Public Questions and Responses: Cabinet 15/03/24

Agenda Item 4: Mayor's Update

Question	Response
The total funding available to each IZ is £160m over 10 years (commencing April 2024), with an expectation of 60% match coming from private sector, third sector and local government. Can you explain how you have arrived at the figure that there will be £9.6m of yearly investment from outside bodies?	The 60% private sector match is a government requirement to be eligible for the programme. It is anticipated that this will come from a number of sources.
How much funding will be provided to Teesside University as part of the IZ?	There is no funding automatically provided to Teesside University as part of the IZ process. It is anticipated that the University will bid for a number of different funding streams on a competitive basis.
What areas of digital and technology will you be investing in and have you identified any companies that will receive such investment?	The programme is still at business case production stage and individual companies have not yet been identified. We anticipate that a number of the indigenous Tees Valley businesses will be eligible and will bid for funding.
Can you please provide a copy of the Mayoral Combined Authority framework?	This information can be found here: https://www.gov.uk/government/publications/technical-paper-on-level-4-devolution-framework/technical-paper-on-level-4-devolution-framework
What is the TVM's plan for his new devolved powers if he acquires them?	The new powers obtained through stage 4 devolution will depend on what Tees Valley Combined Authority chooses to request from the Government. That decision has not yet been made because it was not considered appropriate to make those decisions until after the Mayoral election in May 2024.
What will be your new scrutiny protocol for future devolved powers?	When established and having sought approval from Cabinet and the Overview and Scrutiny Committee, any protocol will be published on the Tees Valley Combined Authority website.
Why is the combined authority not seeking Level 4	The new powers obtained through stage 4 devolution will depend on what Tees Valley

devolved powers?	Combined Authority chooses to request from the Government but the intention is that Tees Valley Combined Authority will participate in level 4 devolution. The detailed decisions have not yet been made because it was not considered appropriate to make those decisions until after the Mayoral election in May 2024.
Can you provide a copy of the Scrutiny Protocol Guidance?	This information can be found here: https://www.gov.uk/government/publications/scrutiny-protocol-for-english-institutions-with-devolved-powers/scrutiny-protocol

Agenda Item 5: Tees Valley Review

Question	Response
It is clear from the Tees Valley Review and answers to questions to the STDC board (qs 20 and 46), that Teesworks Ltd would have benefited from any payment arising from the PD Ports dispute. So Mrs Gilhespie's answer on this point, when asked if it was STDC or Teesworks Ltd, was wrong. Given her seniority and involvement in the case it is hard to see this was accidental. Has the authority contacted the judge to put matters right?	The agreement referred to in the Tees Valley Review related to circumstances where Teesworks Limited sold rights over its land. The response provided by Mrs Gilhespie was related to whether STDC would benefit from any granting of rights of access to PDT across STDC's land. These are two different scenarios.
Are you able to advise on why a TVCA board meeting has been cancelled. I find it quite bizarre that this was cancelled given the damning findings of the Ridgewell report about the Freeport. Clandestine activities and zero governance the main conclusions. It appears that no lessons have been learnt. As a member of the senior leadership team any response on this would be greatly appreciated.	The Tees Valley Combined Authority cabinet meeting was initially cancelled at the time of publishing the forward plan due to there being no decisions being noted. Cabinet subsequently determined that the meeting would go ahead to allow the response to the Secretary of State regarding Tees Valley Review to be discussed. Consequently, there has been no cancellation of any cabinet meeting.

Can a procurement report be produced, please? To include how decisions were made on which companies were awarded contracts?	This question requires clarification as to what contracts it relates to. Such information can be requested through Freedom of Information.
To date, please provide the totals of CASH paid by Teesworks (and any related parties) to any public sector body and CASH paid by any public sector to Teesworks (and related parties).	Cash paid by Teesworks Limited (and related parties) to public sector bodies £65m. Cash paid by public bodies to Teesworks Limited (and related parties) £22m
In light of the TVR on governance. Who - constitutionally - decides to cancel a meeting? This meeting specifically?	The meeting wasn't cancelled.
Due to the issues of governance laid out in the Tees Valley Review, will Julie Gilhespie be resigning from any of her current positions held?	All of the positions that are held by Julie Gilhespie are appointments on behalf TVCA and STDC. As part of the governance review currently being undertaken, recommendations relating to potential conflicts of interests will be brought forward.
The Tees Valley review says there will be 2,295 jobs once the Teesworks site is operational. TVCA's own website says the Freeport will create 18,000 jobs in five years. Why is there such a big difference between these two figures?	The 2,295 jobs relates to the 17% of the site that has been contracted. The 18,000 estimate relates to the development of the whole site.
Is Julie Gilhespie aware of her conflicts of interests?	These are potential conflicts of interest and are declared by her through the TVCA and STDC conflicts of interest policy.
Page 95 of the Report states STDC will appoint TQL to ';operate'; the quay once it is built. STDC said it will not do this and it is a property/equity matter. TVCA will partially fund the quay construction. Can TVCA confirm who will operate it and why this entity was selected?	Teesworks Limited will appoint an operator to operate the Quay. This appointment has not yet been made and will be made public once it is.
Who approves the recommendations from the statutory officers working group?	Tees Valley Combined Authority Cabinet

Agenda Item 7: Referral from STDC Board Re-establishment of Site Management Company

Will this wholly owned STDC company be linked to the JV partners? Who will be the director and what will the costs be?	The Site Management Company will be wholly owned by South Tees Development Corporation. STDC Senior Management will be allocated as Directors to this company on behalf of STDC as shareholder. Specific posts will be agreed at the time of establishment. The extent of any relationship with Teesworks Limited is set out in the paper to STDC Board that can be found in Appendix 1 to the paper. The cost estimates have been provided as part of the STDC Board Finance update paper to February 2024 STDC Board which can be found here: https://teesvalley-ca.gov.uk/about/wp-content/uploads/sites/2/2024/02/STDC-29-February-2024-Agenda-Papers.-PUBLIC.pdf.
You have stated the required staff are 'already in place and undertaking the roles. Please can you specify who these people are and what roles they carry out?	We do not provide personal details of individual employees in accordance with GDPR requirements. The roles that are referred to are all operational roles currently working within South Tees Site Company Limited.
Can the cabinet explain why the TVCA instigated a tender process ('STDL-PROC-0078 - Grounds & Facilities Management Services';) with an expression of interest window of 31/01/24 to 01/03/24 with responsibilities that are the same as those outlined in the recommendations for a newly created company at the STDC board meeting of 29/02/24 (See appendices 2 and 3 below)	These tender documents and any other tenders for services on the site are part of the normal site running costs which STDC is responsible for and has been since it took over the site. The TEMCO will be responsible for managing these procured services on behalf of the landlord. The TEMCO will administer the service charges to tenants for these costs in line with Royal Institute of Chartered Surveyors (RICS) guidance.

Can the cabinet explain the similarity in the description of the TEMCo (See Appendix 1 below) and the specification of the tender issued on 31 January 2024 (See Appendices 2 and 3 below) 5. Can the cabinet explain why, two days after the publication of the Tees Valley Review Report on 29 January 2024 and the 28 recommendations for changes in governance outlined by lead reviewer Angie Ridgwell and DLUHC Secretary of State Michael Gove, it was thought appropriate to issue a tender of this nature? Could the cabinet explain the necessity for urgency, when it may have been better to delay the tendering process until Ben Houchen, the TVCA and the STDC had reported back to Michael Gove by the intended deadline of 8 March 2024?	The Tender that has been issued is not for the TEMCO to deliver nor will the TEMCO bid for these services. The TEMCO will be responsible for managing these procured services on behalf of the landlord. The Tender is to ensure the services required to maintain the site are in place for the benefit of all tenants on the site. TEMCO will manage these arrangements on behalf of the landlord.
. TEMCo was first referenced on the agenda for the STDC board meeting on 24 March 2022 without any explanation or context (Item 15 on Page 17, see link below) and again on the agenda for the STDC board meeting on 16 March 2023, again without any explanation or context (Item 13 on Page 38, see link below). Has this company been formed? Please provide links to Companies House page if the response is 'Yes'.	No, this company has not been formed yet.
When was the TEMCo formed, and why was it mentioned in board meetings as long as two years ago without any explanation or contect as to its purpose. Why wasn't this information revealed until 29 February 2024? Did the TEMCo submit a bid for STDL-PROC-0078 - Grounds & Facilities Management Services?	The TEMCO has not been formed yet. Please see answer above regarding the Tender referred to.

Agenda item 9: Transport Programme Update

Did the TVCA approve the business case which you submitted to the Department of Transport prior to April 22?	The £310m first round City Region Sustainable Transport Settlement (CRSTS1) allocation was originally incorporated into the Investment Plan by Cabinet on the 28th January 2022. Tees Valley Combined Authority worked collaboratively with the local authorities and the Department for Transport (DfT) to develop the programme but, importantly, it was a government decision on which projects were included in the programme. As part of this dialogue with the DfT, there was a requirement to submit a programme business case, but there is no constitutional requirement to seek Cabinet approval to submit a business case to government. An update on the process was provided to Cabinet on the 22nd July 2022. The government then agreed the project list and published it on their website and this was reported to Cabinet on the 28th October 2022. Further reports on progress with development of the programme were reported to Cabinet on the 9th December 2022 and the 27th January 2023, and there continue to be on-going updates to all TVCA statutory committees.
At which TVCA meeting was this approved? Please provide date, time, and link to minutes where this was discussed.	There is no constitutional requirement to seek Cabinet approval to submit a business case to government, but importantly it was a government decision on which projects were included in the programme. Tees Valley Combined Authority worked collaboratively with the local authorities and the Department for Transport (DfT) to develop the programme.
Was / is the business case in the public domain or exempt from publication, and if it is / was exempt from publication please provide details to explain this decision?	The programme business case was submitted to government. The government published a delivery plan that lists all the projects (https://www.gov.uk/government/publications/city-region-sustainable-transport-settlements-confirmed-delivery-plans-and-funding-allocations). TVCA provide information on transport projects on the Tees Valley Combined Authority website (https://teesvalley-ca.gov.uk/travel/) and through public/stakeholder engagement as part of project development. The programme business case is available on request.

Please explain in clear detail why you are including the allocation for CRSTS 1 (£310m) within the £978m? It looks to me as if you are double counting, is this the case?	This is not correct. The first round City Region Sustainable Transport Settlement (CRSTS1) allocation is £310m for the period 2022/23 - 2026/27. The CRSTS2 indicative allocation is £978m for the period 2027/28 - 2031/32, although government has said that there may be an opportunity to bring forward some of this funding allocation. There are separate allocations for CRSTS1 and CRSTS2, which together total £1,288m as shown on the government website (https://www.gov.uk/government/publications/city-region-sustainable-transport-settlements-2/network-north-crsts2-indicative-allocations-4-october-2023?fbclid=IwAR0yPSbqOycwkTSWwXFILjS77N6Lm5kQAcbcWB_BNmL9_Xob3cM_PBHvxZg)
Have the projects, outlined in the business case to attract CRSTS1 funding which you submitted prior to April 22, for which you received £310m, been (or are being) delivered as per the submitted business case?	The CRSTS1 funding covers the period 2022/23 - 2026/27 and all projects are on track to be delivered within this period.
Or, have these been shelved in favour of the projects against the(almost) £1bn, if so which projects will you now not deliver? 7. Have you received approval from the Department of Transport that you can deviate from the business case originally submitted?	There are separate allocations for CRSTS1 and CRSTS2. The CRSTS1 programme will be delivered in full and no projects have been removed. On 26th January 2024, Tees Valley Combined Authority Cabinet approved a programme to be delivered using the £978m CRSTS2 allocation. Tees Valley Combined Authority is in dialogue with government following the Cabinet decision to progress the CRSTS2 programme.
How much of the £310m from CSTS1 has already been spent and what was delivered?	CRSTS1 is a five-year funding settlement for the period 2022/23 - 2026/27. There has been a significant amount of work undertaken to date developing the programme and it was always envisaged that delivery would be focussed in 2024/25, 2025/26 and 2026/27. To date, £51.3m of the funding has been spent and this is forecast to increase significantly in the coming years. All projects in the programme are being progressed through the development stages. Projects in delivery to date are improvements to Billingham Station, the second phase of improvements to Middlesbrough Station, improvements to Darlington Station, improvements to Hartlepool Station and digital transport improvements.

Why do you continue to lead us to believe that the whole £978m is ' new' money when it is quite clear that £310m of it is from a previous allocation?	This is not correct. The first round City Region Sustainable Transport Settlement (CRSTS1) allocation is £310m for the period 2022/23 - 2026/27. The CRSTS2 indicative allocation is £978m for the period 2027/28 - 2031/32, although government has said that there may be an opportunity to bring forward some of this funding allocation. There are separate allocations for CRSTS1 and CRSTS2, which together total £1,288m as shown on the government website (https://www.gov.uk/government/publications/city-region-sustainable-transport-settlements-2/network-north-crsts2-indicative-allocations-4-october-2023?fbclid=IwAR0yPSbqOycwkTSWwXFILjS77N6Lm5kQAcbcWB_BNmL9_Xob3cM_PBHvxZg)
Will you be open and transparent with the public regarding the make up of this £978m and be clear that £310m was from a previous allocation and explain, publicly, what was agreed with DoT and why now this has changed?	Tees Valley Combined Authority held a stakeholder engagement event on the proposed CRSTS2 programme prior to the Cabinet meeting on the 26th January 2024 when the programme was approved. The Cabinet report is publicly available on the Tees Valley Combined Authority website. As the CRSTS2 programme develops, Tees Valley Combined Authority will implement a communications plan and there will be a need for targeted engagement/consultation on specific projects. The CRSTS1 delivery plan is unaffected by the CRSTS2 Cabinet decision, and no projects have been removed from the CRSTS1 programme.