

Tees Valley Combined Authority Overview and Scrutiny Committee

Agenda

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Date: Thursday, 12th November, 2020 at 10:00 am

Venue: Microsoft Teams Meeting

Membership

Cllr Stephenson (Chair) (Stockton-on-Tees Borough Council)
Cllr Hobson (Vice Chair) (Middlesbrough Council)
Cllr Barlow (Stockton-on-Tees Borough Council)
Cllr Brown (Hartlepool Borough Council)
Cllr Clark (Redcar and Cleveland Borough Council)
Cllr Harker (Darlington Borough Council)
Cllr Jeffrey (Redcar and Cleveland Borough Council)
Cllr Jones (Redcar and Cleveland Borough Council)
Cllr Jones (Darlington Borough Council)
Cllr Loynes (Hartlepool Borough Council)
Cllr Rathmell (Middlesbrough Council)
Cllr Renton (Darlington Borough Council)
Cllr Riordan (Stockton-on-Tees Borough Council)
Cllr Rooney (Middlesbrough Council)
Cllr Tenant (Hartlepool Borough Council)

AGENDA

PUBLIC

- 1 Apologies for absence**
- 2 Declarations of interest**
- 3 Minutes**
Minutes of the meeting held on Thursday, 13th August, 2020
- 4 Business Growth Portfolio Update: Mayor Andy Preston**
- 5 Group Chief Executive's Update**
- 6 Culture Taskforce Update: Annabel Turpin**
- 7 Acquisition of South Tees Site Company Limited by South Tees Development Corporation**
- 8 Delegated Decisions**



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9 Meetings and Forward Plan

Members of the Public - Rights to Attend Meeting

With the exception of any item identified above as containing exempt or confidential information under the Local Government Act 1972 Section 100A(4), members of the public are entitled to attend this meeting and/or have access to the agenda papers.

Persons wishing to obtain any further information on this meeting, including the opportunities available for any member of the public to speak at the meeting; or for details of access to the meeting for disabled people, please

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Tees Valley Combined Authority Declaration of Interests Procedures

1. The purpose of this note is to provide advice and guidance to all members (the Mayor, elected and co-opted members, substitute members and associate members) of the Combined Authority Cabinet, Sub-Committees and Local Enterprise Partnership Board, on the procedure for declaring interests. The procedure is set out in full in the [Combined Authority's Constitution](#) under the "Code of Conduct for Members" (Appendix 8).

Personal Interests

2. The Code of Conduct sets out in full, the principles on the general conduct of members in their capacity at the Combined Authority. As a general principle, members should act impartially and should not use their position at the Combined Authority to further their personal or private interests.
3. There are two types of personal interests covered by the constitution:
 - a. "disclosable pecuniary interests". In general, a disclosable pecuniary interest will involve any financial interests, such as paid employment or membership of a body, interests in contracts, or ownership of land or shares. Members have a pecuniary interest in a matter where there is a reasonable likelihood or expectation that the business to be considered will affect your well-being or financial position, or the well-being or financial position of the following persons:
 - i. a member of your family;
 - ii. any person with whom you have a close association;
 - iii. in relation to a) and b) above, their employer, any firm in which they are a partner, or a company of which they are a director;
 - iv. any person or body in whom persons described in a) and b) above have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
 - v. any body as described in paragraph 3 b) i) and ii) below.
 - b. Any other personal interests. You have a personal interest in any business of the Combined Authority where it relates to or is likely to affect:
 - i. any body of which you are a member (or in a position of general control or management) and to which you are appointed or nominated by the Combined Authority;
 - ii. any body which:
 - exercises functions of a public nature;
 - is directed to charitable purposes;
 - one of whose principle purposes includes influencing public opinion or policy (including any political party or trade union) of which you are a member (or in a position of general control or management).

Declarations of interest relating to the Councils' commercial role

4. The constituent councils of the Combined Authority are closely integrated with its governance and financial arrangements, and financial relationships between the Combined Authority and Councils do not in themselves create a conflict of interest for Council Leaders who are also Combined Authority Cabinet members. Nor is it a conflict

of interest if the Combined Authority supports activities within a particular council boundary. Nevertheless, there are specific circumstances where the Cabinet is considering entering into direct contractual arrangements with a council, for example in relation to a particular commercial investment project, or in which that council is a co-funder. In these circumstances a non-pecuniary declaration of interest should be made by the Council Leader or their substitute.

Procedures for Declaring Interests

5. In line with the Code of Conduct, members are required to adhere to the following procedures for declaring interests:

Register of Interests

6. Each member is required to complete a register of interests form with their personal interests, within 28 days of their appointment to the Combined Authority. Details of any personal interests registered will be published on the Combined Authority's website, with the full register available at the Combined Authority's offices for public inspection. The form will be updated on an annual basis but it is the responsibility of each member to notify the Monitoring Officer of any changes to the register throughout the year. Notification of a change must be made to the Monitoring Officer within 28 days of becoming aware of that change.

Declaration of Interests at Meetings

7. The Combined Authority will include a standing item at the start of each meeting for declaration of interests. Where members are aware that any of their personal interests are relevant to an item of business being considered at a meeting they are attending, they must declare that interest either during the standing item on the agenda, at the start of the consideration of the item of business, or when the interest becomes apparent, if later.
8. Where members consider that their interest could be considered by the public as so significant that it is likely to prejudice the members' judgement then they may not participate in any discussion and voting on the matter at the meeting, but may attend the meeting to make representations, answer questions or give evidence relating to the business, before it is discussed and voted upon.
9. If the interest is a disclosable pecuniary interest (as summarised in paragraph 3a) then the member must leave the meeting room during discussion and voting on the item of business, but may make representations, give evidence and answer questions before leaving the meeting room. Failure to comply with the requirements in relation to disclosable pecuniary interests is a criminal offence.

Sensitive Information

10. Members can seek the advice of the monitoring officer if they consider that the disclosure of their personal interests contains sensitive information.

Tees Valley Combined Authority Overview and Scrutiny Committee

**Microsoft Teams Meeting
Thursday, 13th August, 2020 at 10:30 am.**

Present:

Cllr Stephenson (Chair) (Stockton-on-Tees Borough Council)
Cllr Hobson (Vice Chair) (Middlesbrough Council)
Cllr Barlow (Stockton-on-Tees Borough Council)
Cllr Jeffrey (Redcar and Cleveland Borough Council)
Cllr Jones (Redcar and Cleveland Borough Council)
Cllr Jones (Darlington Borough Council)
Cllr Rathmell (Middlesbrough Council)
Cllr Renton (Darlington Borough Council)
Cllr Riordan (Stockton-on-Tees Borough Council)
Cllr Rooney (Middlesbrough Council)
Cllr Haszeldine (Darlington Borough Council)

Officers:

Julie Gilhespie - Group Chief Executive - TVCA
Geraldine Brown - Strategy, Intelligence & Policy Manager - TVCA
Shona Duncan - Head of Skills, Education & Employment - TVCA
Sharon Jones - Governance & Scrutiny Officer - TVCA
Nicola Dean - Governance Support Officer - TVCA

Also in attendance:

Cllr Bob Cook - Leader - Stockton Borough Council
Paul Booth OBE - Chair - LEP Board

Apologies for absence:

Cllr Harker (Darlington Borough Council)
Cllr Loynes (Hartlepool Borough Council)
Cllr Brown (Hartlepool Borough Council)

1 Declarations of interest

Cllr Doris Jones declared an interest in item 8 as a Member of the Board for Teesside International Airport.

Cllr Chris Jones declared a personal interest in item 6 as his wife is an employee of Stockton Riverside College.

During discussion of item 8 Cllr Stephenson and Cllr Riordan declared an interest as Members of SBC Planning Committee.

2 Minutes of the meeting held on Thursday, 18th June, 2020

The minutes from the meeting held on 18th June were agreed as a true record.

3 Election of Chair & Vice Chair

Nominations were invited for the Position of Committee Chair for the forthcoming civic year.

Cllr Norma Stephenson was nominated by Cllr Denise Rooney. This was seconded by Cllr Doris Jones.

Cllr John Hobson was nominated by Cllr Jon Rathmell and this was seconded by Cllr Tony Riordan.

A vote was taken from Members and Cllr Stephenson was elected as Chair with 8 votes to 3.

Cllr Denise Rooney was nominated as Vice Chair by Cllr Sue Jeffrey and this was seconded by Cllr Doris Jones.

Cllr John Hobson was nominated by Cllr Jon Rathmell and seconded by Cllr Tony Riordan.

A vote was taken from Members and Cllr Hobson was elected as Vice Chair by 6 votes to 5.

4 Chief Executive's Update

A report was circulated from the Group Chief Executive giving the Committee an update on developments within the Combined Authority since the last meeting.

The detail of the report was noted and Members asked questions regarding the following areas:

Culture - it was questioned whether we have fully abandoned all intention of bidding for the City of Culture and if so what approach is being taken to ensure that culture activities are in line with the Investment Plan. It was advised that it is still unknown if City of Culture is going ahead nationally as there have been no updates on this. The Mayor has set up a Culture Task Group, which is being led by Annabel Turpin as LEP Member for culture, to work with the culture sector as well as TVCA Officers and the Portfolio holder on a cohesive plan. We anticipate that the full Culture Programme will be signed off in Autumn. The current intention is that this will connect to 5 smaller Local Authority plans but this may change as we make amendments in response to the Covid outbreak.

Careers Education - The Committee requested information regarding the schools that have been chosen to receive intensive careers support over two years. Specifically, which 12 schools are they and how are they distributed across the 5 authorities. This information will be provided following the meeting.

Emergency travel fund – It was questioned how the distribution of this was worked out. A response will be provided following the meeting.

E-Scooters - We have not had a full briefing with regards to the success of this trial. There were a few teething troubles regarding security but these are now resolved. This is a National pilot and is not funded by TVCA so we are not managing it directly. Once we have a detailed overview of the pilot this will be

shared.

Resolved that the details of the report are noted.

5 Education, Employment & Skills Portfolio Update: Cllr Bob Cook

Education, Employment & Skills Portfolio Update: Cllr Bob Cook

A report was circulated providing an update on the progress made in delivering the Education Employment and Skills Strategy; 'Inspiring Our Future' (2018-21)

The Committee asked questions regarding the following areas:

Amazon - It was confirmed that both of the NE Amazon sites will be equipped with advanced Amazon Robotics technology but this will not affect the level of employment of staff. The breakdown of how many of the 1000 staff employed are from Tees Valley and how many are from outside of this area will be provided following the meeting.

RTW - A concern was raised regarding the support to be offered to people whose jobs have been affected by Covid 19 and whether this will then prevent those who are further away from the workplace ever finding employment. It was explained that TVCA are working closely with DWP and Job Centre Plus to maximise the resources announced nationally and we are looking at how we use the good practice from RTW to address the needs of local people to find work following the impact of Covid 19.

Employability Support Programme Mapping - More detail was requested as to how this will be carried out and how any emerging gaps will be filled. It was advised that we are working closely with Government departments to ensure that all necessary funding is kept moving forward. The mapping to date shows that many projects have been extended and funding has been increased where these projects have been successful. The gaps will begin to show when we get into 2023 so we are already preparing for that now.

Impact of Covid 19 - It was questioned when the mentioned "Economic Recovery Plan" will be presented to Cabinet and published. It was explained that the recovery plan is a wider plan that will cover the short, medium and long term impact on the Tees Valley and allow us to make the appropriate interventions. It is a very large piece of work and has been carried out with consultations with Local Authorities and businesses. The short term responses are already happening through the emergency response funds and it is crucial that we get the response to the medium and long term impact right. The plan is close to completion and will be shared with the Committee once finalised.

Tees Valley Careers Hub - It was noted that the TV Hub is the best performing hub nationally. How is this measured and what sets us apart from the others. It was advised that this is measured using the Gatsby benchmarks, which is a national set of criteria that are audited against. The EES Strategy and Careers funding allowed £3m for careers education in schools. We have worked with every school and every education establishment and they have all engaged with us. There are very few LEP areas that have all establishments engaged in their hub. We have an ambition to move into the primary sector with Careers advice.

Covid has unfortunately prevented this from happening as of yet but money has been kept aside to do this as soon as we are able.

Resolved that the Portfolio update is noted.

6 Local Enterprise Partnership Portfolio Update: Paul Booth OBE

A report was provided to the Committee on activity relating to the Tees Valley Local Enterprise Partnership (LEP) over the past year.

Resolved that the Portfolio update is noted

7 Teesside International Airport Update

A report was circulated updating Members on significant recent developments at Teesside International Airport Limited.

The Committee expressed disappointment with the lack of detail made available to them in the report and concerns were raised that scrutiny was not able to be fully carried out due to lack of available information.

TVCA have committed to share the airport accounts annually and these will be published when they are finalised. There has been a delay to this due to Covid. The Annual Business Plan is also delayed for the same reason. The airport is still operating in accordance with the allocation granted to it by Cabinet in January 2019 and performance pre Covid was in line with the Business Plan. Once the updated information is available this will be shared with the Committee.

Regarding domestic flights, there was not enough opportunity to build these up significantly before Covid caused them to be halted. The newly introduced Newquay flight is going really well and additional flights have been put on due to this success. Most other routes however are only just restarting.

We have commissioned consultants to do work surrounding the reopening of the railway station. That has started but we don't have a date yet. They are currently looking at feasibility and drawing up plans. The reopening of the station is part of TVCA Strategic Rail Investment. The station there is not owned by the airport it just happens to be adjacent to it. We have committed to develop this and all other stations within our routes.

Management of the airport is carried out by the staff working at the airport as they are experts in their field. They make the day to day decisions. TVCA provide the financial envelope which allows them to operate. This is what was signed off by Cabinet. The airport Business Plan and financial results are updated every year and are to be shared once available. Strategic decisions are taken by airport management not by TVCA. In terms of Governance TVCA has reps on the airport Board, as do the 5 Local Authorities. These Board members are provided with updates as appropriate.

The South side development has been funded via a loan, signed off by Cabinet, which will be repaid by investors coming to the site.

It was advised that the Local Authorities will not pick up costs if anything should go wrong in relation to the airport. In fact this is the case for any TVCA commercial investment as these are funded directly from Central Government.

The Chair expressed that the Committee are frustrated with regard to the situation with the Airport and requested that a meeting be arranged to give clarity around the Committee's role in scrutinising this moving forward.

Resolved that the report is noted.

8 Delegated Decisions Report

A report was circulated detailing the Delegated Decisions signed off by the Combined Authority between June 2020 and August 2020.

A question was raised regarding the DD for the Steel Heritage project. Cllr Jeffrey questioned who was consulted with regard to this as the document states it was the "Chair of the taskforce" but as the Taskforce is no longer in place and therefore there is no current Chair. A response to this will be provided following the meeting.

Resolved that the report is noted.

9 Meetings and Forward Plan

The Chair advised that she will meet with the new Vice Chair and look at the Forward Plan for the Committee for the forthcoming year.

Committee Members were asked to put forward the names of their substitute members if they have not done so already.

AGENDA ITEM 4**REPORT TO THE OVERVIEW & SCRUTINY COMMITTEE****12 NOVEMBER 2020****REPORT OF PORTFOLIO HOLDER FOR BUSINESS GROWTH****BUSINESS GROWTH PORTFOLIO UPDATE: MAYOR ANDY PRESTON****SUMMARY**

This report provides an update on the progress made in delivering the £35m Business Growth Programme as approved by Cabinet at its meeting on 25 October 2019. The programme is fully aligned with the Tees Valley Combined Authority Investment Plan 2019-2029.

The plan set out a number of key activities

1. Establish a new Business Gateway service to provide local businesses with a single point of contact for business support, funding and finance options. The gateway is available to all businesses regardless of business size, sector or nature of need. Budget is £2.3m over 10 years
2. Establish a £20m flexible fund to provide capital grants and working capital loans to business.
3. Allocate £11m of funding to future business support programmes, replacing current EU funded business support services.
4. Establish a £1.7m budget to support inward investment activities, over the 10 year investment period, events and business intelligence.

Implementation Update

The aim of the programme is to:

- a. Support the growth of Tees Valley companies,
- b. Create jobs,
- c. Make accessing business support as easy as possible.

The first year of delivery has been undertaken during a period of significant economic challenge. The programme has reacted to the COVID crisis and delivered additional central government support where possible. Despite the pandemic, the programme remains on track to meet its main objectives and demand for business support services remains strong.

Business Gateway

The programme has established a central support function (The Business Gateway) which provides companies easy access to support services through one central location, bringing together the different types of support traditionally delivered as discrete projects across the region. Support is provided via a website, email portal, telephone and directly through business advisors.

The services provided by the previous Business Compass project have been successfully transitioned into the new Gateway and all new support services will be delivered through the Gateway.

Funding.

Traditionally, business support services in the Tees Valley has been delivered through discrete pots and some of the current funding available in the Tees Valley remains tied to specific funding rules.

Business growth support for SME's (Small and Medium Enterprises) is currently funded through a £14.65m ERDF (European Regional Development Fund) programme launched in July 2020. This fund replaces the Business Compass fund. The amount of funding for the project was increased due to COVID to allow for a higher grant support level of 55% (increased from 33% under the Business Compass scheme)

In addition, £1.97m ERDF funding has been secured for an SME Energy Efficiency Scheme. (Due to launch Nov 2020).

The TVCA business support funds are focused on larger grants (above £50k), to date nearly £6m of capital support grants have been allocated with an additional £5m under discussion. All these projects are linked to job creation.

COVID 19

COVID 19 has had a significant impact on the local economy, however demand for business growth support has remained strong, especially for grants to support capital projects.

The Gateway has supported the delivery of a number of COVID specific support funds namely:

- Apprenticeship Grants
- Welcome Back Fund
- Back to Business Funds: Visitor Economy Wider Economy

And will support the delivery of:

- Kickstart scheme
- Culture Development and Innovation Fund
- Peer to Peer Programme

DETAIL

This report is structured as follows:

IMPLEMENTING THE £35M BUSINESS GROWTH PROGRAMME (paras 1 to 30)

Establishing a new Business Gateway service
Establishing a new £20m flexible fund: The Tees Valley Business Fund
Supporting future business support programmes
Establishing a programme of inward investment support

SUPPORT TO BUSINESS DURING THE COVID PANDEMIC (paras 31 to 63)

Apprenticeship Grants
Welcome Back Fund
Back to Business Funds: Visitor Economy Wider Economy
Kickstart scheme
Culture Development and Innovation Fund
Peer to Peer Programme

BUSINESS SUPPORT DURING EU EXIT (paras 64 to 71)

ADDITIONAL FUNDS SECURED (paras 72 to 79)

Tees Valley Business Growth Fund
Tees Valley SME Energy Efficiency Scheme

APPENDICES

IMPLEMENTING THE £35M BUSINESS GROWTH PROGRAMME

Establishing a new Business Gateway service

1. Local Enterprise Partnerships across the country offer a Growth Hub service with a broad remit to link businesses to appropriate support to help enable their growth plans.
2. Since the beginning of 2017 the Combined Authority had subcontracted part of its Growth Hub service to Umi (Formerly BE Group) under an ERDF funded programme branded as Business Compass. Business Compass incorporated a core team of Growth Advisors, providing triage and signposting for businesses to appropriate support and providing ERDF grant for capital and revenue business growth projects. Support (advisory and grant) was restricted to ERDF eligible SME businesses.
3. Alongside the Business Compass service, the Combined Authority continued to provide business support in a number of ways including access to finance, skills and workforce development, and inward investment enquiry handling.
4. Over the 2017-2019 delivery period the Business Compass service had a significant impact, advising and signposting c1,400 businesses with 535 of these accessing a £7m grant pot. The programme leveraged £14m of additional private sector investment and led to a net employment increase in supported entities of 750 jobs.
5. In October 2019 it was agreed by Cabinet that going forward the business advice and support aspects of this service should be brought in-house, and the offer would be widened in scope to form the Business Gateway. The new Business Gateway service would provide a single access point to the full range of business support that is available to Tees Valley businesses. The new Business Gateway would provide information and brokerage into specific programmes of support based on a tailored needs assessment, supporting businesses as they move forward through their development journey.
6. The new gateway would incorporate and enhance Growth Hub activities currently funded by BEIS. The core Business Gateway service would act as TVCA's interface with the business community providing a link between businesses and external providers of support (both public and private sector) and simplifying the process of accessing support.
7. The benefit of an in-house delivery model, separated from ERDF funding, was to increase flexibility to respond to emerging market needs/strategic priorities and to allow advice and support to be offered to all businesses regardless of ERDF eligibility criteria. Thus, widening the reach and impact of the service.
8. Cabinet approved an investment of £2.3m for the new Business Gateway service, which together with £2.2m received as grant from BEIS for growth hub activity would provide a £0.5m per annum budget.
9. Following approval of the Business Growth Programme implementation plans for the new service were prepared. By bringing the service in-house the aim was to provide TVCA with greater control, ensuring a renewed focus on an impartial IDB business support service, and affording the Combined Authority greater flexibility to respond to new economic opportunities and threats, through direct management of the business growth service and advisor team. The new gateway service was envisaged as a small core team of Business Advisors employed directly by TVCA, supported by a significant online service offering. The service would diagnose the support needs of businesses, before signposting them to the most appropriate source of support (provided by TVCA).

directly or by another public or private provider in the wider business support market) and supporting each business through the process.

10. Following Cabinet approval in October 2019 significant work was undertaken on preparing a detailed and robust implementation plan. The implementation plan was finalised in March 2020 and was designed to meet the following core objectives and focus of the service:
 - To support Tees Valley businesses of all sizes, sectors and stages to grow and develop.
 - To deliver maximum impact on the growth of Tees Valley businesses through enhanced access to high quality business support.
 - To provide a single-entry point for Tees Valley businesses seeking support across the full spectrum (e.g. access to finance, business growth advice, start-up support, skills, innovation, exporting) from public sector providers as well as private, commercial organisations (e.g. accountants, lawyers, finance providers).
 - To offer a single routeway into all TVCA business support and finance products, replacing and enhancing the previous Business Compass offer.
 - To provide a clear and simple process for businesses seeking support, through a new offer and brand aligned to and building upon the current TVCA support.
 - To engage businesses in support via an enhanced, streamlined digital offer / website plus a small Business Advisor team, adding value to established engagement networks (e.g. local authorities; business networks; other business support providers).
 - To provide a customer experience focused primarily online, with supplementary support from a small team of Business Advisors where needed.
 - To provide TVCA with greater control and flexibility, including responding to new economic opportunities and threats, through direct management of the business growth service and advisor team.
 - To provide a renewed focus on impartial information, diagnostic and brokerage enabling TVCA to understand businesses' needs and signpost to appropriate sources of support. However, it is important that the diagnostic is optional and does not create a barrier to access for businesses that prefer to search for information independently.
 - To gather data on the characteristics and support needs of businesses accessing the service, the support they go on to use, and the impact on the business. To enable reporting on this data via a CRM to ensure support is designed and targeted based on business intelligence.

It was also essential that the implementation plan was capable of delivering the objectives within certain defined parameters and constraints, including:

- The solution must meet BEIS's requirements relating to core Growth Hub funding. This includes requirements of the annual and bi-annual reviews, which include reporting on progress against objectives, grant spend position and

progress against key performance outcomes (e.g. number of businesses accessing light touch support, IDB and intensive support; and turnover and FTE numbers for businesses supported).

- The service will be linked and will provide access to a range of externally funded business support (including ERDF, Tees Valley Business Fund, and others). Therefore, the plan must be consistent with the requirements of funders, including data capture and eligibility issues.
 - Where businesses use the service to source and apply for non-TVCA funded services there will be barriers, time and costs associated with accessing and sharing data collected on businesses. Consideration would therefore be needed as to what is feasible in terms of data sharing within budget and within the parameters of data protection legislation.
 - This Implementation Plan would need to be shared with the appointed web developers to explore further the costs associated with the proposed solution and what is affordable within the constraints of the available budget.
11. To understand the potential market for the business gateway service a review was undertaken to assess the size and composition of the market, including the number and size of businesses in Tees Valley and the sectors in which they operate. We also reviewed the performance of the Business Compass service to date in engaging with and supporting businesses, as well as the performance of other Growth Hubs in England, in order to assess the potential scale of demand for the Tees Valley business gateway service. **Appendix 1** summarises this analysis. This analysis provided an excellent evidence base for implementing the new gateway service, supporting the detailed structure and resourcing plans.
12. In implementing the plans, it was important to learn from other Growth Hubs where possible. The key findings from the review of other Growth Hubs had a number of implications for the design of the Tees Valley gateway service. In particular the findings informed the proposed customer journey and website design. A summary of the review of other growth hubs is set out in **Appendix 2**.
13. In delivering the new gateway service we designed five core elements:
- Diagnostic: Outlining different options for businesses to interact with the service, identifying their characteristics, interests and support needs, improving their service experience, and capturing valuable data for the CRM system (see **Appendix 3**).
 - Customer journey: Identifying the different stages of the customer journey and how this impacts the design of the gateway website and service offer (see **Appendix 4**).
 - Website: How the customer journey will be embedded into the digital offer via the website, which provides the front door to the service (see **Appendix 5**).
 - Business support offer: Outlining the products and services that will be accessed via the gateway and how businesses will use the service to find the support that is relevant to their needs (see **Appendix 6**).
 - Key stakeholders and influencers: Defining the different stakeholder groups with an interest in the gateway service, and how it will engage and develop relationships with these groups (see **Appendix 7**).

14. To ensure the gateway service has the correct supporting infrastructure and resources plans have been prepared for:
- The structure and composition of the gateway team (see **Appendix 8**);
 - The management and governance arrangements (see **Appendix 9**);
 - Marketing and communications activity (see **Appendix 10**), and;
 - The CRM system (see **Appendix 11**).
15. Following extensive preparatory work, by March 2020 we had a robust and detailed implementation plan in place for the new business gateway service. However, the delivery of the plan was about to be impacted by a unique and unforeseen situation in the coronavirus pandemic, with capacity and resources re-directed towards dealing with the impact it was having on businesses and the economy. Whilst during the last six months we have not progressed with our new gateway service implementation as much as we had planned, we have still made significant progress:
- Importantly we have fully established the business gateway team. The recruitment of new staff whilst in full lockdown has not been without its challenges however the completion of the new team was completed on 1 July 2020. The implementation plan envisaged a team of 8 FTE, however we needed to adapt to a broadening remit and increasing workload.
 - As a result, we have a team of 11 FTE.
 - A significant increase in business enquires has required us to increase the capacity within the central support team from 2 to 3 FTE's. this has been driven in part by the launch of the Covid-related recovery funds.
 - The Business Advisors have also seen an increased workload, we created two new roles, training the team up to 5FTE's. One of the roles was filled by one of TVCA's recent apprentices, providing a progression opportunity.
 - In total the newly established team involved the appointment of four existing TVCA staff, the external appointment of three staff and the transfer from UMi of four staff.
 - We have re-branded the previous business gateway service from Business Compass to the new Tees Valley Business brand:

TEES VALLEY | BUSINESS ;

- In terms of governance the gateway service has held its first Business Growth Advisory Board as the new Tees Valley Business service. Attended by 25 stakeholder organisations including Local authorities, Business membership bodies, Business support providers, Intermediaries and Government departments the first meeting held 30 September 2020 provided an excellent opportunity to outline the plans and progress being made in establishing the new gateway service.

- Commenced with developing the specification for a new CRM aligned with the wider plans to develop an organisation wide CRM for TVCA group. In the interim we have secured the ongoing provision of the CRM that was utilised by UMi for the previous Business Compass. The implementation of a new CRM is a priority in the next six months as the interim arrangement will expire and the current CRM is limited in its suitability as it was geared towards ERDF grant management.

Establishing a new £20m flexible fund: The Tees Valley Business Fund

16. In October 2019 Cabinet approved a £20m investment to create a new 'flexible fund' to offer capital grants and provide working capital loans to business. It was agreed that £15m of this would be allocated from the 2019 to 2029 Investment Plan with the remaining £5m being taken from funds already approved to support business growth. It was anticipated that this level of funding would support delivery for around six years at current demand levels, generating private sector leverage of at least £2 for every pound invested.
17. Following approval work commenced on preparing the detailed operational arrangements for the fund. It was determined that the fund would provide capital grants, and in exceptional circumstances revenue grants, for services to businesses to undertaking capital investment projects leading to sustainable growth and the safeguarding or creation of employment. With a value of £20m, the fund would offer grants in support of eligible projects with an aid intensity in line with state aid intervention limits. The upper threshold for grant support has been agreed at £2m per project, typically grants awarded have been in the range £100,000-£300,000. The minimum grant awarded through this fund was agreed to be set at £50,000. Grant applications will be subject to full due diligence and scrutiny and agreement by a grants panel. It was agreed that the grant administration and due diligence would be externally procured.
18. The fund, named the Tees Valley Business Fund, went live during 2020 and despite the economic impact of Covid demand has proved to be very strong.
19. To date the fund has approved funding (subject to due diligence being finalised) for £6m of grant to 12 companies, supporting over £41m of capital investment into the area. These grants are conditional on the companies creating 427.5 new jobs and safeguarding 225 existing jobs. The average cost per job equates to £9,200 and the average grant intervention rate equates to 14.5% of capital expenditure, both metrics are well within the outputs agreed in the business case approving the fund.
20. On-going demand also remains strong with 10 companies completing expression of interest applications (EOI's) and expected to submit full applications over the coming weeks. The total grant ask associated with these EOIs is £5.115m against project expenditure of £28.419m. These projects are forecast to safeguard 64 existing jobs and create 505 new jobs in Tees Valley.
21. In addition, due to overwhelming demand for the Welcome Back Fund (see below) a further allocation of £305k was made available utilising the £20m flexible fund.

Supporting future business support programmes

22. It was agreed to maximise utilisation of ESIF resources through to the end of the current operational programme of funding in 2023. Beyond 2023, funding for business support activity will shift predominantly to Investment Plan resources and it was agreed that £11m is earmarked to support this activity in addition to any central government funding that may become available through the Shared Prosperity Fund.
23. A significant proportion of this £11m funding is aimed at enabling the continuation of support programmes when ESIF funding ends in 2023. Hence £8.6m of the allocation does not become available until 2023/24. The remaining £2.3m has varying levels of commitment to smaller initiatives including transitional growth fund grant (£750k), scale up support programmes (£600k), energy efficiency support (£253k) and a pot of £785k to provide match funding and contributions to deliver new emerging programmes of support across the 10 year investment plan period.

Establishing a programme of inward investment support

24. The Tees Valley has been a successful recipient of inward investment with over £1.7billion of private investment committed in the region since 2011. The Tees Valley Strategic Economic Plan identifies the need for targeted inward investment within high growth, internationally competitive key sectors such as chemicals, health, innovation, energy, advanced manufacturing, logistics, digital, creative and business and professional services.
25. Whilst the approach to date had been successful, it was agreed that a more proactive and expansive approach to all aspects of inward investment including marketing the region is developed to attract inward investment.
26. It was agreed that funding of £1.7million be made available for a period of up to five years to promote Tees Valley as a preferred location for inward investment. An Inward Investment Strategy and associated Marketing Plan outlining how this funding would be utilised is being agreed with our local authority and private sector partners.
27. The marketing activity will raise awareness of the region, its benefits and reasons to invest, work, live and learn within Tees Valley, and to visit it. It will augment other marketing communications activities and campaigns by the Combined Authority and partner organisations to assist with changing perceptions of Tees Valley and to promote it to national and international audiences.
28. The opportunity to promote the area through attendance at exhibitions is limited due to Covid 19. The team is however exploring alternate promotional methods and has engaged with the marketing team to initiate a marketing campaign through LinkedIn. Initially this will focus on the Life Sciences sector and following a review of this activity may be extended to other sectors. We continue to engage with the offshore wind sector through Energi Coast and taking part in Offshore Wind events, and in Life Sciences online 'virtual' conferences / exhibitions.
29. We continue to engage with DIT regarding High Potential Opportunities (HPO) and the HPO for the Composites sector is complete and has been circulated to overseas posts and presented in a webinar to them. This work and further engagement with DIT has led to Tees valley being significantly represented in a DIT's Advanced Materials proposition.
30. We are developing a further proposition to position the Tees Valley bioscience cluster ahead of international competition. The Tees Valley bioscience cluster is well

positioned to respond to current trends across the health, bioenergy and clean growth agendas covering bio-based production across five distinct segments:

- BioScience R&D (working across all segments & industries);
- Industrial Sciences – Chemicals & plastics;
- Industrial Sciences – Food & drink;
- Life Sciences/Healthcare – MedTech;
- Life Sciences/Healthcare – Pharma.

SUPPORT TO BUSINESS DURING THE COVID PANDEMIC

31. In its role as the lead regional agency for economic development, the Combined Authority immediately responded to the COVID-19 outbreak by analysing its potential economic impact; providing business support, signposting and advice; reporting business intelligence to government; and Economic Recovery Planning.

Building on the existing business support role, a 24/7 Business Support Helpline was established to act as a single point of contact for Tees Valley companies and individuals in relation to COVID-19 and the support available to them. By the end of May 2020 almost 1500 enquiries had been received.

32. Also launched was the Buy Local Tees Valley website to connect local people with businesses and tradespeople that have remained open, or are operating differently, during the outbreak. By the end of May 2020 over 500 businesses had registered.
33. Other activity included: Surveying almost 1000 businesses to enable us to understand in detail the effects the pandemic has had and may continue to have on Tees Valley businesses and the short, medium and long-term support they need; Shortening payment terms from the normal 30-day process, to ensure companies in the private sector are paid as soon as possible; Purchasing 100,000 bottles of hand sanitiser for distribution across the region and distributing to care workers, schools, charities, community groups, social workers and other at risk key workers with the help of our local authorities; a call to regional businesses to donate unused or excess personal protective equipment (PPE) to frontline hospital and healthcare staff.
34. Alongside this a number of specific programmes of support, aimed at businesses affected by the pandemic, have been successfully launched by, and through, the newly established business gateway.

Apprenticeship Grants

35. In June 2020 a £1m fund was launched to support apprenticeships by funding the wages of more than 100 apprentices to encourage businesses to create role as part of their coronavirus response. The aim was to reverse the decline in apprenticeship creation as a result of the coronavirus pandemic. The funding would provide 100 per cent of the apprentices' wages in their first six months of employment, and 50 per cent for the remainder of the apprenticeship, up to a maximum of two years. It was intended that the fund would provide an incentive to businesses and sectors which have been worst hit by the coronavirus to create at least 100 new apprenticeships for 16-20-year-olds, as well as boosting youth employment across the Tees Valley.

36. As of October 2020, 155 applications had been received with 105 approved for funding. The grant is now closed to new applications.

Welcome Back Fund

37. On 25 June 2020 the Welcome Back Fund was launched. The Welcome Back Fund was established to support small and medium-sized businesses in the leisure, culture and tourism sectors that had reopened or were seeking to reopen on 4 July following the coronavirus pandemic.
38. Businesses that met the eligibility criteria could apply for a one-off grant of between £500 and £1,500 from a pot of £250,000 to help them relaunch on or ahead of 4 July.
39. The funding could be used to help businesses to make changes to the way they work to accommodate customers after the lockdown, including funding safety measures such as screens and adding floor markings at sanitisation points on their premises. The fund could also help businesses promote their reopening and help to ensure they meet the 'We're Good To Go' national tourism industry standards announced by Visit Britain.
40. The fund formed part of a £1million programme to bring more visitors to Tees Valley and to help firms in the tourism, leisure and culture industries to cater for them and adapt to the new realities of doing business.
41. Demand for the fund was been extremely high. Within 4 working days the fund was oversubscribed by 222% with 445 eligible EOIs received and a value of £556,141. It was expected that the vast majority of EOIs will progress to successful application and offer. As a consequence, it was agreed to top up the fund through the £35m Business Growth programme as agreed by Cabinet in October 2019.
42. To date the Welcome Back Fund has supported 328 businesses in the sector with grants awarded to the value of £428k. The fund is now closed to new applicants.

Back to Business Funds: Visitor Economy Wider Economy

43. During July 2020 we secured and launched two new funds under Back to Business. One specifically aimed at the visitor economy with total funding of £301k and one for wider economy businesses with £929k funding. The total value of the Back to Business Fund secured was £1.23m. With grants available to SMEs of £1,000 to £3,000 per application (to cover 100% of the cost) the funds provided SMEs with access to direct professional support, advice and guidance that many of our businesses required as a consequence of Covid.
44. It funded professional advice in supporting covid-19 business recovery and growth. Professional services and advice included HR, accountants, legal, financial, H&S, IT, digital and sector specialists. This list is not exhaustive with the advice supporting a range of business recovery and growth, for example:
 - Business planning and reshaping strategy e.g. pivoting to open up new areas of demand rapidly
 - Cashflow planning and debt finance
 - Human resources e.g. navigating HR policies, procedures and legislation
 - Legal
 - Digital and shifting to online trading

- Operations, including health and safety e.g. adapting customer journeys to reduce physical touch points (tech adoption) or delivering services in a socially distanced way
45. Across the Tees Valley we knew that we have a wealth of professional advisors that can provide the advice, support and guidance that many of our businesses require at this difficult time. We therefore worked with our professional sector across Tees Valley to pull together what they could offer. We launched on our business growth website 'Tees Valley Business' details of these advisors, which included contact details and a brief description of the type of professional advice and support they were able to offer on one to one basis to individual SMEs seeking to recover and grow from the Covid-19 impact.
 46. When launched the demand for both funds was significant and quickly oversubscribed. To date the visitor economy fund has awarded grants to 66 businesses to a total value of £180k. The wider economy fund has awarded grants to 160 businesses to a total value of £586k. In total grants have been awarded to 226 businesses to a value of £766k. Due to overwhelming demand when launched and the need to establish a reserve list of applicants it is anticipated that the remaining funding will be committed very soon.

Kickstart scheme

47. In September 2020, and as part of the government's Plan for Jobs, a new £2 billion Kickstart Scheme was launched to create hundreds of thousands of new, fully subsidised jobs for young people across the country.
48. The 6-month placements are open to those aged 16-24 who are claiming Universal Credit and at risk of long-term unemployment. There will also be extra funding to support young people to build their experience and help them move into sustained employment after they have completed their Kickstart funded job.
49. Employers receive funding for 100% of the relevant National Minimum Wage for 25 hours a week, plus associated employer National Insurance contributions and employer minimum auto-enrolment pension contributions.
50. To allow small and medium sized companies in the Tees Valley to access this support and create jobs, it was agreed that Tees Valley Business would act as the gateway to lodge applications on their behalf. As of 20 October 2020, 146 Tees Valley businesses had submitted an application to the Kickstart Scheme which has the potential to create employment opportunities for 481 young people. The aim is for Tees Valley to create more than 500 jobs for local people through the scheme.

Culture Development and Innovation Fund

51. In October 2020 we launched the £300,000 Cultural Development and Innovation Fund to help culture businesses adapt, innovate and diversify in the face of the ongoing coronavirus pandemic. Small and medium-sized businesses, alongside sole traders and freelancers were invited to apply for the fund to help them bring forward new ways of working to help them thrive in response to the outbreak. This could include developing new products, forging new partnerships, engaging with new markets or making use of new technologies to support growth in the culture sector.

52. Businesses focused on visual or performing arts, heritage, film and tv, music or literature are eligible to apply. Those with a turnover of more than £100,000 can apply for grants of up to £25,000 with those with a turnover of less than £100,000 eligible for grants of up to £10,000. Expressions of Interest for the fund closed on Friday 30 October 2020.

Peer to Peer Programme

53. In August 2020 we secured £360k of funding from BEIS for the peer networks programme. The SME Peer Network programme is a peer-to-peer networking programme for SME leaders that want to grow and develop their organisation for future success.
54. The funding provides for the delivery of 24 cohorts comprising 8 to 11 participants in each and supporting 264 Tees Valley businesses in total. It will create groups of individuals to work collaboratively through common business issues. Through interactive action learning, it will help with challenges, gain and reflect on valuable feedback and support businesses to put in place practical solutions. Businesses that seek external advice or undertake formal training are more likely to improve their overall performance, but many prefer to take advice from trusted sources when presented with external challenges and opportunities.
55. By completing Peer Networks, businesses will:
- Overcome business challenges and recognise and act on new opportunities
 - Build a trusted network of connections to support businesses now and in the future
 - Improve long-term personal and business performance
 - Explore alternative business models and new ways of working
56. The Peer Networks programme will be delivered through a series of high impact group sessions, with each cohort led by a trained facilitator. Action learning is an approach to problem solving and learning in groups to bring about change in individuals, teams, organisations and systems.
57. The programme involves 18 hours of action learning, fortnightly sessions of 2-3 hours with peer groups building towards a business-specific Positioning Plan, followed by an individualised coaching/mentoring session of 3.5 hours one-to-one support, advising on how to build and strengthen your business and improve overall performance.
58. For each cohort 9 hours of professional expert advice is available e.g. lawyers, accountants, digital experts, HR professionals, etc that as a group, can draw on for input and advice.
59. Topics could include but are not limited to:
- Finance
 - HR
 - Sales and Marketing
 - Adjusting to social distancing
 - Business Model Innovation
 - Change Management
 - Embedding formal management processes and systems
 - Digital (including adoption and implementation of technology, cyber security)
 - Use of data to drive value in the business
 - EU transition

- Net zero; and more; our expert facilitators will give you the flexibility to create a trusted support network that works for you.

60. Eligibility for the programme is available to any SME business that:

- Is trading in the Tees Valley area
- Has operated for at least one year
- Has at least five employees
- Has a turnover of at least £100,000
- Has an aspiration to improve

61. The programme is fully funded, which means there is no cost to business.

62. We are currently procuring delivery partners for the programme and expect to launch by late November / early December. We are also requesting expressions of interest from businesses to join the programme on our website at <https://www.teesvalleybusiness.com/peer-network-programme/>.

BUSINESS SUPPORT DURING EU EXIT

63. In October 2019 BEIS provided additional funding to support enhanced growth hub activity linked to the EU exit. In response TVCA took action to enhance engagement and profile raising for businesses which included:

- Digital Marketing Campaigns – in line with the 31st October deadline and government ‘get ready’ campaign it involved social media advertising and google ads paid advertising.
- EU Exit Team – from October 2019 to February 2020, a team of three people were tasked with gathering information around the actual and potential impacts of EU Exit and provide this information to MHCLG via a weekly return.

This information included an overview of the local economic impact of EU Exit on the region and more specifically, in relation to any cross-cutting themes that businesses were identifying which are inhibiting their readiness for EU Exit:

- Locations within the region with an underlying resilience issue such as productivity, income or skills;
- Any sectors that are particularly vulnerable, due to their exposure to EU trade;
- Specific information from businesses about potential issues associated with EU Exit;
- Information about any new investments or economic opportunities;
- Technical issues faced by businesses specific to certain sectors or geographic areas;
- Generalised attitudes towards EU Exit and levels of business preparedness, including any intelligence obtained from surveys, or public surveys published by business intermediaries and other organisations.

To collect this information the team attended numerous networking events in the Tees Valley, and they liaised with local businesses to discuss their preparations for leaving the EU. General support was available face to face, over the telephone and/or via email. The team also conducted one to one meetings with companies. In total the team attended 22 events and interacted with 265 businesses. Also, the total EU exit page views for the Tees Valley Combined Authority website and the gateway website was 3,451. More intensive 1-2-1 support was provided to 15 Tees Valley businesses to discuss in greater detail how leaving the EU would impact their business and work through an EU exit diagnostic preparation checklist.

The primary checklist questions were:

- Have they prepared for a no-deal exit?
- Do they employ any EU nationals?
- Do they trade with the EU?
- Have they forecast the impact on their working capital?
- Do they operate under EU regulations that are subject to change after EU exit?

64. In February 2020, when the Coronavirus pandemic had started to impact, the EU Exit team were stood down as support moved away from preparing for EU Exit to focus on supporting businesses through the COVID-19 crisis, and the subsequent national lockdown.
65. In September 2020 work was undertaken to prepare a further business support programme for Tees Valley businesses preparing for EU Exit. The work undertaken has included researching regional network contacts, political and legislative research, surveying Tees Valley businesses and analysis of the results.
66. The intended programme identifies the concerns of Tees Valley businesses; the potential impact of the changes; what support is already available; what additional support is needed; and how the support should be provided. It incorporates a proposed Engagement Strategy with local authorities, regional support providers and intermediaries, describing how we will engage with the partners and why we are proposing to do it that way.
67. The detailed plan outlines the proposed customer journey, showing how we will work with the Contact Centre, providing scripts to enable agents to respond to inbound enquiries, and providing access to more intensive 1-2-1 support from an EU Adviser to answer more complex questions and refer for specialist support. Similarly, outbound calls will target higher growth/higher risk Tees Valley businesses using the same approach.
68. Based on our research and findings, we plan an 'EU Transition information page' is added to the TVCA Website to ensure there is regional awareness of additional resources available through TVCA with links to useful guides/information and what support is available. To achieve this we have agreed, with the TVCA Comms team, how the process would work for content updates, approvals. Finally, we have incorporated our proposed Delivery Plan – that is the Programme of Support Activities to be made available to Tees Valley businesses to help them not only prepare but also to take advantage of potential opportunities that arise as we progress out of the EU Transition period, with the type and frequency of activities, based on the milestones we know currently exist and anticipated peaks in demand for support.

69. The support programme will be delivered in two phases. Combining awareness raising and direct business support Phase 1 will run from November 2020 through to January 2021 with a focus on preparedness and the transition itself. Continuing with awareness raising and direct business support Phase 2 will run February 2021 through to February 2022 with a focus on embedding post-EU Exit arrangements and maximising the opportunities of new trading arrangements.
70. In summary, the EU Exit programme of support will provide:
- Telephone support helpline;
 - 1-2-1 support from EU Exit Adviser;
 - Specialist advice, training & events;
 - Web page on the business gateway website and social media awareness raising.

ADDITIONAL FUNDS SECURED

Tees Valley Business Growth Fund

71. During the period 2017 to 2020 TVCA operated an ERDF funded business grant scheme, administered under the previous business compass arrangements. As previously stated, the ERDF funding had a significant impact, advising and signposting c1,400 businesses with 535 of these accessing a £7m grant pot. The programme leveraged £14m of additional private sector investment and led to a net employment increase in supported entities of 750 jobs.
72. During late 2019 and 2020 significant work has been undertaken on a replacement ERDF business grant scheme. In July 2020 we successfully secured and launched a new £14.65m ERDF supported grant programme for business growth, the Tees Valley Business Growth Fund. Importantly we managed to secure a significant improvement compared to the outgoing scheme as the grant intervention rate available to businesses is now 55% compared to the outgoing rate of only 33%. This is welcome especially in the current economic climate, making the new offer far more attractive to businesses.
73. To ensure it became available to Tees Valley businesses as soon as possible a contract extension arrangement was entered into with UMi to provide ongoing grant administration. This is an interim arrangement whilst we conclude an ongoing procurement exercise to appoint a grant administrator for the next three years. It enabled us to make the fund available to businesses from July 2020, which was important as there was significant pipeline demand.
74. The new business gateway team has achieved significant delivery on the new Business Growth Fund in the first quarter, with 224 expressions of interest received, 90 applications completed to a total project value of £3.1m and 14 grants awarded with a value of £341k (as of October 2020).

Tees Valley SME Energy Efficiency Scheme

75. Secured in September 2020, the scheme will provide capital grants to existing businesses designed to contribute towards the cost of capital investment works undertaken to reduce greenhouse gas emissions and to lower energy consumption, incorporating low and zero carbon technology measures, and to look at incorporating energy from renewable sources. Additionally, the scheme will provide advice and guidance to businesses.
76. ERDF funded, the scheme has a total value of £1.973m and will run November 2020 through to May 2023. It comprises a £500k grant pot that will provide grants of an average of £20,000 in support of eligible projects with an aid intensity of 45%.
77. The scheme will also provide advice and guidance to include:
- 15 written self-help guides
 - 15 self-help videos
 - 15 Energy information workshops – 1st workshop April 2021
 - 10 CPD accredited workshops
 - 96 Onsite support – 1st visit March 2021
78. All advice and guidance is provided free of charge under Di Minimis – di minimis eligibility must be evidenced and retained. The commissioning of external partner organisation/s to deliver the scheme is currently approaching conclusion and the successful provider/s will market the scheme using Tees Valley Business brand. Referrals will come from direct marketing and through Tees Valley Business. All referrals provided to Tees Valley Business for input into CRM.

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MARKET SIZE AND COMPOSITION

According to the most recent data¹, the total business base in Tees Valley is around 17,770 enterprises. SMEs account for the largest proportion of the total Tees Valley business base (99.5%) while businesses with 250+ employees, account for 0.5% of all enterprises.

By far the largest proportion of enterprises (88%) are micro-businesses, i.e. those with 0-9 employees; and businesses with 0-4 employees account for three quarters of the Tees Valley business base.

In total, there are around 17,680 SMEs in Tees Valley.

Table 1: SMEs by Tees Valley Local Authority (Nomis UK Business Counts – Jan 2020)

Local Authority	SMEs (no.)	SMEs (%)
Darlington	3,500	20%
Hartlepool	2,285	13%
Middlesbrough	3,305	19%
Redcar and Cleveland	3,145	18%
Stockton-on-Tees	5,445	31%
Total	17,680	100%

The Evidence Base for the Tees Valley Local Industrial Strategy² identifies a number of sectors that are key to the Tees Valley economy.

- **Established sectors:** Advanced manufacturing; chemicals and processing.
- **Developing sectors:** Clean energy; low carbon and hydrogen; digital; bioscience.
- **Strong support sectors:** Logistics; construction; business and professional services.

This is consistent with the Tees Valley Strategic Economic Plan³, which outlines a focus on ‘targeting support on Foreign Direct Investment and indigenous SMEs with high growth potential in internationally competitive key sectors such as chemicals, health innovation, energy and advanced manufacturing, whilst encouraging further diversification into new sectors and technologies (including logistics, digital & creative, culture & leisure and business & professional services).’

Data shows that these sectors account for a significant proportion of the business base in Tees Valley, with particularly high numbers in advanced manufacturing; professional and business services; creative, culture and leisure; and construction.

Table 2: Tees Valley businesses by size and industry

¹ Nomis Business Counts – enterprises by industry and employment size band, January 2020

² Tees Valley Local Industrial Strategy July 2019, Evidence Base Report

³ TVCA, Tees Valley Strategic Economic Plan 2016-2026

Industry	Total	Micro (0-9)	Small (10-49)	Medium (50-250)	Large (250+)
Advanced Manufacturing	2,790	2,665	90	25	5
Biologics	25	15	10	0	0
Chemical and Process	80	45	20	10	5
Construction	2,215	2,060	135	20	5
Creative, Culture & Leisure	2,415	1,980	385	40	10
Digital	750	700	45	5	0
Energy and Circular Economy	385	335	45	5	0
Healthcare	515	330	155	25	10
Logistics	950	800	115	25	10
Other manufacturing	415	320	75	20	0
Other private services	2,745	2,455	270	15	5
Other public services	625	405	125	70	20
Prof and Bus Services	2,840	2,595	185	50	10
Raw Materials and Agriculture	475	460	10	5	0
Total sectors	17,230	15,165	1,655	330	80

Source: Nomis Business Counts - Enterprises by industry and employment size band, September 2018

Potential demand

The most recent Business Compass evaluation⁴ forecast that by the project closure in March 2020 a total of 1,147 enterprises would receive Information, Diagnostic and Brokerage (IDB) support, which equates to around 7% of the Tees Valley SME business base. Of these, it is forecast that 375 businesses would receive more intensive support (equating to around 2% of Tees Valley SMEs); while 342 businesses would receive grants; and 45 new enterprises would be supported.

However, it should be noted that outputs in the early stages of the project were low and the highest proportion of business were engaged and supported in the later stages, once the Business Compass service was up and running and had achieved more recognition. Therefore, the three-year Business Compass figures may not provide an accurate guide to the typical annual scale of demand for business advice and support in Tees Valley.

A more accurate guide to potential annual demand may be the figures from the most recent Growth Hub Biannual Report⁵ submitted to BEIS in October 2019.

This report shows that, over the six-month period from April to September 2019, Business Compass delivered light touch information and signposting support to 303 businesses; medium intensity IDB support to 118 businesses; and high intensity support such as account management to 123 businesses. In addition, there were 5,732 unique visitors to the Growth Hub website.

As a guide to potential future demand for the gateway service, this would equate to the following **annual level of business engagement and support:**

⁴ TVCA, Business Compass Summative Assessment Report, March 2019 – add specialists

⁵Growth Hub Bi-Annual Report 2019-2020 (1st April 2019 – 30th September 2019) – TVCA, Business Compass

- **Light touch support** - 606 businesses per year, or 50 per month (60% of all supports).
- **Medium intensity IDB** - 236 businesses per year, or 20 per month (20% of all supports).
- **High intensity account management** - 246 businesses per year, or 20 per month (20% of all supports).
- **Total businesses supported (all intensity levels combined)** - Approximately **1,100 per year**, or 90 per month. This equates to a penetration rate of approximately 6% of the Tees Valley business base engaged and supported each year.
- **Website unique visitors** -11,464 per year or 955 per month.

High level analysis of the turnover and employment figures for these businesses shows that those receiving medium intensity IDB support tended to be smaller than the businesses accessing more intensive support. IDB recipients had an average annual turnover of £385k and employed an average of 6 FTEs; while businesses receiving high-intensity support had an average turnover of £1.58m and employed an average of 16 FTEs.

In estimating potential demand for the service, it should also be noted that the Business Compass support was largely restricted to ERDF eligible SME businesses, because it focused on the delivery of four grant pots. It is intended that the new service will be widened to allow advice and support to be offered to all businesses regardless of ERDF eligibility criteria. It is therefore expected that potential demand for the service will exceed that of the current Business Compass service.

A useful alternative approach to estimating potential demand is to look at the performance of other Growth Hubs in England via a review of evaluation reports. All of the Growth Hubs included in the analysis generally offer a combination of online support, telephone helpline, and advisor / consultancy support, which is available to all businesses in their local LEP area. Whilst the business base in each of these LEP areas tends to be higher than in Tees Valley (varying from 28k up to 156k), the data does provide a useful guide to the level of market penetration achieved by these Growth Hubs and the volume of businesses they support each year.

Website traffic

The annual volume of website traffic varies between Growth Hubs across the country and it is likely that performance is dependent on a range of factors, including the number of businesses in the LEP area, the level of marketing and promotional spend, and the length of time the Growth Hub has been established. There may also be differences in the way each website collects and processes web analytics data.

In some cases, the penetration rate (i.e. the number of unique users as a percentage of the total business base) is higher than 100% as the websites are also accessed by pre-start business as well as a wide range of other stakeholders. It is also likely that, in some cases, the websites have been accessed by multiple individuals from a single business.

Table 3: Growth Hubs - annual volume of website traffic

Growth Hub	Unique website users	Total business base	% penetration – website users
Heart of the South West	56,217	71,510	79%
Marches	42,246	30,780	137%
South East LEP	41,851	156,400	27%
SEMLEP	94,190	90,615	104%

West of England	30,892	45,010	69%
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Source: BEIS 18/19 Growth Hub biannual review reports and individual Growth Hub evaluation reports.

Based on the volume of traffic of other Growth Hubs, and taking a mid-point of the % penetration rates achieved (82%), the projected annual volume of unique visitors to the TVCA Growth Hub website from a total business base of 17,770 would be 14,571.

The Business Compass website achieved 5,732 unique visitors over the six-month period from April to September 2019, equating to an annual figure of 11,464. The new Growth Hub website will be more widely targeted at Tees Valley businesses, rather than focusing its marketing largely on specific ERDF funded grant schemes only. Therefore, this suggests that the mid-point forecast of 14.5k unique visitors to the new Growth Hub website could be a realistic estimate.

Business engagement

It is important to consider the number of businesses that can be expected to engage with the service each year, as this will determine the likely workload of the team (including the Central Team, as well as the Business Advisors) and the potential take up of TVCA's business support programmes.

For the purposes of this analysis, 'business engagement' is defined as businesses that enquire or register for support from the service, and then go on to receive some level of information, advice or support.

Different Growth Hubs across England adopt varying definitions of business engagement. However, for the purposes of this analysis, the BIS guidance⁶ on Growth Hub intervention levels has been used.

Table 4: Business engagement categories

Category	Description
Light touch	Interactions that don't consume significant dedicated resource, such as interaction at conferences and events, website traffic, telephone conversations and signposting.
Medium intensity	Interactions that use moderate Growth Hub resources, broadly aligned to the EU three-hour metric for IDB support.
High intensity	Interactions that require sustained support and significant Growth Hub resources, broadly aligned to the EU twelve-hour metric for Enterprise Support.

A review of the performance of other Growth Hubs indicates that, over the space of a year, they engaged and supported between 9% and 27% of their total business base.

Table 5: Growth Hubs – annual volume of businesses engaged and supported

Growth Hub	Businesses engaged and supported	Total business base	% penetration - businesses engaged and supported
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⁶ Monitoring and Evaluation Framework for Growth Hubs 2016-18, Department for Innovation, Business & Skills.

Gloucestershire	4,200	28,880	15%
Heart of the South West	6,606	71,510	9%
Marches	8,296	30,780	27%
SEMLEP	10,012	90,615	11%
West of England	5,059	45,010	11%

Source: BEIS 18/19 Growth Hub biannual review reports and individual Growth Hub evaluation reports

Based on the performance of other Growth Hubs, and taking a mid-point of the % penetration rates achieved (12% - excluding the 27% figure for Marches which appears to be an outlier) **the projected annual number of businesses engaged by the service from a total business base of 17,770 would be 2,100 per annum.** This encompasses businesses receiving light touch, medium, and high intensity support.

Based on research undertaken by the Centre for Enterprise and Economic Development Research (CEEDR) and BMG Research into barriers to the take up and use of business support, the Business Compass evaluation report⁷ suggests that “it is perhaps reasonable to only expect 20% of the business base to engage [with Business Compass over a three-year period]”. This would equate to engagement with around 1,185 businesses per year. However, with a wider offer and effective marketing, it is realistic to expect a higher level of engagement could be achieved by the new service.

Medium and high intensity support

Due to differences in Growth Hub delivery models, and the way in which outputs have been analysed and reported, it is not possible to provide a robust direct comparison of performance in the delivery of medium and high intensity support. However, as a broad guide, other Growth Hubs have delivered medium intensity support to between 1% and 5% of their business base annually, although most were at the lower end of this scale. Meanwhile, high intensity support is delivered to around 1% to 2% of the business base each year.

These benchmarks have been used as a guide to assess the potential demand for medium and high intensity support from the Tees Valley service, as follows:

- To estimate the annual volume of medium intensity supports (three-hours), we have applied the mid-point from other Growth Hubs of 3% to the total Tees Valley business base of 17,770. This results in an estimate of approximately **530 businesses receiving medium intensity support each year.**
- To estimate the annual volume of high intensity supports (twelve-hours), we have applied the mid-point from other Growth Hubs of 1.5% to the total Tees Valley business base of 17,770. This results in an estimate of approximately **260 businesses receiving medium intensity support each year.**

Light touch interactions

This refers to a range of interactions with businesses, such as clicks on web links, online enquiries, brief telephone conversations, signposting and provision of information. This activity has a relatively low impact on the time of Growth Hub staff. In the proposed model for the Tees Valley service, most of this support would be provided by the Central Team, with some

⁷ TVCA, Business Compass Summative Assessment Report, March 2019 – add specialists

additional telephone and signposting support from the Business Advisors where required to manage the volume of demand.

It has been assumed that all of the businesses engaged, who do not go on to receive medium intensity or high intensity support, will receive light touch interactions from the service. Based on a projected 2,100 total business engagements per year, with 530 receiving medium intensity support and 260 receiving high intensity support, this would equate to around **1,310 businesses per year accessing light touch interactions.**

The Business Compass service delivered 303 light touch interactions over the six-month period from April to September 2019, equating to an annual figure of 606 interactions. However, given the intended expansion of the service to a much wider audience across Tees Valley, a higher rate of light touch interactions should be achievable.

Overall projected demand

Based on the potential market penetration rates, and the engagement and support delivered by other Growth Hubs at each of the various intensity levels, the projected level of demand for support from the Tees Valley service is summarised below.

Table 5: Comparison of Business Compass performance and projected Business Growth Hub demand (per annum)

Type of interaction	Business Compass*	Business Growth Hub	TVCA Growth Hub delivery
Unique website visitors	11,464	14,571	-
Light touch support	606	1,310	To be delivered mainly by the Central Team (back-office), with some additional telephone and signposting support from the Business Advisors where needed to manage the volume of enquiries.
Medium intensity (up to 3 hours)	236	530	To be provided by the Business Advisors.
High intensity (up to 12 hours)	246	260	To be provided through a combination of businesses engaging in structured support programmes, as well as some intensive one-to-one support from the Business Advisors.
Total businesses engaged (per annum)	~1,100	~2,100	

*Projected annual figures based on Business Compass six-month performance from April to September 2019

These estimates are consistent with the logic of the proposed gateway service model. Overall, it is expected that there will be an increase (compared to the current Business Compass service) in the number of businesses visiting the website and the number engaged and supported, because the service will be targeting a broader business audience and will be providing the gateway to a much broader range of support products and services.

Impact on business gateway team

The model is based on the following key assumptions:

- The majority of the light touch support will be provided by the Central Team (back-office).
- The main focus of the Business Advisors' work will be on delivering the medium intensity support (up to 3 hours) which is IDB to help businesses understand and diagnose their support needs and to connect them with the appropriate support programmes.
- High intensity support will be provided through a combination of businesses engaging in a range of structured support programmes (delivered or funded by TVCA), as well as some intensive one-to-one support provided by the Business Advisors.

The implementation plan is based on a team of eight staff, including four full-time Business Advisors, two full-time staff in the Central Team, a full-time Business Growth Programme Manager, and a full-time Business Growth Manager.

Considering the **capacity of the Central Team**, while it is expected that the majority of the light-touch support will be accounted for by businesses accessing support and information via the Growth Hub website, there will be a need to manage and respond to direct telephone and email enquiries. It should be feasible for the two members of the Central Team to manage the expected level of activity, but there may be a need for the Business Advisors to provide some additional telephone and signposting support where the Central Team needs help to manage the volume of enquiries.

Considering the **capacity of the Business Advisors**, if a total of 530 businesses require medium intensity (IDB) support each year, this equates to approximately 11 businesses per Advisor per month, or 33 hours of direct support time per month per Advisor (based on three hours per business). If the maximum potential working hours per month for each Advisor is 150 (based on 37.5 hours per week x 4 weeks), the utilisation rate would be just 22%, which allows capacity for the Advisors to work on other tasks. This additional activity will include: providing intensive one-to-one support to some businesses (in addition to the time spent on structured support programmes); supporting the Central Team with enquiry handling / light-touch support as needed to manage peaks in demand; and spending time identifying and recruiting potential new business customers. All of this should be manageable for a team of four full-time Business Advisors, based on the total expected demand and the assumed allocation of responsibilities across the team.

The **Business Growth Programme Manager** will also be available to provide direct advice and support to some business, focusing on finance and funding advice. This will also help to manage any workload pressures on the Business Advisors.

The analysis suggests that the proposed team of eight staff (including four Business Advisors) should be sufficient to manage the expected level of demand. However, once the new service is established, it will be important to keep staff capacity under close review to ensure the team has the resources needed to provide a quality service at the volume demanded by the market.

Business characteristics and support needs

No analysis was available in the Business Compass summative evaluation report on the profile or needs of the businesses supported. However, a review of the available evaluation reports for other Growth Hubs⁸ identified some common themes.

Business size

⁸ Gloucestershire; Heart of the South West; Marches; and South East

- Micro businesses (0-9) accounted for between 51% and 90% of businesses engaged.
- Small businesses (10-49) accounted for between 10% and 31% of businesses engaged.
- Large businesses of 250+ employees accounted for fewer than 1% of all engagements.

These figures are consistent with the overall business base for all LEP areas, where large businesses account for around 0.4 of all businesses while micro and small businesses make up 98% of the total business base⁹.

Business sector

The business sectors that most commonly engage with and receive support from Growth Hubs are:

- Professional and business services.
- Manufacturing / advanced manufacturing / technology.
- Wholesale / retail.

Given that these sectors make up around 35% to 45% of the business base in each area, it is to be expected that they would account for a large proportion of the businesses supported. The picture in Tees Valley is consistent, where these three sectors combined account for around 44% of all businesses. There are:

- 3,205 manufacturing businesses (including advanced manufacturing and other manufacturing) accounting for 18% of the Tees Valley business base.
- 2,840 professional and business services firms, accounting for 16% of all businesses.
- 1,850 wholesale / retail businesses, which make up 10% of the business base.

The table below identifies Tees Valley's priority sectors, ranked by number of firms and share of the business base.

Table 7: Tees Valley priority sectors by size

Industry	No. of businesses	% of business base *
Prof and Bus Services	2,840	16.0%
Advanced Manufacturing	2,790	15.7%
Creative, Culture & Leisure	2,415	13.6%
Construction	2,215	12.5%
Logistics	950	5.3%
Digital	750	4.2%
Healthcare	515	2.9%
Energy and Circular Economy	385	2.2%
Chemical and Process	80	0.5%
Biologics	25	0.1%

⁹ Nomis, UK Business Counts – enterprises by industry and employment size band, January 2020

Source: Nomis Business Counts - Enterprises by Industry, September 2018

* Percentage is based on the total Tees Valley business base of 17,770

Based on the experience of other Growth Hubs, and the composition of the Tees Valley business base, the greatest level of demand can be expected from two of Tees Valley's priority sectors i.e. professional and business services, and advanced manufacturing. Combined there are 5,630 businesses in these two sectors, making up almost one third (31.7%) of the business base.

Businesses in construction, and creative & culture, are also likely to be important sources of demand.

However, other priority sectors, such as chemical & process, energy, and healthcare, are likely to account for a much lower proportion of demand for the service.

Business needs

When asked to identify their main reasons for engaging with a Growth Hub and seeking support, the most common reasons given were:

- Advice on how to **grow a business**.
- Help to **start a business**.
- Access to **funding**.

Other areas of support that businesses also frequently mentioned included skills and training; events and networking; sales and marketing; and digital.

Key messages

- The demand analysis suggests that **users of the gateway service will be predominantly micro businesses with 0-9 employees**. These businesses make up 88% of the Tees Valley business base, and account for between 51% and 90% of businesses engagements for other Growth Hubs.
- It is likely that **very few of the businesses seeking support will be large** i.e. those with 250+ employees. There are currently only around 90 businesses of this size in Tees Valley, and large businesses account for only 1% of businesses engagements for other Growth Hubs.
- Based on the analysis of Business Compass performance, as well as that of other Growth Hubs in England, it is estimated that the new Tees Valley business gateway could **engage around 2,100 businesses per year**.
- From these engagements, it is forecast that the service could deliver light touch interactions to around 1,300 businesses per year; **medium intensity support (up to 3 hours) to around 530 businesses per year**; and **high intensity support (up to 12 hours) to around 260 businesses per year**. Overall, the analysis suggests that the website could attract around **15,000 unique users per year**.
- Based on the activities of other Growth Hubs, it is likely that the businesses most likely to seek support will be from the **advanced manufacturing, professional and business services, and retail sectors**. Combined, these sectors account for around 44% of the Tees Valley business base.
- There are a number of other sectors that have been identified as priorities for the Tees Valley economy, and which it is likely that the gateway would wish to proactively target, including **chemicals and processing; health innovation; energy; logistics; digital and**

creative; and culture and leisure. Together, these sectors account for a further 29% of the business base in Tees Valley (around 5,100 businesses).

- The research suggests that businesses are **most likely to require support with business growth, business start-up and access to funding**. Other areas of support that businesses commonly seek from Growth Hubs include skills and training; events and networking; sales and marketing; and digital.

LEARNING FROM OTHER GROWTH HUBS

To inform the detailed design of the gateway service, we reviewed a number of other Growth Hub websites to identify any effective features and approaches in their digital offer and service design. We also reviewed a selection of Growth Hub evaluation reports to identify any business feedback and key learning that could inform the design process.

The following key findings from this review include: the design and functionality of Growth Hub websites; the delivery of both light touch and intensive support; the role of Growth Hubs in simplifying the business support offer; and marketing and promotion of Growth Hub services.

Growth Hub review

Website design and functionality

- Effective Growth Hub websites focus on being user-friendly, with self-help tools that enable users to quickly find information that is relevant to their business interests and easily access the support available. For some businesses this can offer the quick and convenient 'self-service' model they require, while for others it can be an effective route into more comprehensive support.
- Given that many businesses simply use a Growth Hub website to search for information, it can be challenging to capture information on who is using it, why, and what proportion of the local business base is aware of and engaging with the Hub. To address this, many Hubs offer additional tools such as online enquiry forms and sign ups to e-newsletters to capture information on service users.
- Top level menus include the types of support most requested by businesses accessing the hubs. There is some variance across different hubs in terms of the main themes highlighted in top level menus, but the most common are business start-up; business growth; and access to finance / funding. Where websites offer more extensive top-level menus, topics commonly include people and skills; innovation; and export.
- Businesses also frequently want information on events and all websites have some form of events page / calendar that is regularly updated by Growth Hub staff. In some cases, partners can also upload information on upcoming events and are encouraged to do so as widely as possible. Some sites have events categorised and / or include options to search or filter by event location or type, for example networking, conferences, workshops etc.
- A number of websites also have provider / programme directories that can be filtered to enable businesses to search by type of support / location / business size / sector / business objectives. Some, such as West of England Growth Hub, enable businesses to access tailored recommendations by completing and submitting a basic information form. This offers an additional opportunity for the Hub to capture information on who is using its website.

Light touch support

- Websites generally provide contacts for Growth Hub advisors to enable businesses to access further support and information. Most commonly this is a combination of email address, telephone number and online enquiry form. Some also offer a live chat function, which can offer an effective initial point of contact and engagement with businesses. This type of function is often provided as an automated 'Internet bot' responding to frequently asked questions. However, the costs of establishing such a system are currently unknown and quotes would need to be sought from specialist software developers.
- Business feedback in the Heart of the South West Growth Hub evaluation indicates that there is a strong preference among businesses to access information about support programmes, events, latest news and support providers online (via website, email or online chat). Meanwhile, for 1-to-1 business reviews and advice on starting or growing a business, there is a strong preference for face-to-face engagement.
- Where businesses are referred on to external providers, there should be some mechanism for following-up the outcome of this referral. For example, feedback from the provider on progress and results, or referral back to the Growth Hub once support is complete to ensure a full 'wrap around' service.

Intensive support

- This strand of service delivery is the most resource intensive, therefore there needs to be a way of segmenting, targeting and prioritising businesses who can access this support.
- The most common ways of targeting intensive support are focusing on specific sectors that are key to the local economy and / or prioritising businesses with growth potential. In the case of the Heart of the South West Growth Hub, intensive advisor support is focused on sectors that are not eligible for ERDF support programmes.
- In addition to Growth Hub Business Advisors, some services (e.g. HotSW) have access to a pool of external consultants who specialise in thematic areas.

Simplifying the support offer

- Simplifying the business support offer can be challenging for Growth Hubs to a certain extent, as they do not control the supply of business support provision. However, where they can have a significant impact is in providing a single entry route that clearly identifies the full range of support on offer; makes it easy for businesses to find support that is relevant to their needs; and provides a simple route to access / apply for that support.
- An effective way to do this can be to package baskets of support, for example help for start-ups, scale-ups, businesses seeking finance and funding.
- To effectively fulfil the function of being a single, simple point of access to support, it is important that businesses feel confident the Growth Hubs are keeping on top of what is available and updating their websites regularly.
- Feedback from businesses in evaluation reports indicates that they value both knowledge and impartiality from Growth Hubs, i.e. that the Hubs have an extensive and comprehensive knowledge of the full business support offer; and are impartial in making recommendations and referrals to this support.
- The service offer of Growth Hubs should be needs-led rather than product-led, i.e. informed by information on business needs from research and business surveys. This intelligence should be used to inform strategy and support simplification of the offer.

Marketing and promotion

- Evaluations indicate that businesses commonly found out about their local Growth Hub from their own business networks and contacts; via events and networking; or by being referred by another organisation or advisor. Businesses tend to value information and advice from trusted people they know, therefore these word-of-mouth recommendations can be a very effective way to engage businesses.
- However, it was also suggested that there are potentially many businesses missing out on Growth Hub support because they are not actively engaged in networking or social media. Other approaches may be required to reach these businesses, for example face-to-face contact at specific venues such as business parks; mailings; radio ads; and general on-the-ground visibility.

Key implications for gateway service design

The key findings from the review of other Growth Hubs has a number of implications for the design of the Tees Valley gateway service, as outlined below. In particular these findings have informed the proposed customer journey and website design.

- The website home page should include a simple top-level menu consisting of topics of support businesses are most likely to be searching for (start-up, business growth, finance, people, networking and events). It should also inform businesses how to contact the Growth Hub team direct to get more help from an advisor.
- At each level, wherever a user is within the website, there should be a quick link to contact information so businesses can easily access further help from an advisor.
- Businesses should be given a range of options for contacting the service to access further support, depending on their personal preference, such as email, phone, or online live chat.
- There should be opportunities to capture data on businesses at different points of the customer journey. This will support the longer-term development of relationships with businesses, as well as providing vital intelligence on business needs and how they use the Growth Hub support. For example, sign up to a newsletter; a high level registration form that enables users to tailor searches to their business needs; or a more detailed diagnostic that enables more intensive support needs to be identified.
- High level menu items should provide access to more comprehensive information on the range of products, services and interventions available within each high level topic. As well as providing at-a-glance information on the main and most popular support options currently available, these pages should also enable businesses to refine and filter their searches based on different criteria such as business characteristics, product type or specific needs.
- For each product, service and intervention listed on the website, there should be clear and simple information on what it is, to enable businesses to quickly assess whether it is relevant to their needs. There should also be web links and information on how to access the support.
- The website should include an events page with a regularly updated, live calendar of upcoming events such as networking events, workshops, briefings and business awards.
- A dedicated partners area on the website can help with strategic relationship building and can be used to encourage partners to share information about products, services and events, as well as providing feedback to enable more effective tracking of businesses.
- The following Growth Hubs were identified during the review as being good examples of user friendly, simple to navigate and visually appealing websites.

- www.marchesgrowthhub.co.uk
- www.northeastgrowthhub.co.uk
- www.semlepgrowthhub.com
- www.scrgrowthhub.co.uk

DIAGNOSTIC

Rationale

In delivering the business gateway service, it is important to capture as much information as possible to understand who is using the service, how and why they are using it, and whether it is meeting their needs. Gathering this data will not only enable TVCA to monitor performance of the Growth Hub against targets, it will also help to inform marketing and promotional activity and ongoing service design and improvements.

However, it is also essential that the way in which information is captured does not create barriers to businesses using the service or accessing support. Indeed, where there are options for businesses to interact and provide data, it should be used to improve and enhance their user experience.

Each stage of the customer journey described in the Implementation Plan offers data capture points and opportunities to drill into the companies interests. For ease of understanding, we have used the generic term 'diagnostic' in our descriptions of these various levels of registering company information. However, it is not expected that this terminology will be used when describing or delivering the service to its end users.

Key assumptions

There are a number of assumptions underpinning the diagnostics that have been built into the customer journey.

- The diagnostics will be driven from an individual rather than a company perspective as this allows multiple contacts at a company to register on the website.
- An individual creating an account cannot overwrite any core company information stored in the CRM.
- The CRM and back office functions of the website will group together company data from individual entries.
- A typical business customer will want a simple website functionality that delivers to them a suite of suitable support products based on the information that has been input by them on their company at the registration stage, and that as an individual progresses through the various levels of the website there are opportunities for auto-population of fields from recorded account data.
- Not every business customer will want to sign up, nor will every business customer want to sign up on first accessing the site. They may wish to browse and register later on in the process. To this end we have identified multiple prompts in the customer journey for registration.

Four levels of diagnostic

We have identified four levels of diagnostic that have been built into the customer journey and website design.

Registration/Sign up (Level 1 diagnostic)

This is a relatively simple account creation process requiring as little as the individual's name and email address that would, for example, enable them to subscribe to a newsletter or regular updates. There would also be the option to add additional details such as company name, address and postcode, sector, size of company, and main support interests. Capturing this

data early in the journey will allow transfer of data to the TVCA CRM and will enable recommendations of products or services that are relevant to the business. It should also save the customer from having to re-enter their details when revisiting the site, provided they have signed into their account.

Product diagnostic (Level 2 diagnostic)

This diagnostic sits with a specific product or service that a customer is interested in, for example there may be an application form to fill in for a specific business loan fund. More detailed information is usually required for this such as the company's SIC code and company number, annual revenues, and growth projections. The information required here is heavily determined by the support provider's own requirements and the source/s of funding for the support (e.g. ERDF). If the provider is TVCA, the application form will provide full data to be transferred appropriately into TVCA's CRM systems. It may also be possible to auto-populate sections of the application form with data already stored for registered users. If the provider is external to TVCA, the information will be entered into the provider's website or CRM and TVCA will not have access to this. See Appendix 1b for example Level 2 diagnostic.

Survey on exit (Level 3 diagnostic)

If an account is set up by the customer (Level 1 diagnostic), as they exit the website there will be a chance to complete a short survey. The purpose of this survey will be to capture additional information and views from the company as to whether they found the support they were looking for and if further assistance may be required. The survey is also an opportunity to identify the company's views on aspects of business support available to them, which will assist TVCA to shape future business support in the Tees Valley. It may, therefore, be used at different times to gather feedback on a specific aspect of business support.

To ensure that website users have to exit the Business Growth Hub website, thereby generating the exit survey prompt, it is vital that any links to external provider products and services always open in a new web page. In addition, when a customer has completed an exit survey, this should be recorded (either via the website or the CRM) to ensure they are not requested to complete the same survey multiple times.

Business Diagnostic (Level 4 diagnostic)

The final diagnostic is the template used by Business Advisors when meeting companies face-to-face or conducting a telephone meeting. The purpose of this diagnostic is to explore longer-term plans for the business and significant detail around planning for sustainability or growth. The template would be used by Business Advisors during a meeting to capture detailed information on the businesses' future plans, and the types of support needed to achieve these plans. The information captured on the form would then be transferred to the CRM to support longer-term account management of the business and to create documents for future meetings.

CUSTOMER JOURNEY

Rationale

For any business, the journey the customer takes in first identifying and understanding the offer, and then accessing the correct product or support service easily and efficiently, is a vital aspect of its business proposition. Even in cases where the ultimate outcome of an application for support is unsuccessful, or the customer's application does not result in the outcome they were hoping for, the journey itself will often determine whether that customer will return, or indeed recommend the service to others. In some cases, the experience can be as important as a successful outcome.

The business gateway wishes to provide a web-based interaction process that is streamlined, efficient and simple to use, with the aim of providing better support to Tees Valley businesses of all sizes. However, we also recognise that providing a window into the support on offer to businesses based in the Tees Valley is not sufficient in itself. Ensuring a high-quality customer journey experience is available to all those who engage with the website is crucial in the planning stages of developing a web-based solution.

The quality of the customer experience when accessing the business gateway website is central to this project. To support this, we have analysed how a single transaction process flow could potentially operate within a web-based solution.

Key assumptions

We have used the following assumptions that have helped to shape elements of the customer journey.

- TVCA's Marketing Team will have a significant role in developing a marketing and communications strategy around the launch and ongoing promotion of the gateway. We have also assumed the ultimate design and imagery of the tailored content will be undertaken by the Marketing Team.
- The gateway 'front door' will be based on a linear transaction i.e. that the customer will enter the Growth Hub at a designated entry point, complete their support journey, exit, then re-enter the loop from the start if they wish to access another type of support.
- Customer accounts and registrations are individual rather than company-led to allow multiple company contacts to register for news updates and alerts, and also to allow data transfer to a CRM system. This means multiple contacts *may* be in a position to apply for the same support services or funding, although in reality an overlap in applications for the same product at the same time would be extremely rare and would need to be caught by the CRM before processing.
- Multiple partner organisations will be directing company contacts to the gateway website, rather than to a Business Advisor, as a first port of call.

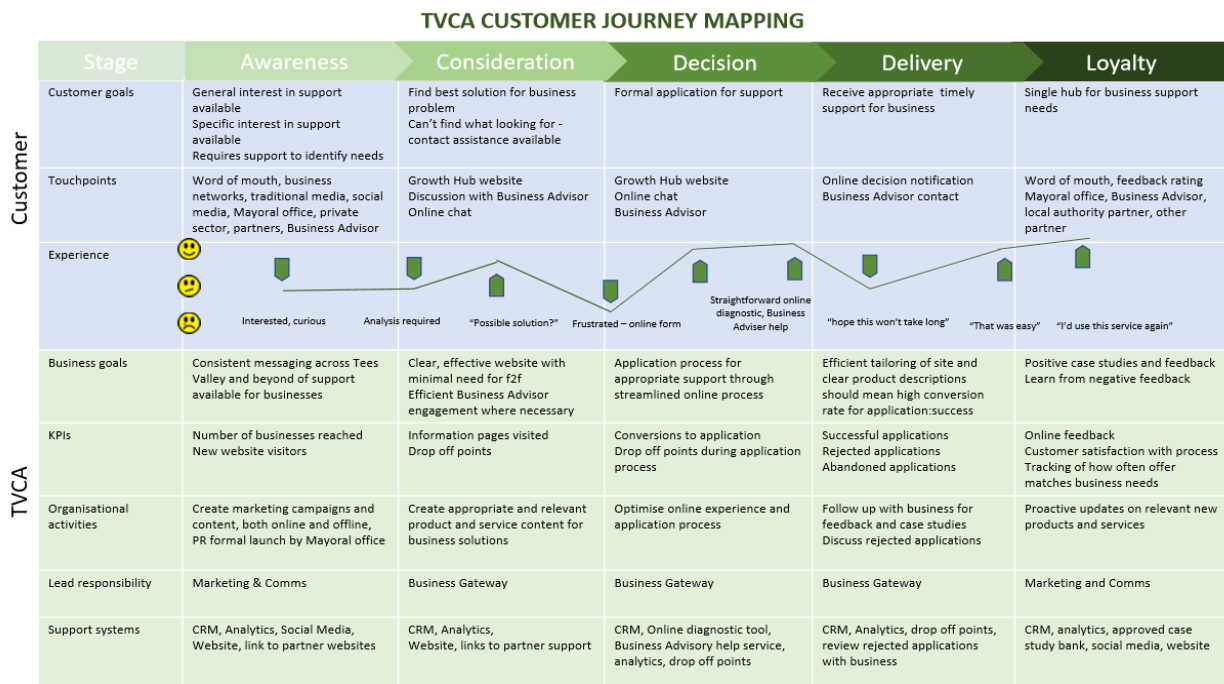
- We have assumed that the Central Team will be the first port of call for businesses in this new model, and that support from the team of Business Advisors can only be accessed via a referral from the Central Team. This is to ensure that the flow of enquiries to the Business Advisors is centrally managed.
- The customer journey has been designed with the full range of customers and business types in mind. It is intended to work equally well for pre-start and start-up businesses, as well as for more established companies and high growth potential firms.

Five-stage experience in the customer journey

The customer visiting the business gateway website will experience a five-stage process as they progress from the ‘front door’ to completing their journey. Stage 1 of the journey (Awareness) is making businesses aware that the site exists, its purpose and how to access it. Once aware, an initial visit to the site or discussion with a third party should give them sufficient information to determine whether this route holds some interest for them and their business (Consideration). The next stage (Decision) would follow after looking at all avenues of support open to them as a business and making the decision to apply for support or funding for a particular project.

Stage 4 (Delivery) transfers responsibility for the customer journey to the product provider – in some cases TVCA, in others an external organisation – and by this stage the customer will be fully engaged to see if their application for support has been successful. There may be a few cycles of the Delivery stage before reaching the final stage (Loyalty) if there are gaps in their application, or more information is required. The Loyalty stage is an opportunity to review the customer’s journey overall and secure additional outputs, such as information on the customer’s experience, case studies, feedback and any fundamental correctional measures required.

Figure 1: Five stages of the customer journey



The following section describes the five stages of the customer journey in more detail. It also highlights where diagnostics have been built into the different stages to provide opportunities for information gathering and feedback, for input to the CRM.

Stage 1. Awareness

Initially the customer will be directed to the website via a number of routes, including traditional and social media campaigns, direct contact with TVCA employees, business networking organisations, public sector partners, private sector intermediaries and the Business Growth Advisors themselves. On arrival at the 'front door' of the website, they will be given the option to subscribe and register for regular updates from TVCA (Level 1 Diagnostic). From this initial engagement, the number of web 'hits' and conversions to registration can be established and recorded before moving on to more detailed analysis of activity. For those who register, an opportunity to undertake a short survey will be offered which will give companies the opportunity to shape future business support in the Tees Valley (Level 3 Diagnostic).

Stage 2. Consideration

At this point, the customer is in 'consideration' mode. They may have a particular area of interest or specialism, or they may be browsing. Here they will be assessing the user-friendliness of the site and the content as relevant to their organisation. There will generally be three main characteristics of customer.

- **Browsers:** Who are curious as to what the site and the Tees Valley business support community have to offer, but who don't need immediate support. They may register for updates and alerts with an email address but are unlikely to want to complete any diagnostic. This group will include partner organisations and other bodies looking to understand the Tees Valley offer. This group will have a high drop-off rate in the early stages. They are unlikely to complete a survey as they are not necessarily direct users of the product offerings.
- **Product Specifics:** Who know what type of support they want or need and go straight to it. These customers may well have had previous support and will be well versed with the public support available to them. They will be looking for quick and easy access to existing support routes that they know they qualify for, but they will also enter browse or uncertain mode if there is a suggestion that there may be more available to them. They may wish to self-select only a small selection of support categories.
- **Undefined:** Who know they need support but are not sure what that would look like or what they would qualify for. This may be their first awareness of the site and/or public sector support, or it may be something they have never considered themselves eligible for. This group will be curious to learn what they may be eligible for and may have a defined need, even if they do not know which type of support they can apply for. This group may well start as Browsers and then develop into Undefined. Most likely to proactively contact the Business Growth Hub for further diagnostic assistance having looked at the website. Most likely to register on first visit in order to be kept up to date with news alerts and information, due to the fact they don't know what they are looking for, and most likely to be receptive to proactive follow-up contact.

In addition, there may be a fourth category of 'Owed Customers' who believe they should have access to everything. We have tried to mitigate this to some extent through both the registration process and the website product search process, which should filter those products and services relevant to their business characteristics and assist in managing their expectations by limiting what they see. However this does depend on a self-selection process. This category will be in the minority but can potentially be the most vocal, in particular if something they have accessed before is no longer available.

Stage 3. Decision

Once the relevant product or service is identified, the customer then makes the decision to apply for a particular support product and goes through the application process (Level 2 Diagnostic). For a business gateway product or service, all data can be captured and stored via the CRM and relevant reports can be created for further analysis.

For those products which are delivered externally, the data will be captured by the external delivery organisation's online platform rather than the business gateway. It is recommended that links to partner websites open a new page or tab in order to allow for the customer to always have to exit from the business gateway website once their transaction is complete. This will allow the system to offer a further request to register and complete a survey on exit. It will also enhance the user experience of browsing products and services as it allows them to easily return to the gateway website to access links to other support products and services.

Stage 4. Delivery

This stage includes both the mechanics of the application process, and the product supplier's management of that process from submission through to decision on the customer's application for support. Whether the customer applies for a business gateway product or an externally branded product, the application and delivery process should be smooth and streamlined, with communication back to the customer throughout the assessment process.

This is the most crucial part of the process where expectation from the customer is high and the application process transfers from online to manual and back again. Whilst the gateway has no control over other providers' processes, timescales and communication links with the customer, feedback may ultimately be associated with the Business Growth Hub website or Business Growth Team.

Building in a feedback mechanism for external products between trusted providers and the Business Growth Hub to provide a joined-up communication to the customer would be advisable.

Stage 5. Loyalty

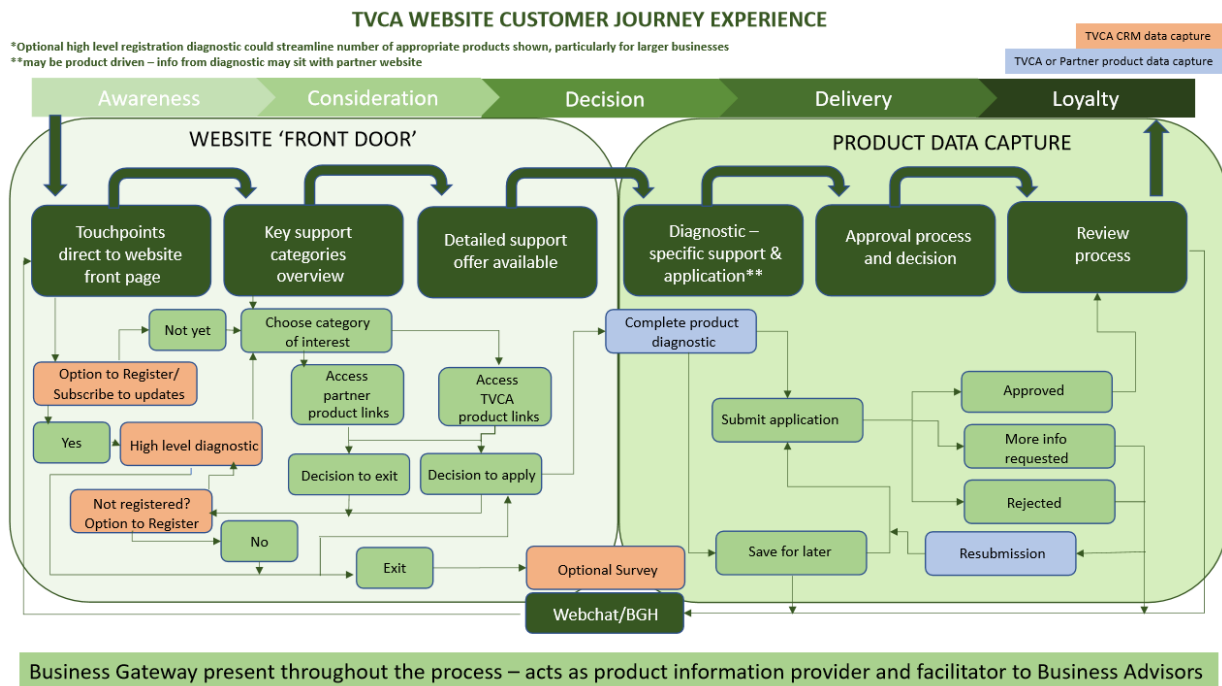
Whether or not the customer is successful in their application or has just been in browse mode, their experience of both visiting and navigating the website should be a positive one and should encourage them to return. Simple clear links, registration process and communication around any application will inspire confidence and loyalty and will be more likely to result in case studies and positive reviews.

The Loyalty stage is a huge opportunity often missed by online host businesses to capture and promote strong messaging from its customer base. As part of the review process and Business Growth Hub engagement with the customer base, the gateway should look to capture key messages and experiences from customers, who in turn become Brand Ambassadors.

Practical operation of the Customer Journey

Translating this five-step experience into a website process map provides visual representation as to the journey the customer would potentially make in accessing the website and identifying necessary support for their business.

Figure 2: Five-stage customer journey – website process map



Initial awareness from various touch points such as marketing, engagement with local authority partners, membership or sector bodies or intermediaries, will lead to the customer landing at the ‘front door’ of the gateway website.

The initial view will be a high-level menu of key business support categories and general areas of potential interest. An initial prompt to register their details and sign up for regular updates will be offered (Level 1 Diagnostic). The customer may initially prefer to browse, so there will be opportunities later in the cycle to complete this registration process.

The registration process will be a very high-level diagnostic, which will assist in narrowing the product support offers available to the customer based on size of business and particular interests. This in turn will lead to a list of product links relevant to this business – support products which are either managed by the gateway or products delivered by external partners. At this point the potential for data capture separates, with gateway products fully capturing all relevant data for the application, and non-TVCA product applications capturing data for the external partner only (but not for TVCA).

The customer should then be able to apply for relevant support through an online portal and complete a product specific diagnostic or application process (Level 2 Diagnostic). Users should also have the option to save their application within their account, to come back to and complete at a later time should they require it. Submission of an application is followed by a check and acknowledgement, processing and communication around any additional information required. The decision making process and parameters will be determined by the product provider, but if these are not made clear by the product provider, the customer may well follow up with the business gateway team.

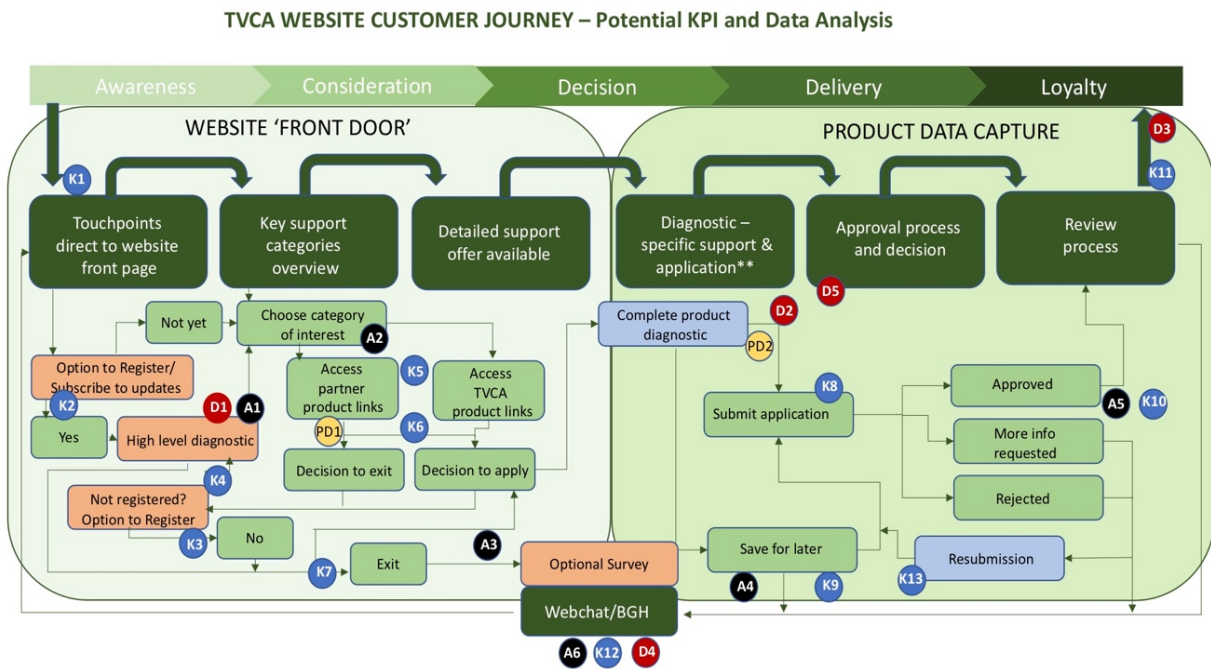
Before the customer leaves the business gateway website, there should be a final option to register; and for those who have already registered, a request to complete a short survey to help shape future business support in the Tees Valley (Level 3 Diagnostic).

At all times through the process there should be an option to contact a member of the gateway team (the Central Team) to discuss any concerns or address any queries regarding the process. When the decision on the application is made, there is an option for follow up.

Data collection and reporting

By mapping key potential data points onto the Customer Journey, it is possible to determine where the most useful areas of data collection and analysis will arise.

Figure 3: Potential KPI and data analysis



The list below captures all relevant data points that can be pulled from either the website or from the supporting CRM database, depending on where the information is stored. For the purposes of this Implementation Plan the list is as comprehensive as possible. However, it is likely that not all of these reports will necessarily be required. It is intended to identify which data points are most relevant to their day-to-day operations, as well as strategic monitoring of Growth Hub performance.

TVCA WEBSITE CUSTOMER JOURNEY – KPI and Data Analysis Capture Points

Potential KPIs	Data Analysis Points	TVCA Data collection points
<ul style="list-style-type: none"> • K1 #web hits • K2 #subscribers before browsing • K3 #drop-offs not registering after browsing • K4 #registrations after browsing • K5 #to partner links/TVCA links • K6 #to exit/apply • K7 #exit without applying • K8 #applying to TVCA/partner products • K9 #applications abandoned before submission • K10 #approved/more info/rejected • K11 #case studies • K12 #interventions by Business Gateway team • K13 #resubmissions 	<ul style="list-style-type: none"> • A1 individual and company data • A2 categories most visited • A3 of registrations, who applies/exits • A4 applications not progressed • A5 successful v unsuccessful applications • A6 types of intervention/clarification required 	<ul style="list-style-type: none"> • D1 individual and company information • D2 relevant to TVCA products • D3 Survey/review experience • D4 verbal info capture opportunity by Business Gateway • D5 Time from submission to decision <div style="background-color: #ffcc00; padding: 2px;">Partner Data collection points</div> <ul style="list-style-type: none"> • PD1 – data collection can start via partner product website • PD2 – data relevant to partner products

BUSINESS GATEWAY WEBSITE

It is envisaged that the business gateway will be largely delivered as a digital offer, with a comprehensive website acting as the front door to the service.

Given the size and potential complexity of the website, it will be necessary to have a phased development, for example:

- **Phase 1** - Website front door, information and links to full range of support services (TVCA and partners), ready for market launch, high level diagnostic, access to Business Advisor support.
- **Phase 2** - TVCA in-house products (application, data capture) built into the site, plus CRM functionality.

Website functionality, navigation and key features

- The home page includes a simple top level menu consisting of: topics of support businesses are most likely to be searching for (start-up, business growth, finance, people, networking and events); how to contact the gateway to get more help from an advisor; sign up to a newsletter and complete a high level registration form (Level 1 Diagnostic) to enable businesses to create an account and see a selection of products and services relevant to their needs.
- Clicking on a high-level menu item (e.g. Access to Finance, Start a Business) takes the user to a second, more comprehensive level of information. Each level 2 page automatically displays a range of the main and most popular support options to provide an immediate, at-a-glance overview of potential support options. These pages also enable businesses to refine and filter their searches based on different criteria, such as business characteristics, product type or specific needs. In particular this will enable users who have not yet registered to quickly self-serve and find products and services that are relevant to the needs of their business.
- Clicking on a specific product or service on the level 2 page will take users to a level 3 page with more detailed information about the specific product or service selected. This will consist of clear and simple information on what the support is, which enables businesses to quickly assess whether it is relevant to their needs. It will also include relevant links and information on how to access the support, including a direct link to the product website.
- The networking and events page will include a regularly updated, live calendar of upcoming events including networking, workshops, briefings, training and business awards.
- Wherever a user is within the website, there is a quick link to contact information so they can access further help from an advisor. There are different options for contacting the gateway, depending on the user's personal preference. This includes email, phone, or online live chat.
- A dedicated partners area on the website to help with strategic relationship building, which can be used to encourage partners to share information about products, services and events, as well as providing feedback to enable more effective tracking of businesses.

Diagnostics and CRM

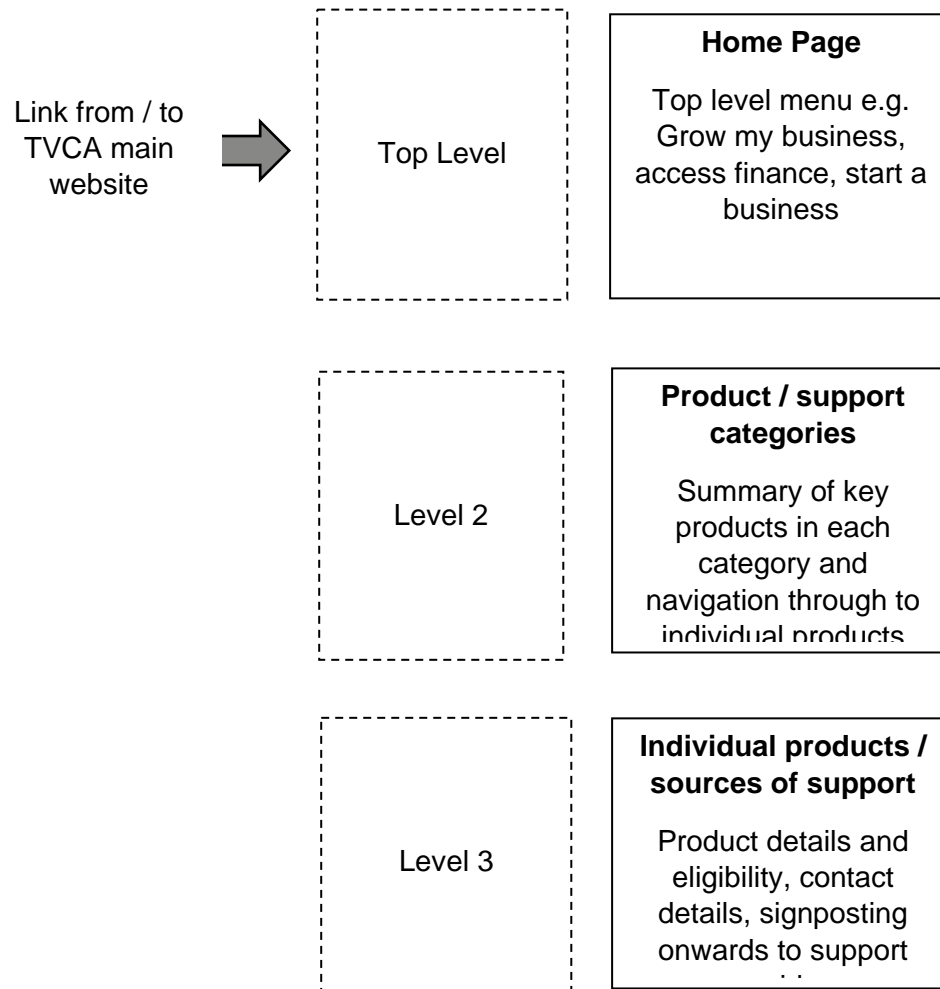
The four levels of diagnostic have been built into the website design, which will generate data for the CRM. This will enable TVCA to build a picture of which businesses are engaging with the gateway, the characteristics of these businesses, their needs, and the type of support they

require and are looking at. This will create vital intelligence to support the ongoing development and improvement of the service. It will also enable TVCA to identify any groups of businesses that are not engaging with the gateway, for example from specific sectors, geographic areas or size of business, and reprioritise engagement and marketing activity accordingly.

- **Level 1: Initial sign up with gateway.** Businesses input basic company details and also have the option to indicate the broad types of support they're interested in (e.g. Access to Finance, People Development). This will create a unique registration number for each user. The information provided will be stored in the CRM against the user's record and will be used to filter relevant products and services and auto fill application forms whenever the user is logged in. On exiting the website users will be offered a further opportunity to complete a registration if they have not already done so.
- **Level 2: Product Specific.** Businesses complete an application form for a specific product or service they are interested in. May be TVCA-funded and therefore data will be captured in the CRM. For external providers no data will be captured on the TVCA CRM.
- **Level 3: Exit Survey.** On exiting the website, users who have registered will be able to complete a brief exit survey. Data from the exit survey will be captured in the CRM and the system will record that the survey has been completed so that users are not asked to take the survey multiple times.
- **Level 4: Diagnostic.** A more detailed diagnostic completed during a face-to-face or telephone meeting with a Business Advisor. The diagnostic will be completed by the Advisor during the meeting and input by them directly into the CRM against a specific business account.

Tees Valley Business Gateway Website - Structure and Layout

STRUCTURE FOR PRODUCTS / SUPPORT AVAILABLE TO BUSINESSES



TOP LEVEL WEBSITE MENU

- HOME
- ABOUT US
- PRODUCTS AND SUPPORT
 - Grow my business
 - Access finance
 - Start a business
 - Develop my people
 - Networking and events
 - Invest in Tees Valley / Inward Investment
 - Revolving topics of interest e.g. preparing for Brexit
- TOOLKITS
- NEWS & BUSINESS INSIGHTS
(link through to TVCA main site)
- SUCCESS STORIES
- CONTACT US
- OUR PRODUCTS (dedicated area of website where details of TVCA delivered or funded products are stored).
- PARTNERS

TOP LEVEL - HOME PAGE

Tees Valley
Business Logo

**Grow my Business Access Finance Start a Business Develop my People Networking and Events Inward
Investment Contact Us**

**GROW MY
BUSINESS**

ACCESS FINANCE

START A BUSINESS

**DEVELOP MY
PEOPLE**

**NETWORKING &
EVENTS**

**'FLEXIBLE
PLACEHOLDER'
e.g. preparing for
Brexit**

**Main phone number
Main email address
(prominent on every
page of website)**

**INWARD
INVESTMENT**
Link to Tees Valley
inward investment
support

GET HELP
*Need help to find the support that's
right for you? Contact our team of
Business Advisors (WhatsApp, phone,
.. ..)*

SIGN UP
*Sign up for our newsletter for latest
updates, events and business insights
Generates auto email to business to visit
.. ..*

SOCIAL MEDIA
.....
.....
.....
.....

**NEWS & BUSINESS
INSIGHTS**
*Link through to TVCA
main site*

Link through to page with basic info on
business advisor support and contact
details.

Link through to high-level registration
form. Basic business details and tick box
of support topics they're interested in.
LEVEL 1 DIAGNOSTIC. Goes into TVCA
CRM

Rolling banner with images and text
*Highlighting latest events; new business insights added to website; link through to Brexit advice
(likely needs to be updated regularly)*

Logo link to
TVCA main
website

LEVEL 2 - PRODUCT / SUPPORT CATEGORIES PAGE

ACCESS TO FINANCE EXAMPLE (separate pages in this format: Grow my Business; Access Finance, Start a Business; Develop my People; Networking & Events)

ACCESS TO FINANCE

Funding, grants and loans to grow your business

SIGN UP
Sign up for our newsletter for latest updates, events and business insights
Generates auto email to business to visit site

Display here (above the line) the products that are most popular with businesses and / or those that TVCA wants to promote.

Where businesses have signed up / completed reg form, this area should automatically show products linked to their main support interests. Want to take businesses on a journey towards products they are

Tell us what funding you're interested in (LEVEL 1 DIAGNOSTIC / FILTER OPTIONS)
Generated by Level 1 diagnostic or alternatively businesses can manually select their interests within this broad product theme (e.g. access to finance) using drop downs

- Purpose (e.g. business growth, premises)
- Type (e.g. grant, loan, equity etc)
- Amount (in size bands)

Northern Powerhouse Investment Fund
Logo, title, one sentence product summary
Click through to get more detail

UK Steel Enterprise
Logo, title, one sentence product summary
Click through to get more detail

Business Growth Fund
Logo, title, one sentence product summary
Click through to get more detail

Innovation Fund
Logo, title, one sentence product summary
Click through to get more detail

Display here (below the line) ALL products in this category alphabetically.

Search result 1
Logo, title, one sentence product summary
Click through to get more detail

Search result 2
Logo, title, one sentence product summary
Click through to get more detail

Search result 3
Logo, title, one sentence product summary
Click through to get more detail

Search result 4
Logo, title, one sentence product summary
Click through to get more detail

GET HELP
Need help to find the support that's right for you? Contact our team of Business Advisors
Contacts directed to the Business Finance Team / Business Advisor with finance specialism

LEVEL 3 - INDIVIDUAL PRODUCTS / SOURCES OF SUPPORT

ACCESS TO FINANCE
<i>Funding, grants and loans to grow your business</i>

SIGN UP <i>Sign up for our newsletter for latest updates, events and business insights</i> <i>Generates auto email to business to visit site</i>

Present Individual Product Details (link through from product box clicked at Level 2)
Product Name Logo Delivery organisation Product / support description Main eligibility criteria Provide contact details (phone, email) Link to video content (if available)
Button to click through to product

⇒ **For TVCA delivered or funded products,** the click through takes business to the product page (which will be part of the website). Business will be taken to an application and eligibility form for the product (LEVEL 2 DIAGNOSTIC). In first instance this will be a Word form specific to each product. Over time, it may be possible to build a standard application form into the website.

⇒ **For products / support delivered by third parties,** the click through takes business to a product specific website. This will open in a new page so that the TVCA website remains open. This will enable users to easily return to the TVCA site to access other search results. It also ensures they must exit the TVCA site, thereby generating the exit survey (LEVEL 3 DIAGNOSTIC) or registration prompt (LEVEL 1 DIAGNOSTIC).

GET HELP <i>Need help to find the support that's right for you? Contact our team of Business Advisors</i> <i>Contacts directed to the Business Finance Team / Business Advisor with finance specialism</i>

OTHER PAGES

ABOUT US

- Biogs of individual business advisors, key skills and specialisms. To provide a personal touch, businesses know who they can work with. No direct contact details at this stage. All enquiries and contacts directed to Central Team email / phone.
- Description of Tees Valley Business Gateway, what it aims to do, who it can help etc.

NEWS AND BUSINESS INSIGHTS

- A live page with regularly updated content. Hosted on the main TVCA website, with a link through from the gateway website.
- Insights includes added value content on specific topics of interest to businesses e.g. Scaleup, Exporting.

SUCCESS STORIES

- Brief biogs / case study examples of businesses supported by the gateway and the results achieved.

OUR PRODUCTS

- Dedicated area of website where details of TVCA delivered or funded products are stored. Includes info for businesses on each product, support and eligibility, as well as an application form linked to the CRM.

PARTNERS

- Include an area / functionality on website that enables third party support providers to feedback on enquiries received via the gateway. In return for having their programme on the website, third parties could be asked to sign a basic MOU. This would require partners to provide feedback on the outcome of each enquiry via the gateway and whether the business went on to receive support. A basic form could be included in 'partners' area of the website to allow partners to input this feedback, which would be linked to the CRM.

TOOLKITS AND GUIDES

- Links to existing toolkits and guides. The following key toolkits are planned for inclusion on the initial website.
 - DIT How to Export - www.great.gov.uk/advice/
 - Institute of Export & International Trade - www.export.org.uk/page/DoingBusinessGuides
 - EU Exit - www.gov.uk/transition-check
 - Government Business Support - www.businesssupport.gov.uk
 - Be the Business - www.bethebusiness.com/people-like-you/
 - Finance Hub - www.british-business-bank.co.uk/finance-hub/
 - Intellectual property and data - www.gov.uk/government/organisations/intellectual-property-office
 - Innovation / Knowledge Transfer Network - <https://ktn-uk.co.uk/>
- Over time TVCA may wish to develop some of its own, local toolkits. For example, other Growth Hubs have developed local toolkits for: tendering, mentoring, scale-up, business planning, and Apprenticeships.

BUSINESS SUPPORT OFFER (PRODUCTS AND SERVICES)

Rationale

A core purpose of the business gateway is to simplify access to the extensive and complex business support landscape, by providing businesses with a single point of information and entry. With a wide range of products and services, varying eligibility criteria and many different providers, finding and accessing relevant support can be difficult and time consuming for businesses.

The business gateway will provide an easy to navigate, user-friendly, single gateway to the full business support offer in Tees Valley. To achieve this, a comprehensive product and service matrix is needed to capture information on all support currently available to businesses in Tees Valley. The matrix will hold details of business support products delivered directly by TVCA as well as by external providers, including national, regional and local programmes and initiatives.

The product and service matrix will offer a comprehensive overview of business support in Tees Valley, which will be presented on the gateway website as a user-friendly, searchable directory.

A draft Products and Services Matrix has been prepared, listing and categorising the main support products available to Tees Valley businesses.

How businesses will find and access support products and services

The website home page will display a simple top-level menu of the topics of support businesses are most likely to search for (start-up, business growth, finance, people, networking and events). Selecting any of these main menu options will take the user to a page which automatically displays the main products and services available within that specific topic of support. This will give businesses a simple and immediate overview of potential support options.

On these pages, businesses will be able to refine their search for support based on their own business characteristics and needs. For example, they will be able to search for products and services targeted specifically at pre-start businesses, SMEs, or large businesses (250+). They will also be able to filter on a range of sub-categories of support, for example businesses searching for finance will be able to search specifically for grants, loans, equity or other sources of finance (such as crowdfunding).

Once a business has identified a product or service from the search results that is relevant to their needs, they will be able to click on the individual product / service to access further information, including a more detailed description of what it is, who delivers it and how to access it. At this point, businesses will be able to link directly to the provider's website to find out more and make an enquiry or application. In the case of TVCA products and services, the businesses will be redirected to the relevant page within the website.

At each stage of the search process, businesses will also have the option to contact a gateway advisor via phone, email or live chat, if they require further advice and help to identify and access the right support.

Information required for each product or service

To ensure that searches can be filtered according to different business needs and characteristics, the matrix includes the following information on each product and service.

- Name of product / service / programme.
- Brief, high level description of what it is.
- Whether the product / service is delivered by TVCA or an external provider.
- Web link to further information – in the case of external providers this will be a link to their website.
- Which specific category of support the product or service is relevant to, i.e. start-up, business growth, finance, people, networking and events.
- Which sub-categories of support the product or service is relevant to, for example, scale-up, innovation, export, digital, sales and marketing.
- Business eligibility criteria.

Key assumptions

- **Develop People** - The matrix includes a number of main programmes and providers under the key themes of Apprenticeships, Graduate Programmes, Leadership & Management, Workforce Development and Mentoring. However, there is an extensive range of training providers that could potentially offer support to businesses, which may require a separate directory of colleges, universities, and training providers.
- **Networking and Events** - The matrix includes details of the main business networking and membership organisations in Tees Valley. However, events are not included in the product and service matrix as they are one-off, time specific occurrences that would be better suited to a separate calendar or listings section. It is assumed that a live and regularly updated calendar of events will be included on the website.
- The current version of the product and service matrix includes details of the main business support programmes, products and initiatives available at the time of development. However, it is assumed that members of the gateway team will be responsible for populating the matrix with further, more detailed information on available business support, and that the information will be reviewed regularly to ensure it is up to date.
- The main categories and sub-categories of information in the matrix are based on evaluation reports, business feedback and a review of other Growth Hub websites, which indicate that these are the main types of support that businesses want to access. However, it is assumed that regular review and consultation with businesses will be undertaken to ensure that the matrix and online search functions remain user-friendly and relevant to business needs.

Support for retail businesses

As Implementation Plan was being developed, it came to light that TVCA does not have a business support offer for retail businesses. However, this sector accounts for more than 10% of the local business base and is one of the top three sources of demand for other Growth Hubs in England. It is important, therefore, that TVCA is able to identify support for local retail businesses as part of the offer.

Under current ERDF eligibility rules¹⁰ retail businesses can access support in specific circumstances. The general principle is that support to build or refurbish retail facilities will not assist economic development and that improved performance for one facility is regarded as displacing similar activity elsewhere. However, ERDF can be used to support the growth needs of retail businesses as part of projects that are not exclusively targeted at the retail sector.

Revenue support for the retail sector is eligible where all the following are met by a project:

- the business supported is an SME; and
- the support is not exclusively or predominately targeted at retail businesses.

However, retail is not currently a target sector for the Business Compass, nor does it feature as a priority in other TVCA supported business support projects.

A review of other Growth Hubs indicates that, typically, retail businesses may require support with business planning, access to finance, branding and marketing, or digital support to create or improve their online retail offer.

Other Growth Hubs tend to offer general business planning support to retail businesses (provided by a Growth Hub Advisor), as well as signposting businesses to local sources of support for the retail sector.

For example, some local authorities offer targeted support for retail businesses, in some cases as part of a town centre or high street regeneration programme. Examples include:

<https://www.stockton.gov.uk/economic-regeneration-and-transport/doing-business-in-stockton/financial-assistance-and-support-for-business/>

<http://www.durham.gov.uk/retail>

Other sources of support include:

<https://bira.co.uk/> A leading membership organisation, supporting and representing retail businesses.

Commercial service providers who support retail businesses on marketing and branding agencies, web designers and digital agencies, accountants and HR advisors, for example mbhrconsulting.com/hr-in-retail-middlesbrough/

¹⁰ ERDF Operational Programme 2014 to 2020 - Eligibility Guidance Version 9 Date published 29 November 2018

KEY STAKEHOLDERS AND INFLUENCERS

Rationale

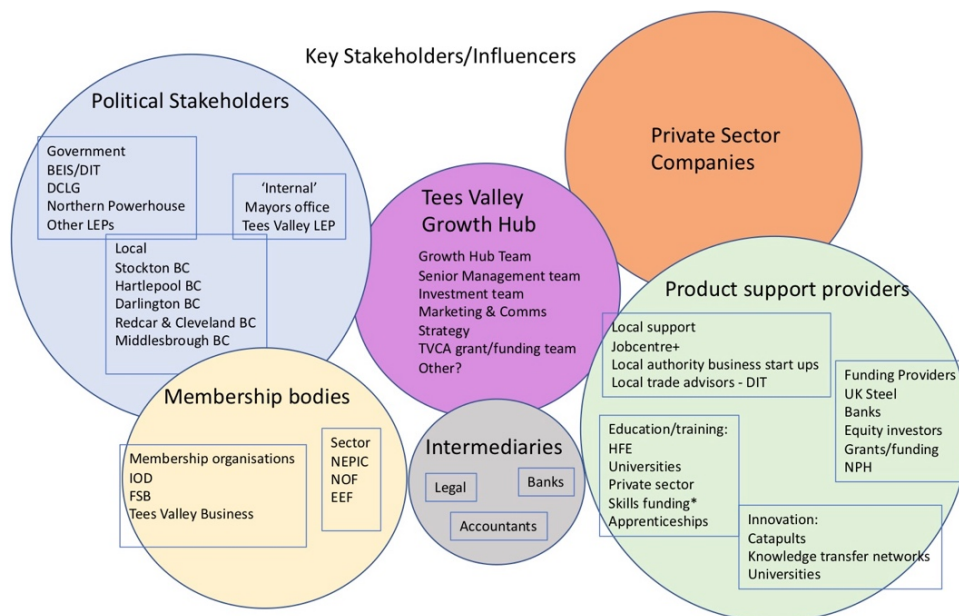
There are many parties locally, regionally and nationally who will have an interest in the success of the business gateway, and each group will require a slightly different engagement approach beyond the initial briefing and launch.

Some groups, such as Local Authority partners and Sector groups will have greater influence in the initial use of and engagement with the gateway website, as they may direct businesses towards it. Meanwhile, the influence of product providers may be more indirect in that they will help determine the quality of the offer through their products and services.

Identifying the various stakeholder groups and their relative role and investment in the success of the gateway will help devise appropriate communication and management strategies, to ensure these groups are engaged effectively in order to deliver the best possible experience for customers.

We have identified five main stakeholder groups, highlighted in Figure 4. It should be noted that the internal teams are also key stakeholders. However, the focus of this aspect of the delivery solution is on engagement and relationship building with external stakeholders.

Figure 4: Tees Valley Business Growth Hub Stakeholders and Influencers



The key stakeholder groups are:

Private sector businesses: The customers who will access and use the gateway service.

Political stakeholders: Both central and local, including Government departments, Local Authority Partners, LEP and Mayoral office.

Membership Organisations: Such as the Institute of Directors, FSB, and Sector bodies such as NEPIC and NOF.

Intermediaries: Organisations providing professional services to businesses, such as banks, lawyers and accountants.

Product Support Providers: The organisations that will deliver the business support products and services to customers, including FE Colleges, Universities, training providers, Jobcentre Plus, Catapults, Apprenticeships, UK Steel, DIT, enterprise agencies and business start-up advisors.

Key assumptions

- There will be interdependencies between the gateway and wider delivery teams in TVCA.
- There will be five main stakeholder categories external to TVCA with varying levels of influence on the use of the gateway website and service.
- There will be one single website and CRM system across TVCA for the delivery of the business gateway service.
- Some stakeholders will fall into multiple groupings, for example as both users and providers, or as providers and referral partners.

Approach to management of key stakeholders

Private Sector companies

The most important stakeholders are the business customers who will be accessing and using the service. Some of these customers may be used to the 'old way' of working, i.e. the previous Business Compass service, and will need to be advised on how to access the new business support model, particularly if they have had more intensive support and / or a longer-term relationship with the Business Compass service. In these cases, reactions may be mixed until the new system beds in.

Gathering feedback from this group, both verbally and from surveys, will provide valuable information that can be used to smooth the transition process, as well as being used to shape ongoing development and improvement of the gateway website and service.

Actions

- Awareness raising launch campaign for new and existing (Business Compass) customers.
- Regular feedback and follow-up.

Political Stakeholders

Growth Hubs are a central government initiative to drive growth within LEP and combined authority areas. They receive core funding from BEIS and therefore attract national interest in terms of their delivery and performance, including the requirement to complete annual reviews and biannual progress reports. The application of core funding is also highly visible in terms of the Growth Hub website and online business support activity.

Meanwhile, local and regional Political Stakeholders have an important role to play in the success of the Growth Hub, as they are themselves involved in directly supporting businesses in Tees Valley, and will have their own Business Advisors who have well developed relationships with local businesses. The Growth Hub offer will add value to the

ongoing activity delivered by these stakeholders and provide a key referral route for the businesses they engage with. These stakeholders have the political influence to challenge the delivery of the Growth Hub if they feel it is not satisfactory and are unlikely to refer businesses to the gateway if they believe it does not offer a good service.

Political Stakeholders require good relationship management at both a strategic and operational level, particularly in the early launch and rollout stages. Briefings ahead of launch, management of expectations, and operational engagement pre-launch is also essential. Overall this group needs to buy into the website as part of their own toolkit for success.

Actions

- Hold a website pre-launch roadshow to manage expectations and advise all groups of the rollout plan and communications strategy.
- Provide confidential briefings, particularly to the Mayoral Office and LEP, on company expansions, risks or other intelligence ahead of formal business events or engagements.
- Aggregate data on take-up and impacts to be reported to the group on a regular basis.
- Case studies created demonstrating the work of the gateway.
- Create a plan to engage Local Authority partners in the business gateway, either through access to diagnostic tools and data or as additional delivery partners. It may also be possible to consider the development of a shared CRM with Local Authority partners.
- Post rollout, promote the gateway as part of the wider inward investment support offer for the Tees Valley.

Membership organisations

The main interest of this stakeholder group will be in ensuring their members receive relevant and good quality support. Whilst they will be keen to understand the Tees Valley business support offer and will help drive businesses to the gateway website, their political engagement is likely to be at an aggregate level, for example a specific sector, geographic area or topic. They are most likely to be dissatisfied or lobby for change if they feel the service isn't working effectively for their members or adequately representing them.

These stakeholders should be made aware of the gateway launch and rollout programme; be kept updated on how their members can engage with business support; and be consulted on any specific sector initiatives TVCA would like to promote. This group may well be browsers in the early stages of rollout, taking an interest in the gateway offer for their own understanding.

It is possible that some of these stakeholders have their own sources of funded support, targeted at SME members or as part of their membership programme (for example free legal advice or start-up offers). In such cases these organisations may wish to be included in the product and service portfolio on the gateway website.

There will also be potential sponsorship opportunities for these organisations to either host or support events linked to the gateway activity, such as workshops, briefings or business awards. In addition, they may wish to promote membership offers, such as discounted membership fees for new Tees Valley based businesses.

Actions

- Set up a programme of briefings on the 'new' Tees Valley Business Growth Gateway offer, to enable the membership organisations to roll out the information to their members and raise awareness of the website.
- Regular follow up and gathering of feedback on the website from member representatives.
- Consider developing a formal referral mechanism between the gateway and members.

Intermediaries

This group of stakeholders provides professional support to businesses. It largely encompasses banks, accountants and legal firms, but can be any professional specialist acting on behalf their own business clients. Stakeholders from this group may wish to be listed on the gateway support offer as specialist providers for services such as Brexit advice, grant applications, IP protection or company incorporation. Some also have incubator support schemes and other sources of funding for innovative initiatives, which Tees Valley businesses may be interested in. Some of these organisations will be national or even international businesses, therefore the relevant department providing the support may not necessarily be located in the Tees Valley.

As well as providing their own portfolio of services, the larger intermediaries may also have international clients looking to expand into the UK; or UK clients who have domestic expansion plans, including clients already based in Tees Valley. It is therefore important to develop relationships with key contacts in these stakeholder companies and to keep them informed about the Tees Valley business support offer.

Additionally, this group may also be interested in sponsoring relevant events, particularly where they align with the intermediary's own aims and objectives.

Actions

- Identify and map existing relationships either internally or via other stakeholders.
- Brief stakeholders locally on the business gateway.
- Promote the Tees Valley business offer to these stakeholders so that they can advise and refer their clients.
- Agree a referral process.
- Explore sponsorship opportunities around events.

Product Support Providers

This group is crucial to the success of the gateway, not just in maintaining information and links to their products and services, but also in the quality of service delivered to the businesses that access their products and services through the Business Growth Hub. The Product Support Providers group consists of two sub-groups - TVCA Delivered or Funded Products, and Non-TVCA Funded Products.

TVCA Delivered or Funded Products: These are business support products and services that are directly delivered or funded by TVCA, therefore giving the gateway control over data collection and reporting mechanisms. Whether the provider sits internally within the TVCA umbrella or is a funded external provider, TVCA can specify the data and reports it requires on the companies applying for funding. Most of the data will be processed and held on the website or CRM and therefore will be easily accessible to TVCA. However, there may be

occasions where the provider is external to TVCA and a data sharing agreement will be required as part of the funding and delivery contract.

Non TVCA Funded Products: When the customer applies for a non-TVCA product, any application for funding or support is submitted via the provider's own website and will not be shared with TVCA. With some providers there may be a data sharing agreement that can be put in place, but this is unlikely in the majority of cases. It is more likely that the provider will have their own business engagement programme, and that any joint working will be voluntary and relationship based. However, if it is possible to build a mechanism into the website to capture referrals to a partner's website, this may at least quantify some of the data, for example enabling TVCA to monitor the frequency of hits on a particular provider's product.

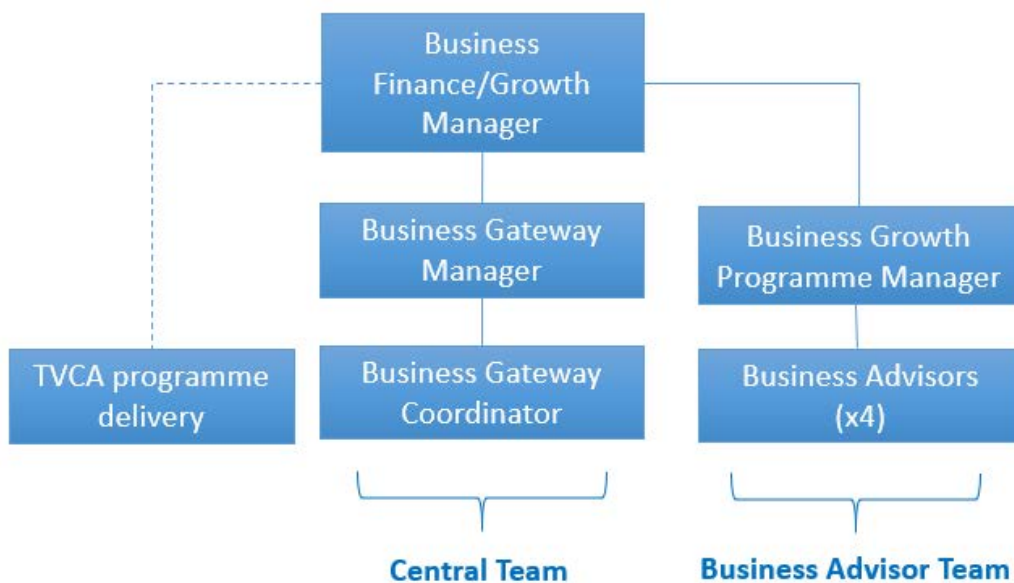
Recommended actions

- Identify and differentiate between all TVCA-funded and non-funded products and services.
- Build in appropriate referral mechanisms and data capturing points to the website design.
- Build relationships with external providers to ensure optimum referrals and communication processes are in place.
- Identify appropriate aggregate reports to request from the provider (for example the total number of applications for support from businesses coming via the gateway website and the number of successful applications).

PROPOSED GATEWAY TEAM

It is proposed that the business gateway service will initially be managed and delivered by a team of eight staff. The team will be structured as follows:

Figure 5: Growth Hub Team – proposed structure



Central Team

Comprised of the Gateway Manager, and the Gateway Coordinator. They will provide the back-office support functions for the service, including:

- Provide the first point of contact for businesses contacting the gateway (telephone, email, website registrations).
- Check business eligibility for support.
- Initial assessment / diagnostic of business support needs and interests based on a website enquiry form (where completed) and/or a phone call or email enquiry.
- Provide initial **light-touch support** where a business' need or enquiry can be dealt with quickly.
- Where a business requires more in-depth support, allocate enquiries to individual Business Advisors.
- Manage and update the website, working alongside TVCA's marketing and comms team.
- Undertake all gateway data collection, analysis and reporting.

The posts in the Central Team will be filled through a recruitment process.

Gateway Manager

- Responsible for the successful delivery and operation of the Business Gateway service and associated in-house TVCA business support programmes.
- Monitoring the performance of the Business Gateway and of TVCA's in-house business support programmes.
- Monitoring and overseeing outputs from subcontractors and regional partners involved in the delivery of business support products / services linked to the gateway.
- Working with the Business Growth Programme Manager to organise and forward plan the workload of the team of Business Advisors.

Gateway Coordinator

- Act as the Business Gateway's initial point of contact for business enquiries, handling telephone and online enquiries.
- Capturing data on businesses, undertaking eligibility checks and, where appropriate, referring businesses to a Business Advisor.
- Coordinating communications and engagement between TVCA and Gateway partners to ensure that the gateway is in regular communication with relevant business support providers.

Business Advisor Team

Comprised initially of a Business Growth Programme Manager and four Business Advisors, this team will be responsible for providing advice and support directly to business.

Business Advisors

- Will be allocated to individual businesses enquiring to the gateway for support based on a match between business needs and Advisor specialisms (e.g. finance, sector and subject specialisms).
- Advice will be provided through a combination of email, telephone and face-to-face support.
- Two levels / options of support available:
 - **Medium** - Up to 3 hours (as a guide) supporting the business to access a specific business support product / service (e.g. start up support, grant fund) to meet an identified need. Short-term input only. This will include signposting businesses to further sources of support.
 - **Intensive** - 12 hours of support (as a guide). Detailed business diagnostic (level 4 diagnostic) helping business to identify their key opportunities, challenges and support needs. Account management approach, signposting and guiding the business through multiple sources of support (as appropriate) to meet a range of needs. This will be a longer-term support relationship, which it is expected will be available to a relatively small proportion of businesses using the gateway.
- In addition to being allocated businesses that enquire to the gateway, the Advisor role will also include researching and proactively engaging with businesses, particularly those with growth potential or in priority sectors.

The Business Advisor posts will be filled by advisors with TUPE transfer rights, currently employed by Umi on the delivery of the Tees Valley Business Compass service.

It is envisaged that four FTE Business Advisors will be employed in the first instance. The demand analysis indicates that, if the level of take-up of the Tees Valley business gateway is similar to that of comparable services in other areas of England, then this level of Business Advisor resource should be sufficient to meet demand and to provide a good quality service.

Business Growth Programme Manager

- Responsible for the line management of the Business Advisors.
- Acting as the Business Gateway's specialist point of contact for access to finance related queries, including providing guidance direct to business on potential financing options, making introductions to providers of finance and funding, and acting as the access point for the £20m Tees Valley Business Fund.
- Lead on relationship management with external stakeholders (such as business support providers and local authorities) and key market influencers (such as professional advisors and sector bodies).
- Play a key role in managing delivery across all TVCA's Business Growth Services, and deputising for the Business Finance / Growth Manager when required.

Management

The overall Business Gateway service and associated in-house business support programmes will be overseen by the **Business Growth Manager**. Their role will include:

- Overall management responsibility for all aspects of TVCA's Business Growth service, including the gateway (Central Team and Business Advisor Team), and TVCA's in-house business support programmes (including finance products).
- Liaising with the governance and management structure responsible for overseeing the Business Growth Hub and associated business support programmes.
- Managing strategic external relationships with key stakeholders including intermediaries and business support and finance providers.

Stakeholder engagement

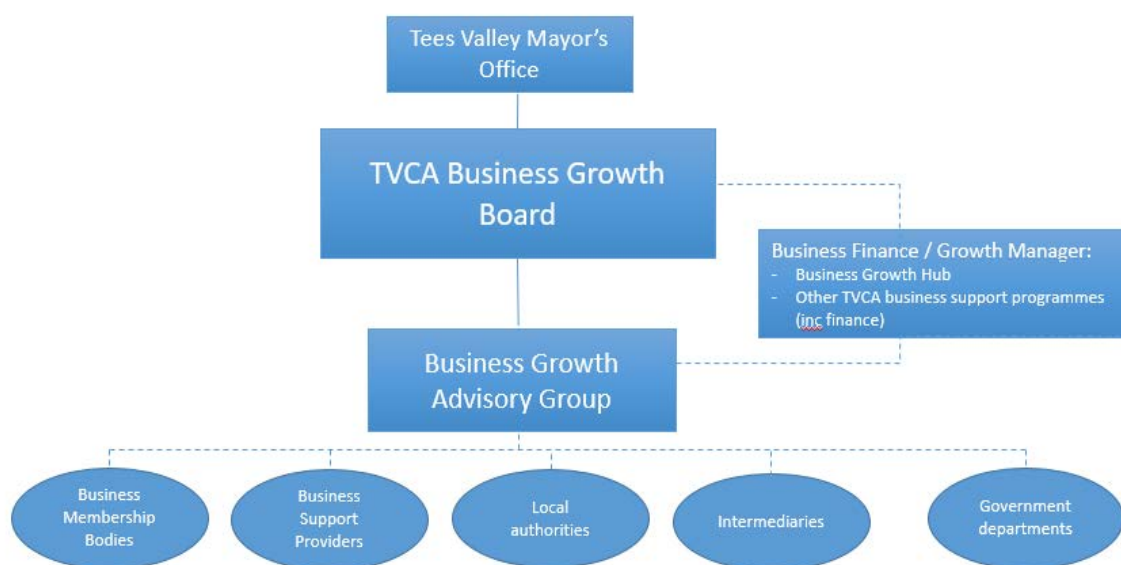
It will be important that the team is able to develop and maintain long-term relationships with key stakeholders (such as business support providers and local authorities) and key market influencers (such as professional advisors and sector bodies). These organisations have established relationships with businesses across Tees Valley and will be an important source of demand and referrals into the gateway. They will also be a key source of intelligence about the support needs of Tees Valley businesses. The Business Growth Programme Manager will be responsible for this stakeholder engagement activity, as part of their outward facing role.

In terms of ongoing engagement on the ground with key businesses in local areas of Tees Valley, it is expected that the local authorities will continue to maintain these relationships and will pass referrals to the gateway where appropriate.

MANAGEMENT AND GOVERNANCE

The purpose of the management and governance structure is to provide effective oversight and clear lines of accountability for the successful delivery of the business gateway service (alongside related business support services).

Figure 6: Management and governance structure



TVCA Business Growth Board - The remit of the Board is to provide strategic oversight and accountability for all business growth activities delivered directly, or funded by, TVCA. For this reason, the scope will be broader than the Business Gateway, and will extend to all TVCA delivered business support (e.g. business grants and loan funds), as well as externally delivered services that receive funding from TVCA (e.g. ERDF and Tees Valley Investment Fund). It is suggested that there should be eight board members: two TVCA representatives; two representatives from the Tees Valley local authorities (revolving); and four private sector business members (two business representatives from the Tees Valley LEP Board, plus two from business membership organisations operating in Tees Valley). The Board will meet quarterly to: consider reports on the performance and impact of the business growth programmes; consider key successes, challenges and risk management; and plan the strategic development of TVCA's business support services in response to changing local needs, opportunities and threats.

Business Growth Advisory Group - The Board will be supported by an Advisory Group with membership drawn from the broader network of stakeholder organisations with a role or interest in ensuring effective business growth services in Tees Valley. The remit of the Advisory Group will be to consider the needs and priorities of Tees Valley businesses, the extent to which TVCA programmes are meeting these needs, and to provide advice to the Business Growth Board on changes or improvements to services. Members will be operational managers and staff with a sound understanding of the business landscape on

the ground in Tees Valley. Also meeting quarterly, the Advisory Group would have a larger and broader membership (20 to 30 members in total), drawn from the following groups:

- **Local authorities** - One representative from each of the Tees Valley authorities
- **Business membership bodies** - Such as NEECC, FSB, CBI, IoD, and sector networks. They will represent the views and interests of business customers.
- **Business support providers (external)** - Including those delivering services funded by TVCA (e.g. Teesside University, sector projects, start-up service, scaleup, grant funds provider), as well as complementary, independent providers (e.g. loan funds, skills providers).
- **Intermediaries** - Banks, accountants, legal, and other professional services providers.
- **Government departments** - DIT, BEIS, MHCLG.

TVCA's Business Finance / Growth Manager will be the key link between the Business Growth Board and the Advisory Group, responsible for ensuring an effective two-way flow of information.

MARKETING AND COMMUNICATIONS

The in-house TVCA Marketing Team will have overall responsibility for planning and managing marketing and communications activity for the Business Gateway. The initial solution design has highlighted some key considerations that will inform the detailed marketing and communications planning process.

- The creation of a single, consistent and recognisable brand is needed for the gateway website and accompanying promotional material, that is consistent with the TVCA brand identity.
- Development and implementation of a comprehensive marketing plan to include specific activity for the introduction and launch of the new service. This includes plans to ensure all key customers and stakeholder groups are aware of the transition to the new service, with a particular focus on raising awareness of and driving traffic to the new website.
- Whilst the overall aim will be to promote the service as widely as possible across Tees Valley to ensure that all businesses are able to access good quality business support, TVCA may wish to proactively target and develop relationships with specific market segments. In particular, given the resource intensive nature of delivering high intensity support, it will be necessary to identify which customer segments this support will be targeted at, for example businesses with growth potential and / or those within strategically important sectors.
- The review of other Growth Hubs indicates that business networking, contacts and referrals are all effective methods of engaging businesses with the service. However, it also identified that many businesses potentially miss out on support because they are not actively engaged in networking or social media. Therefore, marketing and communications plans should include specific activity to target these businesses, for example face-to-face contact, mailings and radio advertising.
- The development of a stakeholder communications plan is required to ensure effective relationship development and management with all key stakeholder groups.

CRM

The purpose of the CRM system is to gather and analyse data about businesses' interactions with the gateway in order to understand: the characteristics and needs of customers; the take-up of services; the results and impacts of the services on businesses; and customers' experience of the service and journey. The data produced by the CRM will be used to continuously improve the service, and to report on performance towards KPIs, as required by key funding bodies, and to meet the reporting priorities of TVCA.

The current aspiration is to link the gateway website to TVCA's new, corporate CRM. However, the CRM is currently in development and is unlikely to be fully operational in time for the planned launch of the gateway service in July 2020.

Therefore, we suggest that the specification for the web developer should request a quote for work in two phases:

- **Phase 1** - All data capture functionality required for the service should be built into the initial website design and set up to export data into MS Excel format for the purposes of analysis and reporting. However, as part of Phase 1 the initial website design should be future-proofed (if feasible) so that, once TVCA's main CRM system is operational, the data input to the gateway website can be pulled through directly into the CRM.
- **Phase 2** - This phase would commence once TVCA's main CRM system is operational. At this point, the gateway website would be linked to TVCA's main CRM and all data analysis and reporting would be produced via the CRM. This should eliminate the need for manual data analysis and reporting using MS Excel spreadsheets.

If the launch of TVCA's new CRM system is delayed, or it proves infeasible to link the gateway website with the new CRM, then the manual analysis and reporting would continue.

It is therefore essential that the web developer appointed to develop the gateway website is given early access to TVCA's plans for the CRM so they can build future alignment with this system into the initial design of the website.

AGENDA ITEM 5

REPORT TO THE OVERVIEW AND SCRUTINY COMMITTEE

12th NOVEMBER 2020

REPORT OF GROUP CHIEF EXECUTIVE

UPDATE FROM GROUP CHIEF EXECUTIVE

SUMMARY

This report updates members of the Overview and Scrutiny Committee on significant recent developments at the Tees Valley Combined Authority, in addition to further verbal updates to be provided at the meeting.

DETAIL

COVID 19 RESPONSE

1. The Combined Authority continues to work closely with our partners to help the local economy manage the impact of the pandemic. We continue to act as regional collator of business and economic intelligence, providing local intelligence and economic analysis to ensure that government is aware of the impacts of the crisis on our economy and to help shape the national response.
2. To date we have made the following interventions:
 - **Kickstart Tees Valley scheme:** The Combined Authority is providing support to SMEs who wish to create work placements for 16-24 year old's under the DWP Kickstart scheme. 386 Job Placements at 136 businesses have been applied for so far in five applications.
 - **Welcome Back Fund:** Over 500 small hospitality businesses were supported in making adaptations allowing them to reopen in July.
 - **Business Growth Fund:** An additional £2m of funding has been secured from MHCLG for the Tees Valley Business Growth Fund. 99 applications have been received and 22 offers of funding made to date, with a total value of £400,000.
 - **Back to Business Fund for Visitor Economy:** Funding has been made available to support businesses in the visitor economy through access to advice, guidance and consultancy support of professional services. 94 businesses have been invited to complete applications to the value of £256k.
 - **Back to Business Fund for the Wider Economy:** Funding has also been made available to SMEs in other sectors to access new equipment and technologies or direct professional support and guidance in areas such as HR, accountancy, legal, financial, health and safety, IT and digital. Over 200 businesses have been invited to complete a full application with a total value of £929k.
 - **Apprenticeship Grants:** 105 applications have been approved for Apprenticeship Support Grants in key sectors.
 - **Cultural Development & Innovation Grant** supporting cultural businesses adopt to new ways of working and diversify their businesses. 90 expressions of interest

have been received to date. A **Cultural Industries & Visitor Economy Recovery Taskforce** has also been established to develop a £1million recovery programme.

3. Combined Authority engagement with government has also secured the Tees Valley:
 - £517,308 to ensure sufficient transport capacity for children and young people to access school and college safely up to October half-term and £597,308 for the November to December. The funding has been apportioned between LAs and FE providers.
 - An allocation of £481,539 from the Department for Transport Emergency Active Travel fund to support walking and cycling. A second allocation is anticipated.
4. As the regional lead agency for economic development, we are in the process of finalising an Economic Recovery Plan of strategic interventions for a more sustainable, resilient and stronger Tees Valley economy in the medium to long-term. This Plan has six key themes:
 - **Confident People, Confident Businesses**
 - Supporting Town Centre / High Street revival and local businesses.
 - **Education, Skills & Jobs**
 - Creating opportunities for young people, preventing long term scarring as a result of unemployment and developing the skills necessary to support growth
 - **Agile Companies & Competitive Workers**
 - Supporting firms and workers to adapt to changing economic conditions
 - **The Building Blocks for Growth**
 - Developing transport, business & digital infrastructure
 - **Supporting Health for Growth**
 - Supporting delivery of critical services to the national economy
 - **Bringing Business Home**
 - Establishing Tees Valley as an exemplar region in green technologies – leading the way in low carbon sectors, delivering innovation & meeting net zero targets
5. The Combined Authority has also made a formal submission to the government's Comprehensive Spending Review, setting out economic interventions detailed in the draft Tees Valley Economic Recovery Plan.

TRANSPORT

6. There continues to be good progress on the delivery of the Integrated Transport Programme and an overview of recent progress is summarised below:
 - **Darlington Station** – detailed design work is currently on-going, and the full business case is on target to be submitted to the Department for Transport (DfT) in summer 2021. This will enable the DfT to take a decision to release the outstanding funding needed to deliver the scheme. The project remains on programme for completion by 2024.
 - **Middlesbrough Station** – the full funding package for the scheme has now been secured with the recent Getting Building Fund allocation. The first phase of delivery is the platform 2 extension, which is scheduled to commence in early 2021. The project is on programme for all elements to be delivered by 2023.

- **Other rail projects** – the development work for the Billingham, Eaglescliffe, Teesside International Airport and Hartlepool projects is on-going.
- **New A19 Tees Crossing** – TVCA originally submitted an Outline Business Case (OBC) to the DfT in October 2019. Feedback at the time was positive, but the onset of COVID-19 meant that the DfT appraisal and approval process was put on hold. In recent months there has been further engagement with DfT, and progress has been made on agreeing a way forward. TVCA has submitted a revised OBC addressing several issues as requested by the DfT. Furthermore, the Portrack Relief Road is being progressed separately as an enabler to the A19 Tees Viaduct.
- **Other major road improvements** – TVCA is developing business cases for the A689 corridor improvements and Darlington Northern Link Road and both are due to be completed by January 2021.
- **Bus** – proposals are currently being developed for bus network infrastructure improvements on key corridors across Tees Valley. Progress has also been made to improve partnership working between TVCA, the local authorities and bus operators on key issues including fares and ticketing, infrastructure, service delivery, finance and information and communications.
- **Cycling and walking** – a Local Cycling and Walking Infrastructure Plan has been developed, which provides the framework for future investment. Proposals are currently being developed for a first phase of investment in key corridors covering every local authority area.
- **Tees Flex** – passenger numbers have continued to grow despite COVID-19 and reduced capacity on vehicles. Customer feedback is very positive and new service destinations have recently been added in response to customer and stakeholder feedback.
- **Electric vehicles** – a delivery plan is currently in development that will see a first phase roll-out of electric vehicle infrastructure to facilitate the uptake of electric vehicles.
- **Hydrogen** – the DfT has announced that Tees Valley is to be the first hydrogen transport hub in the country. A masterplan has been commissioned to understand the feasibility of the hub and how it can accelerate the UK's ambitions in hydrogen. The masterplan is expected to be published in January 2021.

TEESWORKS SITE

7. In anticipation of the site transitioning to local ownership, following the vesting of the land from the ownership of the Official Receiver on 8 October, a plan for jobs at the former Redcar steelworks site was launched. The plan will see a significant amount of investment. Site clearance and preparation work is already underway in a number of areas and STDC is currently undertaking a number of key procurements to allow it to update the electrical infrastructure on site as well as to demolish existing structures. These procurements will run into the new year and will deliver up to 19 separate demolitions over the coming years.
8. Alongside these procurements, STDC has taken advice around the potential to retain certain of the assets for heritage purposes and the Mayor has appointed a Heritage Task Force to consider how best we can celebrate our Iron and Steel Heritage. The Task Force is due to report before the end of the year.

9. A website for local workers has been launched to allow them to find out about contracts and job opportunities at Teesworks(www.teesworks.co.uk.)

CULTURE AND TOURISM

10. The Tees Valley will host a fixture of the 2021 Rugby League World Cup between the Cook Islands and Tonga. The fixture will take place at the Riverside Stadium on 7th November 2021. This news follows the announcement that the Tees Valley will be the host destination for the Cook Islands men's international rugby league team for next year's World Cup finals. The team will be based at Rockcliffe Hall hotel and train at Darlington's Mowden Park arena. The event could give the Tees Valley an economic boost of up to £8m, attracting tens of thousands of international rugby fans to the area.
11. LEP Board Member, Annabel Turpin, has accepted the Mayor's invitation to head up the Cultural Industries & Visitor Economy Recovery Taskforce to guide the development of approaches for the £1million recovery programme. The Taskforce met for the first time on 31st July. A number of Task & Finish groups were formed to develop detailed thinking around various programme strands and a report will go to TVCA Cabinet in November to present the recommendations.

EDUCATION, EMPLOYMENT AND SKILLS

12. The Combined Authority has been awarded £20,000 from the Careers & Enterprise Companies My Choices Transition project. The funding will provide careers support for 10 Special Educational Needs and Disability (SEND) schools for those pupils in transition years to access work experience placements and preparation for work support.
13. The new Apprenticeship Grant has approved Grants for 69 businesses to create 100 apprenticeships for 16-20 year olds.
14. The Combined Authority has received notification of an additional allocation of devolved Adult Education Budget to the value of £1.2m, this will be utilised during Academic year 2020/21 to support more unemployed people access training, directly related to future jobs.

NOVEMBER CABINET

15. The next Cabinet meeting is due to take place on 27th November. The following items are on the agenda:
 - Governance & Appointments
 - Mayors Update
 - SQW Final Pre-Gateway Report;
 - Growth Programme for the Creative Visitor Economies;
 - Draft Budget 2021/22;
 - Treasury Management Outturn report 2019/20;
 - Treasury Management Mid-Year Review 2020/21;

- Quarter 2 Budget Report and Medium-Term Financial Plan Update;
- A19 Tees Crossing;
- Wheels to Work; and
- TIAL Annual Business Plan.

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AGENDA ITEM 7

REPORT TO THE TEES VALLEY COMBINED AUTHORITY
OVERVIEW & SCRUTINY COMMITTEE12TH NOVEMBER 2020

REPORT OF GROUP CHIEF EXECUTIVE

ACQUISITION OF SOUTH TEES SITE COMPANY LIMITED BY SOUTH TEES
DEVELOPMENT CORPORATION

SUMMARY

The purpose of this paper is to provide additional information to the Overview & Scrutiny Committee relating to the acquisition of the interest of the Department of Business, Enterprise and Industrial Strategy (**BEIS**) in the South Tees Site Company Limited (**STSC**) by South Tees Development Corporation (**STDC**), which brought STSC into local control in early October 2020.

RECOMMENDATIONS

It is recommended that the Committee note the detail of the report.

BACKGROUND INFORMATION

1. The South Tees Development Corporation (**STDC**) was the first Mayoral Development Corporation (**MDC**) outside of London. Its role is to promote the economic growth and commercial development of Tees Valley by converting assets in the South Tees area into opportunities for business investment and economic growth.
2. The STDC area covers approximately 4,500 acres of land to the south of the River Tees, in the Borough of Redcar and Cleveland, and includes former SSI steelworks site as well as other industrial assets. The area benefits from river access and includes the deep-water port of Teesport, England's largest exporting port.
3. In line with the purpose of the STDC, it is promoting its area so that it becomes a major contributor to the Tees Valley economy by bringing the former SSI site, and other brownfield land in the area, back in to economic use. By attracting private sector investment, the STDC will secure additional, high quality jobs for the people of Tees Valley and provide a safe environment for the workforce.

4. South Tees Site Company (**STSC**) was set up in October 2016 as a special purpose company owned jointly by BEIS and STDC to be responsible for keep safe, security and decontamination of the former SSI assets situated on the STDC. Prior to transition in early October STSC operated under the direction of the Official Receiver, who assumed responsibility for the former SSI steelworks site and assets following its liquidation in 2015.
5. The former SSI site is categorised as an “Upper Tier” site under the Control of Major Accident Hazards (COMAH) Regulations and presents a significant safety and environmental risk if not properly managed.
6. In early 2018 a Transition Group with representatives from Government, the Official Receiver, STDC and TVCA developed a transition plan to bring STSC into local ownership. The plan was finalised and endorsed by government in April 2018. Subsequently the Boards of STSC, STDC and TVCA endorsed the plan with the final approval coming from TVCA on 1 June 2018. The Transition group continued to sit periodically through to transition acting as a forum for communication between the parties and a means of monitoring progress against the plan.
7. In April 2019 STDC made “The South Tees Development Corporation (Land at the Former Redcar Steel Works, Redcar) Compulsory Purchase Order 2019”. This will enable the STDC to deliver on the aspirations of the South Tees Regeneration Master Plan, an opportunity to redevelop some 2,300 acres of former industrial land to create a world class employment-generating zone bringing economic growth and prosperity to the Tees Valley.
8. On the 29th April 2020 the Compulsory Purchase Order was confirmed by the Secretary of State for Housing, Communities and Local Government.
9. On 29th July 2020, the South Tees Development Corporation Board gave approval, for the Group Chief Executive, in consultation with the Mayor, Group Director of Finance and Resources, and Monitoring Officer to:
 - i. Conclude an agreement with the department of Business Energy and Industrial Strategy to acquire 100% of the share capital of South Tees Site Company (“STSC”)
 - ii. Complete all due diligence, sign all documents, and complete all other actions required to give effect to this Report

The approval was contingent upon:

- Future approval by TVCA Cabinet to accept the funding from central Government and agree to the use of the Tees Valley Assurance framework to manage the STDC programme arrangements; and,
- STDC’s business case to government to secure funding for the acquisition of STSC being successful.

STDC's business case to government to regenerate the STDC site assumes the redirection to STDC of any unspent funds budgeted by BEIS to support future activities of STSC (the "**Redirected Funds**"). The estimated value of the Redirected Funds reflected in STDC's business case submission is £71m of c £117m originally earmarked by BEIS to fund STSC's activities. The Business case identifies significant efficiencies that it is anticipated can be achieved by bringing the STSC and redirected funds under local control.

10. TVCA's approval for the acquisition was necessary at the request of government, as funding will be channelled through TVCA, which is therefore accountable for it. Government departments will gain their assurance through the application of the TVCA assurance framework and oversight to the STDC programme.
11. On 11th September, 2020 TVCA's Cabinet approved-
 - i. the acceptance of funding from central Government;
 - ii. the use of TVCA borrowing, within the appropriate Treasury Management limits set out at Appendix 1 and paragraphs 18-23 to the cabinet report;
 - iii. the use of the Tees Valley Assurance framework to manage the STDC programme arrangements.
12. Cabinet noted that giving the above approval would result in: (1) the conclusion of an agreement between STSC and the department of BEIS for STDC to acquire 100% of the share capital of South Tees Site Company Limited and (2) Completion of all due diligence, signature of all relevant documentation, and completion of all other actions required to give effect the matters covered in the Cabinet report.
13. In accordance with the usual procedure members of the Overview and Scrutiny Committee were sent notice of the Cabinet decision and the relevant papers (including all appendices). Should Members require a further copies of the cabinet report and all appendices, these can be requested by members from the Governance team. The public paper and appendices are also available on the TVCA Website.
14. The contingencies in the July South Tees Development Corporation Board having been fulfilled and Cabinet approval having been obtained:
 - a. STDC's compulsory purchase order and recent vesting declaration were finalised on the 8th October 2020 to bring this site into STDC group ownership, ending the Official Receiver's role on site and transferring responsibility for site management and safety to STDC. STDC has now acquired STSC from BEIS to ensure continuity of safety critical site management operations.
 - b. The agreement with BEIS to acquire 100% of the share capital of STSC has now concluded and also took effect on 8th October 2020.

GROUP STRUCTURE

15. Post -acquisition STSC has become a 100% owned subsidiary of STDC retaining its own board drawn from a combination of existing board members (several of whom also currently sit on the STDC board) and new appointees to fill gaps left by any exiting BEIS appointees.

16. The implementation of STSC transition required a review of the current STDC governance arrangements to ensure a smooth transition into the STDC Group structure. A diagram of the STDC Group Governance was part of the September cabinet paper and was attached as **Appendix 2** to the cabinet report.

17. Key element of this structure of relevance to the Overview and Scrutiny Committee are:

- a. TVCA is primarily accountable for funding passed from BEIS and MHCLG. A key condition of Government funding for transition. All Government funding and associated Memorandum of Understanding (MoU)/Funding agreements will be between TVCA and Government. The assurance framework will manage the process of allocation of funds to STDC.
- b. In accordance with the TVCA Assurance Framework 2019-29 (June 2019) STDC Programme Assurance Framework (May 2020), the Assurance model for the programme is well developed with a clear understanding of the importance of each assurance mechanism. The classic three lines of defence model remain solid: Members will be familiar with the model, but it is set out below for completeness:
 - i. First line of defence is ensuring delivery by trained public sector officers who have a clear understanding of their roles and responsibilities within a system of management controls and an internal control environment;
 - ii. The second line of defence is the overarching systems and monitoring to ensure compliance and the roles of senior management. Within this the classic local government 'assurance triangle', with specific legal duties independently falling on three Statutory Chief Officers (Head of Paid Service) Finance Director (s151/s73 Officer) and Monitoring Officer (s5 Officer). These roles sit both in TVCA and STDC with these officers having independent duties to both organisations.
 - iii. The Third line of defence is that provided by independent assurance, this is primarily provided by independent functions like:
 1. Internal audit reporting directly to the Audit Committees (Audit and Governance Committee that reports to TVCA Cabinet and Audit and Risk Committee that reports to the STDC Board).
 2. Scrutiny of decision making provided by the Overview and Scrutiny under the regime prescribed by The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 <https://www.legislation.gov.uk/uksi/2017/68/contents/made>
 3. Additional access to information provided by the Freedom of Information Act , Environmental Information Regulations and the Data Protection Act 2018/ GDPR (in relation to access to personal data) and the proactive publication of papers and access to meeting provided by Part 5A of the Local Government Act 1972

18. Members will note that STDC governance was reviewed in light of the change and approved by Cabinet and the STDC Board as appropriate as follows:

- a. STDC Board Terms of Reference updated;
- b. STDC Group Audit and Risk Committee Terms of Reference updated;
- c. STSC Board Terms of Reference updated;
- d. STDC Scheme of Delegation and Financial Regulations amended to reflect incorporation of STSC in to STDC Group;
- e. TVCA Cabinet approved at its meeting on 11 September 2020 the necessary borrowing approvals, subject to the usual prudential borrowing controls/requirements and responsibilities of the s73 officer (Group Director of Finance and Resources) in consultation with the Group Chief Executive and Chair and STDC Board.

OVERVIEW OF THE ACQUISITION PROCESS

19. In anticipation of the transition of STSC into the STDC Group, the management teams of both organisations worked together closely for several months prior to transition, with STSC providing input into STDC's business case and the development of a joint approach to the decontamination and demolition assets on the former SSI site
20. In addition, integration at a senior management commenced in advance of transition with STDC and STSC sharing a Chief Executive and STSC's Site Director sitting as part of STDC's Senior Management Team as well as the newly established STDC Delivery Group, which exists to monitor and manage progress against STDC's operational programme.
21. External assurance was provided by KPMG UK who were engaged to provide financial and technical due diligence on the acquisition and to advise upon the most appropriate organisational and governance structures to effectively integrate STSC into the STDC group. These engagements are now complete, with interim findings provided to the STDC Board on 29th July being considered as part of STDC's decision to proceed with the acquisition of STSC.
22. External Legal support was also instructed in connection with the transaction and to provide legal due diligence. This work covered all the appropriate legal actions arising from the KPMG UK due diligence reports.
23. Whilst due diligence identified several risks in relation to the acquisition of STSC, no material issues were identified that were not already known or anticipated by STDC's Board and management team. These risks have been logged as part of the STDC group risk management framework with appropriate mitigation strategies and action plans being put in place.

FINANCIAL IMPLICATIONS

24. Post-acquisition it is a requirement of TVCA to manage receipts and payments of central government funding allocations and to resource this process.

25. Funding for the post acquisition activities of STSC and those of the wider STDC group has been secured through existing allocations from within the TVCA investment plan alongside additional central government funding secured through the recent business case to government and a successful application to the “Getting Building Fund” which was set up as part of Government’s response to Covid-19. Ultimately, these funds will be used to ensure that STDC site is remediated to a level such that the commercial activities of STDC and its delivery partners will support the ongoing management of the site.
26. An overview of all funding streams available from the current financial year onwards to support the activities of the newly enlarged STDC group is presented below.

	Available
	from 2020/21
Funding source	£'000
TVCA - Remaining Investment plan/ other	43,639
MHCLG existing STDC allocations	11,564
MHCLG - Getting Building Fund	4,100
MHCLG - Business case funding	39,910
BEIS - Business Case demolition funding	13,694
<i>BEIS - Business case STSC funding transitioned to STDC</i>	<i>70,953</i>
	183,860
Being:	
Existing allocations	55,203
New funding leveraged following business case	128,657
	183,860

27. Whilst significant funds have been allocated from these sources and the intention is that future investment will be funded through private sector investment and borrowing, largely secured against income streams from tenants, there may also be a need to borrow in advance to address specific cashflow requirements. The source of any borrowings will need to be assessed by Statutory Officers as required to comply with the Prudential Code, meet obligations and ensure value for money.
28. Borrowing will be in line with the agreed TVCA Treasury Management Strategy limits set for STDC. The STDC Board will manage the arrangements for borrowing within these limits and subject to the normal prudential borrowing requirements in terms of affordability and sustainability.
29. The implementation of the necessary statutory instrument in respect of Special Economic Area status, and the resulting business rates income share to STDC, is an important element of the funding associated with the business case and work is ongoing with MHCLG, STDC and Redcar and Cleveland Council to implement this for an effective date of 1 April 2021. Based on the profile of development outlined in STDC’s business case to government it is estimated that STDC’s share of business rates

income between 2024/5 and 2044/5 would be c£117m in current monetary terms (before any inflationary increases).

LEGAL IMPLICATIONS

30. Further to s201(1) the object of STDC is to secure the regeneration of its area. STDC has powers to pursuant to Chapter 2 Section 201 (2) of the Localism Act 2011 to “do anything it considers appropriate for the purposes of its object or for purposes incidental to those purposes”.
31. Article 4 of the Tees Valley Combined Authority (Functions) Order 2017 specifically applied Chapter 2 Part 8 of the Localism Act 2011 to the Tees Valley Combined Authority and enabled the South Tees Development Corporation (Establishment) Order 2017 by virtue of those powers.
32. Paragraph 4a of the STDC constitution describes STDC’s principal objective which is “To further the economic development and regeneration of the South Tees area, so that it becomes a major contributor to the Tees Valley economy and the delivery of the Tees Valley’s Strategic Economic Plan”.
33. In accordance with paragraph 25 of its constitution STDC is also empowered to “do anything it considers appropriate for the purposes of securing the regeneration of its area, or for purposes incidental to that objective” which includes the power “To form or acquire interests in any business or company” (Para 26.e.ii).
34. These powers enable STDC to enact the acquisition of STSC.
35. The implementation of the necessary statutory instrument to give effect to Special Economic Area status from 1 April 2021 is in progress.

RISK ASSESSMENT

36. Not Applicable to this report.

CONSULTATION & COMMUNICATION

37. The STDC Masterplan was consulted extensively prior to approval. The successful CPO process to acquire the necessary land to deliver the masterplan included engagement with landholders, stakeholders and led to the public inquiry that concluded with a positive planning inspector decision on 29 April 2020.
38. The recommendations contained in this report form part of the required implementation steps to move the STSC site management resources into local control alongside the local control of land across the STDC area.
39. A detailed report concerning the acquisition of STSC, including funding considerations, risk and governance alongside initial feedback from external due diligence providers was presented to STDC board on 29 June 2020 and TVCA Cabinet on 11th September 2020 resulting in their approval

40. Risk and governance issues were also considered by a subgroup of the STDC Audit and Risk committee on Monday 21st September and the STDC Audit and Risk committee remains closely engaged in overseeing the effectiveness of the new governance arrangements.

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REPORT TO THE OVERVIEW & SCRUTINY COMMITTEE

12th November 2020

REPORT OF GROUP CHIEF EXECUTIVE

DELEGATED DECISIONS AUGUST- NOVEMBER 2020

SUMMARY

The table below shows the Delegated Decisions signed off by the Combined Authority between August 2020 and November 2020

RECOMMENDATIONS

It is recommended that the Combined Authority Overview & Scrutiny Committee note the table below.

DETAIL

1. The table below shows the Delegated Decisions signed off by the Combined Authority between August 2020 – November 2020.

Title	Amount	Date signed	Key Decision
<p>Procurement of the Enjoy Tees Valley Destination Website The Enjoy Tees Valley destination website launched in 2018 as a primary tool for strengthening engagement with the region's visitor offer and growing the visitor economy. The contract with the supplier was to renew in November 2020 unless formally terminated at the end of August 2020. After reviewing the current service and through market engagement it was determined that better value for money could be achieved by migrating the website to another provider and, using the Comms & Marketing Framework, an ITQ was issued to Tees Valley-based businesses to assess capability. An appropriate local provider was identified to take over the management and development of the website. This appointment will save circa. £11k per year in maintenance costs.</p>	£23,040	04/08/2020	No
<p>Tees Crossing - Portrack Relief Road TVCA is seeking to deliver Portrack Relief Road as a first phase of the overall A19 Tees Crossing scheme through Stockton-on-Tees Borough</p>	£1,100,000	18/08/2020	No

Title	Amount	Date signed	Key Decision
<p>Council, given their responsibility for the local highway network. There is a need to provide Stockton-on-Tees Borough Council with an advanced funding allocation to enable them to progress the scheme to the point at which they are in a position to appoint a contractor to deliver the scheme. This work will involve surveys (topographical, ground investigation & ecological), detailed scheme design, project management, preparation of a planning application, road safety audit and preparation of contract documents for the construction contract. Further funding from the £24m allocation to deliver the scheme will be subject to the Tees Crossing business case coming forward and subsequent due diligence in line with the Assurance Framework. The indicative programme for Portrack Relief Road is to start on site in late 2021/early 2022 with a 2 year construction period.</p>			
<p>Welcome to Redcar and Cleveland A £20m allocation was made towards a strategic priority project for Redcar and Cleveland Borough Council, indicatively titled 'Revitalising Redcar'. A programme level Business Case titled 'Welcome to Redcar and Cleveland' has since come forward to utilise and release these funds. The 'Welcome to Redcar and Cleveland' programme has been structured to provide gap funding around 'place' which will act as a key catalyst to promote and develop a sustainable visitor economy as part of a wider place based regeneration plan. Programme objectives are centred on attracting a greater number of higher spending visitors to the region through directly funding improvements to the assets and attractions of Redcar and Cleveland as well as improvements to transport, connectivity and tourism infrastructure.</p>	£20,000,000	01/09/20	No
<p>Wynyard Improvements A £4.7m allocation was made towards funding transport improvements on the A689 Wynyard corridor. A Business Case has since come forward to utilise and release these funds. The A689 Corridor Improvements project is a package of improvements to a number of junctions and new provisions for pedestrians/cyclists, which has recently been submitted by Transport for the North (TfN) to the Department for Transport (DfT) National Road Fund. The improvements will facilitate new housing growth, improve the movement of traffic and provide opportunity for walking and cycling</p>	£4,700,000	02/09/20	No

Title	Amount	Date signed	Key Decision
<p>trips. TVCA funding will be used to deliver two elements of the package as a first phase of works. Firstly, a new pedestrian and cyclist bridge to connect Wynyard Park and Wynyard Village over the A689. This will reduce severance and provide a sustainable link between Wynyard and Billingham. Over time this element of the project will be fully developer funded. However, in order to provide this important link now, funding is required which will be paid back through S106 payments as development comes forward.</p> <p>Secondly, improvement works will be undertaken to the third roundabout from the A19/A689 junction heading west, namely the Meadows roundabout. The strategic junction improvements will involve signalisation of the roundabout, which will incorporate a pedestrian phase to assist crossing of the dual carriageway at this location. The scheme will improve vehicle and pedestrian safety, connectivity between housing developments north and south of the A689 and traffic flows and congestion as development continues.</p>			
<p>Darlington Station Project - Design works A previous delegated decision for advanced funding was approved for £710,500 of Investment Plan funds (decision number AF23-2020) in advance of the final appraisal of the Darlington Station Business Case. The funding is being used to progress the design of the station gateway element of the scheme. Darlington Borough Council has appointed Willmott Dixon under the Scape framework to undertake the design works necessary to reach the end of Royal Institute of British Architects (RIBA) Stage 4 'technical design' with an estimated timeframe for completion of 18 months. The Scape framework is fully compliant with the Public Contracts Regulations.</p> <p>Following further engagement with Network Rail there is now a requirement to extend the Willmott Dixon scope to include design work on the station building structure given the interface with the new multi-story car park. In total, this decision will release a further £271,163, in addition to the £710,500 already secured from the £25m allocated within the Investment Plan to support the Darlington Station project, prior to full business case approval.</p>	£271,163	16/09/2020	No
Developing Tees Valley Sector Networks	£2,180,000	07/10/2020	No

Title	Amount	Date signed	Key Decision
<p>A £2.18m allocation was made towards funding Tees Valley sector development and network leverage. A Business Case has since come forward seeking to draw these funds down and upon successful appraisal was recommended for approval.</p> <p>The Sector Networks proposal will support organisational change and the expansion of technical remit in three regionally based industry networking bodies: Northern Offshore Federation (NOF), North of England Process Industry Cluster (NEPIC); and The Welding Institute (TWI). This undertaking will facilitate the development of bids to draw down increased research and development funding from Government to transform the research intensity of the Tees Valley economy as a whole and in the first instance develop/strengthen priority clusters in clean growth (including chemicals and process) offshore engineering, life science manufacturing and digital and professional services.</p>			
<p>Skippers Lane Industrial Extension</p> <p>This delegated decision is to approve and release in total £3,491,550 of SSI Devolved Taskforce funding for the Skippers Lane Industrial Extension. This funding is made up of the following SSI allocations:</p> <ul style="list-style-type: none"> • SSI Sites and Premises Funding: £2,858,818 • SSI Underspend: £632,732 <p>Within the SSI Devolved Fund there is a specific allocation ring-fenced to Sites and Premises, the last remaining allocation within this fund is for the Skippers Lane Industrial Expansion project. £2,858m was allocated by the SSI Taskforce, in principle, subject to business case and appraisal in line with the Tees Valley Assurance Framework. In addition to the £2,858m allocated to this scheme, a further £634,997 has since been added to the project from closed funds (this follows approval from both BEIS and the SSI Taskforce). Bringing the total allocation for the Skippers Lane Industrial Estate Extension scheme up to £3.492m.</p> <p>In summary, the Skippers Lane Industrial Extension will see the above SSI Devolved Funds utilised to provide both off-site and on-site infrastructure, extending the existing Skippers Lane Industrial estate by 3.24 hectares with the construction of 8 industrial units, as a first phase of works. The project will also provide the necessary infrastructure to facilitate the potential</p>	£3,491,550	13/10/2020	No

Title	Amount	Date signed	Key Decision
development of approximately 30 further units, suitable for commercial, general industrial and/or storage uses.			

2. All key decisions are sent to the Overview & Scrutiny Committee within 2 days of being made. All other delegated decisions are provided for information at their next scheduled meeting.

FINANCIAL IMPLICATIONS

3. There are no direct financial implications arising from this report. The report derives from the Constitution and Assurance Framework for the Combined Authority, which have embedded within them the statutory financial regulations.

LEGAL IMPLICATIONS

4. The Report derives from the Constitution and the Assurance Framework for the Combined Authority which sets out the appropriate statutory framework and is legally binding.

RISK ASSESSMENT

5. The report is categorised as low risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION & COMMUNICATION

6. Not Applicable

EQUALITY & DIVERSITY

7. Not Applicable

LOCAL ENTERPRISE PARTNERSHIP

8. Not Applicable

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Tees Valley Combined Authority Overview & Scrutiny Proposed Work Programme 2020/2021

Standing Items

Minutes from the Previous Meeting
Chief Executive Update
Delegated Decisions
Forward Plan
Date and Venue of the Next Meeting

Overview & Scrutiny Committee		
Date	Venue	Item / Responsible Officer
18th June 2020 at 2pm	Microsoft Teams Live Event	Overview & Scrutiny Committee Annual Report STDC Update
13 th August 2020 at 10.30am	Microsoft Teams Live Event	Teesside International Airport Update LEP Portfolio Briefing EES Portfolio Briefing
12 th November 2020 at 10.30am	TBC	Business Growth Portfolio Briefing – Andy Preston, Chris Beck Culture Task Force Update – Annabel Turpin
7 th January 2021 at 10.30am	TBC	Finance & Resources Sub Committee Budget Consultation Report Teesside International Airport Update & Business Plan Gateway Review
15 th April 2021 at 10.30am May need to change for Purdah	TBC	TBC

Finance & Resources Sub-Committee

Date	Venue	Item / Responsible Officer
3rd December 2020	TBC	Draft Budget 1 st Consultation meeting
17 th December 2020	TBC	Draft Budget 2 nd Consultation meeting (if required)

Proposed Items to be scheduled

- STDC - LT Plan and Measures
- Annual Financial Statements & Annual Report
- Combined Authority Budget – Quarterly updates
- Portfolio Lead updates
- Updates from Finance and Resources Sub Committee (where applicable)

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