

**AGENDA ITEM 5****REPORT TO THE TEES VALLEY  
COMBINED AUTHORITY CABINET****28<sup>th</sup> OCTOBER 2022****REPORT OF THE TEES VALLEY MAYOR****TEES VALLEY MAYOR'S UPDATE****SUMMARY**

This report provides a general update on the key activities of the Mayor and Combined Authority since the last Cabinet meeting, which are not covered in other reports to this meeting.

**RECOMMENDATIONS**

It is recommended that the Tees Valley Combined Authority Cabinet notes the report.

**DETAIL****TEESWORKS**

0. Site demolition activity continues, with the BOS Plant brought down on October 1 following 12 months of pull-down and strip-out activity and the PCI Plant demolished on 19 October. Good progress continues to be made on the construction of South Bank Quay Phase 1, with Teesworks now undertaking river dredging for the first time ever for the construction of the quay. The type of dredging being undertaken currently is known as enclosed bucket dredging. This will see all of the 125,000 m<sup>3</sup> of dredged material taken from the river and disposed of on land and it is expected to take around eight weeks to complete. None of the 125,000 m<sup>3</sup> will be disposed of in the river or the sea.
1. Plans have now been submitted for a 1,500-space, 35-acre car park for Teesworks' Park and Ride scheme. The 35-acre site, located adjacent to Steel House will be used by construction workers as development ramps up on the site's major projects, with a shuttlebus taking them from the car park to their sites. The plans will be considered by Redcar and Cleveland Borough Council and, if approved, construction is due to begin in early 2023.

**FREEPORT**

2. Following the approval of the Full Business Case, Teesside Freeport (through TVCA) will enter into an MOU to deliver the objectives of Freeport. The final version of the MoU is expected to be issued in October.

3. Teesside Freeport primary custom zone welcomed the first customs customer onto site in September. This reflected a strong working partnership across a number of Freeport stakeholders and represents another first for Teesside Freeport on a national basis.
4. Teesside Freeport continues to manage risk in accordance with TVCA procedures and was undergoing an external review and audit at the time of this report.

## **TEESSIDE INTERNATIONAL AIRPORT**

5. TIA's £2.5million fully accredited cargo handling facility is now officially open, coming as the airport capitalises on its land and assets. The purpose-built 21,000sq ft hangar provides security screening technology, handling, freight-forwarding, customs clearance and storage. When fully up and running it is expected to create up to 30 jobs.
6. Passenger numbers on holiday flights were more than 90% loaded, with a considerable number of flights fully sold out. TIA continues to meet airlines and tour operators and has exhibited at the Routes Conference. The cargo facility will be further developed as its marketing and attendance at such events increases.

## **ONE PUBLIC ESTATE (OPE)**

7. The OPE programme provides practical and technical support and funding to deliver ambitious property-focused programmes in collaboration with central government and other public sector partners. It aims to generate efficiencies, create economic growth and deliver better, more integrated customer services. The Combined Authority is the accountable body for the OPE programme in Tees Valley.
8. In February 2022, the Tees Valley OPE Partnership was awarded £142,000 Opportunity Development Funding to provide capacity funding. The funding will assist the Partnership to develop a pipeline of investable public sector property opportunities in Tees Valley. The visioning work is concluding and work has commenced on mapping public sector assets in Hartlepool as part of a pilot project and will inform an approach to further asset mapping and reviews by all other services.
9. Up to £180 million Brownfield Land Release Fund 2 (BLRF2) capital grant funding was launched in July 2022 and will be available to all Local Authorities and Combined Authorities over a three-year period to support the release of council-owned brownfield land for housing. One bid was submitted in round 1 by DBC for Central Park. A pipeline of bids is being developed for rounds 2 (Spring 2023) and 3.

## **TEES VALLEY BUSINESS**

10. UKSPF (The Tees Valley Business Challenge) is a comprehensive programme of support to start, scale and grow businesses. The Business Challenge programme

specifically aims to level-up Tees Valley in terms of business density, business creation, business scaling, business productivity, business employment and skills. The Business Challenge programme will be delivered through four core mechanisms: digital support; a programme of one-to-many support events and activities; a programme of support to smaller groups/cohorts and one-to-one support.

11. Tees Valley Business Growth Grant - £12m ERDF allocated to support with growth plans and job creation for SMEs until June 2023. £3.2m remaining with 64 live applications and/or in assessment to the value of £1m. 357 businesses supported with grant offers to the value of £6.9m. 1016 jobs created/safeguarded. We have 7 larger capital grants equivalent to the value of almost 900K.
12. SMEs Energy Efficiency Scheme (SMEEs) – Originally £2m ERDF-funded scheme providing businesses with energy efficiency audits and advice and capital grants for works undertaken to reduce emissions and lower energy consumption. Further funding was confirmed in June 22 with DLUHC of £592k ERDF and £305k PSM to respond to current demand, especially in response to rising energy costs for businesses. This can support 160 businesses with energy audits and 50 businesses with access to capital grants to reduce carbon emissions.
13. Made Smarter – supporting SMEs to improve manufacturing productivity through automation, robotics, sensor technology, IOT, 3D Printing, AI and VR. Made Smarter can help businesses become more efficient, more productive and more competitive by investing in digital tools. Confirmation from BEIS of allocation of £800K per annum for Tees Valley and NE LEP to continue programme for 3-years, engaging with 40 Tees Valley businesses a year. This programme involves hands on digital road mapping, access to IDT specialists and workshops and smaller capital grants to purchase and implement new software and/or equipment.

## **EDUCATION, EMPLOYMENT AND SKILLS**

14. The Combined Authority continues to lead the local management of national skills funding, including £3.6m for Skills Bootcamps. These provide short, bespoke employer led training for both unemployed people and those in employment that wish to diversify or improve their skills with their employer's support. This will provide training routeways linked to future technical job roles.
15. The £3.6m Multiply programme is now commencing delivery and will gradually grow over the coming months to provide more accessible and learner friendly numeracy training.

## **MAYORAL DEVELOPMENT CORPORATIONS (MDCs)**

16. Cabinet agreed in principle to the proposed MDCs for Hartlepool and Middlesbrough at the Cabinet meeting on 22 July 2022, subject to the completion of the consultation process. The consultation period closed on 4 August 2022, with no material objections received. The Tees Valley Mayor has now written to the Secretary of State for Levelling Up, Housing and Communities (SoS) to formally designate the Hartlepool Development Corporation and the Middlesbrough Development Corporation.

17. The SoS will conduct a separate consultation process relating to the transfer of public sector land into each area.
18. Masterplanning for each area continues and will run alongside the SoS consultation process.
19. Specific legislation will be passed in Parliament to establish the Development Corporation areas, which is expected to be by the end of the year.

## **INVESTMENT ZONES**

20. In September 2022 the Government announced a UK-wide scheme to accelerate growth by creating Investment Zones. Three of the potential new zones are in the Tees Valley, with Middlesbrough and Hartlepool Development Corporations, and Teesside International Airport, all possible first locations under the Government's Growth Plan.
21. Investment zones could have significant tax cuts and could slash red tape to incentivise investment and businesses as they aim to drive growth and unlock housing.
22. Areas with Investment Zones could benefit from tax incentives, planning liberalisation, and wider support for the local economy. All Investment Zone agreements would contain tax and development sites.
23. TVCA submitted the Investment Zone bid by the deadline of 14th October 2022. This is a competitive process with other MCA areas and Upper Tier Local Authorities.

## **TRANSPORT**

### **24. Hartlepool Station**

Hartlepool station's disused platform 3 has now been demolished and piling for a new platform has now begun, signalling the first phase of its multimillion-pound redevelopment. As part of the works, the existing platform 2 will also be extended by 20 metres to house the new footbridge and lift for improved access. The £12million station upgrade is set to complete ready for the Tall Ships coming to the town in July 2023.

### **25. Hydrogen Transport Hub**

TVCA is committed to working alongside the Department for Transport (DfT) to implement the Tees Valley Hydrogen Transport Hub masterplan. The purpose of the hub is to build the evidence base to support the use of hydrogen for transport, which will inform the DfT's long term decarbonisation strategy. The hub will act as a catalyst for the fulfilment of hydrogen's role in decarbonising transport in the region and beyond. The DfT recently launched a multi-million-pound competition for business to deliver re-fuelling infrastructure and multi-modal vehicle trials. The trials will run from 2023/24 to 2024/25.

### **26. Active Travel**

Active Travel England is the new executive agency tasked with delivering the government's cycling and walking strategy. There was a requirement for all local

transport authorities to complete a self-assessment (in the Tees Valley it was a collective response on behalf of TVCA and the 5 local authorities). Following moderation Active Travel England agreed with our self-assessment of *Level 2: Strong local leadership and support, with strong plans and emerging network*. This puts us in a strong position to secure additional funding for active travel in the coming years. Furthermore, TVCA has procured Sustrans to deliver a network of active travel hubs across the Tees Valley. The hubs will engage with residents, schools and workplaces to facilitate an increase in cycling and walking trips.

## **CLEAN GROWTH AND INNOVATION**

27. Eight firms from the Tees Valley's Industrial Cluster were successful in Track 1 - Phase 2 of the BEIS Cluster Sequencing Competition, the next step in them being connected to the East Coast Cluster CCUS infrastructure. With eight of the twenty two projects selected in Tees Valley this represents significant progress for the region's clean growth and green jobs ambitions.
28. Tees Valley's two housing retrofit programmes (Home Upgrade Grant - £3.2m and Social Housing Decarbonisation Fund £4.5 million) are now in delivery. They will deliver warmer homes to homeowners and tenants living in fuel poverty across the region.
29. The North East and Yorkshire Net Zero Hub, supported by TVCA on behalf of BEIS, has launched the Energy Projects Enabling Fund and Solar Schools Enabling Fund to unlock community and educational energy projects across its two regions.

## **CREATIVE PLACE**

30. TVCA's Growth Programme for the Creative & Visitor Economies will stimulate sustainable growth of the region's cultural industries sector to build a strong and impactful creative cluster. Growing strong networks and improved connectivity of skills and ideas across the sector will be critical to achieving this goal. In July, TVCA launched a Challenge Fund to stimulate sectoral responses to the need for networks and skills development opportunities. Five proposals were selected for a total investment of £500,000, and will collectively:
  - a. Create 8 networks
  - b. Engage with 125 businesses
  - c. Provide 837 skills development opportunities
31. The successful projects will concentrate on the themes of governance, early-career, leadership, professional dance, volunteers and festivals.

## **DESTINATION MARKETING**

32. A four-year Destination Management Plan has been launched which will focus the Combined Authority's activity to invest in existing and new destination products (such as walking & cycling routes, food trails, and connecting heritage narratives); engagement with partners; and development and targeting of campaigns and activity through the Enjoy Tees Valley destination platforms. Additionally, an industry stakeholder website has been delivered providing sector businesses with access to a

media library of more than 1,000 images of the Tees Valley region as well as tourism insights.

### **FINANCIAL IMPLICATIONS**

33. There are no financial implications to this report.

### **LEGAL IMPLICATIONS**

34. There are no legal implications to this report.

### **RISK ASSESSMENT**

35. This report is an update and therefore is categorised as low risk.

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