

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting15th May 2014

1. Title of Item/Report

Local Growth Fund

2. Record of the Decision

Consideration was given to a report that provided a position statement on the Tees Valley Local Growth Fund and associated areas of work.

Provided below is a position statement on the Local Growth Fund and associated work taking place across the sub-region:-

CITY DEAL – The City Deal was a bespoke agreement between Government and the LEP on how best to ensure the area's growth and prosperity.

- The Tees Valley City Deal was announced by the Prime Minister in December 2013
- Supports the creation of 3,500 jobs
- £28 million of private sector investment
- Particular focus upon the low carbon economy with the ambition for Tees Valley to become a global pioneer in carbon capture and storage (CCS) (Government pledged £1m for Tees Valley to explore CCS technology and undertake a pre-Front End Engineering and Design study
- City Deal enabled Tees Valley to secure £7m for the Tees Valley Jobs and Skills Investment Scheme and £2.4m towards a Business Growth Hub

TEES VALLEY STRATEGIC ECONOMIC PLAN (SEP) - The Strategic Economic Plan would be used to help the LEP identify the area's main economic opportunities and how barriers can be addressed with greater freedoms and flexibilities through the allocation of the Government's new Local Growth Fund and through the new negotiation of a Growth Deal.

- Final SEP submitted to Government on 31st March 2014
- An update on the aims, priorities and Growth Deal 'Asks' of the SEP were included as part of the Economic Climate Report in April 2014
- Feedback from Government is expected in July 2014 and negotiations are taking place with Government working up and agreeing

Growth Deal 'Asks'.

LOCAL GROWTH FUND (LGF) BID – The bid details the projects and programmes that the LEP sought funding support from Government in 2015-2016 (and 2016-2017 for Skills Capital Projects).

- Tees Valley bid submitted to Government on 31st March 2014
- 'Ask' from Government of £71.5m for projects across the Tees Valley (£66.5m for LGF for 2015/16, £5m for LGF Skills Capital for 2016/17)
- Discussions have been on-going about prioritisation of projects
- Allocations are expected to be announced by Government in July 2014

EUROPEAN STRUCTURAL INVESTMENT FUNDS – The funds had been designed by the European Union (EU) to promote smart, sustainable and inclusive growth and cohesion across different areas of the EU.

- Final Tees Valley European Structural and Investment Funds Strategy (ESIFS) was submitted to Government in January 2014
- A notional allocation of £173m for Tees Valley (for ERDF, ESF, EAFRD and Youth Employment Initiative)
- TVU is currently responding to Government feedback and an implementation plan is being developed over the coming months, with a number of Task and Finish Groups currently underway working up the scope of activities under each theme of the Structural Funds and how these can be procured and delivered
- UK Partnership Agreement between UK Government and European Commission currently being negotiated
- Funds expected to be available from early 2015

RESOLVED that the report be noted.

3. Reasons for the Decision

This report provides Members with a current position statement.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

Councillor Cook declared a personal non prejudicial interest in respect of

agenda item 7 – Local Growth Fund as he was on the ERDF Board.

6. Details of any Dispensations

N/A

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

Midnight on Friday, 23rd May 2014

Proper Officer
19 May 2014