

AGENDA ITEM 5**REPORT TO THE TEES VALLEY
COMBINED AUTHORITY CABINET****27TH JANUARY 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. The Full Business Case has been approved by government and has been published on the Tees Valley Combined Authority website
2. Work has been completed to enable the CSO operator, Casper Shipping, to apply for the Freeport Special Procedure Authorisation. It has enabled Teesside Freeport to achieve another first for the region in delivering the first customs customer through the Freeport.
3. The Teesside Freeport-supported Centre for Digital Trade and Innovation to commence recruitment for several positions based at Teesside University to develop the main research Hub of the centre. In addition, the Institute of Export has agreed to support the new centre and is looking to recruit up to three additional roles who will be co-located at the university.
4. Six of the eight English Freeports have been approved, with East Midlands and Humber to reach this stage in Q1 2023. Two successful bids for Scottish Green Freeports at Firth of Forth and Cromarty Firth.

TEESSIDE INTERNATIONAL AIRPORT

5. Teesside Airport has become the UK's first to be ready for new security rules coming into force in 2024 with the acquisition of a second state-of-the-art C3 security machine. This removes the requirement to take liquids and electronics out of cabin luggage and will help further speed up the process during the summer 2023 season, which will see a doubling of flights to Palma and the introduction of the Antalya route.
6. The first export has left the airport's cargo handling facility following more than a dozen import movements in just two weeks. It is currently establishing itself as the key hub for the swift turnaround of urgent or last-minute goods.
7. In December Loganair cancelled its services from Teesside to Belfast City and Dublin, however the airport has secured a second service to Majorca with TUI for summer 2023. The airline will also be launching a new route - to Dalaman, Turkey - from the airport in 2024 off the back of a strong 2022 performance and forward bookings for 2023. Ryanair is also reporting strong forward bookings for the upcoming summer season.

TEES VALLEY BUSINESS

8. The £826k Tees Valley Business Challenge pilot programme was funded through Government's Community Renewal Fund and ran from December 2021 to September 2022. The programme of support for Tees Valley SMEs was specifically aimed to level-up Tees Valley in terms of business density, business creation, business scaling, business productivity, business employment and skills. Support available was 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. 65 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.
9. More than £12million ERDF has been allocated to support Tees Valley SMEs' growth plans and job creation until June 2023. To date, 376 businesses have been supported with grant offers to the value of £7.6million, which will generate private sector match of £10.4million and is forecast to create 1,131 new jobs. In addition, there are 53 live referrals to the value of £1.7million and 33 applications currently in assessment to the value of £1.1million, which, if approved, will leave a balance of £1.5million.
10. 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 161 energy audits have been completed and 32 grants approved to the value of £742,429, which will generate £907,413 private sector match and achieve carbon savings of more than 1,060.10 tonnes. In addition, a further 9 energy audits are in the pipeline and 1 grant application is currently in assessment.

11. Made Smarter is a government backed initiative designed to improve the productivity of manufacturers through the adoption of Industrial Design Technologies (IDTs). Automation, robotics, sensor technology, IOT, 3D Printing, AI and VR are all proven catalysts of better business outcomes. Tees Valley Business is working in collaboration with the North-East LEP (NELEP) to deliver the 2022/23 Made Smarter Programme. The £800k allocation for 2022/23 delivery is funded through BEIS. Currently we have 30 manufacturing businesses on the programme. The programme consists of completing an online diagnostic, accessing a digital showcase to explore all the 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.

EDUCATION, EMPLOYMENT AND SKILLS

- 12 The Combined Authority continues to lead the local management of national skills funding, including Skills Bootcamps; a Wave 4 application for £4m of additional funding has now been approved by the Department for Education. This 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.
- 13 Multiply, which launched in December 2022 has now had more than 500 Tees valley residents engage with the programme. Multiply provides soft skill development and 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 £3.6m over a three-year period for this programme.
- 14 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. Sessions to date have been well-received and feedback from schools is that we are changing the aspirations and ambitions of our young people by bringing this site to life.

CLEAN GROWTH AND INNOVATION

- 15 The Tees Valley Industrial Cluster Decarbonisation Plan will be completed in March and the full report published shortly thereafter. The industrial group which has advised this work will continue to meet to ensure the plan is implemented.

16 Tees Valley's two housing retrofit programmes (Home Upgrade Grant - £3.2million and Social Housing Decarbonisation Fund (SHDF) £4.5million) are due to complete by the end of March 2023. A £80m bid for SHDF Phase 2 in partnership with the North East and Yorkshire Net Zero Hub and will be submitted.

17 Following the launch of the regions Net Zero Strategy at December Cabinet, work has started to map out the work plans to start implementation.

FINANCIAL IMPLICATIONS

18 There are no financial implications to this report.

LEGAL IMPLICATIONS

19 There are no legal implications to this report.

RISK ASSESSMENT

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

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