

## CABINET ITEM COVERING SHEET PROFORMA

**AGENDA ITEM**

**REPORT TO CABINET**

**9 OCTOBER 2014**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

### **CABINET DECISION**

**Regeneration and Transport – Lead Cabinet Member – Councillor M Smith**

#### **LOCAL GROWTH FUND UPDATE**

1. Summary

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 this report provides 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.

2. Recommendations

1. Cabinet note the content of the report.
2. Cabinet are asked to endorse the use of TVU governance mechanisms for review and approval, including the performance management framework in Appendix 1 of the local growth fund programme. The Council will be represented by the Leader of the Council.

3. Reasons for the Recommendations/Decision(s)

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. 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 (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must 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 (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.**

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**REPORT TO CABINET**

**9 OCTOBER 2014**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

**CABINET DECISION**

**LOCAL GROWTH FUND UPDATE – INFRASTRUCTURE PROJECTS**

**SUMMARY**

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 this report provides 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.

**RECOMMENDATIONS**

1. Cabinet note the content of the report.
2. Cabinet are asked to endorse the use of TVU governance mechanisms for review and approval, including the performance management framework in Appendix 1 of the local growth fund programme. The Council will be represented by the Leader of the Council.

**DETAIL**

**Background**

1. 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 will lead to the creation of a significant number of additional jobs.
2. £22.9million has been confirmed in the first year, 2015/16, and as part of the Government's on-going commitment to the Tees Valley LEP it has provided an indicative award of a further £67.4million of funding from 2016/17 onwards. The projects which start in 2015/16 will 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.

**What it means for Stockton**

3. The Growth Deal will 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 will this ease congestion and improve traffic flow, but it will also mean the creation of over a thousand new homes and safeguard jobs.

4. The Council is 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.
5. £3m funding will 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 is available in 2016/17 to complete the projects.

6. Provisional funding of £0.9m for a strategic maintenance scheme to reprofile and reconstruct Teesside Park Drive, which has suffered for many years from settlement problems, has been agreed for 2016/17 as has a package of Sustainable Transport measures to improve access to job opportunities via walking, cycling, bus and rail.
7. 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 will open up access to the proposed Southside Business Park which will provide aviation-related employment opportunities.
8. 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 has been awarded for the growth hub for 2016/17 onwards. This will benefit Stockton by supporting investment in business growth, the creation of new jobs and the safeguarding of existing jobs within the Borough.

#### **Further work**

9. All of the projects with 2015/16 allocations will need to have detailed Business Cases that will 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 is currently estimated to take 10 weeks to December 2014 with final sign off around Feb/March 2015.
10. Officers will continue to work closely with TVU and the private sector on the Business Cases and advance preparatory work in the coming months. TVU have developed due diligence mechanisms and a performance management framework to ensure there is robust governance around the growth fund allocations. A copy of this performance management framework is shown in **Appendix 1** of this report and Cabinet are asked to endorse this mechanism.
11. At a local level it is important that there is robust programme management systems and governance in place to ensure all projects are clear on what is 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) will help to handle projects from 'cradle to grave' (copy to be provided). This work is being done with full support from SBC as Accountable Body.

12. It is requested Cabinet note that the responsibility for any future developments / amendments to the PMF will sit with the TVU governance groups, as defined by their roles detailed in the document. This is 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.

### **Pipeline schemes**

13. For 2017/18 - 2019/20 we 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 are currently considering a process by which the five Authorities and the private sector can put forward local growth fund schemes to be considered for the future years' funding. This process is in its infancy and will commence in the coming months to ensure that investment priorities are robustly developed and will be reported back to Cabinet.
14. In the longer term (2020-2025) the Council has 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.

### **FINANCIAL IMPLICATIONS**

15. There is an allocation of £3m Local Growth funding investment in 2015/16 with a further £3.2m allocated for 2016/17, subject to due diligence on the scheme business cases. The spending will be funded via direct grant but, as part of the competitive bidding process, the Council has indicated that any private sector S106 contributions related to individual infrastructure projects in Stockton funded by LGF will be transferred to TV LEP when planning obligations are triggered. The details of the repayments will be considered as part of the risk assessment and due diligence. That private sector money can then be recycled by the LEP to fund other infrastructure projects.

### **LEGAL IMPLICATIONS**

16. The legal implications of local growth fund will be managed through Stockton-on-Tees Borough Council as accountable body and the final details are being assessed and the report will be updated for the main Cabinet meeting to reflect any points of significance.

### **RISK ASSESSMENT**

17. This report is for noting so there are no risks associated with it. A fuller assessment of any economic and deliverability risks will be included in a future report.

### **SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS**

#### **Economic Regeneration and Transport**

18. The investment in the strategic highway network will ensure that the local highway network will be able to accommodate the traffic that will be generated in meeting the Council's aspirations for growth in housing and employment.

#### **Safer Communities**

19. There are no implications for Safer Communities as a result of this report.

#### **Environment and Housing**

20. Will ensure the Council is able to accommodate traffic impacts of additional housing.

## **EQUALITIES IMPACT ASSESSMENT**

21. This report is not subject to an Equalities Impact Assessment because it is not seeking Cabinet approval for a new policy, strategy or change in the delivery of a service.

## **CONSULTATION INCLUDING WARD/COUNCILLORS**

22. The 2015/16 schemes have been consulted on during previous planning processes. Ward Members have been kept informed throughout the bid process as appropriate. Further consultation will take place through the usual TVU Governance protocols.

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### Education related?

No

### Background Papers

Tees Valley Local Growth Fund Bid

### Ward(s) and Ward Councillors:

ALL

### Property

There are no implications for the Council's property associated with this report.