

AGENDA ITEM 4**REPORT TO THE TEES VALLEY
COMBINED AUTHORITY CABINET****17TH MARCH 2023****REPORT OF THE TEES VALLEY MAYOR****TEES VALLEY MAYOR'S UPDATE****SUMMARY**

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

RECOMMENDATIONS

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

DETAIL**FREEPORT**

1. Following the approval of the Full Business Case and the agreement of the MOU, Teesside Freeport moves into a full operational phase.
2. 2 Green Freeports have been announced in Scotland, at Cromarty Firth and Firth of Forth. Teesside Freeport has started to establish working relationships with the Scottish Green Freeports.
3. The inward investment and innovation and skills workstreams have commenced for 2023 which are reflecting the transition from FBC approval to operational deployment.
4. The formal launch of the ICC UK's Centre for Digital Trade and Innovation (C4DTI) is planned on 8th March at Teesside University.

TEESSIDE INTERNATIONAL AIRPORT

5. In January the region secured £7million from the Department for Levelling Up, Housing and Communities (DLUHC) to develop a hangar at Teesside Airport and its associated infrastructure. This will help the airport secure new business investment and support its freeport vision. Elsewhere, the airport's new cargo handling facility has been granted a new Border Control Point (BCP) licence to allow it to handle flowers, fruit and vegetables, making it one of the few BCPs to handle these goods in England.

6. New figures revealed passenger numbers at the airport have hit their highest level since 2011. A total of 173,006 people used the terminal last year, up more than 200% on 2021. This comes ahead of this year's summer season which has seen TUI double the number of Teesside flights to Palma, and Ryanair's flights to four destinations.

TEESWORKS

7. Circular Fuels Ltd, a joint venture between Dimeta and Kew Technology, has formally submitted a planning application for its £150million low carbon renewable fuel from waste facility earmarked for Dorman Point. The plant will sit on a 14-acre site, creating 250 construction jobs and more than 50 direct skilled roles, plus more indirect jobs. When fully up and running, it will be able to produce 50,000 tonnes of carbon dimethyl ether per year – vital for decarbonising properties not connected to the gas grid.
8. Following the successful conclusion of the first phase of closed bucket dredging in respect of the South Bank Quay – the first ever dredging to take place on behalf of Teesworks – the second phase is now under way. This will see circa 900,000m³ of material dredged from the Tees and be disposed of at an approved location in accordance with MMO licences.

LEVELLING UP

9. The region has been successful in securing £54million from Government's Levelling Up Fund in its latest allocations. A TVCA bid has seen £17.7million granted for cycling and walking infrastructure across the five boroughs. Hartlepool received £16.5million for its Production Village project to regenerate the Church Street area of the town. Redcar will also receive £20million, including £15million for improvements in Guisborough, improved access to Teesworks and North York Moors National Park and £4.8million to unlock housing at Newham Grange.

TEES VALLEY BUSINESS

10. More than £12million ERDF has been allocated to support Tees Valley SMEs' growth plans and job creation until June 2023. To date, 393 businesses have been supported with grant offers to the value of £8.4million, which will generate private sector match of £12million and is forecast to create 1,390 new jobs. A further 46 applications are currently in assessment to the value of £1.2million, which if approved, will leave a remaining £2.5million available to businesses in grants. In addition, there is also a substantial pipeline of more than 60 referrals to the value of £1.9million. The deadline for applications is end of Mar 23 and to claim committed funds is June 23. An evaluation of the programme has been procured and deadline is July 23.
11. The SMEs Energy Efficiency Scheme (SMEEs) is a £2.9million ERDF funded project that provides Tees Valley SMEs with energy efficiency audits & advice and capital grants for works undertaken to reduce emissions and lower energy consumption. To date 165 energy audits have been completed and 33 grants approved to the value of £751,686, which will generate £918,727 private sector match and achieve carbon savings of more than 1,187 tonnes. In addition, a further 4 energy audits are in the pipeline. An evaluation of the programme has been procured and deadline is June 23.

12. Made Smarter is a government-backed initiative designed to improve the productivity of manufacturers through the adoption of Industrial Design Technologies (IDTs). Tees Valley Business is with the North-East LEP to deliver the 2022/23 programme. The £800k allocation for 2022/23 delivery is funded via BEIS. We have 50 manufacturing businesses on the programme at different stages. The programme consists of completing an online diagnostic, accessing a digital showcase to explore technology available along with one-to-one digital specialist support and workshops to develop a digital roadmap. Additional grant support is available for access to an IDT specialist as well as the purchasing of new digital technologies and equipment. To date, 5 Tees Valley SMEs have been approved grant funding to the value of £27,551. BEIS funding for Made Smarter is expected to continue for a further two years as a minimum.

TEES FLEX

13. The demand responsive bus service was first launched with Stagecoach back in 2020 as a three-year pilot. However, just a month after the launch the UK was hit by the Covid pandemic and was placed into a nationwide lockdown. The service was set up with the purpose of connecting people in rural areas to economic centres to enable them to access jobs and services. The pilot will now be extended under the exact same conditions with the operational zones and prices unchanged.

CREATIVE PLACE

14. A two-round open call (total value of £1million) launched in autumn 2022, inviting proposals for initiatives which would support the development of a high-performing cultural industries cluster in the region. The first round closed in December with 17 applications received with a combined investment proposition of £988,338. Further to initial officer assessment and recommendation, a specialist panel was convened to further consider proposals. Six proposals were recommended for investment with a collective value of £541,355. The projects are projected to leverage a further £1.3million. The second round closed in February and applications are in appraisal.

EDUCATION, EMPLOYMENT AND SKILLS

15. Multiply, which launched in December 2022 continues to provide innovative methods to engage people with low levels of numeracy to develop their functional number skills for life and work. The Combined Authority has secured 10 lead providers to deliver this provision and are performing well at this early stage in delivery. Year 2 (April 2023-March 2024) investment plan has now been approved by DfE. DfE also confirmed that for those areas, such as Tees Valley, there is an opportunity to apply for additional funding during the next year.
16. A programme of activity during this school term for our young people has been rolled out at the Teesworks Skills Academy on the Teesworks site. 30 school sessions are planned to raise awareness of the job opportunities being created on-site and the routes to take to gain careers within the sectors developing. 400 students have now accessed these activities and received a tour of the site.

CLEAN GROWTH AND INNOVATION

17. The Tees Valley's Cluster Plan for Decarbonisation will be launched on 28th March. This is the culmination of two years of work with the Teesside Industrial Cluster and

sets out how it will achieve Net Zero by 2040 while securing existing jobs and creating new ones. In preparation, TVCA launched the region's Net Zero Leadership Group. Further innovation funding is from Innovate UK's Launchpad, in partnership with TVCA, with up to £3million for projects related to net zero innovation in the Tees Valley cluster.

18. TVCA's flagship Trees on Tees scheme was launched on March 9th. This outlined the Mayor's vision to plant 1 million trees across the Tees Valley. As part of this programme TVCA and its Local Authority partners have secured £380,000 from the Forestry Commission and the North East and Yorkshire Net Zero Hub (NEYNZH) for an initial 2 year Woodland Creation Accelerator.
18. The North East and Yorkshire Net Zero Hub has completed its LAD2 Green Homes Grant programme, with more than 80% of available funding being taken up by the 24 of the Hub's local authorities – including all five in Tees Valley. The Hub will lead on an Energy Advice Demonstrator programme on behalf of DESNZ.

TEES VALLEY ONE PUBLIC ESTATE PROGRAMME

19. The Brownfield Land Release Fund (BLRF2) is capital grant funding available to all constituent English councils over a three-year period (2022/23 to 2024/25) to support the release of council-owned brownfield land for housing.
20. The £180million BLRF2 supports levelling up ambitions by releasing land for new homes and funding is administered through the One Public Estate programme. £35million was allocated in Round 1, including £223k to Darlington BC to enable the delivery of 27 homes close to the new Darlington Economic Campus government hub.
21. £60million is available for Round 2 which is currently open to applications. The Tees Valley OPE Partnership will co-ordinate applications, with a deadline of 31st March.

FINANCIAL IMPLICATIONS

22. There are no financial implications to this report.

LEGAL IMPLICATIONS

23. There are no legal implications to this report.

RISK ASSESSMENT

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

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