

AGENDA ITEM 8**REPORT TO THE TEES VALLEY
COMBINED AUTHORITY CABINET**17th December 2021**REPORT OF THE GROUP DIRECTOR
OF FINANCE AND RESOURCES****ADOPTION OF INVESTMENT PLAN, BUDGET 2022-23 AND MEDIUM-TERM
FINANCIAL PLAN****SUMMARY**

The TVCA constitution requires that the Combined Authority annually sets out proposals for allocation of resources in an Investment Plan, which must be formally adopted by Cabinet each year. The current Investment Plan covers the period from 1 April 2019 to 31 March 2029. Where the annual Investment Plan proposal involves changes to funding priorities or commitments to projects and proposals already agreed, unanimous approval of Cabinet is required to enact the change.

Additionally, the Constitution requires that the Chief Executive and Director of Finance and Resources submit a draft budget to Cabinet on an annual basis for consideration and approval for the purposes of consultation. The Budget provides the financial framework within which the Combined Authority will operate in the forthcoming financial year (2021-2022) and over the medium-term.

In accordance with the statutory requirements, the budget shall separate Non-Investment plan expenditure into:

- Expenditure on the Mayors General Functions; and
- Expenditure on Combined Authority Functions.

This report includes the high-level financial allocations within the Investment Plan and provides the final budget for 2022-23. There are no expenditure items on the Mayors General Functions within this paper.

Approval by the Cabinet to consult on the budget proposals shall not be taken to predetermine their final approval, or the position of the Mayor or individual Cabinet members, with or without amendments, following consultation. Consultation shall take place on the draft Budget for such a period, and with such consultees as the Cabinet shall determine; and the consultees shall include the Local Enterprise Partnership, the Overview and Scrutiny Committee, representatives of the business community, higher and further education institutions, trade unions, and the Constituent Authorities.

RECOMMENDATION

It is recommended the Combined Authority Cabinet agrees the high-level financial allocations for the Investment Plan 2021-29 and considers and approves the Draft Budget and Investment Plan for 2022-23 for the purposes of consultation.

DETAIL

1. This report provides details of the refreshed high-level financial allocations within the Investment Plan for the period 2021-29 and provides the draft Budget 2022-23 to Cabinet for consideration and approval for the purposes of consultation. Subject to the agreement of Cabinet the draft Budget will be published for public consultation during the period 17th December 2021 to 7th January 2022. During this period the draft Budget will be subject to scrutiny through the Combined Authority Overview and Scrutiny Committee and will also be considered at the respective meetings of the Tees Valley Directors of Resources, Tees Valley Management Group and Local Authority Chief Executives.
2. The comments received regarding the draft Budget will be considered and, where applicable, reflected in a revised Budget proposal from the Mayor due to be presented at Cabinet in January 2022. This complies with the constitutional requirement that before 1st February, having taken into account the draft Budget prepared by the Group Chief Executive and Group Director of Finance and Resources, the consultation responses, and any other relevant factor, the Mayor shall propose the Combined Authority's draft Budget to Cabinet.

BUDGET SUMMARY

3. There is one change to the Investment Plan and that is to incorporate the announcement in the Governments comprehensive spending review for the new City Region Sustainable Transport Settlement for 2022-27 and update the assumptions based on this for 2027-29.
4. Outside of the Investment Plan the development of the South Bank Quay has been incorporated into the Commercial section of the budget following agreement with the UK Infrastructure bank, which has increased the costs of borrowing over the period fully funded by returns.
5. A proposed increase in core allocation is included in the budget as a result of increased investment to ensure sufficient resources are available to effectively support the deliver of this investment.
6. This report sets out the Budget for 2022-23 and the medium-term financial plan (MTFP) for the period to March 2026 (the Budget). The Budget presents all forecast funding and expenditure for the plan period.
7. There is no expenditure relating to Mayors General Functions and no precepts are proposed in relation to this. All expenditure is designated at relating to Combined Authority Functions.

8. For the MTFP period, the Authority will have a total of £844.6 million available funding resources. This comprises £626.4 million funding to be received in the period and £218.2 million of borrowing. In addition to this the Authority will utilise £52.1 million of usable reserves during the period

Comprehensive Spending Review 2021

9. The allocations for the new City Region Sustainable Transport Settlement (CRSTS) were announced within the Budget presented to Parliament in October. Following a successful bid to DfT the Authority has been awarded £310 million to invest in improving the quality of local transport networks over a 5-year period commencing in 2022/23.
10. Details around the settlement are yet to be finalised however based on dialogue with DfT it is assumed that:-
 - This includes the current annual funding for the Integrated Transport Block and Highways Maintenance Fund, including the pothole action fund and;
 - Incorporates the final year of the Transforming Cities Fund (TCF) into the CRSTS.
11. Taking the above into account and the previous investment plan assumption that TCF would continue beyond 2022/23 at a rate of £15.1 million per annum, this results in an additional £176.4 million of funding above previous levels included within the Investment Plan over this settlement period ending 2026/27.
12. Within the Spending Review Government committed more than £2.6bn for the UK Shared Prosperity Fund (UKSPF) over the next three years. This is the successor to the EU Structural Fund programme (ESIF) and will better tailor funding to local needs across the UK. The UKSPF will rise to £1.5bn a year by 2024-25 which will match previous national ESIF allocations. We are awaiting confirmation from Government on how this fund will be allocated and administrated, once this is received the budget will be updated to reflect the implications for the Authority's investment plan.
13. Within the budget the Teesside Freeport was confirmed by the Chancellor. The full business case is currently being developed for submission to Government in January which will unlock the seed funding for the site development. Once formal confirmation of approval of the business case is received the funding will be incorporated into the investment plan.

COVID-19 Recovery and Future Growth

14. Throughout the pandemic, the Combined Authority worked with partners to support businesses and communities to manage the economic impacts of Covid-19. Our interventions were based on economic analysis and local intelligence that enabled us to identify and respond to local needs. A Covid recovery plan was developed focused on priority themes of:
 - Confident people, confident business
 - Education Skills and Jobs
 - Agile Companies and Competitive Workers
 - Building Blocks for Growth
 - Bringing Business Home

15. The plan remained a live document from Summer 2020-Summer 2021, which enabled us to target support at areas of greatest need. The Investment Plan Refresh approved by Cabinet in July 2021 reflected latest Covid analysis.
16. As the economy has re-opened, the Combined Authority has focused on supporting recovery, building resilience and driving future growth. This is reflected in our spending proposals included within this report. The future focus of our activity will also support Levelling-up of the Tees Valley economy. It will support the development of key clusters that enable our businesses and communities to thrive – creating jobs and increasing productivity

COP26, Net Zero and Clean Growth

17. The [COP26 goals](#) for climate change have been discussed at length throughout the conference and are as follows: -
 - Secure global net zero by mid-century and keep 1.5 degrees within reach
 - Adapt to protect communities and natural habitats
 - Mobilise finance
 - Work together to deliver
18. The UK Government Committee on Climate Change (“the Committee”) is advising that the UK set its [Sixth Carbon Budget](#) (i.e. the legal limit for UK net emissions of greenhouse gases over the years 2033-37) to require a reduction in UK emissions of 78% by 2035 relative to 1990, a 63% reduction from 2019. This will be a world-leading commitment, placing the UK decisively on the path to Net Zero by 2050 at the latest, with a trajectory that is consistent with the Paris Agreement.
19. The Committee commissioned three reports: -
 - [Policy report](#) – Setting out the key strategic policies for the Sixth Carbon budget and Net Zero
 - [Advice report](#) – With four main parts covering; the path to Net Zero, Impacts of this path on the sixth Carbon Budget, International and Scientific Circumstances and Budget recommendations
 - [Methodology report](#) – approach to the sixth carbon budget, sector specific methodologies and the carbon budget datasets
20. The sectors referred to in the sixth carbon budget were as follows: -
 - Surface transport
 - Buildings
 - Manufacturing and construction
 - Electricity generation
 - Fuel supply
 - Agriculture and land use, land-use change and forestry (LULUCF)
 - Aviation & Shipping
 - Waste
 - F-gases
 - Greenhouse gas removals
21. Whilst COP26 has only recently concluded the ambition for the Tees Valley to play its part in the UK’s contribution to Net Zero has been pressing forward significantly with key initiatives already launched and supported including: -

- Net Zero Teesside
- Northern Endurance Partnership
- East Coast Cluster
- Hydrogen hub
- Teesside Offshore Manufacturing Centre
- South Bank Quay
- General Electric Renewables
- North East, Yorkshire and Humber Energy Hub led by Tees Valley
- Green Homes Grant
- Brownfield Housing

22. The 2022-23 Budget and 2021-29 Investment Plan incorporates strategic allocations that cut across large areas of the Climate Change Committee sectors listed at paragraph 16. These allocations will be used to continue leveraging Government and private sector investment across the Tees Valley to support clean innovative growth leading to the Tees valley's ambition to be the UK's first decarbonised industrial cluster including throughout the wider supply chains.

EXPENDITURE

23. The below table summarises the projected expenditure across the medium term and the investment plan period.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Transport	74,959	102,724	62,424	62,250	62,250	186,250	550,857
Education, Employment & Skills	47,749	39,061	37,279	37,279	37,279	111,835	310,482
Business Growth	160,145	57,898	17,903	12,094	2,938	9,501	260,479
Culture & Tourism	14,074	19,710	17,845	7,057	650	338	59,674
Innovation & Clean Growth	59,129	14,636	2,180	1,701	0	50	77,696
Place	16,637	30,914	13,907	10,046	6,000	6,000	83,504
Investment Plan Total	372,693	264,943	151,538	130,427	109,117	313,974	1,342,692
Concessionary Fares	15,985	15,985	15,985	15,985	15,985	47,958	127,883
Commercial Projects	33,994	63,205	37,738	623	775	323	136,658
Research & Evaluation	21	125	100	0	0	0	246
Core Running Costs	5,419	5,294	5,294	5,894	5,294	16,482	43,677
Costs of Borrowing	3,151	5,310	10,802	16,801	19,454	70,598	126,116
TOTAL EXPENDITURE	431,263	354,862	221,457	169,730	150,625	449,335	1,777,272

24. As reported during the year as part of the quarterly MTFP updates the Combined Authority have secured various other sources of funding to deliver specific projects and programmes over the period. This has resulted in changes to the total expenditure which have been incorporated into the above table.

25. In addition to the previously reported changes the below table sets out changes over the full investment plan period since the quarter 2 report as at the end of September.

	Transport	Commercial	Core Costs	Costs of Borrowing	Total
	£'000	£'000	£'000	£'000	£'000
City Region Sustainable Transport Settlement 2022-27	176,400	0	0	0	176,400
City Region Sustainable Transport Settlement 2027-29	67,548	0	0	0	67,548
South Bank Quay	0	106,700	0	0	106,700
Proposed Increase In Core Allocation 2022-29	0	0	3,367	0	3,367
Costs of Borrowing	0	0	0	16,493	16,493
	243,948	106,700	3,367	16,493	370,508

Tees Valley Investment Plan

26. At Cabinet in July 2021 members approved the revised formatting of the investment plan which incorporated specific projects and programmes, that specific funding had been secured to deliver, into the investment plan. These projects are consolidated into the appropriate investment plan theme to enhance the reporting information and to allow for clear identification of the level of investment being made under each thematic area.

27. As business cases for projects and programmes have been developed the expenditure profile has become more certain and that is reflected in this revised budget.

Transport

Investment Plan	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	74,959	102,724	62,424	62,250	62,250	186,250	550,857

28. The Tees Valley Strategic Transport Plan (STP) was adopted in January 2020 and provides the framework for investment into transport projects with the aim of providing “a high-quality, quick, affordable, reliable, low carbon and safe transport network for people and freight to move within, to and from Tees Valley”.

29. The Authority submitted a bid into the City Region Sustainable Transport Settlement (CRSTS) in early September 2021. The bid set out how we need to deliver a world-class transport system at pace to underpin our transformative economic growth ambition. The Government has announced that TVCA has been allocated £310 million for the five-year period from 2022/23. Further details of the proposed project within the settlement will be reported to Cabinet in due course for the programme.

30. The CRSTS period concludes in 2026/27, 2 years prior to the end of the Investment Plan period. For investment planning purposes it has been assumed that the equivalent level of funding will be available for investment within these final 2 years, however this will not be committed to until confirmation of funding is received.

Transforming the Tees Valley Rail System

31. The transformation of the Tees Valley rail system will provide:

- a modern ‘metro style’ passenger rail system with an aspiration for a minimum 30-minute service frequency at every station so that passengers can turn up and go; and
- capacity for freight growth linked to Teesworks and the Freeport.

32. Cabinet has previously approved significant funding to develop strategic rail infrastructure projects that will unlock network capacity, and this forms a significant element of the Integrated Transport Plan. A total of £49 million (£46 million within this report period) has been earmarked as TVCA’s contribution to major transformation projects at Darlington, Middlesbrough and Hartlepool stations and this sum is expected to leverage £100 million of additional funding.

33. The Darlington Station Outline Business Case (OBC) has been submitted to Government and £8.7 million of funding secured to develop the detailed design and Full Business Case (FBC). Planning approval has been secured for the station gateways and progress is being made on acquiring the land needed to deliver the scheme. There is a need to secure the remaining funding for delivery from the

Department for Transport (DfT) in summer 2022, with construction due to commence soon after and the project completing by May 2024.

34. The Middlesbrough Station funding package has been secured through contributions from TVCA, DfT and the Getting Building Fund. Phase 1 of the project, the extension of platform 2, started on site in December 2020 and completed in May 2021. Development work has progressed on the other phases of the project, including redevelopment of the station undercroft and the new platform 3. Redevelopment of the undercroft is due to start on site in December 2021 with completion by December 2022. The new platform 3 is due to start on site in early 2022 with completion by December 2022.
35. Hartlepool Station project will see the reinstatement of a second through platform to improve capacity and resilience on the Durham Coast Line facilitating future growth in services. The project is also seeking to provide a second access to the station linking to the marina. To date, Cabinet has only approved development funding of £1.5 million, of which £1.4 million is within the period covered by this report, to complete the detailed design and an FBC.
36. The Eaglescliffe Station project (£8 million investment) will provide a new fully accessible pedestrian footbridge. This includes a new connection to the western side and replacement of the existing bridge to the eastern side. The project also includes a new 120 space car park and other highway access improvements on the western side. The programme has a start on site in early 2022 with completion in 2023.
37. Teesside International Airport Station is only served by 1 train per week. However, due to rail capacity constraints it is proving difficult to identify opportunities for service enhancement until after completion of the Darlington Station project in 2024. Work is underway to develop a scheme to upgrade the station, which could facilitate a future increase in services, there is currently £5.9 million approved over the Investment Plan period.

Ensuring the Key Route Network can facilitate sustainable growth

38. The Key Route Network (KRN) is made up of the most important roads for growth and productivity. The KRN accounts for 22% of the total road network in the Tees Valley. There are specific locations that are already at capacity or are forecast to be over capacity by 2025. The consequence of taking no action will be a significant increase in congestion, which will negatively impact upon journey times, reliability and air quality, and threaten the economic transformation of the region.
39. The A19 New Tees Crossing OBC has been submitted to Government. They have requested additional evidence to further emphasise the importance of the scheme to wider priorities, specifically Teesworks and the Freeport. A decision is needed from Government to commit to the development of an FBC for the scheme, which National Highways would complete with a contribution from the Investment Plan of £35.5 million.

40. The A689 Corridor improvements OBC has been submitted to Government. The package consists of junction improvements along the corridor to address congestion and cycleway/footway improvements to create a traffic-free shared use route on the corridor from Sedgefield to Hartlepool. The total scheme cost is £40.8 million with a £6.4 million TVCA local contribution. A decision is needed from Government to commit to the development of an FBC for the scheme.

A shared commitment with the operators to transform Tees Valley bus services and grow passenger numbers

41. TVCA and the regional bus operators have a history of collaborative working. The National Bus Strategy, published in March 2021, sets out several requirements that must be met to be eligible for potential future funding to support bus provision:
- submit a Bus Service Improvement Plan (BSIP) by 31 October 2021. The BSIP should set out a vision for delivering a step-change in bus services;
 - implement an Enhanced Partnership (EP) Scheme by 31 March 2022. The EP plan must contain the detail of how the high-level vision and key interventions set out in the BSIP will be delivered.
42. TVCA is working with the bus operators and local authorities to develop the BSIP and a public consultation has been undertaken to help inform the ambitions, which are:
- decarbonisation – one of the first regions in the UK to have an entirely zero emission local bus fleet;
 - fares – simpler fares and targeted promotions to drive passenger growth;
 - customer experience – putting the needs of customers at the heart of service delivery and improving information provision with one brand identity;
 - infrastructure – new infrastructure investment to prioritise bus on core corridors and improve passenger experience; and
 - network – a collaborative approach focused on core corridors and integration with the Tees Flex on-demand bus service.
43. TVCA currently has £4 million, of which £3.9 million is within this report period, of funding to deliver the phase 1 investment package on the infrastructure priority, which is focussing initially on the following corridors:
- Redcar to Middlesbrough (mainly used by number 63 service);
 - Middlesbrough to Hartlepool via Stockton (mainly used by number 36 service); and
 - Branksome to Red Hall, Darlington (mainly used by number 2 service)
44. These corridors have been prioritised in phase 1 because of overlap with the Key Route Network and cycling and walking packages, and the need to ensure a joined-up approach.
45. The remaining BSIP ambitions will need to be funded by the potential funding allocation from Government, which is dependent on the strength and ambition of the document. It is anticipated that there will be a funding allocation to TVCA from 1 April 2022.

Making Cycling & Walking the natural choice for shorter journeys

46. TVCA has an approved Local Cycling and Walking Infrastructure Plan (LCWIP) setting out a long-term approach to developing a comprehensive Tees Valley cycling and walking network. The LCWIP is entirely consistent with the national ambition and has received positive feedback from Government. The plan is underpinned by analysis, which identifies the priorities for investment, with a focus on those corridors where there is the greatest potential to encourage people to walk or cycle to work, school or to access essential services.
47. The package will be complemented by a programme of activity to encourage cycling and walking, including personalised advice, training, better information and positive incentive programmes totalling £3.9 million in the period.
48. Delivery of the phase 1 investment package has been split into phases 1a and 1b. Phase 1a includes the two most-advanced schemes (Linthorpe Road in Middlesbrough and Woodland Road in Darlington), which are due to start on site in Q4 2021/22, with completion by summer 2022.
49. Phase 1b includes the other three schemes (A689 in Hartlepool, Norton Road in Stockton and Guisborough to Nunthorpe in Redcar & Cleveland). These schemes are progressing through outline design, consultation and detailed design and are on programme for completion by March 2023.

Ensuring everyone can access opportunity

50. There are circa 36,000 people who live in rural areas across the Tees Valley that are not served by the commercial bus market. There are also deprived urban communities where accessibility is a challenge and there is a need to improve connectivity to jobs, training and essential services.
51. A provider has now been appointed to deliver the Tees Valley Wheels 2 Work scheme through to 2024. The scheme provides a subsidised transport solution for those with no access to a private vehicle or public transport. The fleet is now all electric and includes electric motorbikes and electric bikes. The scheme takes referrals from Job Centre Plus and the Let's Go Tees Valley travel advice team and will also be widely publicised to raise awareness.

Positioning the Tees Valley at the forefront of decarbonising transport

52. TVCA is working alongside the DfT to try and secure funding to deliver hydrogen refuelling infrastructure, long-term trials and research activity through the hydrogen transport hub.
53. TVCA is also committed to delivering a step-change in the provision of electric vehicle charging infrastructure, which is one of the main deterrents for people considering a transition to electric vehicles. The DfT states that around 80% of all

electric car charging happens at home, but for drivers who do not have off-street parking, access to charging points is essential.

54. TVCA would also like to facilitate:

- electric micro-mobility (range of small, lightweight vehicles) making cleaner modes of transport more accessible for all;
- the uptake of electric vehicles for last mile urban freight delivery;
- the decarbonisation of public sector fleets; and
- support for business to decarbonise their fleets.

55. The DfT recently announced the winners of a £2.5 million competition to carry out hydrogen transport pilots in the Tees Valley area starting in 2021/22. The successful trials involve Teesside International Airport, emergency services, supermarkets and delivery companies.

56. TVCA will shortly appoint a supplier to install, operate and maintain a network of electric vehicle charging points across Tees Valley. The initial roll-out will focus on publicly accessible car parks with installation scheduled to commence in 2021.

57. The e-scooter trials continue in Middlesbrough and Hartlepool with strong usage figures (4,028 rides in Middlesbrough & 4,184 rides in Hartlepool across June, July & August 2021). The trial period has been extended by Government through to November 2022.

Putting Tees Valley at the heart of the digital transport revolution

58. TVCA is seeking to deliver a wide-ranging package of digital infrastructure and services to accelerate our ambition for a digitally enabled transport system across the region. The package includes:

- managing and optimising the highway network using the Urban Traffic Management & Control (UTMC) system;
- interventions to encourage, support and incentivise people to use active travel and public transport; and
- interventions to collate and provide data on multi-modal journeys, real time movement and occupancy data to enable customers to make informed travel choices.

Teesside Airport

59. The Cabinet has received a Business Plan update report in respect of Teesside International Airport for the period 2021-2029. The updated Business Plan does not require the Combined Authority to increase its previously approved funding allocation to the airport. The key short- and medium-term risk to the delivery of the TIA Business Plan is the uncertainty surrounding the ongoing Covid 19 pandemic and its effect on the aviation industry generally and the airport. The airport senior management team will continue to monitor and manage this risk and develop strategies for the growth and development of the airport.

Education, Employment & Skills

Investment Plan	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	47,749	39,061	37,279	37,279	37,279	111,835	310,482

60. The Investment Plan allocated £15 million, with the final £1.2 million included in the above period, for skills capital and the Combined Authority has also worked collaboratively with the Northern School of Art and Middlesbrough Council on the relocation of the Northern School of Art's Further Education Campus Middlesbrough. This project has completed and welcomed its first learners in September.

61. The new Education, Employment and Skills Strategy and associated Delivery Plan is in development. The plan will consider the skills needs of the emerging sectors, such as clean energy, and the training required to achieve the ambitious net zero targets. At the heart of this plan will be the solutions to ensure Tees Valley residents and young people can access these jobs. The delivery plan will include detail regarding the revenue investment priorities for this theme that will aim to increase employment levels and ensure businesses can access an available and skilled workforce, now and in the future.

62. Adult Education functions were devolved from the start of the Academic year in August 2019. Although Covid-19 has impacted the accessibility of learning over thirty-one training providers have successfully developed a blended online and face to face model of delivery.

63. In March 2021 a multi-year procurement process was undertaken and it has established an Adult Skills Framework of fifty-six high quality training providers. Of these providers thirty-one have been awarded funding from AEB for delivery for the Academic year commenced September 2021.

Business Growth

Investment Plan	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	160,145	57,898	17,903	12,094	2,938	9,501	260,479

Teesworks Site Projects

64. The Investment Plan has £56.5 million allocated to the South Tees Development Corporation for development of the [Teesworks site](#) of which £11.8 million was remaining at April 21. The Teesworks site is the UK's largest and most connected industrial zone, home to diverse, sustainable and low-carbon activity. The land has been acquired as part of the Compulsory Purchase Order (CPO) process, £125m (£104 million within the period covered by this report) of funding secured from Central Government, acquisition of South Tees Site Company Ltd into local control from the Department of Business, Energy and Industrial Strategy (BEIS) and development activity is underway on the site with a strong focus on local labour and supply chains to enable the site development.
65. In June 2021, BEIS approved additional expenditure of £20 million to support the development of the Teesworks Offshore Manufacturing Centre. The funding was awarded to assist in the remediation of the proposed offshore wind site to accelerate works and bring forward the construction of the centre.
66. At the Autumn Budget in October the Teesside Freeport was confirmed and the following day was officially launched. The confirmation at the Budget resulted in the Statutory Instrument for the Tax Land being laid and at the same time the Primary Customs Zone was delivered and audited by HMRC. The Teesside Freeport will be the first custom and tax designated freeport in the UK.

Infrastructure Projects

67. Boho "The Digital City" project (£26.5 million of which £22.3 million is within the period of this report) has been confirmed utilising existing Business Growth infrastructure budgets (£20 million) and Middlesbrough Borough Council Indigenous Growth funding (£6.5 million). The project is designed to create a digital campus which will ensure that Tees Valley becomes a recognised centre for digital media investment both nationally and internationally. It will provide the environment for businesses to design, enable, create, and grow new digital opportunities and put Middlesbrough at the heart of the most important and rapidly evolving industries in the world. The first of the two buildings constructed from this fund was completed in March 2021
68. The £20 million 'Welcome to Redcar & Cleveland' Programme has been developed to promote area regeneration in support of economic growth in the tourism and visitor economy of R&C and the wider Tees Valley. Prior to the periods included in this report £3.7 million had been incurred on delivery with the remaining £16.3 million to be incurred during this report period. The range of projects within the programme will act as a key catalyst to promote, attract a sustainable visitor economy as part of its wider place-based regeneration plans for the Borough in line with national policy. The

first two projects within the programme are currently in progress, Regent Cinema and Guisborough Town Hall, with further call offs expected shortly.

69. Stockton's allocation of £20 million, £19 million within this report, will be utilised to deliver the vision for Stockton Town Centre which is to create a vibrant, modern town centre by building on past investment to provide a sustainable retail offer that safeguards the traditional function of the High Street whilst creating a space that enables diversification of uses through a combination of public and private investment, capitalises on the proximity of the River Tees as a significant natural asset and creates investor confidence through increased footfall and new uses.

Business Support Programme

70. Since the £35m Business Growth Programme was approved by Cabinet (utilising £30m investment plan and £5m pre-investment plan allocation) delivery has been undertaken during a period of significant economic challenge. The programme has reacted to the COVID crisis and delivered additional central government support where possible. Despite the pandemic, the programme remains on track to meet its main objectives and demand for business support services remains strong.
71. The programme has established a central support function (Tees Valley Business) which provides businesses easy access to support services through one central location, bringing together the different types of support traditionally delivered as discrete projects across the region. Support is provided via a website, email portal, telephone and directly through business advisors. The services provided by the previous Business Compass project have been successfully transitioned into the new Gateway and all new support services are being delivered through the Gateway. Providing a single access point to the full range of business support that is available to Tees Valley businesses the service has provided over 4,000 businesses and individuals with direct one to one business support and advice during 2020/21. In the first 6 months of the current year it has already directly supported 3,677 business and individuals on a one to one basis.
72. Business growth support for SME's (Small and Medium Enterprises) is currently funded through a £14.65m ERDF (European Regional Development Fund) programme launched in July 2020. The amount of funding for the project was increased due to COVID to allow for a higher grant support level of 55% (increased from 33% under the Business Compass scheme). In addition, £1.97m ERDF funding has been secured for an SME Energy Efficiency Scheme. (Due to launch Nov 2020).
73. The Tees Valley Large Capital Grant scheme has defrayed £1.3m to date this year against private sector capital investments in excess of £6m supporting the creation and safeguarding of over 250 jobs. A further £11m of grant support has been approved subject to due diligence against private sector investments which will create and safeguard over 1,000 further jobs. The pipeline of applications currently being processed is strong it is forecasted that the funds will be fully defrayed fully against private sector investments by 2025.

74. COVID 19 has had a significant impact on the local economy, however demand for business growth support has remained strong, especially for grants to support capital projects. The Gateway has supported the delivery of a number of COVID specific support funds namely: Apprenticeship Grants; Welcome Back Fund; Back to Business Funds: Visitor Economy and Wider Economy; Kickstart scheme; Culture Development and Innovation Fund; Peer to Peer Programme.

Culture & Tourism

Investment Plan	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	14,074	19,710	17,845	7,057	650	338	59,674

75. The Investment Plan allocation for Culture & Tourism Programme of activity is £20 million of which £18.6 million is within the periods contained in this report. The initial investment priorities were set out in the Investment Plan and a number of projects have already received approval through Cabinet or via delegated decision in line with the Assurance Framework. At the Cabinet meeting in November 2020 members approved a programme of activity, to enable the delivery of a Growth Programme for the Creative & Visitor Economies. The report incorporated the recommendations of the independent Cultural Industries & Visitor Economy Recovery Task Force and describes a programme that will be focused on economic recovery, regeneration and growth through the sustainable development of the creative and visitor sectors. The business plan is progressing and delivery is due to commence in 2022/23.

76. An Investment Plan allocation of £20 million (£19.3 million in the period covered by this report) has been provided for Darlington Councils priority project, a major capital scheme which will establish a Railway Heritage Quarter, based around the “Head of Steam” museum on North Road/Station Road, north of Darlington town centre. The aim is for the Railway Heritage Quarter to become a major visitor attraction and museum by 2024 in order that it can be a central part of the bi-centenary celebrations of the birth of the Stockton & Darlington Railway in 2025.

77. The £20 million Hartlepool Waterfront project will create a 'destination' at the waterfront, encouraging growth in visitor numbers; overall, to regenerate the place via the tourism / leisure / culture offer. The Project will work with the National Museum of the Royal Navy to expand the exhibition space whilst leisure facilities will be constructed along with external event space and improved public realm.

Innovation & Clean Growth

Investment Plan	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	59,129	14,636	2,180	1,701	0	50	77,969

78. The innovation programme, approved in January 2020 is focused on supporting the key sector areas identified in the SEP, namely, bio science, digital, advanced engineering and clean growth. The programme has several linked activities to provide the cornerstones for growth in these sectors as well as funding for key industrial networks. Key projects include support for a bioscience incubator and wider bioscience innovation support, a net zero freeport innovation centre supporting clean growth, hydrogen technology and advanced engineering, and support for future digital research projects. The programme will leverage national funds wherever possible to maximise the impact for the Tees Valley.

79. The North East and Yorkshire Energy Hub, which TVCA is the accountable body for, is actively engaged in delivering a £53 million Green Homes Grant LAD2 programme across 27 of its 31 local authorities. The Hub has secured additional funding of £1.2 million for its core activities from November 2021 until March 2023, which brings its total core funding to £3.1 million since 2018. It is completing delivery of a £1.7 million Rural Community Energy Fund Programme, which will soon be evaluated. In 2022 it will run a £0.7 million Public Sector Decarbonisation Skills funding programme.

Place

Investment Plan	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	16,637	30,914	13,907	10,046	6,000	6,000	83,504

80. Over ten years a total of £62 million has been allocated to create the Indigenous Growth Fund. Each of the five boroughs that make up the Tees Valley has distinct economic assets and opportunities and it is essential that we can unlock these opportunities for residents of the whole of Tees Valley.

81. A programme business case has been developed and approved for the fund and the constituent authorities are currently developing project business cases to call off from the programme.

82. At the Cabinet meeting in November 2020 Members In order to make it easier, cheaper and more convenient for people to use Tees Valley high streets and support local businesses the introduction of free car parking across key Tees Valley Town Centres. The scheme will provide minimum of two hours up to a maximum of three hours' free car parking for two years.

83. The Authority was awarded £19.3 million from the Brownfield Housing Fund in December 2020 to unlock brownfield sites for development. A total of five projects are currently in delivery under this programme with £18.6 million of this fund to be delivered within the period 2021 to 2025.

Expenditure outside the Investment Plan

Concessionary Fares

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	15,985	15,985	15,985	15,985	15,985	47,958	127,883

84. The Concessionary Fares budget is negotiated with bus operators annually and is fully funded by contributions from the constituent authorities. The budget for future years has been estimated based on 2021/22 agreements however this is subject to change based on future negotiations.

Commercial Projects

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	33,994	63,205	37,738	623	775	323	136,658

85. When carrying out certain types of regeneration projects they sometimes lead to opportunities where the funding being invested can be recovered via either a commercial loan or with returns on investment. These projects are invested into for the primary purpose of regeneration, economic growth and job creation with the returns being a secondary consequence of the investment. The projects currently within this section are:-

- Southside Development at Teesside International Airport,
- Tees Valley Waste project loan to the constituent Local Authorities in respect of procurement costs that will begin to be recovered once the project is live.
- The development of the South Bank Quay to enable offshore wind which will see returns from usage of the Quay.

Research and Evaluation

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	21	125	100	0	0	0	246

86. To assess impact and inform future funding requirements a budget for research and evaluation was set aside. This includes the expenditure associated with the Government Gateway evaluation which was carried out by SQW.

CORE COSTS

87. Core costs have remained at the same level since 2018/19, however with the increasing levels of funds that are being managed by the Authority there are increasing pressures on core resources to support the delivery of these projects and programmes ensuring that we adhere to the assurance framework agreed with Government.

88. Over the period of 2018-2021 the average annual investment was £140 million, for the period covered in this report 2021-29 the average annual investment will be £201 million, an increase of 44%.

89. Where resources are directly linked to the successful delivery of a specific project or programme we will continue to charge those resources into those investments. However, where the resources are playing an indirect supporting role in the delivery these need to be covered by the core costs of the organisation. The 2021/22 baseline for core costs excluding mayoral election costs (£0.6 million) is £4.8 million. Therefore, taking into account the increased level of investment we are proposing an increase of 10% to the core budget from 2022/23, this would result in £0.48 million additional costs annually and £3.36 million in total to 2028/29.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Core costs	5,419	5,294	5,294	5,894	5,294	16,482	43,677

90. The table below sets out the core costs budget for 2022/23 and the previously agreed budget for 2020/21.

Core costs	2021/22	2022/23
Salaries (incl Ni & Pension)	3,899,945	4,281,236
Other Staffing Costs	15,000	15,000
Total Staff Costs	3,914,945	4,296,236
Premises	335,000	335,000
General Running Costs	402,967	502,967
Marketing & Communications	160,000	160,000
Non-Salary Expenditure	897,967	997,967
TOTAL EXPENDITURE	4,812,912	5,294,203

Cost of Borrowing

91. The arrangements for Combined Authority borrowing are set out in the annually agreed Treasury Management Policy. The loan repayments are made up of the minimum revenue provision which is calculated based on the methodology set out in the Treasury management statement based on the capital financing requirement and interest on the actual external borrowing taken out.

92. The Authority minimises its costs of borrowing by utilising internal resources where required, sometimes known as internal borrowing, this reduces risk and keeps interest costs low. The calculations have been updated based on the latest profile of required borrowing requirements.

93. The 2019/20 budget approved the use of the Combined Authorities borrowing powers to deliver the Investment Plan. The loan repayments have been updated to reflect the latest borrowing requirements and interest rates and are set out in **Appendix 2**.

FUNDING

94. The below tables summarise the forecast funding across the medium term and the investment plan period.

Funding	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget	431,263	354,862	221,457	169,730	150,625	449,335	1,777,272

Funding Source	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 – 28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Devolution	15,000	15,000	15,000	15,000	15,000	45,000	120,000
Enterprise Zones	2,672	5,451	5,562	5,882	6,036	19,044	44,647
Transforming Cities Fund / CRSTS	24,000	62,000	62,000	62,000	62,000	186,000	458,000
Loan Repayments & Investment returns	3,038	2,170	988	8,476	6,280	18,841	39,793
Government Grants	192,737	39,430	19,940	16,026	13,583	40,667	322,383
Adult Education Budget	34,243	32,788	30,613	30,613	30,613	91,837	250,707
Local Transport Plan	11,336	0	0	0	0	0	11,336
Concessionary Fares	15,985	15,985	15,985	15,985	15,985	47,958	127,883
Borrowing	100,357	131,783	69,520	15,747	1,129	0	318,536
Movement -to / from reserves	31,895	50,255	1,849	1	-1	-12	83,987
Total	431,263	354,862	221,457	169,730	150,625	449,335	1,777,272

Devolution

95. Funding of £15 million per year for 30 years was agreed as part of the devolution agreement with government. This funding is subject to a five-year review which was successfully achieved in 2021. For the purpose of the budget plan period it is assumed that this level of funding will continue beyond each of the five-year review points.

Enterprise Zones

96. The Combined Authority retains business rate funding from a number of designated enterprise zones. As the zones continue to attract more business the funding generated is forecast to increase.

97. The current projections for the investment plan period are based on rates that are currently being collected, together with known projects currently under construction. Business rates from future potential projects on the Enterprise Zones are not accounted for in the forecasts but will be kept under review.

Transforming Cities Fund & City Region Sustainable Transport Settlement

98. The Transforming Cities Fund was announced by Government in the 2017 Budget to transform local public transport. The fund gives the Combined Authority freedom to invest on strategic transport priorities such as rail, bus rapid transit, cycling or other public and sustainable transport improvements.

99. The City Region Sustainable Transport Settlement (CRSTS) is the successor to the Transforming Cities Fund and has seen the annual average funding increase from £15.1 million to £62 million following a successful bid to DfT. The Authority has been awarded £310 million to invest in local transport networks to improve the quality of local transport networks over a 5-year period commencing in 2022/23. We are currently awaiting further details on the profile of this funding and have assumed an straight line annual profile within this report.

100. The current settlement received from DfT concludes in 2026/27, we have made the assumption within the Investment Plan that this funding would continue beyond this settlement period at its average annual to the end of the Investment Plan period.

Loan Repayments & Investment Returns

101. A number of Combined Authority investments are made on a recoverable and/or commercial basis, based on current agreements it is estimated that £21.8 million will be repaid during the period including interest.

Government Grants

102. The Combined Authority receives a number of other grants from Central Government which can be either awarded for specific purposes following an application process or where is awarded with fully devolved discretion regarding expenditure. This allocation includes, South Tees Development Corporation Business Case £124 million, LAD2 Green home grants £53.2 million, Brownfield housing £14.6 million, Get Britain Building £8.7 million along with a number of other specific project grants.

103. Current estimates are based on secured grants and some assumptions regarding the continuation of current funding. We remain in constant discussions with Government to ensure we secure the maximum funding possible to achieve our priorities set out in the Strategic Economic Plan.

104. Through the revised profiling of expenditure and further secured income the budget is fully funded 22/23. However, over the MTFP period £38.5 million has been assumed from UKSPF to fund relevant activity within this period. This is significantly lower than allocations received by the region from predecessor funds and we expect investment into the region from this fund to exceed this target.

Adult Education Budget

105. Devolution delivery of the Adult Education Budget commenced August 2019 and aims to provide those aged 19 and over in the Tees Valley area with support into training and education to enhance skills in order to meet the skills requirements of employers. The Combined Authority will be working with a wide range of providers to

align training to business needs and to prevent young people becoming long-term unemployed.

Local Transport Plan

106. As the transport authority for the Tees Valley the annual capital block funding allocations are passported through the Combined Authority to the constituent Local Authorities based on historical allocations. The Combined Authority role in this is transactional in enabling the funding to be transferred from Government to the Local Authorities. Through dialogue with DfT it is understood that this funding will now be incorporated into the CRSTS at its current levels and has therefore been removed from 2023/24 as a specific funding source.

Concessionary Fares Funding

107. Under the role of transport authority, the Combined Authority is responsible for passporting funding to the local bus operators via funding received from the constituent authorities on an annual basis. The Combined Authority role in this is transactional in enabling the funding to be transferred from the Local Authorities to the bus operators.

RESERVES

108. The Combined Authority holds two classifications of usable reserves these are non-ring-fenced funds which have been received but not yet applied and the General Balance Reserve. The Combined Authority manages overall resource requirements by reference to the MTFP and overall Investment Plan.

109. At April 2020 the balance of usable reserves was £81.1 million which was increase by £3.6 million in 2020/21 leaving a balance at April 2021 of £84.7 million of available funds held in reserve, and it is forecast that this will reduce by £31.7 million within the year to give a balance of £53 million at the end of March 2022. The full balance of reserves will be utilised throughout the investment plan period to support the delivery of the investment plan, as set out in the table in paragraph 77.

110. Good practice guidance for Local Authorities is that a proportion of net revenue expenditure should be held in the General Balance Reserve to manage risk and any unforeseen circumstances. The Combined Authority manages overall resource requirements by reference to the MTFP and overall Investment Plan and the general reserve currently stands at £1.058 million.

111. As agreed in the 2019/20 Budget we consider that the appropriate way of calculating a general reserve level is to take the average of the risk-based revenue that we expect to receive over the period of the MTFP and hold a proportion of this in the General Reserve. This calculation has resulted in a requirement of £0.5 million, however management has decided to not amend this from the current reserve of £1.058 million.

DEVOLUTION DEAL FORWARD FUNDING

112. As part of the devolution deal Government agreed to provide the Combined Authority with a devolved fund of £450 million. Although this funding is released by Government on an annual basis of £15 million per year for 30 years the aim was that Mayoral Combined Authorities could use this funding stream to forward fund through prudential borrowing. The original approval to access borrowing was approved as part of the previous investment plan and this report reaffirms the borrowing requirement.
113. Not only does this forward funding increase the scope to have a bigger economic and transformational impact sooner, it also makes financial sense as the release of the £450 million over the 30 years is not index linked. Therefore, the spending power of £15m in 2046 will be far less than today. Based on the standard discount rate of 3% it is financially advantageous to forward fund as the prudential borrowing rates are below this level.
114. Within the Investment Plan there is still flexibility to fund immediate requirements that are not funded by Central Government and generally these are funded from within agreed allocations. Any such amendments require the unanimous approval of Cabinet in line with the constitution. The level of borrowing and the amount of headroom available following these and other allocations are reviewed by Cabinet annually as part of the Investment Plan and review of the Medium-Term Financial Plan.
115. Devolution funding is evaluation every five years which leads to the release of the next tranche of five-year funding from Central Government. The first of the five-year review periods was 31 March 2021, which was successfully completed.

BORROWING

116. In addition to forward funding from devolution funds to deliver the Investment Plan the Combined Authority also has borrowing requirements to fund commercial investment propositions. The arrangements for Combined Authority borrowing are set out in the annually agreed Treasury Management Policy.
117. The Capital Financing Requirement (CFR) shows the underlying need to borrow to fund capital investments. The Authority's chief objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. Therefore the actual timing of the borrowing may not always follow the profile of the CFR as the Authority looks to strike this balance, details of this "internal borrowing" can be found at **Appendix 2**.

118. Within the MTFP period the total CFR to deliver the Investment Plan and fund commercial projects is £218.2 million as part of a wider borrowing requirement of £398.2 million over the Investment Plan Period of 2019 to 2029, details of which can be found at **Appendix 2**. This is well within the Government agreed borrowing caps of £774 million.

119. The repayments for the borrowing are affordable and can be financed from revenue funding received both during and beyond the investment plan period.

MEDIUM TERM FINANCIAL PLAN 2022-26

120. Funding and expenditure for the plan period, including the final 2022/23 budget is summarised in the medium-term financial plan as set out in **Appendix 3**.

FINANCIAL IMPLICATIONS

121. This report gives an update on performance against the budget for the Combined Authority, updates the Medium-Term Financial Plan and Investment Plan forecasts.

LEGAL IMPLICATIONS

122. There are no legal implications associated with the recommendations within this report.

RISK ASSESSMENT

123. This Budget Report has been re-categorised as medium risk to reflect the updated work on the implementation of our group risk management strategy. The group corporate risk register has been updated to reflect funding uncertainty from Government. The Combined Authority has made submissions and representations to Government on UK Shared Prosperity and will continue this dialogue. The existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION

124. Formal consultation was undertaken in the period 17th December 2021 to 7th January 2022. This is in addition to circulation of this report to Local Authority Directors of Finance, Tees Valley Management Group and Chief Executives.

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Forecast expenditure on investment plan

Project	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 +	TVCA TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
A689 Wynyard Corridor Improvements	4,114	0	0	0	0	0	4,114
Access Fund	436	0	0	0	0	0	436
Active Travel Fund	1,530	0	0	0	0	0	1,530
Billingham Station	700	300	0	0	0	0	1,000
Bus Improvement Corridors	117	3,738	0	0	0	0	3,855
Bus Partnership	100	3,000	0	0	0	0	3,100
CRSTS Development Fund	1,250	1,250	250	250	250	250	3,500
Covid 19 - Bus Services	147	0	0	0	0	0	147
Darlington Station	5,657	16,446	0	0	0	0	22,103
Demand Responsive Transport	1,005	926	0	0	0	0	1,931
Eaglescliffe Station Western Gateway	1,000	7,000	0	0	0	0	8,000
Electric Vehicles	1,080	874	0	0	0	0	1,954
Hartlepool Station	1,000	395	0	0	0	0	1,395
Hartlepool Western Growth Corridor (Elwick Bypass)	0	3,108	0	0	0	0	3,108
Home to School Transport	1,079	0	0	0	0	0	1,079
Hydrogen Transport	0	2,000	0	0	0	0	2,000
Inward Investment Allocation	0	0	0	0	5,800	0	5,800
Local Cycling & Walking Infrastructure Plan	1,924	1,947	0	0	0	0	3,871
Local Transport Plan	11,336	0	0	0	0	0	11,336
Middlesbrough Station	8,627	22,500	0	0	0	0	31,127
Pothole Action Fund	5,242	0	0	0	0	0	5,242
Redcar Railway Station Business Quarter	0	50	0	0	0	0	50
Sustainable Access To Employment Programme	11	0	0	0	0	0	11
Tees Crossing & Portrack Relief Road	3,746	5,000	5,000	0	6,679	14,821	35,246
Teesside Airport	22,642	8,400	0	0	0	0	31,042
Transport Capability Fund	1,362	0	0	0	0	0	1,362
Travel Demand Management	112	0	0	0	0	0	112
Urban Traffic Management	250	2,750	0	0	0	0	3,000
Wheels 2 Work	492	174	174	0	0	0	840
Integrated Transport Plan - To Be Allocated	0	22,866	57,000	62,000	49,521	171,179	362,566
Transport Total	74,959	102,724	62,424	62,250	62,250	186,250	550,857
Adult Education Budget	34,243	32,788	30,613	30,612	30,612	91,835	250,703
Education, Employment & Skills Strategy	8,016	4,410	0	0	0	0	12,426

Project	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 +	TVCA TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Hartlepool Centre of Excellence in Technical Training for the Creative Industries	89	0	0	0	0	0	89
Hartlepool Innovation Skills Quarter Phase 2	1,989	0	0	0	0	0	1,989
Kickstart	2,000	1,332	0	0	0	0	3,332
One Vision Pilot	140	45	0	0	0	0	185
Skills Analyst	24	0	0	0	0	0	24
Skills Capital Incl Northern School of Art	1,248	486	0	0	0	0	1,734
New Education, Employment and Skills Strategy	0	0	6,666	6,667	6,667	20,000	40,000
EES Total	47,749	39,061	37,279	37,279	37,279	111,835	310,482
Back To Business Fund	245	0	0	0	0	0	245
BEIS Business Compass	462	0	0	0	0	0	462
BEIS Peer to Peer Network	459	0	0	0	0	0	459
Billingham Bio-Pharmaceutical Campus	132	0	0	0	0	0	132
Boho Next Generation	7,320	6,897	1,598	0	0	0	15,815
Brexit Preparation Fund	306	0	0	0	0	0	306
Broadband	427	0	0	0	0	0	427
Business Growth Programme	5,030	9,588	8,111	4,378	2,938	9,501	39,546
Central Park	3,650	0	0	0	0	0	3,650
Delivering Sector Action Plans Programme	250	927	0	0	0	0	1,177
Energy Efficiency ERDF Grant	450	526	87	0	0	0	1,063
ERDF Business Growth Fund	3,460	3,686	595	0	0	0	7,741
ESIF Technical Assistance	45	0	0	0	0	0	45
Faverdale (Phase 1)	0	50	0	0	0	0	50
Freeport	662	700	638	0	0	0	2,000
Ingenium Parc - Phase 1	195	0	0	0	0	0	195
Kirkleatham Estate Investment Project	0	228	0	0	0	0	228
Local Industrial Strategy	241	0	0	0	0	0	241
Offshore Wind	20,000	0	0	0	0	0	20,000
One Public Estate	71	100	222	0	0	0	393
SSI Task Force Programmes	4,795	8,191	0	0	0	0	12,986
STDC Gateway	2,000	0	0	0	0	0	2,000
STDC Business Case	85,986	18,316	0	0	0	0	104,302
STDC Site Infrastructure	11,764	0	0	0	0	0	11,764
Stockton High St	2,930	3,902	4,952	7,216	0	0	19,000
Welcome to Redcar & Cleveland	9,265	4,787	1,700	500	0	0	16,252
Business Growth Total	160,145	57,898	17,903	12,094	2,938	9,501	260,479
Culture & Tourism Programme	912	4,000	7,000	6,717	0	0	18,629
Culture: City Games	0	0	245	340	650	338	1,573

Project	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 +	TVCA TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Culture: Rugby League World Cup Bid	0	113	0	0	0	0	113
Hartlepool Waterfront (incl NMRN)	3,400	6,000	10,600	0	0	0	20,000
Museum of the Royal Navy	25	0	0	0	0	0	25
Stockton & Darlington Railway Heritage	9,737	9,597	0	0	0	0	19,334
Culture Total	14,074	19,710	17,845	7,057	650	338	59,674
Bio / Life Science Innovation Support	1,000	3,000	0	0	0	0	4,000
Carbon, Capture & Storage	53	0	0	0	0	0	53
Darlington Bio Incubator	0	2,800	0	0	0	0	2,800
Digital Cyber	500	1,500	0	0	0	0	2,000
District Heating Commercialisation Stage	212	0	0	0	0	0	212
Energy Network	995	1,073	0	0	0	0	2,068
Green Homes Grant	53,135	0	0	0	0	0	53,135
Hydrogen Transport	200	0	0	1,701	0	0	1,901
Low Carbon Action Plan	24	0	0	0	0	0	24
Net Zero Innovation Centre	670	4,039	1,291	0	0	0	6,000
Net Zero Teesside	126	206	0	0	0	0	332
Public Sector Decarbonisation	749	0	0	0	0	0	749
Rural Energy Fund	476	406	0	0	0	0	882
Tees Valley Sector Networks	519	662	819	0	0	0	2,000
Teesside University National Horizons Centre	446	0	0	0	0	0	446
TVCA Hydrogen Transport Deployment Bid	24	0	0	0	0	0	24
To Be Allocated To Projects	0	950	70	0	0	50	1,070
Innovation & Clean Growth Total	59,129	14,636	2,180	1,701	0	50	77,696
Brownfield Housing	6,229	8,751	2,300	1,649	0	0	18,929
Car Parking	5,406	3,319	0	0	0	0	8,725
Indigenous Growth Programme	5,002	18,844	11,607	8,397	6,000	6,000	55,850
Place Total	16,637	30,914	13,907	10,046	6,000	6,000	83,504
INVESTMENT PLAN TOTAL	372,693	264,943	151,538	130,427	109,117	313,974	1,342,692

Borrowing

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 - 2028/29	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Borrowing Required	100,357	131,783	69,520	15,747	1,129	0	318,536
		MTFP PERIOD			139,932		

	Bal c/f	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 - 2028/29	TOTAL
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Borrowing Required	79,706	100,357	131,783	69,520	15,747	1,129	0	398,242
Internal Borrowing	-49,706	6,343	18,510	24,853	0	0	0	0
External Borrowing	30,000	106,700	150,293	94,373	15,747	1,129	0	398,242

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 - 2028/29	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Minimum Revenue Provision	2,373	4,555	7,081	9,118	11,664	48,512	
Loan Interest	778	755	3,721	7,683	7,790	22,086	
		MTFP PERIOD			52,367		

Medium Term Financial Plan 2021-25

MEDIUM TERM FINANCIAL PLAN	2022/23	2023/24	2024/25	2025/26	TOTAL
	£'000	£'000	£'000	£'000	£'000
Funding	172,824	150,088	153,982	149,497	626,391
Borrowing	131,783	69,520	15,747	1,129	218,179
TOTAL FUNDING	304,607	219,608	169,729	150,626	844,570
Investment Plan	264,943	151,538	130,427	109,117	656,025
Concessionary Fares	15,985	15,985	15,985	15,985	63,940
Commercial Projects	63,205	37738	623	775	102,341
Research and Evaluation	125	100	0	0	225
Core Running Costs	5,294	5,294	5,894	5,294	21,776
Cost of Borrowing	5,310	10,802	16,801	19,454	52,367
TOTAL EXPENDITURE	354,862	221,457	169,730	150,625	896,674
TRANSFER TO / FROM RESERVES	-50,255	-1,849	-1	1	
Reserves Opening Balance	53,875	3,620	1,771	1,770	
Transfer To / From Reserves	-50,255	-1,849	-1	1	
RESERVES CLOSING BALANCE	3,620	1,771	1,770	1,771	