



Report of: Chief Executive

Subject: BUSINESS REPORT (2)

6. Proportionality Review

Section 15 of the Local Government and Housing Act 1989 requires us to carry out a proportionality review as soon as practicable after there is delivered to the proper officer a notice under regulation 8 (notice by a political group stating the constitution of the political group). Therefore, as the Reform group have submitted a Regulation 8 notice stating that the group is constituted differently, a review has been undertaken.

In accordance with the Act, the review has sought to make only those determinations as are required by the Act to ensure political balance. The review has therefore not sought to “start afresh” but has aimed to ensure that the requirements of the Act are met insofar as they are necessary and proportionate, having regard to the remainder of the municipal year. The timing was such that the implications of the resignation of Councillor Young from all committees were also taken into consideration as part of the review.

Council is asked to make the below appointments, to reflect the outcome of the proportionality review. The membership of committees not referenced below remain unchanged.

- I. Adult and Community Based Services Committee – 1 Reform vacancy – Councillor Doyle nominated
- II. Neighbourhood Services Committee - 1 Reform vacancy – Councillor Doyle nominated
- III. Economic Growth and Regeneration Committee - 1 Reform vacancy – Councillor Napper nominated

Council to confirm the above nominations as detailed

- IV. Finance and Corporate Affairs Committee – 1 vacancy for any group – Councillor Doyle nominated, other nominations welcome
- V. Licensing Committee - 1 vacancy for any group – Councillor Doyle nominated, other nominations welcome

- VI. Planning Committee - 1 vacancy for any group – Councillor Doyle nominated, other nominations welcome
- VII. Civic Honours Committee - 1 vacancy for any group – Councillor Doyle nominated, other nominations welcome

Council to confirm nominations to the above Committees

7. TEES VALLEY COMBINED AUTHORITY UPDATE

I have summarised below the reports which were considered at the Tees Valley Combined Authority Cabinet Report (26 September 2025) for Members information. The reports are available on the TVCA website.

GOVERNANCE & APPOINTMENTS PANEL

Hartlepool has direct representation in the Hartlepool Development Corporation Audit & Governance Committee, ensuring its interests are considered in regional decision-making.

Key Appointments for Approval

Overview & Scrutiny Committee

Chair: Councillor Ian Blades

Vice Chair: Councillor Rachel Creevy

Audit & Governance Committee

Chair: Councillor Mandy Porter

Vice Chair: Councillor Peter Grogan

Substitute Member for Overview & Scrutiny Committee

Councillor Linda Lewis (Middlesbrough Council)

Appointments Noted (No Approval Required)

Hartlepool Development Corporation Audit & Governance Committee

- Member: Councillor Moss Boddy
- Substitute: Councillor Aaron Roy

Middlesbrough Development Corporation Audit & Governance Committee

- Member: Councillor Nicky Walker
- Substitute: Councillor Jill Ewan

South Tees Development Corporation Audit & Governance Committee

- Member: Councillor Peter Grogan
 - Substitute: Councillor Paul Salvin
 - Chair: Geoff Westmoreland (nominated by Tees Valley Mayor)
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TVCA ORGANISATIONAL IMPROVEMENT PLAN PROGRESS

TVCA received a Best Value Notice (BVN) from the Ministry of Housing, Communities and Local Government (MHCLG) in April 2025, requiring a comprehensive improvement plan.

External auditors (EY) issued statutory recommendations under the Local Audit and Accountability Act 2014.

TVCA developed and approved an Organisational Improvement Plan in June 2025.

The improvement plan is structured around five themes

- Partnerships & Continuous Improvement
- Use of Resources
- Governance
- Culture
- Strategic Clarity & Long-Term Planning

An Independent Advisory Board (IAB) was established, now including Dame Amanda Milling. Monthly meetings are held with MHCLG and the IAB to monitor progress. Regular reports are submitted to Cabinet, MHCLG, EY, and published online.

Statutory committees (Overview & Scrutiny, Audit & Governance) are actively involved in monitoring and shaping improvements.

BVN issued outside statutory intervention powers but signals serious concerns. Improvement is essential for unlocking further devolution powers and funding.

INDEPENDENT ADVISORY BOARD (IAB) PROGRESS REPORT:

This was the first progress update from the IAB Chair informing Cabinet of the ongoing improvement efforts and governance enhancements.

Key Progress Highlights

- Strong response from TVCA to the BVN, with clear intent to act on external recommendations.
- New Chief Executive appointed. Experienced interim appointments made for Chief Financial Officer and Monitoring Officer roles.
- Governance improvements underway, including a deep dive into governance with an emphasis on forward planning and effective decision making.
- Finance capability improvements around value-for-money in complex decisions.
- External auditor engagement to triangulate assurance.
- A plan for future deep dives on key themes has been established.

QUARTER 1 FORECAST REVENUE & CAPITAL OUTTURN AND CAPITAL PROGRAMME 2025/26–2028/29

- Q1 financial forecast for revenue and capital budgets presented.
- To propose revised budgets reflecting new grant funding and borrowing impacts.

- To update the capital programme following the Investment Plan refresh (March 2025).
 - New quarterly report format introduced for clarity and alignment with best practices.
 - Future reports to be structured by operational directorates rather than Mayoral themes.
 - Cabinet asked to note the report
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TRANSPORT PROGRAMME UPDATE

The projects below aim to improve connectivity, accessibility and economic growth in and around Hartlepool. The focus being on transport and active travel projects including

1. £6.0m for walking and cycling routes from the Town Centre to the Headland
 2. £2.0m for links from the Town Centre to Wolviston
 3. £1.0m for Seaton Carew connections
 4. £3.24m for Catcote Road improvements
 5. £0.5m for Raby Road improvements
 6. £14.6m for a Middlesbrough to Hartlepool Bus Corridor
 7. £40m for a direct rail link connecting Hartlepool to Darlington
 8. Feasibility studies for a new Eastern Tees Crossing connecting Hartlepool and Redcar
 9. £5.0m Strategic road upgrades linking Hartlepool to A19 - A19/Elwick Road/North Lane Junction & Western Link
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LOCAL GROWTH PLAN & INVESTMENT PIPELINE

The report provided an update on the Tees Valley Local Growth Plan, following Cabinet approval in June 2025.

It reflects recent policy developments, stakeholder engagement, and progress on the Investment Pipeline.

TEES VALLEY LOCAL GROWTH PLAN

- Aims to exceed UK growth rates through inclusive and sustained economic development.
- Aligns with the Get Tees Valley Working Plan, addressing labour market challenges and socio-economic inequalities.
- Must include:
 - Economic Overview

- Shared Priorities
- Investment Pipeline

Shared Priorities for Tees Valley

1. Skills & Employment – Increase skills base and reduce economic inactivity.
2. Transport – Improve accessibility and connectivity.
3. Housing & Commercial Development – Expand high-quality commercial and residential space.

TEES VALLEY INVESTMENT PIPELINE

- Vision: Boost regional competitiveness and resilience through strategic investments.
- A Task & Finish Group is developing the pipeline, including:
 - Methodology for prioritisation
 - Communication and engagement plans
- Will inform the next TVCA Investment Plan.
- Extensive engagement planned from June to October 2025 with:
 - Local authorities
 - Business Board
 - Wider stakeholders
- External provider appointed to support engagement efforts.
- A new framework is being developed to measure the impact of the Local Growth Plan and ensure accountability.

GET TEES VALLEY WORKING PLAN

This report updated Cabinet on the development of the Get Tees Valley Working Plan, aligned with the national Get Britain Working initiative. The plan must be published by September 2025 as per government guidance. The Get Britain Working White Paper (Nov 2024) outlines three goals:

1. Improving engagement
2. Increasing employment
3. Enhancing earnings

Local plans aim to tackle economic inactivity, unemployment, and progression in work. The national goal is an 80% UK employment rate.

The plan has been led by the Education, Employment and skills advisory group with input from the TVCA, local authorities, jobcentre plus, and NE&NC ICB. The action plan is for the next 12 – 24 months

CONNECT TO WORK PROGRAMME

Connect to Work is a national supported employment programme announced in November 2024 as part of the Get Britain Working White Paper.

It targets people with disabilities, long-term health conditions, and complex barriers to employment, aiming to help them into sustainable work.

TVCA is the Accountable Body for the Tees Valley region.

Hartlepool Borough Council is the lead authority for Connect to Work programme, a £17.6m initiative supporting people with disabilities and long term health conditions into employment.

Estimated 5,020 participants with peak delivery years: 2026/27 and 2027/28.

ADULT SKILLS UPDATE

To provide a progress update on the development of the adult skills delivery approach for the 2026/27 academic year. Final recommendations will be presented to Cabinet in December 2025.

From 2026/27, TVCA will receive a fully devolved single pot for adult skills funding, combining:

- Adult Skills Fund
- Level 3 Free Courses for Jobs
- Skills Bootcamps funding

This will allow greater flexibility to tailor provision to regional needs. Emerging Adult Skills Programmes

Supporting Employment Entry:

1. Pre Legal Entitlement – Engaging adults with no qualifications.
2. Legal Entitlement – Universal offer for adults lacking basic qualifications.
3. Pathways to Employment – Helping unemployed individuals move into work.
4. Adult Scholarships – Employer-led programmes for new entrants in key sectors.

Supporting Retention & Progression:

1. Access to Higher Education – Enabling progression to Level 4+.
2. Skills for Growth – Employer-led upskilling for those in work.
3. Sector-led Programmes – Co-funded training tailored to sector needs.

OVERVIEW AND SCRUTINY: RECOMMENDATIONS OF THE EDUCATION, EMPLOYMENT AND SKILLS SUB-COMMITTEE

The report presented the findings and recommendations of the Education, Employment and Skills Sub-Committee to the Cabinet, seeking Cabinet's agreement to respond to and publish a response to these recommendations.

Key Recommendations

1. Creation of a Youth Forum

- Objective: To act as a consultation vehicle for youth-based policy and activity within TVCA.
- Requirements:
 - The forum should reflect the diversity of the Tees Valley region.
 - Development and implementation expected within 12 months.
 - The Overview and Scrutiny Committee will monitor its progress.

2. Permanent Establishment of the Sub-Committee

- The Sub-Committee should become a permanent fixture within the Overview and Scrutiny Committee's work programme.
- This would allow for longer-term reviews and continuity in addressing education, employment, and skills issues.

Cabinet Members and Officers support the Youth Forum recommendation.

The Business Solutions Directorate is already exploring ways to engage young people.

However, due to the BVN Improvement plan Mayor Houchen felt cabinet should wait until the governance review had concluded, therefore this recommendation was deferred to a later cabinet. The Local authorities agreed that their DCS's would work on this in the meantime.

OVERVIEW AND SCRUTINY: ANNUAL REPORT 2024/2025

The report sought the endorsement of Cabinet of the Overview and Scrutiny Committee's Annual Report for the 2024/25 municipal year.

Committee Composition: 15 councillors from the five constituent authorities.

Sub-Committees Established:

- Finance and Resources
- Transport
- Education, Employment and Skills (EES)

Meetings Held: 8 full committee meetings + 8 sub-committee meetings.

Attendance:

- Highest: Stockton-on-Tees (95.83%)
- Lowest: Hartlepool (62.5%)
- All meetings had at least one representative from each authority.

Major Reviews & Recommendations

1. Tees Valley Independent Review & Scrutiny Protocol

- Response to allegations around Teesworks operations.
- Committee supported adoption of a strengthened Scrutiny Protocol.
- Ongoing work following a Best Value notice received in April 2025.

2. Transport Review

- Recommendations:
 - Improve physical integration of bus and rail services.
 - Introduce integrated ticketing (tap-on/tap-off).
 - Encourage early engagement with transport stakeholders during planning.
- All recommendations adopted by Cabinet.

3. Education, Employment and Skills Review

- Recommendations:
 - Establish a Youth Forum for policy consultation.
 - Make the EES Sub-Committee a permanent fixture for long-term reviews.

NORTHEAST & YORKSHIRE NET ZERO HUB

The Net Zero Hub, managed by Tees Valley Combined Authority (TVCA), supports local delivery of national energy goals. It has enabled 194MW of clean energy generation and improved energy efficiency in 14,500+ homes. The Hub is evolving in scale and complexity, prompting updates to governance and delivery structures.

Key Recommendations to Cabinet

1. Update TVCA Constitution to reflect the Hub's expanded scope.
2. Approve Hub-specific delegations for governance and financial decisions.
3. Note changes to the Regional Governance Board, including the process for appointing an Independent Chair.
4. Note that an Options Appraisal for future delivery will be presented in December 2025.

A new Scheme of Delegation is proposed to clarify decision-making authority. Delegations include financial decisions up to £10 million, grant approvals, and contract awards. Authority is delegated to the Chief Executive and Director of Business Solutions, with oversight from Section 73 and Monitoring Officers.

TEES VALLEY LOCAL REMEDIATION ACCELERATION PLAN

The TV LRAP is a local response to the National Remediation Acceleration Plan (NRAP), which was created following the Grenfell Tower fire and the subsequent inquiry. The NRAP aims to:

1. Fix buildings faster
2. Identify all buildings with unsafe cladding
3. Support residents

The Deputy Prime Minister requested all Mayoral Combined Authorities to develop local plans to accelerate remediation efforts.

Chaired by Cllr Harrison and developed by Cleveland Fire Service, Tees Valley Combined Authority (TVCA), and local councils.

Applies to residential buildings over 11m high with unsafe cladding in the Tees Valley area.

Aims to increase the pace of remediation, coordinate enforcement, and support residents.

DELEGATED AND URGENT DECISIONS

- ◆ Purpose of the Report
 - To inform Cabinet of seven Delegated Decisions made since the last meeting on 25 July 2025.
 - No Urgent Decisions were taken during this period
- ◆ Delegated Decisions Overview
 1. CF06-2025 – Teesside International Airport Infrastructure Project
 2. CF07-2025 – Teesworks Stations and Transport Hubs
 3. CF08-2025 – Billingham Sports Hub
 4. CF10-2025 – Furbd Project (Digital Inclusion)
 5. CF11-2025 – Supply Chain Tees Valley Project
 6. CF12-2025 – Tees Valley Labs Project