

**AGENDA ITEM 6****REPORT TO THE TEES VALLEY  
COMBINED AUTHORITY CABINET****2<sup>nd</sup> JULY 2021****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****COVID-19 RESPONSE**

1. The Combined Authority continues to work closely with our partners to facilitate and deliver responses to help businesses manage the ongoing impact of the pandemic, whilst also supporting re-opening of the economy and planning for longer-term recovery.
2. 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 Covid-19 on our economy and to help shape the national response.
3. We have made the following interventions to support businesses and residents, in addition to those previously reported:
  - Festivals 2021 Recovery Grant providing grant funding to established festival businesses, freelancers, and councils to develop and deliver plans for the region's festivals. As the region looks to bounce back from the coronavirus pandemic, a strong schedule of festivals from July to December will help support local businesses in some of the hardest hit sectors.
  - Tees Valley Young Creatives Class of 2020 programme supporting recent graduates and school leavers looking to begin careers in the creative sector. The programme of free support is aimed at helping talented

professionals newly out of training to secure employment and unlock new opportunities in their field

- The Combined Authority is a DWP approved Gateway organisation for the DWP Kickstart scheme - supporting SMEs to create work placements for 16-24 years olds on Universal Credit. 617 placements have been approved at 196 businesses.
  - The Routes to Work pilot is now supporting a wider cohort of residents in response to Covid-19, in addition to work supporting those most distant from the labour market into or closer to sustainable employment. 3420 residents have been engaged, and 670 are in employment.
  - The Welcome Back Fund has supported 333 businesses
  - The Back to Business Funds have supported 305 businesses
  - The Culture Development Fund has supported 22 businesses.
4. On February 22<sup>nd</sup>, the Prime Minister announced a national roadmap to re-opening the country. These national announcements give a clearer indication of 're-opening' the economy, along with national support for recovery and growth. As the regional lead agency for economic development, we are continuing to develop proposed interventions for a more sustainable, resilient and stronger Tees Valley economy in the medium to long-term and to engage with government to secure the necessary resources to put our plans into action. To help inform this, the Combined Authority has issued a Business Survey, designed to gain a clearer insight from business about the impact of lockdowns, along with national support and stimulus to support recovery. The survey will identify businesses immediate and medium/longer term support needs.
5. Work undertaken on local recovery planning formed the basis of our submission to the Chancellor's Budget in March 2021. Top line Budget announcements relevant to Tees Valley were: -
- Teesside announced as one of 8 Freeport locations in England.
  - Darlington announced as the location for the Treasury's new northern economic campus. This is the Ministry's first office outside of London.
  - Centre for Process Innovation in Darlington to receive £5m from the Vaccine Taskforce's existing funding to acquire a 'library' of Covid vaccines to use in its work against different variants.
  - The government will sign a memorandum of understanding with Teesworks Offshore Manufacturing Centre on Teesside to support the development of an offshore wind port hub.
  - Town Deals Funding of £46m for Middlesbrough and Thornaby.
  - £1.8m investment for Borough Hall in Hartlepool to transform it into a cultural venue.
  - Intra-city transport settlement – capacity funding in 2021-22 of £3.5m for Tees Valley.
6. A number of key government policy papers and prospectuses are expected in 2021 – including: further details of the planned Shared Prosperity Fund and the Levelling Up White Paper, which are both expected alongside the Spending Review; the Transport Decarbonisation Plan; Innovation Strategy; and the Hydrogen Strategy. We will continue to make a case for Tees Valley in the development of national policy, and

these national approaches will inform Covid-19 recovery and economic growth in Tees Valley going forward.

## **TEESSIDE INTERNATIONAL AIRPORT**

7. Teesside International Airport has now started its increased operations following a reduction in services due to the Covid-19 pandemic. Ryanair's schedule of flights to Palma in Majorca, Alicante and Faro have begun and a weekly flight to Corfu will begin in early July. Loganair is now running its services to Aberdeen, Belfast, Bristol, London Heathrow and Newquay with Jersey to follow on Saturday 26<sup>th</sup> June. It has also announced that flights to London Heathrow will be departing three times a day from July 12<sup>th</sup>.
8. Work is now complete on the terminal redevelopment, which will help to process the increased number of passengers expected to use the airport and giving them a better customer experience. This includes redeveloped check-in and security areas, the new Goosepool bar, refurbished Transporter Bar and Kitchen and Landside café and two renovated passenger lounges – the Middleton and Rockliffe lounges. A total of 92% of all upgrade work was carried out by local businesses. World Duty Free will also be joining the airport in the coming weeks.
9. The airport's Passenger Facility Fee was abolished on 1<sup>st</sup> June. This move will go a long way to ensuring we deliver a first-class customer service but will also help in getting more airlines to fly from the airport whilst our current partners will now start to look at additional routes.

## **MIDDLESBROUGH STATION REDEVELOPMENT**

10. Phase 1 of the redevelopment of Middlesbrough Station started on site in December 2020 and completed at the end of May 2021. This is a demonstration of the positive collaborative working between the Combined Authority and Network Rail and has significantly reduced the normal timescales for delivering such projects.
11. The work has extended the existing platform 2, to provide capacity for the longer trains operated by LNER, which will be used on the new London to Middlesbrough service commencing later this year. There will be an initial 1 train service in each direction per day with plans for up to 7 services per day in each direction in the future.
12. The next phases of work include the redevelopment of the station undercroft, a new platform 3 to provide additional capacity for more rail services, enhancements to station facilities and public realm improvements around the station. Work is expected to start on these phases later this year, with the project due to be completed by 2023.

## **DARLINGTON STATION REDEVELOPMENT**

13. A significant milestone has been reached in the development of the Darlington Station Project with the submission of planning applications for the Eastern and Western Gateway developments.

14. The Eastern Gateway comprises a new multi-storey car park to replace the current surface car park, a new station building and public realm. This will provide access to the new platforms, which are to be built to the east of the existing station and will provide additional capacity for services in the future. There will also be a connection into the existing train shed via a new fully accessible footbridge.
15. The Western Gateway comprises demolition of existing properties, realignment of the current road layout and the creation of new public realm in front of the Portico and Clock Tower to enhance the passenger experience.

## **TEES VALLEY WHEELS TO WORK**

16. Following a procurement exercise, Redcar and Cleveland Voluntary Development Agency (RCVDA) has been successfully appointed to operate the Tees Valley Wheels 2 Work scheme for a further three-year period.
17. The highly successful scheme has been backed further by the Combined Authority which has provided an extra £645,000 in funding, this has allowed them to secure 75 fully electric e-motorbikes. The fleet will enable Wheels 2 Work to help 400 individuals to access employment over the course of the three-year period.

## **CREATIVE PLACE**

18. The Cultural Industries and Visitor Economy Recovery Programme is nearing its final phases of delivery with continued guidance from the independent Task Force. Significant progress has made on two key strands in recent months:
19. Festivals 2021 Recovery Fund:
  - Following an open call for applications, the Combined Authority has awarded grant funding to 17 festivals which will take place across Tees Valley from June – December 2021.
  - With a total investment of £350k, the Festivals 2021 Recovery Fund will support the recovery of sector businesses and wider supply chains through activity which reconnects local communities, revitalises shared spaces and attracts visitors to the region.
  - In recognition of the evolving Government guidance with regard to events, festival organisers are being supported to develop Detailed Scenario Plans which will ensure safe deliverability in some form to align with official recommendations.
20. Destination Marketing Recovery Campaign:
  - A phased approach to Destination Marketing activity has been developed by the Combined Authority Place Marketing team to enable market engagement which aligns with the easing of restrictions and supports official guidance. A first phase of campaign activity was delivered until early June and aimed to raise awareness of the region and encourage planning of short breaks. A

second phase is now underway to convert interest in to visits, encourage engagement with experiences across the region and support the extension of the visitor season by highlighting the opportunities beyond the summer months.

- The Great Place Tees Valley programme concluded in April. Finalisation of evaluation is now under way, the outcomes of which will be published and widely shared to ensure key learnings are embedded in future planning.

#### 21. Growth Programme for the Creative & Visitor Economies:

- Consultants have been appointed to develop the four 'Foundation Frameworks' which will underpin the delivery of the Growth Programme which will be rolled out from the autumn. The Consultants have established a methodology which places strong emphasis on stakeholder engagement, ensuring that the emerging recommendations are representative, inclusive and rooted in place.

### **BUSINESS INVESTMENT**

22. The Combined Authority Business Investment team is finalising its work with Department for International Trade (DIT) and local stakeholders on the High Potential Opportunity (HPO) relating to the area's key strengths in Bio Economy manufacturing. In addition to this activity, we are working with Teesside University to explore opportunities to build a collaborative partnership with Shonan Health Innovation (iPark) in Japan.

23. The team will also commence a new High Potential Opportunity campaign with DIT focussed on the offshore wind sector. Initial scoping work for this commenced in June. This targeting marketing campaign will be produced in collaboration with the Combined Authority and the two LEPs on the Humber. It will focus on the promotion of the assets on both the rivers Tees and Humber that have been supported by the governments offshore wind port hub development funding.

24. There has been significant demand for the Tees Valley Capital grant scheme with over £10m of the funds approved to support over £70m of private sector capital investment. These investment projects will lead to the creation of over 800 new jobs and safeguard a further 310 existing jobs. The current pipeline of applications is over £9m with the next panel to review applications is scheduled for mid-June.

### **TEESWORKS SKILLS ACADEMY**

25. Teesworks Skills Academy has been continuing to develop its skills and recruitment plans for the site, with the short-term plan now with the Combined Authority and work on the medium-term plan under way. The academy has engaged with almost 130 organisations including DWP, Job Centres, charities, housing associations and more, as well as more than 30 companies on the Teesworks site. More than 1,000 individuals are fully registered with their CVs, following around 3,000 enquiries. The team has created a unique process of maximising resources, funding, support, training, specialists, facilities and supply chains across the Tees Valley to support companies at Teesworks. It is also developing many programmes bespoke to industry, meeting their needs with local skilled workforces.

## **EDUCATION, EMPLOYMENT AND SKILLS**

26. Employers continue to engage to create placements and we continue to submit applications to the Department of Work and Pensions (DWP) for the Kickstart programme. The Combined Authority are working with 196 businesses and have had 617 placements approved by the DWP. Just under 100 young people have been recruited successfully and are benefiting from these placements. The opportunity remains open and businesses are encouraged to engage either directly with DWP or through the Combined Authority if they can create placements. In order to ensure eligible young people are aware of the placements created they will be advertised on Tees Valley Jobs website.
27. As part of the national Plan for Jobs recovery programme, the DWP have recently announced the results of the national procurement exercise to provide support to people who are 12-18 months unemployed. This programme named Restart, will launch at the end of June and will support nearly 18, 000 people to gain work over a three-year period. To ensure local requirements are reflected in the new programme the Combined Authority has worked with DWP to provide information used in the procurement process and assisted in the assessment process. As part of the devolution deal the Routes to Work innovation pilot has trialled new methods of working and delivery to help long-term unemployed people into work, with a key objective to inform future DWP policy in this field. This model of delivery has been used by DWP officials to inform the new Restart project.

## **CLEAN GROWTH AND INNOVATION**

28. The Combined Authority is working with partner organisations to support their bids into the Hydrogen Transport Hub competition. It has also worked to support bids into the Clean Maritime Demonstration Competition and the Green Skies Green Fuels 'Jet Zero' competition.
29. The North East and Yorkshire Energy Hub, run by the Combined Authority, has successfully developed a £48.13million programme for BEIS's Green Homes Grant LAD2 scheme in partnership with 28 of the 31 Local Authorities in the North East and Yorkshire. The Local Authorities are now returning their signed funding agreements with the work beginning in the summer. The Energy Hub will be administering £876,000 from the Public Sector Decarbonisation Fund to support public bodies across the North East and Yorkshire to plan for decarbonisation, which follows a successful award of £702,000 to four of the Tees Valley's Local Authorities for the same fund. The Energy Hub will also work with its Local Authorities to help them bid into the Green Homes Grant LAD3 and Home Upgrade Grant schemes.
30. The project start-up phase of the Cluster Plan for Decarbonisation is progressing at pace, with a Project Manager appointed and the first quarterly update held with BEIS.
31. The Combined Authority is supporting the Northern Endurance Partnership and Net Zero Teesside in its bid to the CCUS Cluster Sequencing Competition, having submitted its own response to the Cluster Sequencing Competition Consultation and

worked with other stakeholders to ensure a strong representation from the Tees Valley.

## **DIGITAL**

32. Teesside University Industrial Digitalisation Technology Centre (ITDC) formally opened on 24<sup>th</sup> June 2021. This facility provides research, innovation, training, and product development support for SMEs across a range of Tees Valley priority sectors. It underpins key aims stated within the Tees Valley Strategic Economic Plan and Tees Valley Innovation Strategy. The Project is funded by Teesside University, ERDF and the Combined Authority.
33. 'Talking Tees Tech' launched with Digital City. This is a B2B discussion event series designed to help local businesses share their understanding of technology, digital innovation, and its many fantastic opportunities.

## **COMMUNITY RENEWAL FUND**

34. Community Renewal Fund (CRF) was announced by government in Budget 2021. The £220m fund is available across the UK to support: Investment in skills; Investment for local business; Investment in communities and place; and Supporting people into employment.
35. A maximum of £3m is available and can be bid for per place as part of a nationally competitive process ("Places" are defined at the district, unitary or borough scale in England. Each Local Authority area in Tees Valley is a separate place). CRF is available for 2021/22, with all project activity to be delivered by March 2022. CRF is a pre-cursor to UKSPF, which is due to be launched in 2022.
36. The Combined Authority was identified as the Lead Authority for Tees Valley. This role included identifying local priorities and inviting bids through an open and transparent process (the call was open 14<sup>th</sup> April – 14<sup>th</sup> May 2021). We have undertaken an assessment of applications based on national criteria and are responsible for submitting a shortlist of applications for CRF projects to Government (deadline: 18<sup>th</sup> June). The Combined Authority will also be accountable body for the funds, including entering into a funding agreement with Government to deliver successful bids and issuing funding agreements to project applicants. Paul Booth, LEP Chair, has overseen the assessment process.
37. The Combined Authority submitted its CRF shortlist to Government on 18<sup>th</sup> June and Government will undertake their assessments across July. Successful applicants will be informed in August.

## **FINANCIAL IMPLICATIONS**

38. There are no financial implications to this report.

## **LEGAL IMPLICATIONS**

39. There are no legal implications to this report.

## **RISK ASSESSMENT**

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

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