders.
Audit & Governance Committee	Provides assurance over the programme's governance, risk management, control environment, and the adequacy of management information and audit trail arrangements.
Cabinet Investment Portfolio Lead	Consulted on programme management, delivery and investment decisions taken under delegated authority.
Joint Cabinet Housing Portfolio Leads	Consulted on programme management, delivery and investment decisions taken under delegated authority.

Programme Decision Making

129. The BHF Round 4 Programme will operate through programme specific governance arrangements aligned to the current TVCA Assurance Framework. These arrangements are set out below and enable the Director of Infrastructure to manage and deliver the programme within the strategic framework and budget agreed by Cabinet. Progress in delivering the programme, including the use of delegated authority, will be reported back to Cabinet annually. This approach is consistent with arrangements applied to other major programmes operating under

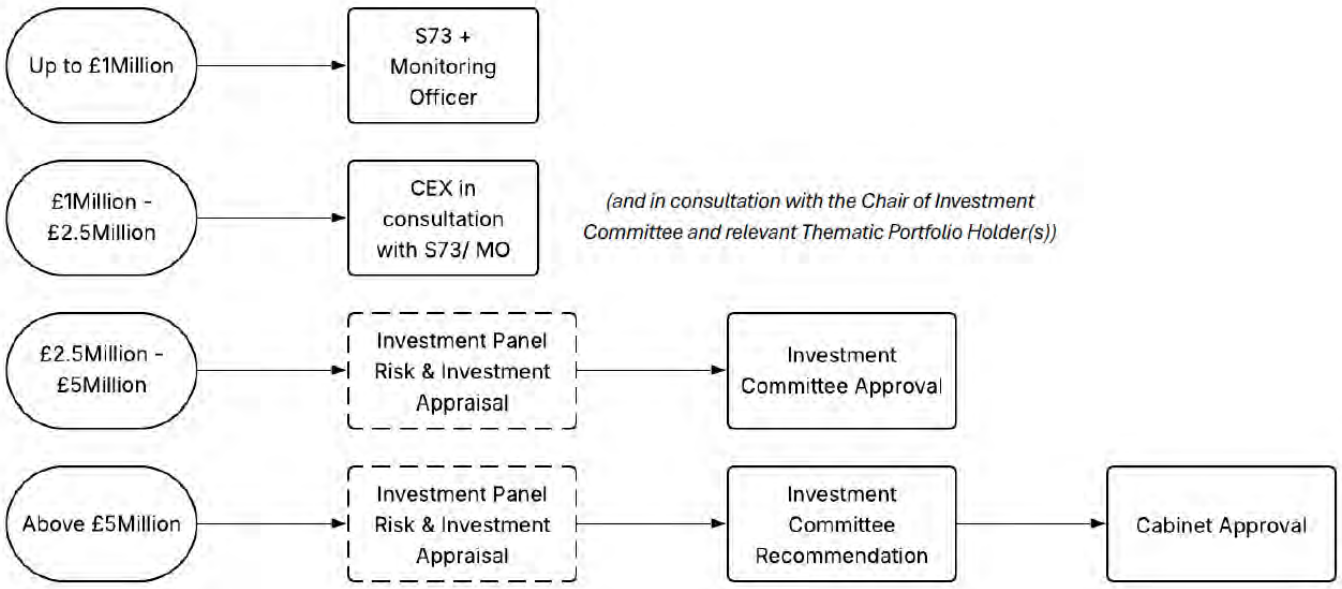
the Assurance Framework and also reflects the forthcoming transition to the new Single Assurance Framework in the new financial year.

130. This business case will be approved in accordance with the current Assurance Framework. In July 2026, Cabinet approved the inclusion of BHF Round 4 within the Authority's investment and delivery programme with a Programme Business Case to come back in September 2026 for strategic approval.

131. Following strategic approval by Cabinet, approval of the Programme Business Case will be delegated to the Chief Executive in consultation with the Section 73 Officer and Monitoring Officer, together with the Cabinet Investment Portfolio Lead and the joint Cabinet Housing Portfolio Leads.

132. Following approval of this business case, the TVCA Director of Infrastructure will be responsible for the management and delivery of the BHF Round 4 Programme. This will include responsibility for programme management, commissioning, intervention prioritisation, operational decision making, and performance monitoring in and programme reporting in consultation with the Cabinet Investment Portfolio Leads and the joint Cabinet Housing Portfolio Leads where required.

133. Decision making route for projects or Interventions that are to be called off the programme will be subject to the following thresholds:



134. The proposed thresholds are informed by the emerging Single Assurance Framework and have been adopted for this programme to support a consistent and proportionate approach to investment decision-making during the transition period.

135. However, the Investment Committee, Investment Panel and associated governance arrangements are not yet operational. Until those arrangements are established, any project with a value exceeding £2.5 million will be referred to Cabinet for strategic consideration and endorsement. Following Cabinet endorsement, approval will be delegated to the Chief Executive in consultation with the Section 73 Officer, Monitoring Officer, Cabinet Investment Portfolio Lead and joint Cabinet Housing Portfolio Leads.

136. Any material change to the approved programme scope, budget, outputs, outcomes, geography, delivery approach or strategic direction will be managed through the programme change-control arrangements and, where required, escalated in accordance with the current Assurance Framework and the Authority's governance arrangements.

Programme delivery

137. The process for identifying, assessing and selecting projects has been structured into two phases, supported by proportionate assessment, categorisation, development and appraisal processes.

PHASE 1: DEVELOPING THE BHF ROUND 4 PIPELINE

138. Step 1 – Identifying potential sites:
TVCA will review known brownfield opportunities, including sites emerging through the Strategic Place Partnership Pipeline, and work with local partners to identify projects that may be suitable for BHF support in early August 2026.

139. Step 2 – Opening the call for projects:
TVCA will launch a public call for sites in early August 2026 inviting eligible organisations to put forward Expressions of Interest (EOI) for consideration. This prospectus explains who can apply, what information is required, the assessment process and key timescales.

140. Step 3 – Submitting a project proposal:
Applicants will submit the EOI setting out their proposed project. To be considered for Year 1 funding, applicants must submit the EOI by the 4th September 2026.

141. Step 4 – Checking eligibility:
TVCA will review submissions against the BHF eligibility criteria. Projects that do not meet the criteria will not progress further and applicants will be advised of the reason.

142. Step 5 – Assessing project readiness:
Eligible projects will be invited to complete a Maturity (Gateway) Assessment. This will consider how ready the project is to progress, including strategic fit, deliverability, value for money, risks, dependencies, funding position, planning status and the evidence available to support a future business case.

143. Step 6 – Pipeline Categorisation:
Following the maturity assessment, each eligible project will be placed into the pipeline, under the one of the following categorisations:
- Eligible and in development – the project meets the broad BHF eligibility criteria but requires further development before it can progress to the next phase.
- Eligible and deliverable – the project has sufficient maturity to move towards the next phase.

144. Step 7 – Providing feedback and next steps:
At the end of Phase 1, TVCA will retain a clear record of each assessed project, including the assessment outcome, evidence gaps, recommended actions and whether the project should remain in development or progress towards business case approval.

145. Step 8 – Supporting business case preparation:
Projects within the pipeline will be invited to take part in hosted Business Case Workshops. These sessions will explain the business case requirements, evidence expectations, value-for-money approach, assurance process and practical next steps for preparing a compliant proposal as part of phase 2.

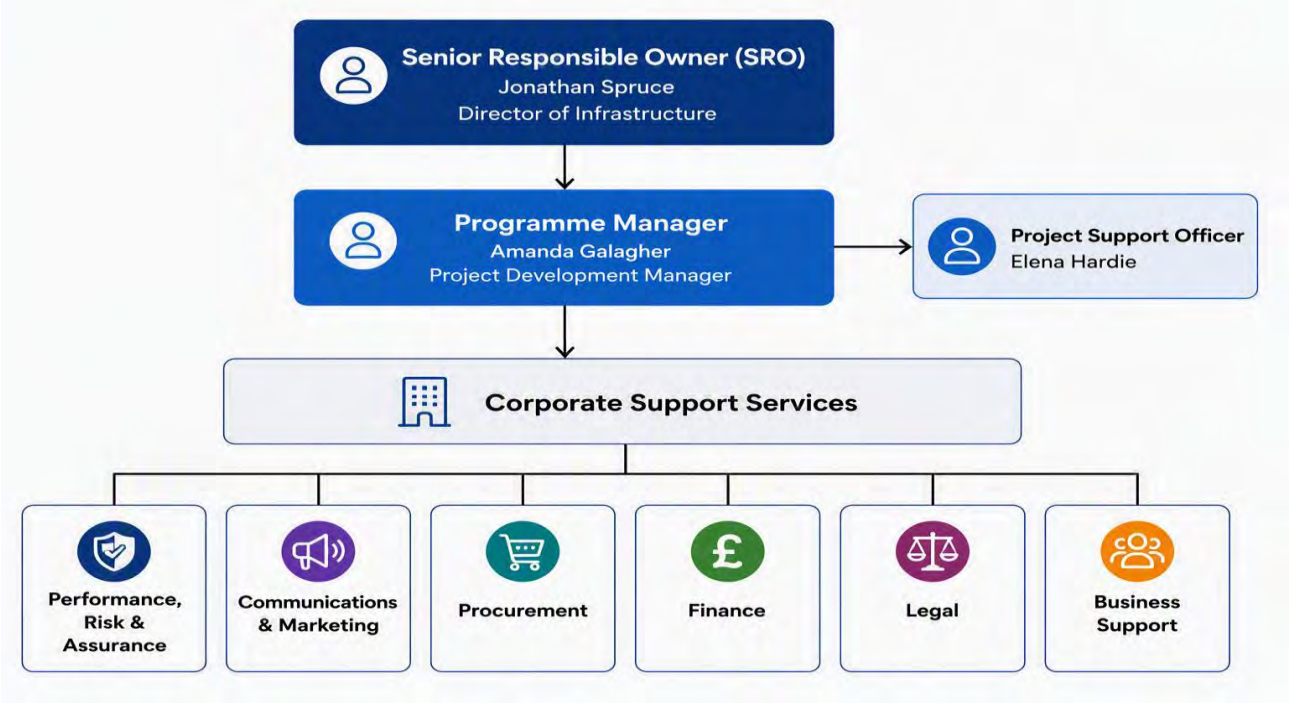
PHASE 2: PROJECT BUSINESS CASE APPROVALS

146. Step 9 – Project business cases:
For those projects categorised as 'eligible and deliverable' they will then be invited to submit a project business case. Applicants will work with TVCA and any appointed support provider to develop proportionate proposals for funding consideration. Note: it is intended that a Programme Business Case will have been developed and approved by TVCA Cabinet in September 2026. To be considered for Year 1 funding, applicants must submit their business cases by the 30th October 2026.

147. Step 10 – Appraising business cases:
Project business cases will be appraised in line with TVCA's current Assurance Framework and relevant Government guidance before being taken through the appropriate decision-making process.

148. Step 11 – Decision and funding agreement:
A decision will be made on whether to approve funding for each project. Where funding is approved, TVCA will enter into the relevant funding agreement with the applicant before delivery begins. Successful applicants with Year 1 funding must have any required internal approvals in place and enter into Grant Funding Agreements by 31 March 2027.

Key roles and responsibilities and experience



149. Senior Responsible Owner (SRO): Jonathan Spruce, Director of Infrastructure
- Role: Accountable for overall programme delivery, outcomes, and public value.
- Responsibilities:
  - Holds accountability for benefits realisation, risk management, and delivery performance.
  - Chairs the Programme Board and ensures alignment with TVCA priorities and decision-making.
  - Owns escalation to Cabinet and ensures appropriate engagement with the Business Board and committees.

150. Programme Manager: Amanda Gallagher, TVCA Project Development Manager
- Role: Leads the BHF Round 4 Programme on a day-to-day basis on behalf of the SRO.
- Responsibilities:
  - Oversees performance management at a programme level, ensuring contributions aggregate to outcomes.
  - Ensures cross-cutting frameworks (M&E, Communication Plan, EQUIA etc) drive continuous improvement.
  - Manages funder relations, including strategic engagement, reporting, and assurance of alignment with funding requirements.
  - Maintains the programme plan, risk register, benefits realisation plan and performance dashboard.
  - Directly manages the Functional Lead tier (Account Management & Triage Team Leader, Private Sector Partnerships Manager, Marketing Manager) and the Support tier (Data Analyst, Compliance & QA Officer, Programme Support Officer (PMO), Finance & Contracts Officer).
  - Manages the interface between providers, partner organisations, communications/marketing, and TVCA corporate functions (finance, legal, procurement, data governance).
  - Makes delegated operational decisions, including reallocating activity across providers and internal resources in response to real-time intelligence

151. Programme Support Officer: Elena Hardie, TVCA Project Support Officer
- Role: A dedicated Project Support Officer will provide programme management and administrative support to ensure the effective delivery of the programme.
- Responsibilities:
  - Assist with budget monitoring and expenditure tracking.
  - Assist with any procurements and subsequent contract management
  - Support engagement activities, workshops, and consultation events.
  - Assist Programme Manager in coordinating activities.

152. The team will also be supported by a range of specialist support services to deliver the programme:
- Performance, risk and assurance: to support programme performance monitoring, benefits realisation, risk management, audit requirements, assurance reviews, appraisal of project business cases and compliance with funding conditions. This function will provide independent challenge and oversight to ensure delivery remains on track and risks are effectively managed.
- Communications and marketing: to support implementation of the communications plan, including stakeholder engagement, marketing activity, public relations, programme

promotion, and demand generation. This function will help maximise awareness of programme opportunities and achievements.

- Procurement: to provide specialist advice and support on procurement strategy, tendering, contract management, and compliance with procurement regulations and organisational policies, ensuring value for money and transparent decision-making.
- Finance: to provide financial management, budgeting, forecasting, grant administration, claims processing, financial monitoring, audit support, and reporting. This function will ensure effective stewardship of public funds and compliance with funding requirements.
- Legal: to provide legal advice and support on contracts, grant agreements, land and property matters, subsidy control requirements, governance, and regulatory compliance, helping to mitigate legal and commercial risks throughout the programme lifecycle.
- Business support: to provide administrative and operational support, including diary management, meeting coordination, document management, record keeping, programme secretariat functions, and support for governance meetings, ensuring efficient programme administration and coordination.

5.4 Issue and Risk Management Processes

Risk Management Overview

153. The TVCA Group is committed to implementing an enterprise-wide risk management culture, adopting ISO 31000 best practice and alignment to Orange Book guidance in the identification, evaluation and effective management of threats and opportunities.

154. We have a dedicated Risk Management team who support the activity throughout TVCA Group, developing and managing Risk Management supporting documentation and tools.

155. The TVCA Group Risk Management Framework outlines the process and procedures for managing risk, at all levels. All risks and opportunities for the programme are captured within the Risk Management Platform. This platform aids as an online risk register, dashboard and escalation tool. The system also captures treatment action plans and controls which all aim to mitigate and/or avoid threat/maximise opportunities.

Programme overview

156. Brownfield Housing Round 4 has a dedicated programme level risk register which is updated on a regular basis. As different projects are developed, they will also be required to develop project level risk registers. The programme has adopted a proactive, programme-level approach to risk and issue management, ensuring that delivery remains on track, responsive to changing conditions, and compliant with public sector governance requirements.

157. The approach is underpinned by:
    - A Risk Register (see Evidence Pack in Appendix 1), which identifies key strategic and delivery risks, including performance, engagement, economic volatility, partner delivery, and evidencing impact
    - A Programme Management Structure, which enables risks to be managed holistically across the programme rather than at individual contract level, and
    - The integration of Monitoring & Evaluation Plan, providing real-time intelligence to anticipate and mitigate risk.

158. This ensures risks are not only controlled, but actively used to inform decision-making, resource allocation, and continuous improvement.

Risk management framework

159. Identification and categorisation. Risks are identified at three levels:
- Strategic risks (programme-level outcomes, economic conditions, reputational exposure)
- Delivery risks (provider performance, engagement levels, service quality)
- Operational risks (data, processes, compliance)

160. Key programme risks are:

Risk	Mitigation
Failure to deliver Strategic Objectives: TVCA Local Growth Plan and local housing needs	Robust processes to support scheme eligibility and produce HM Treasury compliant business cases. Assurance and governance frameworks in place to appraise schemes and give approvals
Change in political leadership at National or Local level and a change, reduction or removal of support	Member briefings and engagement, signed MOU with MHCLG and governance framework in place
Interest rates and inflation increase, making projects more costly to deliver	Robust processes to support scheme eligibility and produce HM Treasury compliant business cases. Assurance and governance frameworks in place to appraise schemes and give approvals
Poor communication of programme with stakeholders and project sponsors result in low take up	Communications Plan in place covering press release and engagement activity. Early engagement with LAs and housing providers complete. Run open call for sites including providing a prospectus and EOI
Malicious cyber activities such as hacking, malware, ransomware, and phishing attacks	Cyber security in place. Insurance against attacks in place and requested from all commissioned consultants involved
Changes in national policy, funding requirements or programme guidance affect eligibility, reporting, spend profile or delivery priorities	Maintain dialogue with Government, review guidance updates, assess implications through programme governance and update applicants and funding agreements where required
Insufficient pipeline of brownfield housing schemes to meet programme outputs and homes-started target	SPP and OPE pipelines in place. Run a proactive call for projects, engage Local Authorities and delivery partners early, review known brownfield opportunities and maintain a live pipeline with development actions
Programme oversubscription creates challenge around prioritisation, transparency and stakeholder expectations	Use published eligibility and assessment criteria, retain clear audit trails, communicate outcomes and feedback consistently and prioritise schemes based on strategic fit, deliverability, value for money and ability to start on site quickly

161. Each risk is defined through cause, event and impact logic, supporting clear mitigation planning.

162. Scoring and tolerance: Risks are assessed using a Likelihood x Impact scoring methodology, with:
- Inherent score (pre-mitigation),
- Residual score (post-mitigation), and
- Target score (acceptable position).

163. Issue management and escalation: Issues (i.e. risks that have materialised or immediate operational challenges) will be managed through a formal escalation and resolution process. Programme-level risk tolerances will be agreed by the SRO. Any risks exceeding tolerance are escalated through TVCAs risk management system. Identification issues may arise through:
- Performance monitoring (outputs/outcomes tracking),
- QA reviews or customer feedback,
- Provider reporting, or
- Partner/network intelligence.

164. Change management: Given the programme's agile, intelligence-led approach, change management is a core capability. Changes may be required due to:
- Underperformance against outcomes
- Emerging business needs or sector opportunities
- Economic/environmental change
- M&E insight identifying more effective delivery approaches

165. Change control process:
- All changes are recorded within a formal Change Control Log
- Changes are assessed against impact (financial, delivery, reputational)
- Approval routes are determined by delegated thresholds

166. Monitoring, reporting and audit: Risk and issue management is supported by a robust management information (MI) framework, ensuring transparency and accountability. Core reporting tools include:
- Programme Risk Register (live and reviewed regularly)
- Issue Log and escalation tracking
- Performance dashboards (outputs, outcomes, customer metrics)

5.5 Key Milestones	
Key Milestone Description	Expected Completion Date
Cabinet approves in principle the concept of the BHF Round 4 Programme	July 2026
Investment Pipeline development through assessment of SPP Pipeline and wider open call	August 2026
External support for gateway assessments and business case workshops in place	August 2026
Cabinet approves BHF Programme level Business Case	September 2026
External support for project level business cases and technical appraisal in place.	September 2026

Project-level decisions made for eligible and deliverable projects.	January 2027 onwards
Grant Funding Agreements in place	March 2027 onwards
Housing starts to commence	Before March 2031

5.6 Stakeholder Management and Communications Plan

167. A Stakeholder Management Plan and Communications Plan will support the design, implementation and ongoing delivery of the programme, with further detail relevant to each scheme at call off stage.

168. The plan is intended to ensure that key stakeholders and partners remain informed, engaged and involved throughout programme development and delivery, while supporting collaboration, co-design and continuous improvement. The plan includes:
- Stakeholder mapping and prioritisation
- Engagement objectives and key messages
- Stakeholder-specific communication methods
- Governance and reporting arrangements
- Engagement timelines and milestones
- Roles and responsibilities

169. Stakeholders include UK Government, Tees Valley Local Authorities and Tees Valley Housing Partnership members, including social housing providers alongside delivery partners.

170. The plan will ensure that all stakeholders have a clear understanding of the wider economic and regeneration benefits of the programme. It will highlight how the projects represent good value for money and a responsible use of taxpayers' investment, while keeping stakeholders informed of key milestones and progress as they are achieved.

171. When programme delivery begins, the plan will also raise awareness of the support provided by the Tees Valley Mayor and Combined Authority in helping to deliver these projects as part of their wider ambitions for economic redevelopment across the region. In addition, it will reinforce understanding of the broader role of the Tees Valley Mayor and Combined Authority in driving economic growth, creating jobs, and transforming the Tees Valley for the benefit of residents, businesses, and communities.

172. It will be developed alongside delivery partners and is intended to support both successful programme development and long-term collaboration across the Tees Valley. The plan template can be found in Appendix 3.

Communication Methods

Method	Purpose
Strategic Briefings and Updates	Keep stakeholders informed of programme development, key decisions and opportunities such as pipeline development
Governance Reporting	Support oversight, accountability and decision making
One-to-One Engagement	Strategic stakeholder management and issue resolution

Digital Communications	Share updates, engagement opportunities and programme progress
Events and workshops	Ecosystem participation, awareness and collaboration

Governance and Reporting

173. The Stakeholder Engagement Plan will be managed and kept up to date by TVCA and delivery partners and will remain active throughout programme development and ongoing delivery. Progress, stakeholder insight, risks and engagement feedback will be reviewed regularly to ensure activity remains effective, proportionate and aligned to programme priorities and future ecosystem needs

5.7 Social Value Generation: Environmental and Social Impacts

174. The Brownfield Housing Fund Round 4 Programme will generate significant social, economic and environmental benefits across the Tees Valley through the remediation and redevelopment of underutilised brownfield land for housing delivery. In addition to the economic benefits identified within the Economic Case, the programme will contribute to wider social value objectives by improving access to housing, supporting sustainable communities, enhancing the local environment and creating opportunities for local residents and businesses.

175. An Equality Impact Assessment (EqIA) has been undertaken for the programme and is provided in Appendix 4. The assessment concluded that the programme is not expected to result in any adverse or disproportionate impact on individuals or groups with protected characteristics. The programme is anticipated to deliver positive impacts through the provision of new homes, regeneration of brownfield sites and increased access to housing opportunities across the Tees Valley. In addition to the programme-level assessment, all projects seeking support through the programme will be required to undertake their own Equality Impact Assessment, proportionate to the nature and scale of the intervention. This will ensure equality considerations are embedded throughout project development and delivery, and that any potential impacts on protected groups are identified, assessed and mitigated where necessary.

176. The programme will support the delivery of approximately 1,085 new homes, increasing housing choice and availability across the Tees Valley. By bringing forward brownfield sites that would otherwise remain undeveloped, the programme will contribute to place-making, regeneration and the improvement of local communities, whilst reducing pressure for development on greenfield land.

177. The programme will maximise environmental benefits through the reuse of previously developed land, supporting sustainable patterns of growth and reducing the need for greenfield development. Applicants will be encouraged to incorporate energy efficiency measures, renewable energy technologies, climate resilience measures, biodiversity enhancements and sustainable drainage solutions where appropriate. Housing developments supported through the programme will be expected to contribute towards regional and national net zero ambitions and achieve high standards of environmental performance.

178. Where applicable, projects will be encouraged to adopt modern methods of construction, utilise sustainable and recyclable materials, minimise waste generation and maximise the circular use of resources. Applicants will also be expected to demonstrate how carbon emissions associated with construction and operation will be minimised throughout the development lifecycle.

179. Social value considerations will be embedded throughout programme delivery and will form part of the appraisal and decision-making process for individual projects. Applicants will be required to demonstrate how their proposals contribute to social, economic and environmental outcomes, including support for local communities, employment opportunities, skills development, sustainable growth and environmental enhancement.

180. Furthermore, social value requirements will be incorporated into all procurements with a value exceeding £100,000, in accordance with TVCA's Procurement Policy and relevant legislative requirements. Procurement exercises will seek to maximise opportunities for local businesses, apprenticeships, training, employment, supply chain participation, community benefits and environmental sustainability, ensuring that the wider benefits of public investment are realised alongside the delivery of programme outputs. Where the project is externally delivered, the social value obligations of will be confirmed in the funding agreement letter and required of the third-party delivery organisation.

181. The programme's critical success factor relating to sustainability and social value is 'The programme will maximise social, economic and environmental benefits through the delivery of high-quality housing, regeneration of brownfield land and the promotion of sustainable development. Success will be measured through the delivery of approximately 1,085 homes on brownfield land; 100% of supported projects demonstrating consideration of social value outcomes through the appraisal process; incorporation of energy-efficient design, renewable energy technologies and modern methods of construction where appropriate; delivery of social value commitments through procurement and project delivery; and compliance with equality, diversity and inclusion requirements identified through programme and project-level EqIAs'.

182. Through these measures, the programme will ensure that public investment delivers lasting social, economic and environmental benefits for residents, communities and businesses across the Tees Valley, whilst creating a strong foundation for future housing growth, regeneration and sustainable development.

5.8 Monitoring and Evaluation Plan

183. A Monitoring and Evaluation (M&E) Plan has been developed and can be found in the Evidence Pack in Appendix 1. The plan is aligned with the programme logic model and TVCA monitoring requirements, providing a framework for measuring outputs, outcomes and impacts. Performance will be monitored against key indicators and project level business cases must demonstrate how they contribute to delivering against this plan and programme targets.

5.9 Marketing Plan

184. Building on the Communications Plan outlined above in 5.7, a targeted marketing approach will be implemented to maximise awareness of funding opportunities and encourage engagement from potential applicants and delivery partners.

185. Marketing activity will focus on increasing awareness of the programme amongst local authorities, registered providers, developers, landowners, and other organisations capable of bringing forward eligible brownfield housing schemes.

186. Key marketing activities will include:
- Direct communications to existing partners and stakeholders through TVCA's established networks, including local authorities, registered providers, developers and industry bodies.

- Promotion of funding opportunities through the TVCA website, including dedicated programme webpages, guidance documents, application information, and key programme dates.
- Use of TVCA social media channels to promote funding opportunities, programme milestones, key announcements, and successful project case studies.
- Distribution of programme information through partner meetings, stakeholder bulletins and sector networks.
- Targeted engagement with sites already identified through the Strategic Property Partnership (SPP) pipeline and other existing development programmes to ensure mature opportunities are highlighted and supported.
- Delivery of applicant briefing sessions and workshops to explain programme objectives, eligibility criteria, appraisal requirements, and funding processes.
- Attendance at relevant housing, regeneration and development sector events to promote the programme and stimulate interest from potential applicants.
- Press releases and media activity to publicise programme launches, funding awards and housing delivery achievements.

187. Key milestones for marketing activity will include:
- Programme launch and publication of open call (August 2026)
- Opening and closure of funding calls.
- Applicant engagement events and workshops.
- Announcement of successful projects and funding awards.
- Publication of programme progress updates and delivery outcomes.

188. All communications and marketing materials will be developed in line with TVCA accessibility standards and will be made available through a range of channels to ensure broad reach across target audiences. The approach will seek to maximise awareness, encourage high-quality applications, and support the delivery of programme outputs and outcomes.

5.10 Exit Strategy

189. Following approval of individual projects, TVCA will continue to oversee programme delivery until all funding has been expended, grant conditions have been satisfied, and agreed outputs and outcomes have been achieved. Programme management arrangements, performance monitoring, risk management, financial oversight and benefits realisation activities will remain in place throughout the programme lifecycle to ensure delivery remains on track and that any issues are identified and addressed promptly.

190. Responsibility for the delivery of individual schemes will rest with the relevant project sponsor, local authority, developer, landowner or delivery partner, supported through funding agreements and established governance arrangements. TVCA will maintain assurance and monitoring arrangements, including milestone reviews, claims verification, risk management, benefits tracking and reporting to Government and internal governance bodies. Upon completion of funded enabling, infrastructure, remediation or site preparation works, responsibility for ongoing development activity and asset management will transfer to the relevant delivery organisation in accordance with contractual and legal agreements.

191. The programme is designed as a targeted capital intervention to address market failure, abnormal development costs and infrastructure barriers that prevent brownfield sites from coming forward for development. Once these barriers have been addressed, housing delivery will continue through established development agreements, private sector investment and

ongoing asset management arrangements. Any ongoing liabilities, maintenance responsibilities or operational costs associated with programme-funded infrastructure will be clearly identified prior to approval and transferred to the appropriate organisation through funding agreements, legal agreements, adoption arrangements or asset transfer processes as appropriate.

192. Beyond the current funding period, TVCA will continue to undertake horizon scanning and maintain active engagement with Government departments, Homes England, local authorities and other funding bodies to identify and secure future funding opportunities that support housing delivery, regeneration and brownfield land remediation. The programme will establish a pipeline of investment-ready projects, supported by robust business cases and delivery partnerships, which can be drawn upon to maximise future investment opportunities as they emerge.

193. A key legacy of the programme will be the implementation of TVCA's Single Assurance Framework and the development of a mature brownfield investment pipeline. These arrangements will provide a consistent and sustainable approach to project identification, appraisal, prioritisation and delivery, ensuring the Tees Valley is well positioned to respond quickly and effectively to future Government funding programmes, Homes England investment opportunities and other public and private funding sources.

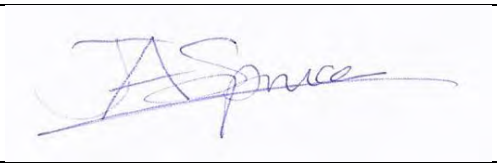
194. The programme will also strengthen the evidence base regarding the continued market failure affecting brownfield housing delivery across the Tees Valley, including viability challenges, abnormal remediation costs, infrastructure constraints and other barriers to development. Combined with a strong track record of programme delivery and a portfolio of investment-ready schemes, this will enhance TVCA's ability to engage with and influence Government and other funders, demonstrating the ongoing need for public sector intervention and making a compelling case for future investment in brownfield regeneration and housing delivery.

195. By maintaining a clear pipeline of deliverable projects, established governance arrangements, robust appraisal processes and strong delivery partnerships, TVCA will be able to build on the momentum created through the Brownfield Housing Fund. This will help secure further investment, accelerate housing delivery, unlock additional brownfield sites and maximise the long-term economic, social and regeneration benefits for communities across the Tees Valley. Furthermore, a final programme evaluation and benefits realisation review will be undertaken at programme closure to assess performance against objectives, capture lessons learned and inform future housing and regeneration initiatives.

APPLICANT SIGN OFF
TO BE SIGNED BY PROJECT SPONSOR PRIOR TO SUBMISSION FOR APPRAISAL

I declare that to the best of my knowledge and belief, the information given within this application form is correct. I understand that acceptance of this application form does not in any way signify that Tees Valley Combined Authority has agreed to invest. I declare I am an authorised signatory of the lead organisation, with the authority to sign off this application form and have notified the necessary senior finance officers.

FREEDOM OF INFORMATION
I understand the requirements of the Freedom of Information Act 2000. I understand that Tees Valley Combined Authority is subject to the provisions of the Freedom of Information Act 2000 ("the Act"). The Act provides for information to be exempt from the general right of access if its disclosure would, or would be likely to, prejudice the commercial interests of any person. A Project Sponsor may request that certain information in their submission and any subsequent Agreement is treated as covered by this exemption. However, if the information is requested the availability of this exemption will be subject to a test of whether the public interest lies in disclosing the information or keeping it confidential. We understand that while Tees Valley Combined Authority will endeavour to take into account the Project Sponsor's views as to the keeping of information confidential, it reserves the right to disclose information if required to do so.

Signature:	
Name:	Jonathan Spruce
Position / Title:	Director of Infrastructure
Company / Organisation:	Tees Valley Combined Authority
Date:	28.08.26

SECTION 151 OFFICER SIGN OFF

Signature:	
Name:	Alan Layton
Position / Title:	Interim Group Director of Finance and Resources
Date:	28.08.26

APPENDICES CHECKLIST			
Guidance note: The purpose of this section is to ensure supporting evidence is provided and organised with reference numbers, prior to submission for appraisal.			
Case	Document Required	Provided Y/N	Reference
	Evidence Pack workbook	Y	Appendix 1
Case 1	Strategic Case		
Case 2	Economic Case		
	Logic Model	Y	Appendix 6
	BCR calculations	Y	Appendix 7
Case 3	Commercial Case		
	Risk Register	Y	Evidence Pack
Case 4	Financial Case		
	Business Case Cashflow and profile	Y	Appendix 1
Case 5	Management Case		
	Risk register	Y	Appendix 1
	Memorandum of Understanding with MHCLG	Y	Appendix 2
	Communications and marketing plan	Y	Appendix 3
	EQUIA	Y	Appendix 4
	Monitoring and evaluation plan	Y	Appendix 1

final appendices

Brownfield Housing Fund Round 4 Programme

Appraisal Outcome Report

Summary

1. Under HM Government's Brownfield Housing Fund, TVCA secured an initial funding package of £19.3m (Phase 1) to bring vacant and neglected land back into use. A further £7.4m (Phase 2) was subsequently approved subject to unlocking further new homes by March 2025 increasing the amount of funding available to £26.7m.

2. In October 2025, TVCA received an updated Memorandum of Understanding from MHCLG for a third phase of BHF totalling £6.12m, bringing the total funding to £32.82m. This is provided for in the Place theme within the Investment Plan.

3. In June 2026, Cabinet considered a report on the Brownfield Housing Fund Round 4 and approved, in principle, the establishment of a £33.3m programme to support the remediation and enabling of brownfield sites across Tees Valley.

4. The proposed approach to programme development was also approved, which included the identification of projects through the development of a pipeline, the development of a programme-level business case, and the use of revenue funding to support programme mobilisation, project level business case development and technical appraisal.

5. In accordance with the TVCA Assurance Framework, a Programme Business Case for the Brownfield Housing Fund Round 4 programme has been developed and independently appraised using a proportionate approach aligned to HM Treasury Green Book principles and the Five Case Model.

6. The outcome of the appraisal is a recommendation that Cabinet approves the programme to be accepted into the Investment Pipeline.

7. This report provides Cabinet with a concise overview of the programme, the key appraisal considerations, and the recommended appraisal outcome.

Programme Overview

8. The Brownfield Housing Fund is a public funding land enabling programme, which is devolved to Mayoral Combined Authorities (MCAs) and supports activity to remediate land and enable residential development to be delivered, which without the intervention of BHF would otherwise stall or remain undeveloped.

9. The programme supports housing growth, brownfield regeneration, place-making and wider economic development objectives. It is designed to address market failures associated with stalled or unviable brownfield sites by providing targeted intervention to unlock residential development that would not otherwise proceed.

10. The programme is supported by a total MHCLG allocation of £33.3 million over the period 2026/27 to 2029/30, comprising £32.6 million capital funding and £0.7 million

revenue funding. Although a multi-year allocation has been confirmed, future-year funding remains dependent on satisfactory programme performance, annual monitoring returns and Section 73 Officer assurance.

11. Funding will be allocated through a structured programme of project identification, business case development, appraisal and assurance. Project-level approvals will be undertaken in accordance with the TVCA Assurance Framework, including requirements for value for money, deliverability, subsidy control, risk management, monitoring and evaluation.

12. The programme's headline outputs are the delivery of 1,085 homes, the remediation of 45 hectares of brownfield land, and the creation of a sustainable pipeline of at least 20 housing projects, supported by £33.3 million of Government funding.

Appraisal Summary

13. The Strategic Case demonstrates a strong fit with national, regional and local housing, regeneration and economic growth priorities. The case for change is clearly evidenced, with brownfield viability constraints, contamination, infrastructure challenges and fragmented ownership representing established market failures. The programme objectives, critical success factors and SMART success measures are clearly defined and supported by appropriate risk mitigation arrangements.

14. The Economic Case is robust and proportionate to the scale of investment. A comprehensive options assessment has been undertaken, with the preferred option performing strongest against the programme's critical success factors. The preferred option is forecast to generate a positive Net Present Value of £46.6m and a Benefit Cost Ratio of 1.43, demonstrating value for money. Sensitivity testing indicates that the value for money case remains positive under all tested scenarios, with wider housing, regeneration, sustainability and economic benefits also expected.

15. The proposed arrangements detailed within the Commercial Case are appropriate and provide a suitable framework for programme delivery. The hybrid delivery model, combining internal resources and specialist external expertise, is proportionate and supported by clear procurement, appraisal, assurance and monitoring arrangements. Subsidy Control compliance will be assessed at individual project level, ensuring that interventions are subject to appropriate legal review and approval prior to funding commitments. Appropriate risk management arrangements are in place to support successful delivery.

16. The Financial Case confirms that the programme is affordable and deliverable within the confirmed MHCLG funding allocation. Appropriate financial controls, governance arrangements and approval processes are in place to ensure resources are allocated to projects that demonstrate need, viability and deliverability. Financial risks have been identified and can be managed through the proposed control framework. Any additional match funding required at project level will be assessed and confirmed through subsequent project business cases.

17. The Management Case demonstrates strong alignment with the TVCA Assurance Framework and provides confidence that the programme can be effectively governed and managed. Roles, responsibilities and delegated decision-making arrangements are clearly defined, supported by robust assurance, monitoring and reporting processes. Appropriate partnership, funding, evaluation, communications, equalities and sustainability arrangements are in place. The programme also benefits from TVCA's established track record in delivering previous Brownfield Housing Fund programmes and includes a clear exit strategy to secure long-term benefits beyond the funding period.

18. The appraisal concludes that the Programme Business Case presents a credible, deliverable and affordable proposal which aligns with HM Treasury Green Book principles and the TVCA Assurance Framework. The programme demonstrates a clear strategic rationale, a positive value for money case, appropriate commercial and financial arrangements, and robust governance and management controls. Subject to the continued application of project-level appraisal, assurance and approval requirements, the programme is considered suitable for Cabinet approval.

Name of Contact Officer: Sally Cowley
Post Title: Appraisal Manager
Email Address: sally.cowley@teesvalley-ca.gov.uk

Cabinet

Tees Valley Combined Authority

Date		25 September 2026	
Agenda Item		23	
Report Title		**Rough Sleeping Programme 2026/29**	
Accountable Cabinet Member		**Mayor Ben Houchen** Portfolio Holder: Investment, Housing & Planning & Development Corporations	
Accountable Chief Officer		**Jonathan Spruce** TVCA Director of Infrastructure	
Accountable Employee		**Elaine Fryett** TVCA Interim Head of Investment Development	
Report considered by		An overview of this report was presented at an Informal Cabinet meeting on 11 September 2026.	
Key Decision	Yes X	No	This is a Key Decision on the basis that 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).
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	**APPROVE** the allocation of the 2026/27 Rough Sleeping Programme (RSP) revenue funding of £1,203,779 to constituent local authorities, using the indicative MHCLG Single Homelessness and Rough Sleeping

	funding methodology as the basis for distribution, subject to submission of satisfactory local delivery plans and compliance with TVCA assurance requirements.
B	**AGREE** to delegate authority to the Chief Executive, in consultation with the Section 73 Officer and Monitoring Officer, to finalise and enter into onward grant funding agreements with constituent local authorities for the 2026/27 RSP revenue allocation.
C	**NOTE** that proposals for the deployment of years two and three of the RSP revenue and capital allocation will be brought back through the appropriate governance route once national requirements and regional priorities have been further considered.

Purpose

The purpose of this report is to:

a. Provide an update on the homelessness and rough sleeping funding allocations secured by Tees Valley Combined Authority (TVCA) from the Ministry of Housing, Communities and Local Government (MHCLG), including the new Rough Sleeping Programme (RSP) 2026/29.
b. Provide an overview of the RSP 2026/29 and its role in supporting the Government's national ambition to reduce rough sleeping, strengthen homelessness prevention activity and improve long-term outcomes for vulnerable residents.
c. Seek approval to allocate the confirmed 2026/27 RSP revenue funding of £1,203,779 to constituent local authorities using the indicative MHCLG Single Homelessness and Rough Sleeping funding methodology, enabling services to be mobilised rapidly ahead of winter 2026/27.
d. Seek delegated authority for the Chief Executive, in consultation with the Section 73 Officer and Monitoring Officer, to finalise and enter into onward grant funding agreements with constituent local authorities to support timely programme delivery.

Executive Summary

1. In recent years, homelessness and rough sleeping have become increasingly prominent national policy priorities, with Government placing greater emphasis on prevention, partnership working and long-term solutions. While homelessness duties remain the statutory responsibility of local authorities, Mayoral Strategic Authorities have been identified as key strategic partners in supporting a coordinated response across wider functional economic areas.

2. Since late 2025, TVCA has secured Government funding to strengthen regional homelessness and rough sleeping activity, including Rough Sleeping Prevention and Recovery Grant (RSPARG) top-up funding, the Homelessness, Rough Sleeping and Domestic Abuse Grant (HRSDAG), and the Rough Sleeping Programme (RSP) 2026/29.

3. The RSP represents a significant investment opportunity for the Tees Valley, with £3.1 million of both revenue and capital allocated to the region over the three-year period. The programme forms part of the Government's wider national commitment to ensure that everyone sleeping rough is offered a route off the streets, while also investing in longer-term accommodation and intensive support for individuals experiencing the most entrenched forms of homelessness and rough sleeping.

4. A dedicated Tees Valley Strategic Homelessness Officer is in place to lead regional coordination, support the development of a regional homelessness framework and action plan, support partnership working, and help ensure future investment is targeted effectively against regional priorities and evidence of need.

5. Cabinet is asked to approve allocation of the 2026/27 RSP revenue funding of £1,203,779 to constituent local authorities using the national Single Homelessness and Rough Sleeping funding methodology. This approach enables rapid deployment of funding ahead of winter 2026, provides certainty to local delivery partners, and aligns with the indicative allocations provided by MHCLG.

6. Under the proposed approach, Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland, and Stockton-on-Tees councils will receive allocations to support local action that delivers immediate accommodation and support for people sleeping rough or at risk of rough sleeping, strengthens prevention activity, improves routes away from the streets, and contributes to longer-term reductions in homelessness.

7. Grant funding agreements and monitoring arrangements will ensure funding is deployed effectively and in accordance with MHCLG requirements. Local authorities will be required to provide delivery plans, expenditure monitoring, performance reporting and assurance on compliance with grant conditions.

8. Given the urgency of delivering enhanced support ahead of winter 2026/27, Cabinet is asked to approve the proposed 2026/27 allocation, delegate authority to enter into onward grant agreements, and note that future-year proposals will return once national guidance and regional priorities have been considered.

9. Approval will enable funding to be released rapidly, provide certainty to delivery partners, ensure compliance with MHCLG requirements and support a coordinated Tees Valley response while longer-term regional priorities are developed.

TVCA Homelessness Funding Overview

10. In November 2025, TVCA received £100,000 Rough Sleeping Prevention and Recovery Grant (RSPARG) Top-Up Funding from MHCLG, following submission of a proposal developed with Local Authority Homelessness Leads and approved by Cabinet. The grant supports Mayoral Strategic Authorities to co-ordinate and strengthen homelessness and rough sleeping services across their areas.

11. In December 2025, Government launched the Cross-Government Homelessness and Rough Sleeping Strategy, A National Plan to End Homelessness. While Mayors and Mayoral Strategic Authorities do not hold statutory homelessness duties, they have a significant convening and leadership role. This includes bringing partners together, developing regional strategies, supporting cross-boundary commissioning, sharing data and good practice, and helping to improve system-wide outcomes. To support this approach, Government introduced a Local Outcomes Framework to measure progress and delivery. On 17 December 2025, MHCLG confirmed a provisional £456,267 Homelessness, Rough Sleeping and Domestic Abuse Grant (HRSDAG) allocation to TVCA for 2026/29.

12. In August 2026, MHCLG confirmed a £3.1m Rough Sleeping Programme (RSP) allocation to TVCA for 2026/29. The Programme forms part of the Government's urgent national drive to ensure everyone sleeping rough has a route off the streets this winter, while also investing in longer-term settled accommodation and intensive wraparound support for people experiencing the most entrenched forms of rough sleeping.

TVCA Homelessness Funding Income Profile

Funding stream	Period	Allocation	Proposed treatment
RSPARG Top-Up Funding	2025/26	£100,000	Recruitment of a fixed-term Tees Valley Strategic Homelessness Officer and completion initial regional strategic work.
HRSDAG	2026/29	£456,267	Support the delivery of a regional homelessness framework and action plan.
RSP Year 1 revenue funding only	2026/27	£1,203,779	Proposed to be allocated to constituent local authorities using the MHCLG national formula as the basis for distribution.
RSP total allocation (inc. Year 1 revenue funding)	2026/29	£3.1m	To support immediate route-off-the-streets provision, longer-term accommodation and intensive wraparound support, in line with grant conditions.

13. This income profile provides Cabinet with a single view of confirmed homelessness and rough sleeping funding currently available to TVCA. The approval sought in this report relates to the 2026/27 RSP revenue allocation only. Previous and wider funding streams are included for context.

Rough Sleeping Programme 2026/29

14. On 19 August 2026, MHCLG launched the RSP and confirmed a total allocation of £3.1m for 2026/29 to TVCA, combining both revenue and capital funding.

15. The RSP is backed by £442m nationally over three years and is designed to combine immediate route-off-the-streets provision with longer-term settled accommodation and intensive support. It will be led locally by Mayoral Strategic Authorities and local authorities working in partnership with local services, charities and other partners.

16. The Programme is intended to deliver two linked outcomes: immediate accommodation and support for people sleeping rough before winter, and longer-term supported accommodation for people experiencing the most entrenched forms of rough sleeping.

17. The funding should be used to support local action to:

- provide rapid support and accommodation options for people sleeping rough or at immediate risk of rough sleeping;
- help ensure that people sleeping rough receive support to move away from the streets this winter;
- strengthen local systems to prevent and resolve rough sleeping;
- improve outcomes for people experiencing the most severe and entrenched forms of rough sleeping; support delivery of longer-term accommodation and support that reduce rough sleeping sustainably over time.

18. Mayoral Strategic Authorities are encouraged to work in partnership with local authorities across their regions to use this funding flexibly in response to local need. The first year's allocation is intended to enable services to be established and mobilised at pace. MHCLG has asked Mayoral Strategic Authorities to communicate allocations to constituent local authorities by 16 September 2026 to support delivery planning.

19. Cabinet is asked to approve the distribution of the 2026/27 RSP revenue allocation only. MHCLG has provided allocation amounts for each local authority, had the allocation been made directly to them using the national Single Homelessness and Rough Sleeping formula. These are set out in Table 1 below and reflect the actual MHCLG dataset and formula calculations.

Table 1:

Local Authority	**Proposed 2026/27 RSP revenue allocation**
Darlington Borough Council	£201,758
Hartlepool Borough Council	£148,440
Middlesbrough Council	£443,138
Redcar and Cleveland Borough Council	£156,640
Stockton-on-Tees Borough Council	£253,803
Total	**£1,203,779**

20. The Single Homelessness and Rough Sleeping formula was developed by MHCLG with a targeted group of local authorities and independent experts. This formula uses data on single Housing Benefit (HB) / Universal Credit (UC) claimants, single people leaving public sector institutions who present as homeless and MHCLG's rough sleeping management information (MI) to measure demand. 1-bed private rented sector mean rents and the Labour Cost Adjustment are used to measure cost. The previous Rough Sleeping Prevention and Recovery Grant and Rough Sleeping Accommodation Programme support funding have been distributed to local authorities using this element of the funding formula.

    The calculation is as follows:

    - HB/UC single claimants [14%] x Labour Cost Adjustment
    - HB/UC single claimants [2%] x Price index of private rents (1-bed mean)
    - Rough Sleeping MI over the month + H-CLIC leaving institutions [24%] x Price index of private rents (1-bed mean)

21. The percentages indicated above refer to the relative weighting applied to each metric within this element of the overall funding formula. These are presented for the purpose of explaining the indicative allocation methodology.

22. Each authority's adjusted indicators are weighted and converted into a formula score, which is then compared with the equivalent scores for the other Tees Valley authorities to determine each authority's percentage share of the 2026/27 RSP revenue funding envelope.

23. For example, an authority with illustrative adjusted shares of 15.0%, 15.5% and 18.0% across the three measures would generate a weighted formula score which would then be compared with the equivalent scores for the other Tees Valley authorities. On this basis, this could produce an indicative allocation of approximately £201,800 from the £1,203,779 available. The final allocations set out in Table 1 within this report reflect the **actual** MHCLG dataset and calculations.

24. The methodology for distributing 2027/28 and 2028/29 RSP allocations will be proposed before the end of 2026/27, once further detail on national requirements, MHCLG monitoring guidance, grant conditions and regional delivery priorities are clearer, and as the five-year regional homelessness framework and action plan is developed by the Tees Valley Strategic Homelessness Officer.

25. TVCA will continue to work with the Local Authority Homelessness Leads on proposals for 2027/28 and 2028/29 RSP allocations and to ensure a joined up and intelligence driven approach to enable the greatest regional impact.

Monitoring Arrangements

26. For 2026/27, allocations will be confirmed through the appropriate TVCA governance and assurance process. Discussions with MHCLG are being held to understand the monitoring requirements of TVCA and guidance is expected to be released by MHCLG before the end of September 2026.

27. Constituent local authorities will be required to enter into forward grant funding agreements before receiving RSP allocations. These agreements will set out the approved funding purpose, payment arrangements, delivery expectations, monitoring and reporting requirements, compliance obligations, audit provisions and clawback arrangements.

28. Local authorities will provide delivery plans, spend monitoring information, performance updates and assurance on compliance with MHCLG grant conditions on a regular basis. TVCA will monitor mobilisation through partner meetings and escalate delivery or compliance risks at the earliest opportunity.

Partnership & Engagement

29. TVCA Officers work closely with Local Authority Homelessness Leads through the Tees Valley Homelessness Working Group and have engaged with members collectively and individually regarding Year 1 allocations. Working through this group secures wider stakeholder involvement to shape responses as well as to support partnership working and implementation. It also ensures that all parties are informed of the process and timescales as further information emerges from MHCLG.

30. Through this group, TVCA will develop a regional homelessness framework and action plan underpinned by a robust regional evidence base. This will support informed decision-making and help ensure that future funding allocations and interventions are targeted towards areas of greatest need.

31. Working through this group, and in collaboration with other partners, TVCA will adopt a multi-agency approach to address the systemic and transient factors associated with rough sleeping and homelessness.

32. TVCA is also working with MHCLG and other MSAs through the MSA Homelessness Group, facilitate the sharing of information, best practice and programme updates as they emerge.

Cabinet is requested to consider the following identified implications:

Financial Implications

33.	MHCLG has confirmed a total Rough Sleeping Programme (RSP) allocation of approximately £3.1m to TVCA for the period 2026/27 to 2028/29, comprising both revenue and capital funding streams.
34.	The decision sought within this report relates solely to the 2026/27 revenue allocation of £1,203,779, as detailed in Section 5 and Table 1. Future-year revenue and capital allocations will be subject to separate proposals and approval processes once further guidance and programme requirements have been confirmed by MHCLG.
35.	Subject to Cabinet approval, the 2026/27 revenue funding will be distributed to constituent local authorities through onward grant funding agreements. Funding will be ringfenced for activities that are consistent with the objectives and conditions of the RSP and any associated MHCLG grant requirements.
36.	The programme is fully externally funded and does not create any additional direct call on TVCA core budgets. Any administration, programme management and monitoring activity will be managed within existing approved resources and grant-funded arrangements where permissible.
37.	Appropriate financial management, monitoring and assurance processes will be implemented to ensure that expenditure remains compliant with grant conditions, that funding is utilised for approved purposes, and that the risk of grant clawback is minimised.
Legal Implications	
38.	TVCA has the legal power to receive, administer and distribute Government grant funding in support of its statutory functions and strategic objectives. The proposed arrangements are consistent with the Combined Authority's constitutional arrangements and the role identified for Mayoral Strategic Authorities within the Government's homelessness and rough sleeping agenda.
39.	Funding will be distributed through legally binding grant funding agreements between TVCA and constituent local authorities. These agreements will set out the funding purpose, payment arrangements, monitoring requirements, reporting obligations, audit provisions, clawback arrangements and compliance with MHCLG grant conditions.
40.	As the funding is being provided to constituent local authorities for the delivery of public functions, no subsidy control concerns have presently been identified. Legal Services will review the final grant agreements to ensure compliance with all applicable legislative and constitutional requirements.

Equality & Diversity Implications	
41.	An Equality Impact Assessment has been undertaken for the programme and concludes that is not expected to have any adverse impacts on people with protected characteristics. The programme is anticipated to have positive effects through immediate route-off-the-streets provision, longer-term accommodation and intensive wraparound support for people experiencing or at risk of rough sleeping.

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

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

	Risk Assessment
42.	The risks associated with delivery of the Rough Sleeping Programme 2026/29 have been considered and are considered manageable through the proposed governance, assurance and monitoring arrangements. Key risks relate to obtaining the required approvals, mobilisation of services, compliance with MHCLG grant conditions, variations in local delivery capacity, future policy changes and programme performance.
43.	Failure to secure the necessary approvals could delay funding distribution and service mobilisation, impacting the region's ability to respond effectively ahead of winter 2026/27. This risk is mitigated through timely governance processes and proposed delegated authority arrangements.
44.	Assurance is provided through formal grant funding agreements, approved delivery plans, financial and performance monitoring, compliance reviews and regular partnership oversight. These arrangements will enable risks to be identified, monitored and escalated where necessary, providing reasonable assurance that programme objectives can be delivered effectively and in accordance with grant requirements.
45.	The principal risks identified are: • Failure to secure the required approvals, resulting in delays to funding allocation and programme delivery. • Delay in mobilisation of services ahead of winter 2026/27. • Failure to meet MHCLG grant conditions or reporting requirements. • Variations in local delivery capacity across constituent authorities. • Changes to national policy or future funding arrangements.

	• Reputational impacts arising from underperformance, non-compliance or financial mismanagement
46.	**Improvement** The Rough Sleeping Programme supports delivery of both local and national priorities by improving outcomes for people experiencing homelessness and rough sleeping. The programme promotes a preventative, partnership-based approach and provides opportunities to improve service integration across housing, health, employment, criminal justice and voluntary sector partners. The development of a regional homelessness framework will support continuous improvement and evidence-based decision making across the Tees Valley.
47.	**Assurance Framework** Appropriate assurance arrangements will be implemented through grant funding agreements, local delivery plans, performance monitoring, financial reporting and compliance reviews. Regular reporting will be provided through existing governance arrangements, ensuring Cabinet and senior officers maintain oversight of programme delivery and associated risks.