

CORE OFFER BUDGET FOR TEES VALLEY UNLIMITED

WHY DOES THE COUNCIL HAVE TO PROVIDE THIS SERVICE AND WHAT DOES IT NEED TO COVER?

Tees Valley Unlimited - Agreed contribution towards the core Tees Valley Unlimited cost as part of the combined Authority

HOW DOES THE CORE OFFER BUDGET MEET THE COUNCIL'S OBLIGATIONS?

The core offer budget relates strongly to the Economic Growth agenda of the Council. Whilst Economic Growth activities are not strictly statutory functions the recent Government announcements on a Combined Authority for the Tees Valley with devolved powers to the local level will put in place the statutory and legal framework for the new organisation that will emerge from the current configuration of Tees Valley Unlimited and its role as the Local Strategic Partnership.

The Council's Cabinet agreed in March 2015 that the new arrangements would;

- a. Combine the strengths of our LEP with new powers afforded by a Combined Authority.
- b. Be non-bureaucratic. A Combined Authority which operates as the LEP would achieve this
- c. Be cost-effective. Our analysis estimates that there is limited additional cost across the Tees Valley to deliver more effective decision-making and delivery of our strategy
- d. Not re-create the former Cleveland County Council. A Combined Authority would not do this; it would assist decision-making on matters of jointly agreed priorities of economic development, skills and transport across the five Boroughs, and
- e. Ensure we continue to work in harmony with business

The principle functions of the Combined Authority would be to;

1. Set the strategic economic vision, key priorities and outcomes for the Tees Valley area, in relation to:-
 - (a) Economic Development;
 - (b) Strategic Transport and Infrastructure
 - (c) Employment and Skills
 - (d) Business Investment
 - (e) Low Carbon; and to
 - (f) Fulfil other duties and responsibilities including to:-

- (i) determine the use of funding received for joint purposes;
- (ii) approve the commissioning of capital projects; and
- (iii) consider funding agreements and joint venture arrangements

DOES THIS DIFFER FROM THE CURRENT SERVICE?

It is intended that the functions of the Combined Authority together with devolved powers will enhance the effectiveness of all partners to deliver an economic growth agenda in the Tees Valley. The Combined Authority will formally come into being in April 2016 but will inevitably take a while for the organisation to form and then perform. Existing services and mechanisms will be continued until such time the Combined Authority makes decisions to implement its Organisational Development Plan.

WHAT IS THE CORE BUDGET MADE UP OF?

The Council contributes towards Tees Valley Unlimited. There are no proposals to review this budget until the new Combined Authority is established and it begins to review its own MTFP.

A total of £2,120,000 is contributed by the Local Authorities towards TVU and its core running cost in 2015/16 is estimated to be £1,966,000.

In exchange for this Tees Valley Unlimited manage and secure significant resources for the Tees Valley. External funding from schemes such as Regional Growth Fund (RGF) and European Regional Development Funds (ERDF) deliver into the Tees Valley over £10,000,000 per annum. The Combined Authority is expected to have an additional £15,000,000 at its discretion for investment in Tees Valley.

2019/20 budget £388,115 (incl overheads of £11,869)