

TVCA Organisational Improvement Plan

Self-Reflective Review by the Chief Executive
February 2026



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1. Purpose

1.1 Tom Bryant, as Tees Valley Combined Authority (TVCA)'s Head of Paid Service, has undertaken a self-reflective review, which is intended to capture a point in time some eight months into the Organisational Improvement Plan's implementation period and since Tom was appointed TVCA Chief Executive on 27 June 2025. This report is intended for the Ministry of Housing, Communities and Local Government (MHCLG) and will be shared more widely for information. This self-reflective review is solely authored by Tom and reflects his personal perspective.

1.2 This self-reflective review presents the Head of Paid Service's reflections on progress against the actions, outcomes achieved and the impact, whilst capturing lessons learned and next steps. It is not a replacement for the Organisational Improvement Plan and Action Plan, but rather a holistic and complementary review of progress to date.

2. Introduction and Context

2.1 On 3 April 2025, TVCA were issued with a Governmental Non-Statutory [Best Value Notice \(BVN\)](#), which highlighted the need for the authority to "identify and implement arrangements to secure continuous improvement". The Notice's concerns related primarily to governance, culture, partnerships and continuous improvement, and required TVCA to develop a "clear, overarching and holistic improvement plan". TVCA fully accepted these recommendations.

2.2 Furthermore, on 15 April 2025, the [external auditor \(EY\) issued a letter](#) based on its 2023/24 completion report outlining statutory recommendations under Section 24, Schedule 7(2) of the Local accountability and Audit Act. It recommended the Authority review the capacity within the Finance Team, reviews its processes around the public inspection period and set out a clear timetable for production of its 2024/25 Statement of Accounts including the Annual Governance Statement. Again, TVCA fully accepted these recommendations, which related to the 2023/24 and 2024/25 financial years.

2.3 In response to both communications and in line with the organisational improvements the recently appointed Chief Executive had already identified as being required, TVCA began a strategic and organisation-wide process of listening, learning and re-setting. This included open engagement with Cabinet, Audit & Governance Committee, Overview & Scrutiny Committee, Transport Committee and senior local authority officers. The initial process involved the commissioning of a series of independent listening workshops facilitated by the Local Government Association (LGA). Following this process the organisation took the time to understand and consider the feedback and subsequently developed a holistic [Organisational Improvement Plan](#) to address concerns raised in both the BVN and External Auditor letter.

2.4 The Plan was approved by [Cabinet on Friday, 27 June 2025](#) and was submitted to Government. At the same meeting a six-person strong [Independent Advisory Board \(IAB\)](#), whose role is to support and challenge TVCA on its improvement journey, was endorsed and subsequently established. This is an expanded version of the LGA board that supported TVCA throughout the implementation of the Tees Valley Review's 28 recommendations.

2.5 The Organisational Improvement Plan is focused on four key themes: Partnerships & Continuous Improvement; Governance; Use of Resources; and Culture. To support the improvement, the organisation set out its strategic priorities, which are:

1. **Rebuild Trust** – Consolidate TVCA as a collective of six authorities, not a single entity.
2. **Strengthen Governance** – Embed effective, transparent and inclusive governance and scrutiny arrangements.
3. **Become a High Performing Organisation** – Address resource challenges, ensuring sufficient capacity and capability with robust processes and systems.
4. **Continuous Improvement** – Foster a reflective, honest and improvement-focused culture.
5. **Secure Further Devolution** – Drive proactive, joined-up long-term planning for additional Devolved powers and responsibilities.

2.6 It should be noted that since the Organisational Improvement Plan was agreed, there have been several changes to senior management, including an entirely new statutory officer team. A new Chief Executive was appointed on the 27 June 2025, who has led on implementing the changes to senior management. An Interim Monitoring Officer and Interim Director of Finance and Resources were appointed on the 25 July 2025. The Interim Monitoring Officer successfully fulfilled the role for six months until he stepped down from the role and was replaced by a new Interim Monitoring Officer at TVCA Cabinet on 30 January 2026. However, the original Interim Monitoring Officer, Jodie Townsend, is being retained in a consultancy role to support the development of the Single Assurance Framework and the review of the Constitution, therefore increasing capacity to deliver governance improvements at pace and maintain continuity. Recruitment has now begun for the permanent Chief Legal & Monitoring Officer and Finance and Resources Director, with panels due to conclude on 27 March 2026 ahead of Cabinet on 24 April 2026.

2.7 Furthermore, a newly created Director of Inward Investment & Marketing, Director of Business Solutions and Director of Infrastructure have all been appointed. Additionally, the Director of Operations has been designated as the lead for Improvement and a dedicated Programme Manager for Improvement has been appointed.

3. Chief Executive's Key Reflections

3.1 The Chief Executive is of the view that the scale and pace of work undertaken to date has been substantial, particularly in terms of ensuring a sound understanding of the financial and risk positions. Integral to the Organisational Improvement Plan is self-awareness. The organisation now has a sound understanding of the scale and nature of challenges and the Chief Executive and new leadership team are committed to driving progress.

3.2 The new dynamic leadership team, includes officers with considerable external experience in senior roles, complemented by the promotion of existing TVCA employees with deep and extensive internal knowledge of the organisation. There is real energy, commitment and passion in this new leadership team to ensure TVCA succeeds.

3.3 It is important to highlight that many of the issues now being addressed, particularly in relation to the external auditor (EY), pre-date the BVN. Whilst, these are not new issues, it is fully acknowledged that they must be resolved, and that sound financial management and the role it plays in ensuring transparency, accountability, and public confidence is fundamental.

3.4 That is why it is so important to embed change by implementing new ways of working into the DNA of the organisation. This new approach is being underpinned by robust governance, sound financial management and efficient processes and systems, to ensure the organisation continues to move forward, and that historic issues are not repeated.

3.5 However, there is a recognition that it has only been eight months since the Organisational Improvement Plan was approved by Cabinet and there is a need to ensure the improvements made to date continue and are embedded. The overarching view is that there has been a positive improvement trajectory, but this needs to continue with vigour and pace to ensure visible and impactful outcomes. The Chief Executive and leadership team are wholly committed to continuing to build upon the work to date and striving for organisational excellence.

4. Executive Summary

4.1 TVCA continues to implement the Organisational Improvement Plan, with continuous improvement, accountability and openness to challenge and support at its heart.

4.2 A substantial amount of work has been completed to date, which is articulated throughout this review. It is important to underline that this is a period of significant change that has required a considerable volume of exploration, planning, prioritising, implementing and adapting. The approach that has been taken is considered appropriate, particularly the initial listening phase, which ensured that the plan recognised feedback from stakeholders. There have been successes and challenges during the process and, importantly, lessons learnt, which have been

considered and provide important context to enable the leadership team and wider organisation to continue to reflect and adapt.

4.3 In some instances, the organisation's assumed baseline position was found to be less advanced than initially understood, particularly in relation to achieving an accurate understanding of the financial position of TVCA and the Mayoral Development Corporations. The financial position of TVCA is now fully understood following a comprehensive review and the draft TVCA Budget for 2026/27 was [approved by](#) Cabinet for consultation on 30 January 2026, with the final budget being considered by Cabinet on 20 March 2026. The [report to Cabinet](#) sets out a balanced budget position for 2026/27. The work that has led to this budget position should not be underestimated and the positive impact of the refreshed budget-setting process will be important for future years. Additionally, the budgets for each of the development corporations will be taken to their respective boards in March 2026.

4.4 Central to the budget review process has been ensuring that identified issues are effectively managed now, lessons are learnt and robust processes are established and embedded for the future.

4.5 In terms of the review and restatement of the financial statements for the 2023/24 and 2024/25 financial years, which pre-date the BVN, this has proven to be a time and capacity consuming task, involving the review and restatement of eight sets of accounts. A further factor has also been that, for TVCA and South Tees Development Corporation (STDC), the financial years in question are those years where complex and high-value arrangements were entered into with private sector and other partners, and there has therefore been a need to obtain additional expert technical advice.

4.6 Progress has been made to review and restate the financial statements, ensuring that appropriate working papers are available to support the financial statements and matters raised by the external auditor (EY) in its draft Auditor Annual Report issued in November 2025, relating to inaccuracies and inconsistencies, are addressed. Seven of the eight sets of accounts were submitted to the external auditor by 19 January 2026 with work on the final set complete, but subject to final internal quality assurance checks.

4.7 On 19 January 2026, EY wrote to say that it would not be issuing its opinion by the statutory backstop, on the basis that it believed that material queries in relation to highly technical accounting issues were still unresolved. However, to issue an audit opinion, the external auditor will also need to conclude its work on value-for-money. Officers have sought further clarification from the external auditor as to what further information will be needed to assist in concluding this work, and have responded to all information requests to date.

4.8 Although the statutory backstop will not be met given the extent of work, TVCA is continuing at pace, working closely with EY to satisfy any further queries raised and to enable the audit process for 2023/24 and 2024/25 to be concluded as soon as practicable. It should be noted that EY has already indicated that they are intending to issue a "disclaimed" audit opinion on the basis that they were unable to conclude their audit procedures.

4.9 The outstanding queries predominantly relate to highly technical accounting issues in relation to the complex arrangements and material transactions undertaken in those years. It is important to note that this does not mean that the accounts are materially wrong and not in line with accounting standards, but that their treatment needs further review. Grant Thornton has been commissioned to provide expert advice in this respect.

4.10 TVCA is confident that a high-quality set of accounts for 2025/26 will be produced by the publication date for the draft accounts of 30 June 2026.

4.11 The comprehensive financial review and engagement with EY have identified other matters, which are being addressed. These primarily relate to:

- **Inconsistencies in the financial plans of TVCA and STDC.** This was identified during the review and those charged with governance were made aware through in-year financial reports. The issue has now been addressed through adjustments to both the TVCA and STDC 2025/26 budgets.
- **Issues with agreements supporting key transactions between entities within the Authority's group.** This issue is in the process of being resolved – loan agreements between TVCA and Teesside International Airport Limited's majority shareholder, Goosepool 2019 Ltd, are already in place and loan agreements between TVCA and STDC are being finalised. The TVCA Cabinet forward plan for 24 April 2026 includes two transparency reports – the first will cover the loan agreements between TVCA and Goosepool 2019 Ltd and the second will cover the loan agreements between TVCA and STDC.
- **Issues with locating proper books and accounting records to support the transactions.** EY has noted in its Audit Progress update report that turnover of staff has been a challenge and factor, but we are working closely with the EY team to establish which books and records it believes have still not been located or provided.
- **The financial sustainability of the three Development Corporations – Hartlepool, Middlesbrough and South Tees.** All three development corporations are working through the budget setting process for 2026/27 and the MTFP period. In the draft TVCA budget presented to Cabinet on 30 January 2026 it was indicated that, at this stage no additional loan funding, beyond that already approved, is proposed for STDC for the 2026/27 financial year. Furthermore, it is not anticipated that the Middlesbrough Development Corporation will require financial support in 2026/27. However, further work is underway in relation to Hartlepool Development Corporation and the provision of financial support to balance their budget is a consideration that will be discussed further with Cabinet ahead of the final budget report on 20 March 2026. Furthermore, an update report on the Middlesbrough and Hartlepool Development Corporations will be presented to Cabinet on 20 March 2026.

4.12 For STDC, the model is underpinned by forecast business rates income arising from developments already operational or under construction. The business rates forecast

underpinning STDC has been reviewed as part of the 2026/27 budget process. The proposed TVCA draft revenue budget for 2026/27, includes interest due from STDC of £14.251m.

4.13 In terms of Teesside International Airport, Goosepool 2019 Ltd is currently not making interest repayments on the loans. The costs of the borrowing have been built into TVCA's draft Medium Term Financial Plan, as presented to Cabinet on 30 January 2026. For context, TVCA holds some fixed and floating charges over land and assets, providing asset backing and income security within the group structure. Teesside International Airport Ltd (TIAL) produced an updated five-year business plan in 2025 that was independently reviewed by KPMG, which demonstrates that the airport is still on track to enter profitability in the coming years.

4.14 The organisation has been open, honest, and transparent on the financial issues that have been identified through reports to [TVCA Cabinet](#), other [TVCA statutory committees](#) and through the Development Corporation governance structures, which has led to public and media attention. A conscious decision was taken to transparently report on the issues as they were identified, which we believe is a major step forward in terms of improvement and transforming the organisation and its culture.

4.15 The Internal Audit Plan for 2025/26 continues to be delivered and the audits completed to date for 2025/26 have generally been positive on the level of assurance. Furthermore, work has been undertaken to close out outstanding actions from previous years' audits, with regular update reports to the Audit & Governance Committee.

4.16 There is proactive approach to risk management working closely with the Audit & Governance Committee and we are developing a strengthened risk management framework aligned to best practice and HM Treasury Orange Book guidance.

4.17 Significant progress has been made in governance activity to drive forward organisational improvement. The new leadership team has established a good working relationship with the Mayor and there is clarity of roles, particularly with the new statutory officers, and mutual understanding of accountabilities. The organisation has strengthened its governance framework through the enhancement of informal governance arrangements with Cabinet, including the introduction of informal Cabinet meetings with a purpose to discuss the forward plan, key decisions and review of draft Cabinet reports. Dedicated Cabinet workshops provide an opportunity for Cabinet members to engage in open and constructive dialogue around the Authority's strategic direction, priorities, and the alignment of these within the budget-setting process. The enhanced governance arrangements mark a step-change in fostering collective ownership of TVCA's vision and ensuring that future decisions are grounded in shared understanding and ambition. It is now essential that we build upon this momentum through continued engagement, using future workshops to deepen strategic alignment, strengthen governance, and ensure that our resources are targeted where they can deliver the greatest impact for the region.

4.18 The role of Cabinet members as portfolio holders has been strengthened with the intention that each portfolio holder leads their area of responsibility, with support from senior officers. Additional responsibilities have been included in the portfolios, for example finance, which marks a step forward in terms of transparency and ownership. The portfolio arrangements need to continue to develop with the aim that portfolio holders take ownership of reports relating to their portfolio in Cabinet meetings. There is also a need to ensure that Cabinet develops a deeper understanding of each individual portfolio. The empowerment of portfolio holders has meant that they have led on the development of strategic priorities, for example through workshop sessions and engagement with staff across TVCA and the constituent local authorities. An example of this new way of working is the development of the new approach to adult skills provision, which was discussed with the Independent Advisory Board at their formal meeting on 16 January 2026. There has been positive feedback from the Cabinet portfolio holder and the FE+ group (a long-standing collaborative partnership of further education (FE) and specialist college principals). A further example is the development of the Get Tees Valley Working Plan, where the collaborative approach taken was described as an exemplar in local partnership delivery by the Department for Work and Pensions.

4.19 TVCA is working closely with the Local Government Association and the constituent local authorities to develop a new External Communications Strategy. Strengthening the role of Cabinet is a key pillar of this new plan and portfolio holders are now frequently quoted in press releases and involved in media engagement. At officer level, a Head of Communications group has been established with TVCA and the constituent local authorities.

4.20 More holistically, TVCA's leadership team have been actively engaging with stakeholders, including MPs and business leaders. The intention is to maximise the impact of the Combined Authority and exploit future joint working opportunities. For example, TVCA is now working closely with all the business representative organisations, ensuring the voice of local business shapes delivery of our strategic priorities. Furthermore, we are now actively working with several MPs, for example on inward investment opportunities, to maximise impact across the Tees Valley. We have also further developed our relationship with Teesside University and FE providers across the Tees Valley.

4.21 The current TVCA Assurance Framework, which sets out how decisions are made and changes are managed, has been fully reviewed. Identified best practice is the development of a Single Assurance Framework (SAF), which will progress to an Accountability Framework in due course. On [12 December 2025, TVCA Cabinet approved](#) the development of a SAF which continues to be led by Jodie Townsend, and will replace the existing Assurance Framework. Tees Valley-specific design principles, which align with the approved Tees Valley strategic fit, have been developed and endorsed and there has been engagement with MHCLG. Further development work is continuing, with consideration of the draft SAF on the Cabinet forward plan for 24 April 2026 and approval of the SAF on for 26 June 2026. The SAF will set out how the

Combined Authority will use public money responsibly, openly and transparently, and achieve best value for money.

4.22 A 12-month Cabinet forward plan for 2026 has been developed collaboratively with Cabinet, providing improved transparency and oversight. A programme of informal engagement is now in place to ensure proper pre-decision engagement, so that Cabinet is involved in the development of strategic priorities and has a sound understanding of the issues in advance of the formal Cabinet meetings. Furthermore, a 12-month forward plan has been developed for all statutory committees to ensure robust work planning.

4.23 A full review of the Constitution is being undertaken, and the fully revised Constitution will be considered by the Audit & Governance and Overview & Scrutiny Committees, and the pre-Cabinet engagement process, in advance of being presented to Cabinet for approval on 26 June 2026. Furthermore, steps are being taken to ensure that there is a full understanding of Mayoral powers, particularly given the new English Devolution Bill, and transparency on the process for Mayoral decision-making, how it is reported and how the Mayor is held to account.

4.24 The recruitment process for the permanent Chief Legal & Monitoring Officer and Finance & Resources Director is underway. The appointment to both senior roles is scheduled into the Cabinet forward plan for the 24 April 2026. Furthermore, interim arrangements are in place to ensure sufficient capacity and capability in the Finance, Legal & Governance teams. Permanent team structures for these teams have been finalised and there is a structured plan in place to transition from the interim arrangements and recruit to the vacant permanent posts.

4.25 Progress has been made in terms of internal communications. The Chief Executive has implemented numerous changes to increase two-way engagement, strengthen visibility and relationships between staff and senior leaders. Work has taken place to understand what staff think through staff surveys and follow-up focus groups, which is informing the development of a workforce development strategy. This strategy will set out a new strategic approach to ways of working to ensure organisational efficiency and a high performing, supported workforce.

4.26 TVCA is committed to starting the process to take part in an LGA peer review in 2026 and has begun scoping with the LGA to develop a roadmap considering the recommended lead in period is circa nine months.

5. Insights from Engagement

5.1 To continue to embed a culture of openness, engagement and feedback, members and key stakeholders were invited to a second series of workshops during January and February 2026, building on the initial sessions in April and May 2025. This was to review the baseline information used to develop the Improvement Plan, explore the current position, and define any additional actions to support ongoing continuous improvement.

5.2 Insights from these workshops have been factored into this self-reflective review. The feedback will be used to support the continuous improvement of the organisation and its culture.

6. Progress by Theme

This section sets out the progress that has been made since the Improvement Plan and related Action Plan were agreed by Cabinet on 27 June 2025. The progress update is aligned with the key, overarching themes of the Plan, however, naturally, there is some interconnectivity between these themes and related actions.

6.1 Use of Resources

6.1.1 A risk-based approach has been taken to ensure that the highest risk items have been dealt with as a priority.

6.1.2 There is now a portfolio holder for Inward Investment, Finance and Housing. Previously there was no portfolio holder for finance, and the change has been implemented following a refresh of the Cabinet portfolio responsibilities. Regular meetings are held between the Interim Finance & Resources Director (Section 73) and the portfolio holder. Furthermore, the constituent Local Authority Section 151 Officers and Monitoring Officers are engaged on reports in advance of Cabinet meetings with the opportunity to provide input and challenge. The Interim Director of Finance & Resources has regularly engaged with Cabinet to develop an improved understanding of the financial position.

Establishing the Financial Position

6.1.3 The priority area of focus has been to establish the financial position for TVCA and the Group. Significant work has been undertaken to fully establish the financial position of TVCA and the Mayoral Development Corporations (MDCs). This work has been essential to determine the baseline position, to implement robust budget setting across the organisation and to inform decision-making.

6.1.4 Importantly, this work has provided a comprehensive and accurate picture of income, expenditure, commercial arrangements, the lending position, assets and liabilities, ensuring a comprehensive understanding of financial risks.

6.1.5 The financial position of TVCA is now fully understood and the draft TVCA Budget for 2026/27 was approved by Cabinet for consultation on 30 January 2026, with the final budget being considered by Cabinet on 20 March 2026. The [report to Cabinet](#) sets out a balanced budget position for 2026/27. The work that has led to this budget position should not be underestimated and the positive impact of the refreshed budget-setting process will be important for future years.

Teesside International Airport

6.1.6 TVCA has made loans to Goosepool 2019 Ltd, the majority shareholder of Teesside International Airport Ltd (TIAL), which operates the airport. It is owned 75% by TVCA and 25% by the Teesside Airport Foundation. These loans enabled the purchase of Teesside International Airport and investment to deliver the Business Plan. This strategic acquisition was to facilitate agreed policy objectives around regional regeneration and job creation, and the loans were approved by Cabinet at the time.

6.1.7 The costs of the borrowing for Goosepool 2019 Ltd have been built into TVCA's draft Medium Term Financial Plan, as presented to Cabinet on 30 January 2026. Interest receivable from Goosepool 2019 Ltd was not included in the approved TVCA budget for 2025/26, but is being accrued as payable by Goosepool 2019 Ltd, although Goosepool 2019 Ltd is not currently making cash payments. A doubtful debt provision for the full amount of interest receivable in the 2026/27 budget and Medium-Term Financial Plan (MTFP) has been made adopting a prudent approach to budgeting.

6.1.8 TVCA has continued to meet all its external borrowing obligations, including PWLB repayments, and has access to appropriate borrowing facilities to manage liquidity, which is monitored as part of its Treasury Management activities. TVCA holds some fixed and floating charges over land and assets, providing asset backing and income security within the group structure.

6.1.9 TIAL produced an updated five-year business plan in 2025, that was independently reviewed by KPMG, which demonstrates that the airport is still on track to enter profitability in the coming years.

South Tees Development Corporation

6.1.10 TVCA has made loans to STDC to facilitate agreed policy objectives around strategic regeneration and job creation, which were approved through TVCA's governance processes at the time.

6.1.11 The STDC model is underpinned by forecast business rates income arising from developments already operational or under construction, consistent with common practice for large-scale, income funded, public sector regeneration vehicles.

6.1.12 The business rates forecast underpinning STDC has been reviewed as part of the 2026/27 budget process. This has factored in developments already operational or under construction. The proposed TVCA draft revenue budget for 2026/27, includes interest due from STDC of £14.251m.

6.1.13 The positive impacts of the improvement work related to the use of resources theme are:

- TVCA and the MDCs now have a robust understanding of the financial position.
- TVCA Cabinet has approved a draft balanced budget for 2026/27.

- The MDCs are finalising their budget positions and will be reporting to Boards in March 2026.
- Transparency in conversations and reporting to and between TVCA Cabinet, statutory committees and MDC Boards.
- Ensuring Cabinet and the MDC Boards have a full understanding of the options and implications when making decisions on investment priorities and resource allocation.
- Ensuring a clear alignment between financial planning and strategic objectives.
- Ensuring compliance with statutory duties and financial regulations.
- Reinforcing internal controls and accountability mechanisms.

External audit progress – 2023/24 and 2024/25

6.1.14 TVCA is working closely with the external auditor (EY) to conclude the 2023/24 and 2024/25 external audit process, which pre-date the BVN, to enable the accounts to be signed by the Interim Finance & Resources Director (Section 73 Officer) and for the external auditor to issue their disclaimed audit opinion.

6.1.15 The review and restatement of draft accounts is required for both the 2023/24 and 2024/25 financial years and for all four groups entities: Tees Valley Combined Authority; Hartlepool Development Corporation; Middlesbrough Development Corporation; and South Tees Development Corporation.

6.1.16 Significant progress has been made to review and restate all accounts and to ensure that appropriate working papers are available to support the financial statements. A comprehensive, integrated workbook has been developed to underpin the production of the final accounts, and this workbook clearly tracks all adjustments made to the draft accounts published on 30 June 2025. It also includes control and integrity checks to ensure accuracy and consistency of amounts reflected in the accounts. Working papers have been submitted to support adjustments made to date, but EY has also requested a comprehensive explanatory note setting out the rationale for all adjustments. This will be provided alongside the final accounts.

6.1.17 The review and revision of the financial statements have been undertaken against the backdrop of the external auditor's statutory recommendations in relation to the capacity and capabilities of the existing finance team and subsequent changes in key finance personnel. Furthermore, finance systems had not been appropriately configured and maintained with accounting and record keeping being spreadsheet-based, with EY raising the matter in relation to incomplete and inaccurate working papers.

6.1.18 Therefore, the project has required detailed forensic accounting processes and collation of various key records to establish, in the first place, the transactions that did and/or should have been accounted for in the financial years in question.

6.1.19 It was originally intended that the review process and accounts restatement would be concluded by 27 November 2025 with revised draft financial statements being sent to the external auditors in the first week in December 2025 to meet the statutory backstop date.

However, due to the extent of work this timeframe moved back. Seven of the eight sets of accounts were submitted to the external auditor by 19 January 2026 with work on the final set complete, but subject to final internal quality assurance checks.

6.1.20 While there was still further due diligence and review work that was required to ensure that the S73 Officer was satisfied that they represented a “true and fair” view of the financial position, it was anticipated that this would continue to be carried out while EY undertook its necessary work to issue their “disclaimed” audit opinion, in order to try to meet the backstop date.

6.1.21 It should be noted that EY has already indicated that it is intending to issue a “disclaimed” audit opinion on the basis that they were “unable to conclude their audit procedures”.

6.1.22 On 19 January 2026, EY wrote to the Chief Executive, in his role as engagement partner for the audits, to say that an initial review of the accounts had indicated that some of the material queries that had previously been raised did not seem to have been addressed. Therefore, he was not anticipating issuing his disclaimed audit opinion by the statutory backstop, as EY is unable to complete its procedures until the Authority is satisfied that the accounts present a true and fair position.

6.1.23 Since then, senior officers have had various meetings with EY to jointly agree a way forward to resolve any outstanding queries relating to material matters.

6.1.24 The queries predominantly relate to highly technical accounting issues in relation to the complex arrangements and material transactions undertaken in those years. This does not necessarily mean that the accounts are materially wrong, but additional technical assessment and support is needed by TVCA to ensure compliance with accounting standards.

6.1.25 The outstanding queries on material transactions relate to arrangements which are either unique or encountered infrequently in the public sector. Following the recent discussions, it has been agreed that the Authority should obtain further specialist advice to ensure that the accounting is compliant with relevant accounting standards and this work has now been commissioned.

6.1.26 Some of the adjustments required relate to the 2023/24 year-end as well as 2024/25, so that the interim S73 Officer can sign both sets of accounts and final audit opinions to be issued. There will also be prior-year adjustments in relation to the comparatives and opening balances in respect of 2022/23. These accounts have been signed and a disclaimed audit opinion issued. Group accounts will also need to be prepared, but the consolidation will only take place once confirmation is received that EY is satisfied that its queries have been resolved on the single entity accounts.

6.1.27 Although the statutory backstop will not be met, work is continuing at pace to work closely with EY to satisfy its queries raised and to enable the audit process to be concluded as soon as practicable.

6.1.28 Set out below are some examples of the technical matters that have been queried by the external auditor and require further consideration and specialist, independent technical advice:

- Lease wrap arrangements – calculation of effective interest rates, lease valuations taking account of break clauses and inflation, re-calculation of Fair Value.
- Valuation of TVCA's investment in the Teesworks site, particularly with the change of ownership share.
- Implementation of IFRS16 – applicable from 2024/25.
- Credit loss calculations on loans, specifically Airport and Steel River Quay.
- Consideration of MRP policy and whether the approach is prudent and in line with the auditor's interpretation of the Prudential Code.
- Group consolidation boundaries, treatment of Airport goodwill and consolidation of South Tees Site Company employee trust.

6.1.29 There are other matters being worked through with EY, but any adjustments required would not have a material impact on the accounts.

6.1.30 While there is no legal requirement to recommence a public inspection period, the external auditor has advised that, when the S73 Officer is in a position to sign those accounts as giving a true and fair view and the auditors are satisfied that queries in relation to material matters have been resolved, consideration should be given to whether commencing a further period of public inspection is required for transparency, due to the extent of the changes that have been made.

6.1.31 On 10 February 2026, the S73 Officer received notification from the external auditor that it would be providing an audit update report. As required, under the NAO Code of Practice, EY issued its draft Auditor's Annual Reports (AAR), including value for money (VfM) narrative, in November 2025 for TVCA's constituent organisations.

6.1.32 The draft Annual Governance Statements (AGS) are also in the process of being reviewed and updated. In addition to conclusion of the audit of the financial statements, EY will also need to conclude their VfM work and review of the final AGS before issuing their disclaimed opinion.

6.1.33 The comprehensive budget review and engagement with the external auditor have identified other matters which are being addressed. These primarily relate to:

- **Inconsistencies in the financial plans of TVCA and STDC.** This was identified during the review and those charged with governance were made aware through in-year financial reports. The issue has now been addressed through adjustments to both the TVCA and STDC 2025/26 budgets.
- **Issues with agreements supporting key transactions between entities within the Authority's group.** This issue is in the process of being resolved – loan agreements between TVCA and Teesside International Airport Limited's majority shareholder, Goosepool 2019 Ltd, are already in place and loan agreements between TVCA and STDC are being finalised. The TVCA Cabinet forward plan for 24 April 2026 includes two transparency reports – the first will cover the loan agreements between TVCA and

Goosepool 2019 Ltd and the second will cover the loan agreements between TVCA & STDC.

- **Issues with locating proper books and accounting records to support the transactions.** EY noted in its Audit Progress update report that turnover of staff has been a challenge and factor, but we are working closely with the EY team to establish which books and records it believes have still not been located or provided.
- **The financial sustainability of the three Development Corporations – Hartlepool, Middlesbrough and South Tees.** All three development corporations are working through the budget setting process for 2026/27 and the MTFP period. In the draft TVCA budget presented to Cabinet on 30 January 2026 it was indicated that, at this stage no additional loan funding, beyond that already approved, is proposed for STDC for the 2026/27 financial year. Furthermore, it is not anticipated that the Middlesbrough Development Corporation will require financial support in 2026/27. However, further work is underway in relation to Hartlepool Development Corporation and the provision of financial support to balance their budget is a consideration that will be discussed further with Cabinet ahead of the final budget report on 20 March 2026. Furthermore, an update report on the Middlesbrough and Hartlepool Development Corporations will be presented to Cabinet on 20 March 2026.

6.1.33a Action taken:

- Significant progress has been made to review and restate the TVCA and three development corporations' 2023/24 and 2024/25 accounts and to ensure that appropriate working papers are available to support the financial statements.
- Close working with the external auditor (EY) and senior officers in regular dialogue with EY to jointly agree a way forward to resolve the outstanding queries relating to material matters.
- Close engagement and transparent reporting to the TVCA Audit & Governance Committee to ensure they are kept up to date with progress.

6.1.33b Next steps:

- Work will continue at pace with the external auditor to satisfy their queries raised and to enable the audit process for 2023/24 and 2024/25 to be concluded as soon as practicable.
- Ensure that TVCA and the development corporations produce a high-quality set of accounts by the publication date for the draft accounts of 30 June 2026.

Core Processes

6.1.34 A large programme of work has been undertaken to strengthen finance processes and procedures, particularly in reducing historical inefficiencies and improving system reliability. Previously, finance processes were hindered by underutilisation of core system functionality and an over-reliance on manual Excel spreadsheet workbooks, which limited the ability to produce timely, accurate financial information.

6.1.35 The programme has delivered tangible improvement, including better system integration, enhanced reporting capabilities, and more consistent use of standard financial processes with clear next steps defined. Improved Treasury and Cash Management systems are now in place and are being embedded. A financial processes progress tracker has been shared with the Independent Advisory Board.

6.1.35a Action taken:

- Review of finance processes complete.
- Process owners assigned.
- Dedicated resource within the Finance team to lead on the implementation of process improvement and ensure it is embedded.
- The Local Government Association (LGA) has been engaged to provide additional support and challenge on key process improvements.
- New budget setting process implemented for 2025/26.

6.1.35b Next steps:

- Continue to implement the programme of process improvements and ensure that they are embedded across the organisation.

Finance System

6.1.36 There has been substantive work undertaken to ensure that the finance system operates effectively. While the existing finance system (Agresso) provides the required functionality, it had not been fully utilised previously and did not have the right structure in place to meet requirements. For example, budgets had not been maintained in the finance system and there was an over-reliance on Excel worksheets. In addition, it was primarily used to facilitate payment and receipts, and the chart of accounts was underdeveloped and inconsistently applied. There was little housekeeping /corrective action to reconcile/cleanse the financial system, the Group entities were not maintained in the system and standard reports were not developed.

6.1.36a Action taken:

- The system is now being better utilised to ensure financial oversight and reporting with a dedicated system administration resource to oversee consistent use and further development.

6.1.36b Next steps:

The following actions are on track to be completed by the end of March 2026:

- Conclude review of the chart of accounts.
- Expansion of account codes to ensure detailed data capture.
- Cleansing of redundant account codes.
- Formalisation of the use of project codes.

- Adoption of analysis codes to provide drill down information.
- Eight-tier account code hierarchy to provide summary information in line with CIPFA standard subjective analysis.
- Cost centre structure to enable reporting at a detailed level aligned with Directorates.
- Development of capital budget codes to facilitate reporting at a programme and project level.
- Regular 'housekeeping' exercises as part of a formal month-end closedown.

Finance Team Structure

6.1.37 EY has raised concerns around both the capacity and capability in the Finance team. The Interim Finance & Resources Director was appointed in July 2025 and undertook an immediate review of the short-term requirements. This review concluded that the existing team was small and flat in structure, with no separation of the three key elements of a full finance function:

- Financial management
- Financial accounting & reporting
- Treasury management

6.1.38 Additionally, the skillset and experience of team members were not necessarily aligned with activity being undertaken.

6.1.39 An interim structure has been established, and interim resource has been secured to ensure that the team is fit for purpose in the short-term. This interim structure has been designed to undertake the full financial review and implement the improvements needed. There will then be a managed transition to the permanent structure and recruitment to the vacant permanent posts.

6.1.39a Action taken:

- Staff are now assigned to one of the three functions, improving clarity and accountability.
- Additional specialist support has been brought in where necessary, with resources added on a controlled, as needed basis.
- Dedicated resource aligned to finance processes and improvements.
- Recruitment process for permanent Finance & Resources Director underway.

6.1.39b Next steps:

- Conclude the recruitment of the Finance & Resources Director post, scheduled for Cabinet approval on 24 April 2026.
- Transition from the interim finance arrangements and commence the recruitment of the vacant permanent finance posts by spring 2026.

Organisational Finance Culture

6.1.40 Significant work has been undertaken to ensure closer collaboration between the Finance team and service delivery teams. This is important in ensuring that service delivery teams have improved budget information, enabling them to better manage delivery and understand risk. It has also improved the quality of financial information, ensuring accurate and timely reporting.

6.1.40a Action taken:

- Organisational budget reporting now split down to Directorate level.
- Improved processes now in place ensuring that Directors have improved and timely budget information.
- Directors and Heads of Service fully integrated into budget-setting process.
- Corporate accountant attending Executive Leadership Team meetings.
- Finance team working more collaboratively with Heads of Service and budget managers to ensure robust financial management.

6.1.40b Next steps:

- Ongoing work to continue to improve and build on collaborative working between the Finance team and service delivery teams.
- Ensuring that the new way of working is embedded across the organisation in a consistent manner.

Ensuring Political Understanding & Oversight of Financial Position

6.1.41 There has been a sustained effort to ensure TVCA Cabinet fully understand the budget position and financial risks. There has also been a commitment to transparency with all issues emerging from the financial review being transparently reported to TVCA Cabinet and other statutory committees.

6.1.41a Action taken:

- Finance is now included as a TVCA Cabinet portfolio responsibility.
- Informal engagement with TVCA Cabinet, including budget workshops, to improve understanding and ensure Cabinet can challenge and inform budget development for 2026/27 and beyond.
- Empowering portfolio holders to lead their portfolios and closer engagement in the development of proposals, to help ensure that Cabinet fully understand the options and implications of decisions.
- Working closely with the Overview & Scrutiny Committee, specifically on the draft budget consultation.
- Working closely with the Audit & Governance Committee, specifically on the work with EY.

6.1.41b Next steps:

- Continue to work closely with the portfolio holder for finance and Cabinet to ensure that they have an on-going understanding of the budget position and financial risks.
- Continue working with Cabinet on the budget setting process ensuring open and transparent discussions.
- Ensure thorough engagement in advance of all Cabinet decisions to ensure Members have a full understanding when making decisions.

Procurement

6.1.42 The procurement function sits within the Finance and Resources Directorate, and while there are no specific procurement-related actions within the Organisational Improvement Plan there have been marked improvements in this area.

6.1.42a Action taken:

- Embraced and embedded the requirements of the Procurement Act 2023, which came into effect in February 2025.
- All procurement staff fully trained with regards to the Act via Crown Commercial College (Advanced Practitioner level for all).
- Utilised changes to procurement pathways from the Act. These new routes to market allow greater strategic flexibility, stronger competition and better value for money, support economic growth and local SME participation, allow more agile delivery for complex programmes and improve transparency and clarity.
- Training for all entities within TVCA Group has taken place to ensure the benefits and requirements of the Act are embedded.
- Pre Tender Market Engagement (PTME) has been strongly encouraged and has been embraced by project teams. PTME will allow better preparation of procurements by understanding the market, shaping requirements, and designing procedures that are proportionate and effective. PTME will support TVCA in tailoring flexible procurement procedures and attracting new entrants, while ensuring the process remains fair and non-distortive.
- Tailoring the social value calculator to reflect procurement specific supplier abilities and skills. This has allowed more accurate, meaningful social value delivery, improved competition and fairness (removing barriers for and helping SMEs), higher quality outcomes, stronger contract management and performance tracking and better alignment with strategic priorities.
- Transferred to a new e-procurement portal which has improved technology and enhanced monitoring. This has allowed stronger governance and compliance, better visibility and performance monitoring, improved user experience, increase efficiency and automation, better data quality and integration and future proofing and scalability.

6.2 Governance

6.2.1 The focus of this workstream has been to ensure consistent, robust and transparent governance. The following overview outlines the progress made to date in improving governance with a focus on best practice. It articulates the priority areas that have been identified, the improvements achieved so far, and the next steps that will continue to deliver effective governance that supports the organisation to achieve excellence.

Governance Structure and Delegations

6.2.2 Key to organisational improvement is ensuring that the TVCA governance framework remains fit for purpose by reflecting current legislation, best practice and operational requirements. Furthermore, the Constitution needs to be updated to ensure clarity around decision-making processes, strengthen accountability and transparency, and support effective collaboration between the Mayor, Cabinet, and stakeholders in delivering strategic priorities for Tees Valley.

Review of the Assurance Framework

6.2.3 All Mayoral Combined Authorities are required to maintain an Assurance Framework to ensure robust governance, accountability, and transparency in the delivery of devolved funds. Since its creation, the Combined Authority has operated under an Assurance Framework that governs how decisions on funding and investment are made.

6.2.4 The Best Value Notice highlighted concerns in the organisation's governance arrangements. The subsequently produced Organisational Improvement Plan agreed by Cabinet includes a commitment to undertake a comprehensive review of the TVCA Assurance Framework. Best practice centres around the development of a Single Assurance Framework (SAF), which will enable the Combined Authority to introduce a new approach to decision-making.

6.2.5 The English Devolution Accountability Framework (EDAF) explicitly requires Combined Authorities to develop a SAF as part of their governance and accountability arrangements. EDAF sets out the mandatory accountability and governance standards for all institutions exercising devolved powers, including Mayoral Combined Authorities.

6.2.6 An assessment of the existing Assurance Framework concluded that:

- It needs redesign to meet evolving national requirements and does not align with best practice approaches.
- Engagement with key staff has highlighted opportunities to strengthen the existing Assurance Framework, particularly in achieving greater consistency in project initiation, business case development, and subsequent consideration and approval.

Enhancing these areas will ensure value for money and maximise the delivery of intended benefits across programmes and projects.

- A SAF provides an opportunity to reflect the uniqueness of the Tees Valley set-up of Mayoral Development Corporations.

6.2.7 The key issue highlighted by the previous Interim Monitoring Officer is that the existing Assurance Framework does not require political approval of business cases to ensure that developed business cases are in alignment with previously agreed Cabinet direction.

6.2.7a Actions taken:

- Previous Interim Monitoring Officer has completed review of the existing Assurance Framework.
- Engaged with MHCLG to align design principles.
- Cabinet has endorsed the approach and design principles for the development of a SAF on [12 December 2025](#)
- Audit & Governance committee considered the design principles on 20 February 2026.

6.2.7b Next steps:

- Internal TVCA working group to drive development of content is progressing this work and ensuring alignment across the organisation.
- Draft SAF to be presented to Cabinet on 24 April 2026, it will then be submitted to MHCLG for review, and the final SAF will be presented to Cabinet on 26 June 2026.

Constitution Review

6.2.8 The full review of the Constitution is central to driving governance improvements as it provides the legal and governance framework that underpins all decision-making and resource allocation.

6.2.9 The Organisational Improvement Plan acknowledges that the current Tees Valley Combined Authority Constitution requires a comprehensive review and enhancement to better reflect best practice and support future organisational needs.

6.2.10 The assessment of the Constitution has identified several areas for improvement to enhance its clarity, accessibility, and alignment with best practice, including:

- Simplifying technical language and structure to improve stakeholder and public understanding.
- Introducing articles to clearly define foundational principles, and clarifying roles and responsibilities between the Mayor, Cabinet, and decision-making processes.
- Providing greater definition around accountability for devolved functions.
- The overall structure would benefit from reordering to reflect recognised standards in constitutional design.

6.2.11 An iterative approach to Constitutional improvement is both necessary and beneficial in the current context. The Constitution underpins the Combined Authority's governance framework and must remain fit for purpose, legally compliant, and operationally effective.

6.2.12 Immediate improvement requirements have been implemented to support effective decision-making, which has provided clarity on:

- Decision-making principles and how they should be applied
- The definition of a key-decision
- The scrutiny call-in process
- Officer delegations
- Contract Procedure Rules
- Managing unreasonable public behaviour

6.2.12a Actions taken:

- A report presented to [Cabinet on 12 December 2026](#) proposed some immediate enhancements to the existing Constitution to address identified priority areas relating to the Organisational Improvement Plan.
- This report to Cabinet included a structure for a fully revised Constitution.
- At the same meeting, Cabinet considered and approved the decision-making principles and approved in principle the Public Code of Conduct, subject to review by the Audit and Governance Committee.
- Audit & Governance Committee reviewed the proposed Constitutional amendments at its meeting on 20 February 2026.

6.2.12b Next steps:

- Complete the Constitution review and draft the amendments.
- The fully revised Constitution will be considered by the Audit & Governance and Overview & Scrutiny Committees and the pre-Cabinet engagement process, in advance of being presented to Cabinet for approval on 26 June 2026.

Mayoral Powers

6.2.13 The new leadership team has established a good working relationship with the Mayor and there is clarity of roles, particularly with the new statutory officers, and mutual understanding of accountabilities. Under the devolution framework some powers are specifically designated to the Mayor, rather than the Combined Authority. It is therefore the Mayor and not Cabinet that is the decision maker. There is a need to ensure clarity on the process for Mayoral decision-making and transparency on the decisions made to ensure accountability.

6.2.13a Action taken:

- Steps are being taken to ensure that there is a full understanding of Mayoral powers, particularly given the new English Devolution Bill, and transparency on the process for Mayoral decision making, how it is reported and how the Mayor is held to account.

6.2.13b Next steps

- The TVCA Constitution will be amended at an appropriate point to reflect the new Mayoral powers and provide clarity on the decision-making process.

Empowering Cabinet

6.2.14 At the initial listening workshop, hosted by the LGA on [12 May 2025](#) there was a consensus from Cabinet that TVCA must become more politically led and collaborative. While recognising the Mayor's distinct role, the need for clearer roles for portfolio leads, stronger political engagement in decision-making, and better support and advice to politicians from officers, including advice from TVCA statutory officers, was highlighted.

6.2.14a Action taken:

- Extended the scope of portfolio holder responsibilities.
- Strengthened the portfolio holder role so that portfolio holders lead their portfolio, shape and influence strategic priorities, supported by senior officers.
- Implementation of informal Cabinet meetings to develop a forward plan of decisions and ensure Cabinet members have early sight of Cabinet reports.
- Implementation of Cabinet workshop sessions for in-depth discussion and challenge in advance of decision-making, which have included discussions on the budget and strategic priorities.

6.2.14b Next steps:

- Continue to ensure portfolio holders and Cabinet are fully supported and engaged in advance of decision-making.
- Improve the collective understanding of strategic priorities across all portfolios.

Strategic Planning

6.2.15 Steps have been taken to improve strategic planning and ensure Cabinet has early sight of decisions. Furthermore, strategic work programmes have been developed for the other statutory committees to ensure effectiveness. Informal governance arrangements have been put in place to support early engagement and a collaborative approach to the development of work programmes.

6.2.15a Action taken:

- 12-month forward plan has been developed in collaboration with Cabinet.

- 12-month forward plan developed for Overview & Scrutiny Committee and Audit & Governance Committee.
- Overview & Scrutiny Improvement Plan and Work Programme developed and approved by the Committee on 19 November 2025.
- Audit & Governance Committee work programme and enhancement plan agreed by the committee on 27 November 2025.
- Collaborative approach implemented to the development of strategic priorities in advance of Cabinet decisions, led by the portfolio holder and involving key stakeholders. Examples of positive feedback on the new collaborative approach from both portfolio holders and stakeholders, for instance the development of the new approach to adult skills provision and the development of the Get Tees Valley Working Plan, where the collaborative approach taken was described as an exemplar in local partnership delivery by the Department for Work and Pensions.
- New committee report development process implemented, with pre-committee engagement.

6.2.15b Next steps:

- Continue exploration and subsequent implementation of a system, such as Modern.gov, to support with the committee processes and report development.
- Continue to embed the new way of working to ensure robust strategic planning for all committees and informal engagement in advance of meetings.

Internal Audit

6.2.16 The Internal Audit Plan for 2025/26 continues to be delivered with key members of staff from both TVCA and the Internal Auditor (TIAA). The Plan was informed through a risk-based approach reflecting the Best Value Notice, Organisational Improvement Plan, corporate risk register, strategic priorities, organisational change, and intelligence from management and other assurance providers. The audits completed to date for 2025/26 have generally been positive on the level of assurance. Furthermore, work has been undertaken to close out outstanding actions from previous year's audits, with regular update reports to the Audit & Governance Committee.

6.2.16a Action taken:

- Work undertaken to close out outstanding actions from previous year's audits.
- Risk based approach taken to develop the 2025/26 Internal Audit Plan and delivery on-going.

6.2.16b Next steps:

- Ensure the 2025/26 Internal Audit Plan is delivered.
- Ensure future Internal Audit Plans are aligned to the Organisational Improvement Plan and are used to test areas of improvement and ensure that they are embedded.

Risk

6.2.17 The Authority actively manages risk working closely with the Audit & Governance Committee. The Corporate Risk Register is regularly presented to the Committee, with the latest update presented at its 20 February 2026 meeting.

6.2.18 To support effective oversight and assurance, the Authority is in the process of strengthening its risk management framework to provide differentiation between:

- principal strategic risks requiring Member and statutory officer oversight
- risks managed through senior management operational control
- risks managed at programme and grant delivery level.

6.2.19 These improvements will reflect a revised three-tier risk framework, aligned to best practice and HM Treasury Orange Book guidance.

6.2.19a Actions taken:

- Proactive risk management working closely with the Audit & Governance Committee.

6.2.19b Next steps:

- Develop and embed strengthened risk management framework aligned to best practice and HM Treasury Orange Book guidance.

Legal & Governance Team Structure

6.2.20 A review of the Legal and Governance teams has been undertaken to ensure that there is appropriate capacity and capability to oversee the current areas of business, but it has also taken into consideration new responsibilities and powers set out in the English Devolution Bill.

6.2.21 The review also considered the previous over reliance on external legal advice. A new legal and governance structure has been implemented, which has strengthened internal capacity, expertise and resilience. The approach has included bringing in interim legal resources targeted to specific skillsets and business needs, while reshaping responsibilities within the legal team to adopt a business partner model that better supports directorates and is aligned to strategic priorities.

6.2.22 Additionally, the review has separated Information Governance from the wider Governance function to provide clearer accountability and focus. This comprehensive review has ensured that the Legal and Governance team is aligned with statutory obligations, best practice, and future operational requirements, while improving efficiency, compliance, and service delivery.

6.2.22a Actions taken:

- New Legal & Governance team structure implemented.

- Additional interim resources brought in, improving the level of internal expertise and reducing over reliance on external legal support.
- New approach to Information Governance implemented with dedicated team.
- Recruitment process to recruit permanent Chief Legal & Monitoring Officer underway.

6.2.22b Next steps:

- Conclude recruitment for permanent Chief Legal and Monitoring Officer, scheduled for Cabinet approval on 24 April 2026.
- Recruit to the vacant permanent roles in the Legal & Governance team, by spring 2026.
- Ensure preparedness for the new responsibilities and powers in the English Devolution Bill.

Business Board

6.2.23 There has been an initial review of the Business Board arrangements to ensure that it effectively operates within the Combined Authority governance framework.

6.2.24 The role of the Business Board will be considered further as part of the full Constitution review in accordance with the English Devolution Accountability Framework (EDAF). This will ensure that the Board's role, composition, and decision-making processes remain fit for purpose and aligned with statutory and government expectations.

6.2.24a Action taken:

- A new Chair of the Business Board was approved by [Cabinet on 12 December 2025](#), following an external recruitment process.
- [Recruitment for new Board Members is underway](#), with an external recruitment process. Any existing Board Members who wish to be considered will need to reapply.
- The Chair is engaged on the full Constitution review.

6.2.24b Next steps:

- The full Business Board review will be included in the Constitution report to Cabinet on 26 June 2026.

Produce a Readiness Plan for the English Devolution Bill

6.2.25 There is a need to ensure readiness for the new responsibilities and powers in the English Devolution Bill. TVCA is considering future organisational structure, capacity and resource requirements, which is interrelated with the workforce development strategy. Consideration is being given to current activity, alongside anticipated future activities, to ensure that the organisation can effectively fulfil its statutory responsibilities.

6.2.25a Action taken:

- Planning has been undertaken to fully understand the powers and responsibilities in the Devolution Bill and there has been engagement with MHCLG.
- Consideration has been given to the resource implications, and this is being considered as part of the workforce development strategy workstream.
- The development of the SAF, which is a requirement for potential future fiscal devolution.

6.2.25b Next steps:

- The organisation will produce a baseline self-assessment of readiness against best practice using models produced for MCAs who have already progressed through readiness activity for fiscal devolution.

6.3 Partnerships

6.3.1 TVCA recognised that there was a need to rebuild trust and shared ownership across the organisation and with stakeholders. There have been extensive efforts from the new leadership team to work in a more collaborative way and improve relationships. The focus of this partnership engagement is on delivering improved outcomes, recognising that the Combined Authority can achieve more through partnership working.

6.3.1a Actions taken:

- TVCA has sought to implement a collaborative approach to strategic planning, with meaningful engagement with Cabinet and stakeholders throughout the process. This collaborative approach is detailed under the governance theme.
- TVCA is developing a new External Communications Plan with input from the LGA. Development of the plan has included engagement with Cabinet Members, constituent local authority chief executives and heads of communication. The plan will embed a deeper understanding of the roles and responsibilities of the of Mayor, Cabinet and Leadership Team in external communications.
- A Communications Group involving the Heads of Communications from the constituent local authorities and TVCA has been established.
- TVCA's leadership team have been actively engaging with stakeholders, including MPs and business leaders. The intention is to maximise the impact of the Combined Authority and exploit future joint working opportunities. For example, TVCA is now working closely with all the business representative organisations, ensuring the voice of local business shapes delivery of our strategic priorities. Furthermore, we are now actively working with several MPs, for example on inward investment opportunities, to maximise impact across the Tees Valley. We have also further developed our relationship with Teesside University and FE providers across the Tees Valley.

6.3.1b Next steps:

- Continue to build positive working relationships with external partners focused on the delivery of improved outcomes.
- Ensure we maximise opportunities for public and private investment into the Tees Valley through collaborative working.

6.4 Culture

6.4.1 TVCA is committed to fostering a reflective, honest and improvement-focused culture across the organisation through strong communication, staff development, benchmarking and transparent challenge. Integral to the Organisational Improvement Plan is self-awareness, and this self-reflective review by the Chief Executive is a demonstration of the organisation's commitment to being transparent on progress to date and what improvements are still required.

6.4.1a Actions taken:

- As outlined in the Partnerships theme, one of the main aims of the Organisational Improvement Plan is to ensure trust and shared ownership with the constituent Local Authorities. As previously detailed, empowering Cabinet portfolio holders is intended to facilitate deeper buy-in and engagement in advance of decision-making. This has also strengthened relationships between Cabinet Members and TVCA Officers, with more frequent engagement and collaboration in determining priorities and project and programme delivery.
- As part of the governance theme, there is a commitment to promoting transparency and sharing information with the public. TVCA has historically received a substantive number of Freedom of Information (FOI) requests and questions from the public. There is now a dedicated Information Governance Team focused on improving how TVCA manages this function. A Public Code of Conduct was approved in principle by TVCA Cabinet on 12 December 2025, subject to review by the Audit and Governance Committee, which considered the issue at its meeting on 20 February 2026.
- The fully revised Constitution that will be presented to Cabinet on the 26 June 2026 will address the following:
 - A series of articles defining roles, responsibilities and accountabilities of the Mayor, Cabinet, Officers and public. These will also cover decision-making principles, governance arrangements for Mayoral Development Corporations and provisions relating to finance, contracts and legal matters. This will provide a clear framework for accountability and transparency across all areas of governance.
 - A section on Responsibility for Functions, setting out terms of reference for committees and boards and a comprehensive scheme of delegations to officers to ensure clarity and support efficient operational decision-making.
 - To promote and help officers demonstrate the highest ethical standards, a section on Ethical Standards and Protocols will be included. This will cover codes of

- conduct for members and officers, complaints handling and protocols for public engagement, maintaining integrity and trust in our operations.
- TVCA is also dedicated to improving the culture between colleagues at all levels of the organisation. To this end, it has identified three strands of in-person engagement, which have now been established and are embedded as regular diary features. These are bi-monthly All-Staff Briefings, monthly Staff Forums and regular Lunch & Learn sessions.
 - All-Staff Briefings cascade information regarding strategic priorities and organisational improvement, primarily from the Chief Executive, senior leadership team and the Tees Valley Mayor. This helps to ensure staff understand the current position of the organisation and are better informed on wider priorities, successes and challenges.
 - The Staff Forum is a vehicle for employee voice and to foster communication. The group convenes to discuss ideas, present employees' views and experiences, and make suggestions on ways of working and to raise concerns. This includes, but is not led by, the Chief Executive and Assistant Director – People and Operations. A regular “You say, we did” update communicates to staff changes that have been implemented from these discussions, with staff aware of how they are contributing to organisational improvements.
 - Finally Lunch and Learn is a peer-to-peer opportunity for teams across the organisation to outline their team members, purpose, current work and objectives or present training and highlight specialisms. This can also include third-party organisations to inform staff of their news, developments or offerings.
 - These are complemented by regular video updates by the Chief Executive, as well as written updates from the Operations Director and TVCA Group, including the South Tees Development Corporation Chief Executive and Teesside International Airport Managing Director.
 - Important work has taken place to understand what staff think through staff surveys and follow up focus groups, which is informing the development of a workforce development strategy. This work is being supported by the LGA.

6.4.1b Next steps:

- Developing a strong organisational culture requires sustained effort and TVCA is committed to building on the activity already underway.
- Finalise and implement the workforce development strategy with an immediate focus on the Finance and Legal & Governance Teams.

6.5 Continuous Improvement

6.5.1 TVCA is fully committed to continuous and ongoing improvement. Eight months into delivery of the Organisational Improvement Plan, good progress is being made in delivering the action plan. The fact that actions across all themes are classified as in progress or ongoing is reflective of the need to embed the improvements in the fabric of the organisation, but it must also be

recognised that some actions are not time limited and will effectively become part of how the organisation operates.

6.5.1a Actions taken:

- TVCA remains conscious of previous recommendations from the Tees Valley Review and those from reports produced by the Centre for Governance and Scrutiny and the Chartered Institute of Public Finance and Accountability. These recommendations have been incorporated into the Organisational Improvement Plan and effective implementation is closely monitored.
- A transformation workstream is underway, which is reviewing processes and systems to ensure clarity of operation and operational efficiency. A key strand of this workstream is how we maximise data management and AI and we are working closely with Teesside University, utilising their skills and expertise in this area.
- A regular schedule of formal and informal Independent Advisory Board meetings has taken place over the last eight months. Progress against the Plan is effectively overseen by the Independent Advisory Board with transparent reporting to the Board and TVCA Cabinet. Progress reports are also public-facing and regularly updated and can be found on the [TVCA website](#).
- Stakeholder engagement workshops were held following receipt of the Best Value Notice in April 2025 and have recently been repeated. This is to ensure that the organisation continues to listen and respond to feedback from politicians and senior officers in the constituent local authorities.

6.5.1b Next steps:

- TVCA is committed to starting the process to take part in an LGA peer review in 2026 and has begun scoping with the LGA to develop a roadmap considering the recommended lead in period is circa nine months.

7. Conclusion

7.1 The Chief Executive is of the view that the scale and pace of work undertaken to date has been substantial, particularly in terms of ensuring a sound understanding of the financial and risk positions. The priority has now shifted to embedding the changes by implementing new ways of working and refreshed processes at pace and in a logical sequence. It is important to adopt an organisation wide approach underpinned by robust governance, sound financial management and efficient processes and systems, to ensure the organisation continues to move forward.

7.2 However, there is a recognition that it has only been eight months since the Organisational Improvement Plan was approved by Cabinet and there is a need to ensure the improvements made to date continue and are embedded. The overarching view is that there has been a positive improvement trajectory, but this needs to continue with vigour and pace to ensure visible and impactful outcomes for partners and stakeholders. The Chief Executive and senior leadership



team are wholly committed to continuing to build upon the work to date and striving for organisational excellence.