

**AGENDA ITEM 4****REPORT TO THE TEES VALLEY  
COMBINED AUTHORITY CABINET****28<sup>th</sup> JANUARY 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****TEESSIDE INTERNATIONAL AIRPORT**

1. In December, the airport's first duty-free store in eight years officially opened its doors. Global travel retailer Dufry operates the World Duty Free store and has recruited 12 staff after it agreed a 12-year deal with the airport. The vast majority of work on the store was carried out by local firms.
2. Government announced further easing of restrictions for international travel for those arriving in the UK, removing the requirement of pre-flight testing and self-isolation on arrival. Following this, a new marketing campaign for 2022 began. This included a press release on all the destinations served by the airport with new messaging encouraging people to "Fly Teesside". This campaign will continue throughout the year.
3. A new website for the airport has been developed and went live at the beginning of December. The enhanced site is aimed at generating additional revenue without compromising on the customer experience. It includes a prominent Skyscanner booking engine including the current flying locations, which should help drive bookings and in turn increase revenue. The business site, which will promote the Northside and Southside development opportunities including Freight and Business Park, is currently in development.

## **TEESWORKS**

4. Demolition and remediation works continued across the site over Christmas and into the new year. The first steel structures that will form part of the £2.1million Teesworks Skills Academy have now been put in place by UK contractor Graham, ahead of its opening in the spring.
5. Planning has been submitted to remediate 150 acres of land at the proposed site of Net Zero Teesside's carbon capture, utilisation and storage power plant. The project has taken another step forward with bp awarding the first contracts for a design and development competition to two engineering consortiums for both the power station and the infrastructure to gather, compress and export CO2 offshore for storage. As part of a final investment decision next year one will be selected to take the project forward into construction.

## **ONE PUBLIC ESTATE (OPE)**

6. The OPE programme provides technical support and funding to deliver property-focused programmes across the public sector. 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.
7. A condition of funding and participation in the Government's One Public Estate programme is for Partnerships to 'have in place an effective Board, bringing together Partnership members and wider public sector partners who will help to drive plans'. This has previously been delivered through the Tees Valley Strategic Estates Group (SEG). As the strategic landscape for Tees Valley has changed with new national, regional and local priorities, such as Levelling Up and Integrated Care Systems, the governance arrangements of the SEG have been reviewed to ensure it can provide the strategic direction to be as effective as possible.
8. Following consultation with members of SEG over the period September 2021 – November 2021 and taking account of best practice elsewhere, it has been agreed that SEG is reduced in size and function, retaining a programme management function only. Focused workstreams and thematic groups will explore opportunities and bring forward proposals. The new governance arrangements, effective from January 2022, will ensure connection and representation across other key strategic boards in Tees Valley so that OPE opportunities can be identified aligned to wider priorities and initiatives.

## **EDUCATION, EMPLOYMENT AND SKILLS**

9. TVCA's response to Government's Kickstart scheme has created 774 placements in 150 businesses. TVCA will now work with Jobcentre plus to ensure young people access these placements by the final deadline of 31<sup>st</sup> March 2022.
10. The Combined Authority has now successfully secured £395,600 from the Department of Education to create additional L3 Skills Bootcamps in the Construction, Life Sciences – Biologics Manufacturing and Telecommunications areas/sectors. These will enable employer-led short courses, up to 16 weeks, to

train residents for the jobs available and will be implemented in the next few weeks. This initial grant will be another step in further influence and devolution of skills activity for Tees Valley.

11. The December Cabinet decision to reconcile AEB at 90% has now been communicated to all providers and the associated values presented to each provider and the next phase of the process is now being implemented.

## **FREEPORT**

12. 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, Teesside Freeport was confirmed as the first operational Freeport on 19th November 2021 with all 3 of the tax land locations and the primary custom zone being passed into law.
13. Confirmation of Teesside Freeport locations can be found on the HM Government website at [Maps of Freeports, Freeport customs sites and Freeport tax sites - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/collections/maps-of-freeports-freeport-customs-sites-and-freeport-tax-sites)
14. 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 Borders Conference, NOF – Energy Transition and Offshore Wind North East.

## **CREATIVE PLACE**

### **Growth Programme for the Creative & Visitor Economies**

15. The programme business case is being finalised for appraisal and has been informed by research undertaken by consultants to develop a strong baseline understanding of sector performance and opportunities for and barriers to growth.
16. As per the November 2020 Cabinet Paper and in consultation with the Creative Place Advisory Group, Management Group and Chief Execs, partners are agreed that investment in indigenous festivals must be a core focus of the Growth Programme. A draft evaluation report which considered the impact of TVCA investment through the Festivals Recovery Fund 2021, indicates a 9:1 financial return on investment as well as a plethora of social impacts.
  - a. Support for indigenous festivals will be partially addressed in the Growth Programme through the Festivals Scale-Up Programme (c. £1.6m). This is a new approach to investment in the businesses which deliver high-growth potential festivals in the region. The fund will provide multi-year, strategic support for festival businesses to develop robust business models, diversify income streams, establish new partnerships, enhance staff skills and capacity, raise their profiles and create stronger impacts for local supply chains, communities and the wider economy.

- b. TVCA investment in these enterprises will combine grant funding with other business support (to be determined through a business-needs diagnostic, undertaken in partnership with the Business Growth Hub). Grant funding will be tapered over the 4-year period Apr 22 – Mar 26 in-line with scale-up.
- c. Due to the timescales associated with festival development – particularly securing finance from external bodies with whom deadlines are approaching, the application process has been launched ahead of Business Case sign-off, although investment will not be committed until after the appraisal process and sign-off is complete (anticipated late February).

## **CLEAN GROWTH & INNOVATION**

- 17. Tees Valley has received welcome news on a number of projects including progress on Net Zero Teesside and BP's announcement of its HyGreen Teesside hydrogen project. In addition to its support for these TVCA's Clean Growth and Innovation team have assisted a number of regional businesses in their applications into Phase 2 of the Government's CCUS Cluster Sequencing programme.
- 18. TVCA hosted a round table with industry partners and HMRC to progress the Centre for Frictionless trade, a key part of its Freeport-related innovation agenda.
- 19. The North East and Yorkshire Energy Hub, managed by TVCA, will receive an allocation from the national underspend of the Rural Community Energy Fund, having used all of its regional allocation. This will be used to further progress projects across the Tees Valley, North East, and Yorkshire that received Stage 1 funding from the programme.

## **TEES VALLEY PLACE MARKETING PROGRAMME**

- 20. Enjoy Tees Valley destination marketing campaigns were delivered to encourage visits to the region during the holiday season, demonstrating the wide variety on offer in the region. Engaging films were created to use across all digital platforms and for social media advertising, including an events and festivals round up, activity-based films and an end-of-year film. The planning of the brand and marketing strategy for 2022 is currently in development.

## **FINANCIAL IMPLICATIONS**

- 21. There are no financial implications to this report.

## **LEGAL IMPLICATIONS**

- 22. There are no legal implications to this report.

## **RISK ASSESSMENT**

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

**LOCAL ENTERPRISE PARTNERSHIP**

24. This item has been considered at the LEP meeting in advance of it coming forward to Cabinet.

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