

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting5th February 2009

1. Title of Item/Report

City Region Status - Expression of Interest

2. Record of the Decision

Consideration was given to a report that summarised the progress made to date by Tees Valley Unlimited and Joint Strategy Unit in their discussions with Government over the Multi Area Agreement and the next steps.

In November 2008, the Pre Budget Report announced that:-

“Building on the Sub National Review, and Multi Area Agreements in particular, the Government will support city regions to fulfil this role (driving regional and national prosperity and responding to new challenges) by agreeing, on a voluntary and tailored basis, a set of devolutionary proposals with local authorities in city regions, to increase further their ability to drive economic growth and contribute to sustainable development.

The proposals will be underpinned by new statutory arrangements for sub regional co operation between local authorities, supporting strong local capacity, governance and accountability at the city region level.

New arrangements will be developed with the local authority city region leadership, in order to suit particular needs.”

Government sent a letter on 22 December 2008 to all upper tier local authority Chief Executives in England inviting them to submit an Expression of Interest in becoming a City Region pilot by 12 January 2009, and a full proposal by 27 February 2009.

The five Tees Valley Chief Executives together with the Chair of Tees Valley Unlimited submitted a holding Expression of Interest letter. This briefly outlined Tees Valley’s interest in developing a new agreement with Government that would include initially:-

* a joint board between the city region, the Homes and Communities

Agency and the Regional Development Agency (One NorthEast) to provide strategic direction of housing, economic development and regeneration spending; and

- * joint investment planning with key partners, including greater flexibility over capital funding to support the more effective programme management of projects. TVU would initially wish to pursue a single capital programme with a long term funding commitment (on the 3+2 years principle) and in the medium term real delegation of funding (i.e. local approval of projects within the investment plan within the Green Book limits).

In the medium to longer term TVU would also wish to consider:

- * a city region Employment and Skills Board, with strong employer representation and formal powers to influence provision in line with employer demand; and

- * increased statutory responsibilities for strategic transport issues in accord with the recently published guidance on transport governance.

The proposal would be seeking pilot status that would enable, in the short term, the delivery of the fundamental 'asks' that cannot be delivered through the existing Tees Valley Multi Area Agreement (long term funding commitment and a single capital programme).

It proposed, in the medium to longer term, the consideration of statutory body arrangements at the Tees Valley level if these were considered to be necessary to achieve new legislation, powers and funding to be devolved to Tees Valley, and the new legislation, powers and funding were considered beneficial for the area by the Tees Valley local authorities. It did not commit any of the Tees Valley local authorities to the establishment of such arrangements at this stage.

The proposal was based on the principle that it was to achieve the devolution of functions, powers and funding down from central government to the Tees Valley level and not the passing up of functions, powers and funding from the Borough Councils.

Functions, powers and funding that would require new legislation and potentially statutory arrangements at the Tees Valley level might include:

- * delegation of approval of projects for RDA and HCA funding,
- * establishment of a Tees Valley Integrated Transport Authority,
- * greater flexibility for RSLs to provide flexible tenures,
- * ability to influence the Department for Work and Pensions (DWP)

contracts, the Skills Funding Agency funding, the Young Peoples Learning Agency funding and the Business Link contract,
* designation of City Strategy status with the associated funding, and devolution of DWP funding and ability to commission activity within Tees Valley.

RESOLVED that:-

1. The development and submission of a City Region pilot bid for Tees Valley be endorsed and a commitment to the development of new statutory arrangements if required to enable the devolution of additional functions, powers and funding from the centre that cannot be devolved under current legislation and that the Tees Valley authorities consider to be of benefit to the area.

2. Any detailed proposals for the creation of new functions, powers or funding at the City Region level including any significant changes to the current governance arrangements and details of any proposed statutory arrangements be brought back to the Cabinet for detailed consideration.

3. Reasons for the Decision

The decision would enable further opportunities to be explored with Government to enhance the Tees Valley Multi Area Agreement and seek benefits for the Tees Valley Area in securing additional powers and facilities from Government that will improve our Economic Development as a City Region.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

Councillor Cunningham declared a personal non prejudicial interest in respect of this item as he was member of the Regional Development Agency.

6. Details of any Dispensations

Not Applicable

7. Date and Time by which Call In must be executed

Friday, 13th February 2009

Proper Officer
09 October 2009