



TEES VALLEY  
COMBINED  
AUTHORITY

TEES VALLEY MAYOR

JANUARY 2019

# TEES VALLEY INVESTMENT PLAN 2019-29



# Foreword

**Our ten-year Investment Plan will be of huge significance to the people of our region. Thanks to our Devolution Deal with Government, we have secured hundreds of millions of pounds to drive economic growth and support the creation of thousands of jobs for local people. Every single job created means more people are given the security of a pay cheque at the end each month, meaning they can provide for themselves and their families. This is our overriding mission, and one close to my heart.**

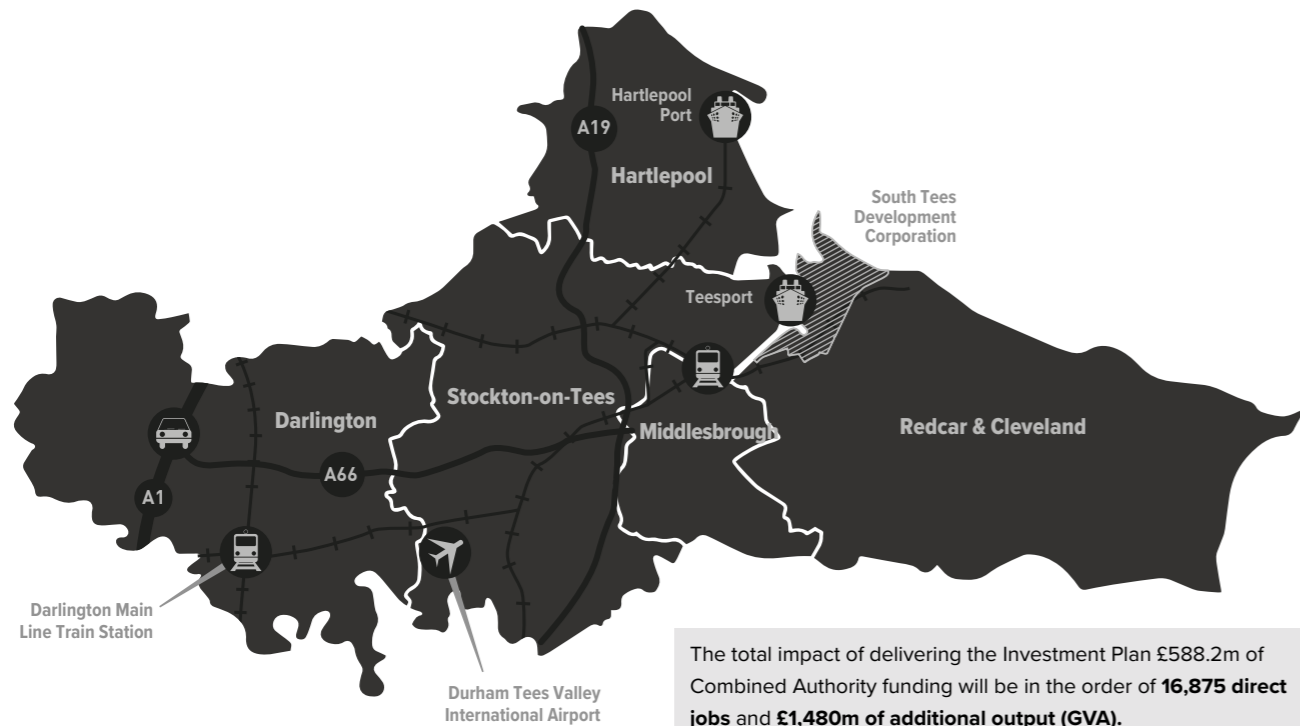
We've made some fantastic progress so far, but there is a lot more work to do. Local people will ultimately judge the success of the Mayoral model on whether we can deal with low pay, in-work poverty and low productivity better than officials in Whitehall. By promoting growth and opportunity for those living and working in the region, this £588million Investment Plan gives us a clear pathway to attract international investors, supports our private sector wealth-creators, drives innovation and entrepreneurialism, upgrades our creaking transport infrastructure, invests in our schools, colleges and teachers, and supports our growing tourism offer.

The Investment Plan also delivers on my pledge to the people to bring Durham Tees Valley Airport back into public ownership, and approves the acquisition of the majority of developable land at the South Tees Development Corporation site in Redcar – the first Mayoral Development Corporation outside London. Launched by the Prime Minister and chaired by me, we have a plan to support the creation of 20,000 jobs over the next two decades. This is a site alive with opportunity, and we're going even further than ever before to land even more private investment.

Our ten-year plan is the culmination of years of work with Government, our five boroughs, and our valued business leaders. We're working closely to achieve our vision for Tees Valley: developing a region which is a great place to live, work, invest and visit, supported by a strong, high-growth, high-wage, low-welfare economy that works in the interests of everyone.



Ben Houchen, Tees Valley Mayor



The total impact of delivering the Investment Plan £588.2m of Combined Authority funding will be in the order of **16,875 direct jobs** and **£1,480m of additional output (GVA).**

# Introduction

The Tees Valley City Region connects five boroughs, with the river Tees running through all, and forms a functioning economic geography. The whole is greater than the sum of its parts, which is why the five authorities have a long history of partnership working and why they established the Combined Authority.

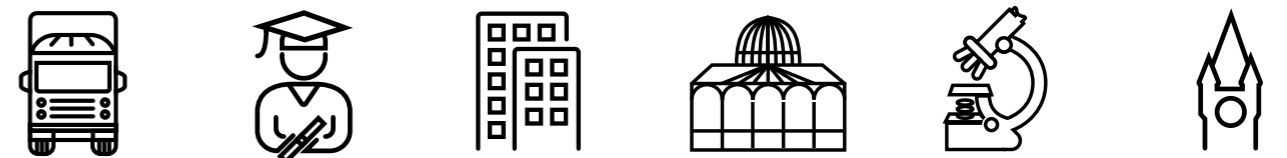
Our Strategic Economic Plan ([teesvalley-ca.gov.uk/strategic-economic-plan](http://teesvalley-ca.gov.uk/strategic-economic-plan)) sets out the area's ambition to drive the transition to a high-value, low-carbon, diversified and inclusive economy and sets an ambition to unlock a net additional 25,000 jobs by 2026. It is essential that all Tees Valley residents can gain the skills and confidence they need, and have the ability to travel to these job opportunities.

With the creation of the Combined Authority in 2016 and the Mayoral election in May 2017, the Devolution Deal with Government in 2015 provides for the transfer of significant powers for employment and skills, transport, and investment together with the first Mayoral Development Corporation outside London. Through the deal the Combined Authority has the power to create an Investment Fund, bringing together funding for devolved powers to be used to deliver a 30-year programme of transformational investment in the region. This includes the control of a new £15m a year funding allocation over 30 years. The initial Tees Valley Combined Authority Investment Plan was agreed in March 2017 and set out the investment priorities for the period to 2021. The Combined Authority has been developing its detailed strategies for key areas of activity including Education, Employment and Skills with the publication of Inspiring our Futures ([teesvalley-ca.gov.uk/ees-strategy](http://teesvalley-ca.gov.uk/ees-strategy)), our Strategic Transport Plan, which will shortly go out for consultation, as will our strategy to deliver our cultural ambitions. The productivity challenges and opportunities will be further detailed in our emerging Local Industrial Strategy to be published by the end of summer 2019. However, with much of this long-term thinking already in place, together with the significant uncertainties for the economy over the next few years, both nationally and locally, it is now critical to make use of the devolution powers for long-term investment planning. Therefore, this Investment Plan sets out our investment strategy for the period 2019 – 2029.

It is essential that our focus is on economic growth if we are to deliver our ambitions for the Tees Valley economy as set out in our Strategic Economic Plan and our developing Local Industrial Strategy. Our activity is therefore prioritised across six growth generating themes:

- Transport
- Education, Employment & Skills
- Business Growth
- Culture & Tourism
- Research, Development & Innovation
- Place

The Investment Plan will be reviewed annually to take account of changing economic circumstances, what is working well and what is not, and new funding and investment opportunities. We have significant funds to invest over this period. For the purpose of a ten-year planning horizon, reviewed annually, we have a greater level of certainty over some funds than others. **The ten-year planning figure used in this Investment Plan is £588.2m.** The general approach taken in preparing the financial basis for the Plan has been prudently balanced with our ambition to commit funding to deliver transformational activity. The detailed funding cash flow for the Investment Plan is set out in Appendix 1, which can be found on page 34. The assumptions used for this planning figure are detailed in the section Our Resources, which can be found on page 6.

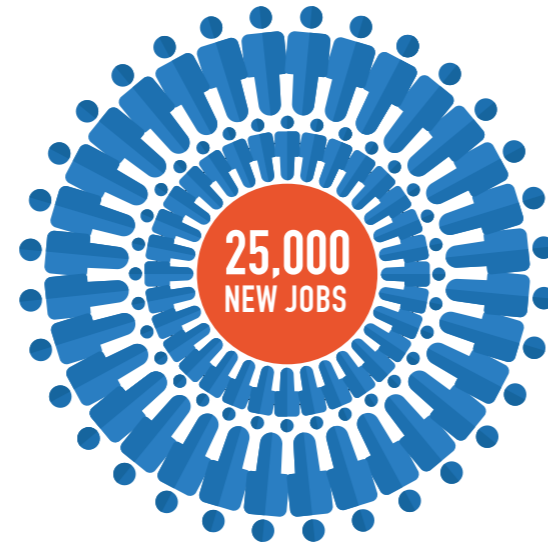


# THE TEES VALLEY ECONOMY - PROGRESS TO DATE AND THE ECONOMIC CHALLENGES

**The Tees Valley economy was only starting to recover from the recession when it was hit with one of the most significant economic shocks in our industrial history, the closure of SSI in 2015.**

This is now being reflected in the national statistics. For example, Tees Valley's GVA per head of population increased from 2014 to 2015, fell back in 2016 and increased again in 2017. This reflects the significant job losses of high paid jobs when SSI closed late in 2015 and the subsequent negative supply chain effects experienced during 2016. GVA per head of the population in Tees Valley fell from 79.9% of the UK rate in 2009, to 71.5% in 2017.

The Tees Valley labour market has been broadly stable over the past 18 months with little change in local rates. However, this contrasts with an improving situation nationally for both employment and unemployment.



**The Strategic Economic Plan set a target for the creation of 25,000 net additional jobs (after any job losses) in the economy by 2026:**

- Between June 2017 and June 2018 we experienced a net loss of 1,000 jobs with 279,400 jobs in June 2018

- There has been a change in the occupational profile of people working in Tees Valley
- Increases have taken place across the intermediate skilled occupations (administrative & secretarial, skilled trades and caring, leisure and other service occupations) and to a lesser extent in low skilled occupations (sales and customer service, process, plant & machinery)
- There have been losses in highly skilled occupations (managers, professionals and associate professionals) across a range of sectors including science, research, engineering and technology, and teaching and education, with some gains in health professionals, business, media and public service professionals and culture, media and sports occupations. However, the gains have been overshadowed by significant losses

- Against our Strategic Economic Plan baseline of 275,900, the number of jobs in Tees Valley has risen by 3,500 in two years. Whilst the rate of job increase is below national rates (1.3% compared to the UK's 2.4%), this is against a backdrop of a declining working age population in contrast to the increasing population nationally

- Since the Strategic Economic Plan in 2016 we have an additional 130 businesses in Tees Valley with 17,230 business enterprises in 2018, including 17,150 SMEs. However, the number of businesses has decreased since 2017 when we had 17,500. Tees Valley's business density (number of businesses per 1,000 population) is now the lowest of all Local Enterprise Partnership areas. Most Tees Valley businesses are micro (employing fewer than ten people). However, more than one third of private sector workers are in firms employing more than 250 staff and 29% work in very large companies employing more than 500

During 2017/18 a total of £51m was invested in programmes, projects, grant schemes and development funding which will support the creation of 4,000 new jobs through making or attracting investment into the region. By the end of 2018/19 the Combined Authority expects to have invested at least a further £25m. Jobs that are supported by the Combined Authority investment will not be reflected in the national data until they come to fruition, with some being created over several years.



Jun Jul Aug Sept Oct Nov Dec Jan Feb Mar May Jun

Jun Jul Aug Sept Oct Nov Dec Jan Feb Mar May Jun

**Employment Rate 2017 - 18**

**Unemployment Rate 2017 - 18**

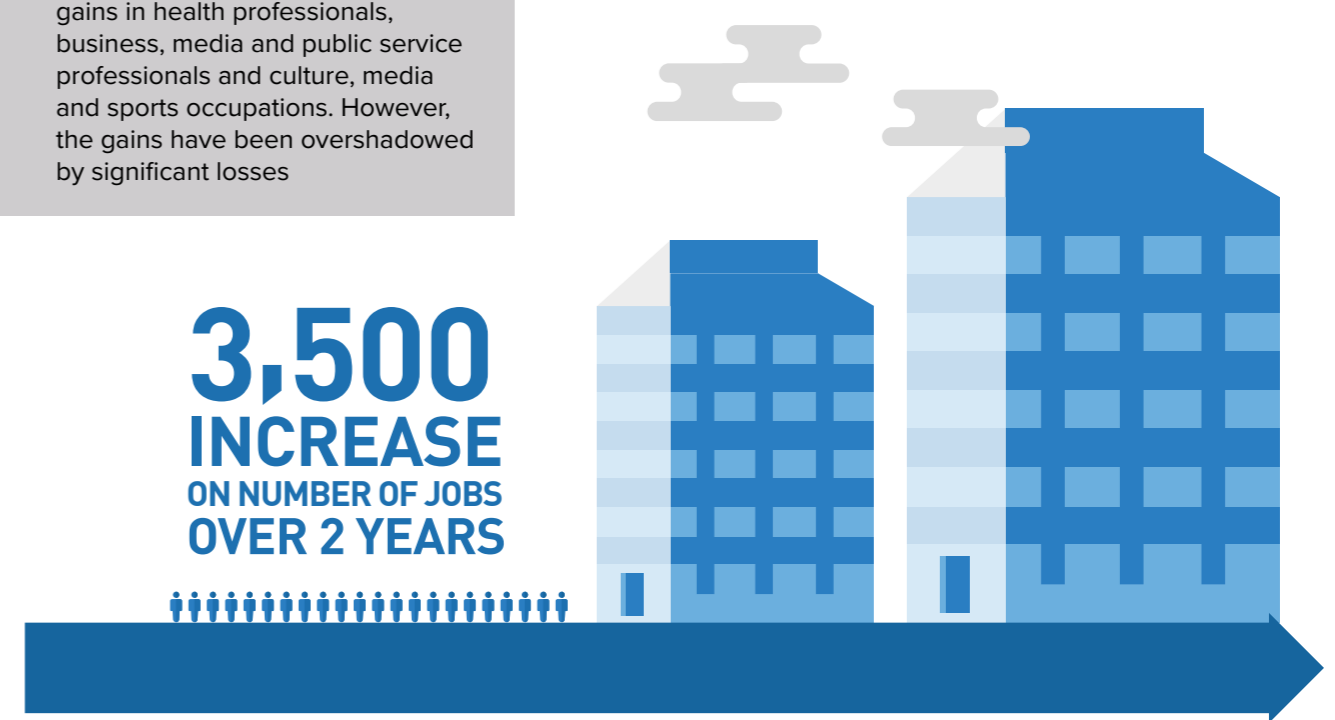


**409,900 Residents of working age**



**287,000 were in employment**

**3,500  
INCREASE  
ON NUMBER OF JOBS  
OVER 2 YEARS**



# The Tees Valley Ten-Year Investment Plan

The unique assets and strengths across the five Tees Valley boroughs combine to create the opportunity to build a diverse and inclusive economy for Tees Valley residents and businesses.

However, there are also a number of challenges to be addressed to ensure this can happen. These include ensuring that residents, no matter where they live in Tees Valley, can access all job opportunities, ensuring we have an appropriately skilled workforce for business needs today and in the future, and ensuring that there is a supportive business environment where businesses can start-up, grow and innovate. These are set out in more detail in our Strategic Economic Plan (teesvalley-ca.gov.uk/strategic-economic-plan), thematic strategies including the Education, Employment and Skills Strategy (teesvalley-ca.gov.uk/ees-strategy) and our Strategic Transport

Plan, which is shortly to go out for consultation. The productivity challenges and opportunities will be further detailed in our emerging Local Industrial Strategy to be published by the end of summer 2019.

This ten-year Investment Plan sets out, at a high level, the transformational investments that the Combined Authority will commit resources to, subject to the detailed consideration and appraisal of project business cases. Some are still project ideas at this stage and might not be feasible, others are further advanced. It is not intended to be an exhaustive list of activity

as new opportunities will arise during the period but it identifies the key activity that we know now could be transformational and will need investment during the Plan period to unlock the opportunities they could bring. Prioritisation has been undertaken to ensure that our investment goes into projects that will unlock transformational anchor projects that will have a significant impact on growing the Tees Valley economy. The initial priorities within the thematic areas are detailed in the thematic sections that follow and our initial capital priorities are identified in bold, italics in Appendix 2, which can be found on page 35.

## OUR RESOURCES

The ten-year planning figure used in this Investment Plan is £588.2m. The general approach taken in preparing the financial basis for the Investment Plan has been prudently balanced with our ambition to commit funding to deliver transformational activity. The assumptions used for this planning figure are:

- Local Growth Fund (LGF) ceases at the end of 2020/21
- Enterprise Zone income is projected at £57m during the Plan period – this is based on rates currently being collected, together with known projects currently under construction (such as MGT and TeesAMP), other potential projects during the Plan period are not accounted for
- European Structural Investment Funds (ESIF) (guaranteed by Government post Brexit) cease at the end of Dec 2023:
  - ▶ Replacement for LGF and ESIF – the UK Shared Prosperity Fund will start in 2021/22
- Returns on investment and loan repayments which are based on current schedules
- Transport funding for activities (such as Transforming Cities Fund) will continue in some shape or form at current levels
- Some miscellaneous grants and income such as Local Enterprise Partnership core funding
- Gainshare funding (Devolution Deal) £15m p.a. 30-year commitment. This long-term commitment from Government enables the Combined Authority to borrow funds to unlock growth in the earlier years when it is critical to developing our economy. A total of £241m is scheduled to be borrowed in the Plan period

Beyond this Plan period there remains £91.7m (of Gainshare and Enterprise Zone income) available for investment through to 2046, excluding any further funding from Government.

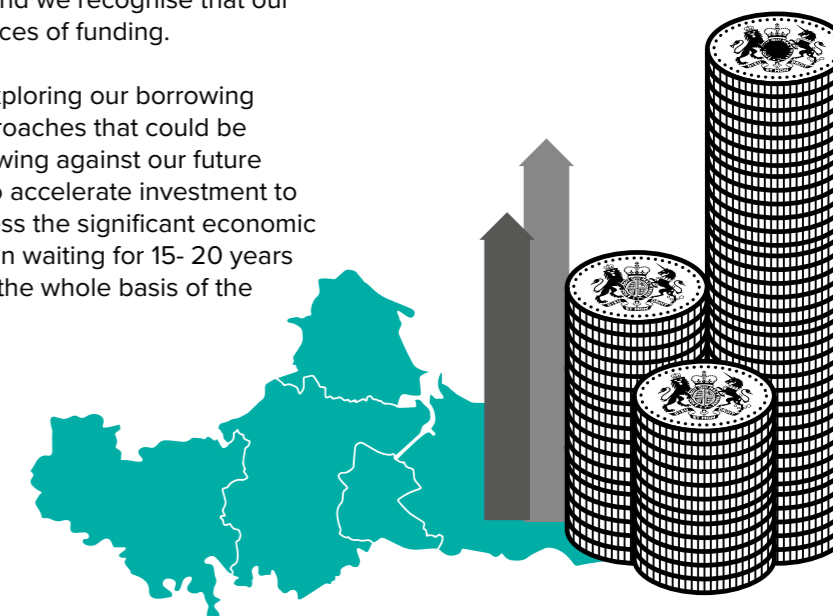
THEME	TVCA Available Funds in 2017 Investment Plan (exc ESIF) £	New funding received since the 2017 Investment Plan £	Available TVCA Funds during 2017-21 Investment Plan £	Uncommitted TVCA Funds from 2017-21 Investment Plan at Jan 2019 to carry forward to 2019 – 29 Investment Plan £	2019-29 Investment Plan Allocations £
<b>Transport</b>	23,000,000	9,934,298	32,934,298	7,257,762 <sup>1</sup>	256,700,000
<b>Education, Employment &amp; Skills</b>	19,000,000	6,106,593	25,106,593	531,986 <sup>2</sup>	55,000,000
<b>Business Growth</b> (including enabling infrastructure)	44,000,000	-1,007,015 <sup>3</sup>	42,992,985	22,173,985	146,500,000
<b>Culture &amp; Tourism</b>	10,000,000	1,566,669	11,566,669	5,432,299	60,000,000
<b>Research, Development &amp; Innovation</b>	12,000,000	986,093	12,986,093	5,717,089	20,000,000
<b>Place</b>					50,000,000
<b>Total Direct Investment</b>	<b>108,000,000</b>	<b>17,586,638</b>	<b>125,586,638</b>	<b>41,113,121</b>	<b>588,200,000</b>

## HOW WE WILL USE OUR FUNDS

Some funding can only be used for specific purposes, such as the Transforming Cities Fund. Where possible projects will be delivered on a commercial basis and we are moving to a position where grant funding will be a last resort. However, we recognise that for investments in certain thematic areas grants will still be required. We would expect any partners that are leading on projects to have explored all other funding opportunities and we recognise that our support can be used to unlock other sources of funding.

The last Investment Plan referred to us exploring our borrowing powers and considered the different approaches that could be taken. This Investment Plan utilises borrowing against our future Gainshare and Enterprise Zone income to accelerate investment to maximise opportunities now and to address the significant economic challenges facing the area now rather than waiting for 15- 20 years to use the funding at that point. This was the whole basis of the Devolution Deal.

<sup>1</sup> Does not include Local Transport Plan or concessionary fares of £988.45m which are pass-ported to the five Local Authorities  
<sup>2</sup> Does not include Adult Education Budget of £290m which can only be spent on 19+ education  
<sup>3</sup> Due to reduced Enterprise Zone income



## Securing Additional Resources

The Investment Programme only allocates funds that are under the Combined Authority's control. In addition, a wide range of public sector funding opportunities are and will be available over the Plan period. The scale of our ambition for growth and the challenges that need to be addressed to unlock this growth and enable our residents to access these opportunities will require additional funding.

The Combined Authority will seek to influence the allocation of national funding and will submit proposals, where appropriate, to unlock further funds. Some of our large scale transformational transport schemes will require national funding, particularly those that are linked to the national strategic road network. Our funds will be used to enable development works to progress and to provide a local contribution alongside national funding.

During the Plan period we will continue to discuss with Government the opportunity for the further devolution of central government resources, for example the UK Shared Prosperity Fund.

## UK Shared Prosperity Fund

European Structural and Investment Funds (ESIF) have been essential to delivering economic growth in Tees Valley. Alongside our devolved Investment Fund, they are enabling us to deliver an economic shift, by creating the conditions for a high value, high wage economy, with low levels of welfare dependency.

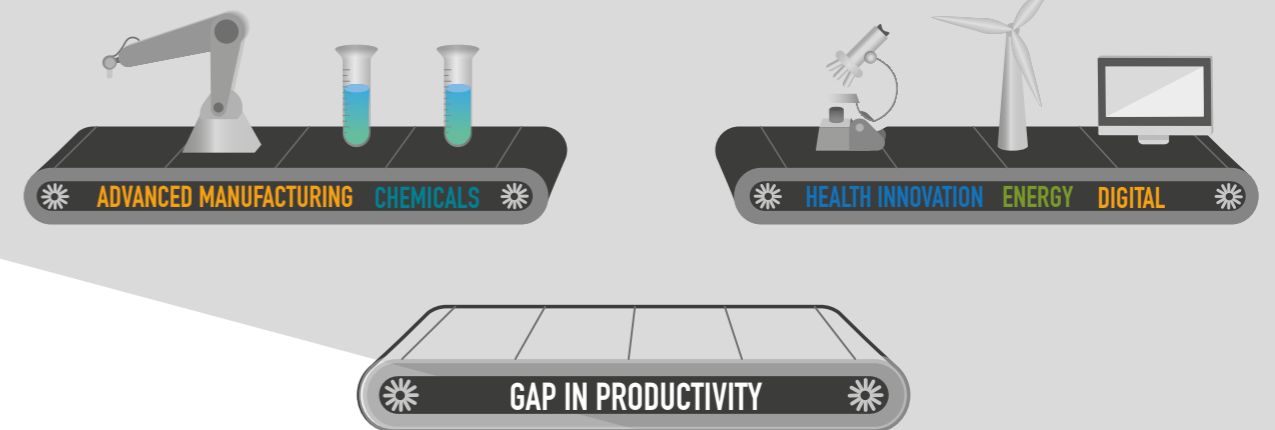
However, we know that there are also shortcomings with ESIF. Not least, that levels of central control do not allow for flexible decision-making about how the funds are best spent at a local level. It is therefore important that the new Shared Prosperity Fund is fully devolved to Mayoral Combined Authorities. This will enable the alignment of regional economic growth funds, and ensure that we maximise the impact of interventions at the local level.

Tees Valley was identified as a 'Transition Region' in the current ESIF programme. This saw us receive the second highest allocation of funds nationally, recognising the scale of the challenge that exists here. The funds have been supporting us to move from a heavy industrial economy to a more modern business and employment base, characterised by the use of new technologies and low carbon energy solutions.

Delivering the level of economic change needed in areas like Tees Valley can take many years to achieve, as our economic structures undergo a fundamental shift. Whilst the ESIF resources have added considerable value, stubborn economic challenges remain, and it will be critical to ensure that the added value of ESIF resources are not lost through successor arrangements.

## The UK Shared Prosperity Fund should be based on the following:

- There is a principle of devolution, enabling regions such as Tees Valley to benefit from the maximum level of local control, where we have demonstrated robust governance arrangements and our ability to use devolved funding to address local needs and opportunities
- Resources come without ring-fences, enabling local leaders to identify the priorities for spend, and respond to changing needs and opportunities over time
- Areas receive funding that is at least equal to the amount previously allocated through ESIF, plus a reasonable additional amount to reflect the match funding requirements of ESIF and the loss of the Local Growth Fund – just to replace the ESIF funds and the LGF would be £45m p.a in Tees Valley
- We receive a multi-annual allocation, which matches, at a minimum, the current EU budgetary period of seven years, to ensure that transformational activity can be planned and delivered across the programme period
- It will also be essential that resources can address local need, reduce regional imbalances, and realise regional economic potential to increase productivity and deliver sustainable economic growth
- GVA (per capita), as an indicator of the area's journey towards a modern economy through industrial restructuring, will be an important measure to determine the allocation of the UK Shared Prosperity Fund. Alongside this, measures relating to business density, start-ups and survival rates will be important, as will indicators that measure innovation activity, such as R&D investment and export activity. Levels of unemployment, wage levels and skills will also be essential to understand the gap in productivity, levels of poverty, and to address the challenges experienced in low-income households, including the barriers to entering the workforce. It is noteworthy that at least 50% of the areas receiving the most from ESIF resources have seen improvements (faster than the UK average) in both pay and employment levels. This shows how essential these funds are in helping to deliver economic growth and also highlights the risk to these areas if the resources are not replaced





# Transport

## STRATEGIC ECONOMIC PLAN AIM

**To improve connectivity within Tees Valley, across the Northern Powerhouse, the UK and the world.**



**CLLR STEPHEN HARKER**  
PORTFOLIO LEAD FOR  
TRANSPORT

During 2019 we will be consulting on our draft Strategic Transport Plan – Connecting Tees Valley. The Strategic Transport Plan will detail how an Integrated Transport approach will be delivered. A fully integrated transport system is essential to meet the needs of:

- visitors to the area with easy access to cultural and leisure opportunities
- businesses to attract inward investment to the area
- residents to access jobs, education and skills, health facilities, shopping and cultural and leisure opportunities
- businesses to have access to the workforce and to ensure that they can move and receive goods in the most productive way

### The draft Strategic Transport Plan's Vision is to:

Provide a high quality, quick, affordable, reliable and safe transport network for people and freight to move within, to and from Tees Valley.

The Strategic Transport Plan recognises that transport is a means to an end, not an end in itself and that in the past transport networks have been designed and developed in a vacuum, without a true understanding of the role of transport in everyday life. The Strategic Transport Plan is therefore derived from this wider context to ensure that it is effective. Strategic transport is central to a diversified, high value, low carbon economy, providing links for people and goods to connect to the wider economy, while local transport is central to an inclusive economy where local people can access employment across Tees Valley. Transport also plays a fundamental role in the delivery of new homes.

Unlocking the growth potential of Tees Valley requires resilient and reliable connections across the area and into and out of the area by air, road, rail, bus, foot and bicycle. This must ensure Tees Valley firms can access UK and European supply chains, particularly in the Northern Powerhouse, and that Tees Valley residents can benefit fully from emerging job opportunities.

Durham Tees Valley Airport has been vulnerable for a number of years with the loss of the Heathrow connection and fewer leisure operators providing residents with a choice of destinations. Access to international flights and the Schiphol Hub is critical for business investment and for residents to have access to international travel for leisure purposes. The Mayoral Combined Authority has been in discussions with the owners of Durham Tees Valley Airport to secure its future. This Investment Plan creates the opportunity to support the purchase of the airport.

## Progress to Date

Since 2016, the Combined Authority has secured funding to deliver schemes and brought forward a number of transport schemes with the aim of delivering a high-quality, quick, affordable, reliable and safe transport network for people and freight to move within, to and from Tees Valley. Highlights include:

- £75.5m funding secured from Government for the Transforming Cities Fund to deliver transport schemes across the region. This funding was devolved direct to the Combined Authority rather than through a competitive process
- £3.37m funding secured for Darlington Growth and Enterprise Zone Connectivity to help unlock growth sites
- £11.5m has secured the delivery of a number of walking and cycling schemes through the Local Growth Fund and the Department of Transport's Access Fund
- £2m funding secured for A171 Swans Corner to Flatts Lane highways improvements, reducing congestion for existing traffic and providing capacity for future housing growth
- £2.95m funding secured for the A66/A171 Cargo Fleet Roundabout improvement scheme to improve capacity
- £25m funding committed to improve Darlington railway station and £20m further funding to regenerate Middlesbrough Station and secure future improvements to local and long-distance rail services
- Middlehaven Dock Bridge opened in 2018, improving accessibility into and across the Middlehaven regeneration development site
- £2m funding secured towards the delivery of a £4.5m Middlesbrough Station master plan, a series of major improvements at the station to allow more efficient use by existing and planned services
- £250,000 committed to the development of rail options to improve the transit of intermodal traffic to and from port facilities
- £2million of development funding has been committed to the development of the New Tees Crossings and Darlington Northern Link Road schemes, to prepare them for future funding opportunities
- Funding secured for the delivery of improved access to South Tees Development Corporation land

# Our Initial Investment Priorities

- |  |  |   |   |   |   |   |
|--|--|---|---|---|---|---|
| <p><b>Strategic Road investment:</b></p> <ul style="list-style-type: none"> <li>■ New Tees Crossings<sup>4</sup> (West and Eastern)</li> <li>■ Darlington Link Road<sup>4</sup></li> <li>■ Improved east-west connectivity along the A66 corridor from the A1M to Teesport<sup>4</sup></li> <li>■ Hartlepool Western Growth Corridor</li> <li>■ A689 Wynyard Improvements</li> </ul> | <p><b>Rail investment:</b></p> <ul style="list-style-type: none"> <li>■ Darlington Station Growth Hub<sup>4</sup></li> <li>■ Middlesbrough Railway Station Improvements<sup>4</sup></li> <li>■ TransPennine Extension to Saltburn</li> <li>■ Upgrade of the line from Northallerton to Middlesbrough / Teesport including gauge clearance for freight<sup>4</sup></li> </ul> | <p><b>Local rail network improvement programme – projects for consideration include:</b></p> <ul style="list-style-type: none"> <li>■ Hartlepool Station Platform Capacity</li> <li>■ Eaglescliffe Station Western Access</li> <li>■ Nunthorpe Parkway station Feasibility</li> <li>■ Redcar Central Station Access Improvements</li> <li>■ Billingham Station Accessibility</li> </ul> | <p><b>Other potential stations improvements / new stations programme to be considered and developed:</b></p> <ul style="list-style-type: none"> <li>■ Durham Tees Valley Airport Station</li> <li>■ Nunthorpe Parkway</li> <li>■ Morton Palms</li> <li>■ South Tees</li> <li>■ Teesside Park</li> </ul> | <p><b>Local journeys:</b></p> <ul style="list-style-type: none"> <li>■ Urban Traffic Management Control System</li> <li>■ Meeting individual needs – “wheels to work” across Tees Valley</li> <li>■ Cycle and walking networks</li> <li>■ Low emission vehicles</li> <li>■ Hydrogen fuelling stations</li> <li>■ Connect Tees Valley marketing and information</li> </ul> | <p><b>Potential bus improvements including:</b></p> <ul style="list-style-type: none"> <li>■ Bus improvement corridors and key hubs / stations</li> <li>■ Ongoing consideration of bus franchising</li> <li>■ Bus shelters</li> <li>■ Community transport</li> <li>■ “Dial a ride” style service</li> </ul> <p><b>International transport:</b></p> <ul style="list-style-type: none"> <li>■ Durham Tees Valley Airport development programme</li> </ul> | <p><b>Additional funding sources including:</b></p> <ul style="list-style-type: none"> <li>■ Department for Transport</li> <li>■ Network Rail</li> <li>■ Highways England</li> <li>■ Homes England</li> <li>■ Office for Low Emission Vehicles</li> <li>■ Transport for the North</li> <li>■ National Productivity Investment Fund</li> <li>■ Private sector</li> </ul> |
|--|--|---|---|---|---|---|

**Our resources for Transport – £256.7m (excluding Local Transport Plan and concessionary fares funding)**



**What this will deliver:**  
 The following will allow us to unlock 2,600 jobs and an additional £472m GVA within the economy

<sup>4</sup>These projects will require national funding to deliver them. Combined Authority funding will be used to prepare the development works required to access national funding and/or represent a local contribution alongside national funds



# Education, Employment & Skills

## STRATEGIC ECONOMIC PLAN AIM

**To increase educational attainment, produce the skilled workforce that businesses need and increase lifetime opportunities for our residents.**



**CLLR CHRISTOPHER AKERS-BELCHER** PORTFOLIO LEAD FOR EDUCATION

**Inspiring Our Future, our plan to build the skills we need for a modern economy, was published in 2018 and set out the priority themes including:**

- Supporting education innovation and collaboration
- Developing a skills system for business growth
- Addressing long-term unemployment
- Transforming careers and enterprise education
- Challenging and supporting businesses as an integral element to achieving success
- Enhancing the Higher Education role in driving economic growth

**Inspiring Our Future set out our indicative revenue investment in Education, Employment and Skills for the period 2017-21. The education, employment and skills challenges in Tees Valley are significant, with:**

- Skills shortages across most of our key sectors
- Fewer learners choosing science, technology, engineering and maths and fewer achieving higher grades in these subjects compared to national averages
- Only 52% of our secondary schools are rated good or better compared to 75% nationally
- Higher levels of claimant unemployment compared to national averages – this makes up part of our productivity gap – 4.3% compared to 2.4% nationally
- Youth (18-24 years) claimant unemployment rate more than double the national average – 6.8% compared to 3.2% nationally
- Under-employment, highlighting a mismatch between the skills residents have and those businesses need

## Progress to Date

**Since the first Investment Plan we have:**

- Launched the Inspiring Our Future plan
- Supported more than 1,200 (since August 2016) apprenticeships through our Apprenticeship Grant for Employers
- Secured £6m of Government funding, matched with £1.5m Combined Authority funds, for our innovative Routes to Work pilot. The initiative has already engaged with 719 residents with 61 having gained employment
- Held events for schools including our annual schools summit in September 2018, attended by more than 2,000 year 9 -13 pupils, and hosted the annual Big Bang Science, Technology, Engineering and Mathematics event at Teesside University attended by 3,000 children
- Had Government confirmation that we have met the requirement for the devolution of the Adult Education Budget, which will be £29.4m for 2019/20
- Secured a Careers Hub Pilot
- Developed a Careers Framework and Young Persons Careers Pledge

**The high level aims for the period to 2021 are to:**

- Support 1,000 businesses to engage with schools careers initiative
- Implement the £2m Education Collaboration and Innovation Fund
- Assist 2,500 long-term unemployed people to move towards gaining work
- Increase the number of adults qualified to Level 2 to 80% (currently 69%)
- Increase the number of secondary schools achieving Ofsted Good and Outstanding in line with the national average
- Engage every school and college in our careers initiative, TeesValleyCareers.com
- Fully devolve the Adult Education Budget
- Maximise the unallocated ESF funding

**Achieving sustained impacts in this area of activity requires a longer-term commitment than we were in a position to give in our Inspiring Our Future plan. This Investment Plan provides this longer-term commitment with a programme of investment through to 2029.**





## Our Initial Investment Priorities

### Education, Employment and Skills Programmes – £40m:

- Supporting education innovation and collaboration
- Skills Academy for Teachers
- Developing a skills system for business growth potentially utilising Centres of Excellence and employer led routeways
- Addressing long-term unemployment and 15-19 programme
- Careers and Enterprise activity
- Business Challenge and Workforce Planning
- Apprenticeship support
- Technical education including apprenticeships and T Levels
- Pathways to Work
- Adult Education (with separate £29.4m p.a funding)
- Higher level skills
- Digital Skills

The Combined Authority is currently the only source of capital for further education provision as the national funding was subsumed into the Local Growth Fund. What happens to FE Capital funding beyond 2021 is unclear as we do not yet have details of what funding will be included within the UK Shared Prosperity Fund which will replace the Local Growth Fund from 2021 onwards. We have identified the following initial priorities:

### What this will deliver:

**Support 5,625 jobs and an additional £462m GVA in the economy.**

### Capital investment – £15m

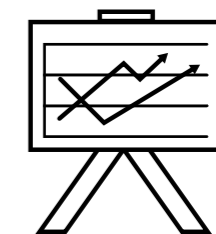
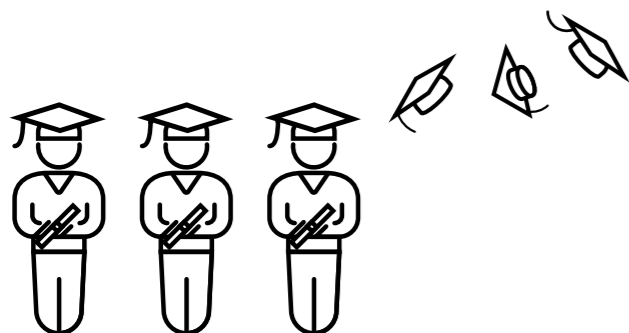
#### Initial project priorities:

- Northern School of Art Middlesbrough Relocation
- Hartlepool ISQ Phase 2

#### Additional funding sources, including:

- Department for Work and Pensions
- Education and Skills Funding Agency
- The Office for Students

- National Lottery Community Fund
- ESF
- Careers Education Company
- Department of Education
- Department for Culture, Media and Sport





# Business Growth

## STRATEGIC ECONOMIC PLAN AIM

**To diversify the economy, support more business start-ups, develop high growth potential businesses and key growth sectors.**

Since the Strategic Economic Plan was published in 2016 we have an additional 130 businesses in Tees Valley with 17,230 business enterprises in 2018, including 17,150 SMEs. Most Tees Valley businesses are micro (employing fewer than ten people). However, more than one third of private sector workers are in firms employing more than 250 staff and 29% work in very large companies employing more than 500.

The Local Industrial Strategy will identify, in detail, the productivity challenges and opportunities and it is critical that we have resources available to address them. In addition, we will access external funding and work with partners and the private sector to access funding opportunities targeted at productivity improvements such as through the Industrial Strategy Challenge Funds.

Businesses are currently facing high levels of uncertainties. Even with several company growth projects since 2016 (including Cubic Transportation Systems, Fujifilm Diosynth and JDR Cables) the area has experienced a net loss of 1,000 jobs in the past 12 months. This is in part due to these uncertainties with some companies delaying investment and not filling vacant posts. It is now even more critical that we are able to provide a supportive business environment to encourage inward investment, the growth of existing businesses and the creation of new businesses.



**CLLR SUE JEFFREY**  
PORTFOLIO LEAD FOR  
INVESTMENT & BUSINESS  
GROWTH

## Progress to Date

Since the first Combined Authority Investment Plan, significant European funds have been invested in Business Growth. Tees Valley has allocated £19.5m ERDF to the Northern Powerhouse Investment Fund and £12.9m to the Tees Valley Business Compass Growth service commissioned by the Combined Authority. Additionally European funds are supporting the delivery of start-up advice and SSI funds are now being used to provide start-up grants across Tees Valley, building on the success of the scheme for former SSI and supply chain workers which has already supported the creation of 341 new businesses.

- Since the 2017 Investment Plan, the Combined Authority has worked with companies to create and safeguard a total of 1,400 jobs through more than £209m private sector investment. This includes new inward investment and the growth of existing businesses in the Tees Valley. There are almost 10,000 further jobs identified within the 2019-21 pipeline of projects
- The Tees Valley Grant scheme, provided by the SSI Task Force, has supported businesses to expand and create and safeguard a total of 1,167 jobs of the overall total of 1,400. The Tees Valley Business Compass Growth activity has undertaken more than 1,000 detailed company diagnostics and supported 417 SMEs to the value of £4.2m against projects totalling almost £13m private capital investment. However, the project is behind profile on three of the four funds (energy efficiency, broadband and innovation). There are several reasons for this,

including the economic uncertainties over the past few years. It is critical that moving forwards the UK Shared Prosperity Fund, as the replacement for EU funding, is as business friendly as possible and can address the business needs and opportunities to unlock growth

- The Northern Powerhouse has invested £5.98m (as at September 2018) into Tees Valley companies. This represents 8.7% of the total invested across the entire Northern Powerhouse, whilst Tees Valley is home to only 4% of SMEs eligible for funding

The South Tees Development Corporation (STDC) was established in shadow form in February 2016 and formally launched by the Prime Minister in August 2017. The vision will create 20,000 new jobs in Tees Valley; realise a world-class industrial business park that will ensure sustained economic growth for Tees Valley; contribute an additional £1bn per annum into the Tees Valley economy; and, utilising the powers transferred from Whitehall, will transform the area into a global industrial hotspot. Infrastructure development has already started with the development of the roundabout to access the South Bank Wharf site and land acquisition of the SSI land from the Thai banks and other strategic sites within the STDC area that are closer to development are a critical part of the masterplan. Government funding is already in place for elements of this work. The intention is that the acquisition of land will be locally funded and this Investment Plan makes provision for it. Funding for the site redevelopment will be sought from Government.

## Our Initial Investment Priorities

### Support Business Growth – £30m:

- Attract and support new businesses to Tees Valley
- Support companies to introduce new products or processes
- Support start-ups and the growth of new and existing businesses
- Offer consistent support in Tees Valley for SMEs and large companies
- Extend or complement Tees Valley Business Compass services, particularly through sector specific support

### Unlock Sites for Business – £116.5m:

- Secure strategic sites within the South Tees Development Corporation area
- Site infrastructure
- Business accommodation to unlock key sectors' growth
- Focus on bringing forward brownfield land

### Initial Strategic Project Priorities:

- STDC site (infrastructure and land acquisition) – £56.5m

- Riverside Northshore Development – up to £20m

- Boho Next Generation – up to £20m

- Revitalising Redcar – up to £20m

### Additional funding sources, including:

- Department for Business, Energy, Innovation and Skills
- Ministry for Housing, Communities, and Local Government
- Private Sector



**What this will deliver:**  
**Create 4,400 jobs and an additional £277m GVA within the economy.**



# Culture & Tourism

## STRATEGIC ECONOMIC PLAN AIM

**To build cultural vibrancy in our communities and change external perceptions of Tees Valley through the arts, cultural and leisure offer whilst creating places that attract and retain businesses and business leaders and make the area more attractive to investors, workers and visitors.**

The Strategic Economic Plan recognises the important role that the arts, culture, tourism and leisure offer has to play in shaping the quality of the Tees Valley proposition and making it an attractive place to invest, work, live and visit. Culture in particular can help to create places that attract and retain businesses and business leaders, while maximising the use of arts, cultural, heritage, rural, maritime and natural assets to create jobs and attract more, higher spending visitors. Cultural development will boost employment and diversify industry through growth of creative industries; shaping a vibrant, enriching environment in which communities prosper.



**MAYOR DAVE BUDD**  
PORTFOLIO LEAD FOR  
CULTURE & TOURISM

## Progress to Date

Since the 2017 Investment Plan, we have launched Tees Valley's first destination marketing service for seven years with Enjoy Tees Valley. Tees Valley attracts as many day visitors as Newcastle and Gateshead, but doesn't attract the overnight stays and national profile. Enjoy Tees Valley is working to address this. It is aiming to attract more than 20m people to the region and add £1bn per year to the local economy by 2021. This could create around 3,000 jobs.

We are working with the five Local Authorities and partners to develop our bid for the City of Culture 2025. We are developing the 'Big Conversation' with our communities, gathering people's thoughts and ideas on the heritage, identity and culture of the Tees Valley in preparation for the bid.

We have secured £1.35m from the Heritage Lottery Fund and with match funding from the five Local Authorities and the Combined Authority we are delivering a £1.5m Great Place Programme – ten diverse community-based and creative industry projects delivered over a three-year period.

We have been awarded Heritage Action Zone status by Historic England for the Darlington and Stockton Railway. In 2025 it will be the 200th anniversary of the first passenger train which travelled from Stockton to Darlington. The project will preserve the 26-mile track bed from Witton to Darlington to Stockton and create a heritage and nature walking and cycling route; subject to feasibility, create a major attraction with an outstanding centre to tell the story of the railway; and create an exceptional 200th anniversary celebration event.

We have developed a three-year film development programme and begun to invest in art form development, such as music practitioner development with the T-Junction international poetry festival, to improve writing and poetry opportunities for young people.

A series of strategic festivals and events have been supported including the Stockton International Riverside Festival, the Festival of Thrift, the Hartlepool Waterfront Festival, the Great Exhibition of the North, Periplum's region-wide Glass Ceiling project, and T-Junction. In 2019, Take That will play at Middlesbrough Football Club and in 2021 we have secured a Rugby League World Cup match at the venue.

Also, working with Stockton Borough Council we have attracted The Great Run Company, headed by Brendan Foster, to bring the Great North CityGames to Tees Valley in September 2019. The Great Run Company is a world leader in mass participation and televised sporting events, including the Great CityGames Series and renowned Great North Run half marathon. The CityGames package includes 90 minutes of prime time TV coverage on BBC each time the event is staged, plus additional live and repeated coverage on other channels.



## Our Initial Investment Priorities

### Programme activities – £20m:

- City of Culture Development Programme (including building cultural capacity)
- Destination Marketing Programme  
Promoting the Tees Valley as a visitor destination – including through the Enjoy Tees Valley brand
- Festivals and events programme

### Capital Programme – £40m:

- Maritime:  
Hartlepool Waterfront (including National Museum of the Royal Navy) – up to £20m

- Heritage:  
Stockton and Darlington Railway Heritage – up to £20m

### Additional funding sources, including:

- Arts Council England
- Heritage Lottery Fund
- Department for Culture, Museums and Sport
- Museums National Portfolio Organisations
- Private Sector
- Trusts and Foundations
- Visit Britain

**A successful bid to be UK City of Culture in 2025 and strong cultural partnerships will continue to attract investment, create new jobs and build the appeal of Tees Valley in the years following**

The process of bidding for City of Culture will be transformational in its own right, whatever the outcome. New partnerships will be cultivated, the importance of culture will be elevated, routes for progress will be mapped and opportunities for achieving cultural excellence will be identified. The Tees Valley Local Authorities, working in partnership with the Combined Authority, have made clear their ambitious commitment to investing in culture to achieve transformation in the region and a successful City of Culture designation will accelerate this process and its impacts:

- Building capacity and sustainability in our arts and culture sector
- Cultivating a thriving, distinctive and robust cultural ecology – a vibrant region
- Strengthening Tees Valley's offer and profile as a distinctive and engaging cultural destination, growing the visitor economy
- Significant inward investment, business growth
- Strong public and private sector investment in our City of Culture bid
- Increased participation and engagement in culture through increased cultural investment
- Create the 'Big Conversation' on culture across Tees Valley to gather the stories and hopes of our residents
- Strong cultural partnerships and collaboration
- High quality heritage and cultural assets transforming the way Tees Valley tells its story and the visitor experience

### What this will deliver:

Create 2,000 new jobs and an additional £126m GVA in the economy

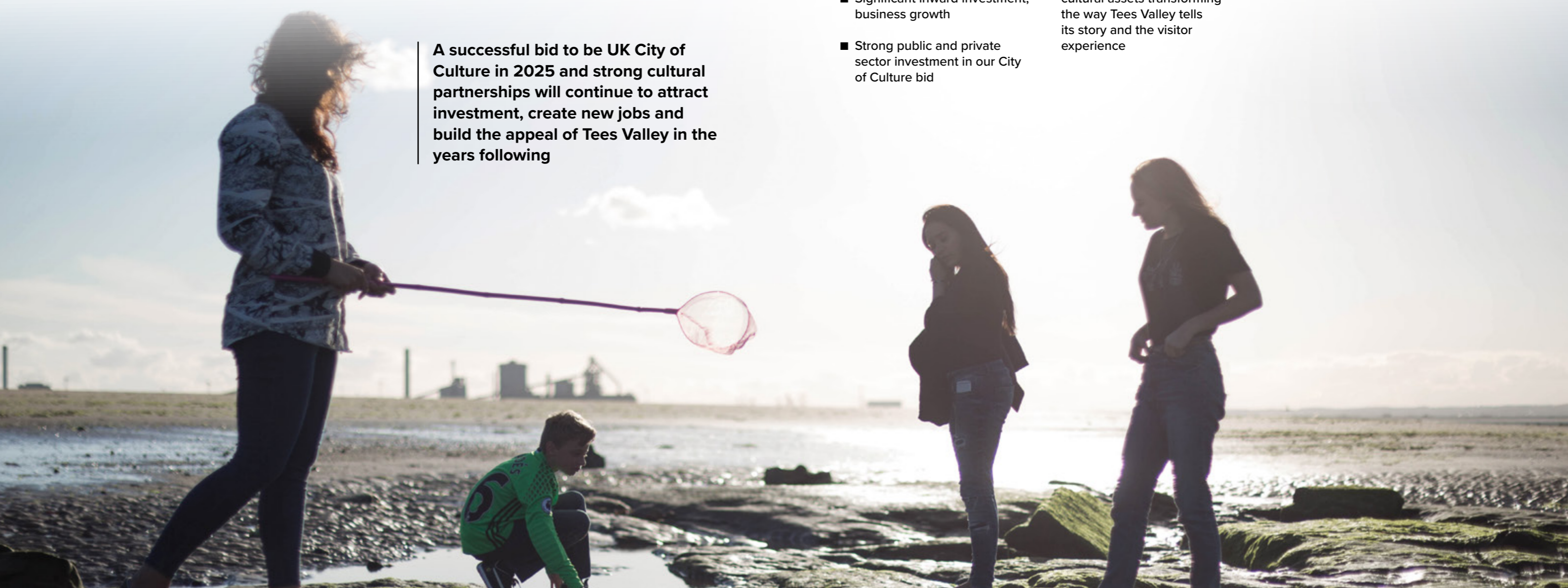
Attract new domestic and international visitors to the Tees Valley – 20m by 2021 and up to 23m by 2029

Increase length of stay of existing visitors thereby increasing expenditure per visitor

Encourage repeat visitation by increasing visitor satisfaction with their experiences

Increase visitor expenditure into Tees Valley to £1bn by 2021

Transform the perception of Tees Valley as a visitor destination





# Research, Development and Innovation

## STRATEGIC ECONOMIC PLAN AIM

**To introduce new processes and practices which reduce carbon emissions, increase productivity and the availability of high value jobs.**

Building a greener economy is a top priority for Government. Tees Valley is establishing itself at the forefront of the clean growth agenda with the development of significant UK energy assets and the pursuit of an industrial decarbonisation and utilisation network that will secure a sustainable future, making it a location of choice for high energy users and emitters.



**MAYOR DAVE BUDD**  
PORTFOLIO LEAD FOR  
INNOVATION

### ADVANCED MANUFACTURING

- Advanced materials
- Low carbon
- Engineering design
- Offshore

### HEALTHCARE

- Biologics and biopharmaceuticals
- Digital care and assistive technology

### PROCESS AND ENERGY

- Carbon capture, utilisation and storage
- Sustainable chemical energy from waste including polymers and hydrogen
- Biorefining, formulation and biotechnology

### DIGITAL

- Animation, computer gaming, simulation and visualisation
- Industrial digitalisation

Since the production of the Innovation Strategy in 2015 we have also been exploring the opportunities for the utilisation of hydrogen as an alternative fuel, together with the development of new approaches to the provision of nuclear energy.

## Progress to Date

Since the 2017 Investment Plan, the Combined Authority has led the development of a Middlesbrough District Energy Network. This £40m scheme will deliver energy savings to businesses and public-sector buildings in Middlesbrough (including James Cook Hospital, Teesside University, and some council buildings), and, when developed, could reduce residents' energy costs. Seen as a flagship scheme by Government, it will provide financial benefits including energy cost savings, returns to investors and also significant carbon savings by potentially utilising waste industrial heat generated in the region.

We have demonstrated that Carbon Capture, Utilisation and Storage (CCUS) would be an extremely cost-effective way to decarbonise the UK economy and we have convinced the European Union to adopt the project as a strategic European project, creating the possibility for millions of pounds of funding. The ambition is for Tees Valley to have the UK's first CCUS network operating by the mid-2020s, helping decarbonise industry while using the strategic infrastructure to attract new carbon-intensive companies. The carbon which has been collected could then create innovative products.

National Government funding of £315m has been announced for transforming Industrial Energy use including the deployment of CCUS and this will be developed in 2019 for application in 2020. Tees Valley is currently one of five UK clusters looking to take forward CCUS technologies against the stated ambition for early deployment of at least one cluster in the 2020s and the mission to develop a net zero cluster in the 2040s.

Tees Valley produces more than half of the UK's hydrogen. This is stored in cavities, transported across Tees Valley via 17km of pipes and supplied to the

rest of the country. By removing CO2 from hydrogen production via a CCUS network we can cost-effectively be the main supplier of low-carbon fuel to the UK. This can be used to power cars, buses, trucks and trains, replace natural gas to heat our homes, and be used by industry to create new products. We are progressing a pilot of the UK's first hydrogen train with Northern Rail as they have seen potential locations for a hydrogen rail facility in the Tees Valley and are pushing for delivery in 2021. A successful bid for two Tees Valley hydrogen transport fuelling stations and fleet of cars was submitted to Government's Office of Low Emission Vehicles by the Combined Authority with a partner, the Materials Processing Institute. A grant of £1.3m will be used for the stations and to deploy these vehicles in early 2020. Further development of vehicles is being pursued.

Tees Valley is also being considered as a location for the demonstration and development of hydrogen fuelled domestic appliances within the national Hy4heat programme.

The development of a CCUS network is a particular feature of the Clean Growth Programme which seeks to develop the first grid-scale CCS equipped gas fired power plant. This provides the opportunity for establishing an industrial CCS network at an affordable cost. Tees Valley has been selected as the best location for this development by the OGCI and a project team is being set up by OGCI members to develop the initial design in 2019.

The Dogger Bank Wind Farm, as a significant renewable energy supply, offers opportunities for further decarbonisation of industry, homes and transport and can be linked to the development of a hydrogen-based energy system in the region.

The area's capability in nuclear with the EDF power plant at Hartlepool and materials research facilities mean that the region is ideally placed to build on this expertise to take forward the future of the sector, including the development of fusion technologies and innovative approaches to nuclear power, such as small modular reactor development. Having a ready nuclear licensed site at Hartlepool, the area is regarded as an "oven ready" location for the future development of the nuclear sector. This has been recognised by the UK Atomic Energy Authority (UKAEA) and Rolls-Royce who have engaged in early discussion with both the Combined Authority and Hartlepool Borough Council.

Tees Valley collaborates with Local Enterprise Partnerships on areas of common interest. Since 2017 we have led the development of a Science Innovation Audit for the Chemicals and Process sector across the Northern Powerhouse LEPs. The Combined Authority is also providing the co-ordination the Northern Energy Hub activities within the national energy hub programme. This demonstrates how critical this sector is to UK manufacturing and the delivery of the National Industrial Strategy. Together with the Tees Valley Chemical and Process Sector Action Plan ([teesvalley-ca.gov.uk/pce-action-plan](https://teesvalley-ca.gov.uk/pce-action-plan)) it reinforces the position as Tees Valley's globally competitive sector and provides an extremely detailed evidence base for the sector to take

forward activities for productivity improvement including Industrial Digitalisation.

Tees Valley has two nationally significant NHS trusts together with another of appreciable scale (increasingly seeking to work together, particularly on Research and Innovation). It also has one of the country's leading centres for advanced manufacturing (with an increasing focus on Healthcare Innovation), a university for whom the largest element of its academic provision and research capabilities are sighted on Health and Wellbeing, collectively situated in an area that presents some of the most challenging demands on the health services and amongst the greatest challenges of disparity in health outcomes anywhere in the UK.

This is all set against a Northern Powerhouse strategy in which Healthcare Innovation is identified as one of four prime capabilities, reflected in our Strategic Economic Plan and the underlying areas of Smart Specialisation, which identifies health innovation alongside Digital as one of four key growth sectors for the Tees Valley Economy.

There is a real opportunity for us collectively to position Tees Valley as a nationally/internationally recognised location to test, develop, manufacture and benefit from Healthcare innovations.

## Our Initial Investment Priorities

The investment priorities identified in the 2017 Investment Plan remain appropriate for this theme:

- Energy production, storage and efficiency
- Significant carbon reduction
- Sector and supply chain support
- Commercialisation of innovative technologies

Additional funding sources, including:

- Industrial Strategy Challenge Funds
- Department for Business, Energy and Industrial Strategy
- Department for Transport
- Private Sector

- Economic and Social Research Council
- UK Research and Innovation
- Office for Low Emissions Vehicles
- The Office for Students
- NHS England

What this will deliver:

**Create 1,000 jobs and an additional £63m GVA in the economy**



# Place

## STRATEGIC ECONOMIC PLAN AIM

**To accelerate the supply of good quality homes across the whole housing market, revitalise our town centres and urban core, bring forward surplus public and blighted brownfield land for development and strengthen our commercial property offer.**

The Strategic Economic Plan recognises the importance of place in creating vibrant, attractive and sustainable places that businesses, employers, and staff want to be, want to live and have a range of facilities that they expect. Ensuring a high quality environment where people and business thrive is a critical enabler of our Strategic Economic Plan and our Local Industrial Strategy. Our partners have long invested in not only upgrading town centres but remediating former industrial sites. The challenges facing our high streets, as with other towns across the country, need to be addressed with new and innovative approaches to the role of town centres. To support our ambitions we must continue to invest in Place to ensure that we continue to attract and retain the businesses and people we need and to draw visitors to the area.



**CLLR BOB COOK**  
PORTFOLIO LEAD FOR  
HOUSING & REGENERATION

## Progress to Date

As agreed within the Devolution Deal, a Tees Valley Land Commission was established in May 2017. The Land Commission established four key areas of work; publicly owned land, brownfield land, One Public Estate programme, and housing. A Tees Valley Land Register has been developed identifying brownfield and publicly owned land. This has enabled the prioritisation of a series of land portfolio reviews which have identified a number of sites in public ownership across Tees Valley that are of interest for housing development and economic growth. A total of 36 sites are identified within the brownfield land register as priorities in the joint housing delivery plan, with 35 having the potential to start, with the right intervention, within the next three years. This equates to 735ha with the delivery potential of more than 3,800 homes.

The Combined Authority and the five partner councils secured £819,000 of One Public Estate funding for a package of projects in Darlington, Hartlepool, and South Tees, and to enable integration of health and other public service assets to achieve service transformation.

Proposals were submitted to Government for a devolved £1m capacity fund over three years and a £20m brownfield land fund to deliver the opportunities identified through the Land Commission's work. However, despite the case being made repeatedly to Government the response is that no financial deal will be offered.

Each of the five boroughs that make up the Tees Valley City Region has distinct economic assets and opportunities which lend themselves to particular investments. It is essential that we can unlock these opportunities for residents of the whole of Tees Valley.

More than nine in ten of all residents live and work in the Tees Valley and it is critical that we ensure that a job in any part of the Tees Valley is available and accessible to all residents. If we can harness these assets and opportunities at the Tees Valley level they will combine to create a vibrant and diverse economy and a place where people want to invest, work, live and visit. Our partner councils have ambitious programmes to invest in their communities, including capital investment programmes in the town centres and working with the private sector to create sustainable high quality jobs.

**Darlington** is the gateway to Tees Valley, with direct connections to the A1(M) and the East Coast mainline. Improvements to the station are critical for both north-south and east-west connectivity and provide major regeneration opportunities at and around the station. The town is home to some major engineering and specialist services companies (Cleveland Bridge, Magnet, Cummins and Wood) including subsea and seabed companies (Deep Ocean and Modus). At Central Park, the home to CPI's National Biologics Manufacturing Centre and Teesside University's National Horizons Centre, the town is the ideal location for the development of the biologics market. With its proximity to the A1(M) the borough is a growing location for logistics distribution centres – one currently in development will shortly become the town's largest employer with potentially 3,000 staff – with the opportunity for further developments at key sites. With a rich heritage including the first railway from Darlington to Stockton (with a bicentenary in 2025) and a strong cultural offer including the newly renovated Hippodrome Theatre and a nationally renowned children's theatre group (Theatre Hullabaloo) the town has further opportunities to grow the visitor offer.





**Hartlepool** has a rich maritime heritage and is home to the National Museum of the Royal Navy. Plans are in place to develop the Waterfront to create a mix of civic, cultural, leisure and visitor attractions that complement the wider Hartlepool Marina area. The town is home to the Northern School of Art, the leading provider of specialist creative art and design in the north, counting Sir Ridley Scott among its former pupils. It is central to the opportunity to create the biggest film studios outside London on the former council depot site, which will put Hartlepool at the centre of film making in the north.

The town offers excellent opportunities for port-related industries with more than 300 acres at the Port of Hartlepool owned and operated by PD Ports, with deep water access, warehousing and open storage. Engineering companies employ around 1,700 people with Heerema, Liberty Steel and Able, with Seaton Port one of the largest dry dock facilities in the world and a recycling facility of international significance (currently dismantling the Shell Brent Delta platform). The chemicals industry is still also important to the town and clean energy production at EDF's Nuclear Power Plant generates 60GW (2% of GB's peak electricity demand).

**Middlesbrough** continues to diversify its economy with a stronghold in engineering companies across the borough, the recently developed TeesAMP site provides world-class research and commercial premises, including a home to TWI, an internationally renowned research institute. The digital cluster centred in the Boho area is becoming nationally recognised and has a unique opportunity to play a critical role in the productivity growth of the Tees Valley's industrial base in its adoption of Industry 4.0 (industrial digitalisation).

Middlehaven continues to develop as a mixed use regeneration site with leisure (home to Middlesbrough FC and the site for the snow centre), offices including Boho 5, innovative residential developments and education facilities. Centre Square will provide modern Grade A office developments and events space and the recent upgrade of the Town Hall facility provides a cultural venue with access to a new range of bars and restaurants including high street chains through to the quirky Bedford and Baker Street. Home to Teesside University, the development of modern student facilities and proposals for a student village integrates the role of the university within the town. The town is also home to Tees Valley's largest employer South Tees NHS Trust, with almost 9,000 employees. The introduction of direct rail services to London and improvements at the station and the surrounding area will form the stimulus for independent businesses in the Historic Quarter linking the centre to the Boho area.

**Redcar & Cleveland** is home to the UK's largest integrated industrial complex with Wilton International one of the UK's most important locations for process manufacturing including global companies, Sabic, Sembcorp Utilities, Ensus, Lotte Chemical, Huntsman and Falck. The South Tees Development Corporation is one of the biggest industrial and coastal development sites (4,500 acres) in Britain and it presents a unique opportunity to develop the Tees Valley's strength in clean growth. With the combination of assets including large scale sites, deep access port facilities, global companies and innovation organisations including the Materials Processing Institute and the Centre for Process Innovation, the area can become the clean growth centre of the UK.

The borough is still home to a significant steel industry and mining and processing of minerals is growing with Boulby mine, one of the deepest in Europe, and the new £2.3bn polyhalite mine under construction in North Yorkshire with processing to take place at Wilton. Outdoor pursuits and a wide range of culture activities are available across the borough in the countryside, the North York Moors National Park, the heritage coastline, the beaches and the towns. These include festivals (such as The Festival of Thrift) and events, and the provision of new cultural venues including Kirkleatham will continue to grow the visitor offer.

**Stockton** is home to a mix of retail and visitor opportunities with Teesside Park and traditional market towns such as Yarm, whilst in Stockton the vision for a repurposed High Street is being created. This has a focus on culture, including the restoration of the Globe theatre (3,000 seat venue), leisure, heritage and events including SIRQ, and Great North CityGames, to appeal to more visitors. This ambition will also focus on strengthening the links to the river – one the borough and Tees Valley's greatest assets. The river offers enormous leisure and development potential to maximise the ten miles of tidal controlled river frontage to create a thriving river-based economy building on successful attractions including the Olympic-standard International White Water Course at the Tees Barrage, the Air Trail ropes course and Preston Park.

The borough's economy is diverse, including biotechnology with Fujifilm Diosynth Biotechnologies and Johnson Matthey, heavy industries including the expansion of the SUEZ UK energy from waste site, and a growing digital sector including fast growing Visualsoft. A range of office and industrial business accommodation is available, such as Wynyard Business Park, Teesside Industrial Estate and Belasis Business Park, together with the industrial areas of North Tees and Seal Sands, plus incubation facilities. Numbers of overseas students in the area continue to grow with Durham University's new International Study Centre.

## Our Initial Investment Priorities

The Investment Plan has set out the strategic investment programmes and initial transformational capital priorities that individually will have a significant economic impact and benefit residents and businesses across Tees Valley. However there will also be local activity that will, individually, have a local impact but collectively across Tees Valley have a significant regional impact in strengthening the area as a vibrant place to invest, work, live and visit. Therefore, it is proposed that an Indigenous Growth Programme be established with up to £2m a year available in each borough for an initial five-year period. This would be for investment in activity that will have a local economic impact and collectively, as a programme of activity across Tees Valley, make a significant contribution to economic growth. Programme criteria will be developed between the Local Authorities and the Combined Authority but are likely to include outputs such as number of jobs, visitors, new attractions, and business premises.

The programme will be administered under the Combined Authority's Assurance Framework at the Programme level with individual decisions on projects at the local level. Reporting against the programme outputs will be required in line with the Devolution Gateway evaluation process.

### Additional funding sources, including:

- Ministry of Housing, Communities and Local Government
- Department for Transport
- Department for Business, Energy and Industrial Strategy
- Department for Education
- Department for Environment, Farming and Rural Affairs
- Homes England
- Arts Council England
- Historic England
- Heritage Lottery Fund
- Private sector

**What this will deliver**  
**Create 1,250 jobs and an additional £80m GVA in the economy**

## Monitoring and Evaluation

The Combined Authority's Monitoring and Evaluation Framework sets out in detail how we will monitor and evaluate our progress in delivering this Investment Plan, against all activity at a programme and project level, within themes and across the whole Plan. This forms part of our Assurance Framework with Government and meets the requirements of our Devolution Deal. More importantly, it will support the Annual Review of the Investment Plan and will help inform and shape activities to be supported moving forwards.



# THE INVESTMENT PLAN CASH FLOW APPENDIX 1

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL
<b>EXPENDITURE</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
Transport	47.9	19.6	26.6	36.3	23.8	23.6	20.3	19.5	19.5	19.6	<b>256.7</b>
Education, Employment & Skills	7.5	7.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	<b>55.0</b>
Business Growth	38.7	19.2	29.2	19.2	19.2	4.2	4.2	4.2	4.2	4.2	<b>146.5</b>
Culture & Tourism	1.0	11.0	11.0	15.0	15.0	7.0	0.0	0.0	0.0	0.0	<b>60.0</b>
Research, Development & Innovation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	<b>20.0</b>
Place	10.0	10.0	10.0	10.0	10.0						<b>50.0</b>
<b>Sub total</b>											<b>588.2</b>
Adult Education	20.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	<b>290.0</b>
Transport & Infrastructure	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7	<b>306.5</b>
Other Approved Projects	64.5	22.8	7.3	0.3							<b>94.9</b>
Core Running Costs	4.8	5.4	4.8	4.8	5.4	4.8	4.8	5.4	4.8	4.8	<b>49.9</b>
Loan Principal Repayment	0.0	1.5	2.8	4.5	6.4	8.1	8.8	9.0	9.2	9.4	<b>59.7</b>
Loan Interest	0.0	1.1	2.0	3.0	4.0	4.8	4.9	4.7	4.5	4.3	<b>33.3</b>
<b>TOTAL EXPENDITURE</b>	<b>227.1</b>	<b>160.8</b>	<b>161.3</b>	<b>160.8</b>	<b>151.5</b>	<b>120.2</b>	<b>110.7</b>	<b>110.5</b>	<b>109.9</b>	<b>110.0</b>	<b>1,422.5</b>
<b>INCOME</b>											
Reserves Opening Balance	59.9										<b>59.9</b>
Loan Repayments & Investment Returns	4.0	1.1	2.3	1.9	2.0	2.0	2.0	1.2	1.0	1.0	<b>18.4</b>
Local Growth Fund	9.4	14.2									<b>23.6</b>
Gainshare Funds	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	<b>150.0</b>
EZ Rates	4.1	5.4	5.6	6.0	6.0	6.0	6.0	6.0	6.0	6.0	<b>57.0</b>
Government Grants	21.4	6.4	5.2	11.5	11.5	11.5	11.5	11.5	11.5	11.5	<b>113.5</b>
Transforming Cities Fund	13.0	18.0	24.0	16.5	15.1	15.1	15.1	15.1	15.1	15.1	<b>162.1</b>
Adult Education Budget	20.2	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	<b>290.2</b>
Local Transport Plan	13.9	13.9	13.9	13.9	13.9	13.9	13.9	13.9	13.9	13.9	<b>139.4</b>
Concessionary Fares	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	<b>167.1</b>
Loans	49.4	40.0	48.7	49.2	41.3	12.8					<b>241.4</b>
<b>TOTAL INCOME</b>	<b>227.1</b>	<b>160.8</b>	<b>161.3</b>	<b>160.8</b>	<b>151.5</b>	<b>123.0</b>	<b>110.2</b>	<b>109.4</b>	<b>109.2</b>	<b>109.2</b>	<b>1,422.6</b>
<b>NET</b>	<b>(0.0)</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.8</b>	<b>(0.4)</b>	<b>(1.0)</b>	<b>(0.6)</b>	<b>(0.7)</b>	<b>0.0</b>
<b>CUMULATIVE</b>	<b>(0.0)</b>		<b>(0.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>2.9</b>	<b>2.4</b>	<b>1.4</b>	<b>0.8</b>	<b>0.0</b>	

Post 2029 Position	£m
Gain Share 2029-46	255.0
EZ Income 2029-36	54.0
<b>Available Income</b>	<b>309.0</b>
Loan Payments 2029-46	217.3
<b>Remaining available for investment</b>	<b>91.7</b>

# THE INVESTMENT PLAN PRIORITIES AT A GLANCE APPENDIX 2

Transport	Education, Employment and Skills	Business Growth (including enabling infrastructure)	Culture and Tourism	Research, Development, & Innovation	Place
<p><b>Integrated transport – £256.7m, together with £306.5m (inc. LTP &amp; Con Fares – passported to LAs)</b></p>	<p><b>£55m (£15m capital and £40m revenue), together with £290m devolved Adult Education Budget</b></p>	<p><b>£30m – programmes</b> <b>£116.5m – sites and premises projects</b></p>	<p><b>£20m – programme</b> <b>£40m – capital projects</b></p>	<p><b>£20m – programme / projects</b></p>	<p><b>£50m – programme</b></p>
<p><b>Local journeys:</b></p> <ul style="list-style-type: none"> <li>Urban Traffic Management Control System</li> <li>Meeting individual needs – “wheels to work” across Tees Valley</li> <li>Cycle and walking networks</li> <li>Low emission vehicles</li> <li>Hydrogen fuelling stations</li> <li>Connect Tees Valley marketing and information</li> </ul> <p><b>Potential bus improvements including:</b></p> <ul style="list-style-type: none"> <li>Bus improvement corridors and key hubs / stations</li> <li>Ongoing consideration of bus franchising</li> <li>Bus shelters</li> <li>Community transport</li> <li>Dial a ride</li> </ul> <p><b>International transport:</b></p> <ul style="list-style-type: none"> <li><i>Durham Tees Valley Airport development programme – £74.6m</i></li> </ul>	<p><b>E, E &amp; S Programmes:</b></p> <ul style="list-style-type: none"> <li>Supporting education innovation and collaboration</li> <li>Skills Academy for Teachers</li> <li>Developing a skills system for business growth</li> <li>Addressing long-term unemployment and 15-19 programme</li> <li>Careers and Enterprise activity</li> <li>Business Challenge and Workforce Planning</li> <li>Technical education including apprenticeships and T Levels</li> <li>Pathways to Work</li> <li>Adult Education Budget</li> <li>Higher level skills</li> <li>Digital Skills</li> </ul> <p><b>Specialist sector developments:</b></p> <ul style="list-style-type: none"> <li>Northern School of Art Middlesbrough Relocation</li> </ul> <p><b>Other capital projects:</b></p> <ul style="list-style-type: none"> <li>Hartlepool ISQ Phase 2</li> <li>Skills capital and infrastructure investment</li> </ul>	<p><b>Business Compass:</b></p> <ul style="list-style-type: none"> <li>Start-up advice and support</li> <li>Growth Hub (advisory / business development service)</li> <li>Access to finance</li> <li>Grants for inward investment and business growth</li> <li>Equity and loan investment</li> <li>Scale-up and growth / productivity programmes</li> <li>Sponsorship and events including</li> <li>Business Summit</li> </ul> <p><b>Inward investment:</b></p> <ul style="list-style-type: none"> <li>Promoting the Tees Valley as a business location including through the Invest Tees Valley brand</li> <li>Conferences and exhibitions</li> <li>Sponsorship and events</li> </ul> <p><b>Sites and Premises Programme (including infrastructure)</b></p> <ul style="list-style-type: none"> <li><i>STDC site (infrastructure and land acquisition) – £56.5m</i></li> <li><i>Riverside Northshore Development – up to £20m</i></li> <li>Darlington Sports Village</li> <li>Delivery against the recommendations of the Sites and Premises study currently being undertaken</li> <li><i>Revitalising Redcar – up to £20m</i></li> </ul> <p><b>Sector Support:</b></p> <ul style="list-style-type: none"> <li>Tees Valley Digital including industrial digitalisation</li> <li><i>Boho Next Generation – up to £20m</i></li> </ul>	<p><b>City of Culture Development Programme (including building cultural capacity)</b></p> <ul style="list-style-type: none"> <li>Promoting the Tees Valley as a visitor destination – including through the Enjoy Tees Valley brand</li> <li>Festivals and events programme</li> </ul> <p><b>Maritime:</b></p> <ul style="list-style-type: none"> <li><i>Hartlepool Waterfront (including NMRN) – up to £20m</i></li> </ul> <p><b>Heritage:</b></p> <ul style="list-style-type: none"> <li><i>Stockton and Darlington Railway Heritage – up to £20m</i></li> </ul>	<p><b>Research and innovation programme covering the following priorities:</b></p> <ul style="list-style-type: none"> <li>Energy production, storage and efficiency</li> <li>Significant carbon reduction</li> <li>Sector and supply chain support</li> <li>Commercialisation of innovative technologies</li> </ul> <p><b>Initial projects to be considered include:</b></p> <ul style="list-style-type: none"> <li>CPI Healthcare Futures Centre</li> <li>TWI / Teesside University Hydrogen Innovation and Skills Accelerator</li> <li>Hydrogen Gas Networks</li> <li>Cluster decarbonisation</li> <li>MPI pilot Thermochemical Processing facility</li> <li>Medical / digital opportunities</li> </ul>	<p><b>Indigenous Growth Programme</b></p>



TEES VALLEY  
COMBINED  
AUTHORITY

| **TEES VALLEY MAYOR**

[www.teesvalley-ca.gov.uk](http://www.teesvalley-ca.gov.uk)

[info@teesvalley-ca.gov.uk](mailto:info@teesvalley-ca.gov.uk)



@TeesValleyCA

