

AGENDA ITEM 4**REPORT TO THE TEES VALLEY
COMBINED AUTHORITY CABINET****17th DECEMBER 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. Following the ending of national restrictions, the Combined Authority's response to Covid-19 has refocused from interventions supporting the region through the pandemic, to delivering future growth and a more sustainable, resilient and stronger Tees Valley economy in the medium to long-term.
2. As part of Tees Valley Business's annual review with the Department of Business Energy and Industrial Strategy, the Growth Hub was described as "one of the strongest" nationally with its delivery model praised as "strong and flexible", as demonstrated in the rapid launches of new programmes and initiatives to support businesses during the pandemic.

TEESSIDE INTERNATIONAL AIRPORT

3. Teesside International Airport's successful summer 2021 schedule continued to the end of October. It has been announced that KLM Royal Dutch Airlines is set to introduce earlier flights from Teesside to Schiphol, improving onward connectivity, ahead of further positive service changes early next year. Loganair has introduced a one-stop service from Teesside to Esbjerg allowing passengers to board at Teesside, stay on the plane at Aberdeen and continue to Esbjerg in Denmark. It will also introduce a route to Southampton as part of its adapted summer 2022 schedule.
4. As the airport moves into the next phase of its business plan it will begin to capitalise on its land and property assets across the wider airport site. A new 1,360sq m office space will be created to replace the ageing landside offices being remodelled into a

Sky Bar and viewing platform. In the short-term, Combined Authority staff at Cavendish House will move there, ahead of looking at relocating to a new base in Darlington near the Northern Economic Campus.

5. The airport has partnered with the Darlington-headquartered Bannatyne Group which is investing £100,000 in a new express spa in the departures lounge, creating several jobs in the process. The airport has also partnered with Yarm-based Revelry Spirits, following a five-figure investment, which will see the firm's drinks represented in the Transporter Bar & Kitchen and Goosepool Bar for the next 12 months.

TEESWORKS

6. Demolition activity across the site continues, and progress is being made on the South Bank heavy-lift quay. UK contractor Graham is starting the work, which will support GE Renewable Energy's wind turbine blade facility, supporting the shipping of the blades to Dogger Bank wind farm. This was followed by an announcement that the UK Infrastructure Bank would make its first loan, of £107million, into the project.
7. Construction is continuing on the £4.5million Eston Road roundabout scheme, which will open up access to the Dorman Point area of the site, allowing for new developments including the proposed North East Energy Recovery Facility. Work has also commenced on the ground engineering phase of the Teesworks Skills Academy building, which will support the organisation in helping local people into jobs being created on the site. This is due for completion at the end of March 2022.
8. Government announced that the Net Zero Teesside project based on Teesworks, as part of the East Coast Cluster, has been selected as the premier net zero project to lead the UK's low carbon ambitions. It will receive a share of the £1billion Carbon Capture and Storage Infrastructure Fund to create the country's first decarbonised cluster in the region. The Secretary of State for Levelling up, Michael Gove MP, and Exchequer Secretary Helen Whately MP also visited the site.

FREEPORT

9. At the Autumn Budget on 27th October, Teesside Freeport was confirmed. The following day, Teesside Freeport and its website were officially launched. The confirmation led to the Statutory Instrument for the Tax Land being laid on 29th October and after a review period these will pass into law on 19th November.
10. The Primary Custom Zone (PCZ) was delivered by the end of October and was audited on 9th November. It is expected that the PCZ will be confirmed at the same time as Tax Land. This will be the UK's first Custom and Tax designated Freeport.
11. Work continues with the Freeport stakeholders to finalise Custom Zones maps and the timescales for implementation and to market the Freeport. In November the Freeport was presented at IBMATA – International Boarders Conference, NOF – Energy Transition and Offshore Wind North East.

ONE PUBLIC ESTATE (OPE)

12. The OPE programme provides practical and technical support and funding to deliver ambitious property-focused programmes in collaboration with central government

and other public sector partners. It aims to generate efficiencies, create economic growth and deliver better, more integrated customer services. The Combined Authority is the accountable body for the OPE programme in Tees Valley.

13. A new OPE funding round (OPE9), offering c£6m of funding nationally, opened for applications in October 2021 and closed on 8th November 2021. This supports early stage project costs for ambitious land and property projects that meet certain criteria. The Tees Valley OPE Partnership submitted one bid to the fund for the Expansion and Re-Development of the Integrated Care Centre (The Live Well Centre) in Middlesbrough, to fund feasibility and business case development.

BUSINESS INVESTMENT

14. The Business Investment Team has held two webinars with the Department for International Trade's (DIT) staff in locations across Europe, Asia and North America to promote regional opportunities in Bio manufacturing. In December a session to identify potential overseas companies to target for this type of investment will take place.
15. RWE has commenced enabling works for its High Voltage converter station leading to its national grid connection point at Lackenby, Redcar. The company will be bringing onshore 1.4GW of renewable energy from the Sofia Offshore Wind Farm located 120 miles off the Teesside coast. The Combined Authority will be running a supply chain event for local companies with RWE, Tees Engineering Network and NOF, in January.

EDUCATION, EMPLOYMENT AND SKILLS

16. Government's Kickstart scheme has recently been extended to enable businesses to apply for placements by 17th December, to enable young people to start a placement by March 2022. The Combined Authority is working with businesses to maximise this opportunity. As of 12th November, 728 placements have been created in 145 businesses, equating to approximately £5.5m.
17. The Combined Authority is working with the Department of Education to increase the number of L3 Skills Bootcamps in Tees Valley. These will enable employer-led short courses, up to 16 weeks, to train residents for the jobs available.
18. The Combined Authority is working closely with the North East Chamber of Commerce to commence the Department of Education-approved Local Skills Improvement Plan (LSIP) trailblazer that will focus on Green Energy, Net Zero and Hydrogen sectors. This is a cross section of the overall skills plan, the trailblazer itself will only focus on one sector, and be widened out once the concept has been proven.

CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT

19. As part of Spending Review 2021 it was announced that TVCA has been allocated £310m from the City Region Sustainable Transport Settlement for the five-year period from 2022/23 to 2026/27. There is now a requirement to develop a programme business case, which must be submitted by mid-January 2022.

CLEAN GROWTH AND INNOVATION

20. The East Coast Cluster, made up of Net Zero Teesside, Zero Carbon Humber and the Northern Endurance Partnership, has been announced as one of two 'track 1'

clusters in the Government's CCUS cluster sequencing process. TVCA has supported East Coast Cluster colleagues in this process, the result of which has kept the Tees Valley at the forefront of Carbon Capture in the UK. A second phase of this process will now proceed, with similar support being offered by TVCA.

21. The North East and Yorkshire Energy Hub, managed by TVCA, is successfully delivering a number of Net Zero initiatives on behalf of BEIS. It organised four Flagship Events as part of BEIS's Zero Carbon Tour across the North East and Yorkshire, including one at the Riverside Stadium. As part of the same programme of COP26 related activities it also supported 12 regional Green Zone events. The Green Homes Grant LAD2 programme run by the hub has now progressed to delivery in almost all local authority areas, including the five Tees Valley boroughs.

TEES VALLEY PLACE MARKETING PROGRAMME

22. A Destination Management Plan for the Tees Valley has been developed which will underpin the new Growth Programme for the Creative & Visitor Economies. This strategic document sets out the focus for the development, promotion and sustainable growth of tourism in the Tees Valley over the next four years.
23. Enjoy Tees Valley destination marketing campaigns were delivered in September and October to stimulate the visitor economy sector following the pandemic, using real people that live in the region, sharing their favourite things to do and demonstrating the wide variety on offer.
24. A schedule of events and festivals taking place around the region as part of The Festivals 2021 Recovery Fund were supported with Enjoy Tees Valley marketing and communications resources to raise awareness and promote with video, photography and digital marketing.

FINANCIAL IMPLICATIONS

25. There are no financial implications to this report.

LEGAL IMPLICATIONS

26. There are no legal implications to this report.

RISK ASSESSMENT

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

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