

What does the devolution deal mean for the Tees Valley?

The leaders and mayor of the Tees Valley have agreed in principle to an ambitious devolution deal which would bring £450m of additional money into the Tees Valley over the next 30 years and take decision-making powers away from Whitehall and into the area. The deal is focused on driving economic growth and creating up to 14,000 new jobs. Final agreement depends on the support of each of the five local authorities (Darlington, Hartlepool, Middlesbrough, Redcar and Stockton). This summary describes what the deal would mean to the Tees Valley. The full text of the deal is also available.

Governance (paragraphs 1-10 of the full document)

The Chancellor has said clearly that every devolution deal on this scale requires an elected mayor. If the deal is agreed, there will be an elected mayor for the whole area of the Tees Valley and voters will have the opportunity to choose who we want as Mayor.

Alongside the Mayor we are developing a Combined Authority for the Tees Valley. That will not affect the existence of the individual local authorities but it will mean that for certain decisions where it makes sense (in particular economic development, transport, business investment) the local authorities will come together to take a joint decision for the benefit of the whole area.

The Mayor will be part of the Combined Authority and will lead it alongside the leaders of the five local authorities. The Combined Authority will have its own constitution which will set out in detail how it operates. We will develop that constitution in the next few months. What we know already is that in order to use his/her powers the Mayor will need to have the support of the majority of local authority leaders.

We are expecting the Combined Authority to come into being on 1 April 2016 and the first Mayor to be elected in May 2017.

Tees Valley Investment Fund (paragraphs 11-13)

The Government will provide extra funding of £15m a year for 30 years or £450m in total for the Tees Valley as part of the deal. The Combined Authority will be able to spend that money to generate economic growth in the area. In addition, the Combined Authority will also get the power to use the money which Government already spends in the area more flexibly – moving it between years and between services. We will also get to keep the benefits of economic growth and reinvest them in the region, if the income from business rates is higher than it is now. That all means that the Tees Valley Combined Authority will be in a much better position to spend money in ways which will benefit local people as opposed to decisions being taken in Whitehall.

European Funding (paragraph 14)

The Tees Valley Combined Authority will have new powers to make decisions about European funding. That will mean better decision-making based on local knowledge and support for projects which will make a real difference here.

Planning and Housing (paragraphs 15-16)

A new Tees Valley Development Corporation, which is held to account by local leaders, will move quickly to bring surplus land into use for housing and business use. That will mean we will be able to build more of the affordable and aspirational homes that people need across the area.

Transport (paragraphs 17-19)

There are a number of key transport schemes which we need to make it easier for passengers and businesses to move around the region (including widening the A19; a new Tees crossing; improvements to Darlington station; improving east-west connectivity in the area and electrification of the Northallerton-Teesport line). These schemes are major projects which take years to develop. The deal recognises the importance of those schemes and commits the Government to working with Tees Valley to develop detailed business cases.

The deal also puts Tees Valley at the forefront of new proposed arrangements for buses which will mean we can improve services so that people have better access to jobs and can travel more easily around the area.

Business support (paragraphs 20-25)

There are major benefits for businesses in the deal. The devolution of powers on skills funding, education and employment programmes will enable us to focus on the needs of employers now and in the future.

The deal also commits Government to using its resources to provide better support which is more tailored to the needs of Tees Valley businesses. We will work with Government on a joint plan to improve exports in the area and on an event to help inward investment. And the deal puts in place the mechanisms for Government to recognise the Tees Valley's strength in innovation.

Education, Skills and Employment (paragraphs 26-31)

We will move towards full control of funding for adult skills in the Tees Valley within 3 years. That will enable us to focus funding where it is really needed to improve training so that local people have the skills to take up the new jobs being created.

Tees Valley will be in the first phase of area reviews of Further Education to make sure that the sector meets the needs of students and employers. And Government will work in partnership with the Combined Authority leaders to transform education and skills in the region so that young people have the qualifications they need to thrive in the modern world.

Tees Valley will work with the Government to design a future programme for those who are struggling to find work so that those who really need support get the support they need.

Energy and climate change (paragraphs 32-34)

Tees Valley will get support to become a market leader in new technology for heavy industry (Industrial Carbon Capture and Storage). And Government will work with us on the future for Hartlepool Power Station.

Culture (paragraph 35)

We will work with Arts Council England to get a fairer share of the national culture budget and to put the money that comes to Tees Valley to good use.

Evaluation and economic assessment (paragraphs 36-39)

Government requires that we carry out an evaluation every five years of the social and economic impact of the extra funding we are getting to show that it is being well used.

Next steps and Commitments (paragraphs 40-50)

These paragraphs describe the process of implementing the commitments Government and Tees Valley would make as part of this deal. The planning is likely to involve a lot of intensive work over the next few months.

The deal flags the possibility that Tees Valley and the Government may want to do future deals to devolve still further funding and powers to the Tees Valley.