

AGENDA ITEM 7**REPORT TO THE TEES VALLEY COMBINED AUTHORITY CABINET****28 OCTOBER 2022****REPORT OF THE DIRECTOR OF FINANCE AND RESOURCES****QUARTER 1 BUDGET REPORT AND MEDIUM-TERM FINANCIAL PLAN
UPDATE****SUMMARY**

The purpose of this report is to provide an update on the financial position of the Combined Authority for the period ending 30 June 2022 and present a revised Medium-Term Financial Plan (MTFP).

RECOMMENDATION

It is recommended that the Combined Authority Cabinet:

- i. Notes the quarter 1 financial position as of 30 June 2022.
- ii. Notes the revised Medium-Term Financial Plan; and
- iii. Notes that the City Region Sustainable Transport Settlement (CRSTS) programme delivery plan has now been agreed by government.

DETAIL

1. This report sets out the quarter 1 financial position for 2022/23 and the medium-term financial plan (MTFP). The Budget presents all forecast funding and expenditure for the plan period with any amendments since the investment plan refresh was approved by Cabinet.
2. Other specific funding that has been secured to deliver projects and programmes since the budget was approved has been incorporated into the investment plan.

EXPENDITURE

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

| Table 1 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 – 28/29 | Total |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Transport | 51,287 | 66,762 | 147,108 | 64,882 | 64,882 | 188,884 | 583,805 |
| Education, Employment & Skills | 40,183 | 45,717 | 39,965 | 38,928 | 37,661 | 112,603 | 315,057 |
| Business Growth | 130,519 | 79,147 | 31,771 | 19,862 | 5,636 | 7,369 | 274,304 |
| Culture & Tourism | 5,423 | 27,283 | 17,078 | 6,717 | 1,600 | 0 | 58,101 |
| Innovation & Clean Growth | 11,217 | 63,023 | 5,780 | 3,486 | 0 | 0 | 83,506 |
| Place | 15,539 | 30,618 | 31,558 | 26,572 | 17,500 | 2,500 | 124,287 |
| Investment Plan Total | 254,168 | 312,550 | 273,260 | 160,447 | 127,279 | 311,356 | 1,439,060 |
| Concessionary Fares | 15,985 | 15,985 | 15,985 | 15,985 | 15,985 | 47,957 | 127,882 |
| Commercial Projects | 35,123 | 54,692 | 54,326 | 0 | 0 | 0 | 144,141 |
| Research & Evaluation | 23 | 121 | 102 | 0 | 0 | 0 | 246 |
| Core Running Costs | 5,684 | 5,294 | 5,894 | 5,294 | 5,294 | 16,482 | 43,942 |
| Costs of Borrowing | 2,625 | 3,639 | 10,395 | 19,929 | 21,617 | 70,526 | 128,731 |
| TOTAL EXPENDITURE | 313,608 | 392,281 | 359,962 | 201,655 | 170,175 | 446,321 | 1,884,002 |

4. Since the previous MTFP report was approved by Cabinet additional funding has been secured to deliver specific projects and programmes across the period.
5. A reconciliation of these additional funds is provided below with all values shown representing the total additional allocations over the investment plan period. Further details are provided in the appropriate thematic section of the report.

| Table 2 | Transport | Place | Costs of Borrowing | Total |
|---------------------------|------------------|--------------|-------------------------------|--------------|
| Project | £'000 | £'000 | £'000 | £'000 |
| Local Transport Fund | 124 | 0 | 0 | 124 |
| Bus Capacity Grant | 336 | 0 | 0 | 336 |
| Brownfield Housing Scheme | 0 | 6,451 | 0 | 6,451 |
| Costs of Borrowing | 0 | 0 | 2,228 | 2,228 |
| TOTAL | 460 | 6,451 | 2,228 | 9,139 |

6. As a result of these changes the total expenditure budget over the investment plan period has increased by £9.1 million from £1,875 million to £1,884 million.

7. The actual position at quarter 1 is £75.6 million which accounts for 19% of the revised forecasted outturn for 2022/23 of £392.3 million. As the year progressing major regeneration projects such as Hartlepool Waterfront, Darlington Rail Heritage Quarter, Stockton High Street will accelerate expenditure along with the major rail station redevelopments at Darlington and Hartlepool.

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 |
| Investment Plan Refresh | 51,287 | 101,942 | 112,516 | 64,533 | 64,533 | 188,534 | 583,345 |
| Adjustments for Funding Changes (table 2) | 0 | 292 | 168 | 0 | 0 | 0 | 460 |
| Reprofiling | 0 | -35,472 | 34,424 | 349 | 349 | 350 | 0 |
| TOTAL | 51,287 | 66,762 | 147,108 | 64,882 | 64,882 | 188,884 | 583,805 |

8. During Quarter 1 the Authority secured £0.3 million from DfT to continue to develop Bus Service Improvement Plans for the region. In addition to this a further £0.1 million was awarded to support bus services from the Local Transport Fund.
9. From discussions with Delivery partners and Government departments a revised expenditure profiling has taken place based on the agreed programme of works. This has resulted in £35.5 million being re-profiled into 2022/23.
10. The actual position at quarter 1 is £12.4 million which accounts for 19% of the revised forecasted outturn for 2022/23 of £66.8 million. Expenditure is forecast to accelerate as works commence at Hartlepool and Darlington rail stations in the summer along with phase 2 of the Local Cycling & Walking Infrastructure projects in Middlesbrough & Darlington.
11. The £310 million City Region Sustainable Transport Settlement (CRSTS) for the period 2022/23 to 2026/27 has previously been incorporated into the Investment Plan by Cabinet on the 28th of January 2022.
12. The government has now agreed and published the CRSTS programme delivery plan. Any significant changes to the programme will be managed through a formal change control process with government.

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 |
| Investment Plan Refresh | 40,183 | 46,251 | 39,431 | 38,928 | 37,661 | 112,603 | 315,057 |

| | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Adjustments for Funding Changes (table 2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reprofiling | 0 | -534 | 534 | 0 | 0 | 0 | 0 |
| TOTAL | 40,183 | 45,717 | 39,965 | 38,928 | 37,661 | 112,603 | 315,057 |

13. The Education, Employment and Skills Strategy Delivery Plan is in development and is due to be presented to the advisory group in December for implementation from April. 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
14. The actual position at quarter 1 is £9.5 million which accounts for 21% of the revised forecasted outturn for 2022/23 of £45.7 million. Expenditure is on track with current forecasts for the year as Adult Education Budget spend will continue at contracted levels and Wave 3 Skills Bootcamps delivery commences.

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 |
| Investment Plan Refresh | 130,519 | 80,062 | 30,856 | 19,862 | 5,636 | 7,369 | 274,304 |
| Adjustments for Funding Changes (table 2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reprofiling | 0 | -915 | 915 | 0 | 0 | 0 | 0 |
| TOTAL | 130,519 | 79,147 | 31,771 | 19,862 | 5,636 | 7,369 | 274,304 |

15. During the year the final expenditure allocated from the investment Plan to the South Tees Development Corporation will occur which accounts for the reduction in spend from 2021/22. This is replaced by the commencement of town centre regeneration in Stockton along with continued delivery of Boho development in Middlesbrough and the Welcome to Redcar & Cleveland package of projects.
16. Alongside the major infrastructure projects the Business Support capital and revenue grant schemes continue to be delivered with expenditure forecast to increase later in the year as businesses drawdown against their committed funds.
17. The actual position at quarter 1 is £14.4 million which accounts for 18% of the revised forecasted outturn for 2022/23 of £79.1 million. Expenditure is forecast to increase later in the financial year as business draw down against the capital grant scheme and funding for the offshore wind site preparation is received from Government and passed to Development Corporation.

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 |
| Investment Plan Refresh | 5,423 | 28,883 | 17,078 | 6,717 | 0 | 0 | 58,101 |
| Adjustments for Funding Changes (table 2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reprofiling | 0 | -1,600 | 0 | 0 | 1,600 | 0 | 0 |
| TOTAL | 5,423 | 27,283 | 17,078 | 6,717 | 1,600 | 0 | 58,101 |

18. As the main capital culture projects at Hartlepool and Darlington have moved from development phases towards delivery profiled spend has been updated to reflect the latest position resulting in £1.6 million being reprofiled to 25/26 from the current year to reflect the finalised business case.
19. The actual position at quarter 1 is £0.3 million which accounts for 1% of the revised forecasted outturn for 2022/23 of £27.3 million. Delivery of the capital projects accounts for £23 million of the remaining spend of which Phase 1 of Darlington Railway Heritage Quarter has commenced and projects under the Hartlepool Waterfront programme due to be called off during Summer 22.

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 |
| Investment Plan Refresh | 11,217 | 66,298 | 3,043 | 2,948 | 0 | 0 | 83,506 |
| Adjustments for Funding Changes (table 2) | 0 | 0 | 0 | 0 | 0 | 0 | 2,977 |
| Reprofiling | 0 | -3,275 | 2,737 | 538 | 0 | 0 | 0 |
| TOTAL | 11,217 | 63,023 | 5,780 | 3,486 | 0 | 0 | 83,506 |

20. Through the Energy Hub the Authority is responsible for the delivery of the Green Homes Local Authority Delivery (LAD) phase 2 programme across the North East, Yorkshire and Humber region. During Q1 delivery of this scheme has accelerated significantly with £17.0 million delivered between April and June.
21. The actual position at quarter 1 is £17.5 million which accounts for 28% of the revised forecasted outturn for 2022/23 of £63.0 million.

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 |
|---|---------------|---------------|---------------|---------------|---------------|--------------|----------------|
| Investment Plan Refresh | 15,539 | 36,364 | 26,226 | 22,207 | 15,000 | 2,500 | 117,836 |
| Adjustments for Funding Changes (table 2) | 0 | 1,000 | 2,700 | 2,751 | 0 | 0 | 6,451 |
| Reprofiling | 0 | -6,746 | 2,632 | 1,614 | 2,500 | 0 | 0 |
| TOTAL | 15,539 | 30,618 | 31,558 | 26,572 | 17,500 | 2,500 | 124,287 |

22. During Q1 confirmation was received of a further £6.5 million funding for expansion of the brownfield housing scheme to help ease the viability issues that brownfield projects face, alongside supporting wider interventions aimed at economic development.
23. As call off projects from the Indigenous Growth Fund have progressed the profiled expenditure has been amended in line with the latest projections. This has resulted in a reduction to the outturn for 2022/23 by £6.7 million which has been reprofiled to future years. Regular dialogue is continuing with Local Authorities in respect of their respective IGF schemes.
24. The actual position at quarter 1 is £2.6 million which accounts for 8.5% of the revised forecasted outturn for 2022/23 of £30.6 million. Drawdowns against the Indigenous Growth Fund from the constituent Authorities is profiled in the second half of the financial year which will result in the forecasted increase in expenditure, this will be closely monitored during the coming months as call off requests are received.

Expenditure that sits outside the Tees Valley 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 |
| Investment Plan Refresh | 15,985 | 15,985 | 15,985 | 15,985 | 15,985 | 47,957 | 127,882 |
| Adjustments for Funding Changes (Table 2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reprofiling | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 15,985 | 15,985 | 15,985 | 15,985 | 15,985 | 47,957 | 127,882 |

25. The actual position at quarter 1 is £3.5 million which accounts for 22% of the forecasted outturn for 2022/23 of £16.0 million.

Commercial Projects

| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 – 28/29 | Total |
|---|---------------|---------------|---------------|----------|----------|--------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Investment Plan Refresh | 35,123 | 61,993 | 47,025 | 0 | 0 | 0 | 144,141 |
| Adjustments for Funding Changes (Table 2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reprofiling | 0 | -7,301 | 7,301 | 0 | 0 | 0 | 0 |
| TOTAL | 35,123 | 54,692 | 54,326 | 0 | 0 | 0 | 144,141 |

26. The commercial projects section of the MTFP contains four projects currently Southside Development at Teesside International Airport, Tees Valley Waste project, South Bank Quay and Centre Square development.
27. The latest forecasts for the year have been revised based on information provided by the project managers for each scheme. The revised profiles now reflect the requirements for offshore wind and associated South Bank Quay project. This has resulted in a re-profile of £7.3 million from 2022/23 to 2023/24.
28. The actual position at quarter 1 is £13.2 million which accounts for 24% of the forecasted outturn for 2022/23 of £54.7 million.

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 |
| Investment Plan Refresh | 23 | 121 | 102 | 0 | 0 | 0 | 246 |
| Adjustments for Funding Changes | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reprofiling | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 23 | 121 | 102 | 0 | 0 | 0 | 246 |

29. 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

30. The table below sets out the forecasted outturn position of core costs for 2022/23.

| Core costs | Budget | Forecast | Variance |
|-------------------------------|---------------|-----------------|-----------------|
| | £'000 | £'000 | £'000 |
| Salaries (incl Ni & Pension) | 4,281 | 4,281 | 0 |
| Other Staffing Costs | 15 | 15 | 0 |
| Total Staff Costs | 4,296 | 4,296 | 0 |
| Premises | 335 | 335 | 0 |
| General Running Costs | 503 | 503 | 0 |
| Marketing & Communications | 160 | 160 | 0 |
| Non-Salary Expenditure | 998 | 998 | 0 |
| TOTAL EXPENDITURE | 5,294 | 5,294 | 0 |

31. The actual position at quarter 1 is £1.2 million which accounts for 22% of the forecasted outturn for 2022/23 of £5.3 million.
32. During the year there have been gaps in employment resulting in forecasted savings however these are being offset by the expected pay award which exceeded the estimated level. Non staff costs are in line with the estimated position at this stage and no variance to budget is expected.

COST OF BORROWING

33. The 2022/23 budget approved the use of the Combined Authorities borrowing powers to deliver the Investment Plan. 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 (MRP) 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.
34. 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. As part of prudent financial planning the Authority is required to set aside MRP for the repayment of debt. This has been reviewed considering current delivery profiles and subsequent debt requirement.
35. The costs of borrowing is being kept under constant review with our treasury management advisors Arlingclose. The current macro-economic factors affecting the economy and recent Bank of England announcements in respect of interest rates has created instability in the market. The costs of borrowing have been updated to reflect latest Gilt yields resulting in an increase in the investment plan period of £2.2 million, which has been funded by additional returns on investments.

FUNDING INCOME

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

Summary

| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 – 28/29 | 2020/21 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|--------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Investment Plan Refresh | 313,608 | 446,832 | 308,551 | 196,403 | 164,726 | 444,743 | 1,874,863 |
| Funding Adjustments | 0 | 1,292 | 2,868 | 2,751 | 1,000 | 1,228 | 9,139 |
| Reprofiling | 0 | -55,843 | 48,543 | 2,501 | 4,449 | 350 | 0 |
| TOTAL | 313,608 | 392,281 | 359,962 | 201,655 | 170,175 | 446,321 | 1,884,002 |

37. In the period an additional £9.1 million funding is required to fund the increase in expenditure, of which £6.9 million has been secured by grant funding to deliver the project and programmes set out in table 2. A review of the assumptions for investment returns has been carried out taking into account latest forecasts and risk assessments, this has resulted in an additional £2.2 million of income being forecast for the investment plan period.

Breakdown

| Table 3 | 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 | 3,010 | 5,562 | 5,882 | 6,036 | 19,044 | 42,206 |
| Transforming Cities Fund / CRSTS | 24,000 | 60,255 | 62,436 | 62,436 | 62,436 | 186,437 | 458,000 |
| Loan Repayments & Investment returns | 5,205 | 3,833 | 8,184 | 6,583 | 7,380 | 26,266 | 57,451 |
| Government Grants | 116,761 | 83,266 | 33,165 | 32,331 | 7,535 | 15,084 | 288,142 |
| Adult Education Budget | 28,348 | 34,247 | 34,471 | 34,471 | 34,471 | 103,411 | 269,419 |
| Local Transport Plan | 11,836 | 0 | 0 | 0 | 0 | 0 | 11,836 |
| Concessionary Fares | 15,985 | 15,985 | 15,985 | 15,985 | 15,985 | 47,957 | 127,882 |
| Borrowing | 85,542 | 129,904 | 111,267 | 27,355 | 21,554 | 2,055 | 377,677 |
| Movement -to / from reserves | 8,259 | 46,781 | 73,892 | 1,612 | -222 | 1067 | 131,389 |
| Total | 313,608 | 392,281 | 359,962 | 201,655 | 170,175 | 446,321 | 1,884,002 |

RESERVES

38. 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.
39. In April 2021 there was a balance of £132.5 million of available funds held in reserve for future investments. It is anticipated that these will be utilised throughout the investment plan period to support the delivery of the investment plan, as set out in the table 3.
40. 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 stands at £1.058 million.

BORROWING

41. 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, otherwise known as "internal borrowing".
42. Within the period the total CFR to deliver the Investment Plan and fund commercial projects is £378 million.
43. Adding the above borrowing requirement to the balance carried forward for borrowing gives a borrowing level of £456 million which remains unchanged from the previously approved amount. This is well within the Government agreed borrowing caps of £774 million.
44. 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

45. Funding and expenditure for the plan period is summarised in the medium-term financial plan as set out in **Appendix A**.

FINANCIAL IMPLICATIONS

46. 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

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

RISK ASSESSMENT

48. This Budget Report has been re-categorised as medium risk to reflect the updated work on the implementation of our group risk management strategy.

CONSULTATION & COMMUNICATION

49. Tees Valley Management Group, Chief Executives and the Local Enterprise Partnership have been consulted on this report.

EQUALITY & DIVERSITY

50. There are no equality and diversity implications associated with the recommendations in this report. Specific proposals associated with business cases and Investment Plan funding draw down will consider these implications where applicable.

LOCAL ENTERPRISE PARTNERSHIP

51. This item has been considered at the LEP meeting in advance of it coming forward to Cabinet.

Name of Contact Officer: Gary Macdonald
Post Title: Group Director of Finance and Resources
Telephone Number: 01642 527707
Email Address: gary.macdonald@teesvalley-ca.gov.uk

Medium Term Financial Plan 2022-26

| MEDIUM TERM FINANCIAL PLAN | 2022/23 | 2023/24 | 2024/25 | 2025/26 | TOTAL |
|------------------------------------|----------------|----------------|----------------|----------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Funding | 215,596 | 174,803 | 172,688 | 148,843 | 711,930 |
| Borrowing | 129,904 | 111,267 | 27,355 | 21,554 | 290,080 |
| TOTAL FUNDING | 345,500 | 286,070 | 200,043 | 170,397 | 1,002,010 |
| | | | | | |
| Investment Plan | 312,550 | 273,260 | 160,447 | 127,279 | 873,536 |
| Concessionary Fares | 15,985 | 15,985 | 15,985 | 15,985 | 63,940 |
| Commercial Projects | 54,692 | 54,326 | 0 | 0 | 109,018 |
| Research & Evaluation | 121 | 102 | 0 | 0 | 223 |
| Core Running Costs | 5,294 | 5,894 | 5,294 | 5,294 | 21,776 |
| Costs of Borrowing | 3,639 | 10,395 | 19,929 | 21,617 | 55,580 |
| TOTAL EXPENDITURE | 392,281 | 359,962 | 201,655 | 170,175 | 1,124,073 |
| | | | | | |
| TRANSFER TO / FROM RESERVES | -46,781 | -73,892 | -1,612 | 222 | |
| | | | | | |
| Reserves Opening Balance | 124,241 | 77,460 | 3,568 | 1,956 | |
| Transfer To / From Reserves | -46,781 | -73,892 | -1,612 | 222 | |
| RESERVES CLOSING BALANCE | 77,460 | 3,568 | 1,956 | 2,178 | |

Investment Plan Projects

| 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 | 457 | 75 | 3,582 | 0 | 0 | 0 | 4,114 |
| Access Fund | 436 | 0 | 0 | 0 | 0 | 0 | 436 |
| Billingham Station | 900 | 100 | 0 | 0 | 0 | 0 | 1,000 |
| Bus Capacity Fund | 0 | 168 | 168 | 0 | 0 | 0 | 336 |
| Bus Improvement Corridors | 108 | 0 | 3,747 | 0 | 0 | 0 | 3,855 |
| Bus Partnership | 63 | 36 | 3,000 | 0 | 0 | 0 | 3,099 |
| CRSTS Development Fund | 571 | 700 | 2,446 | 2,447 | 2,447 | 2,447 | 11,058 |
| Covid 19 - Bus Services | 147 | 0 | 0 | 0 | 0 | 0 | 147 |
| Darlington Station | 1,658 | 7,105 | 13,341 | 0 | 0 | 0 | 22,104 |
| Demand Responsive Transport | 1,022 | 909 | 0 | 0 | 0 | 0 | 1,931 |
| Eaglescliffe Station Western Gateway | 530 | 1,925 | 5,545 | 0 | 0 | 0 | 8,000 |
| Electric Vehicles | 500 | 2,175 | 0 | 0 | 0 | 0 | 2,675 |
| Hartlepool Station | 352 | 9,131 | 3,273 | 0 | 0 | 0 | 12,756 |
| Hartlepool Western Growth Corridor (Elwick Bypass) | 0 | 0 | 3,108 | 0 | 0 | 0 | 3,108 |
| Home to School Transport | 1,079 | 0 | 0 | 0 | 0 | 0 | 1,079 |
| Hydrogen Transport | 3 | 0 | 1,997 | 0 | 0 | 0 | 2,000 |
| Inward Investment Allocation | 0 | 0 | 0 | 0 | 0 | 5,800 | 5,800 |
| Local Cycling & Walking Infrastructure Plan | 895 | 8,526 | 0 | 0 | 0 | 0 | 9,421 |
| Local Transport Fund | 0 | 124 | 0 | 0 | 0 | 0 | 124 |
| Local Transport Plan | 11,836 | 16,578 | 0 | 0 | 0 | 0 | 28,414 |
| Middlesbrough Station | 5,713 | 2,805 | 22,608 | 0 | 0 | 0 | 31,126 |
| Pothole Action Fund | 5,242 | 0 | 0 | 0 | 0 | 0 | 5,242 |
| Project Development Pot | 0 | 216 | 0 | 0 | 0 | 0 | 216 |
| Sustainable Access to Employment Programme | 11 | 0 | 0 | 0 | 0 | 0 | 11 |
| Tees Crossing & Portrack Relief Road | 886 | 0 | 0 | 0 | 0 | 34,360 | 35,246 |
| Teesside Airport | 18,131 | 13,296 | 19,615 | 0 | 0 | 0 | 51,042 |
| Transport Capability Fund | 143 | 1,219 | 0 | 0 | 0 | 0 | 1,362 |
| Travel Demand Management | 112 | 0 | 0 | 0 | 0 | 0 | 112 |
| Urban Traffic Management | 0 | 1,500 | 1,500 | 0 | 0 | 0 | 3,000 |
| Wheels 2 Work | 492 | 174 | 174 | 0 | 0 | 0 | 840 |
| Integrated Transport Plan - To Be Allocated | 0 | 0 | 63,004 | 62,435 | 62,435 | 146,277 | 334,151 |
| Transport Total | 51,287 | 66,762 | 147,108 | 64,882 | 64,882 | 188,884 | 583,805 |
| | | | | | | | |
| Education, Employment & Skills Strategy incl Adult Education Budget | 34,666 | 39,319 | 38,508 | 37,471 | 37,471 | 112,413 | 299,848 |
| Hartlepool Centre of Excellence | 0 | 89 | 0 | 0 | 0 | 0 | 89 |
| Hartlepool Innovation Skills Quarter Phase 2 | 1,989 | 0 | 0 | 0 | 0 | 0 | 1,989 |
| Kickstart | 2,172 | 1,160 | 0 | 0 | 0 | 0 | 3,322 |
| One Vision Pilot | 97 | 88 | 0 | 0 | 0 | 0 | 185 |
| Skills Analyst | 11 | 13 | 0 | 0 | 0 | 0 | 24 |
| Skills Capital Incl Northern School of Art | 1,248 | 486 | 0 | 0 | 0 | 0 | 1,734 |
| Skills Bootcamps | 0 | 3,285 | 0 | 0 | 0 | 0 | 3,285 |
| Multiply | 0 | 1,097 | 1,267 | 1,267 | 0 | 0 | 3,631 |

| Project | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 + | TVCA TOTAL |
|--|----------------|---------------|---------------|---------------|---------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| North East Screen | 0 | 180 | 190 | 190 | 190 | 190 | 940 |
| EES Total | 40,183 | 45,717 | 39,965 | 38,928 | 37,661 | 112,603 | 362,054 |
| Back To Business Fund | 245 | 0 | 0 | 0 | 0 | 0 | 245 |
| BEIS Business Compass | 462 | 246 | 0 | 0 | 0 | 0 | 708 |
| BEIS Peer to Peer Network | 89 | 370 | | 0 | 0 | 0 | 459 |
| Billingham Bio-Pharmaceutical Campus | 0 | 132 | 0 | 0 | 0 | 0 | 132 |
| Boho | 7,358 | 6,858 | 1,598 | 0 | 0 | 0 | 15,814 |
| Brexit Preparation Fund | 129 | 76 | 0 | 0 | 0 | 0 | 205 |
| Broadband | 427 | 0 | 0 | 0 | 0 | 0 | 427 |
| Business Growth Programme | 3,047 | 7,206 | 6,966 | 4,906 | 5,296 | 7,029 | 34,450 |
| Central Park | 2,003 | 1,647 | 0 | 0 | 0 | 0 | 3,650 |
| Delivering Sector Action Plans Programme | 0 | 0 | 1,177 | 0 | 0 | 0 | 1,177 |
| Energy Efficiency ERDF Grant | 237 | 526 | 300 | 0 | 0 | 0 | 1,063 |
| ERDF Business Growth Fund | 3,813 | 7,136 | 2,740 | 0 | 0 | 0 | 13,689 |
| ESIF Technical Assistance | 45 | 0 | 0 | 0 | 0 | 0 | 45 |
| Faverdale (Phase 1) | 0 | 0 | 50 | 0 | 0 | 0 | 50 |
| Freeport | 662 | 700 | 638 | 0 | 0 | 0 | 2,000 |
| Ingenium Parc - Phase 1 | 0 | 195 | 0 | 0 | 0 | 0 | 195 |
| Kirkleatham Estate Investment Project | 26 | 0 | 228 | 0 | 0 | 0 | 254 |
| Local Industrial Strategy | 0 | 241 | 0 | 0 | 0 | 0 | 241 |
| North East Screen | 0 | 340 | 340 | 340 | 340 | 340 | 1,700 |
| Offshore Wind | 0 | 20,000 | 0 | 0 | 0 | 0 | 20,000 |
| One Public Estate | 81 | 227 | 227 | 0 | 0 | 0 | 535 |
| SSI Task Force Programmes | 2,265 | 5,079 | 5,893 | 0 | 0 | 0 | 13,237 |
| STDC Gateway | 2,000 | 0 | 0 | 0 | 0 | 0 | 2,000 |
| STDC Business Case | 85,985 | 18,316 | 0 | 0 | 0 | 0 | 104,301 |
| STDC Site Infrastructure | 11,764 | 0 | 0 | 0 | 0 | 0 | 11,764 |
| Stockton High St | 2,580 | 4,846 | 4,358 | 7,216 | 0 | 0 | 19,000 |
| Tees Valley Business Challenge | 426 | 384 | 0 | 0 | 0 | 0 | 810 |
| UKSPF Projects | 0 | 0 | 3,000 | 6,900 | 0 | 0 | 9,900 |
| Welcome to Redcar & Cleveland | 6,875 | 4,622 | 4,256 | 500 | 0 | 0 | 16,253 |
| Business Growth Total | 130,519 | 79,147 | 31,771 | 19,862 | 5,636 | 7,369 | 274,304 |
| | | | | | | | |
| | | | | | | | |
| Culture & Tourism Programme | 912 | 4,000 | 7,000 | 6,717 | 0 | 0 | 18,629 |
| Culture: Rugby League World Cup Bid | 8 | 105 | 0 | 0 | 0 | 0 | 113 |
| Hartlepool Waterfront (incl NMRN) | 3,400 | 14,993 | 7 | 0 | 1,600 | 0 | 20,000 |
| Museum of the Royal Navy | 0 | 25 | 0 | 0 | 0 | 0 | 25 |
| Darlington Railway Heritage | 1,104 | 8,159 | 10,071 | 0 | 0 | 0 | 19,334 |
| Culture Total | 5,423 | 27,283 | 17,078 | 6,717 | 1,600 | 0 | 58,101 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Bio / Life Science Innovation Support | 0 | 2,000 | 1,000 | 1,000 | 0 | 0 | 4,000 |
| Carbon, Capture & Storage | 3 | 50 | 0 | 0 | 0 | 0 | 53 |

| Project | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 + | TVCA TOTAL |
|--|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Darlington Hybrid Innovation Centre | 1,247 | 1,553 | 0 | 0 | 0 | 0 | 2,800 |
| Digital Cyber | 146 | 118 | 1,736 | 0 | 0 | 0 | 2,000 |
| District Heating Commercialisation Stage | 212 | 0 | 0 | 0 | 0 | 0 | 212 |
| Energy Network | 576 | 1,491 | 0 | 0 | 0 | 0 | 2,067 |
| Green Homes Grant | 7,877 | 45,258 | 0 | 0 | 0 | 0 | 53,135 |
| Hydrogen Transport | 24 | 0 | 0 | 1,875 | 0 | 0 | 1,899 |
| Low Carbon Action Plan | 15 | 9 | 0 | 0 | 0 | 0 | 24 |
| Net Zero Innovation Centre | 90 | 4,705 | 1,610 | 0 | 0 | 0 | 6,405 |
| Net Zero Teesside | 69 | 263 | 0 | 0 | 0 | 0 | 332 |
| Public Sector Decarbonisation | 0 | 749 | 0 | 0 | 0 | 0 | 749 |
| Residential Decarbonisation | 0 | 722 | 0 | 0 | 0 | 0 | 722 |
| Rural Energy Fund | 664 | 217 | 0 | 0 | 0 | 0 | 881 |
| Social Housing Decarbonisation | 0 | 2,611 | 0 | 0 | 0 | 0 | 2,611 |
| Sustainable Warmth Grant | 0 | 2,977 | 0 | 0 | 0 | 0 | 2,977 |
| Tees Valley Sector Networks | 270 | 300 | 819 | 611 | 0 | 0 | 2,000 |
| TVCA Hydrogen Transport Deployment Bid | 24 | 0 | 0 | 0 | 0 | 0 | 24 |
| To Be Allocated to Projects | 0 | 0 | 615 | 0 | 0 | 0 | 615 |
| Innovation & Clean Growth Total | 11,217 | 63,023 | 5,780 | 3,486 | 0 | 0 | 83,506 |
| | | | | | | | |
| Brownfield Housing | 6,742 | 7,741 | 8,992 | 2,904 | 0 | 0 | 26,379 |
| Car Parking | 4,769 | 3,957 | 0 | 0 | 0 | 0 | 8,726 |
| Indigenous Growth Programme | 4,028 | 16,920 | 12,900 | 12,001 | 7,500 | 2,500 | 55,849 |
| UKSPF Communities & Place | 0 | 0 | 1,666 | 1,667 | 0 | 0 | 3,333 |
| Place Based Investment Fund | 0 | 2,000 | 8,000 | 10,000 | 10,000 | 0 | 30,000 |
| Place Total | 15,539 | 30,618 | 31,558 | 26,572 | 17,500 | 2,500 | 124,287 |
| | | | | | | | |
| INVESTMENT PLAN TOTAL | 254,168 | 312,550 | 273,260 | 160,447 | 127,279 | 311,356 | 1,439,060 |
| | | | | | | | |