

**AGENDA ITEM 5****REPORT TO THE TEES VALLEY  
COMBINED AUTHORITY CABINET****9TH DECEMBER 2022****REPORT OF THE TEES VALLEY MAYOR****TEES VALLEY MAYOR'S UPDATE****SUMMARY**

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

**RECOMMENDATIONS**

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

**DETAIL****TEESWORKS**

1. Site demolition activity continues across the site, with progress being made on all projects. Virtually all the major demolition works will be complete by the end of 2022, with the remaining demolition activities to be concluded in Q1 2023.
2. Progress continues to be made on the construction of South Bank Quay Phase 1, with the main quay wall fully installed and the continuing landside works now being focused on concrete structures, such as the heavy lift platform. Regarding the associated river works, the localised dredge is now complete, that involved all dredged material being brought to land. The main capital dredge is planned to commence by the end of Q1 2023.

3. On ground remediation activities, the project to deliver the 90-acre land platform for the SeAH Wind monopile manufacturing facility is complete, with construction work on the new facility progressing. Remediation works are ongoing on the Dorman Point site, with two further projects due for imminent commencement elsewhere on Teesworks: the remediation of the 100-acre site for the NZT project; and the advance remediation works to the proposed park and ride facility near Steel House.
4. The new Eston Road roundabout scheme at Dorman Point is now complete, and two further infrastructure projects are due to begin: the new South Bank Link Road, which will provide access to various developments at South Bank, including the SeAH Wind development and South Bank Quay; and construction of Phase 1 of the South Bank surface water channel, which forms a major part of the strategic surface water drainage network on Teesworks. On utilities, various HV infrastructure projects are being progressed, notably the establishment of new 66kV infrastructure at South Bank.
5. Regarding development interest in the site, the team continues to receive and consider numerous end-user enquiries connected with clean growth, green energy and advance manufacturing, with several of these progressing to detailed negotiations stage.

## **FREEPORT**

6. The Full Business Case has been approved by government.
7. The Freeport MOU has been reviewed internally and passed back to HMG. Once complete, the MOU will be issued to external legal counsel for review prior to approval.
8. Teesside Freeport continues to manage risk in accordance with TVCA procedures and having undergone the first external review, was deemed to have the highest standard of assurance with no management actions to review. The management of risk is being further enhanced through the refining of the Freeport workstream process to provide greater stakeholder focus.

## **TEESSIDE INTERNATIONAL AIRPORT**

9. **Aeronautical**  
Teesside airport has claimed its busiest summer in almost a decade. Passenger numbers in August almost doubled from pre-pandemic levels, at 23,358 against 12,284 in the same month in 2019, which indicates good recovery from the pandemic. Average passenger load factors for the destinations operated by Ryanair and Tui are over 90%, with a considerable number of flights fully sold out. Tui is doubling their passenger capacity from Teesside for the 2023 summer season, with Antalya, Turkey added as a new destination. KLM's 6am flight to Amsterdam has been reinstated from 31st October. CAA figures also show that TIA was the most punctual airport in the country in July, with the airport continuing to achieve high scores in terms of passenger satisfaction feedback.

## 10. Estates

Global Aviation Firm 2Excel have moved their Oil Spill Response service to be based at Teesside Airport. This will see two 727 aircraft located at the airport with the potential to create up to 200 jobs.

11. Aviation services and technology firm Draken Europe is expanding its operations at Teesside Airport, with a second hangar now completed and handed over to the company. The fleet of six aircraft currently based at the airport will be joined by eight L-159 planes.

12. Willis Aviation Services (the UK subsidiary of Global aviation company Willis Lease Finance Corporation) has applied for planning permission for a new aircraft maintenance facility at the airport, as well as a state-of-the-art Jet Centre. This £25million investment will form part of the airport's freeport area. On the Southside, development work is well under way on the access road from the A67 into the site.

## **TEES VALLEY BUSINESS**

13. Community Renewal Funding of £826k has been secured to deliver the pilot Tees Valley Business Challenge programme. It is a comprehensive programme of support for Tees Valley SMEs to start, scale and grow, specifically aimed to level-up Tees Valley in terms of business density, business creation, business scaling, business productivity, business employment and skills. The programme has been delivered through four core mechanisms: digital support; a programme of one-to-many support events and activities; a programme of support to smaller groups/cohorts and one-to-one support. 52 businesses signed up to the programme and scope of support identified. 40 businesses were also supported with grant offers to the value of £358,354, which will generate £47,185 private sector match.

14. More than £12million ERDF has been allocated to support Tees Valley SMEs growth plans and job creation until June 2023. To date 364 businesses have been supported with grant offers to the value of £7.1million, which will generate private sector match of £6.35million and is forecast to create 1,013 new jobs. In addition, there are 53 live referrals to the value of £1million and 24 applications currently in assessment to the value of £1.1million, which, if approved, will leave balance of £2.7million.

15. 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 122 energy audits have been completed and 20 grants approved to the value of £335,080, which will generate £457,074 private sector match and achieve carbon savings of more than 540 tonnes.

## **EDUCATION, EMPLOYMENT AND SKILLS**

16. The Combined Authority continues to lead the local management of national skills funding, including Skills Bootcamps; a Wave 4 application was submitted to the Department of Education that will ensure delivery will continue from April 2023. These provide short, bespoke employer led training for both unemployed people and those in employment that wish to diversify or improve their skills with their employer's support. This will provide training routeways linked to future technical job roles.

## **TRANSPORT**

### **City Region Sustainable Transport Settlement**

17. The £310million City Region Sustainable Transport Settlement (CRSTS) for the period 2022/23 to 2026/27 has previously been incorporated into the Investment Plan by Cabinet on the 28th of January 2022.
18. The government has now agreed and published the CRSTS programme delivery plan. Any significant changes to the programme will be managed through a formal change control process with government.

### **19. Hydrogen Transport Hub**

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

### **20. Active Travel**

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

## **CLEAN GROWTH AND INNOVATION**

21. TVCA's Cluster Plan for Decarbonisation, funded by Innovate UK's Industrial Strategy Challenge Fund and delivered in partnership with NEPIC and BP, is heading towards completion, expected March 2023. A Cluster Showcase event has been organised for took place on November 17<sup>th</sup> to share the learning gained to date.
22. Tees Valley's two housing retrofit programmes (Home Upgrade Grant - £3.2million and Social Housing Decarbonisation Fund (SHDF) £4.5million) are in delivery until March 2023. A £80m bid for SHDF Phase 2 is being prepared, this is in partnership with the TVCA-run North East and Yorkshire Net Zero Hub and will cover 19 housing providers across the whole Hub region.
23. The North East and Yorkshire Net Zero Hub, supported by TVCA on behalf of BEIS, launched the Energy Projects Enabling Fund and Solar Schools Enabling Fund earlier in the year, these funds have now closed. In the case of the former bids have been assessed and grant agreements are being prepared, for the latter bids are currently being assessed.

## **CREATIVE PLACE**

24. TVCA's Growth Programme for the Creative & Visitor Economies will stimulate sustainable growth of the region's cultural industries sector to build a strong and impactful creative cluster. Growing strong networks and improved connectivity of skills and ideas across the sector will be critical to achieving this goal. In July, TVCA launched a Challenge Fund to stimulate sectoral responses to the need for networks and skills development opportunities. Five proposals were selected for a total investment of £500,000, and will collectively:
  - a. Create 8 networks
  - b. Engage with 125 businesses
  - c. Provide 837 skills development opportunities
25. The successful projects will concentrate on the themes of governance, early-career, leadership, professional dance, volunteers and festivals.
26. An Open Call is currently live, inviting proposals for projects which demonstrably contribute to the objectives of the Sector Growth & Sustainability pillar of the Growth Programme. Two investment decision points are scheduled in November and February with c. £750k envisaged to be invested in total.

## **BUSINESS INVESTMENT**

27. The Business Investment Team participated in a US inward delegation visit to CPI's National Biologics Manufacturing Centre in Darlington to help forge links between regions in the US and the UK. The visiting delegation included the Nashville Chamber of Commerce, the Nashville Healthcare Council and the Department for

International Trade (DIT) team leads for the Southeast US.

28. The Business Investment Team has also supported an international renewables delegation visit led by DIT's Northern Powerhouse Trade team. The visit enabled local businesses the opportunity to network with the delegation comprising international energy companies, regional governmental organisations, and DIT Overseas Officers during the week-long inward trade tour of northern England.

### **FINANCIAL IMPLICATIONS**

29. There are no financial implications to this report.

### **LEGAL IMPLICATIONS**

30. There are no legal implications to this report.

### **RISK ASSESSMENT**

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

**Name of Contact Officer: Rachel Mills**

**Post Title: Policy Advisor to the Mayor**

**Telephone Number: 01325 792600**

**Email Address: [rachel.mills@teesvalley-ca.gov.uk](mailto:rachel.mills@teesvalley-ca.gov.uk)**