

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting9th October 2014

1. Title of Item/Report

Local Growth Fund

2. Record of the Decision

Consideration was given to a report on the Local Growth Fund.

Cabinet were informed of the Tees Valley Local Growth Fund (LGF) bid at their meeting on 15 May 2014 (Min. Ref 20/14). Allocations were announced by Government in July 2014 and the report provided an updated position statement on the success of the bid, the infrastructure projects and programmes associated with the bid and the associated work required in developing detailed business cases in order to comply with the 'Due Diligence' process.

The recent announcement of the outcome of the Tees Valley Local Enterprise Partnership Local Growth Fund bid confirmed an historic Growth Deal with the Government which will see £90.3million invested in Tees Valley over the next 4-5 years (£22.9million in 2015/16) to invest in key transport, infrastructure, skills and business support projects that would lead to the creation of a significant number of additional jobs.

£22.9million had been confirmed in the first year, 2015/16, and as part of the Government's on-going commitment to the Tees Valley LEP it had provided an indicative award of a further £67.4million of funding from 2016/17 onwards. The projects which start in 2015/16 would help to create up to 1,000 jobs, up to 1,500 additional training places, allow up to 1,500 new homes to be built and generate up to £100 million in public and private investment.

The Growth Deal would initially see significant improvements to the strategic road network in Stockton - the A689 at Wynyard, Ingleby Way / Myton Way at Ingleby Barwick and at Teesside Park Drive. Not only would this ease congestion and improve traffic flow, but it would also mean the creation of over a thousand new homes and safeguard jobs.

The Council was also working with the Highways Agency and private sector developers to bring forward complementary highway

improvements at A19/A689 Wolviston, A174 Thornaby and Ingleby Barwick in 2014/15. This early investment in key transport improvements clearly demonstrated a commitment to removing some of the barriers to growth thereby improving the bid to DfT.

£3m funding would be available for the following two highway infrastructure schemes in the Borough during 2015/16:-

(i) Ingleby Way/Myton Way in Ingleby Barwick - road and junction improvements at Ingleby Barwick which will increase the capacity of the road network at key congestion points and allow for the development of new housing.

(ii) Road widening and signalisation on five roundabouts on the A689 at Wynyard to complement the Highways Agency Pinch Point scheme on the A19/A689 Interchange. This will ease congestion and reduce journey times.

A further allocation of up to £2.3m was available in 2016/17 to complete the projects.

Provisional funding of £0.9m for a strategic maintenance scheme to re-profile and reconstruct Teesside Park Drive, which had suffered for many years from settlement problems, had been agreed for 2016/17 as had a package of Sustainable Transport measures to improve access to job opportunities via walking, cycling, bus and rail.

Construction of a new £6m road to open up access to the south side of Durham Tees Valley Airport, on the Stockton/Darlington boundary has also been given the green light. This would open up access to the proposed Southside Business Park which would provide aviation-related employment opportunities.

In addition, the Tees Valley Business Growth Hub will receive £0.8M in 2015/16 to provide a business grant scheme and a range of coordinated funding and advice services to local businesses. Further indicative funding of £5M had been awarded for the growth hub for 2016/17 onwards. This would benefit Stockton by supporting investment in business growth, the creation of new jobs and the safeguarding of existing jobs within the Borough.

All of the projects with 2015/16 allocations would need to have detailed Business Cases that would be subjected to a due diligence process in accordance with the TVU Governance Assurance Framework. An independent consultant was appointed in early September to commence assessment of the business cases. This work was estimated to take 10

weeks to December 2014 with final sign off around February / March 2015.

Officers would continue to work closely with TVU and the private sector on the Business Cases and advance preparatory work in the coming months. TVU had developed due diligence mechanisms and a performance management framework to ensure there was robust governance around the growth fund allocations. A copy of this performance management framework was attached to the report and Cabinet were asked to endorse the mechanism.

At a local level it was important that there was robust programme management systems and governance in place to ensure all projects were clear on what was expected of them at each stage of their development, from project approval by government, through to due diligence, delivery, monitoring and closure. TVU's Programme Management Framework (PMF) would help to handle projects from 'cradle to grave'. This work was being done with full support from SBC as Accountable Body.

It was requested Cabinet note that the responsibility for any future developments / amendments to the PMF would sit with the TVU governance groups, as defined by their roles detailed in the document. This was particularly important as government timescales may slip; therefore the PMF may not be fully informed of any future governmental requirements prior to approval being sought.

For 2017/18 - 2019/20 the Council would be looking to propose to the LEP a number of further strategic schemes including highway improvements in West Stockton to facilitate housing development in that area and to commence the Portrack Relief Road scheme. The LEP were considering a process by which the five Authorities and the private sector could put forward local growth fund schemes to be considered for the future years' funding. This process was in its infancy and would commence in the coming months to ensure that investment priorities were robustly developed and would be reported back to Cabinet.

In the longer term (2020-2025) the Council had identified the Wynyard second access, A19 Widening Norton to A689 (including replacement of the concrete carriageway), Elton Interchange to Yarm Road Interchange lane gain as its priorities to assist growth.

RESOLVED that:-

1. The content of the report be noted.

2. The use of TVU governance mechanisms for review and approval, including the performance management framework in Appendix 1 of the local growth fund programme be endorsed. The Council will be represented by the Leader of the Council.

3. Reasons for the Decision

The recent announcement of the outcome of the Tees Valley Unlimited Local Growth Fund bid indicated funding for two highway infrastructure schemes in the Borough during 2015/16 with provisional funding for a third project in 2016/17. This report updates Cabinet on the success of the bid and the associated work required in developing detailed business cases in order to comply with the 'Due Diligence' process.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

N/A

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

Midnight on Friday, 17th October 2014

Proper Officer
13 October 2014