

FINANCE AND POLICY COMMITTEE AGENDA



Friday 4 October 2013

at 9.00 am

in Committee Room B, Civic Centre, Hartlepool

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors C Akers-Belcher, Cook, Dawkins, Jackson, James, A Lilley, Payne, Richardson, Simmons, Thompson and Wells

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

- 3.1 To receive the minutes of the meeting of the Finance and Policy Committee held on 19 September 2013 (*previously circulated*).
- 3.2 To receive the minutes of the meeting of the Health and Wellbeing Board held on 5 August 2013.

4. BUDGET AND POLICY FRAMEWORK ITEMS

None.

5. KEY DECISIONS

- 5.1 City Deal – *Director of Regeneration and Neighbourhoods*



6. OTHER ITEMS REQUIRING DECISION

6.1 Tees Valley Unlimited - Process of Decision Making – *Chief Solicitor*

7. ITEMS FOR INFORMATION

None.

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

ITEMS FOR INFORMATION

**Date of next meeting – Friday 18 October 2013 at 9.30am in the Council Chamber,
Civic Centre, Hartlepool**



HEALTH AND WELLBEING BOARD

MINUTES AND DECISION RECORD

5 August 2013

The meeting commenced at 10.00 am in the Civic Centre, Hartlepool

Present:

Councillor Richardson (substitute for Councillor C Akers-Belcher, Leader of Council) (In the Chair)

Prescribed Members:

Elected Members, Hartlepool Borough Council, Councillors G Lilley and Simmons
Representing Hartlepool and Stockton-on-Tees Clinical Commissioning Group;
Dr Pagni
Representing Director of Child and Adult Services, Jill Harrison, Assistant Director (Adult Services)
Director of Public Health, Hartlepool Borough Council, Louise Wallace
Representatives of Healthwatch, Margaret Wrenn and Steve Thomas

Other Members:

Chief Executive, Hartlepool Borough Council; Dave Stubbs
Representative of the NHS England; Caroline Thurlbeck
Representative of Hartlepool Voluntary & Community Sector, Tracy Woodall
Representative of North Tees and Hartlepool NHS Foundation Trust; Alan Foster
Representative of Tees Esk and Wear Valley NHS Trust, David Brown (substitute for Martin Barkley)

Councillor Fisher, Chair, Audit and Governance Committee (Observer)

Rosemary Granger, Project Director, Security Quality in Health Services

Officers: Neil Harrison, Hartlepool Borough Council, Head of Service
Joan Stevens, Hartlepool Borough Council, Scrutiny Manager
Amanda Whitaker, Democratic Services Team

Also in attendance were the following members of public:

Mr Hobbs and Health Watch representative

13. Apologies for Absence

Councillor C Akers-Belcher, Leader, Hartlepool Borough Council
Councillor Hall, Hartlepool Borough Council
Director of Regeneration and Neighbourhoods, Hartlepool Borough Council,
Denise Ogden
Representative Hartlepool and Stockton-on-Tees Clinical Commissioning
Group; Alison Wilson

14. Declarations of interest by Members

None

15. Minutes

The minutes of the meeting of the Health and Wellbeing Board held on 24 June 2013 were received.

The following matters arising from the minutes were discussed:-

Minute 12 – Development of a New Hospital – an elected member sought clarification from the Chair regarding when he became aware of the item which sought the approval of the Board to send letters to the Secretary of State. Concerns were expressed that Board Members had not received advance notice of the item. Reference was made also to media coverage of the item and it was highlighted that not all Members of the Council supported the letters which had been sent to the Secretary of State.

Minute 4 – Health and Wellbeing Board Terms of Reference – The Director of Public Health highlighted that it had been agreed that the Children's Strategic Partnership (CSP), Health Inequalities Delivery Group & the Healthy and Independent Adults Delivery Group would be the regular sub groups of the Health and Wellbeing Board. Following suggestions made by the Director, the Board agreed that the Delivery Groups would be Chaired as follows:-

- Children's Strategic Partnership (CSP) – Chair of Hartlepool Borough Council's Children's Services Committee
- Health Inequalities Delivery Group – representative of Public Health Department
- Health Inequalities Delivery Group & the Healthy and Independent Adults Delivery Group – to be identified by Hartlepool Borough Council's Assistant Director, Adults Services and the Chief Officer, Hartlepool and Stockton on Tees Clinical Commissioning Group

Minute 7 – Potential Topics for inclusion in the Audit and Governance Statutory Scrutiny Health Work Programme – the Scrutiny Manager advised the Board that Hartlepool Borough Council's Audit and Governance Committee had agreed that the Health Scrutiny investigation for 2013/14 would be Chronic Obstructive Pulmonary Disease (COPD) rates and services

in Hartlepool.

16. Declaration on Tobacco Control *(Director of Public Health)*

The Board was presented with a proposed declaration on tobacco control. A charter on tobacco control had been adopted by Newcastle Council in May 2013 and had been circulated to the Board to consider whether the Board would also wish to make this declaration for Hartlepool.

The Board was reminded that smoking was still the single preventable killer across the North East and caused a significant burden of ill health including cancer and respiratory disease in communities. Around 23% of the adult population of Hartlepool smoke cigarettes and in some of the more socio-economically deprived wards over 50% of adults smoked. Therefore, there was still an ongoing public health challenge to tackle smoking rates and ensure sustained effort in an attempt to eradicate smoking.

Decision

Members of the Board supported the declaration on tobacco control for Hartlepool

17. Constitutional and Structural Arrangements for the Children's Strategic Partnership as a Subgroup of the Health and Wellbeing Board *(Assistant Director (Children's Services))*

The report informed members of the Board of the changes to the Children's Strategic Partnership, arising from the implementation of amendments to Hartlepool Borough Council's Constitution and the establishment of the statutory Health and Wellbeing Board from 1st April 2013.

The report set out the background to the establishment of Children's Trusts by the Children Act 2004. Whilst a number of sections of the Act had been repealed by the current government, the requirement to have a forum that brought together all services for children and young people remained with guidance being issued by the Department for Education as set out in the report.

Board Members were advised that Hartlepool Borough Council had agreed a new Constitution. Under the new arrangements there were 5 Policy Committees, which included a Children's Services Committee and the Chair of that Committee was the Lead Member for Children's Services. The Committee was responsible for all aspects of children's services, including children's social care, early intervention and prevention services, exercising the Council's functions as the Local Education Authority, commissioning and

the oversight of the Children's Strategic Partnership for the purposes of the Children Act 2004.

The function of the Children's Strategic Partnership was set out in the report together with a table which demonstrated the governance arrangements for the Partnership. The terms of reference for the Partnership was appended to the report. Board Members were requested to ratify the terms of reference.

The proposed membership of the Children's Strategic Partnership included Chair, NHS Hartlepool and Stockton on Tees Clinical Commissioning Group. Dr Pagni highlighted that due to his position on this Board it had been agreed that he would also represent the Clinical Commissioning Group on the Children's Strategic Partnership for continuity.

Decision

Board members agreed the governance arrangements for the Children's Strategic Partnership.

18. Tees Autism Strategy *(Assistant Director, Adult Services)*

The report set out the background to proposals outlined in the Tees Autism Strategy 2013-2018, a copy of which was appended to the report. The Tees Valley Autism Strategy Delivery Group (ASDG) had been formed in 2005 following a Strategic Health Authority review of mental health and learning disability services that highlighted shortfalls in the provision of services for people with autism. Following the introduction of requirements included in the Autism Act 2009, the Government had published statutory guidance for local councils and local NHS bodies setting out what they had to do to ensure they met the needs of adults with autism in England, details of which were highlighted in the report.

The Tees Autism Strategy had been developed over a period of two years using detailed information from statutory agencies, providers, adults with autism and families / carers. The strategy pulled together information gathered from three key sources, World Autism Day, a co-produced 'working together for change' report and feedback from key members of the Tees Valley ASDG. The strategy outcomes and key target areas would be monitored through the existing Tees Valley ASDG and reported to the North East Autism Consortium (NEAC) through an action plan published on their website. It was noted that the Tees Autism Strategy supported the Autism Act, the Department of Health's Guidance 'Rewarding and Fulfilling Lives' and provided the information required to support the development of Hartlepool's Joint Strategic Needs assessment.

It was highlighted that there was an ongoing commitment to train the existing workforce in Autism Awareness; not just within Child & Adult Services but all key contact points and public facing services. This work was underway but

funding needed to be identified to ensure that the wider workforce were able to access appropriate training. From April 2013 Tees Esk & Wear Valley NHS Foundation Trust's Adult Diagnostic and Assessment Service would be required to refer all newly diagnosed people to adult social care departments in order to meet their obligation under existing contractual arrangements. Additional resource implications were not known at this point.

Following a request prior to commencement of the meeting, the Chair permitted Mr Hobbs to address the Board. Mr Hobbs advised the Board of research which he had undertaken and referred to his grandson's experience of autism. He expressed the view that the only hope for recovery was for doctors to treat autism. Mr Hobbs highlighted that he had written a book entitled 'My Version of Autism Awareness' and that a copy of his comments on the Tees Autism Strategy had been circulated to all Board Members.

Board Members discussed the contents of the report and issues highlighted by Mr Hobbs as follows:-

- The Tees Autism Strategy appeared to focus on adults. Mr Harrison advised that although the Autism Act focused on adults, it was expected that where relevant it would be considered for Children also and that the Act mentioned People in transitions which was regarded as people aged 14 – 25.
- Social implications of autism in terms of impact on families and financial implications.
- Issues associated with autism should be addressed in childhood.
- It was appropriate to raise awareness of autism and for training to be available to the wider community. The Chair agreed with a suggestion made by Mr Hobbs that it was important that specialist autism training was essential.
- The complex nature of autism which included a wide range of conditions was highlighted together with the very skilled nature of the management of the condition. The Board noted that there were doctors employed by Tees Esk & Wear Valley NHS Foundation Trust who specialised in autism.

The Chair proposed that it was appropriate for Hartlepool Borough Council's Audit and Governance Committee to consider issues which had been highlighted at the meeting.

Decision

The Board approved the Autism Strategy and the associated action plan and agreed that the issues which had been highlighted at the meeting be referred

to the Audit and Governance Committee.

19. The Challenging Behaviour Charter (*Assistant Director, Adult Services*)

The report sought approval to sign up to the principles of the Challenging Behaviour Foundation (CBF) Charter. The Charter had been developed by the Challenging Behaviour National Strategy Group and had endorsement from the Association of Directors of Adult Social Services and several NHS organisations. The Charter requested Child and Adult Services and the NHS to collaborate and develop plans across education, social care and health to meet the individual needs of children, young people and adults with a behaviour described as challenging to ensure people have a good quality of life.

Board Members were advised that Hartlepool would continue to develop and review its Joint Strategic Needs Assessment (JSNA) in collaboration with NHS partners and could show good joint working which complements the CBF Charter. In March 2011, the Government had published its consultation Green Paper on special educational needs and disability (SEND). Hartlepool had been chosen as an early implementer (pathfinder) and had been supported to design new arrangements to pilot and improve life outcomes for children and young people; to give parents confidence by giving them more control; and to transfer power to professionals on the front line and to local communities. The (SEND) 0-25 pathway provided further evidence of joint working with the development of the single plan and the ability to deploy a personal budget for Health, Education and Care.

The Charter appended to the report would further support the development of the JSNA for Children and Adults and the rights and values expressed within the Charter would act as a checklist for commissioners. Also appended to the report was information on a range of key organisations already signed up to the CBF Charter.

Decision

The Health & Wellbeing Board endorsed the principles of the CBF Charter and reflected these principles in the JSNA and in any future commissioning decisions and that organisations that are members of the Health & Wellbeing Board sign up to the principles of the CBF Charter and promote best practice for people with challenging behaviour

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20. Scrutiny Investigation into Selected Joint Strategic Needs Assessment (JSNA) Topics – Final Report and

Agreed Actions(Scrutiny Manager)

The report set out the findings of the scrutiny investigation into the selected Joint Strategic Needs Assessment (JSNA) Topics. As part of the Overview and Scrutiny Work Programme for 2012/13, it was agreed that the Scrutiny Co-ordinating Committee, and each of the individual Scrutiny Forums, would consider selected JSNA topics and formulate views and comments for consideration where appropriate. Selected JSNA topics were looked at in detail during the course of 2012/13, culminating in the production of a report which had been circulated to the Board. Also appended to the report were the detailed outcomes of investigations into the selected JSNA topic areas.

The report and its appendices had been considered and accepted by the Finance and Policy Committee on the 28 June 2013 alongside detailed action plans, copies of which were appended to the report. In addition to the recommendations made by each Forum, the Board's attention was drawn to a number of overarching comments in relation to the overall JSNA process and content. These were detailed in the report and actions against them were detailed in the Appendix.

The Board was asked to note the content of the reports and the Action Plans. Progress against the actions identified would be monitored by the appropriate Policy Committees as part of the six monthly monitoring of outstanding scrutiny actions. The exception to this would be recommendations / actions in relation to the Sexual Health JSNA Topic, which would be monitored by the Audit and Governance Committee as part of the statutory scrutiny process.

Following reference made at the meeting to progress in addressing health inequality issues in the Borough, the Director of Public Health responded to an issue raised regarding availability of up to date information. The Director referred to the availability of both qualitative and quantitative data. The Director also referred to a presentation which had been made to Hartlepool Borough Council's Finance and Policy Committee which was based on the Longer Lives data, released on a national basis through Public Health England, on health inequalities. With regard to the JSNA topic of 'poverty', an Elected Member referred to the implications of Government Policy.

Decision

That Board noted the content of the report(s) at Appendix 1 and the Action Plans at Appendix 2

21. Securing Quality in Health Services *(Chief Officer, Hartlepool and Stockton on Tees Clinical Commissioning Group and Project Director, Security Quality in Health Services)*

The report informed the Board of a piece of work which was being carried out across County Durham and Tees Valley that was focused on improving the quality of acute hospital services. The project had been initiated in April 2012. The overall objective of the project was to enhance the commissioning of acute hospital services by reaching consensus on the key clinical quality standards in acute hospital care that should be commissioned by Clinical Commissioning Groups (CCG). The project aimed to produce a report that would describe the agreed clinical quality standards in the context of the financial and workforce resources that were expected to be available to support implementation of the standards. The project report from the first phase of the work was received at the final meetings of the Primary Care Trust in March 2013. A copy of the final summary report and quality standards had been circulated. The report set out a summary of key messages and recommendations for the four clinically led groups which considered acute paediatric, maternity and neonatal services, Acute Care, End of Life Care, Long Term Conditions and Planned Care

Following completion of phase one of this project and the project report described in the report, the five CCGs across County Durham and Tees Valley had agreed to build on this legacy work and would take this work forward in line with the duty placed upon them to commission high quality sustainable services. It had been agreed that this work would continue to be a commissioning led process and as such, Darlington CCG would lead the work on behalf of the five CCGs. Hambleton, Richmondshire and Whitby CCG was working closely with the project due to the scale of their patient flows into the Tees Valley area. The project would also feed into and is supported by the work of the Area Team of NHS England. The objectives for the next phase of work which was expected to be complete by the end of the summer 2013 were to assess the feasibility of, and options for, implementing the standards and progressing implementation.

The Project Director highlighted that a number of the quality standards were based on 24/7 availability of senior clinicians and presented some challenges in terms of workforce resources. Issues arising from the report were discussed including addressing the availability of midwives to meet the key quality standard of 1:1 Midwife care for women in established labour together with general capacity and training issues. The link to obesity of the expected increase in diabetes prevalence, referred to in the report, was also highlighted.

In response to clarification sought from the Director of Public Health with regard to further engagement with the Board, the Project Director agreed that an agenda item be included on the agenda for the meeting of the Board on 28 October 2013.

Decision

The Board accepted the report for information and agreed that a further report

be submitted to the October meeting of the Health and Wellbeing Board as the project progresses.

22. Feedback from Chairs of Health and Wellbeing Boards Regional Meeting (Chair)

The report provided feedback to the Board from the regional meeting of the Chairs of Health and Well Being Boards. The meeting of the Chairs of Health and Well Being Board was an opportunity for the chairs across the North East to discuss common issues affecting health and well being boards. The report set out the items which were discussed at the meeting on 17 June 2013 together with those items which had been deferred due to time constraints. It was noted that the meeting had been supported by the Association of North East Councils (ANEC).

In response to a request from a member of the Board the Chair agreed to include key issues, arising from meetings, in future reports to the Board and to circulate papers relating to those meetings to Board Members.

Decision

The report was noted.

23. Any Other Items which the Chairman Considers are Urgent

The Chairman ruled that the following items of business should be considered by the Committee as a matter of urgency in accordance with the provisions of Section 100(B) (4)(b) of the Local Government Act 1972 in order that the matters could be dealt with without delay.

24. NHS Structures and Budgets

As a general observation, it was highlighted to the Board that there was some confusion in relation to the NHS Structures and budgets. In response the Chairman suggested that a presentation be made to the next meeting of the Board.

25. Victoria Road Community Support Bed Facility

Reference was made to consultation which was being undertaken in relation to the closure of the community support bed facility, located within 25 Victoria Road. The Tees Esk and Wear Valley NHS Trust representative referred to the need to provide better services and advised that a report was to be submitted to Hartlepool Borough

Council's Audit and Governance Committee, on 22 August, in relation to this issue.

CHAIR

FINANCE AND POLICY COMMITTEE

4th October 2013



Report of: Director of Regeneration and Neighbourhoods

Subject: **CITY DEAL**

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision (test (i) and (ii)). Forward Plan Reference No. 31 / 12.

2. INTRODUCTION

- 2.1 Members will be aware that Tees Valley was invited to apply for a second wave City Deal which initially was to be judged on a competitive basis. This followed the conclusion of first wave City Deals by the Government with the eight 'Core Cities' including Newcastle, Manchester, Leeds, Sheffield and Liverpool in the North.
- 2.2 Approval was given by the 5 Boroughs and Tees Valley Unlimited's Leadership Board to progress a bid for a City Deal and the final Expression of Interest is attached as **Appendix 1**. In the event the Government decided that all 20 applicants should proceed through to detailed negotiations with the relevant Government Departments coordinated by the Cabinet Office.
- 2.3 For several months these negotiations have been taking place on the content of a City Deal which would deliver in some measure our economic plans primarily the Statement of Ambition.

3. CONTENT OF THE CITY DEAL

- 3.1 Before setting out the current content of the proposition to be put forward by our area, it is worth emphasising that the City Deal negotiations and outcome are only one element of a range of initiatives that are available to the LEP and its partners to generate the growth that the economy needs. It is important to acknowledge this to avoid raising expectations about the impact that the initial City Deal might have.
- 3.2 Indeed in terms of Government allocation of resources more is likely to be available under the Local Growth Fund and of course the European Structural

Funds for 2014 onwards with possible match coming from Government Departments via 'Opt-ins'. Currently both a Local Growth Plan and a European Growth Plan are being developed for submission to Government in draft form in October and these will set out what growth we are seeking and how it is to be achieved over the next 10 years.

3.3 Nevertheless it is clear that securing a City Deal is of importance to the area for several reasons namely:-

- It creates a direct and long term relationship with Government and key Departments.
- It helps to cement an understanding and acceptance by Government of our objectives for growth and more importantly the means to achieve them which will help in securing monies from the Local Growth Fund.
- It makes match funding from Government Resources for the European Structural Funds much more likely.
- It places the Tees Valley firmly in the 'cities' category which future Governments of whatever colour are likely to use as engines of growth.
- It gives us access to pilot programmes to tackle specific issues.

3.4 For these reasons it is considered that securing a City Deal is worth pursuing and that its content has to be seen in context about positioning for the future and not immediate benefit.

3.5 Turning now to the content of the Tees Valley proposal, attached here as **Appendix 2** are slides which set out what we would like and the rationale for them together with what the local area is prepared to do/commit. Again it must be stressed that not all of these elements are likely to be agreed by the Government following debate and scrutiny by the Ministerial Panel.

3.6 After a description of our vision, the first two elements of our proposal concern the establishments of a world class integrated carbon efficient industrial sector with new complementary 'green' industries. This aligns with Ambition 1 of the Statement of Ambition building upon our existing industrial strength. It offers the Government the prospect of a globally important location that will help other advanced manufacturing sectors such as aerospace and automotive to become even more competitive.

3.7 To achieve this we need to attract substantial private sector investment which will only happen if we and the Government can provide certainty on planning, preferred status for green industries, access to cheaper feedstocks via new exploitation of natural resources and continuing financial incentives to would-be occupiers.

- 3.8 Secondly we envisage helping our existing industrial activities to become more efficient and competitive by tackling aspects such as carbon emissions via the formulation and implementation of a Low Carbon Action Plan.
- 3.9 In accordance with Ambition 2 we are seeking to deal with the shortage of private sector jobs in the economy by establishing a Growth Hub that will signpost companies to specialist advice/expertise to help their businesses grow. It will also specifically accelerate growth for those companies that display the attributes of a high growth company.
- 3.10 In addition there is a specific proposal to establish an Open Technology Centre that will support the ‘commercialisation’ of new products and processes. The centre will de-risk activities and help companies grow faster together with a link-up with academia to provide Industrial Doctorates in engineering. Our ask of Government is that the centre be designated as part of the Advanced Manufacturing Catapult to enable it to draw down resources from the Technology Strategy Board.
- 3.11 Our skills ask has been developed in partnership with the FE Colleges and tries to free up some of their budgets to tackle specific issues arising here in the Tees Valley. It would be fair to say that this element represents perhaps one of the most challenging for Government given its national policies on these matters.
- 3.12 Finally we are seeking a series of infrastructure/communication ‘asks’ to underpin our proposals by providing good quality access via road, rail, air and sea. Again the Government thus far have been reluctant to accept these within the City Deal process as they argue that they can be achieved via other means. However at the very least they highlight to Government how important these elements are to us and may influence the pressure they can bring to other processes

4. GOVERNANCE

- 4.1 Within the slides are the commitments that the area would agree to if the Government accepts the ‘asks’. In addition the Government has been keen to see the governance arrangements between the LEP and the Local Authorities strengthened to give more certainty to the longer term delivery of the economic strategy/City Deal.
- 4.2 Here in the Tees Valley we already have an arrangement which reflects well the excellent relationships that exist between the local authorities themselves and between the public/private sectors as evidenced by the performance of Tees Valley Unlimited, the LEP. Having said this it is clear that strengthening could be beneficial if it enables decision making particularly in respect of deployment of resources such as the Investment Fund or Growing Places monies to be less complicated and time consuming.

4.3 To achieve this an indication has been given that all structures including a combined authority would be considered for the future. However our vision is that such new arrangement including a combined authority must build on our existing strengths and not detract from them. So we would only be happy with a new structure if it: -

- Enabled the functions in question i.e. economic development, transport and communications and skills to be delivered by a single organisation thereby avoiding duplication, confusion and extra administrative cost.
- Retained the private sector at the heart of shaping the economy and its growth.
- Introduced less bureaucratic means of decision making that led to speedier decisions reflecting the need to be fleet of foot

5. THE TIMETABLE IS AS FOLLOWS:

- Minister (Greg Clark) Challenge Session on 17th October.
 - Final deadline for submission on 23rd October.
 - Local Growth Working Group (Panel of Ministers) on 6th November.
- 5.1 To accommodate this we are seeking agreement via this report from each of the Boroughs by 8th October to the principles set out in the proposal and delegated authority as appropriate to the final submission before 23rd October.
- 5.2 As indicated above the submission will be in the form of a 20 page document that will be based on the slides attached to this report. The need for delegated authority is because the content is likely to change to some degree after the Challenge Session and prior to 23rd October.
- 4.4 TVU's Leadership Board will have a special meeting on 3rd October to approve in principle and give delegated authority to the Chair and Managing Director to finalise submission post the Challenge Session.

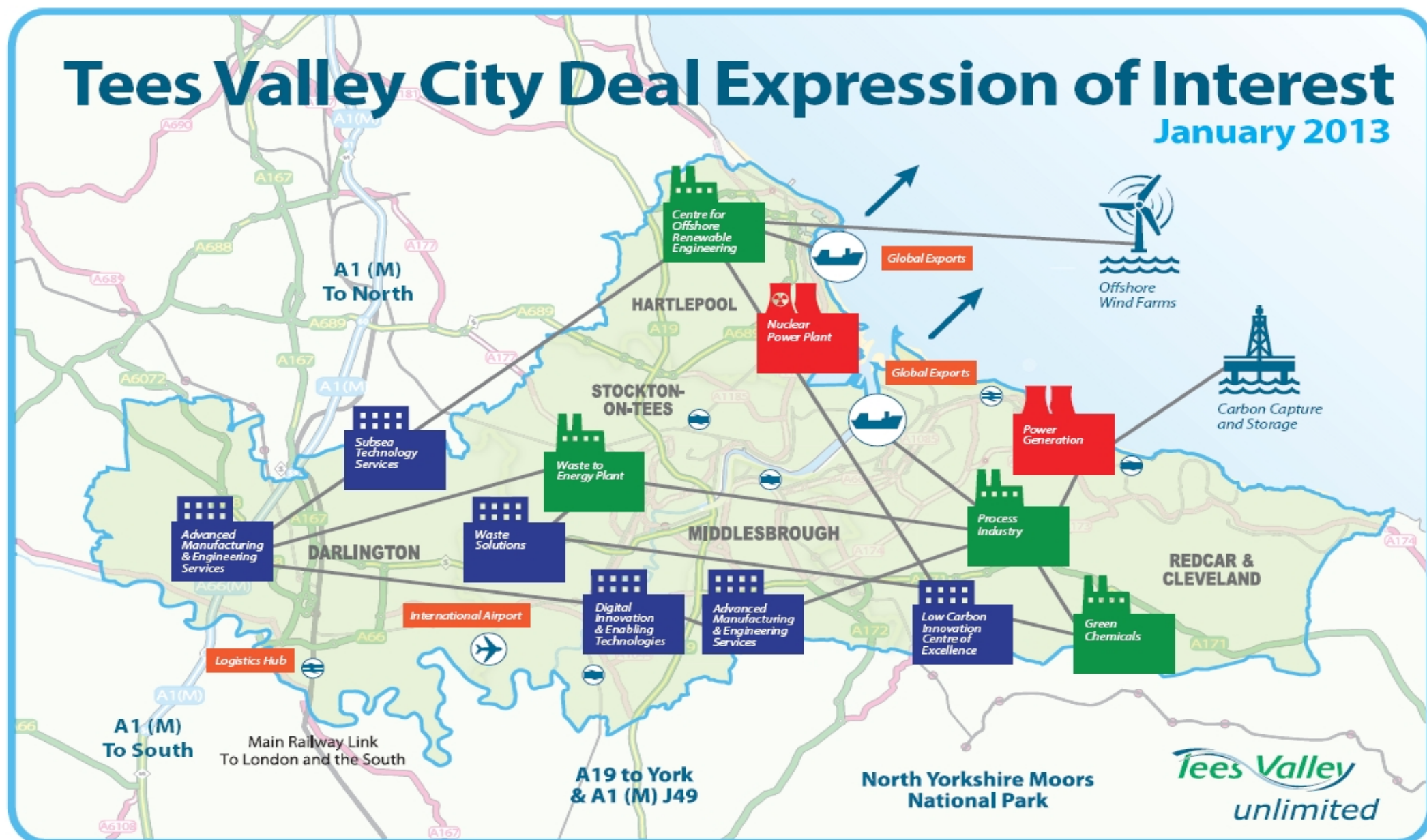
6. RECOMMENDATION

- 6.1 To approve the proposal as it is currently set out in the attached slides and
- 6.2 To give delegated authority to the Chief Executive, in consultation with the Leader to agree the final submission prior to 23rd October.

7. CONTACT OFFICER

Denise Ogden
Director of Regeneration and Neighbourhoods
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Victoria Road
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Tees Valley City Deal Expression of Interest

Section A: Summary Information

A1: Proposal Title

Tees Valley City Deal

A2: Key Partners involved in the proposal

The Tees Valley City Deal is put forward to Government by Tees Valley Unlimited, the Local Enterprise Partnership for Tees Valley. The proposal has the commitment of the five local authorities (Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton), the University of Teesside and the private sector board members (including key businesses such as Sabic and PD Ports). Indeed the proposal has been developed with the specific help and input from the private sector more generally including Graham Hillier of CPI (part of the Catapult, High Value Manufacturing), Ross Smith of NECC and Martin McTague of FSB amongst others. As a result the proposal has the full support and endorsement of the local business community including the business representative organisations (NECC, CBI, IOD, EEF, CIPD and FSB).

A3: Local Point of Contact

The local point of contact for leadership matters is:

Sandy Anderson

c/o Tees Valley Unlimited

For day to day detail the local contact is:

Linda Edworthy

Director of Policy and Strategy

Tees Valley Unlimited

Cavendish House

Teesdale Business Park

Stockton –on-Tees

Tees Valley

TS17 6QY

B1.1 The fundamental challenge facing Tees Valley

Tees Valley's industrial journey:

- Tees Valley – based on innovation and reinvention; is a main contributor to the economic performance of the UK over the last 50 years - moving from mining, steel making and ship building to processing and chemical industries - now changing again to include advanced manufacturing and ICT.
- Historically, based on a small number of large employers, (e.g. ICI and British Steel both with 40,000 employees in the late 60s/70s). By the 1980s, employment in the manufacturing of chemicals had fallen to just over 20,000 with employment in steel just over 19,000. Between 1971- 2004 over 93,000 manufacturing jobs were lost from the area principally due to the rationalisation of the steel industry in the UK. In the early 90s ICI started to sell off elements of its integrated processing complex to foreign owned companies and by early 2000 all elements had been sold resulting in some of these being closed in favour of production plants in their parent country e.g. Dow (ethylene glycol / oxide) and BASF (high density polyethelene). The loss of key plants from up and down stream processes resulted in the need to import more raw materials, making UK manufacturing less competitive.
- Despite the reduction in employment, productivity rose hugely and the volume and value of products produced now exceeds that of the 1970s through the growth in distribution, logistics, services and IT industries.

Tees Valley today:

- Not enough jobs - with 259,500(BRES 2011) jobs and 424,000 working age population (ONS MYE 2011).
- Not enough private sector jobs and a reliance on the public sector :
 - reduction in total private sector jobs in the Tees Valley economy from 203,400 (September 2007) to 186,800 (September 2012);
 - 26% (67,000 out of 259,000) in Sept 2012 were in the public sector c.f. 21% nationally.
- High levels of unemployment, particularly amongst young people: 13.2% unemployment rate c.f. 8.2% nationally in Sept 12 (the highest of all LEP areas); only 63% of the working population in employment c.f. 70% nationally; 13.8% youth unemployment (Sept 12) c.f. 7.4% nationally; and 28,859 on JSA benefits (Oct 12), 41,200 looking for work (APS June 12).

- Sectors that are fundamentally important to UK manufacturing but are high CO2 emitters (5% of UK emissions) and therefore vulnerable to requirements to reduce emissions.
- Significant large companies exporting but untapped potential for SME exporting - only 6.5% of SMEs currently exporting (TVU Business Survey 2012).

B1.2 The inherent opportunity in Tees Valley:

- The inherent opportunity lies in the scale and make up of the industrial activity becoming even more competitive whilst reducing CO2 emissions.
- Our opportunity is to accelerate the pace of change for deploying green technology producing cleaner energy and other products. Integrating activities and supply chains across companies and sectors will produce a critical mass of sectors that will be globally competitive and deliver more jobs, and greater investment and exports.
- Tees Valley is one of the only locations (as evidenced in the area being shortlisted for the CCS pilot and the AMEC report of 2010) where the UK's major CO2 emitters could enable CO2 to be captured and used to extend the life of the North Sea oilfields and provide power for business activities.
- Tees Valley produces 3.4GW of the UK's electricity with a further 2.6GW proposed. Its processing and advanced manufacturing industry consumes significant amounts of electricity, heat / steam, being the country's, most significant, scientific-based and export led concentration of sectors and national centres of excellence in these technologies.
- Companies are already making commercial realities out of innovative opportunities (e.g. Air Products location on our Enterprise Zone (EZ) with investment of £350m cap. ex. in waste to energy). The problem of rising energy and carbon costs can become opportunities to boost competitiveness and viability as global companies look for new markets and feed stocks.
- Many of the jobs losses (ref B1.1) in advanced manufacturing and the process sectors have already occurred, in part due to companies improving the efficiency of their processes. Companies are now developing sustainable growth strategies (RGF rounds 1, 2 and 3 successes).
- Tees Valley's engineering companies are supporting the transformation to a greener economy with Cummins developing the world's most efficient diesel engine and Nifco supplying parts to Nissan for their electric cars.

B1.3 The Vision for Tees Valley

The future vision sees the area with a thriving and more balanced economy with integrated supply chains that are resilient to economic shocks. A range of skilled job opportunities will be available to local residents and commuters into Tees Valley and training providers will meet the skills needs of employers in a proactive and responsive way. The area will be home to:

- a critical mass of sustainable super sectors in petrochemicals, advanced manufacturing, and new renewable energy with integrated SME supply chains using digital enablement;
- integrated activities between companies leading to the development of new business opportunities, and secure carbon reductions in those industries;
- research and development that will be commercialised into new products and processes, including the test bed for new and emerging green technologies creating wealth within the UK;
- large waste to energy plants turning waste into low carbon products that fuel cars, create energy and produce chemicals that are the building blocks of everyday products such as plastics, paint and textiles;
- low carbon investments as the location of choice where efficiencies are exploited, manufactured and exported;
- new and complementary activities including subsea and other forms of advanced manufacturing; and
- rapid growth in the industrial sectors to drive diversification in the rest of the economy and deliver the 2nd Ambition as set out in our Statement of Ambition.

B2 Why the Vision will not be achieved by the private sector or through existing policy tools?

- Tees Valley currently lacks the tools to achieve the scale of company collaboration, investment and appropriate skills provision to drive a successful integrated low carbon asset that is competitive at the international level.
- Existing policy tools focus too much on individual companies - RGF and the EZ are helping individual companies to grow but the outcomes are limited to those companies becoming more efficient. They are not the catalysts which will catapult their sectors or the area to become globally competitive particularly in the emerging green economy. The current means of attracting inward investment are much too slow to bring about the catalytic change required.
- A more joined up approach between Government departments and strategies (energy, environment and industrial) would provide a positive stimulus for change as companies sometimes struggle to do business with several departments (DECC, BIS, DEFRA) working to different timescales and policies. Targeted resources and incentives to secure more foreign companies and the integration of their activities would assist in achieving our vision more quickly.
- Significant resources are committed to research and innovation via TSB. However, support to commercialise products and processes is inadequate and many real commercial opportunities are being lost from UK to other parts of Europe or beyond. In the last 5 years at least 4 of the companies that CPI has worked with to scale-up their manufacturing processes have moved outside the UK because they could not find suitable mechanisms to locate and grow their businesses in the UK. These companies have all received significant public sector funding from the UK prior to their working with CPI. Companies are also being attracted to work with CPI or have been anchored into the UK (at least 8 companies in the last 3 years.) through a combination of collaborative part-public investment (including RGF and TSB) and access to facilities at CPI. Terraverde has relocated from outside the UK to access CPI's skills base with the support of RGF. Both Plaxica (a spin-out from Imperial College) and Polyphotonix have also been retained in the UK for scale-up through a range of public-private funding mechanisms. These companies will require further investment in the coming years and could still be lost to the UK if investment is not available.
- Without strategic sector co-ordination nationally and locally there will continue to be lack of integration, an erosion of competitiveness, and a reduction in supply chains.

C1 Barriers and solutions to achieving our Vision for Tees Valley

- We currently lack some of the tools to enable strategic investment to be fleet of foot, and address barriers to economic growth and maximise opportunities locally.

Local tools for investment

- TVU has already established the Tees Valley Investment Fund (TVIF) Model with EZ income as a fundamental source. This model has significant potential for further development and the attraction of private sector funds, particularly through use of a single pot approach. TVU is primed to trial the Single Capital pot as envisaged in the Heseltine Review and the Autumn Statement. This will provide the area with a mechanism to better align industrial, energy and environmental investment locally; develop and trial a new model of CCS; support supply chain and export opportunities; improve the transition from R&D to commercialisation; and enable new financial instruments to be developed to encourage greater levels of private sector investment.
- TVU's success in RGF (more than £150m awarded leveraging in over £1bn private sector investment) shows that we have the track record to deliver through TVIF.
- A single appraisal process with common local assessment criteria (based on GVA and jobs created) for all devolved funds (including the Tees Valley allocation of ERDF and ESF) and income going into the TVIF is currently well advanced. Further support from the Government to deliver our Vision is required through:

Green energy and the utilisation of carbon emissions

- The location of the CCS demonstration project in Tees Valley is a key building block of the development of an integrated green super sector. This together with other incentives such as: an invest to save approach to carbon reduction with a carbon tax holiday to encourage investment in low carbon infrastructure; an allowance for building construction costs for low carbon activities on EZ ECA sites; using the CORE model to designate Tees Valley as a favoured location for key sectors for Government and inward investment; and the classification of industrial gases to produce energy and materials as a low carbon investment.

Tees Valley also need Government to work with TVU to make the UK the best place for businesses to invest through aligning strategies and departmental work on industry, energy and environment to proactively support FDI, including those foreign owned business already located in Tees Valley. This could include a single contact in Government for key businesses / sectors who know and understand the businesses (and their location) to work with the other departments to ensure private sector investment is secured. The Tees Valley is ideally placed to pilot this with TVU's support.

Effectiveness of research and development through to commercialisation

- To prevent the investment made by the UK on research and development being lost there is a need to extend significantly the existing investment and identify appropriate commercialisation delivery models for the UK to ensure that leading-edge research in chemical and biofuels and associated technologies can be turned into commercially viable products/processes creating jobs and wealth in the UK. TVU is leading the way on the development of a Smart Specialisation strategy for Tees Valley to ensure that future European funding opportunities can be maximised to support innovation and growth in the area. TVU, with partners such as CPI, is well placed to pilot a new model for investment in commercialisation.

The Core Package Available to Wave 2 City Deals

Elements of the Core Package such as skills, infrastructure and private sector growth and investment will be invaluable in delivering the Tees Valley Vision. Our bespoke package has focussed on the unique opportunity that exists in Tees Valley to create integrated, innovative companies that enable UK manufacturing to be globally competitive and through integrated activities substantially reduce the carbon footprint of the area. However, for the area to become really successful, the spread of wealth generation needs to be underpinned by a broader, successful SME base across a more diverse range of sectors (Ambition 2). Therefore, TVU will wish to ensure that the Core Package includes:

- devolved local decision making on skills budgets with real flexibility to ensure the system meets the needs of employers.
- skills for developing company supply chains in the area's key sectors together with advanced manufacturing and engineering, logistics, healthcare and digital to ensure that companies can become more competitive and for SMEs to export more and ensure that they access major business supply chains.
- proactive national and local inward investment activity and mechanisms to support private investment.

C2 Achieving more with less

- the City Deal will be delivered through more efficient and effective use of existing, not additional, Government resources during the current spending period.
- the measures detailed above will achieve greater results in terms of attracting inward investment, growing existing global companies and their supply chain, increasing exports, translating R+D into commercialisation opportunities, delivering wealth and jobs outcomes (detailed in section D).
- the use of a single capital allocation with ring fenced ERDF and ESF for Tees Valley within the Tees Valley Investment Fund model will result in activity being delivered significantly quicker, with reduced bureaucracy and significantly increased levels of private sector investment. For example the use of a single appraisal process against common assessment criteria for projects will significantly speed up the decision making process and reduce the burden on applicants resulting in greater private sector involvement. Retaining public accountability and demonstrating value for money against the desired outcomes does not require the levels of bureaucracy that currently exist.
- granting carbon tax holidays on an invest to save basis will make companies more competitive, ensure longer term revenue income to the Exchequer and support the achievement of carbon emissions reduction.

C3 The Tees Valley Contribution

- Tees Valley authorities have agreed to pool business rates uplift and EZ income for investment via TMF.
- TVU will use the TMF as a catalyst for companies to invest in CCS schemes, plant and machinery and other low carbon processes and utilise their technical and economic expertise to identify where further integration could lead to increased competitiveness and reduced carbon emissions.
- the TMF will encourage more co-investment from businesses and will provide the vehicle through which private sector match can be invested (whilst unsuccessful for RGF3, TVU had the commitment from a key bank to invest £10m in business growth in the area). Based on discussions with the financial institutions we believe that TVIF can lever in at least £7 for each £1 of public sector investment.
- Tees Valley authorities will consider borrowing against the projected income in the TMF, this will include the identification of an appropriate strategic capital project for submission to the Public Works Loan Board as detailed in the Autumn Statement and will consider other pooling of business rates.
- TVU will use its investment plan to target biomass and waste logistics, to allow for minimum distance transport of these critical resources.
- Tees Valley authorities will procure long term waste contracts to supply large scale green technology within Tees Valley and beyond, as well as providing the flexibility to foster new small scale technologies using waste in novel ways.
- Tees Valley authorities will consider investing in schemes that utilise locally produced heat to improve industry competitiveness.
- TVU with CPI will identify products and processes that through commercialisation offer the greatest prospect of delivering exports, jobs and substantial prosperity and through TMF provide appropriate accommodation needs for these businesses and direct investments in new business formation and business growth plans.
- TVU and the relevant agencies will adopt a 'hand holding' approach for these businesses, assisting them to find markets, buyers and suppliers.
- TVU will commit resources to support UKTI and overseas ambassadors to provide the material required to persuade targeted foreign companies to locate operations in the Tees Valley.

Section D – The impact of the City Deal

The proposal would make a serious start on reversing the trend from 2007 of a reducing number and percentage of private sector jobs in the Tees Valley economy. By 2017 we estimate that the acceleration towards a globally significant low carbon cross sector cluster would create /safeguard some 5000 jobs. To this figure we would anticipate a further 7,500 jobs being created or safeguarded in other sectors such as logistics or service.

As the impact grows and starts to attract further inward investment and expanded activity we would anticipate creating / safeguarding a further 15,000 jobs by 2022 (see table below).

	Baseline	By 2015	By 2017	By 2022
Industrial Sectors including low carbon (private sector)	29,000 ⁱ	TBC	5000 safeguarded/ created	5000 safeguarded/ created
Other sectors (private sector jobs)	145,000 ⁱⁱ	TBC	7,500 safeguarded/ created	10,000 created/safeguarded
GVA per head	£15,645 ⁱⁱⁱ	£16,300	£16,500	£17,000
Carbon emissions reductions (m tonnes CO2)	17.03 ^{iv}	13	12	11
Private company investment per annum	£140m ^v	£200m	£275m	£350m
Commericalisation: - new businesses created - jobs in new / existing businesses	TBC	TBC	TBC	TBC
Increase in exports (North East)	£4.6bn ^{vi}	£6bn	£7.5bn	£9bn
Increase in inward investment enquiries	11 ^{vii}	15	18	22
Apprenticeships per annum	4,620 ^{viii}	6,500	8,000	9,500

ⁱ 11% of 260,000 jobs

ⁱⁱ 56% of 260,000 jobs

ⁱⁱⁱ GVA per head for 2009 (issued Dec 12)

^{iv} 2006 Teesside University survey

^v Annual average for period 2004 – 12 (TVU)

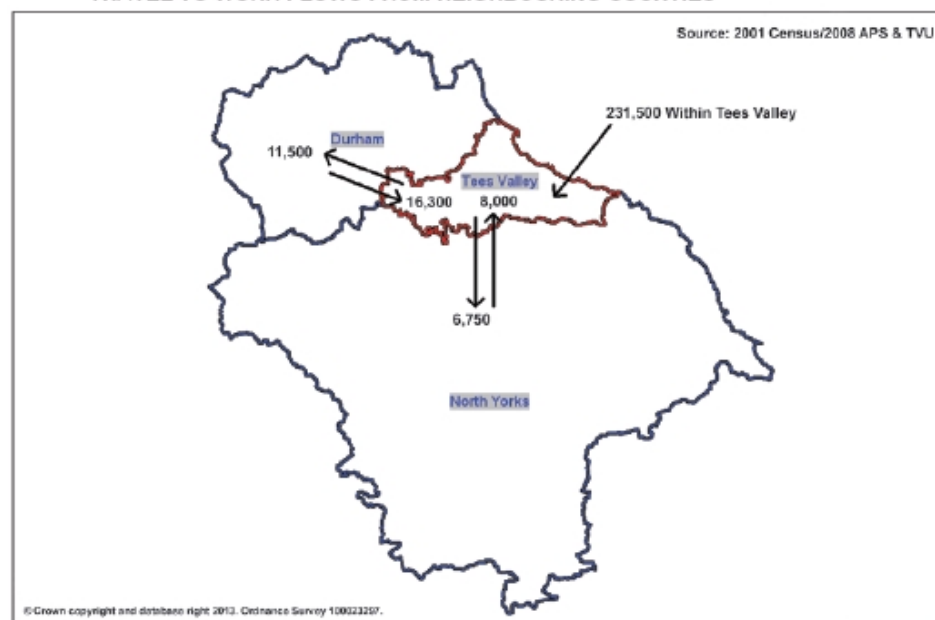
^{vi} BIS – assumes TV provides 1/3rd of total

^{vii} Annual average for period 2004 – 12 (TVU)

^{viii} Apprenticeship starts 2009/10 (SFA)

Section E : Governance**E1 The Tees Valley geography**

The Tees Valley covers the five Tees Valley local authority areas of Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton with a population of around 650,000. The area is recognised in several strategies as an economic functioning geography. The area has a great deal of self containment with relatively few commuters crossing the Tees Valley boundary; most people work within their district of residence, with significant proportions travelling between the Tees Valley districts. This is illustrated in the diagram below.

TRAVEL TO WORK FLOWS FROM NEIGHBOURING COUNTIES

As illustrated in Section B the area experiences a number of similar issues and opportunities which do not respect individual local authority boundaries. The geography of these issues and opportunities, makes city region partnership activity an appropriate, and accepted way of working.

E2 The governance structures that ensure effective, binding and strategic decision-making across the relevant economic area

Tees Valley has a long track record of public and private working across the Tees Valley to address strategic economic development, transport and housing matters. This dates back to 1996 with the formation of the Tees Valley Joint Strategy Unit (JSU). This collaborative, cross boundary approach includes:

- area wide strategy and vision development - Tees Valley Vision, Tees Valley City Region Business Case, Tees Valley City Region Transport Strategy, and most recently the Tees Valley Statement of Ambition.
- pooling of strategic economic functions – currently covering business engagement, economic strategy and intelligence, inward investment, marketing and promotions, strategic transport, and investment planning (previously through the JSU and the Tees Valley Regeneration Company) and since 2010 through TVU - with a permanent staff of 31 and an annual core revenue budget of £2.1m funded by the 5 local authorities.
- cross-boundary prioritisation and decision making on spending – Tees Valley City Region Investment Plan, Single Programme Delivery Plan, Housing Market Renewal Business Plan, and most recently Enterprise Zone development and the Growing Places Fund.
- pooling of budgets – the 5 local authorities through TVU have agreed to pool the business rates uplift and the EZ income from the 8 Government Funded Enterprise Zone sites with the first priority for the use of the income to support 4 locally funded EZ sites. The TVIF model with agreed criteria for investment will determine the use of the project EZ income and other funds that are attracted and secured.
- more effectively and efficient ways of working and achieving more with less – despite the loss of RDA funding for TVU activities and core funding, TVU has worked with 31 businesses to access over £101m of Regional Growth Funds, £85m more than was accessed by Tees Valley businesses through the previous three years of GBI and other grants available through the RDA. TVU is committed to removing bureaucracies and working more effectively and believes that real local accountability and decision making can help to achieve this.

TVU currently operates as a voluntary public / private partnership with an Accountable Body (Stockton Borough Council) and a legal agreement binding the local authorities into the development and delivery of the Tees Valley Statement of Ambition and detailing the modus operandi for the partnership.

In its commitment to continue to achieve greater effectiveness and efficiencies TVU has been considering alternative governance arrangements that could be fit for future purposes, particularly in light of the City Deal discussions. This ranges from incorporated body status (which poses VAT issues) through to a Combined Authority. The five local authorities in TVU are committed to ensuring that future governance arrangements secure growth and meet the local and the national requirements. This proposal is in line with the Government's commitment for areas taking greater local ownership of economic activities and is made in the full knowledge that the area through TVU is committing itself to deliver.

E3 Generating momentum in developing a workable city deal proposal

Senior staff will lead on the development of the City Deal and the negotiations with Government, involving both private sector and local public sector partners as appropriate. The Leadership Board members already play a key role in leading TVU activities. For example Paul Booth of Sabic has been working with TVU and other key businesses in the development of the industrial symbiosis concept for the area. Board members will be particularly important in the development and negotiations of elements of the Deal. In submitting this EOI each Board member is committed to playing their role within its development. Effective communications within the partnership and the broader city region will be critical to ensuring that the Deal can be delivered locally as will the political leadership across the Tees Valley – TVU has a strong track record of both. We would expect to develop an Implementation Plan during the course of the detailed negotiations with Government to ensure early delivery of the City Deal.



Tees Valley Vision

- To create an integrated carbon efficient industrial hub
- Such a hub would attract significant Foreign Direct Investment particularly relating to new 'green' industries
- Such a hub would make a significant extra contribution to the UK economy by boosting GDP (current contribution £10 bn) and Exports (current contribution £4 bn)
- To complement these activities other sectors of our economy will create 25000 net new jobs by 2024



Our Industrial Strength

- Already has one of the largest 'heavy' industrial complexes in UK that underpins country's manufacturing/exports from other sectors
- Our 3 major industrial complexes comprise X hectares of brownfield land and offer the UK a unique opportunity to develop an integrated carbon efficient industrial sector with new complementary green industries
- Key to success is the ability to attract significant private sector investment and world class communication assets
- To achieve success there needs to be a concerted effort to tackle carbon emissions and wasted heat/opportunities for greater synergy



Creation of a Globally Significant Industrial Hub

- Successful 'heavy' industrial/manufacturing sites globally depend upon integration of demand and supply of feedstocks and power
- This approach is exemplified by Rotterdam in Europe but can now be seen in China, India and Saudi Arabia
- A current top six world location is Jurong Island Industrial Park in Singapore which is home to 95 major global chemical companies with £16bn of assets and upwards of 8000 jobs
- Tees Valley 3 major industrial complexes offer a unique opportunity to become one of the 5/6 globally significant hubs
- Exploitation of resources through fracking and coal gasification could supply syngas and national gas liquids as feedstocks giving the complex a real economic advantage



Ask of Government

- Success will depend upon attracting significant private sector investment and occupiers
- The basis of such attraction will be to give confidence to private sector investors by providing certainty on planning, integrated feedstocks and power and available financial incentives
- **ASK**
 - Because of the national importance of the opportunity we need Government
 - a) to enact a new Instrument of Planning Consent to cover all three sites to give planning certainty
 - b) designate the sites as one of its preferred locations for establishing green technologies in the UK
 - c) delay the start date to 2014 of the enhanced capital allowances incentive for the Enterprise Zone parts of the sites
 - d) encourage exploitation of national resources through fracking and coal gasification



Local Commitment and Outcome

- **Local Commitment**
 - TVU and its private and public sector partners will produce and implement a framework for integration of feedstocks/power and promote a package to secure the necessary private sector investment utilising European Structural Funds and Tees Valley Investment Funds
- **Outcome**
 - 10 new large foreign inward investments involving more than £2 bn capital expenditure and 500 jobs together with increased contributions to GVA and exports



Low Carbon Action Plan

- A Low Carbon Action Plan will address 4 specific issues:
- **Carbon Capture and Storage** leading to the delivery of the first industrial CCS network in the world
- **Heat** by using industrial heat more efficiently to reduce emissions and improve competitiveness
- **Syngas** by incentivising the use of waste and biomass to produce chemicals/feedstock here in Tees Valley to create greater benefit for UK economy
- **Hydrogen** by incentivising production and storage of green hydrogen as a building block for products of the future



Ask of Government, Local Commitment and Outcome

- **ASK**
 - Because of the national importance of the opportunity we need the Government to deploy its expertise and support the formulation and implementation of the Tees Valley Low Carbon Action Plan
- **Local Commitment**
 - TVU has gained the commitment of the major CO² emitters in the area to work under its leadership to formulate and secure the necessary investment required to implement the Plan
- **Outcome**
 - The development of a plan that sets out a clear set of actions to establish an integrated low carbon industrial hub
 - Implementation of the Plan will lead to a significant reduction in emissions and increases in GVA, Exports and Jobs



More Private Sector Jobs

- Area has 259500 jobs for working age population of 424000
- Higher levels of unemployment and youth unemployment in particular (6.4% against 3.5% and 12.3% against 6%)
- Independent research shows that Tees Valley needs 25000 net new jobs by 2024
- To be achieved by stimulating entrepreneurs and growth of existing SMEs via a Business Growth Hub piloting the Accelerator model from the USA
- Another key element is the establishment of an Open Technology Centre to support the commercialisation of products and processes which are currently being lost overseas



More Private Sector Jobs Cont...

- The Centre will host a Technology Accelerator to derisk and accelerate growth of SMEs together with an Industrial Doctoral Centre to deliver engineering programmes in areas such as sustainable manufacturing and advanced materials
- An example of a successful commercialisation centre is VDEh-Betriebsforschungsinstitute GmbH Institute for Applied Research (BFI) in Germany. This complex integrates commercialisation with incubation and high level skills provision. It is home to X companies employing 130 people, turning over €15m annually and contributing €X to GDP (working on data)

VDEh-Betriebsforschungsinstitut GmbH





Ask of Government, Local Commitment and Outcome

- A partnership has been formed between CPI, two major companies and TVU to convert an existing Technology Centre in Middlesbrough into the new Open Technology Centre
- **ASK**
 - Because of the national importance of the opportunity we need the Government via TSB to designate the Centre as a Catapult for Sustainable Manufacturing to help establish the facility
- **Local Commitment**
 - The partners will provide direct funding/assets including monies from ERDF and TV Investment Fund to ensure the success of the Centre
- **Outcome**
 - The Centre will create 150 new jobs by 2024, additional GVA and exports of £Xm respectively



Skills

- Longer term growth needs to be underpinned by companies' ability to recruit and upskill the workforce
- £7m awarded from RGF4 to tackle some of our deep-seated issues is much welcomed
- More could be achieved with the same expenditure if there were a limited number of flexibilities introduced into the skills funding system particularly for FE Colleges and their use of their Adult Skills Budget



Skills cont...

- **ASK**
 - To allow the FE Colleges and other providers in the Tees Valley area to run a pilot scheme for a period of 3 years with 10% of their existing Adult Skills Budget being used to fund loan free level 3 courses for students who can demonstrate an inability to repay a loan in subject areas that will meet future demand for skills in the area and on provision for unemployed adults leading to work
 - TVU will work with employers through the Tees Valley Skills Hub to identify job opportunities and skill needs that will be met by the flexibilities
 - TVU and its FE College partners will ensure that some 660 adults will benefit from the loan free level 3 courses and some 1500 unemployed adults will obtain work following provision



World Class Communications

- World class communications are necessary to attract significant private sector investment

Ask of Government

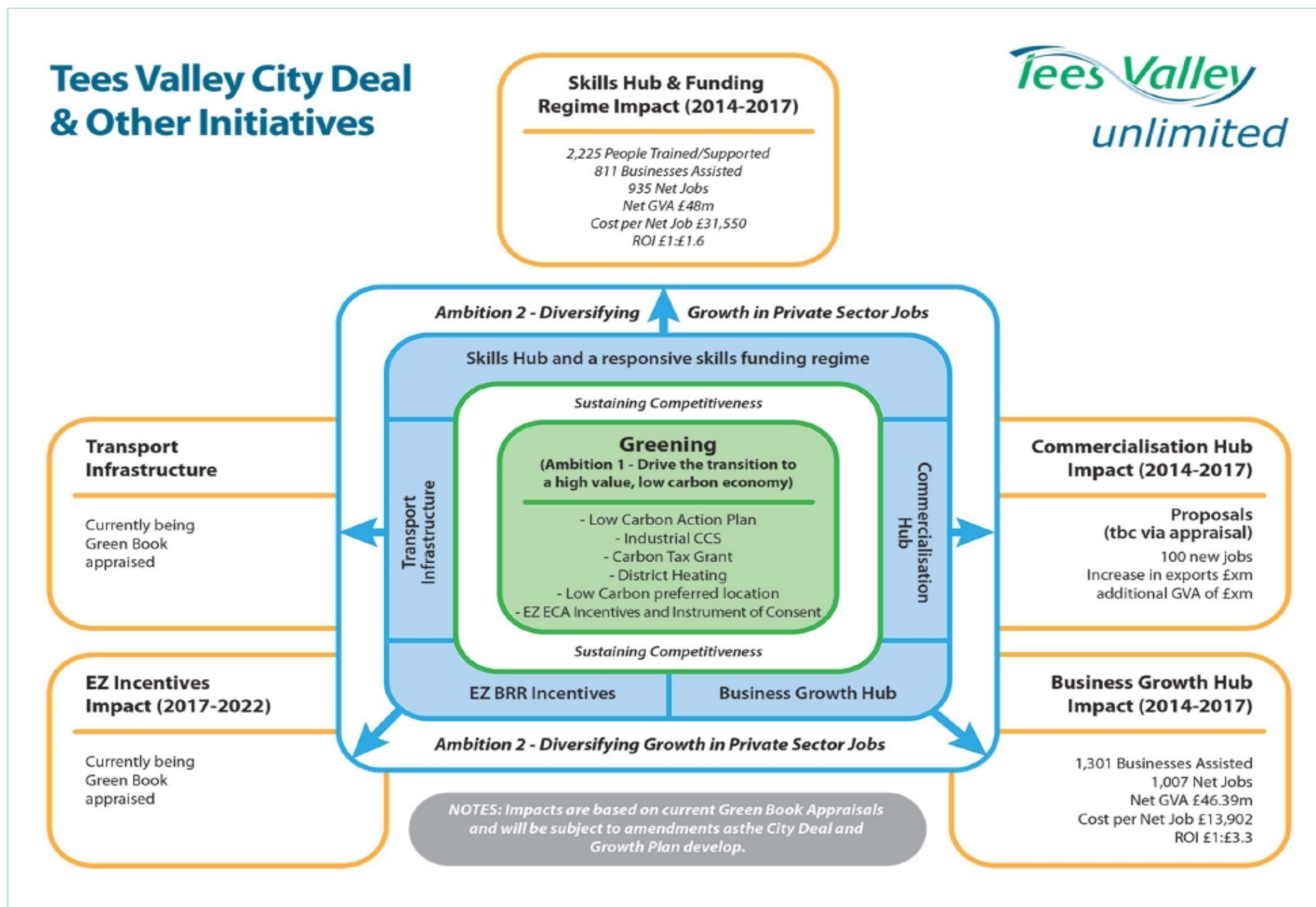
- DfT to fund the upgrade of Bank Top Station in Darlington;
- secure the electrification of the Trans-Pennine line between Northallerton and Middlesbrough and the same or improved frequency of stops between Darlington/London and Middlesbrough/Manchester through the renegotiations of the respective franchises
- part fund infrastructure works to create Southside Commercial Park at the Durham Tees Valley Airport

We will

- TVU will work with the Port and other private sector companies to increase the amount of freight coming to and from Tees Valley

Outcome

- freight movements east/west and particularly to and from the Port will be improved dramatically and lead to an increase of £x in GVA (*working on data*)
- the electrification of lines will lead to there will be an increase in GVA of X in Tees Valley (*working on data*)





FINANCE AND POLICY COMMITTEE

4 October 2013



Report of: Chief Solicitor

Subject: TEES VALLEY UNLIMITED – PROCESS OF
DECISION MAKING

1. TYPE OF DECISION

Non key.

2. PURPOSE OF REPORT

- 2.1 Tees Valley Unlimited operates as a Local Enterprise Partnership between the constituent local authorities, businesses and other sectors within the Tees Valley region. An Agreement between the five Tees Valley Authorities dated 31st March, 2011, covers the governance of Tees Valley Unlimited. However, that agreement was referenced against a background of the constituent authorities operating executive arrangements and reflected in the composition and membership of the Leadership Board. Following the outcome of the further Referendum held in November, 2012, Hartlepool Borough Council has now moved to a committee system of governance, as provided for under the Localism Act, 2011. This report therefore concerns itself with the process of the decisions taken by the Leadership Board and the Investment Board consistent with this Council's governance arrangements.

3. BACKGROUND

- 3.1 A 'Statement of Ambition' sets out the vision for the Tees Valley area for the next 15 years and progressing the work of the Tees Valley Vision (2002) and the City Region Business Case (2006). That Statement sets out the key priorities and also the key economic regeneration and investment plans for the Tees Valley region and how the constituent local authorities and its partners intend to work with government agencies and the private sector to develop the Tees Valley's 'economic assets and tackle any barriers to growth'. Tees Valley Unlimited is an unincorporated partnership of local authorities, businesses and other sectors acting in unison to support this Statement of Ambition and its supporting investment plan which on

28th October, 2010, was also confirmed by the Secretary of State for Communities and Local Government as a Local Enterprise Partnership.

- 3.2 The constituent local authorities have agreed that the roles and functions of Tees Valley Unlimited will be carried out as part of the following boards;

- (i) A Leadership Board, and
- (ii) An Investment Board.

The Leadership Board comprises five local authority representatives namely the Leader or Elected Mayor of each local authority (substitution allowed). In addition, representation is secured from non-local authority organisations, including those representing the commerce, education and voluntary sectors. The Investment Board comprises the five local authority Chief Executives (substitution allowed) and such other representatives as the parties shall determine.

- 3.3 The Agreement dated 31st March, 2011 between the five local authorities specifically mentions the provisions of Section 101 of the Local Government Act, 1972. This provision concerns itself with the discharge of functions by a local authority through either a Committee, Sub-Committee or an Officer of the authority or by any other local authority. Accordingly, delegations to Officers (subject to any appropriate consultations) can be undertaken by those respective Officers through each Council's scheme of delegation.

4. DECISION MAKING

- 4.1 Those Councils' operating executive arrangements under the Local Government Act, 2000 (as amended by Section 21 and Schedule 2 of the Localism Act, 2011) can through a single Member take executive decisions in line with their own constitutional arrangements. Section 14 of the Local Government Act, 2000 permits an authority operating the Leader and Cabinet or Elected Mayor and Cabinet model of governance to discharge those arrangements either through an individual Executive Member or through a Committee of the Executive or through delegation to an Officer. Those decisions would however need to be undertaken having regard to the requirement set out in the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations, 2012, which obviously has no application to an authority operating a 'committee system'. Furthermore, "call in" arrangements as specified within Section 21 of the Local Government Act, 2000, would similarly have no application to this Council although, Council Procedure Rule 27 allows a potential reference to Council for non-urgent key decisions in specified cases.
- 4.2 In order to record the decisions taken at the Leadership Board and for the same to be duly published and subject to any scrutiny arrangements, a "Executive Leader Decision Record" have been developed through Stockton Borough Council as the 'accountable body' and is appended herewith (**Appendix 1**). This is intended to confirm and therefore administratively

assist the recording of each key decision taken at Leadership Board level as well as reference to decisions taken through the Investment Board and covered within each Councils' scheme of delegation.. Such decisions, if of an 'executive nature', will only become implementable following the expiry of any period of "call in" operated by those respective authorities. For Hartlepool Borough Council operating a Committee system, the authority for such decision making can be sanctioned either by Council or the relevant Policy Committee or through delegation to an officer. In the absence of any requirement to refer matters to Council under the budget/policy framework, such functions would be discharged ordinarily through the Finance and Policy Committee or through a delegation (as described above) provided there is agreement and consultation within that process. A "decision record" comparable with that developed through Stockton Borough Council is therefore appended herewith for the consideration of the Committee (**Appendix 2**). This document attempts to replicate that to be operated by the other authorities operating executive arrangements but recognising this Council's own system of governance.

- 4.3 Decisions taken either through executive arrangements or through a committee based system still need to be in accordance with any requirements for publicity and subject to any necessary scrutiny procedures. The areas of future decision making are likely to be around the following;

- Growing Places Fund Round 2
- City Deal
- Local major transport schemes
- Contract catalyst
- Existing proposed TVU funds
- TVU Investment Plan
- TVU funding prospectus

5. SUMMARY

- 5.1 This report seeks approval to the form of the 'Decision Record' to be referenced to meetings of Tees Valley Unlimited. It has been recognised that there are already deficiencies in the formal reporting mechanisms behind the decisions taken through the Leadership Board particularly where those matters are or tantamount to being "key decisions" and therefore subject to scrutiny under executive arrangements. Although, this Council has a referral mechanism under Council Procedure Rule 27 this relates as mentioned to non-urgent key decisions when conceivably any decision could be open to a scrutiny process under executive arrangements. However, decision making through the Leadership Board is not so much on the principle of expediency, more to ensure a consistent approach by all constituent local authorities is followed. It should be noted, that a proposal to establish Combined Authority for a number of South Yorkshire Council's as recently submitted to the Department for Communities and Local Government noted that their own "Leaders Group" had "no legal powers and rely on delegations from or agreement by their relevant Councils". This

could therefore slow down the implementation of Board decisions as well as creating ambiguity around the decision making process. Such a scenario “makes it more challenging for decisions to be co-ordinated in a way that secures maximum economic and social benefit” (paragraphs 17 and 18 of the proposals submitted for the areas of Barnsley, Doncaster, Rotherham and Sheffield – August, 2013). It is therefore requested that the Committee approve the proposed “Council Leader Decision Record” as appended herewith and that a specific delegation to the Chief Executive Officer is provided for, through consulting with and obtaining the agreement of the Leader of Council.

6. RECOMMENDATIONS

- 6.1 For this Committee to consider this report and make recommendations for the adoption of an approval process based upon the “Council Leader Decision Record” as appended herewith.
- 6.2 In conjunction with the recommendation above, the Chief Executive Officer be given delegated authority subject to consulting with and seeking the agreement of the Leader of the Council where decisions are required at Tees Valley Unlimited

7. REASONS FOR RECOMMENDATIONS

- 7.1 To assist with the better governance of Tees Valley Unlimited.

8. BACKGROUND PAPERS

- 8.1 Joint Agreement for the Governance of Tees Valley Unlimited dated 31 March, 2011.

9. CONTACT OFFICER

Peter Devlin
Chief Solicitor
Tel: 01429 523003
Email: peter.devlin@hartlepool.gov.uk

[] BOROUGH COUNCIL

EXECUTIVE LEADER DECISION RECORD

RESPECTIVE DIRECTORATE RESPONSIBLE FOR IMPLEMENTATION	CORPORATE DIRECTOR:	DECISION NO:
is it a Key Decision? Yes/No	Is the decision in the Forward Plan? Yes/No	Is the item exempt from Publication? Yes/No
IF NOT IN FORWARD PLAN, IS GENERAL EXCEPTION PROCEDURE TO BE APPLIED? Yes/No	IF GENERAL EXCEPTION PROCEDURE NOT TO BE APPLIED, HAS MEMBER CONSENT BEEN OBTAINED IN ACCORDANCE WITH SPECIAL URGENCY PROCEDURE? Yes/No	
THE FOLLOWING DECISION WAS MADE BY THE LEADER OF STOCKTON BOROUGH COUNCIL Leadership Board date: <i>(Leadership Board meeting date to be inserted)</i> Decision Title: <i>(Report title to be inserted)</i> Details of Decision Taken: <i>(Text to be inserted – As set out in Agenda X of the Leadership Board papers)</i>		
REASONS FOR DECISION		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
DATE NOTIFIED TO ALL MEMBERS		
THE DECISION CAN BE IMPLEMENTED FROM (DATE TO BE INCLUDED IF DIFFERENT FROM THE ONE GIVEN BELOW AND THE REASON WHY)		
ANY DISPENSATION GRANTED BY THE COUNCIL'S HEAD OF PAID SERVICE IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST (EXECUTIVE DECISIONS ONLY) OR ANY DISPENSATION GRANTED BY THE COUNCIL'S MONITORING OFFICER IN RESPECT OF NON EXECUTIVE DECISIONS		
SIGNATURE: LEADER	DATE: 	

HARTLEPOOL BOROUGH COUNCIL**COUNCIL LEADER DECISION RECORD**

RESPONSIBLE FOR IMPLEMENTATION	DIRECTOR:	DECISION NO:
is it a Key Decision? Yes/No	Is the decision in the Forward Plan? Yes/No	Is the item exempt from Publication? Yes/No
IF NOT IN FORWARD PLAN, IS GENERAL EXCEPTION PROCEDURE TO BE APPLIED? Yes/No	IF GENERAL EXCEPTION PROCEDURE NOT TO BE APPLIED, HAS MEMBER CONSENT BEEN OBTAINED IN ACCORDANCE WITH SPECIAL URGENCY PROCEDURE? Yes/No	
THE FOLLOWING DECISION WAS MADE BY HARTLEPOOL BOROUGH COUNCIL ON (date) THROUGH (specify) Committee of Council in respect of the following; Leadership Board date: <i>(Leadership Board meeting date to be inserted)</i> Decision Title: <i>(Report title to be inserted)</i> Details of Decision: <i>(Text to be inserted – As set out in Agenda X of the Leadership Board papers)</i>		
REASONS FOR DECISION		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
DATE NOTIFIED TO ALL MEMBERS		
THE DECISION CAN BE IMPLEMENTED FROM (DATE TO BE INCLUDED IF DIFFERENT FROM THE ONE GIVEN BELOW AND THE REASON WHY). (NOTE TO COUNCIL PROCEDURE RULE 27).		
ANY DISPENSATION GRANTED BY THE COUNCIL'S MONITORING OFFICER IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST Yes/No DETAILS:		
SIGNATURE: COUNCIL LEADER	DATE: 	