

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

22ND FEBRUARY 2007

**REPORT OF CORPORATE
MANAGEMENT TEAM**

COUNCIL DECISION

REGENERATION AND TRANSPORT - CLLR R. COOK

REGENERATION PROJECTS FUNDING ARRANGEMENTS

1. Summary

As part of the budget process, this report updates members of the current position with the major regeneration projects. It highlights the progress being made and seeks flexibility in the utilisation of capital funds allocated through Council budgets for the schemes over the medium term.

2. Recommendations

1. Cabinet recommends to Council that within the overall capital funding allocations for major regeneration schemes and any income allocated for reinvestment in regeneration schemes, authority to manage the use of the capital funds is delegated to Corporate Director, Development and Neighbourhood Services in consultation with the Cabinet Member for Regeneration and Transport.

3. Reasons for the Recommendations/Decision(s)

To facilitate the delivery of the regeneration projects stated in the report.

4. Members Interests

Members (including co-opted members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (paragraph 8) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (paragraph 10 of the code of conduct).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting is being held, whilst the matter is being considered; not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (paragraph 12 of the Code).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc.; whether or not they are a member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting, and if their interest is prejudicial, they must also leave the meeting room during consideration of the relevant item.

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SUMMARY

As part of the budget process, this report updates members of the current position with the major regeneration projects. It highlights the progress being made and seeks flexibility in the utilisation of capital funds allocated through Council budgets for the schemes over the medium term.

RECOMMENDATION

Cabinet recommends to Council that within the overall capital funding allocations for major regeneration schemes and any income allocated for reinvestment in regeneration schemes, authority to manage the use of the capital funds is delegated to Corporate Director, Development and Neighbourhood Services in consultation with the Cabinet Member for Regeneration and Transport.

BACKGROUND

1. A number of the key regeneration schemes are progressing well and these are producing opportunities for partnership working with the public and private sectors. English Partnerships and One Northeast recognise this and are keen to play an increasing role in these schemes.
2. Members will be aware that all the major regeneration schemes are moving forward. A report on Billingham was presented to Cabinet in December which agreed the sale of the Town Centre. Thornaby Town Centre has started on site, planning consent has been granted for a new foodstore in Stockton and site assembly has started for the Southern Gateway with the purchases of Archon and Riverside House.
3. At Mandale, phases 1 and 1A are nearing completion and masterplanning has started on phase II. Site clearance has been completed for phase I at Parkfield and the development agreement for Hardwick is due at Cabinet 15th March.
4. On North Shore, the development agreement with AMEC and Urban Splash has been signed. The University are close to agreeing Heads of Terms for their expansion site on North Shore. At the 13th July meeting, Cabinet agreed that the Council would project manage the construction of the footbridge because of our track record in major construction projects.

5. At appendix 1 is a summary of the high level financial appraisal of these schemes
6. Both English Partnerships and One Northeast are actively involved and promoting regeneration in Stockton and are keen to investigate ways of increasing their involvement. Help has been offered by both agencies that will influence the agenda for quality of design and to explore greater public private partnership working. In particular, to expedite delivery of schemes on site it is proposed to allow flexible utilisation of Council, English Partnerships and One Northeast capital allocations between schemes. It is stressed this will not impact upon the Council agreed capital allocation; simply that overall sums can be drawn down when necessary across the respective schemes.
7. Such flexibility brings many advantages to all funding parties. It enables, for example, partners to maximise opportunities for site acquisition. It also enables each funding partner to commit to a medium term capital allocation.
8. English Partnerships and One Northeast are the major funders of the footbridge together with the European Regional Development Fund (ERDF). In particular, it is proposed to utilise the Council's capital as a contribution towards the North Shore Footbridge contract, thus ensuring the tight construction timetable does not slip. English Partnerships and One Northeast are then proposing to contribute to funding elements of SMI and housing regeneration schemes in future years.
9. Overall, this reflects additional financial commitment to regeneration in Stockton by the agencies.

FINANCIAL AND LEGAL IMPLICATIONS

Finance

10. The proposed way forward does not impact on the overall amount of capital allocated for major regeneration schemes. It will require flexibility in terms of when money is needed to fund the regeneration schemes. A re-profiling of the Capital Programme for years 2006-09 will be required to receive the funds being offered.

Legal

11. The Council agrees to be the accountable body for the delivery of the North Shore Footbridge and subject to the terms of the Contribution Agreement with English Partnerships, The ERDF offer letter with the European Commission and the Funding Approval Letter from One Northeast.

RISK ASSESSMENT

12. The tight timescales being worked to in delivering these projects gives rise requires flexible use of funding or risk large amounts of grant funding being lost. Letters of intent have been provided by the agencies involved to show their commitment to regeneration projects in Stockton, which mitigates against the risk of the Council adopting this approach.

COMMUNITY STRATEGY IMPLICATIONS

13. The regeneration projects identified in the report will help to drive forward the vision of enhanced quality of local places and communities, a vibrant, economically successful Tees Valley city region and achievement and well being for local people.

CONSULTATION INCLUDING WARD/COUNCILLORS

Public Consultation

14. All regeneration schemes are subject to extensive consultation with Members, resident, business, public agencies, local groups and organisations and any interested stakeholders.

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Background Papers

Draft Funding Agreement with EP
North Shore Footbridge PID
Planning approvals and section 106 agreement

Ward(s) and Ward Councillors:

Stockton Town Centre Ward – Cllr. David Coleman
- Cllr. Paul Kirton

Property

Stockton-on-Tees Borough Council will own the new bridge and have agreed adoption in line with the planning approvals and section 106 agreement.