

**LEADERSHIP BOARD**

**Meeting to be held in the Mandela Room, Middlesbrough Town Hall  
at 2.00pm on Wednesday 13<sup>th</sup> June 2007**

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INVITEES

Hugh Lang	Managing Director, Durham Tees Valley Airport	Chair
Councillor John Williams	Leader, Darlington BC	
Stuart Drummond	Mayor, Hartlepool BC	
Ray Mallon	Mayor, Middlesbrough BC	
Councillor George Dunning	Leader, Redcar & Cleveland BC	
Councillor Ken Lupton	Leader, Stockton BC	
Alison Thain	Board Member of One NorthEast and Chief Executive, Tees Valley Housing	
Alastair MacColl	Chief Executive, Business Link North East	
Professor Graham Henderson	Vice Chancellor, University of Teesside	
Martyn Pellew	Chair, Tees Valley Committee, Chamber of Commerce and Business Development Director, PD Ports	
George Garlick	Chair of Tees Valley Local Authorities Chief Executive Group	
John Lowther	Tees Valley Joint Strategy Unit	

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OBSERVERS

Jonathan Spruce	Tees Valley Joint Strategy Unit
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|-----|--|----------|-----------|
| 1.  | CHAIR'S WELCOME AND INTRODUCTIONS  |          | Hugh Lang |
| 2.  | APOLOGIES  |          |           |
| 3.  | THE STORY SO FAR   | Attached |           |
| 4.  | ROLE OF THE LEADERSHIP GROUP   |          | Hugh Lang |
| 5.  | WORK PROGRAMME FOR TEES VALLEY UNLIMITED 2007/8  | Attached |           |
| 6.  | MULTI AREA AGREEMENT - PROGRESS  | Attached |           |
| 7.  | SINGLE PROGRAMME 2006/7 - OUTTURN REPORT   | Attached |           |
| 8.  | SINGLE PROGRAMME 2007/8 - SPEND POSITION   | Attached |           |
| 9.  | ANY OTHER BUSINESS   |          |           |
| 10. | DATE OF NEXT MEETING(S) <ul style="list-style-type: none"><li>• 12 September 2007</li><li>• 12 December 2007</li><li>• 19 March 2007</li></ul> |          |           |



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**Report of:** Director of Joint Strategy Unit  
**Report to:** Leadership Board  
**Date:** Wednesday 13 June 2007  
**Subject:** THE STORY SO FAR  
**Item for:** Information

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## **SUMMARY**

1. This report sets out the progress since June 2006 in developing the business case, implementing the governance arrangements and the recommendations of the Peer Assist Review.

## **1. PURPOSE OF REPORT**

- 1.1 The purpose of the report is to explain progress in implementing the Tees Valley City Region Business Case and the Tees Valley Unlimited governance proposals.

## **2. THE CITY REGION BUSINESS CASE**

- 2.1 At the request of Ruth Kelly, the Secretary of State for Communities and Local Government, the Tees Valley authorities were invited to submit a city region business case to her by the end of September. There was also a request from the Northern Way to produce a second iteration of the city region development programme produced in 2005. It was decided that the City Region Business Case would also be the City Region Development Programme.

- 2.2 The City Region Business Case comprised the following:

- a) A strategy to improve the economic performance of the Tees Valley City Region.
- b) An evidence base to justify the strategy.
- c) A 10 year investment plan, assuming broadly similar levels of investment setting out the priorities for the Tees Valley. The investment plan is a programme of investment which implements the strategy.
- d) A proposal for a multi-area agreement covering the three main funding streams in economic development, transport and housing market renewal which will fund the investment plan.
- e) Governance arrangements for coordinating activity in the Tees valley to improve economic performance.
- f) A green infrastructure strategy.
- g) Outline business cases for key transport schemes.
- h) A case for a housing market restructuring programme.

- 2.3 The City Region Business Case was well received by Government, the regional government agencies, the Tees Valley authorities, authorities in North Yorkshire and County Durham, One NorthEast and the private sector.

## **3. PEER ASSIST REVIEW**

- 3.1 In February a panel of civil servants from DCLG, Treasury, DWP, Department for Transport, Department of Trade and Industry visited the Tees Valley to review the business case and make recommendations to take the business case forward. The Government Office acted as secretariat to the panel. The panel gave its full support to the Business Case and made some additional recommendations to:

- i) Produce a more detailed and disaggregated analysis of sectors of the sub regional economy in particular business and financial services to better understand and clarify their contribution. JSU working with the government office, DTI and other departments as appropriate and local academics.

- ii) Develop a sophisticated skills strategy which shows how the high level skills required for chemicals, energy, advanced engineering etc will be met and how low skill levels will be tackled to bring economic development to disadvantaged communities. JSU working with One NorthEast, LSC, JC+ and Government Office.
- iii) Review the proposed governance arrangements for the Skills and Employability Board, in particular whether it should be just advisory, or have a role in implementation.
- iv) Increase the quality of appraisal to develop and enable a more rigorous and formal process and methodology for prioritisation within and between separate funding budgets. JSU working alongside the Regional Development Agency, HMT and GO.
- v) Examine scope for a sub regional funding allocation exercise, building on prioritised resources allocation and clear identification of freedoms and flexibilities to deliver funding through the MAA. Tees Valley partners work with One NorthEast, the GO and Whitehall partners.
- vi) Consider the basis for a new relationship between the public and private sectors, with less emphasis on publicity-funded direct business support, particularly from individual local authorities, and more on creating a responsive environment within which business can flourish, with appropriate influence over strategic public sector priorities. Tees Valley partners.

The key recommendations of the Peer Assist Review have been incorporated into the work programme.

#### **4. TAKING FORWARD THE GOVERNANCE ARRANGEMENTS**

- 4.1 The Tees Valley authorities have approved the governance arrangements for the Board of Tees Valley Unlimited and the various sub boards. Appendix 1 attached sets out the function and membership of the Boards.
- 4.2 It is important to recognise that the governance arrangements are in shadow form for the year 2007/8 in order to allow amendments to be made in the light of circumstances. The membership of the boards has been selected to bring together those organisations and people that can add real value to the overall objective of Tees Valley Unlimited which is to improve the economic performance of the Tees Valley.
- 4.3 There is an important principle which has been set out in the governance proposals;

Tees Valley Unlimited is a partnership coordinating activities across the Tees Valley appropriate to a city region level which will improve the economic performance of the Tees Valley. It is not proposed for the local authorities to delegate any powers to Tees Valley Unlimited.

- 4.4 A key feature of the governance arrangements is the setting up of a private business group to provide a direct input from the private sector to the key issues facing the city region.

- 4.5 The governance proposals also propose a City Region Policy Forum to provide a forum for dealing with policy issues which affect County Durham and North Yorkshire.
- 4.6 The proposals for the Leadership Board allow for a private sector chair, the Leaders/Mayors of the five Tees Valley authorities and five representatives from the private and voluntary sector. In selecting representatives for the Leadership board, the Tees Valley authorities have been keen to choose people who are major players in the economy of the Tees Valley. Soundings have been taken with key regional agencies, politicians and private sector organisations in the Tees Valley. The chair of the Leadership Board will be Hugh Lang of Peel Holdings. The Leadership Board members are Graham Henderson, Vice Chancellor of the University of Teesside, Martyn Pellew, Chair of the Tees Valley Committee of the Chamber of Commerce and PD Ports, Alison Thain, Board Member of One NorthEast and Chief Executive of Tees Valley Housing Group and Alastair MacColl, Chief Executive of Business Link North East. It is intended to appoint a fifth person from the process industries sector.
- 4.7 The Board may be interested to note that the Local Government Association Innovation Forum have granted pilot status to Transport for Tees Valley, the new sub-board dealing with transport.

## **5. TEES VALLEY JOINT STRATEGY COMMITTEE AND TEES VALLEY PARTNERSHIP**

- 5.1 In the course of this year it will be necessary to formally wind up the Tees Valley Joint Strategy Committee and to agree with One NorthEast the process for winding up the Tees Valley Partnership. It is proposed to produce a glossy report which sets out the achievements of the Tees Valley Partnership since 2000.

## **6. TAKING FORWARD TEES VALLEY UNLIMITED**

- 6.1 The agenda for the Executive takes forward the agenda for Tees Valley Unlimited. It sets out:
- a) A work programme for Tees Valley Unlimited
  - b) Details further discussions on a Multi-Area Agreement
  - c) Sets out action which needs to be taken to produce an agreed programme with One NorthEast for 2008/9.

## **7. RECOMMENDATION**

- 7.1 The report be noted.

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**Originator:** John Lowther, Director, Joint Strategy Unit

**Contact Tel:** 01642 264800

**E-mail:** john.lowther@teesvalley-jsu.gov.uk

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## **TEES VALLEY AUTHORITIES CABINETS**

### **TEES VALLEY UNLIMITED: PROPOSED GOVERNANCE ARRANGEMENTS**

#### **JANUARY 2007**

#### 1.0 SUMMARY

1.1 This report sets out the proposed governance arrangements using as a starting point the outline proposals set out in the City Region Business Case. The report:

- a) sets out the principles which guide the operation of the Boards;
- b) the terms of reference, composition and accountability arrangements for the Boards and Sub Boards;
- c) an outline implementation programme for setting up Tees Valley Unlimited.

It is important to recognise that Tees Valley Unlimited is a partnership coordinating activities to improve economic performance across the Tees Valley appropriate to a city region level.

The response to the City Region Business Case from Government and regional agencies to the proposals has been very positive. Key elements of the work programme are:

- a) a visit of the Peer Assist group of civil servants from various Government departments from which the Government's formal response to the Business Case will be formulated;
- b) negotiations with One NorthEast to translate the Investment Plan into an agreed capital programme for the period 2007 – 12 which can be incorporated into ONE's corporate plan and in the longer term an agreement; and
- c) continued development of the transport proposals.

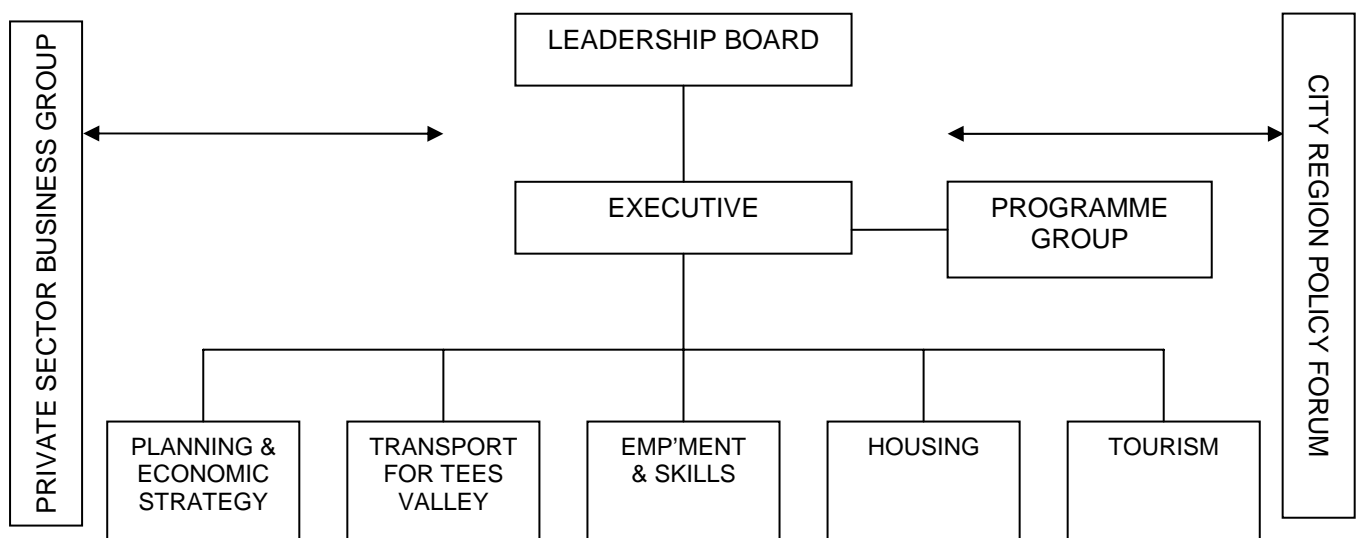
It is expected that the Boards will meet for the first time in the summer.

#### 2.0 RECOMMENDATIONS

2.1 The Cabinet is asked to endorse the governance proposals and the implementation timetable set out in this report.

## 1.0 INTRODUCTION

The paper takes as its starting point the outline proposals set out in the City Region Business Case, as illustrated below.



Each of the constituent bodies is discussed in turn in the following sections, starting with a quote from the Business Case, and covering issues such as:

- Terms of Reference;
- Composition; and
- Accountability.

The paper concludes with an outline implementation timetable.

## 2.0 PRINCIPLES

### a) Subsidiarity

It is important to recognise Tees Valley Unlimited will deal with issues which can best be dealt with by Tees Valley Unlimited at a city region level to improve the economic performance of the Tees Valley.

### b) Partnership

It is envisaged that Tees Valley Unlimited is a partnership coordinating activities across the Tees Valley appropriate to a city region level. It is not proposed at least in the first year for the local authorities to delegate any powers to Tees Valley Unlimited. As progress is made on developing the work of the Boards, and where the partners agree it would be sensible, it may be necessary to delegate powers, but at least for the first year of operation, this is not expected to be the case.

### c) Joint Strategy Committee

Tees Valley Unlimited effectively takes over the function of the Joint Strategy Committee. There will need to be a process put in train to wind up the JSC.

### d) Voting

There is an issue over where it is appropriate for local authority members to have a vote or where all members of the Board can vote. In certain cases where there are local authority statutory functions e.g. responses to the Regional Spatial Strategy, Transport it is proposed that only local authority members can vote. In other areas such as economic development, all members can vote. There is a concern that unless partners can vote on non statutory matters, they will feel unable to influence policy.

### e) Accountable Body

The Multi Area Agreement between the five local authorities and ONE, the Regional Housing Board/DCLG and DfT will need to be ratified by each of the authorities. One authority will act as accountable body for the resources set out in the multi area agreement.

### 3.0 TEES VALLEY UNLIMITED COMPONENT GROUPS

#### a). Leadership Board

*“The Leadership Board will consist of about 10 members. Five of the members will be representatives of the five Tees Valley Authorities. There would be five other members representing other sectors (such as businesses, education/universities and the voluntary sector). Board level representation of regional agencies would not be formally members of the Board but would be invited to attend and actively contribute to discussions ... The Chair of the Leadership Board would be a non-local authority chair with a local authority representative as the vice chair. The Chair would be appointed for 3 years.”*

<b>Terms of Reference</b>	<ul style="list-style-type: none"> <li>• To ensure delivery of the Tees Valley Investment Plan</li> <li>• To achieve the targets set out in the Multi Area Agreements</li> <li>• To deliver the City Region Development Programme</li> <li>• To agree and changes to programme/funding as required to the Tees Valley Investment Plan</li> <li>• Approve any reviews of the Tees Valley City Region Development Programme and other City Regional strategies</li> <li>• Ensure the City Region Development Programme and other strategic reports are reflected in regional, pan-regional and national policies</li> <li>• Engage with local MPs</li> <li>• Meet on a quarterly basis</li> </ul>
<b>Composition</b>	<ul style="list-style-type: none"> <li>• Mayors and Leaders of the Tees Valley Authorities</li> <li>• Five representatives from the private/third sector</li> </ul>
<b>Accountability</b>	<ul style="list-style-type: none"> <li>• To Government through the MAA</li> <li>• To other funding partners</li> <li>• All members of the Board, including the private sector, have a vote, save on matters arising from sub boards where only local authority representatives can vote</li> </ul>

- The intention would be to appoint a Shadow Chair then to identify, with the agreement of Leaders and Mayors, which private/third sector partners should be approached.
- The Chair and non-Local Authority members would serve for a period of three years.

**b). Executive**

*“To advise the Leadership board there needs to be an Executive. The Executive will comprise the five Tees Valley Authority Chief Executives, together with Chief Executives or leaders of other key Tees Valley organisations.”*

<b>Terms of Reference</b>	<ul style="list-style-type: none"> <li>• Policy and strategic service to the Board</li> <li>• Monitoring and delivery of the Investment Strategy, the CRDP and the MAA</li> <li>• To report, by exception, progress on project delivery</li> <li>• To make recommendations to the Leadership Board on changes to programme/funding as required</li> <li>• Monthly meetings (in the initial stages, and then may be quarterly to feed into Leadership Board meetings)</li> </ul>
<b>Composition</b>	<ul style="list-style-type: none"> <li>• Tees Valley Local Authority Chief Executives and other key public sector sub regional chief executives/private sector organisations chief executives</li> <li>• Observers from ONE, GONE, LSC, Jobcentre Plus, CBI, Chamber of Commerce, Communities England</li> </ul>
<b>Accountability</b>	<ul style="list-style-type: none"> <li>• To the Leadership Board</li> </ul>

The Executive will be serviced by the Director of the JSU

c). Private Sector Business Group

*“The Private Sector Business Leadership Group [will] provide a very direct engagement of the private sector with decisions taken by the City Region as a whole.”*

<b>Terms of Reference</b>	<ul style="list-style-type: none"><li>• To provide two-way relationship between the Leadership Board/Executive and the private sector</li><li>• Quarterly meetings, timed between meetings of the Leadership Board</li></ul>
<b>Composition</b>	<ul style="list-style-type: none"><li>• 10 – 15 members from key private sector partners. 10 core members with provision of a further 5 to be invited depending on the issue.</li></ul>
<b>Accountability</b>	<ul style="list-style-type: none"><li>• N/A</li></ul>

- The Chair, when appointed, will work with the private sector partners to form the Group.
- The JSU will service the Group.

d). City Region Policy Forum

*“A Tees Valley City Region Policy Forum is [proposed to be] set up with the County Durham and North Yorkshire authorities to develop policy in particular looking at not only how these areas can benefit from the improvement of the economic performance of the Tees Valley but also how they can contribute to improving the economic performance of the City Region.”*

<b>Terms of Reference</b>	<ul style="list-style-type: none"> <li>• To share information on strategic developments that will affect either parties' forward strategy, such as large scale planning applications, transport proposals, housing and spatial planning</li> <li>• Probably six monthly meetings to coincide with the Leadership Board meetings, although may also depend on the Executive and the need for any special meetings to deal with specific issues</li> </ul>
<b>Composition</b>	<ul style="list-style-type: none"> <li>• 5 nominated representatives from the Tees Valley, together with representatives from the 2 County Councils and 5 District Councils</li> </ul>
<b>Accountability</b>	<ul style="list-style-type: none"> <li>• No direct accountability within Tees Valley Unlimited, but relationship with existing (and future) arrangements in other authorities needs to be clarified</li> </ul>

- It is intended that this Forum should be entirely an Officer group, concerned primarily with the co-ordination of strategy.

e) Planning and Economic Strategy

*“Coordinating the input of the City Region into the Regional Spatial Strategy, Regional Economic Strategy and the Northern Way and taking forward the strategic economic issues set out in the Business Case.”*

<p><b>Terms of Reference</b></p>	<ul style="list-style-type: none"> <li>• Co-ordinate delivery of the spatial priorities as set out in the Investment Plan</li> <li>• Co-ordinate the input of the City Region into the RSS, RES, The Northern Way and European policy</li> <li>• Produce research reports into economic issues</li> <li>• Produce an annual monitoring report on the economic performance of the City Region and the success of the CRDP</li> <li>• Take a lead on sector working, eg a logistics sector strategy related to ports and airports</li> <li>• Develop and implement the green infrastructure strategy</li> <li>• Co-ordinate the implementation of the regeneration/place programme and the key spatial initiatives</li> <li>• Liaise with One NorthEast on the key sector initiatives taking place in the Tees Valley</li> </ul>
<p><b>Composition</b></p>	<ul style="list-style-type: none"> <li>• A Member/Officer group with Cabinet Members for planning/economic development and Officers from the five Tees Valley Authorities</li> <li>• Representatives from CBI, Chamber of Commerce, NEPIC, Renew Tees Valley, Centre for Process Innovation, Tees Valley Engineering Partnership, ONE, LSC, Business Link North East, NEA, North Yorkshire County Council (1 Officer), Durham County Council (1 Officer), Environment Agency, Tees Valley JSU, Tees Valley Regeneration</li> </ul>
<p><b>Accountability</b></p>	<ul style="list-style-type: none"> <li>• To the Leadership Board (through the Executive)</li> <li>• To funding partners</li> <li>• Local Authority Cabinet Members have a vote on any planning matters – all can vote on economic development matters</li> </ul>

f). Transport for Tees Valley

*“To develop City Region transport strategy and develop the Tees Valley Metro, Bus Network Improvements and transport issues affecting the trunk road network.”*

<p><b>Terms of Reference</b></p>	<ul style="list-style-type: none"> <li>• Co-ordinate delivery of the City Region Transport Strategy</li> <li>• Prepare the business case and co-ordinate the delivery of the Bus Network Improvements</li> <li>• Examine options for operating the system and take forward the Tees Valley Metro proposals after they have been progressed to a suitable degree</li> <li>• Prepare the Tees Valley Monitoring Report</li> <li>• Co-ordinate the implementation of transport resources delegated through TIF and the RFA process</li> <li>• Liaise with the Highways Agency and Network Rail on issues relating to the strategic road and rail network</li> <li>• Represent the Tees Valley and making the case for further investment through regional and national bodies, The Northern Way and European Funds</li> </ul>
<p><b>Composition</b></p>	<ul style="list-style-type: none"> <li>• A Member/Officer group with Cabinet Members for transport and Officers from the five Tees Valley Authorities</li> <li>• Representatives from GONE, ONE, NEA, Highways Agency, Network Rail, Arriva, Stagecoach, Chamber of Commerce, CBI, PD Ports, Peel Holdings, North Yorkshire County Council (1 Officer), Durham County Council (1 Officer), Tees Valley JSU</li> </ul>
<p><b>Accountability</b></p>	<ul style="list-style-type: none"> <li>• To the Leadership Board (through the Executive)</li> <li>• To funding partners</li> <li>• To Government in delivering major transport schemes</li> <li>• Only Local Authority Cabinet Members have a vote</li> </ul>

- There may be a need to set up a limited company to act as the Contracting Authority for the bus and rail network improvements. Composition reflects initial strategy stage- there may be a need to separate out in the future the provider organisations

g). Employment and Skills Board

*“To develop a Tees Valley Skills Strategy.”*

<p><b>Terms of Reference</b></p>	<ul style="list-style-type: none"> <li>• Develop a City Region Employment and Skills Strategy</li> <li>• Identify the key skills needs of the City Region and the programmes required</li> <li>• Address issues relating to Employability, in particular the 20% of the working population with no qualifications</li> <li>• Co-ordinate delivery of the employment and skills work being undertaken by partners and advise statutory agencies on commissioning of mainstream funded delivery</li> <li>• Engage key City Region employers within the process</li> <li>• Encourage people to recognize the value of education and training</li> <li>• Improve the employment offer</li> <li>• Encourage people to become more innovative and enterprising in business, work and training</li> <li>• Prevent issues of underachievement and non-engagement arising at the outset</li> <li>• Ensure that the outputs are aligned with the RES and Regional Employability Framework</li> </ul>
<p><b>Composition</b></p>	<ul style="list-style-type: none"> <li>• LSC, Jobcentre Plus, five Tees Valley Authorities (Children’s Services and Economic Development/Regeneration Departments), Colleges of Further Education (1), HEFCE, University of Durham, University of Teesside, Business Link North East, CBI, Chamber of Commerce, Federation of Small Businesses, TUC, training providers (1), voluntary sector (1), Tees Valley JSU</li> </ul>
<p><b>Accountability</b></p>	<ul style="list-style-type: none"> <li>• To the Leadership Board (through the Executive)</li> <li>• It is intended that the Board will advise LSC/Jobcentre Plus on the skills needs of the Tees Valley. As such, it is a strategic advisory body</li> <li>• Primarily an Officer Board, since it is concerned with strategy and co-ordination</li> </ul>

h). Housing Board

*“To coordinate the delivery of the housing market renewal strategy.”*

<b>Existing Arrangements</b>	<ul style="list-style-type: none"><li>• Tees Valley Living</li></ul>
<b>Terms of Reference</b>	<ul style="list-style-type: none"><li>• As existing TVL arrangements</li><li>• Delivery of the housing market renewal strategy</li><li>• Liaise with the Regional Housing Board</li></ul>
<b>Composition</b>	<ul style="list-style-type: none"><li>• As existing TVL arrangements</li></ul>
<b>Accountability</b>	<ul style="list-style-type: none"><li>• As existing TVL arrangements, but to the Leadership Board rather than TVP</li><li>• Cabinet Members only will have voting rights as of now</li></ul>

i). Tourism Board

*“To develop and realise the potential for tourism in the Tees Valley.”*

<b>Existing Arrangements</b>	<ul style="list-style-type: none"><li>• Area Tourism Partnership (Visit Tees Valley)</li></ul>
<b>Terms of Reference</b>	<ul style="list-style-type: none"><li>• As existing ATP arrangements</li><li>• Promote tourism</li><li>• Co-ordinate the development of a programme of major events</li><li>• Develop programmes to support the development of tourism business and the skills needs of this growing sector</li><li>• Further items being delivered by the ATP</li></ul>
<b>Composition</b>	<ul style="list-style-type: none"><li>• As existing ATP arrangements</li></ul>
<b>Accountability</b>	<ul style="list-style-type: none"><li>• As existing ATP arrangements, but to the Leadership Board instead of ONE</li></ul>

## 1.0 OUTLINE IMPLEMENTATION TIMETABLE

### January/February

- Leaders and Mayors agree terms of reference and composition of sub boards
- Appoint Shadow Chair
- Visit of Peer Assist Group
- Local Authority Cabinet Approval for proposed arrangements
- Advice on legal issues re wind up of JSC and establishment of TVU

### February/March

- Discussions with private sector on the proposals
- Discussions with North Yorkshire and Durham authorities on proposals
- Negotiate with ONE the translation of the Investment Plan into an agreed programme which can form the basis of an agreement with ONE and inclusion in ONE corporate plan
- Discussions continue with DfT on transport projects and DCLG on governance
- Formally respond to City Development Companies consultation paper
- Prepare report restructuring JSU to be able to service TVU
- Response of the Peer Assist Review Group which will be the Government's formal response to the City Region Business Case

### April/May

- Agree board appointments where necessary
- Deal with implications of CSR 2007 Review

### June/July

- Boards meet for the first time



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**Report of:** Director of Joint Strategy Unit  
**Report to:** Leadership Board  
**Date:** Wednesday 13 June 2007  
**Subject:** TEES VALLEY UNLIMITED: WORK PROGRAMME 2007/08  
**Item for:** Decision

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**SUMMARY**

1. This paper sets out a summary of the work programme for Tees Valley Unlimited for 2007/08, in terms of each of the Boards and sub-Boards. It is derived from the City Region Business Case and the Peer Assist Review.
2. Board Members are asked to approve the work programme as indicated.
3. Board Members recommend that each sub Board be asked to prioritise the elements of the work programme set out in the report.

## **1.0 PURPOSE OF REPORT**

- 1.1 The purpose of the report is to set out the work programme for Tees Valley Unlimited for 2007/8. The work programme is derived from the City Region Business Case and the recommendations of the Peer Assist Review. The work programme is allocated to the Boards and sub boards.

## **2.0 LEADERSHIP BOARD AND EXECUTIVE**

- 2.1 The critical tasks for the Leadership Board and Executive will be:

- a) To ensure delivery of the 2007/8 Single Programme. At each of its meetings the Leadership Board and Executive will receive a monitoring report setting out progress on delivery of the single programme and reporting by exception any projects in the programme which are behind schedule and the actions required to remedy the situation.
- b) The drawing up of the Multi-Area Agreement (MAA). The programmes which are set out in the investment plan need to be incorporated into a multi-area agreement covering the three year period 2008/9 to 2010/11 or if possible to 2012/13 depending on discussions with the Department of Communities and Local Government (DCLG) and funding partners. The timescale for drawing up the multi-area agreement is as follows:

- August/September 2007 - Executive and Leadership Board consider draft MAA.
- November/December 2007 - Executive/Leadership Board meet to discuss the revised draft MAA.
- February/March 2008 - Executive/Leadership board meet to approve final MAA.

There will be a need for considerable negotiation with the DCLG and funding partners over the drawing up of the agreement. There is a separate paper on the nature of a MAA on the agenda.

- c) Recommending strategies and projects for approval by the Tees Valley Authorities, key items of the work programme e.g. revised business cases for the Bus Network Improvements, Tees Valley Metro, together with key strategy statements such as the Employability and Skills Strategy or the A19/A66/A174 Study will come to the Executive/Leadership Board for approval.
- d) Reviewing the governance arrangements. The governance proposals are in shadow form and may need reviewing following the Sub National Review/Comprehensive Spending Review and/or experience over the first year. There will be a need to deal with any legal issues which may arise and a constitution will need to be drafted.
- e) Winding up the Joint Strategy Committee and Tees Valley Partnership. During the shadow period it will be necessary to agree the arrangements for winding up the Tees Valley Joint Strategy Committee

and the Tees Valley Partnership. In terms of the Tees Valley Partnership it is intended to produce a glossy report setting out its achievements since 2000 and showing the projects and programmes that have been implemented. Procedures for winding up the Tees Valley Partnership will need to be agreed with One NorthEast. It is intended to resolve these matters by September.

- f) Considering the strategic implications of Government policy changes for the Tees Valley. In the late summer/early autumn there will be the sub national review and Comprehensive Spending Review which could well have implications for the Tees Valley. Other examples are the Energy White Paper and major policy initiatives arising from the Northern Way, Government departments or regional agencies e.g. the Northern Places Fund concept.
- g) Monitoring progress in implementing the Tees Valley Business Case. The Executive and Leadership Board will want to monitor progress in implementing the business case. At the end of the financial year the JSU will produce a "State of the Tees Valley" report which will set out progress.
- h) The Executive/Leadership Board and the Private Sector Business Group will from time to time raise issues on which it wants further work to be carried out. There will also be issues referred to by partners and by sub-boards.
- i) Development of a communications strategy for Tees Valley Unlimited.
- j) The Executive will also from time to time receive reports on issues/projects which require technical resolution covering the implementation of the business case.

### **3.0 PLANNING AND ECONOMIC STRATEGY**

3.1 The key items of the Planning and Economic Strategy Sub-Board are as follows:

- a) Taking the lead on sector initiatives. Whilst NEPIC and CPI will take the lead on the strategy for the process industries, there is the opportunity for both organisations to provide feedback on their activities and any help they require from partners. There are four main areas of work proposed for 2007/8. They are:
  - i) A review of land requirements, infrastructure constraints, development proposals for both the North and South Tees to inform Local Development Framework preparation, identify action needed to tackle infrastructure constraints and opportunities for development. Work for the South Tees is underway in partnership with Redcar and Cleveland BC, SembCorp, NEPIC, Teesside Cast Products, and PD Ports and it is intended to follow on with the North Tees.
  - ii) A coordinated approach to the development of the renewable energy/low carbon industry in the Tees Valley. Renew Tees Valley have been commissioned to undertake a study to identify how the various energy projects relate to each other and what

work needs to be done to maximise these opportunities. There are a number of biofuel plants operating or under construction, the heavy crude oil upgrader, Progressive Energy's proposals for a coal gasification plant with carbon capture and storage, the whole area of industrial symbiosis and the ecopark concept for waste recycling at South Tees, energy plants such as Thor at North Tees, the development of the hydrogen economy, ONE's proposals for an Energy Centre in the Tees Valley, and the Welding Institute's proposals for a Renewable Energy Manufacturing Technology Centre – which will develop innovative fabrication solutions for renewable energy sources. We need to understand how these relate to each other and develop a strategic approach. The initial study by Renew Tees Valley should help to identify a work programme to develop the strategy.

- iii) A logistics study to identify how we can develop further the potential of the port, the airport, Darlington and Wynyard as locations for firms involved in logistics. It is envisaged that this work will begin in the Autumn.
  - iv) A strategy for the development of the financial and business services sector. Many of the key regeneration projects are concerned with the development of the financial and business services sector in the Tees Valley and it is possible that Tees Valley Regeneration will have commissioned research in this area. The Peer Assist Review Panel recommended that we carried out further work in this sector to identify likely demand and actions required to encourage the development of the sector. It is envisaged that this work will begin in the autumn.
- b) Coordinate the input of the City Region into the Regional Spatial Strategy, Regional Economic Strategy, the Northern Way and European policy.

### 3.2 Key elements of the work programme will be:

- a) Dealing with the modifications to the Regional Spatial Strategy and providing an input into the strategic work of the North East Assembly.
- b) The development of a strategic housing assessment for the Tees Valley (jointly with Tees Valley Living and the City Region Policy Forum).
- c) Dealing with other strategic implications of major planning applications.
- d) The preparation of the Tees Valley Joint Minerals and Waste Development Plan.
- e) The development of projects to be funded under the new European programmes for 2006-13.
- f) Identifying European initiatives of relevance to the Tees Valley.
- g) Evaluating the annual work plan of the European Commission and ensuring that forthcoming policies and legislation adopted cater for the needs of the Tees Valley.

- h) Provide input into the work of DICIDA and the European Chemical Regions Network in partnership with NEPIC.

### 3.3 Business Support

There is a need to liaise with Business Link North East on the needs of the Tees Valley for business support. This should begin with an early discussion as to how Tees Valley Unlimited and Business Link North East can work together.

### 3.4 Green Infrastructure Strategy

The Green Infrastructure Strategy has been welcomed by all the partners and is seen by Natural England and others as a national model for other areas. We are now undertaking an audit of existing programmes and future proposals with a view to preparing a programme which can add value and be submitted to ONE as part of the investment plan and in accordance with the RES Action Plan.

### 3.5 Climate Change

Discussions are taking place with the Climate Change Partnership, Environment Agency and Local Authorities about the integration of climate change work into our economic development programmes.

### 3.6 Coordination of the Implementation of the Regeneration Programme and Key Spatial Initiatives

The sub-Board will deal with any issues or policy support required in support of the three key regeneration initiatives, Darlington Gateway, Stockton/Middlesbrough Initiative and the Coastal Arc.

### 3.7 Update of the Research Base and the Evidence Base as required.

The sub-Board will also initiate on update of the research base and the evidence base as required.

### 3.8 Preparation of the annual "State of the Tees Valley" report.

Preparation of the annual "State of the Tees Valley" report will be the responsibility of the sub-Board, albeit with input from other areas.

### Development of Teesport and Durham Tees Valley Airport

- 3.9 The development of Teesport, in particular the container terminal proposal and the development of the south side of the airport are critical to the economic growth of the Tees Valley. The Board may have to commission further work to support both Peel Holdings and PD Ports in backing their case for these developments, particularly in the area of planning.

## **4.0 TRANSPORT AND TEES VALLEY**

4.1 Transport for Tees Valley has secured the status of a 'pilot' through the LGA's Innovation Forum for a new way of working to deliver transport improvements. The agreed remit for the sub-Board is as follows:

- a) Co-ordinate delivery of the City Region Transport Strategy.
- b) Prepare the business case and co-ordinate the delivery of the Bus Network Improvements.
- c) Examine options for operating the system and take forward the Tees Valley Heavy Rail Improvements after they have been progressed to a suitable degree.
- d) Manage the development of an Area Action Plan, in partnership with the Highways Agency, for the trunk and strategic road network, to allow development to be facilitated over the lifetime of the Investment Plan.
- e) Provide a link to, and representation on, the Regional Transport Board.
- f) Co-ordinate the implementation of transport resources delegated through Transport Innovation Fund (TIF) and the Regional Funding Allocation (RFA) process.
- g) Liaise with the Highways Agency and Network Rail on issues relating to the strategic road and rail network.
- h) Represent the Tees Valley and making the case for further investment through regional and national bodies, The Northern Way and European Funds.
- i) Develop, use and update as necessary a series of strategic, multi-modal transport models.
- j) Prepare the annual Tees Valley Monitoring Report.

4.2 The key tasks within the work programme for 2007/08 in relation to the above will be as follows:

### **4.3 Bus Network Improvements**

A revised Major Scheme Business Case is being submitted to the Department for Transport (DfT) in July 2007, and design work for the Year 1 schemes will be ongoing. The sub-Board will receive progress reports from the Project Director.

### **4.4 Tees Valley Metro**

Work is underway in partnership with Network Rail to examine the feasibility of the Metro proposals in more detail, prior to the submission of a more detailed business case to Government at the end of 2007. Although managed by TVR, the sub-Board will note the progress of the work and any implications relating to its remit.

4.5 A66(T)/A19(T)/A174(T) Area Action Plan

The second stage of this study will be complete by late Summer 2007, beyond which the sub-Board will need to discuss the most appropriate course of action to deliver the identified improvements necessary to support the long term regeneration proposals.

4.6 Regional Transport Board

Regional Transport Board meetings are to be held quarterly, and the sub-Boards discussions and recommendations should be fed into the regional level.

4.7 TIF/RFA

A further round of TIF projects is expected later in 2007, and so the sub-Board will be the forum for discussing and agreeing any suitable projects. A review of the RFA process is planned for Autumn 2007, and again the sub-board will provide a lead on the City Region's schemes to be included within the review process.

4.8 Northern Way

The Northern Way Transport Compact will continue and the City Region is represented on the Compact. The sub-Board will need to continue this engagement and ensure that the pan-regional transport needs that affect the Tees Valley are promoted through the Compact.

4.9 European Funds

The sub-Board may need to agree to promote a trans-national European research project through the new INTERREG programme. The JSU is currently investigating whether there is a suitable project within the Tees Valley.

4.10 Monitoring Report

The annual Tees Valley Monitoring Report will be prepared in July 2007, and will include a foreword from the Chair of Transport for Tees Valley.

4.11 In addition to the above, the sub-Board will also need to be kept informed on progress on two other elements of work that will support the main infrastructure proposals, namely the Intelligent Transport Systems (ITS) strategy and the Demand Management framework.

4.12 Finally, a 30 year vision for rail will be announced by Government in July 2007 in a new Rail White Paper, a draft Transport Bill is imminent that will include changes to quality bus partnerships, and a final version of the National Ports Policy and an update to the 2004 Aviation White Paper are expected in Autumn 2007. All of these will need to be reviewed and their key implications understood by the sub-Board.

## 5.0 SKILLS AND EMPLOYMENT BOARD

- 5.1 A key recommendation of the Peer Assist Review was that the Tees Valley should develop a sophisticated sub-regional skills strategy for the Tees Valley. This work is already underway and will be monitored and reviewed by the sub-Board.

The Tees Valley City Region Business Case identifies future economic growth in a number of sectors. The ability of these sectors to grow could be constrained by the lack of skilled labour in many cases, particularly chemicals, energy, biotechnology and advanced engineering. We need therefore to identify the skills needs of these sectors. They are:

- i) Chemicals, energy, biotechnology and advanced engineering
- ii) Logistics
- iii) Financial/business services
- iv) Digital/multi-media

- 5.2 There are seven main pieces of work. They are:

- a) The NERIP/Durham University Business School Economic Impact Model which can estimate employment levels across the region/sub-region in the next 5 years. It will be necessary to explore exactly what help the model can give.
- b) LSC have their own information on labour demands and the demands of the key sectors for the Tees Valley. LSC needs therefore to identify these demands numerically against the level of skills required. It will also be necessary to identify any mismatch between the demand for training and supply.
- c) NEPIC will shortly complete a skills analysis of the needs of the process industry. Tees Valley Engineering Partnership have also carried out a skills survey of over 300 companies in the Tees Valley. The survey will be available at the end of the month.
- d) One of the main barriers to developing skills programmes to meet the demands of businesses in the Tees Valley is the lack of understanding between the training initiatives and businesses of each others' needs and constraints. Officers from the LSC/JSU will visit the universities, colleges of further education, key training providers, CBI, Chamber of Commerce, NEPIC, TVEP and key firms to identify the barriers and issues which need resolution.
- e) The University of Teesside has agreed to prepare a paper with some ideas as to how the university could work with colleges of further education, training providers and employers to provide high level training.
- f) A critical issue for all training providers will be the ability of the training infrastructure to the demands of businesses arising from the Leitch Review.
- g) The JSU have carried out population projections/forecasts for the Tees Valley. These forecasts indicate major demographic changes in the next 20 years – notably a decline in 14-19 year olds and increased

workforce in older age groups. The skills strategy needs to take this into account. The JSU report on demographic change will be available in July.

- 5.3 The result of this work programme should be a robust analysis of the skills needs of the key sectors in the Tees Valley and the match with supply. It should result in an evidence base which enables the Tees Valley to develop a sound business case to funders for areas of demand by the preparation of an employability strategy.

#### The Preparation of a Employability Strategy

- 5.4 Within the Tees Valley there is considerable work being undertaken on employability by Jobcentre Plus, LSC and other partners in the local authority and voluntary sector. As a starting point there is a need to identify the type and level of activity that is taking place. Shared Intelligence are carrying out a scoping study identifying the activity in the Tees Valley of the local authorities and Jobcentre Plus. The outcome of the study in July should be:

- a) To identify any areas of development or gaps that need further work.
- b) To enable us to carry out the second stage which is to develop a city strategy approach setting out the strategic actions that we need to undertake and the role and function of Jobcentre Plus, LSC, the local authorities and voluntary sector.
- c) Provide the evidence base for any business cases to be made to funding bodies.

It is important to recognise that the employability strategy must build on the regional employability framework.

#### The Future Role of Skills and Employability Boards

- 5.5 It is possible that the Comprehensive Spending Review may produce some guidance on the role of Skills and Employability Boards. There may well be a need to review the role and function of the Board in the autumn.

#### Matching People from Areas of Deprivation to Jobs Created by Major Regeneration Projects

- 5.6 TVR will shortly be implementing their major regeneration projects. There is a need to identify programmes which allow people from deprived communities gain access to jobs in the major regeneration sites.

## **6.0 TEES VALLEY LIVING**

6.1 Tees Valley Living has three main tasks:

- a) To coordinate the delivery of the existing £31.55m programme for housing market renewal which is funded until March 2008.
- b) To prepare the business case for continued funding of HMR beyond March 2008.
- c) To prepare the sub-regional housing strategy for submission to the Regional Housing Board in July.

6.2 The key elements of the work programme will be as follows:

### Preparation of the Sub-regional Housing Strategy and Action Plan

The sub-regional Housing Strategy sets out the strategic aims and investment priorities for housing over the next 15 years and seeks to identify opportunities for cross-boundary initiatives and interventions to facilitate a strategic approach to housing delivery in the Tees Valley.

- a) Tees Valley Living currently has responsibility for co-ordinating the preparation of an updated housing strategy and a fully costed Action Plan for submission to the Regional Housing Board in July. The submission will be central to determining the allocation of funding in Round 3 of the Single Housing Investment Pot for the next three year period 2008-2011.
- b) The Tees Valley Living housing team will have a continued role in co-ordinating the preparation of annual revisions to the sub-regional Housing Strategy and periodic reviews of the Action Plan. The Housing Sub-Board will receive progress reports and oversee the submission of future versions to the Regional Housing Board.

### Monitoring of the Sub-regional Housing Strategy and Action Plan

The first Sub-regional Housing Strategy was produced in 2006. A monitoring framework has not yet been developed. This is a fundamental gap in current programme management and monitoring arrangements.

- a) A Performance Management Framework (PMF) is required to measure progress against aims and objectives of the Housing Strategy and targets and milestones in the Action Plan.
- b) The Tees Valley Living housing team would assume responsibility for the development and implementation of a PMF to sit alongside the sub-regional Housing Strategy and Action Plan.

- c) The existing programme monitoring and performance management system that the housing team is currently operating would readily adapt to serve as a PMF for the sub-regional Housing Strategy.
- d) The PMF would provide a tool for the collation and analysis of intelligence as required by key funding bodies, namely the Regional Housing Board and DCLG.

#### Housing Market Assessment

A Tees Valley-wide Housing Market Assessment was completed in 2005 to better understand housing markets, low demand and housing need. Local Housing Needs Assessments have subsequently been completed in each local authority area in the Tees Valley and work is underway in the Region and sub-region in relation to Strategic Housing Market Assessments.

- a) The TVL housing team will take a lead on considering the strategic implications of the key findings for future sub-regional housing policy which will in turn determine investment priorities in the Tees Valley.
- b) Sub-regional co-ordination of annual updates of relevant Housing Market Assessment will be overseen by the housing team.

#### Tees Valley Housing Market Renewal Strategy

A Housing Market Renewal Strategy was produced in 2005 which is closely aligned to the renewal priorities in the Sub-regional Housing Strategy.

- a) The current remit of TVL is to co-ordinate the delivery and to undertake monitoring of the existing £31.55m programme for housing market renewal which is funded until March 2008.
- b) A business case for continued funding of HMR activity beyond 2008 is central to the work of the housing team and will be clearly set out in a forthcoming revision of the Housing Market Renewal Strategy.

#### Co-ordination and management of a sub-regional housing intelligence base

The TVL housing team and JSU are working closely with the local authorities and other partners to further develop the evidence base to demonstrate the impact of housing market renewal activity in the Tees Valley.

The following elements should be priorities of the housing team:

- a) To work with the TVL Research Group and TVL Appraisal and Monitoring Working Group to identify priority housing related research needs of the sub-region and opportunities for joint procurement.
- b) To coordinate annual updates of research and pieces of work with sub-regional significance, including Local Housing Need Assessments, the

## Tees Valley Strategic Housing Market Assessment and Stock Condition Surveys.

### Tees Valley Housing Skills Directory

TVL have worked with partners to develop a directory of skills in the context of housing market renewal and related activity.

- a) The Skills Directory can be widened beyond its current remit of housing market renewal to serve as a directory of housing related skills in general for the sub-region.

### Joint Procurement Working Group

The TVL Joint Procurement Working Group has established a dialogue with the sub-regional Joint Procurement Group to explore the potential for joint procurement of certain elements of housing market renewal activity.

- a) There is scope to continue the dialogue and to explore the potential for joint procurement in the sub-region in the context of housing per se.

## **7.0 VISIT TEES VALLEY**

7.1 The Tees Valley offers to the visitor a diverse range of experiences from coast and countryside, industrial heritage, urban playground and an extensive year round programme of local national and international events. The power of events is such that it can underline the value of the diverse qualities and ranges of experiences available in Tees Valley. An event is defined in the broadest possible terms and is based on the ability for multiple people to enjoy it at the same time and would cover traditional venues as well as restaurants and hotels.

7.2 VTV's Key Objective is:  
To increase the commercial success of the leisure and tourism businesses within the Tees Valley by delivering heads in beds and bums on seats. The key focus of all VTV activities is improving the business performance through identifying those businesses in a position to grow and therefore generate increased visitor expenditure and jobs within the visitor economy. All activities will seek to both maximise revenue opportunities and create economies of scale as part of the process leading to sustainability of VTV in the longer term.

7.3 Activities are defined under four areas:

- a) Increase the number of visitors to Tees Valley

Through extensive research and by using a number of advanced segmentation methods, we are able to predict the type of people most likely to visit Tees Valley. To ensure that our target audiences receive the messages that are relevant to them, we have developed the

following campaigns: General Tourism visitors, Group Travel, General Business Travellers, Conference Organisers, Contracting Businesses and Educational Establishments. Tees Valley businesses will be given the opportunity to support these campaigns.

b) Supporting Business Growth

The overall quality of the visitor experience is crucial to raise the profile of Tees Valley and generate a successful visitor economy, Businesses will be encouraged through a variety of initiatives to improve their offering through for example, participating in Destine through Frontdesk to generate increased online bookings, targeting businesses to join the Profit through Productivity Programme to encourage increased return on investment and making the business more profitable. Putting in place support packages to improve the quality of the product.

c) Upskilling the Workforce

VTV will work with businesses to bring about demonstrable improvements in visitors experience through improved customer service, improving the working practices and training culture of businesses and the skills, knowledge, competence and motivation of people working in the industry. The key to achieving this is for VTV to assist employers to access government funding. In conjunction with this role the appointment of BL Tourism Workforce Development Advisor who will hot desk from VTV will provide a direct link to businesses and undertake training needs analysis to ensure that businesses are fit for purpose in delivering a quality visitor experience. VTV will seek to co-ordinate the delivery of the training in conjunction with partners to meet the needs of businesses, including delivering the Welcome series of courses.

d) Research

Ongoing and varied research is needed to identify the type of people most likely to visit Tees Valley, what they do when they visit, how much they spend, the nature of the visit, the likelihood of a return visit and their perceptions and overall visitor experience. There is also a need to input market intelligence into the product development process. The research activities involves extensive co-ordination, inputting and analysis to inform marketing, product development, business support and workforce development strategies for the sub region. VTV will undertake a number of research activities to ensure that targets/outputs agreed are met.

## **8.0 CITY REGION POLICY FORUM**

- 8.1 Discussions are taking place with Durham and North Yorkshire County Councils, neighbouring District Councils and Yorkshire Forward on the work programme of the Policy Forum. The areas of common interest are:

- a) Transport connections from Durham and North Yorkshire to the Tees Valley.
- b) Tourism, both with Durham and North Yorkshire.
- c) Role of agriculture in providing feedstock to the biofuel plants.
- d) Regional Spatial Strategy for Yorkshire and the Humber.
- e) Implications of the expansion of Catterick Garrison.
- f) Joint working on the development of the Darlington, Newton Aycliffe, Bishop Auckland strategic corridor.
- g) Skills/employability.
- h) Relationship of Durham's strategy to develop the A19 sites e.g. Peterlee/Seaham for the Tees Valley.
- i) Integrating Netpark into the research infrastructure in the Tees Valley.

8.2 These areas, and any issues arising, will be discussed through the City Region Policy Forum, with any significant implications being reported to the relevant sub-Board(s).

## **9.0 PRIVATE SECTOR BUSINESS GROUP**

9.1 The work programme for the Business Group will need to be developed with the group once formed. It is the intention that the group will provide valuable advice on a whole series of strategic issues such as the issues relating to understanding the needs of employers in developing skills and taking on those currently on incapacity benefit, the development of key economic sectors, infrastructure needs and other concerns of the business community. It will be largely a matter for the group to define their work programme.

## **10.0 CONCLUSION**

10.1 The work programme of Tees Valley Unlimited is extremely challenging and much of it is extremely innovative. Issues and events will result in changes through the year. The Tees Valley Authorities are currently reshaping the Tees Valley Joint Strategy Unit to be fit for purpose to deliver this new and exciting agenda and to work truly in effective partnership across the Tees Valley.

## **11.0 RECOMMENDATION**

11.1 The Board is recommended to:

- a) Approve the work programme;
- b) Ask each sub Board to prioritise the work programme for their programme area.

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**Originator:** John Lowther, Director, Joint Strategy Unit

**Contact Tel:** 01642 264800

**E-mail:** john.lowther@teesvalley-jsu.gov.uk

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**Report of:** Director of Joint Strategy Unit  
**Report to:** Leadership Board  
**Date:** Wednesday 13 June 2007  
**Subject:** MULTI AREA AGREEMENTS - PROGRESS  
**Item for:** Decision

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### **SUMMARY**

1. This report sets out progress on developing the concept of a Multi Area Agreement. The Board is asked to endorse the approach set out in the report.

## **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to update the Leadership on progress on developing a Multi Area Agreement.

## **2. THE ROLE OF A MULTI AREA AGREEMENT**

- 2.1 In submitting the business case and the evidence base, the Tees Valley Authorities submitted a 10 year investment plan based broadly on the currently availability of resources which set out a prioritised programme to implement the business case. The Multi Area Agreement (MAA) would cover the three main funding streams namely the single programme from One NorthEast, transport funds through the regional funding allocation or direct from Department for Transport, and housing market restructuring funds through the Regional Housing Board/Department for Communities and Local Government (DCLG). In putting forward the MAA proposal we have made clear that the amount of resource for these funding streams to the Tees Valley would be dealt with through regional and national funding allocation processes. Interestingly, the Peer Assist Review referred in its report to the long term possibility of a mini regional funding allocation.

- 2.2 There are a number of features about the MAA. They are:

- a) Unlike LAAs the funding streams are mainly capital funding streams – there is some revenue in the ONE funding stream.
- b) The MAA is complementary to Local Area Agreements and does not have a hierarchical relationship to LAAs.
- c) The MAA should for the moment cover the three funding streams outlined above in order to keep it simple and should solely concentrate on the objective of improving economic performance.

- 2.3 DCLG has set up a small group to deal with MAAs. The senior management of the JSU together with Jenny Haworth (Stockton), Peter Scott (Hartlepool) and John Rundle (GONE) met with the DCLG group at the end of April. The delegation from DCLG found the meeting very helpful and informative. Subsequently we have been asked to:

- a) Submit a one page report summarising the concept of an MAA and the added value it would bring.
- b) A more detailed briefing note expanding on the one page note.

These reports were required as input into the preparation of a report by the DCLG group to the Sub National Review due to be held on 31<sup>st</sup> May. I attach copies of these reports for the Board's information.

- 2.4 We have also been asked to present our concept of an MAA and the added value it will bring to a wider group of DCLG officials on the 7<sup>th</sup> June 2007. I will report back to your meeting on the outcome of these discussions.

- 2.5 We have prepared a detailed discussion paper on MAAs, a preliminary report on the types of performance indicators that can be used and a series of detailed questions for DCLG to consider. However, DCLG are primarily concerned with broad principles at this stage. We understand that the possibility of the Tees Valley becoming a pilot MAA is actively being considered.
- 2.6 The Director of the JSU has also been invited to several national and regional conferences to talk about the concept of an MAA. These presentations have been very well received.
- 2.7 We have had discussions with One NorthEast on the concept of an MAA. These informal discussions indicate that ONE sees the process as one of agreeing the programme with ONE, and then Tees Valley Unlimited through the JSU being responsible for managing the programme, preparing business cases and carrying out appraisals for submission to ONE. We have also had discussions with the Department for Transport who in principle support the proposals.
- 2.8 Progress on developing the MAA concept will very much depend on the ability of DCLG to progress the matter. In the meantime we are providing them with any information requested and responding to any issues that may arise.

### **3. TAKING FORWARD THE PROGRAMME WITH ONE NORTHEAST FOR 2008/9**

- 3.1 The Director of the JSU and the Tees Valley Partnership Manager are meeting Tom Warburton and Nick Muse of One NorthEast to discuss how we take forward the 2008/9 programme. The programme consists of three categories:
- a) Projects already approved for 2008/9;
  - b) Projects to be developed for 2008/9 which are included in the investment plan;
  - c) Revenue projects for which no provision has been made beyond 2008/9. Some of these will still need to be funded by ONE, others could be funded from other sources.
- 3.2 We have provided schedules of these projects to ONE for further discussion.

### **4. RECOMMENDATION**

- 4.1 The Board is asked to endorse the approach put forward.

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**Originator:** John Lowther, Director, Joint Strategy Unit

**Contact Tel:** 01642 264800

**E-mail:** john.lowther@teesvalley-jsu.gov.uk

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### **Valley Multi-Area Agreement: A Case Study**

The Tees Valley City Region Business Case was presented to Government in October 2006 in response to the Secretary of State's visit in May last year. It was not intended to represent a "wish list" of requests from Government, but rather a robust, evidence based appraisal of how it is planned to improve the economic performance of the Tees Valley over the next ten years in particular, thus improving the quality of life for residents, workers and visitors.

Having presented the Business Case as one that encourages delivery, the Tees Valley Partners have not sat back in the intervening period. In particular, they have started to develop what can be included in a new Multi-Area Agreement (MAA).

The Local Government White Paper included suggestions as to what could be included in an MAA, namely, governance arrangements, outcome-based targets, pooled funding and accountable bodies, and this provided a starting point. Due to the work already undertaken in developing Local Area Agreements (LAAs), the Tees Valley Partners felt that that it was appropriate to develop an MAA that was simple, flexible, but had clear deliverables, an accountable governance structure and measurable and relevant indicators.

The Tees Valley Partners felt that they already had the basis of this within the City Region Business Case, and hence the proposed MAA includes four elements:

- **Priorities** – based on the projects within the City Region Investment Plan;
- **Resources** – the projects have already been prioritised to complement expected funding envelopes and the delivery capacity;
- **Governance** – a new City Region Metropolitan Economic Partnership including strong representation from the private sector;
- **Performance Monitoring** – indicators that draw on, rather than add to, the emerging national indicator set for LAAs.

The Tees Valley Partners feel that MAAs should draw on as much as possible of the work already in place in City Regions, but provide added value. In essence, 80% of what they wish to achieve can be done without an MAA – the MAA itself facilitates the delivery of the final 20% through the following key areas:

- **Comfort** – for the Tees Valley in being able to say that their proposals have the outline support of Government, and for Government to show that the City Region has taken hard choices in prioritising our interventions to account for funding availability and delivery capacity ;
- **Certainty** – greater long term funding certainty which will facilitate greater private sector leverage and provide agreed 'limits' for Government to work to;
- **Flexibility** – an ability to vire resources between projects and funding streams so that overall programme (and cost) management is improved, and to share efficiency savings between all Partners;
- **Buy in** - a document that has a protocol, and is signed, committing parties to delivering real benefits for communities, which draws Partners together towards a common goal.

Finally, the Tees Valley feels that the proposed MAA clearly demonstrates to the public, to Members and to other stakeholders that the Government can deliver in a joined up way, through a mature relationship with Local Government.

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Prepared by Jonathan Spruce

Date

10 May 2007

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Subject Tees Valley Multi-Area Agreement – An Outline

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## 1. INTRODUCTION

This note provides an outline of the development of a Multi-Area Agreement (MAA) for the Tees Valley, highlighting the scope and content of our proposed MAA, and the key benefits of an MAA to the City Region and to Government.

## 2. SCOPE AND CONTENT OF OUR MAA

The Local Government White Paper included a reference to MAAs that highlighted a number of elements that Communities and Local Government (CLG) would expect to see in MAAs, namely, governance arrangements, outcome-based targets, pooled funding and accountable bodies. This provided a starting point for considering what should be included within our proposed MAA. It also provided a starting point for what the focus of our MAA should be, in that we consider it better to focus on improving economic development within our MAA.

Due to the work already undertaken in developing Local Area Agreements (LAAs), we felt that that it was appropriate to develop an MAA that was simple, flexible, but had clear deliverables, an accountable governance structure and measurable and relevant indicators. **Our feeling was that we already had the basis of this within our City Region Business Case, based around the four areas of priorities, resources, governance and performance monitoring.**

Much of the background work to our MAA is already in place, as discussed later, **as we were keen that the MAA was not seen as an additional administrative burden, as has sometimes been the case with LAAs in the early rounds, nor that it was perceived as an mechanism to introduce an additional tier of democracy.**

**We feel that MAAs should draw on as much as possible of the work already in place in City Regions, but provide the added value described later in this note.** In essence, 80% of what we wish to do we can do without an MAA – the MAA itself facilitates the delivery of the final 20%.

## 3. ELEMENTS OF OUR MAA

We felt that our MAA needs to concentrate on the areas where City Region working can deliver real benefits, **but that it also needs to be readily understandable to a range of Partners and be clear about what it is trying to do.** In other words, we needed to answer the simple questions: “what?”, “when?”, “how?” and “why?”

### 3.1 *Priorities*

In terms of **priorities**, our City Region Investment Plan includes detailed proposals for the physical and economic regeneration, housing market renewal and transport, all of which we feel are best delivered at a City Region level to

achieve our economic regeneration objective. This represents the “**what**” and “**when**” elements of the MAA.

The Investment Plan has been developed with a mind to available funding and with a series of defined outcomes, so it is not simply a “wish list”. It represents the interventions that we believe are necessary to achieve our economic regeneration aspirations, and so **have already been prioritised by the City Region to match anticipated funding envelopes. Including these within the MAA will give an initial endorsement to our forward programme by all parties**, although we recognise that project appraisals will still be required.

### 3.2 *Resources*

Delivery of our investment priorities will be related to the availability and flexibility of **resources**, both physical and fiscal. It will be important within the forward programme to understand what freedoms and flexibilities will be provided under the MAA to allow us to maintain overall delivery through effective programme management. This will represent part of the “**how**” element of the MAA.

**Flexibility (and maybe certainty) of resources, both physical and fiscal, underpins the added value that the MAA provides**, and will provide better overall programme management, together with increased confidence in our delivery capability, and hence increased comfort for both public and private sector investors.

Initially the three funding streams to be included in the MAA are as follows:

- a) Single programme resources from One NorthEast for expenditure on Place plus other projects in economic development and skills.
- b) Transport resources from the Department for Transport and the Interim Regional Transport Board through the regional funding allocation process.
- c) Housing market renewal resources from DCLG and the Regional Housing Board.

It is important to recognise that the existing strategic allocation of resource arrangements will define the level of resources to be spent in the Tees Valley for inclusion in the MAA and where appropriate the programme/key projects following negotiation with Tees Valley Unlimited.

### 3.3 *Governance*

Our outline **governance** proposals adopt an evolutionary rather than revolutionary approach to City Region working, whilst providing clear accountability and a true partnership between the public, private and third sectors. Such a strong and accountable structure is necessary to ensure delivery and is a pre-requisite of additional devolution to the City Region. This therefore will represent the other part of the “**how**” element of the MAA.

**The inclusion of the governance arrangements within the MAA means that all parties are agreed on an accountable mechanism focused on delivery, and that the public see an inclusive structure that will make a difference.**

For our MAA, we have adopted an evolutionary, rather than revolutionary, approach to governance, building on existing partnerships, so as again to offset any potential criticism of added bureaucracy.

It is intended that one authority will act as the accountable body for the resources in the MAA supplemented with an agreement with the other four Tees Valley authorities specifying the responsibilities of the accountable body and the other four local authorities in delivering the MAA in their area. This agreement already exists for single programme resources from One NorthEast.

### 3.4 *Performance Monitoring*

The detailed economic analysis presented as part of the Business Case identifies a series of key economic challenges which all of our proposals are designed to address. Therefore, we already feel we have a robust evidence base from which to develop a series of indicators and targets as part of a **performance monitoring** framework. This will represent the “**why**” element of the MAA.

This will be the means by which delivery is measured, drawing on local priorities and feeding in directly to national priorities, in particular PSA Target 2, **and provide a clear framework for all parties to measure the benefits of the MAA.**

## 4. **ADDED VALUE OF OUR MAA**

Much of the background work to our MAA has been done through our City Region Business Case and through existing partnerships within the Tees Valley. We are committed to delivering our Investment Plan, managing the programme within individual funding streams as best we are able, and leveraging in as much private sector investment as possible. Recent Cabinet approvals mean that our new governance arrangements will be set up (at least in shadow form) from Summer 2007, and we will track key indicators as we currently do for an annual “State of the Tees Valley” report. So, if we are doing all of that, what *is* the added value of an MAA?

**We believe that the added value comes in four main elements, namely:**

- Comfort;
- Certainty;
- Flexibility; and,
- Buy in.

**All of these deliver the additional 20% mentioned previously, and all of these cannot truly be delivered by the current voluntary arrangements, not a strengthening of them.** As our MAA concentrates on economic development, which all agree is better reviewed at a City Region level, these cannot really be delivered through an extension of the LAA process (separate work has been undertaken on how we see LAAs and MAAs being complementary rather than hierarchical).

In terms of **comfort**, enshrining our Investment Plan and governance proposals within the MAA provide a sign off from Government that the projects that we are pursuing are appropriate (although still subject to appraisal) in terms of achieving our economic regeneration aspirations, and that our governance proposals are sensible and workable. **This is crucial to being able to “sell” the proposals, to the public, to Members and to Partners.** In particular, an endorsement from Government will head off the potential criticism that “this is just a wish list” or “this is just another talking shop”.

For Government, it should give the comfort that, in the first instance, **we have taken some hard decisions in the Tees Valley to prioritise our key interventions**, and that we have agreed on a set of priorities that deliver genuine outcomes within the funding envelope anticipated. It should also provide comfort to the Government that there is a **governance structure in place that is accountable, can take the hard decisions that will inevitably be required over time, and is one that complements existing Local Government**

**arrangements**, particularly as we already have two directly elected Mayors within the City Region.

In terms of **certainty**, this is always a big 'ask' from Local Government, but existing moves in the light of LAAs and other funding (eg Local Transport Plans) have shown a shift towards giving greater certainty over funding levels. **So, for the Tees Valley, a five year funding guarantee (or, more likely, a 3 + 2 arrangements, based on performance), will give us more certainty over which to plan projects**, some of which have a delivery period far in excess of three years, given their scale and complexity. **It will also, we believe, help us to negotiate increased private sector leverage in the later years of the programme** as we have more certainty over public sector contributions with which to open discussions.

For Government, it also gives longer term certainty of spend, as one feature of our MAA is not to tie in any reward funding at this stage (a difference to LAAs), as explained later in this note. **Therefore, longer term financial planning for the City Region should be enhanced for all parties.**

In terms of **flexibility**, the **ability to vire resources across different funding streams to maintain overall programme delivery is crucial to the MAA, and this can only be done through a new form of agreement.** We feel that this flexibility will allow us to deliver a more effective programme on time and to budget. For example, if a transport scheme is slipping for a particular reason, the ability to move that funding in any given year to bring forward, say a regeneration scheme, with the funding repaid from the regeneration source the following year, will allow us to ensure that the overall programme is on track.

This will also only work with the increased certainty mentioned above, as the only way moving money between sources will be effective will be if there is a guarantee that funding will be replaced the following year. Without a longer term funding certainty, this would not be possible to the same extent. **To work effectively, there may also be a need to review the rules governing some funding sources, such as EU funding.**

**This may require changes to the way Government departments work in practice to be truly effective, as each department will need to agree to the principle, and understand the consequences on their own targets in a particular year.** This is why a new agreement *is* necessary. However, the benefit to Government overall is in better programme management.

Finally, the MAA provides a **buy in** from all parties – a document that has a protocol, and is signed, committing parties to delivering real benefits for communities, something that the LAAs have been successful at. Again, **we believe that the biggest benefit to us of this will be the ability to demonstrate to all parties that we are on the right track, and that all Government departments are supporting and trusting us.**

The other important benefit of the MAA is that we do not believe that this is about additional resources, or reward funding. We have already prioritised our Investment Plan against expected funding, and have a mechanism within the governance structure proposed to make the hard decisions should funding be reduced. **We will not change our investment priorities – they will just take longer to deliver.**

To this end, we also see that reward funding would be of little value, as our Investment Plan represents our full programme for the next 15 – 20 years, and there may be an issue of capacity to deliver projects outside those planned.

**However, where we do see rewards and incentives playing a key role is where we make efficiency savings within the delivery process.**

**We propose a pain/gain share arrangement with Government.** If projects increase in cost, we would be expected to fund the additional expenditure, or adjust the programme accordingly. However, **if we were to lever in more private sector funding as anticipated, or we were to work more efficiently with partners through scheme delivery, we would hope that a proportion of the funding “saved” would be retained within the Tees Valley for use within the City Region.** We are not asking for 100% of the funding to be retained – the principle of the agreement would be for Government to share in the “gain”, but we would hope that the City Region would benefit from our efforts.

For example, we are currently discussing projects with both the Highways Agency and Network Rail on our main transport routes, both of whom have got proposals for recabling their network, the former to provide for new variable message signs, the latter for new signalling. Rather than each party commission their own design and implementation works, we feel that our proposals for a Transport Board will provide the opportunity for the parties to jointly commission the work, allied to some proposals that the City Region has itself, such that one set of works is undertaken under a joint Client team, and that both set up and implementation costs are saved by all parties.

Under existing regimes, if this were to be done, there is a risk that both the Highways Agency and Network Rail, being national agencies with wide ranging responsibilities, would use those savings elsewhere on their networks outside the Tees Valley. **What we are asking for is that a proportion of that saving is retained in the Tees Valley for other projects (and not necessarily transport projects, as set out above).**

**To do this, the MAA provides an upfront agreement that underpins the comfort, certainty, flexibility and buy in needed to make this, and other similar examples, work. Moreover, it clearly demonstrates to the public, to Members and other stakeholders that the Government can deliver in a joined up way, through a mature relationship with Local Government.**



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**Report of:** Director of Joint Strategy Unit

**Report to:** Leadership Board

**Date:** Wednesday 13 June 2007

**Subject:** REPORT ON THE SUBMISSION OF THE FOURTH QUARTER GRANT CLAIM YEAR 5 (2006/7) – SINGLE PROGRAMME

**Item for:** Information

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## **SUMMARY**

1. This report shows that the Tees Valley Single Programme funded by One NorthEast underspent by £1.7m on capital and £160,000 on revenue primarily due to rephasing of Tees Valley Regeneration projects and gap funding projects put forward by One NorthEast. Consequently outputs in terms of private sector leverage and brownfield land were not achieved but will be achieved in this financial year. In all other aspects the programme achieved and exceeded its targets.

## 1. PURPOSE OF REPORT

- 1.1 To report on the financial implications arising from the submission of the grant claim to ONE for the period January to March 2007 and any other matters arising.

## 2. BACKGROUND

- 2.1 Original Capital allocation for the year was £16,447,500 and Revenue allocation was £8,472,500 a grand total of £24,920,000. The Statement of Grant Expenditure for 2005/06 has now been agreed and last years Revenue overspend of £244,794 has been deducted from the 06/07 allocation, this gives a revised Revenue allocation of £8,227,706.

In terms of the Capital allocation for 06/07 this has been increased by £698,000 to reflect ONE's funding of the Central Park project from within the Regional budget last year. However, this year's allocation has been 'top-sliced' by £2.5m by ONE in respect of two projects – Heavy Oil Upgrade and Selective Financial Investment (£1.25m each). In addition there has been a further £626,250 vired to ONE in respect of Stockton Riverside Sites, therefore in real terms this reduced Capital allocation available to spend to £14,019,250.

This gives a total Single Programme allocation of £22,246,956 for 2006/07.

## 3.0 PROGRESS

- 3.1 Summary of Fourth Quarter Claim – Single Programme Expenditure

The Accountable Body submitted a claim for total defrayed and accrued expenditure of £10,057,464 consisting of £7,173,572 Capital expenditure and £2,883,892 Revenue expenditure.

In terms of the overall programme the expenditure position is :-

	Revised Allocation	Expenditure	Variance
Capital	14,019,250	12,303,546	-1,715,704
Revenue	8,227,706	8,066,728	-160,978
Total	22,246,956	20,370,274	- 1,876,682

The previous quarterly report highlighted the possibility that the Capital programme may underspend by up to £4m in 2006/07. As can be seen, the underspend on Capital is now £1.7m. As you will be aware the Partnership, having anticipated a potential underspend, made provision with ONE at the mid year review to slip up to £2.5m into 08/09 with proviso to b/f the slippage into 07/08 if this can be justified.

Revenue expenditure was slightly down (1.95%) on allocation. This was mainly due to the Business Link project (NEBSNTV) declaring unexpected underspend.

### 3.2 Summary of Fourth Quarter Claim – Other Contributions

The claim to ONE also has to show other funding contributions actually achieved (both public and private) and compare these to the Business Plan target. For the year 06/07 these are :-

	Business Plan	Actual	Variance
Other Contributions	£59.7m	£68.2m	+ 8.5m

As the above table illustrates 'Other Contributions' exceeded the Business Plan target by £8.5m. However, whilst overall contributions were up on target helped mainly by an agreement with ONE that enabled the Partnership to claim £24.8m as public sector leverage in relation to Darlington College, private sector leverage was down on target. The main reason was that the private sector leverage associated with major TVR projects and ONE gap-funded projects are still to be confirmed.

### 3.3 Summary of Fourth Quarter Claim – Outputs

In respect of the year as a whole, see the table below which shows outputs achieved compared to Business Plan target plus additional outputs achieved.

Output	Target	Actual	Variance
Job Creation	1,232	1,597	+ 365
Business Creation	265	1,488	+ 1,223
Business Support	1,153	1,274	+ 121
Knowledge Base	87	5	-82
Brownfield Land	31 ha.	8 ha.	- 23 ha.
Skills	3,589	13,814	+ 10,225
Regen. Leverage	£38.9m	£57.9m	+ £19m
Inc.Private. Leverage	£20.8m	£9.1m	- £11.7m
Other Outputs :-			
Private investment in deprived areas	0	£8.7m	+ £8.7m.
Business Attracted	0	12	+ 12
Employment Support	0	231	+ 231
University Spin Outs	0	1	+ 1
Non-Housing Floorspace (sq.m)	0	15,516	+15,516

As can be seen, all but three of the target outputs to be achieved in 2006/07 have been exceeded. The only outputs down on target were in relation to knowledge based business collaboration (shortage of projects to provide this output) and brownfield land and private leverage (TVR/ONE major projects to provide these outputs).

#### 4.0 RECOMMENDATION

4.1 The Board is recommended to note the report.

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**Originator:** John Lowther, Director, Joint Strategy Unit

**Contact Tel:** 01642 264800

**E-mail:** john.lowther@teesvalley-jsu.gov.uk

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**Report of:** Director of Joint Strategy Unit  
**Report to:** Leadership Board  
**Date:** Wednesday 13 June 2007  
**Subject:** 2007/08 PROGRAMME – SPEND POSITION  
**Item for:** Decision

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## **SUMMARY**

1. This report sets out the current 2007/8 Tees Valley Single Programme. As a result of a larger than expected sum top sliced from the programme to fund business support, the overprogramming of the revenue programme is too high. The Executive is asked to recommend the Leadership Board to agree the course of action proposed to reduce overprogramming.

## 1. PURPOSE OF REPORT

- 1.1 To advise Members of the expected spend position for the 2007/08 programme and to make recommendations for the way forward.

## 2.0 BACKGROUND

### 2.1 CAPITAL

In order to address the forecast underspend for the 2006/07 programme, a number of projects brought forward their activity and spend from the 2007/08 programme.

### 2.2 REVENUE

Efforts proved unsuccessful re: negotiating a reduction in the Partnerships contribution to the regionalised business support programme delivered by Business Link North East. Therefore the Partnerships 2007/08 revenue allocation from One NorthEast (ONE) has been top-sliced by £3,221,614 revenue.

ONE did however agree to increase the Partnerships revenue allocation by £50,000 in order to allow support for Guisborough Market Town Partnership.

## 3.0 THE PROGRAMME

- 3.1 As a result of the above, the spend position for the Tees Valley programme in 2007/08, against the revised allocation from ONE, is currently as follows:

	Capital	Revenue	Total
Revised ONE Allocation	17,942,000	5,556,386	23,498,386
Expected Spend	21,799,311	7,018,315	28,817,626
Over-programming	3,857,311	1,461,929	5,319,240
Over-programming (%)	21%	26%	23%

## 4.0 STATUS OF PROJECTS

- 4.1 The current status of projects in the 2007/08 programme is tabled below.

Status	Capital	Revenue	Total
Projects approved	14,363,811	5,977,670	20,341,481
Projects at Independent Review stage	0	0	0
Projects at Business Case stage	500,000	0	500,000
Projects in / to be development	6,935,500	1,040,645	7,976,145
<b>Total</b>	<b>21,799,311</b>	<b>7,018,315</b>	<b>28,817,626</b>

## 5.0 **CAPITAL**

- 5.1 Over-programming is currently approx. £3.8million (21%), which is a low level for this early stage in the financial year. At this time last year the 2006/07 capital programme had over-programming of approx £7.8million (46%).
- 5.2 Projects to the value of almost £7million are still in the process of development. They are considered to be 'at risk' of not achieving their spend targets this financial year as many are insufficiently developed to allow activity to commence. The Secretariat will monitor the progress of these projects and provide updates at future meetings.
- 5.2 The 2007/08 programme does not include projects rejected by ONE at PIF stage. The potential for some of these projects to progress through the PIF process is being explored by the Secretariat in particular:
- Linthorpe Central (Middlesbrough Borough Council) request £860k 1007/8 – 2009/10 and included in the investment plan
  - Cultural Enterprise Centre (Stockton International Family Centre) - £750k in 2007/8.

## 6.0 **REVENUE**

- 6.1 Over-programming is more than £1.4million (26%), which is very high for a revenue programme, as the projects tend not to encounter the delays and problems faced by large scale capital projects.
- 6.2 This is the last year of the 2005-08 programme and therefore we must consider that a revenue over-spend in 2008 will not be acceptable.
- 6.3 The majority of the revenue programme is already committed to approved projects, as shown in the table below:

<b>Approved Projects</b>	<b>SP revenue in 07/08</b>
Coastal Arc Co-ordinator	40,317
Building Futures	935,570
RENEW *	265,827
Saltburn Business Development Manager	24,999
Guisborough Retail & Investment Pilot	50,000
Boho *	356,715
Enterprise Academy	300,000
Institute of Digital Innovation *	561,000
Inward Investment – Service Sector	200,000
Engineering Partnership	122,000
Raising Aspirations to Higher Education (Uni of T)	100,000

Raising Aspirations (Uni of D)	50,000
Raising Skills	875,000
Chemicals – Science Education Programme	83,000
Chemicals – Marketing & Investment Support	133,000
Foundation Degrees *	210,000
Business & Community Engagement (Uni of D)	160,242
Delegated Grants *	100,000
Housing Market Restructuring	300,000
Area Tourism Partnership	310,000
Management & Admin.	800,000
<b>Total</b>	<b>5,977,670</b>

\* these projects also have capital funding approved

- As a result of the over programming the Partnership Secretariat will identify options for substantially reducing the level of revenue over-programming. This exercise to involve consideration of all projects but will concentrate on projects which have not commenced
- To include high profile projects only

\* Tees Valley Proms in the Park - the BBC Proms regional concert to be held in Middlesbrough in September 2007 - requesting £40,000 in 2007/08

\* Tall Ships lead-in events - to build capacity, raise awareness and allow successful delivery of the 2010 Tall Ships Race to visit Hartlepool - requesting £90,000 (£40,000 in 2007/08 & £50,000 in 2008/09)

\* Paper Mill Skills - requesting £500,000 (£200,000 in 2007/08 & £300,000 in 2008/09).

## 7. RECOMMENDATION

- 7.1 The Board endorses the course of action set out in paragraph 6.3 of the report concerning revenue expenditure.

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**Originator:** John Lowther, Director, Joint Strategy Unit

**Contact Tel:** 01642 264800

**E-mail:** john.lowther@teesvalley-jsu.gov.uk

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	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Total Actual and Forecast		
	Actual	Rev	Total	Actual	Rev	Total	Actual	Rev	Total	Actual/Forecast	Rev	Total	Forecast	Rev	Total
	Cap			Cap			Cap			Cap			Cap		
INNOVATION, INDUSTRY & SCIENCE															
REMTEK	408,000	0	408,000	438,000	0	438,000	292,000	0	292,000	292,000	0	292,000	1,430,000	0	1,430,000
Sub Total	408,000	0	408,000	438,000	0	438,000	292,000	0	292,000	292,000	0	292,000	1,430,000	0	1,430,000
BUSINESS															
BOHO - Main Bid	130,000	89,178	219,178	450,000	89,179	539,179	1,000,000	89,179	1,089,179	880,571	89,179	969,750	2,460,571	356,715	2,817,286
Digital City	175,129	140,250	315,379	175,129	140,250	315,379	175,129	140,250	315,379	175,129	140,250	315,379	700,516	561,000	1,261,516
Digital City - Proof of Content	0	0	0	0	0	0	0	0	0	500,000	0	500,000	500,000	0	500,000
RENEW	52,293	66,456	118,749	127,293	66,457	193,750	127,293	66,457	193,750	127,294	66,457	193,751	434,173	265,827	700,000
Engineering Partnership	0	40,000	40,000	0	30,000	30,000	0	30,000	30,000	0	22,000	22,000	0	122,000	122,000
Inward Investment	0	40,000	40,000	0	55,000	55,000	0	55,000	55,000	0	50,000	50,000	0	200,000	200,000
Inward Investment Research Manager	0	0	0	0	13,000	13,000	0	14,000	14,000	0	14,300	14,300	0	41,300	41,300
Inward Investment Strategic Account Managers (2)	0	0	0	0	30,000	30,000	0	31,000	31,000	0	31,000	31,000	0	92,000	92,000
Rivergreen Business Centre	397,217	0	397,217	170,000	0	170,000	526,000	0	526,000	297,000	0	297,000	1,390,217	0	1,390,217
KIB - 4 Posts	0	37,554	37,554	0	38,654	38,654	0	40,968	40,968	0	43,066	43,066	0	160,242	160,242
Chemicals - Science Education	0	18,000	18,000	0	25,000	25,000	0	20,000	20,000	0	20,000	20,000	0	83,000	83,000
Chemicals - Marketing	0	35,000	35,000	0	35,000	35,000	0	30,000	30,000	0	33,000	33,000	0	133,000	133,000
Sub Total	754,639	466,438	1,221,077	922,422	522,540	1,444,962	1,828,422	516,854	2,345,276	1,979,994	509,252	2,489,246	5,485,477	2,015,084	7,500,561
ENTERPRISE															
Enterprise Academy	0	90,170	90,170	0	93,751	93,751	0	91,117	91,117	0	24,962	24,962	0	300,000	300,000
Riverside Park Enterprise Centre	0	0	0	50,000	0	50,000	80,000	0	80,000	170,000	0	170,000	300,000	0	300,000
Sub Total	0	90,170	90,170	50,000	93,751	143,751	80,000	91,117	171,117	170,000	24,962	194,962	300,000	0	600,000
SKILLS & HIGHER EDUCATION															
Raising Skills to Higher Education	0	25,000	25,000	0	25,000	25,000	0	25,000	25,000	0	25,000	25,000	0	100,000	100,000
Raising Aspirations - Durham	0	18,242	18,242	0	9,888	9,888	0	14,433	14,433	0	7,437	7,437	0	50,000	50,000
Raising Skills in Tees Valley	0	185,346	185,346	0	195,346	195,346	0	245,347	245,347	0	248,961	248,961	0	875,000	875,000
Foundation Degrees	0	35,000	35,000	7,000	20,000	27,000	8,000	40,000	48,000	105,000	115,000	120,000	120,000	210,000	330,000
Strategic Investment - Paper Mill Skills	0	20,000	20,000	0	60,000	60,000	0	60,000	60,000	0	60,000	60,000	0	200,000	200,000
Sub Total	0	283,588	283,588	7,000	310,234	317,234	8,000	384,780	392,780	105,000	456,398	561,398	120,000	1,435,000	1,555,000
ECONOMIC INCLUSION															
Building Futures	0	156,798	156,798	0	240,798	240,798	0	313,306	313,306	0	224,668	224,668	0	935,570	935,570
Incapacity Benefits	0	0	0	0	50,000	50,000	0	50,000	50,000	0	50,000	50,000	0	150,000	150,000
Delegated Grants	0	0	0	100,000	100,000	200,000	0	0	0	0	0	0	100,000	100,000	200,000
Building Links to Procurement - Tees Valley VCS	0	0	0	12,500	38,000	50,500	12,500	38,000	50,500	0	38,500	38,500	25,000	114,500	139,500
Tees Valley Social Enterprises Development	0	0	0	0	26,250	26,250	0	26,250	26,250	0	27,500	27,500	0	80,000	80,000
Sub Total	0	156,798	156,798	112,500	455,048	567,548	12,500	427,556	440,056	0	340,668	340,668	125,000	1,380,070	1,505,070
PHYSICAL REGENERATION															
Darlington Gateway - Pedestrian Heart	37,500	0	37,500	12,500	0	12,500	12,500	0	12,500	12,500	0	12,500	75,000	0	75,000
Darlington Gateway - Taking forward the DG	0	0	0	0	0	0	0	0	0	150,000	0	150,000	150,000	0	150,000
Tees Valley Metro Additional Funding	249,673	0	249,673	450,000	0	450,000	200,000	0	200,000	0	0	0	899,673	0	899,673
Middlehaven	1,726,600	0	1,726,600	0	0	0	0	0	0	0	0	0	1,726,600	0	1,726,600
Combined Heat & Power Pilot	44,532	0	44,532	0	0	0	0	0	0	0	0	0	44,532	0	44,532
Connection Darlington Town Centre	30,000	0	30,000	30,000	0	30,000	0	0	0	0	0	0	60,000	0	60,000
North Shore Footbridge	750,000	0	750,000	0	0	0	0	0	0	0	0	0	750,000	0	750,000
Greater North Shore Study	80,000	0	80,000	80,000	0	80,000	0	0	0	0	0	0	160,000	0	160,000

