

CABINET ITEM COVERING SHEET PROFORMA

**AGENDA ITEM**

**REPORT TO CABINET**

**10 JANUARY 2013**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

**CABINET DECISION**

**REGENERATION & TRANSPORT – LEAD CABINET MEMBER – CLLR MICHAEL SMITH**

**CITY DEAL**

1. Summary

Tees Valley Unlimited (TVU) as the Local Enterprise Partnership have been given the invitation by Government to submit a proposal for a City Deal in competition with other areas, this report sets out the process for that submission.

2. Recommendations

1. The final approval of the bid by the Council be delegated to the Corporate Director of Development & Neighbourhood Services in consultation with the Leader of the Council.
2. That the Council supports the bid and agrees to the final form of the submission being settled by TVU via its Chairman and Managing Director.

3. Reasons for the Recommendations/Decision(s)

To allow the bid to be submitted, which if successful, City Status will give improved control and opportunities for the economic growth of the Tees Valley.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, 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 and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

**Disclosable Pecuniary Interests**

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

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## **CABINET DECISION**

### **CITY DEAL**

#### **SUMMARY**

Tees Valley Unlimited (TVU) as the Local Enterprise Partnership have been given the invitation by Government to submit a proposal for a City Deal in competition with other areas, this report sets out the process for that submission.

#### **RECOMMENDATIONS**

1. The final approval of the bid by the Council be delegated to the Corporate Director of Development & Neighbourhood Services in consultation with the Leader of the Council.
2. That the Council supports the bid and agrees to the final form of the submission being settled by TVU via its Chairman and Managing Director.

#### **DETAIL**

1. In October the Government formally invited Tees Valley to apply for a second wave 'City Deal' and since then work has been on-going producing drafts for discussion with partners including the local authorities, Business Representative Organisations and our lead contact from the Government's Cabinet Office.
2. The key points in the bid as it stands are:
  - The fundamental Challenge for the Tees Valley is not enough jobs particularly private sector ones, over reliance on public sector leading to high levels of unemployment
  - Key sectors are important to UK economy but involve high use/emission of CO2
  - Significant strengths in exporting but significant untapped potential
  - Opportunity lies in scale and make up of industrial activity
  - Opportunity to accelerate pace of change deploying green technology
  - Opportunity to grow and make it much more competitive by integrating activities and supply chains
  - Vision involves a home to globally significant petro-chemical, bio-chemical and new renewable energy sectors that drives forward greater diversification and opportunity in other sectors such as advanced manufacturing, sub-sea, digital enablement
  - The area's offer involves use of the Investment Fund as a catalyst for private sector investment
  - Local companies will lead the integration to enhance competitiveness
  - The Government is being asked for a single capital pot allocation, innovative funding mechanisms and a policy approach that is cross-departmental, cohesive and comprehensive
  - In addition investment in commercialising research, ensuring that skill needs are met and infrastructure provision keeps pace with the growth are also being sought
3. Currently the draft is some 13 pages long and the absolute maximum length for the Expression of Interest (EOI) to be submitted is 8 pages. As a result there is still some further work necessary to comply with this requirement whilst not losing the unique features of our local economy that differentiates the bid from others together with the ambitious, bold and transformative proposal that the Government seeks.

4. The EOI has to be submitted by 15<sup>th</sup> January and the indications are that perhaps as few as 12 out of the 20 cities/areas invited to bid will be successful. Clearly the aim is to get through this competitive stage and then enter into much more detailed negotiations (8/9 months has been mentioned) with the Government to firm up the deal.
5. Given the nature of the exercise and the complex sources of input into the EOI, the Council is asked to support the bid and agree that the final form of the submission will be settled by TVU via the Chairman and Managing Director.

#### **FINANCIAL IMPLICATIONS**

6. None

#### **LEGAL IMPLICATIONS**

7. None

#### **RISK ASSESSMENT**

8. This City Deal is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

#### **SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS**

9. Economic Regeneration and Transport - Seeks to improve the economy of the Tees Valley

#### **EQUALITIES IMPACT ASSESSMENT**

10. Not Applicable

#### **CORPORATE PARENTING**

11. Not Applicable

**Name of Contact Officer: Richard Poundford**  
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Education related? No

Background Papers **None**

Ward(s) and Ward Councillors: **N/A**