



TVCA Organisational Improvement Plan

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1. Statement of Understanding

Tees Valley Combined Authority (TVCA) fully accept the Best Value Notice issued by the Ministry of Housing, Communities and Local Government on the 3rd April 2025, and the statutory recommendations letter from our external auditors (EY), issued under Section 24 of the Local Audit and Accountability Act 2014, received on the 15th April 2025.

Together, these communications set out a clear and urgent requirement for TVCA to demonstrate meaningful and sustained improvement. They highlight concerns around governance, culture, partnerships, financial management and the organisation's capacity to embed continuous improvement. TVCA acknowledge these concerns in full.

In response to these communications we began a strategic and organisation-wide process of listening, learning and re-setting. This included open engagement with Cabinet, Chief Executives, Audit & Governance Committee, Overview & Scrutiny Committee, Transport Committee and senior local authority officers. The process has involved the commissioning of a series of independent listening workshops through the Local Government Association. These conversations helped to improve our internal understanding of how others see us.

This heightened organisational self-awareness marks the first, and most essential, step towards change. We now better understand the nature of the challenges we face, including the need to recognise our collective status, and shift from a reactive, siloed culture to one with a greater focus on collaboration and accountability. This



requires not just technical fixes, but a cultural reset, which needs to strengthen identity and association.

This Organisational Improvement Plan is built on this foundation. Whilst it is a fresh plan with a fundamental reset at its heart, it brings together and builds upon existing actions from earlier reviews, including the independent Tees Valley Review, the Centre for Governance and Scrutiny (CFGs) scrutiny review and the Chartered Institute of Public Finance and Accountancy (CIPFA) governance review, alongside other new actions, into a single coherent plan. It is our roadmap for addressing both the immediate priorities and the underlying cultural changes required to restore confidence in TVCA.

It is recognised that there will always be tension between the desire for rapid decision making in an ambitious, outcome focussed organisation and the fundamental governance and accountability that needs to be in place when spending public money.

We are committed to striving to achieve organisational excellence, ensuring that we meet our statutory duties, and build trusted relationships with stakeholders, residents, and staff by:

- being open, engaging & respectful;
- developing a strong performance focus with an emphasis on value for money; and
- building a sustained approach to continuous improvement.

This Organisational Improvement Plan is the beginning of that journey.

2. Insights From Engagement & Self-Assessment

Insights from Political and Senior Officer Engagement

As part of our immediate improvement response, we initiated reflective and frank conversations with TVCA Cabinet, the Tees Valley Chief Executives, our other statutory committees and local authority senior officers. These sessions provided powerful insight into how the Combined Authority is currently perceived, where it is falling short, and what needs to change.



A Need for Shared Ambition and Identity

As a Combined Authority there is a strong desire to function as a true collective of six authorities, not a '1+5' model. Cabinet and Chief Executives expressed support for a more unified, inspiring vision for the Tees Valley, underpinned by wider ownership of the Local Growth Plan and a clear understanding that economic development is a means to wider social and place-based outcomes. There is an opportunity for TVCA to grow into a 'system' leader in the Tees Valley and take a holistic view for the region.

Resetting Political and Governance Dynamics

There is 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. A culture of shared leadership, rather than isolated power, must be re-built. Members must feel that TVCA priorities reflect and deliver on local priorities where this is appropriate and can add value.

Members must be prepared to respectfully and constructively scrutinise and challenge as necessary, including on-going improvement in the operation of the Overview & Scrutiny Committee, and independent oversight and assurance from the Audit & Governance Committee. Officers must ensure they adequately support members in terms of thorough, but clear and digestible briefings, and in accordance with exemplar governance and decision-making best practice.

Improving Officer Practice and Organisational Capability

Concerns were raised about the quality, timing and clarity of officer advice and reports, especially regarding governance. Cabinet and Chief Executives noted that papers are often late or unclear, and that engagement with politicians can feel more like briefings than shared decision-making. There is a need for transparent decision-making processes, improved officer capacity and confidence, and stronger collaboration across all six authorities. The six chief executives therefore need to act and work together as a 'leadership team' supporting priority workstreams to underline collective leadership and ownership. There is also an ongoing need to ensure the appropriate balance between achieving outstanding



outcomes for the Tees Valley and the requirements of good governance and accountability when it comes to spending public money.

A Cultural Shift Towards Trust, Co-Production and Respect

A recurring theme was the need to rebuild trust across the six authorities. There were calls for a new culture of openness, mutual respect, consistent communication and genuine co-production. Members and officers want to see behaviour that aligns with shared values, not just statements of intent. There is appetite for a new way of working – more inclusive, transparent, and focused on collective success. Culture will need to be a key, ongoing focus for the Chief Executive and wider senior leadership team.

Internal Reflection and Organisational Self-Assessment

Alongside external engagement, the TVCA senior leadership have reflected deeply on the internal culture, systems and ways of working within the organisation, which has included engagement and feedback from staff. These reflections take place in the context of an organisation that has achieved significant impact, delivering major projects & programmes, attracting investment and building a powerful regional identity. The ambition and urgency that have driven these achievements have also created pressure, with systems, behaviours, and engagement practices not always keeping pace.

Staff describe an organisation that can be reactive and fast-paced, with multiple priorities and a high workload, creating resource challenges and limiting opportunity to step back and reflect. Governance processes and accountability need to be consistently embedded across the organisation; and key foundations, such as internal systems and strategic planning, need strengthening. Partnership working has, at times, felt transactional, with missed opportunities for shared ownership and long-term alignment.

Crucially, there is now recognition across the organisation that some of these patterns, while understandable, are no longer sustainable. There is a collective desire to rebuild trust, reset ways of working and develop a culture that matches TVCA's ambition: one that is honest, collaborative, resilient, and ready for the next phase of devolution. There is also a need to ensure that the resource challenges are addressed and that the workforce, both now and in the future, has the right level of capacity and capability. The organisation is therefore on the cusp of being



able to shift up a gear to embrace further devolution and significant growth opportunities. A new and more integrated way of working across the Tees Valley will be needed to realise this potential.

These reflections do not detract from the progress made, they build on it. The lessons learned now will strengthen the foundations for future success and ensure that the next chapter of TVCA's story is ambitious, trusted and accountable.

Moving Forward

This Organisational Improvement Plan translates these insights into action. It sets out a clear ambition, priorities and actions for change. It does not just address the immediate concerns raised in the Best Value Notice and statutory recommendations made by our external auditors, it also lays the groundwork for a more effective, connected, and continuously improving Combined Authority, built on trust, purpose, and shared success.

3. Our Ambition

It is recognised that there needs to be an organisational reset within TVCA and in terms of relationships with the constituent authorities. TVCA is committed to a truly collective approach, continuous improvement, striving to achieve organisational excellence, with a collaborative, open, engaging and respectful culture, and building trusted relationships with stakeholders.

4. Strategic Priorities

The following five strategic priorities set out how we will improve the organisation. They reflect the insights gained from extensive engagement with politicians and local authority senior officers, and are aligned to the listening exercises and internal self-assessment. Each priority will be addressed by a focused set of actions to drive continuous improvement.



1. Rebuild Trust and Shared Ownership Across the Combined Authority

Consolidate TVCA as a collective of six authorities, not a single entity. Strengthen Cabinet and portfolio holder roles, embed joint ownership of strategic planning and decisions, and rebuild mutual confidence with stakeholders.

2. Strengthen Governance, Oversight and Accountability

Embed effective, transparent and inclusive governance and scrutiny arrangements, learning from best practice, with a clear constitutional and operational framework, including recommendations identified in the Best Value Notice and external audit statutory letter.

3. Build a High-Performing Organisation with a Strong Operating Model

Address resource challenges, ensuring sufficient capacity and capability, implement robust processes and systems, and establish an effective and stable senior leadership team to ensure TVCA has the operating model and culture needed for consistent, high-quality delivery. Coupled with this will be an enhanced strategic leadership team made up of the six chief executives, supporting the delivery of priority workstreams.

4. Embed a Culture of Continuous Improvement and Openness

Foster a reflective, honest and improvement-focused culture across the organisation through strong communication, staff development, benchmarking and transparent challenge – and seek further opportunities for external validation of improvement.

5. Deliver Strategic Clarity, Long-Term Planning and Prepare for the Next Phase of Devolution

Shift from more reactive delivery to proactive joined-up long-term planning. Ensure readiness, both in terms of capacity, capability and accountability, for additional powers and fiscal responsibility through the Devolution White Paper.



5. Action Plan Summary

Below is a summary of the headline actions planned to achieve each of the five strategic priorities. They are organised under the dominant priority that they support, however, in many cases one action will contribute to the achievement of more than one priority. There is an accompanying detailed action plan that provides more granularity under each headline action and responsibility, timescale and measure of success.

1. Rebuild Trust and Shared Ownership Across the Combined Authority –

Consolidate TVCA as a collective of six authorities, not a single entity. Strengthen Cabinet and portfolio holder roles, embed joint ownership of strategic planning and decisions, and rebuild mutual confidence with stakeholders.

- Review Cabinet portfolios and strengthen the role of portfolio holders, ensuring TVCA priorities reflect and deliver on local priorities where this is appropriate and can add value, including appropriate support from senior TVCA officers, and capture changes within the Constitution.
- Implement regular informal Cabinet meetings, both with and without officers present, Cabinet workshop sessions where appropriate and portfolio meetings with senior TVCA officers and senior local authority officers where appropriate.
- Review the Cabinet decision-making process and implement any necessary changes to ensure meaningful political engagement at the outset, including presenting Members with thorough options appraisals, and throughout the process.
- Implement a balanced external communications plan to ensure TVCA restores public confidence, promotes itself and manages challenge & external scrutiny, with a greater role for Cabinet portfolio holders.



2. Strengthen Governance, Oversight & Accountability – *Embed effective transparent and inclusive governance and scrutiny arrangements, learning from best practice, with a clear constitutional and operational framework, including recommendations identified in the Best Value Notice and external audit statutory letter.*

- Review the operation of all TVCA statutory committees, ensuring appropriate officer support, and implement any necessary changes to ensure that the responsibilities of each are addressed effectively and efficiently with robust work plans.
- Ensure committee reports consider options, are of sufficient quality and draw attention to the pertinent information, considering best practice and feedback from Cabinet and local authority officers.
- Ensure that all TVCA statutory committees are appropriately supported and challenged to maximise effectiveness.
- Refocus the Chief Executives meetings into a Tees Valley Strategic Leadership Team, made up of the six chief executives, supporting the delivery of priority workstreams.
- Undertake a comprehensive review of the TVCA Constitution, including Scheme of Delegation, working closely with the constituent local authorities and Cabinet, to ensure it is fit for purpose.
- Review all governance processes and procedures and implement any necessary changes to ensure exemplar governance and decision-making best practice, capture changes within the Constitution and improve awareness and understanding across the organisation.
- Review TVCA staff induction process to improve organisational awareness and understanding of governance and finance processes.
- Develop and implement a workforce development strategy, to ensure a sustainable and high-performing finance function.



- Develop and implement a workforce development strategy, to ensure a sustainable and high-performing governance function.
- Review all finance processes and procedures and implement any necessary changes to ensure exemplar finance best practice, capture changes within the Constitution and improve awareness and understanding across the organisation.
- Respond effectively and in a timely manner to address the recommendations and actions contained within the external auditor's statutory letter received on the 15th April 2025.
- Undertake a comprehensive review of the TVCA Assurance Framework, taking into account external best practice, working closely with the constituent local authorities and Cabinet, and implement any necessary changes to ensure it is fit for purpose.
- Implement a new member induction process and on-going programme of development, learning from best practice, for members of all TVCA statutory committees to ensure that they are familiar with TVCA, their roles & responsibilities and the expectations of their position.
- Review the TVCA Publication Scheme and make any necessary changes, to make the maximum amount of information readily available to the public.
- Undertake a comprehensive review of the Code of Conduct for Officers and Members and implement any necessary changes to ensure it is fit for purpose and aligns with best practice.
- Ensure that all actions from audit reports are addressed in an effective and timely manner and progress is reported to Audit & Governance Committee and Cabinet.
- Develop and implement an on-going improvement plan with the Overview & Scrutiny Committee to continue to make improvements to



the effectiveness of the overview and scrutiny function, including a more strategic approach to work planning and improving the relationship with Cabinet and portfolio holders.

- Implement a new governance e-genda and forward planning system to improve efficiency and compliance.
- Review the format and effectiveness of the existing Annual Governance Statement in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) & the Society of Local Authority Chief Executives and Senior Managers (SOLACE) Good Governance Framework, and make any necessary changes.

3. Build a High-Performing Organisation with a strong Operating Model –

Address resource challenges, ensuring sufficient capacity and capability, implement robust processes and systems, and establish an effective and stable senior leadership team to ensure TVCA has the operating model and culture needed for consistent, high-quality delivery. Coupled with this will be an enhanced strategic leadership team made up of the six chief executives, supporting the delivery of priority workstreams.

- Review the non-statutory officer advisory group governance structure, in collaboration with the constituent local authorities and other key stakeholders, and implement any necessary changes to ensure efficiency and effectiveness.
- Recruit a permanent Chief Executive and recruit to the vacant Director posts, and ensure appropriate input from the S73 Chief Finance Officer and Monitoring Officer in the senior leadership team. All future recruitment will be undertaken in accordance with the new and emerging cultural values of the organisation. All senior leaders will be expected to exhibit, champion and inspire the behaviours of cultural change.
- Develop and implement a workforce development strategy through a demand and skills analysis, to ensure appropriate capacity and



capability across the organisation, including potentially securing external expertise, focused on Cabinet approved priorities.

- Develop and implement a workforce development strategy, to ensure expertise and experience across TVCA & the constituent local authorities are fully utilised in support of continued organisational improvement.
- Develop and implement a workforce development strategy, to enhance skills and knowledge at all levels within the organisation.
- Develop and implement a new organisation-wide operating model to improve processes, efficiency and quality.
- Implement a Programme Management Office (PMO), with standardised processes and tools, to ensure consistency in terms of how the organisation develops, manages and monitors projects and programmes.
- Initiate and undertake a programme of organisational development, with an external partner to provide support and challenge.
- Implement an internal communications plan to improve employee engagement and voice, through on-going engagement and learning activity, and to embed the actions within the Organisational Improvement Plan across the organisation.
- Ensure that the TVCA values (open, empathetic, collaborative & focused) are embedded through everyday activity, organisational development and the appraisal process.
- Embed an appraisal process that ensures individual accountability, through clear objective setting, which is aligned to team and organisational priorities, and robust performance management.
- Improve relationships between senior management and all staff through improved communication, visibility, engagement activity,



openness to receiving feedback/challenge and demonstrating that the organisation is responsive to staff.

- Develop and implement a professional development plan for the Chief Executive and all Directors to ensure continued development and establish a high performing senior leadership team.
- Create a healthier work environment by engaging with staff through the staff survey and staff forum and making changes/delivering activities that will influence staff satisfaction in terms of wellbeing and engagement.

4. Embed a Culture of Continuous Improvement – *Foster a reflective, honest and improvement-focused culture across the organisation through strong communication, staff development, benchmarking and transparent challenge – and seek further opportunities for external validation of improvement.*

- Take part in a Local Government Association (LGA) peer review in 18-24 months to assess progress made and seek external support and challenge from the LGA, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Centre for Governance and Scrutiny (CFGs) to support the Organisational Improvement Plan.
- Ensure progress against the actions contained within the Organisational Improvement Plan is effectively monitored, working closely with the constituent local authorities and the Independent Advisory Board, and reported in a transparent manner to Cabinet, the Independent Advisory Board, the Ministry of Housing, Communities & Local Government (MHCLG) and EY (external auditor).
- Ensure that TVCA continues to embed the organisational response to all recommendations from the independent Tees Valley review and reports produced by the Centre for Governance and Scrutiny (CfGS) and the Chartered Institute of Public Finance and Accountancy and (CIPFA).



- Undertake an assessment and identify any new actions to ensure that we are striving for excellence in the remaining categories set out in the statutory guidance on best value standards and interventions (not covered in the Best Value Notice or by the external auditor statutory letter), which are leadership, use of resources and service delivery.

5. Deliver Strategic Clarity, Long-Term Planning & Prepare for the Next Phase of Devolution – *Shift from more reactive delivery to proactive, joined-up long-term planning. Ensure readiness, both in terms of capacity, capability and accountability, for additional powers and fiscal responsibility through the Devolution White Paper.*

- Implement a collaborative approach to strategic long-term priority setting and planning, working closely with the constituent local authorities, with meaningful political engagement at the outset and throughout the process.
- Undertake an assessment and identify any new actions to ensure that we are striving for excellence in the remaining categories set out in the statutory guidance on best value standards and interventions (not covered in the Best Value Notice (BVN) or by the external auditor statutory letter), which are leadership, use of resources and service delivery.
- Undertake a business planning exercise and produce a readiness plan in anticipation of the expanded powers set out in the Devolution White Paper.
- Produce a readiness plan for fiscal devolution, including a potential future integrated settlement, and new accountability arrangements as set out in the Devolution White Paper.

Reporting

TVCA will produce a monthly report to summarise progress against the Organisational Improvement Plan, specifically the actions contained in the detailed



action plan. This will be provided to the bodies listed below and published on the TVCA website:

- TVCA Cabinet
- Independent Advisory Board
- MHCLG
- EY (External auditor)

Progress on implementing the Organisational Improvement Plan will be a standing item on all Cabinet agendas. This will include a progress report produced by TVCA and an independent report produced by the Chair of the Independent Advisory Board.

Overview & Scrutiny, Audit & Governance Committee and Transport Committee will be able to review progress against the actions relevant to their remit.