

CABINET MEETING – 11 MARCH 2009
EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

TYNE AND WEAR ECONOMIC DEVELOPMENT JOINT COMMITTEE

Author(s):

Chief Executive and City Solicitor

Purpose of Report:

To ask Cabinet to consider extending the existing Joint Committee arrangements for promoting economic development across Tyne and Wear.

Description of Decision:

Cabinet is recommended to agree to extend the existing Agreement between the Councils of Sunderland, Newcastle upon Tyne, Gateshead, North Tyneside and South Tyneside which established the Tyne and Wear Economic Development Joint Committee, and ensure the provision of a joint economic development service for a further period of five years.

Is the decision consistent with the Budget/Policy Framework? *Yes/No

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

The existing arrangement has proved successful in promoting the joint economic development interests of the participating authorities and should continue to be supported

Alternative options to be considered and recommended to be rejected:

None are submitted for consideration.

Is this a “Key Decision” as defined in the Constitution? Yes/No

Is it included in the Forward Plan? Yes/No

Relevant Review Committee:

Policy & Co-ordination

TYNE AND WEAR ECONOMIC DEVELOPMENT JOINT COMMITTEE**Report of the Chief Executive and City Solicitor****1. PURPOSE OF REPORT**

- 1.1 To ask Cabinet to extend the existing Joint Committee arrangements for promoting economic development across Tyne and Wear.

2. DESCRIPTION OF DECISION

- 2.1 Cabinet is recommended to agree to extend the existing Agreement between the Councils of Sunderland, Newcastle upon Tyne, Gateshead, North Tyneside and South Tyneside which established the Tyne and Wear Economic Development Joint Committee, and ensure the provision of a joint economic development service for a further period of five years.

3. BACKGROUND

- 3.1.1 On dissolution of the County Council of Tyne and Wear the Tyne and Wear Development Company (TweDCo) was established to manage residual property assets on behalf of its successor authorities. Through the Company and its subsidiaries the joint interests of the member authorities were managed highly successfully, maximising the advantages available to TweDCo as a Local Enterprise Agency. The Regulations governing Local Authority Companies was going to impact on TweDCo with effect from March 1999 and at that point, therefore, it was proposed that a Joint Committee should be established to ensure the continued favourable treatment of the financial resources available to the authorities.
- 3.1.2 The then Management Committee, at its meeting on 29 March 1999, gave approval for the Council to participate in the establishment of a Joint Committee to be called the Tyne and Wear Economic Development Joint Committee, to distribute grant available through TweDCo, to promote the economic development interests of its five constituent authorities, and to receive and distribute grant from the Development Company on behalf of the authorities.
- 3.1.3 The Joint Committee was subsequently established, under Sections 101 and 102 of the Local Government Act 1972. Membership of the Joint Committee is made up of two Members appointed by each of the five authorities. Unless extended by agreement, this arrangement was to continue for a period of five years from 26 March 2004 and will therefore come to an end on 25 March of this year.

4. CURRENT POSITION

- 4.1.1 Sunderland is represented on the Committee by the Leader (Chair of the Joint Committee) and Deputy Leader, Councillors Allan and Gibson being the Council's nominated substitutes. The Council's Chief Executive fulfils the role of Clerk to the Joint Committee.
- 4.1.2 It is considered that the joint arrangements have continued to prove highly effective in fulfilling the aim of promoting the economic development interests of the five participating authorities. The economic development services established under the Joint Committee arrangements continue to attract significant inward investment to the region and to actively promote the joint interests of the participating authorities.
- 4.1.3 To date the participating authorities have had the option under the Agreement to withdraw from the arrangements by giving twelve months notice. This option is designed both to allow a member authority to withdraw for its own reasons, and for the service to be 'managed down' should the assets available prove insufficient to maintain a viable service. The success of the service to date means that this situation has not yet arisen. It is proposed however that the Agreement should be extended on the existing terms, and this option would therefore remain available.

5. REASON FOR THE DECISION

To enable the existing successful joint arrangements to continue.

6. ALTERNATIVE OPTIONS

- 6.1.1 None are submitted for consideration.

7. BACKGROUND PAPERS

- 7.1.1 Agreement dated 31 March 1999 between the Councils of the Cities of Sunderland and Newcastle upon Tyne, Gateshead, North Tyneside and South Tyneside Metropolitan Borough Councils.
- 7.1.2 Agreement dated 26 March 2004 between the Councils of the Cities of Sunderland and Newcastle upon Tyne, Gateshead, North Tyneside and South Tyneside Metropolitan Borough Councils.