



TEES VALLEY  
COMBINED  
AUTHORITY

TEES VALLEY MAYOR

# DRAFT MONITORING AND EVALUATION FRAMEWORK

MAY 2018



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# 1. Introduction and Key Principles

## Background

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- 1.1 In November 2015, a Devolution Deal (the Deal) was signed between the Department for Communities and Local Government (DCLG) and Tees Valley Combined Authority (the Combined Authority) and it called for:

*“the transfer of significant powers for employment and skills, transport, planning and investment from central government to the Tees Valley. It paved the way for further devolution over time and for the reform of public services to be led by Tees Valley. It enables the Combined Authority to create an Investment Fund, through a 30 year initial allocation of funding for capital financing of at least £15 million a year. Tees Valley will in addition have access to the Local Growth Fund and will benefit from new Enterprise Zones, subject to the current bidding round.”*

- 1.2 The original devolution deal was viewed by the Combined Authority and Central Government as the first stage in a longer term process of the transfer of applicable responsibilities between the two tiers of authority. However, this was conditional on proving the added value of devolution to the delivery of specified policy areas. In particular the deal stated:

*“The Combined Authority will work with HM Government to develop a full implementation plan, covering each policy agreed in the Deal to be completed ahead of implementation. This plan will include the timing and proposed approach for monitoring and evaluation of each policy and should be approved by the DCLG Accounting Officer.*

*The Combined Authority is accountable to local people for the successful implementation of the Deal, consequently, the government expect the Combined Authority to monitor and evaluate their Deal in order to demonstrate and report on progress. The Cities and Local Growth Unit will work with the Combined Authority to agree a monitoring and evaluation framework that meets local needs and helps to support future learning.”*

## Purpose

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- 1.3 The following document is the (draft) monitoring and evaluation framework between the Combined Authority and DCLG related to the Deal. It will provide a detailed insight into:
- Tees Valley’s wider monitoring and evaluation responsibilities related to direct spend from the (annual £15m) devolution deal; and
  - The specific monitoring and evaluation responsibilities related to (non-spend) activities within the Deal.

## Commitment to Monitoring and Evaluation

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- 1.4 The Combined Authority is committed to implementing effective monitoring and evaluation so that it is able to:
- **Provide local accountability to the public, partners and local stakeholders** by demonstrating: how devolved funding is spent, ensuring value for money and that all benefits are identified, tracked and achieved in line with the Refreshed Strategic Economic Plan: the Industrial Strategy for the Tees Valley;
  - **Comply with external scrutiny requirements** i.e. to satisfy conditions of the Devolution Deal. Specifically the monitoring and evaluation framework will provide a useful feedback loop and enable this to be communicated to relevant stakeholders;
  - **Providing not only a summative, but a formative function. Summative Function:** Identify the impact of the project to date against the outcomes identified in the preliminary logic model and benchmarked to other comparable programmes: and **Formative Function:** Review the continuing need/ fitness of purpose of key interventions piloted under the programme and develop recommendations for future delivery; and
  - **Develop an evidence base for input into future business cases.** The monitoring and evaluation framework will collate, benchmark and analyse data which can be utilised for future work.
- 1.5 This framework aims to ensure that these commitments are delivered by setting out the approach, principles, resource and responsibilities together with the proposed approach to evaluating each element of the Devolution Deal.

## Monitoring and Evaluation Key Principles

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- 1.6 The Combined Authority's approach is based on the following principles:
- Focus upon conducting meaningful evaluation to better inform the selection of future intervention, the allocation of funds and the prioritisation of schemes and measures. We will use the national evaluation panel to provide a meta-evaluation of the combined interventions within the plan;
  - Data is collected once and used many times. We advocate the use of open data techniques to develop innovative solutions, whilst at the same time ensuring the privacy of those it relates to;
  - Automation will be exploited, wherever possible to reduce resource burden e.g. using our smart region/open data approach to source up to date information, which reflects demand within the Tees Valley;
  - Lessons learnt and data generated in evaluation will also be used to inform future policy development and provide the evidence base for future interventions;
  - Reporting requirements and associated evaluation will be proportional to investment impact and in line with current guidance;
  - As appropriate, a baseline will be set at the development of the intervention logic model;
  - Ex-post data collection will take place at appropriate intervals depending on the type of outcome/impact expected and the time for stabilisation of behaviours or benefits lag associated with each outcome or impact;

- Interim findings should be available at least 12-18 months after completion, depending on whether seasonality needs to be allowed for;
- Useable by and /or comparable to, data collected by other stakeholders so it contributes to the wider evidence base;
- Credible, valid and reliable to the extent possible within available resources;
- Ethical e.g. in relation to data consent and protection;
- Economic impacts should be reportable three to five years after completion of any policy interventions and/or projects aimed at delivering new jobs and increased productivity;
- All projects will be subject to monitoring and evaluation, regardless of funding source;
- **All projects must have a signed off logic model, the outputs and outcomes of which must be recorded on the Combined Authority's System K management information system<sup>1</sup> and for company specific outputs -Tractivity<sup>2</sup>.**

## What success looks like

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- 1.7 The headline targets for the revised SEP are:
- 25,000 jobs<sup>3</sup>; and
  - £2.8 billion of additional GVA<sup>4</sup> (at 2016 prices).
- 1.8 The following six supporting key performance indicators contribute to the two headline targets and are based on growth mainly coming from an expansion of indigenous companies with growth potential as well as the attraction of large scale Foreign Direct Investment (i.e. increased numbers of high value adding jobs in high growth sectors). The targets are:
- Business Density: 10% Growth;
  - Jobs Density: 55% growth;
  - GVA per hour worked: 30% growth;
  - Population: 6% growth;
  - CO2 Emissions: 25% reduction;
  - NVQ Level 4: 20% increase.

<sup>1</sup>System K is the Combined Authority's project management system – it is currently used as a tool to track projects from initial interaction, through the development stages and then to monitoring in delivery and project closure. Various performance monitoring reports are produced from System K and can be exported in Microsoft excel including budget, spend, output, milestone reports. Project outputs can be defined and measured.

<sup>2</sup> Tractivity is the Combined Authority's Business Customer Relationship Management (CRM) system. It is used to record all interactions with employers with the overall aim of allowing the Combined Authority to monitor our engagement with the private sector, in order to measure the impact we are having i.e. job creation, increased productivity etc. Tractivity is also the system which will sit behind the online Tees Valley Business Directory.

<sup>3</sup> Sourced from Ekosgen Assumptions paper

<sup>4</sup> Sourced from a 30% increase in GVA per hour worked and 55% growth in jobs density figure (which is in line with Ekosgen Assumptions paper

**Business Density: 10% Growth: reducing the gap to 72.2% (or 344 enterprises per 10,000)**

**Definition:** Business density is defined as the number of enterprises registered in an area as a percentage of the overall number of residents (16+).

**Baseline:** 65.6% of the UK rate or 307 enterprises per 10,000 adults

**Rationale for Target:** There were 16,500 business enterprises registered in the Tees Valley in 2015. In terms of enterprise stock as a percentage of 10,000 adults (307 for Tees Valley versus 467 nationally), the Tees Valley rate was 65.6% of the UK rate. The present figure of 65.6% is the highest business density figure recorded in the region in the last ten years. However since 2010, there has been a 10% increase in business density, rising from 60%, largely attributable to the above trend increase in business starts, rather than a reduction in business survival. The anticipated 10% increase in business density will largely be attributable to a continued increase in business starts and a slight increase in business survival rates.

**Jobs Density: 55% Growth or a jobs density figure of 0.75 (related to a reduction of the jobs density gap to 0.07 or approximately 25,000 additional jobs).**

**Definition:** Jobs density is defined as the number of jobs in an area divided by the resident population aged 16-64 in that area. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64

**Baseline: 0.12 gap.** (Tees Valley currently has jobs density of 0.70 against a UK average of 0.82)

**Rationale for Target:** Over the past decade the gap between Tees Valley and the UK average has increased from 0.08 to its present 0.12 largely attributable to: significant job losses across the Tees Valley due to cyclical and structural change and faster job creation in the rest of the UK. The projected 55% growth in jobs density is marginally above the 2005 figure and it is anticipated that this will be achieved through a focus on investing in companies with high growth potential/ attraction of FDI.

**GVA per hour worked: 30% Growth: reducing gap to 94% of UK average or £29.15 per Tees Valley worker**

**Definition:** ONS's preferred measure of productivity is Gross Value Added (GVA) per hour worked. This measure removes employment rate, economic inactivity, demographic and commuting considerations with GVA per head and work pattern issues with GVA per job.

**Baseline:** The average hourly GVA generated by a Tees Valley worker in 2014 was £28.30, 91.3% of the UK average.

**Rationale for Target:** Over the past decade underlying Tees Valley productivity growth in terms of GVA per hour worked has broadly matched UK average growth rates, remaining steady at between 90% and 92% of UK GVA per hour worked between 2005 and 2014. The target will ensure that GVA per hour worked will be above the long term average, with the growth attributable to the attraction and expansion in numbers of employees in high growth sectors.

**Population growth: 6% Growth, increasing the Tees Valley population to 706,200 by 2026**

**Definition:** Population projections provide an indication of the future size and age structure of the population based on mid-year population estimates and a set of assumptions of future fertility, mortality and migration

**Baseline:** Population growth rate of 2.61% and a population figure of 666,200

**Rationale for Target:** According to the ONS 2014-based national and subnational population projections (based upon continuation of recent trends and assumptions about the future made by experts): UK is projected to grow by approximately 6%, from 64,597,800 in 2014 to 69,036,200 in 2024. This growth is due to a relatively even split of migration and natural change. Tees Valley has a population growth rate of 2.61% almost solely attributable to natural increase. The additional 3.39% (in order to match UK wide growth rates) will largely be accounted by inward migration into the Tees Valley, attracted by the approximate 30% of additional jobs within the revised SEP to be externally sourced.

**CO2 Emissions: 25% Reduction on 2005 baseline (12.5m tonnes)**

**Definition:** CO2 emissions relates to the following sectors: industry, Road Transport, Public and Commercial, Other Transport, Agriculture and land use and waste.

**Baseline: 16.7 m tonnes (including 825 for Darlington, 862 for Hartlepool, 1,030 for Middlesbrough, 10,427 for Redcar and Cleveland and 3,520 for Stockton)**

**Rationale for Target:** The Government's Climate Change Bill contains a variety of provisions relating both to climate change mitigation and adaptation. The Bill puts into statute the UK's targets to reduce carbon dioxide emissions through domestic and international action by at least 57 per cent by 2030, against a 1990 baseline. The year 1990 is not used as a base year as the data necessary to compile a sufficiently detailed North East inventory did not exist in 1990. Therefore, the base year for the inventory is 2005 with projections based mainly on the UK government department BERR's Updated Energy Projection number 30 (UEP 30, BERR, 2008). We have assumed that between 1990 and 2005, there was a 15% reduction in emissions (1% per year). However to hit the 57% target by 2030 will mean a 42% reduction in emissions (1.24% per year) or approximately 25% reduction by 2026.

**NVQ Level 4: 20% increase (equating to 36% of residents having a NVQ Level 4 qualification)**

**Definition:** NVQ Level 4 equates to a degree level qualification

**Baseline:** 30% of residents presently have a NVQ level 4 qualification

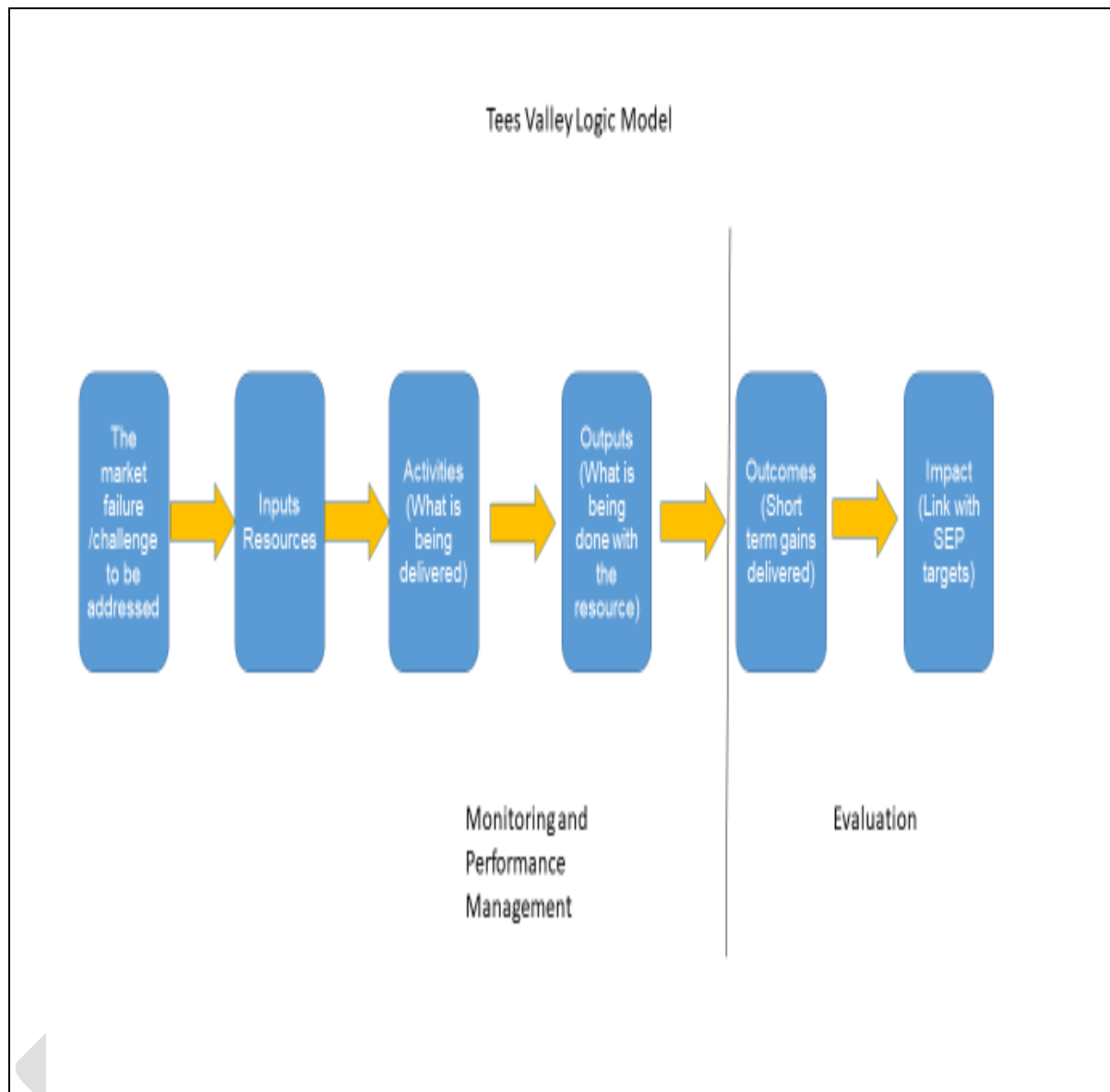
**Rationale for Target:** At present 30% of residents presently have a degree/or higher level apprenticeship qualification. The additional 20% increase will largely be attributable to additional higher and further education (including higher apprenticeships) places being provided to address the increased demand for NVQ Level 4 qualification holders in high growth sectors.

## Tees Valley Approach to Monitoring and Evaluation

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- 1.9 The Combined Authority believes in expending most effort at the project design and appraisal stage, which should inform the subsequent monitoring and evaluation requirements. Central to this approach is the development of robust logic models for all interventions, along with developed mechanisms for capturing all impacts (surveys, interviews, longitudinal studies, benchmarking and randomised control trials).
- 1.10 The Combined Authority has identified a five step approach to developing a logic model:
- **Identify the problem/Market Failure:** It is essential that we are clear from the start about the problem we are aiming to address. What exactly are we trying to change and why this is needed at this particular time and place? Perhaps there are local gaps in service provision or recent events which suggest intervention would be timely;
  - **Review the evidence:** The most effective projects and services build on strong and consistent evidence about what works and they also learn from previous experiences. Therefore, the 5-step approach puts a deliberate emphasis on using existing evidence and the appraisal should measure the extent to which each component of the service is based on good evidence, in particular drawing reliance on the annual Economic Assessment for the Tees Valley. The first step is therefore to understand the results of 'what works';
  - **Draw a logic model of how your service should work:** The logic model is a step-by-step diagram which shows the ultimate outcomes (change or results) we are aiming for and step-by-step how we intend to achieve them. It details inputs (e.g. money, staff, resources) needed to deliver activities and how they should lead to short, medium and long-term outcomes and ultimately meet our aims. It is useful to think of longer term outcomes such as wider social change that we are contributing to and that only collaboration will produce long lasting social change. In this sense, logic model outcomes vary in terms of how much influence our project has over them and in turn, how accountable our project is for achieving them. It should describe how evidence, funds and staff will be used to design and deliver activities and how exactly, based on our review of the existing evidence, these activities are expected to lead to short, medium and long term outcomes. Our project won't operate in a vacuum so we will identify external factors which could help or hinder the achievement of outcomes. These could be policy changes, the economic climate or the level of support the project receives from partners.
- 1.11 Figure 1 shows a (generic) logic chain schematic and highlights the split between monitoring (and performance management) and evaluation. Having this clarity will enable the Combined Authority to optimally deploy its resources.





- Identify indicators and collect monitoring data:** Using our logic model as a guide, we will identify a) priority evaluation questions and b) indicators that will test whether the project actually worked as the logic model predicted. We need to collect data on what activities were delivered to whom, as well as evidence that they led (or didn't lead) to the short-term and longer-term changes you anticipated. Collecting and analysing data can be resource intensive so there is a need to agree what is most important to know from the start and why we and/or our stakeholders need to know it and be realistic about what questions can and can't be answered. NB. It is important that we collect 'base-line' (pre-project) information about our users to compare with information we later collect during and after the intervention.
- To ensure robust monitoring and evaluation, the Combined Authority has developed the following two templates (individual benefit profile and overall evaluation plan) which are a core component of all Programme Management Frameworks (this is the delivery contract between the Combined Authority and delivery partner):

## Monitoring/Benefits Realisation

- 1.12 Developed during the business case (with based outputs/outcomes based on the appropriate thematic logic Model), the following benefit realisation template will be completed for all identified benefits (outputs and outcomes) and then aggregated into a Programme Benefits Realisation Plan for inclusion in the Programme Management Framework<sup>5</sup>:

Category	Guidance	Action
Benefit	The name of the benefit as stated in the respective thematic logic model- it should be short and as descriptive as possible.	TBC
Link to SEP Impact <sup>6</sup>	State which SEP Impact the benefit will contribute to and how	TBC
Dependency on other benefits	Has a dependency on delivery/impact with another benefit been identified, if so, what is the supporting benefit?	
Senior Benefit Owner	The individual responsible for ensuring that the benefit(s) is achieved once handover from the appraisal team is complete. This should include the individual's name and role within the organisation.	TBC
Method of Measure	Details how the benefit will be measured. Giving the frequency/duration (annually for the anticipated duration of impact) and mechanism for measurement (monitoring visit, business survey, partner interview)	TBC
Baseline Value	The baseline value is the initial measurement of the agreed measurement metric before the benefit is realised. Capturing the baseline figures for measurement is designed to ensure that subsequent measurement has something to be compared to. Baseline measurement must be done before the changed or improved capability is delivered, to ensure that the full extent of the benefit can be shown.	TBC
Target Value	The value to be achieved after the benefit has been realised. Target values will be determined with recourse to both the Tees Valley Economic Assessment <sup>7</sup> and benchmarking to comparable programmes identified during the appraisal stage. To ensure key benefits remain visible and a priority, benefit targets will be aggregated and reported on at three levels: Programme, Theme and SEP.	TBC
Measure Dates: Baseline: Actual	Dates for baseline and post implementation measurement to be taken. Post implementation date, will be confirmed at the appraisal stage and will be set at that stage when all attributable benefits have been expended.	TBC
Measurement to done by	The Combined Authority has a standalone monitoring team who will be responsible for the collation and subsequent analysis of monitoring information sourced from either the programme delivery body or the end beneficiary. This information will either be collated using System K for programme information and Tractivity for the end beneficiary( either company information or learner information)	TBC

<sup>5</sup> Programme Management Framework: The Combined Authority has in place an existing Programme Management Framework for the Local Growth Fund, which was approved by Government. This Framework was subsequently adopted for all investments through the Single Pot. It provides stakeholders – including Government, local partners and local communities – with assurance that there is a robust framework in place, from project planning and development, through to selection, delivery and closure, ensuring at all times maximum impact and value for money for the local area.

<sup>6</sup> The list of SEP impacts are: New Jobs, New Businesses, New Residents, Additional GVA, Business Density, Jobs Density, GVA per hour, Population Growth, CO2 emissions and NVQ Level 4 and above qualifications.

<sup>7</sup> Baseline data will be sourced from the Tees Valley Economic Assessment, which has been developed to provide a robust evidence base (baseline and growth scenarios) for all outputs and outcomes identified in the six thematic logic models.

## Evaluation

1.13 Agreed in conjunction with the Tees Valley Research and Evaluation Group<sup>8</sup> and where appropriate SQW, the following table illustrates some of the considerations involved in developing a robust programme evaluation, including but not limited to:

Consideration	Implications
Scale of intervention	<ul style="list-style-type: none"> <li>In line with the Green Book, all appraisal and evaluation activity has to be proportionate to both the scale and level of risk/innovation of the programme;</li> </ul>
Type of intervention	<ul style="list-style-type: none"> <li>Although capital programme would appear simpler to evaluate than many revenue interventions, there is still a need for both types of support to capture all attributable benefits, this will necessitate a consideration of the following types of primary research: <ul style="list-style-type: none"> <li>Statistical baselining/establishing the counterfactual: <ul style="list-style-type: none"> <li>Statistical neighbours;</li> <li>Quasi-experimental design</li> <li>Randomised Control Trials</li> </ul> </li> <li>Walk thru tests/ Desk based reviews of management information;</li> <li>Stakeholder and partner interviews and surveys;</li> <li>End beneficiary interviews and surveys; and</li> <li>Benchmarking (regional and programme level).</li> </ul> </li> </ul>
Single Intervention or portfolio	<ul style="list-style-type: none"> <li>The key difference between single interventions and portfolio approaches to ensure for the latter cumulative impact. There will be a need to quantify impacts and through multivariate analysis assess relationships between discrete elements of the programme and the overall programme.</li> </ul>
Programme Duration	<ul style="list-style-type: none"> <li>This has implications as to whether there is a need/opportunity for both an interim and post funding evaluation;</li> <li>There are also implications as to whether all potential benefits can be realised either within the programme period or the shadow period thereafter; and</li> <li>Resource needs to be put in place to ensure post programme activity and impact is correctly tracked.</li> </ul>
Funding requirements	<ul style="list-style-type: none"> <li>Recourse must be made to the evaluation and reporting requirements of the original funders.</li> </ul>
Summative versus Formative	<ul style="list-style-type: none"> <li>Summative evaluations will be more focused on a review of progress to date and will draw more heavily on the following activities: <ul style="list-style-type: none"> <li>Walk thru tests/ Desk based reviews of management information;</li> <li>Stakeholder and partner interviews and surveys;</li> </ul> </li> </ul>

<sup>8</sup> Composed of the 6 Thematic Leads, the Strategy Director and the Economist, the Research and Evaluation Group reviews the ToR for all evaluations and impact reports.

	<ul style="list-style-type: none"> <li>• Formative evaluations are more focused on whether impact has been achieved and setting in place the scope and scale of future provision and will consequently draw more heavily on the following activities: <ul style="list-style-type: none"> <li>○ Statistical baselining/establishing the counterfactual: <ul style="list-style-type: none"> <li>▪ Statistical neighbours;</li> <li>▪ Quasi-experimental design</li> <li>▪ Randomised Control Trials</li> </ul> </li> <li>○ Stakeholder and partner interviews and surveys;</li> <li>○ End beneficiary interviews and surveys; and</li> <li>○ Benchmarking (regional and programme level).</li> </ul> </li> </ul>
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## Responsibilities and Resources

1.14 The primary monitoring and evaluation related responsibilities are outlined in the table below:

Responsibility	Resource
Setting the Combined Authority's Strategic approach to Monitoring and Evaluation, including annual review	Research and Evaluation Steering Group, led by the Strategy Director.
Preparation of initial logic model, and development of subsequent monitoring and evaluation plans	Project Owner in conjunction with Economist and Investment Manager.
Monitoring progress of individual projects	Project Owner in conjunction with Economist and Investment Manager
Monitoring progress of programmes	Project Owner in conjunction with Economist
Monitoring progress of devolution deal objectives and of the Combined Authority's wider programme of activity, including projects funded from the single pot	Research and Evaluation Steering Group, led by the Strategy Director
Undertaking individual evaluations	Project Owner in conjunction with Economist
Developing the Local Framework in support of the Gateway Assessment	Research and Evaluation Steering Group, led by the Strategy Director
Maintaining a repository of Monitoring and Evaluation data	Economist and Monitoring Section within Investment Team
Dissemination of evaluation conclusions	Strategy Director/Investment Director/ Communications Team

## Dissemination

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- 1.15 The Combined Authority will report progress using monitoring information (both financial and impact) on a quarterly and annual basis for the following levels:
- Programme;
  - Thematic; and
  - SEP.
- 1.16 Programme evaluations will be published and stored on the Combined Authority's Research and Intelligence website and will also be shared with relevant think tanks or special interest groups.
- 1.17 Relevant monitoring and evaluation information will be used by the Strategy and Investment Teams for the routine update of the following key documents:
- Refreshed Strategic Economic Plan/Local Industrial Strategy;
  - Investment Plan and relevant Thematic Action Plans; and
  - Programme Appraisals.

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## 2. Monitoring and Evaluation of the Single Pot

- 2.1 Tees Valley is in receipt annually of £15m of financial support through its devolution deal. The monitoring and evaluation of these monies is subject to the following standardised process:
- Overall metrics: Central collation of key metrics for Devolution Deal geographies; and
  - Investment Fund Gateway Assessment: Subject to independent evaluation panel. The Gateway Assessment will have two components: a core monitoring and evaluation framework which will be common to all areas under review<sup>9</sup> and bespoke local monitoring and evaluation frameworks focused solely on the evaluation of the £450million devolution deal.
- 2.2 In response, the Combined Authority in conjunction with the 10 (subject to confirmation) other Combined Authorities and devolved administrations who are in receipt of City Growth Deals/Devolution Deals have procured a panel of specialists to develop a methodology and appropriate metrics to consistently evaluate the impact of the financial support within the respective Single Pots of said 11 bodies.
- 2.3 The proposed evaluation framework is in two parts and will cover all activities supported under the Single Pot and subsequently contribute to the first Gateway Review (2020), including:
- National Performance: Using an agreed list of metrics, the evaluation will assess performance of Tees Valley against key indicators, in order to assess progression; and
  - Local Performance: In order to provide 'local granularity and assess value for money' the specialist panel of external evaluators, will develop a local evaluation methodology, incorporating the national performance indicators but augmented by outputs and impacts specific to the range of projects supported by the Tees Valley single pot.
- 2.4 SQW has been appointed to undertake a detailed evaluation of all projects receiving support under the devolution deal. SQW and the Combined Authority have reviewed all proposed spend and have identified the following high level themes (based on Tees Valley's SEPT), from which detailed logic models have been developed which will provide the basis for subsequent monitoring and evaluation:
- Business Growth:
  - Research, Development, Innovation and Energy:
  - Education, Employment and Skills:
  - Place:
  - Culture:
  - Transport and Infrastructure:
  - Confidence Index which aims to assess the impact of growing optimism and buy in of the work of the Combined Authority.
- 2.5 Section 3A-F relate to each of the six themes of the SEP and provide the following information by Theme for both revenue and capital programmes:

<sup>9</sup> Greater Glasgow, Greater Cambridge, Greater Manchester, Leeds City Region, Liverpool City Region, Sheffield City Region and West Midlands City Region.

- Aim of theme;
- Description of Core Activities;
- Identified Need;
- Core market failures/Rationale for Public Intervention;
- Key Performance Indicators; and
- Detailed Logic Model/s.

2.6 Section 4 provides the outline engagement mechanism with SQW including:

- List of live projects (separation of devolution deal and the rest); and
- Project Evaluation Template.

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## 3. Logic Models

### **Business Growth Logic Models**

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3.1 The following section provides

- Aim of theme;
- Description of core activity;
- Core market failures;
- Key Performance Indicators; and
- Detailed Logic Model/s;

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Aim of Theme: To diversify the economy, support more business start up, develop high growth potential businesses and key growth sector

Description of core activity: Tees Valley is currently home to 17,500 businesses, including 17,400 SMEs. Most Tees Valley businesses are micro (employing fewer than 10 people). However, around one third of private sector workers are in firms employing more than 250 staff and 28% work in very large companies employing over 500 staff. However there are too few businesses and too few jobs and a low level of growth ambition across the region. There are two principal types of intervention: Capital and Revenue, both of which support different stages of company growth: Pre-start/Business Start Up, Business Growth, High Growth Potential and Inward Investment

Policy response:

- Delivery of Business Compass Start-up programme
- Delivery of Business Compass Growth programme
- Address the market failure in the provision of Grade A office accommodation (Capital)
- Development of sector specific foreign direct investment website and sector specific proposition.

Lead Performance Indicator

- Business Density: 10% Growth, reducing the gap to 72% of the UK rate

Baseline: 65.6% of the UK rate or 307 (2015) enterprises per 10,000 adults

Opportunity/ Challenge (Revenue)	Rationale for Public Support (key market failures)	Inputs	Activities	Outputs	Outcomes	Impact
<ul style="list-style-type: none"> <li>• Address the low business density rate in the Tees Valley;</li> <li>• Address the productivity gap in micro and small enterprises and</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Absorptive incapacity:</b> There is a reticence on the part of businesses to engage in economic development which restricts growth. Absorptive incapacity manifests itself either through lack of awareness of a programme and/or its benefits. Companies</li> </ul>	<p>Financial:</p> <ul style="list-style-type: none"> <li>• Financial contribution to the programme</li> <li>• Leverage support from other public and private sector organisations</li> </ul> <p>Non-financial</p>	<ul style="list-style-type: none"> <li>• Diagnostic support to pre start enterprises</li> <li>• Provision of mentoring support to pre start enterprises</li> <li>• Provision of workshops to pre start enterprises</li> </ul>	<ul style="list-style-type: none"> <li>• Number of entrepreneurs assisted to enterprise ready status;</li> <li>• Number of new firms created;</li> <li>• Number of businesses assisted to improve performance;</li> </ul>	<ul style="list-style-type: none"> <li>• Increased overall levels of entrepreneurship</li> <li>• Improved business survival rates</li> <li>• Increase in the number of firms that are export active</li> <li>• Increased product/process</li> </ul>	<ul style="list-style-type: none"> <li>• Additional GVA</li> <li>• New Jobs Created</li> <li>• Increased Business Density</li> </ul>

<p>encourage job growth;</p> <ul style="list-style-type: none"> <li>• Increase the number of scalable companies choosing to invest in the Tees Valley</li> </ul>	<p>must be made aware/demonstrated as to the validity/economic impact of said interventions;</p> <ul style="list-style-type: none"> <li>• <b>Asymmetric information:</b> Companies often have insufficient information to make an investment decision, thereby hampering growth. This can be mitigated through the provision of training/mentoring support;</li> <li>• <b>Networking/Coordination failures:</b> Companies are of an insufficient scale to avail of funding/supply chain opportunities. This can be mitigated through mentoring support to facilitate collaborative approaches and develop the necessary critical mass.</li> </ul> <p><b>Funding Gap:</b> The potential beneficiary has insufficient funds to expand.</p>	<ul style="list-style-type: none"> <li>• Management of the contract and overview of key deliverables</li> <li>• Marketing and promotion of the programme</li> <li>• Monitoring and evaluation of the programme</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of grant support to pre start enterprises</li> <li>• Diagnostic support to companies with growth potential</li> <li>• Provision of mentoring support to companies with growth potential</li> <li>• Provision of workshops and networking support to companies with growth potential</li> <li>• Provision of grant, loan or equity support to companies with growth potential</li> <li>• Website and proposition documents developed for priority inward investment sectors</li> <li>• Number of enquiries dealt with</li> <li>• Number of enquiries</li> </ul>	<ul style="list-style-type: none"> <li>• Number of firms/amount invested in energy/resource efficiency</li> <li>• Number of new businesses attracted to the region</li> </ul>	<p>efficiency (GVA per full time equivalent)</p> <ul style="list-style-type: none"> <li>• Increased inward investment</li> </ul>	
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			<p>developed into tangible bids</p> <ul style="list-style-type: none"><li>• Number of inward investment events hosted</li><li>• Number of outward investment events hosted</li></ul>			
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Opportunity/Challenge (Capital)	Rationale for Public Support (key market failures)	Inputs	Activities	Outputs	Outcomes	Impact
<ul style="list-style-type: none"> <li>• Inadequate supply of grow on space;</li> <li>• Inadequate supply of Grade A office accommodation;</li> <li>• Poor connectivity,</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Commercial Viability:</b> Office development is not currently commercially viable due to the low rental levels, high capitalisation yields and increased construction costs required to provide Grade A specification office;</li> <li>• <b>Development Funding</b> – Banks still have limited appetite to provide development funding;</li> <li>• <b>Asymmetric information:</b> Companies often have insufficient information to make an investment decision, thereby hampering growth. This can be mitigated through the provision of training/mentoring support;.</li> </ul>	<p><b>Financial:</b></p> <ul style="list-style-type: none"> <li>• Financial contribution to the programme</li> <li>• Leverage support from other public and private sector organisations</li> </ul> <p><b>Non-financial:</b></p> <ul style="list-style-type: none"> <li>• Management of the contract and overview of key deliverables</li> <li>• Marketing and promotion of the programme</li> <li>• Monitoring and evaluation of the programme</li> <li>• Planning support</li> <li>• Land assembly support</li> <li>• Marketing strategy developed</li> </ul>	<ul style="list-style-type: none"> <li>• Land assembly</li> <li>• Acquisition of workspace</li> <li>• Streetscaping</li> <li>• Refurbishment of business space</li> <li>• Provision of business space</li> <li>• Promotion and branding</li> <li>• Development of a calendar of events</li> </ul>	<ul style="list-style-type: none"> <li>• Sqm of land remediated</li> <li>• Sqm of business accommodation created</li> <li>• Number of business tenants attracted</li> <li>• Number of buildings brought back into use</li> <li>• Provision of broadband</li> </ul>	<ul style="list-style-type: none"> <li>• Growth in turnover of businesses located in facilities</li> <li>• Growth in employment of businesses located in facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Additional GVA</li> <li>• New Jobs Created</li> <li>• Increased Business Density</li> </ul>

## Research, Development, Innovation and Energy

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3.2 In the following section we discuss the following points:

- Aim of theme;
- Description of core activity;
- Core market failures;
- Key Performance Indicators; and
- Detailed Logic Model/s.
- List of live projects (separation of devolution deal and the rest); and
- Project Evaluation Template

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**Description of core activity:** Innovation is central to the future growth and competitiveness of the Tees Valley economy and sits at the core of productivity ambitions. The Tees Valley is an example of continued reinvention and was named as the most innovative area in the North in an innovation map publicised by Government in 2015. Tees Valley was 7<sup>th</sup> overall- higher than London, Birmingham, Leeds and Manchester. Tackling climate change and legally binding carbon reduction targets are a challenge for energy intensive industries in the Tees Valley. Innovation linked to the circular economy (in particular, the application of industrial symbiosis to the chemical and process sector) is essential to ensuring the Tees Valley economy maintains its competitive advantage, to evolve and grow. However this innovation strength is not universal, the region continues to suffer from low levels of absorptive incapacity, in part caused by a deficit of technical skills predominantly in micro and small enterprises and by the denudation of HQ and R&Di functions in larger companies. Compounding this is a lack of appropriate accommodation to undertake collaborative research.

**Indicative activities:**

- Opportunity to address energy wastage through the provision of district heating schemes;
- Carbon capture and storage;
- Short term option Development of CCS transfer point to Norwegian offshore plant;
- Longer term option : Development of demonstration facilities at Wilton;
- Development of the Hydrogen proposition: Evidence building and development of demonstration facilities;
- Development of a bio-refinery proposition;
- Support a materials catapult for Tees Valley;
- Increase availability of demonstration/incubation space;
- Support businesses to innovate for the first time;
- Develop nationwide/multi-disciplinary innovation knowledge networks; and
- Enhanced use of financial instruments to encourage knowledge transfer/access to finance for growing industries.

**Baseline Information:**

- CO2 Emissions: 25% reduction on 2005 baseline (12.5m tonnes)
- Baseline: 16.7m tonnes (including 825 for Darlington, 862 for Hartlepool, 1,030 for Middlesbrough, 10,427 for Redcar and Cleveland and 3,520 for Stockton)

Opportunity/ Sites and Premises for Enterprise and Innovation (Capital)	Rationale for Public Support (key market failures)	Inputs	Activities	Outputs	Outcomes	Impact
<ul style="list-style-type: none"> <li>Using the circular economy model: address high energy and raw material costs affecting businesses across the Tees Valley;</li> <li>Demonstrate the validity of the circular economy</li> <li>Address low productivity through the enhanced use of innovation (address absorptive incapacity of micro and small enterprises)</li> <li>Low levels of sectoral collaboration in innovation (limited open access innovation)</li> </ul>	<ul style="list-style-type: none"> <li>Commercial Viability - development is not currently commercially viable due to the low rental levels, high capitalisation yields and increased construction costs required to provide high specification R&amp;Di accommodation</li> <li><b>Development Funding</b> – Banks still have limited appetite to provide development funding; and</li> <li><b>Asymmetric information:</b> Companies often have insufficient information to make an investment decision, thereby hampering growth. This can be mitigated through the provision of training/mentoring support;</li> </ul>	<p>Financial:</p> <ul style="list-style-type: none"> <li>Financial contribution to the programme</li> <li>Leverage support from other public and private sector organisations</li> </ul> <p>Non financial</p> <ul style="list-style-type: none"> <li>Management of the contract and overview of key deliverables</li> <li>Marketing and promotion of the programme</li> <li>Monitoring and evaluation of the programme</li> <li>Planning support</li> <li>Land assembly support</li> <li>Marketing strategy developed</li> </ul>	<ul style="list-style-type: none"> <li>New facilities for start-ups developed (measured in sq ft developed)</li> <li>Facilities for start-ups refurbished / improved (measured in sq ft refurbished / improved)</li> <li>New grow-on space developed (measured in sq ft developed)</li> <li>Grow-on space refurbished / improved (measured in sq ft start- ups refurbished / improved)</li> <li>Incubation support and facility-based strategic advice</li> </ul>	<ul style="list-style-type: none"> <li>Number of business tenants</li> <li>Employment of business tenants</li> <li>New businesses created</li> <li>Businesses attracted to the Locality</li> <li>Businesses assisted to improve performance</li> </ul>	<p><b>Theme-specific</b></p> <ul style="list-style-type: none"> <li>Growth in turnover of businesses located in facilities (£)</li> <li>Growth in employment of businesses located in facilities (number of employees)</li> <li>Improved business survival rates of businesses located in facilities</li> <li>Increase in the number of businesses that are innovation active</li> <li>Enhancement of local innovation ecosystem and networks</li> </ul> <p><i>Timing: Measurable after 3-5 years, although full effects realised over the longer-term</i></p>	<ul style="list-style-type: none"> <li>Additional GVA</li> <li>New Jobs Created</li> <li>Reduction in CO2</li> </ul>

					<b>Broader economic outcomes</b> <ul style="list-style-type: none"> <li>• Increased overall levels of entrepreneurship</li> <li>• Increased expenditure on business</li> <li>• R&amp;D</li> </ul> <i>Timing: As above</i>	
<b>Opportunity/ (4b Enterprise&amp; Innovation Advice and Support)</b>	<b>Rationale for Public Support (key market failures)</b>	<b>Inputs</b>	<b>Activities</b>	<b>Outputs</b>	<b>Outcomes</b>	<b>Impact</b>
<ul style="list-style-type: none"> <li>• Address low productivity through the enhanced use of innovation (address absorptive incapacity of micro and small enterprises)</li> <li>• Low levels of sectoral collaboration in innovation (limited open access innovation)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Absorptive incapacity:</b> There is a reticence on the part of businesses to engage in economic development which restricts growth. Absorptive incapacity manifests itself either through lack of awareness of a programme and/or its benefits. Companies must be made aware/demonstrated as to the validity/economic impact of said interventions;</li> <li>• <b>Asymmetric information:</b> Companies often have insufficient information to make an investment</li> </ul>	<b>Financial:</b> <ul style="list-style-type: none"> <li>• Financial contribution to the programme</li> <li>• Leverage support from other public and private sector organisations</li> </ul> <b>Non financial</b> <ul style="list-style-type: none"> <li>• Management of the contract and overview of key deliverables</li> <li>• Marketing and promotion of the programme</li> <li>• Monitoring and evaluation of the programme</li> <li>• Provision of proposition support-</li> </ul>	<ul style="list-style-type: none"> <li>• Advice on core business processes for existing firms (e.g. management, use of ICT etc.)</li> <li>• Advice on innovation &amp; R&amp;D for existing firms, including product/service/process development</li> <li>• Advice on exporting for existing firms</li> <li>• Advice on business start-up (e.g. support on business planning, investment readiness)</li> <li>• Financial support – existing businesses (e.g. for capital investment)</li> </ul>	<ul style="list-style-type: none"> <li>• Number of businesses assisted to improve performance</li> <li>• Number of businesses engaged in new collaborations with the knowledge base</li> <li>• Number of businesses engaging in exporting</li> <li>• New products developed</li> <li>• New processes developed</li> <li>• New businesses</li> </ul>	<b>Theme-specific</b> <ul style="list-style-type: none"> <li>• Growth in turnover of assisted businesses (£)</li> <li>• Growth in employment of assisted businesses (number of employees)</li> <li>• Improved business survival rates</li> <li>• Increase in the no. businesses that are innovation active</li> <li>• Increase in exports (£)</li> <li>• New/improved products entering</li> </ul>	<ul style="list-style-type: none"> <li>• Additional GVA</li> <li>• New Jobs Created</li> <li>• Reduction in CO2</li> </ul>



	<p>decision, thereby hampering growth. This can be mitigated through the provision of training/mentoring support;</p> <ul style="list-style-type: none"> <li>• <b>Networking/Coordination failures:</b> Companies are of an insufficient scale to avail of funding/supply chain opportunities. This can be mitigated through mentoring support to facilitate collaborative approaches and develop the necessary critical mass.</li> <li>• <b>Funding Gap:</b> The potential beneficiary has insufficient funds to expand.</li> </ul>	<p>lobbying and business case development</p>	<ul style="list-style-type: none"> <li>• Financial support – new start-ups (e.g. grants/loans for start-up)</li> </ul>	<p>created</p> <ul style="list-style-type: none"> <li>• Private sector investment secured</li> </ul>	<p>the market</p> <ul style="list-style-type: none"> <li>• New/improved processes adopted</li> <li>• Increased expenditure on business R&amp;D</li> <li>• Enhancement of local innovation ecosystem and networks Measurable after 1-2 years following support, although full effects realised over the longer-term, and may vary based on the nature of support Broader economic outcomes</li> <li>• Increased overall levels of entrepreneurship</li> <li>• Improved productivity</li> </ul> <p>As above</p>	
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Opportunity/ Market Failure 4C Science and R&D Capacity	Rationale for Public Support (key market failures)	Inputs	Activities	Outputs	Outcomes	Impact
<ul style="list-style-type: none"> <li>Demonstrate the validity of the circular economy: Enhancing Infrastructure: This could include developing low carbon solutions (e.g. District Heating, private wire networks, bulk and small scale renewable power purchasing agreements)</li> <li>Address low productivity through the enhanced use of innovation (address absorptive incapacity of micro and small enterprises)</li> <li>Low levels of sectoral collaboration in innovation (limited open access innovation)</li> </ul>	<ul style="list-style-type: none"> <li><b>Commercial Viability:</b> development is not currently commercially viable due to the low rental levels, high capitalisation yields and increased construction costs required to provide high specification R&amp;Di accommodation</li> <li><b>Absorptive incapacity:</b> There is a reticence on the part of businesses to engage in economic development which restricts growth. Absorptive incapacity manifests itself either through lack of awareness of a programme and/or its benefits. Companies must be made aware/demonstrated as to the validity/economic impact of said interventions;</li> <li><b>Asymmetric information:</b> Companies often have insufficient information to make an investment</li> </ul>	<p>Financial:</p> <ul style="list-style-type: none"> <li>Financial contribution to the programme</li> <li>Leverage support from other public and private sector organisations</li> </ul> <p>Non financial</p> <ul style="list-style-type: none"> <li>Strategic engagement with Government and key stakeholders;</li> <li>Horizon scanning/review of emerging technology;</li> <li>Management of the contract and overview of key deliverables;</li> <li>Support for the development of intellectual property;</li> <li>Marketing and promotion of the programme</li> <li>Monitoring and evaluation of the programme</li> <li>Provision of proposition support-lobbying and</li> </ul>	<ul style="list-style-type: none"> <li>Feasibility studies, concept evaluations;</li> <li>Governance support for large scale test beds;</li> <li>Mentoring support for the development of intellectual property;</li> <li>New facilities for R&amp;D developed (measured in sq ft developed)</li> <li>Facilities for R&amp;D refurbished / improved (measured in sq ft refurbished / improved)</li> <li>Investment in specialist equipment (£)</li> <li>Revenue support for researchers /</li> <li>R&amp;D professionals(£)</li> <li>Support for technology demonstrators &amp; test-beds</li> <li>Engagement in collaborative R&amp;D with industry</li> </ul>	<ul style="list-style-type: none"> <li>Number of scholarly outputs produced (journal articles)</li> <li>Qualifications secured (e.g. PhDs)</li> <li>Number of jobs created</li> <li>Number of businesses engaged in collaborations with the research base</li> <li>Number of construction years of employment</li> <li>Concepts progressing through TRL stages</li> </ul>	<p><b>Theme-specific</b></p> <ul style="list-style-type: none"> <li>Intellectual Property (IP) registered</li> <li>Growth in number of high quality citations</li> <li>Increase in public sector research income secured (£)</li> <li>Increase in private sector research income secured (£)</li> <li>Spin-outs created</li> <li>Increased expenditure on business R&amp;D</li> <li>New products / processes / services entering the market</li> <li>Enhancement of local innovation ecosystem and networks</li> </ul> <p>Likely to take 3-5 years given time</p>	<ul style="list-style-type: none"> <li>Additional GVA</li> <li>New Jobs Created</li> <li>Reduction in CO2</li> </ul>

	<p>decision, thereby hampering growth. This can be mitigated through the provision of training/mentoring support;</p> <ul style="list-style-type: none"> <li>• <b>Networking/Coordination failures:</b> Companies are of an insufficient scale to avail of funding/supply chain opportunities. This can be mitigated through mentoring support to facilitate collaborative approaches and develop the necessary critical mass.</li> </ul>	<p>business case development</p>			<p>paths to time for support for early-stage science, although this will vary based on nature of activity</p> <p><b>Broader economic outcomes</b></p> <ul style="list-style-type: none"> <li>• Increased number of businesses that are innovation active</li> <li>• Improved productivity</li> </ul> <p>As above</p>	
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## Education, Employment and Skills

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3.3 In the following section we discuss the following points:

- Aim of theme;
- Description of core activity;
- Core market failures;
- Key Performance Indicators; and
- Detailed Logic Model/s.

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**Aim of Theme: To increase educational attainment, produce the skilled workforce that businesses need and increase the lifetime opportunities for our residents.**

**Description of core activity:** Skills are a key driver in the local economy and have an important role to play in improving workforce productivity. Access to an appropriately skilled and qualified workforce is required to meet the growth needs of existing businesses and is an important factor that businesses consider when making decisions on where to locate. Having the right skills mix also helps to boost levels of economic activity and ensure that residents are able to access local employment opportunities.

**Indicative activities:**

- Support innovation and collaboration in education;
- Develop a skills system for Business Growth;
- Addressing long term unemployment;
- Create a Careers and Enterprise Initiative;
- Business challenge and workforce planning; and
- Enhance the higher education role in driving economic growth.

**Baseline Information**

- **Jobs Density:** 55% growth or a jobs density figure of 0.75 (related to a reduction of the jobs density gap to 0.07 or approximately 25,000 additional jobs);
- **Baseline:** 0.12 gap (Tees Valley currently has jobs density of 0.70 against a UK average of 0.82).
- **NVQ Level 4:** 20% increase (equating to 36% of residents having a NVQ level 4 qualification or above)
- **Baseline:** 30% of residents presently have a NVQ level 4 qualification

Opportunity/ Market Failure 2A Skills Capital	Rationale for Public Support (key market failures)	Inputs	Activities	Outputs	Outcomes	Impact
<ul style="list-style-type: none"> <li>• To improve and simplify the career information and education available to residents of Tees Valley. The level of information available is confusing and lack coordination. Businesses continue to feedback that too many</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Commercial Viability:</b> development is not currently commercially viable due to the low rental levels, high capitalisation yields and increased construction costs required to provide high specification learning space</li> </ul>	Financial: <ul style="list-style-type: none"> <li>• Financial contribution to the programme</li> <li>• Leverage support from other public and private</li> </ul>	<ul style="list-style-type: none"> <li>• Facilities improved</li> <li>• Sqft of space developed</li> <li>• Employers approached to engage in design and development</li> </ul>	<ul style="list-style-type: none"> <li>• Number of new courses offered</li> <li>• Number of new courses developed with employer input</li> <li>• Employer investment in</li> </ul>	<b>Theme-specific</b> <ul style="list-style-type: none"> <li>• Learner retention rate</li> <li>• Qualifications achieved</li> <li>• Employment of learners</li> <li>• Improved productivity of learners back</li> </ul>	<ul style="list-style-type: none"> <li>• Additional GVA</li> <li>• New Jobs Created</li> <li>• Jobs Density</li> <li>• Number with NVQ Level 4 and above</li> </ul>

<p>applicants for jobs lack the basic knowledge of the work place and what skills are expected of people</p> <ul style="list-style-type: none"> <li>To provide better training routeways directly linked to businesses' skills demand that support Tees Valley residents to access progressive jobs</li> </ul>	<ul style="list-style-type: none"> <li><b>Development Funding</b> – Banks still have limited appetite to provide development funding;</li> </ul>	<p>sector organisations Non financial</p> <ul style="list-style-type: none"> <li>Management of the contract and overview of key deliverables</li> <li>Marketing and promotion of the programme</li> <li>Monitoring and evaluation of the programme</li> <li>Planning support</li> <li>Land assembly support</li> <li>Marketing strategy developed</li> </ul>		<p>course delivery</p> <ul style="list-style-type: none"> <li>Number of learners enrolling in new courses</li> <li>Number of learners on expanded courses</li> <li>Total number of learner hours delivered</li> <li>total learner numbers in the institution</li> </ul>	<p>in their workplace</p> <ul style="list-style-type: none"> <li>Employer satisfaction</li> <li>Learner satisfaction</li> </ul> <p><i>Timing: Should be measurable within 12 months of learning being completed, but learning will not start until new facility is available</i></p> <p><b>Broader economic outcomes</b> Employers in key locations around the investment / sectors</p> <ul style="list-style-type: none"> <li>Better able to recruit</li> <li>Have upskilled their employees</li> <li>And so fewer skill gaps and shortages</li> </ul> <p><i>Timing: May take 12-24 months (and hard to identify in practice)</i></p>	
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Opportunity/ Market Failure (2B Skills Revenue)	Rationale for Public Support (key market failures)	Inputs	Activities	Outputs	Outcomes	Impact
<ul style="list-style-type: none"> <li>To improve and simplify the career information and education available to residents of Tees Valley. The level of information available is confusing and lack coordination. Businesses continue to feedback that too many applicants for jobs lack the basic knowledge of the work place and what skills are expected of people</li> <li>To provide better training routeways directly linked to businesses' skills demand that support Tees Valley residents to access progressive jobs</li> </ul>	<ul style="list-style-type: none"> <li><b>Absorptive incapacity:</b> There is a reticence on the part of employers and the general workforce to engage in skills which restricts growth. Absorptive incapacity manifests itself either through lack of awareness of a programme and/or its benefits. Companies/individuals must be made aware/demonstrated as to the benefits of training;</li> <li><b>Networking/ Coordination failures:</b> There is a disconnect between employers, skill providers and potential beneficiaries. This disconnect manifests itself in skills gaps in firms, unemployed/underemployed individuals and undersubscribed training courses; and</li> <li><b>Funding Gap:</b> The potential beneficiary has insufficient funds to utilise training opportunities</li> </ul>	<p>Financial:</p> <ul style="list-style-type: none"> <li>Financial contribution to the programme</li> <li>Leverage support from other public and private sector organisations</li> </ul> <p>Non financial</p> <ul style="list-style-type: none"> <li>Management of the contract and overview of key deliverables</li> <li>Marketing and promotion of the programme</li> <li>Monitoring and evaluation of the programme</li> <li>Provision of proposition support-lobbying and business case development</li> </ul>	<ul style="list-style-type: none"> <li>Training courses delivered</li> <li>Learning hours delivered</li> <li>Learners enrolled, with breakdown on age, gender, race,</li> <li>Employers offering places</li> <li>Size and sector distribution of employers</li> </ul>	<ul style="list-style-type: none"> <li>Number of learners completing courses</li> <li>Number of learners gaining qualifications</li> <li>Learner retention rate</li> <li>All outputs by demographics of learner and size of employer</li> </ul>	<p><b>Theme-specific</b></p> <ul style="list-style-type: none"> <li>Employment of learners – entry to work or new jobs</li> <li>Improved productivity of learners back in their workplace and the firm overall</li> <li>Wage uplift for employees</li> <li>Employer satisfaction with learners</li> <li>Learner satisfaction</li> </ul> <p><i>Timing: Should be measurable within 12 months of learning being completed. Likely new courses could be established quite quickly.</i></p> <p><b>Broader economic outcomes</b></p> <p>Employers in key locations around the investment / sectors</p> <ul style="list-style-type: none"> <li>Better able to</li> </ul>	<ul style="list-style-type: none"> <li>Additional GVA</li> <li>New Jobs Created</li> <li>Jobs Density</li> <li>Number with NVQ Level 4 and above</li> </ul>

					recruit / utilise workers <ul style="list-style-type: none"> <li>• Have upskilled their employees</li> <li>• And so fewer skill gaps and shortages</li> </ul> <p><i>Timing: May take 12- 24 months (and hard to identify in practice)</i></p>	
<b>Opportunity/ Market Failure</b> <b>2 C Employment Support</b>	<b>Rationale for Public Support (key market failures)</b>	<b>Inputs</b>	<b>Activities</b>	<b>Outputs</b>	<b>Outcomes</b>	<b>Impact</b>
<ul style="list-style-type: none"> <li>• To challenge and support businesses to create more jobs, apprenticeships and opportunities that residents can access</li> <li>• Address the replacement gap in priority sectors (particularly amongst older age and higher skilled cohort);</li> <li>• Address low productivity in the workforce</li> <li>• Improve the lifetimes opportunities of all residents by addressing those most excluded from the labour market</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Absorptive incapacity:</b> There is a reticence on the part of employers and the general workforce to engage in skills which restricts growth. Absorptive incapacity manifests itself either through lack of awareness of a programme and/or its benefits. Companies/individuals must be made aware/demonstrated as to the benefits of training;</li> <li>• <b>Networking/ Coordination failures:</b> There is a disconnect between employers, skill providers and potential beneficiaries. This disconnect</li> </ul>	<b>Financial:</b> <ul style="list-style-type: none"> <li>• Financial contribution to the programme</li> <li>• Leverage support from other public and private sector organisations</li> </ul> <b>Non financial:</b> <ul style="list-style-type: none"> <li>• Management of the contract and overview of key deliverables</li> <li>• Marketing and promotion of</li> </ul>	<ul style="list-style-type: none"> <li>• Courses / activities delivered</li> <li>• Breakdown by type of course</li> <li>• Contact hours delivered – advice and counselling; skills training; job search support</li> <li>• People enrolled, with breakdown on age, gender, race, employment history – time out of work</li> <li>• People enrolled</li> </ul>	<ul style="list-style-type: none"> <li>• Number completing support/ courses, including ‘positive’ discharge</li> <li>• Improvement in presenting issues</li> <li>• Qualifications gained</li> <li>• Increased labour market activity – jobs applied for, interviews attended</li> </ul>	<b>Theme-specific</b> <ul style="list-style-type: none"> <li>• Progression to employment, training or further support – differentiating between the three</li> <li>• Increased income to individuals (and potentially households)</li> </ul> <ul style="list-style-type: none"> <li>• <b>Broader economic outcomes</b> Improved supply of labour and</li> </ul>	<ul style="list-style-type: none"> <li>• Additional GVA</li> <li>• New Jobs Created</li> <li>• Jobs Density</li> <li>• Number with NVQ Level 4 and above</li> </ul>



	<p>manifests itself in skills gaps in firms, unemployed/underemployed individuals and undersubscribed training courses; and</p> <ul style="list-style-type: none"> <li>• <b>Funding Gap:</b> The potential beneficiary has insufficient funds to utilise training opportunities.</li> </ul>	<p>the programme</p> <ul style="list-style-type: none"> <li>• Monitoring and evaluation of the programme</li> <li>• Provision of proposition support-lobbying and business case development</li> </ul>	<p>by presenting issues / barriers to be addressed, e.g. mental health, self-confidence, literacy numeracy</p>		<p>increased employment and economic activity rates</p> <ul style="list-style-type: none"> <li>• Number of people in work</li> <li>• Number of people economically active</li> </ul> <p><i>Timing: progression to employment should be measureable 3-6 months after the programme</i></p>	
<p><b>Opportunity/ Market Failure (2 D School Age Education)</b></p>	<p><b>Rationale for Public Support (key market failures)</b></p>	<p><b>Inputs</b></p>	<p><b>Activities</b></p>	<p><b>Outputs</b></p>	<p><b>Outcomes</b></p>	<p><b>Impact</b></p>
<ul style="list-style-type: none"> <li>• To add value to the education of our young people to ensure they achieve the best they can and have good progression outcomes once they leave statutory education. This will contribute to improved attainment levels of our pupils and school performance.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Asymmetric information:</b> School age children and those recently out of education lack knowledge to identify key sectors where there are maximum opportunities;</li> <li>• <b>Networking/ Coordination failures:</b> There is a disconnect between employers, skill providers and potential beneficiaries. This disconnect manifests itself in skills gaps in firms, unemployed/underemployed individuals and</li> </ul>	<p><b>Financial:</b></p> <ul style="list-style-type: none"> <li>• Financial contribution to the programme</li> <li>• Leverage support from other public and private sector organisations</li> </ul> <p><b>Non-financial:</b></p> <ul style="list-style-type: none"> <li>• Management of the contract and overview of key deliverables</li> </ul>	<ul style="list-style-type: none"> <li>• Schools worked with</li> <li>• Young people worked with – by standard demographics</li> <li>• Initiatives per school</li> <li>• Programmes delivered, for example: provision of careers materials / information; programmes to develop school and business links;</li> </ul>	<ul style="list-style-type: none"> <li>• Number of people completing courses</li> <li>• Number of people presenting for higher level qualification</li> <li>• Number of people presenting for certain qualifications (e.g. maths and English)</li> <li>• Change in attitudes, aspiration,</li> </ul>	<p><b>Theme-specific</b></p> <ul style="list-style-type: none"> <li>• On-going improvement in attitudes, aspiration, attendance and career awareness</li> <li>• Qualification attainment – at various levels</li> <li>• Post school (age 16 and 18) activity / destination</li> <li>• By demographic, school and</li> </ul>	<ul style="list-style-type: none"> <li>• Additional GVA</li> <li>• New Jobs Created</li> <li>• Jobs Density</li> <li>• Number with NVQ Level 4 and above</li> </ul>

	undersubscribed training courses;	<ul style="list-style-type: none"> <li>• Marketing and promotion of the programme</li> <li>• Monitoring and evaluation of the programme</li> <li>• Provision of proposition support-lobbying and business case development</li> </ul>	provision of work experience opportunities; school improvement programmes; teacher recruitment programmes (suitable outputs will need to be developed depending on which programmes are delivered)	<ul style="list-style-type: none"> <li>• attendance and career awareness</li> <li>• All broken down by school and demographics</li> </ul>	<p>subject</p> <p><b>Broader economic outcomes</b></p> <ul style="list-style-type: none"> <li>• Improved local labour force</li> <li>• Increase in earnings and productivity from higher skilled people</li> </ul> <p><i>Timing: issues of attainment and particularly long term economic activity are unlikely to be measureable in the timescale of the evaluation</i></p>	
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## Place

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3.4 In the following section we discuss the following points:

- Aim of theme;
- Description of core activity;
- Core market failures;
- Key Performance Indicators; and
- Detailed Logic Model/s.

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**Aim of Theme: To accelerate the supply of good quality homes across the whole housing market, revitalise our town centres and urban core, bring forward surplus public and blighted brownfield land for development and strengthen our commercial property offer.**

**Description of core activity:** Tees Valley offers a diverse range mix of rural and urban environments, providing not only quality business accommodation but also a comfortable work life balance for its residents across a range of housing options. Ensuring a high quality environment where people and business thrive is a critical enabler to our Industrial Strategy and one in which the region has long invested in, not only upgrading town centres but remediating former industrial sites. However to support our ambitions we must continue to invest in place to ensure that we continue to attract and retain the businesses and people we need.

**Indicative Activities:**

- Development of evidence base for Tees Valley geography
- Utilise new powers:
- Land Commission
- Mayoral Development Corporation
- Land Assembly Powers
- Housing programme.

**Baseline Information**

Target: Population growth : 6% growth increasing the Tees Valley population to 706,200 by 2026

Baseline: Population growth rate of 2.61% and a population figure of 666,200.

Opportunity/ Market Failure (3A Site Remediation & Preparation, including Flood Defence)	Rationale for Public Support (key market failures)	Inputs	Activities	Outputs	Outcomes	Impact
Rejuvenate underutilised town centres: <ul style="list-style-type: none"> <li>• Revitalise areas of poor quality housing and deprivation</li> <li>• Urban flight to suburbs(further</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial Viability - Office development is not currently commercially viable due to the low rental levels, high capitalisation</li> </ul>	<b>Financial:</b> <ul style="list-style-type: none"> <li>• Financial contribution to the programme</li> <li>• Leverage support from other public and private sector organisations</li> </ul> <b>Non financial:</b> <ul style="list-style-type: none"> <li>• Management of</li> </ul>	<ul style="list-style-type: none"> <li>• Site remediation work</li> <li>• Installation of utilities (water, electricity, gas, drainage, sewerage etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Ha land reclaimed</li> <li>• Ha land with reduced flood risk</li> <li>• Metres of utility infrastructure installed</li> <li>• Number of construction</li> </ul>	<b>Theme-specific</b> <ul style="list-style-type: none"> <li>• Land unlocked for development (ha)</li> <li>• Reduced transport disruption from flooding</li> <li>• Enhanced attractiveness as a place to invest – measured via</li> </ul>	<ul style="list-style-type: none"> <li>• Additional GVA</li> <li>• New Jobs Created</li> <li>• Population growth</li> </ul>

<p>economic segregation)</p> <ul style="list-style-type: none"> <li>Challenges of developing brownfield sites: and</li> <li>Diversify the use of town centres</li> </ul> <p>Improve the quality of the housing offer:</p> <ul style="list-style-type: none"> <li>Construction costs constrain supply of private sector homes;</li> <li>Oversupply of social housing</li> <li>Absence of a housing ladder;</li> <li>Issue of local affordability of homes;</li> <li>Private sector provision too focused on executive homes/owner occupied home</li> <li>Increase revenue take up from Council Tax;</li> <li>Opportunities for offsite development</li> </ul>	<p>yields and increased construction costs required to provide Grade A specification office;</p> <ul style="list-style-type: none"> <li>Development Funding – Banks still have limited appetite to provide development funding;</li> </ul>	<p>the contract and overview of key deliverables</p> <ul style="list-style-type: none"> <li>Marketing and promotion of the programme</li> <li>Monitoring and evaluation of the programme</li> <li>Provision of proposition support- lobbying and business case development</li> </ul>		<p>years of employment</p>	<p>investment (number/value), land value uplift , land value uplift, property market sentiment surveys</p> <p><i>Timing: Measurable within 12 months of completion, but full effects may take time to flow through.</i></p> <p><b>Broader economic outcomes</b></p> <ul style="list-style-type: none"> <li>Sqm of commercial floorspace developed</li> <li>Housing units started / completed</li> <li>Businesses attracted to the Locality</li> <li>Employment of businesses attracted</li> <li>Enhanced attractiveness as a place to live - measured via house price uplifts &amp; housing starts</li> <li>Enhanced attractiveness as a place to do business – measured via commercial priority rental / sales values uplifts (£)</li> </ul>	
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Opportunity/ Market Failure (3b Land Acquisition & Assembly)	Rationale for Public Support (key market failures)	Inputs	Activities	Outputs	Outcomes	Impact
<p>Rejuvenate underutilised town centres:</p> <ul style="list-style-type: none"> <li>Revitalise areas of poor quality housing and deprivation</li> <li>Urban flight to suburbs(further economic segregation)</li> <li>Challenges of developing brownfield sites: and</li> <li>Diversify the use of town centres</li> </ul> <p>Improve the quality of the housing offer:</p> <ul style="list-style-type: none"> <li>Construction costs constrain</li> </ul>	<ul style="list-style-type: none"> <li>Commercial Viability - Office development is not currently commercially viable due to the low rental levels, high capitalisation yields and increased construction costs required to provide Grade A specification office;</li> <li>Development Funding – Banks still have limited appetite to provide development funding;</li> </ul>	<p><b>Financial:</b></p> <ul style="list-style-type: none"> <li>Financial contribution to the programme</li> <li>Leverage support from other public and private sector organisations</li> </ul> <p><b>Non financial:</b></p> <ul style="list-style-type: none"> <li>Management of the contract and overview of key deliverables</li> <li>Marketing and promotion of the programme</li> <li>Monitoring and evaluation of the programme</li> <li>Provision of proposition support- lobbying and business case development</li> </ul>	<ul style="list-style-type: none"> <li>Land acquisition – commercial (measured by level of expenditure, £)</li> <li>Land acquisition – housing (measured by level of expenditure, £)</li> <li>Land acquisition – other e.g. educational, community usage (measured by level of expenditure, £)</li> <li>Development and submission of planning applications, plans</li> </ul>	<ul style="list-style-type: none"> <li>Ha land assembled for commercial development</li> <li>Ha land assembled for housing development</li> <li>Ha land assembled for other development</li> <li>Planning permissions / agreements secured</li> </ul>	<p><b>Theme-specific</b></p> <ul style="list-style-type: none"> <li>Enhanced attractiveness as a place to invest – measured via investment (number/value), land value uplift, property market sentiment surveys</li> </ul> <p><i>Timing: Measurable within 12 months of completion, but full effects may take time to flow through.</i></p> <p><b>Broader economic outcomes</b></p> <ul style="list-style-type: none"> <li>Sqm of commercial floorspace developed</li> <li>Housing units started</li> <li>Housing units</li> </ul>	<ul style="list-style-type: none"> <li>Additional GVA</li> <li>New Jobs Created</li> <li>Population growth</li> </ul>

<p>supply of private sector homes;</p> <ul style="list-style-type: none"> <li>• Oversupply of social housing</li> <li>• Absence of a housing ladder;</li> <li>• Issue of local affordability of homes;</li> <li>• Private sector provision too focused on executive homes/owner occupied home</li> <li>• Increase revenue take up from Council Tax;</li> <li>• Opportunities for offsite development</li> </ul>					<p>completed</p> <ul style="list-style-type: none"> <li>• Businesses attracted to the Locality</li> <li>• Employment of businesses attracted</li> <li>• Enhanced attractiveness as a place to live - measured via house price uplifts &amp; housing starts</li> <li>• Enhanced attractiveness as a place to do business – measured via commercial priority rental / sales values uplifts (£)</li> </ul> <p><i>Timing: expected to take 3-5 years to be delivered following completion</i></p>	
<p><b>Opportunity/ Market Failure (3c Broadband &amp; Mobile Connectivity)</b></p>	<p><b>Rationale for Public Support (key market failures)</b></p>	<p><b>Inputs</b></p>	<p><b>Activities</b></p>	<p><b>Outputs</b></p>	<p><b>Outcomes</b></p>	<p><b>Impact</b></p>
<ul style="list-style-type: none"> <li>• Improving access to Internet and e-services for households;</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial viability- the peripheral nature of the region acts as a</li> </ul>	<p>Financial:</p> <ul style="list-style-type: none"> <li>• Financial contribution to the programme</li> </ul>	<ul style="list-style-type: none"> <li>• Planning and surveying</li> <li>• Roll-out of infrastructure for connectivity (broadband /</li> </ul>	<ul style="list-style-type: none"> <li>• Additional open-access infrastructure points developed</li> <li>• Premises passed with broadband /</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Theme-specific</b></li> <li>• Increase in premises with access to connectivity</li> </ul>	<ul style="list-style-type: none"> <li>• Additional GVA</li> <li>• New Jobs Created</li> <li>• Population growth</li> </ul>

<ul style="list-style-type: none"> <li>• Developing new professional opportunities for enterprises;</li> <li>• Driving innovation (new and existing businesses);</li> <li>• Ensuring equity of access to broadband in rural areas and reducing the digital divide;</li> <li>• Increasing productivity for businesses through the use of ICT;</li> <li>• Strengthening development and growth of business start-ups;</li> <li>• Promoting efficiency of the public services through e-government;</li> <li>• Facilitating the provision of reliable e-health, e-education, e-learning, e-commerce, e-culture services;</li> </ul>	<p>disincentive to investment;</p> <ul style="list-style-type: none"> <li>• Networking/Coordination failure: There is a need for coordination of planning and implementation, neither of which are solely in the control of one organisation. There is a need for coordinated public/private sector responses.</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage support from other public and private sector organisations</li> <li>• Non financial</li> <li>• Management of the contract and overview of key deliverables</li> <li>• Marketing and promotion of the programme</li> <li>• Monitoring and evaluation of the programme</li> <li>• Provision of proposition support-lobbying and business case development</li> </ul>	<p>superfast broadband / mobile access)</p> <ul style="list-style-type: none"> <li>• Demand stimulation and exploitation activities – businesses</li> <li>• Demand stimulation and exploitation activities – households</li> </ul>	<p>superfast broadband / mobile connectivity</p> <ul style="list-style-type: none"> <li>• Business supported to take-up/ exploit provision</li> <li>• Households supported to take-up/exploit provision</li> <li>• Number of construction years of employment</li> </ul>	<p>infrastructure</p> <ul style="list-style-type: none"> <li>• Increased take-up of connectivity solution</li> <li>• Reduced commuting and business travel</li> <li>• Reduced 'digital divide'</li> <li>• Contribution to improving the efficiency of public services (e.g. facilitating tele-health)</li> <li>• <i>Timing: Measurable within 12 months of completion, but full effects may take time to flow through.</i></li> </ul> <p><b>Broader economic outcomes</b></p> <ul style="list-style-type: none"> <li>• Enhanced business productivity</li> <li>• Safeguarding of employment in subsidised areas</li> <li>• Improved attractiveness as a location for inward investment</li> <li>• Enhanced attractiveness as a place to live -</li> </ul>	
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<ul style="list-style-type: none"> <li>• Strengthening competition in the telecommunication services market.</li> </ul>					<p>measured via house price uplifts &amp; housing starts</p> <ul style="list-style-type: none"> <li>• Enhanced attractiveness as a place to do business – measured via commercial priority rental / sales values uplifts (£)</li> </ul> <p><i>Timing: expected to take 3-5 years to be delivered following completion</i></p>	
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## Culture

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3.5 In the following section we discuss the following points:

- Aim of theme;
- Description of core activity;
- Core market failures;
- Key Performance Indicators;
- Detailed Logic Model/s;
- List of live projects (separation of devolution deal and the rest); and
- Project Evaluation Template.

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**Aim of Theme: To change external perceptions of Tees Valley through the arts, cultural and leisure offer to create places that attract and retain businesses and business leaders and make the area more attractive to investors, workers and visitors**

Description of core activity: The arts, culture, tourism and leisure offer has an important role to play in shaping the quality of the Tees Valley proposition and making it an attractive place to live, work and visit. Culture in particular can help to create places that attract and retain businesses and business leaders, while maximising the use of arts, cultural, heritage, rural and natural assets can attract more, higher spending visitors. Although the total number employed in culture and tourism is high, most companies are micro and are operating at the edge of economic viability. There is a need to develop the cultural/tourism proposition of the region and facilitate the creation of sustainable critical mass within the sector. The cultural sector within Tees Valley is at an emergent stage, both in terms of overall output and a lack of critical mass in terms of business composition i.e. a preponderance of micro and small enterprises. The Tees Valley market failure is a lack of critical mass which manifests itself in three main ways:

- Lack of capacity to compete for regional and national arts funding;
- Lack of networking/coordination between local arts businesses in order to create festivals/events which can attract out of region visitors; and
- Culminating in reduced strategic ambition and so lower overall growth within the sector.

**Indicative Activities:**

- Development of a cultural conversation with communities and businesses across the Tees Valley;
- R&D to enable content development;
- Resource to enable extended reach of programmes (festivals and events) including engagement with new audiences;
- Support for diversifying existing programmes (new partnerships / art forms);
- Strengthening skills and professional development to enable more impactful work and to nurture a stronger ecology of local talent;
- Supporting creative skills development and nurturing a talent pipeline through education partnerships; and
- Preparation of a City of Culture 2025 bid.

**Baseline Information**

**Target:** Population growth : 6% growth increasing the Tees Valley population to 706,200 by 2026

**Baseline:** Population growth rate of 2.61% and a population figure of 666,200.

**Target:** Business Density: 10% Growth: reducing the gap to 72.2% (or 344 enterprises per 10,000)

**Baseline:** 65.6% of the UK rate or 307 enterprises per 10,000 adults.

**Target:** Jobs Density: 55% Growth or a jobs density figure of 0.75 (related to a reduction of the jobs density gap to 0.07 or approximately 25,000 additional jobs)

**Baseline:** 0.12 gap (Tees Valley currently has jobs density of 0.70 against a UK average of 0.82)

Opportunity/ Market Failure (Revenue support to tourism projects)	Rationale for Public Support (key market failures)	Inputs	Activities	Outputs	Outcomes	Impact
<ul style="list-style-type: none"> <li>Developing the capacity and capability of the sector;</li> <li>Developing the audience for culture and tourism;</li> <li>Encouraging the development of critical mass in the sector;</li> <li>Encourage more visitors to the region; and</li> <li>Encourage more spend on culture and tourism.</li> </ul>	<ul style="list-style-type: none"> <li><b>Absorptive incapacity:</b> There is a reticence on the part of businesses to engage in economic development which restricts growth. Absorptive incapacity manifests itself either through lack of awareness of a programme and/or its benefits. Companies must be made aware/demonstrated as to the validity/economic impact of said interventions;</li> <li><b>Asymmetric information:</b> Companies often have</li> </ul>	<p><b>Financial:</b></p> <ul style="list-style-type: none"> <li>Financial contribution to the programme</li> <li>Leverage support from other public and private organisations</li> </ul> <p><b>Non financial</b></p> <ul style="list-style-type: none"> <li>Management of the contract and overview of key deliverables</li> <li>Marketing and promotion of the programme</li> <li>Monitoring and evaluation of the programme</li> </ul>	<ul style="list-style-type: none"> <li>The selection of appropriate target markets (tourist groups);</li> <li>The development of strong linkages with tourism wholesalers and retailers.</li> <li>Use of modern, advanced technology and information systems to promote e-commerce within tourism</li> <li>Tourism promotion and operation for targeting international tourists and visitors.</li> <li>The establishment of standards for tourism facilities.</li> <li>Establishing education and training programs for present and future industry personnel.</li> <li>Establishing the cost of providing different levels of quality for various types of tourism experiences.</li> <li>The leadership roles of local government and agencies in marketing this region as a tourism destination.</li> </ul>	<ul style="list-style-type: none"> <li>Market segmentation model;</li> <li>Tourism proposition document (Brand proposition);</li> <li>Development of a festival proposition;</li> <li>Amount of programme expenditure attracted to the region;</li> <li>Number of tourism related enterprises receiving support;</li> <li>Number of tourism staff receiving training;</li> <li>Number of tourism enquiries from national/international operators;</li> <li>Number Tourism enquiries translated into inward investment;</li> </ul>	<ul style="list-style-type: none"> <li>The development of a strong destination image;</li> <li>Overcoming seasonality (peak and off-season) in tourist' visits;</li> <li>Increasing tourists' length of stay;</li> <li>Increasing tourists' spending;</li> <li>Enhancing the attractiveness of the region as a place to live and invest in.</li> </ul>	<ul style="list-style-type: none"> <li>Additional GVA</li> <li>New Jobs Created</li> <li>Population growth</li> <li>Business density</li> </ul>

	<p>insufficient information to make an investment decision, thereby hampering growth. This can be mitigated through the provision of training/mentoring support;</p> <ul style="list-style-type: none"> <li>• <b>Networking/Coordination failures:</b> Companies are of an insufficient scale to avail of funding/supply chain opportunities. This can be mitigated through mentoring support to facilitate collaborative approaches and develop the necessary critical mass.</li> </ul> <p><b>Funding Gap:</b> The potential beneficiary</p>	<ul style="list-style-type: none"> <li>• Provision of proposition support;</li> <li>• Lobbying and business case development in support of public funding</li> </ul>	<ul style="list-style-type: none"> <li>• The development of safety and security programs and systems for tourists and the tourism community.</li> <li>• Collecting information which inventories a destination's products and services.</li> <li>• An inventory of information to monitor the attitudes of the local population towards the tourism industry.</li> <li>• Research that aids the development of new tourist services.</li> <li>• Protecting and improving more wildlife habitat.</li> <li>• Promoting ethical responsibility towards the natural environment.</li> <li>• Expanding educational opportunities for the visiting public in terms of natural/environmental quality and protection.</li> <li>• Encouraging local citizen participation in decision-making about tourism development.</li> <li>• Sensible use of natural resources.</li> <li>• Environmental considerations in the marketing of tourism.</li> <li>• Environmental training of tourism staff</li> </ul>			
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	has insufficient funds to expand.					
Opportunity/ Market Failure (Revenue support to culture projects)	Rationale for Public Support (key market failures)	Inputs	Activities	Outputs	Outcomes	Impact
<ul style="list-style-type: none"> <li>Developing the capacity and capability of the sector;</li> <li>Developing the audience for culture and tourism;</li> <li>Encouraging the development of critical mass in the sector;</li> <li>Encourage more visitors to the region; and</li> <li>Encourage more spend on culture and tourism.</li> </ul>	<ul style="list-style-type: none"> <li><b>Absorptive incapacity:</b> There is a reticence on the part of businesses to engage in economic development which restricts growth. Absorptive incapacity manifests itself either through lack of awareness of a programme and/or its benefits. Companies must be made aware/demonstrated as to the validity/economic impact of said interventions;</li> </ul>	<p>Financial:</p> <ul style="list-style-type: none"> <li>Financial contribution to the programme</li> <li>Leverage support from other public and private sector organisation</li> </ul> <p>Non financial:</p> <ul style="list-style-type: none"> <li>Management of the contract and overview of key deliverables</li> <li>Marketing and promotion of the programme</li> <li>Monitoring and evaluation</li> </ul>	<p><b>Capacity Building and Operational Sustainability:</b></p> <ul style="list-style-type: none"> <li>The ongoing operational sustainability and success of funded projects after the development period will be a major emphasis, addressing the atomistic nature of the sector;</li> </ul> <p><b>Interpretation and Storytelling</b> (developing content)</p> <ul style="list-style-type: none"> <li>Support projects which seek to deliver the stories which underpin the various core propositions, in a manner which is coherent, informative and entertaining for visitors – and which enables the community to play a leading role in the telling of that story (i.e. use of local festivals).</li> <li>Foreign language provision: the improvement of foreign</li> </ul>	<ul style="list-style-type: none"> <li>Number of cultural groups established;</li> <li>Number employed in the cultural sector;</li> <li>Number of cultural events delivered in the region;</li> <li>Number of cultural events developed and delivered by Tees Valley artists;</li> <li>Number of festivals supported</li> </ul>	<ul style="list-style-type: none"> <li>Increased audience numbers</li> <li>Increased revenue generated at cultural events;</li> <li>Number of visitors attracted to the region to attend cultural events;</li> <li>Increased attendance at main</li> </ul>	<ul style="list-style-type: none"> <li>Additional GVA</li> <li>New Jobs Created</li> <li>Population growth</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Asymmetric information:</b> Companies often have insufficient information to make an investment decision, thereby hampering growth. This can be mitigated through the provision of training/mentoring support;</li> <li>• <b>Networking/Coordination failures:</b> Companies are of an insufficient scale to avail of funding/supply chain opportunities. This can be mitigated through mentoring support to facilitate collaborative approaches and develop the</li> </ul>	<p>of the programme</p> <ul style="list-style-type: none"> <li>• Provision of proposition support-lobbying and business case development</li> </ul>	<p>language provision at attractions and heritage sites will be key to the success of the brand propositions.</p> <p><b>Animation:</b></p> <ul style="list-style-type: none"> <li>• Support projects which bring life and colour to the visitor experience of heritage sites and town centres. The focus will be on the support of; regular programmes of animation (re-enactments, performance and the arts) at historic attractions and in historic town centres, rather than on individual events.</li> </ul>			
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	necessary critical mass.  <b>Funding Gap:</b> The potential beneficiary has insufficient funds to expand.					
<b>Opportunity/ Market Failure (Capital support to tourism and culture projects)</b>	<b>Rationale for Public Support (key market failures)</b>	<b>Inputs</b>	<b>Activities</b>	<b>Outputs</b>	<b>Outcomes</b>	<b>Impact</b>
The capital programme must support the development of the following: <ul style="list-style-type: none"> <li><b>Signature Experiences</b> – These are motivational, a ‘must do’ within an area and ones that will draw visitors and have the ability to generate at least one overnight stay . They represent the essence of the brand experience proposition. They usually have one or two key attractions at their heart which</li> </ul>	<ul style="list-style-type: none"> <li>Commercial Viability - development is not currently commercially viable due to the low rental levels, high capitalisation yields and increased construction costs required to provide high specification R&amp;Di accommodation</li> <li><b>Development Funding</b> – Banks still have limited appetite to provide</li> </ul>	<b>Financial:</b> <ul style="list-style-type: none"> <li>Financial contribution to the programme</li> <li>Leverage support from other public and private organisations</li> </ul> <b>Non financial:</b> <ul style="list-style-type: none"> <li>Management of the contract and overview of key deliverables</li> <li>Planning support;</li> </ul>	<ul style="list-style-type: none"> <li>Partnership working;</li> <li>Attraction of finance</li> <li>New premises for tourism/culture (measured in sq m) developed;</li> <li>New overnight accommodation (measured in bedroom) developed</li> </ul> <b>Interpretation and Storytelling:</b> <ul style="list-style-type: none"> <li>Support projects which deliver tangible and innovative ways of providing information to visitors in a foreign language, particularly for our priority markets.</li> </ul>	<ul style="list-style-type: none"> <li>Sqm of tourism/cultural space provided;</li> <li>Sq m of overnight accommodation provided/ Supported</li> <li>Number of businesses choosing to locate in new premises;</li> <li>Number of businesses assisted to improve performance</li> </ul>	<ul style="list-style-type: none"> <li>The development of a strong destination image;</li> <li>Overcoming seasonality (peak and off-season) in tourist’ visits;</li> <li>Increasing tourists’ length of stay;</li> <li>Increasing tourists’ spending;</li> <li>Enhancing the attractiveness of the region as a place to live and invest in.</li> </ul>	<ul style="list-style-type: none"> <li>Additional GVA</li> <li>New Jobs Created</li> <li>Population growth</li> </ul>



<p>are called 'hero products'</p> <ul style="list-style-type: none"> <li>• <b>Supporting Experiences</b> – While not being motivational in their own right, they provide visitors with a wide range of choices of things to see and do in an area and will serve to retain visitors in an area for longer. They serve to keep people in an area once they have visited and are expected to also deliver on the particular brand promise.</li> <li>• <b>Ancillary Experiences</b> – These are a range of other experiences which visitors expect any high quality destination to have, including restaurants, pubs, and accommodation.</li> </ul>	<p>development funding; and</p> <ul style="list-style-type: none"> <li>• <b>Asymmetric information:</b> Companies often have insufficient information to make an investment decision, thereby hampering growth. This can be mitigated through the provision of training/ mentoring support;</li> </ul>	<ul style="list-style-type: none"> <li>• Land assembly support</li> <li>• Marketing and promotion of the programme</li> <li>• Monitoring and evaluation of the programme</li> <li>• Provision of proposition support-lobbying and business case development</li> </ul>	<p><b>Animation:</b></p> <ul style="list-style-type: none"> <li>• Development of flexible outdoor event spaces in town centre public spaces which, over the longer term, greatly facilitate festivals and the ongoing animation of town centres.</li> <li>• Development of technology projects which bring heritage sites and the streets of towns</li> </ul>			
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## Transport and Infrastructure

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3.6 In the following section we discuss the following points:

- Aim of theme;
- Description of core activity;
- Core market failures;
- Key Performance Indicators; and
- Detailed Logic Model/s

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**Aim of Theme: To improve connectivity within Tees Valley, across the Northern Powerhouse, the UK and the world and ensure comprehensive access to superfast broadband**

Description of core activity: The transport plans for the Tees Valley take account of the plans and activities of Transport for the North and the need for efficient freight and passenger transport corridors running both north and south and east to west, with specific improvements required to support industry growth and key port developments such as the Northern Gateway Container Terminal

Indicative Activities:

- Darlington Station Growth Hub, including new platforms, re-modelling of the track layout and capacity improvements at Darlington rail station ready for High Speed Rail and Northern Powerhouse Rail;
- Major Upgrade of the rail line from Northallerton to Middlesbrough/Teesport including gauge clearance for larger shipping containers, journey time reductions and the remodelling of Middlesbrough Station prior to future electrification;
- Additional road crossing of the River Tees, ensuring that the A19 will meet the mile per minute objective;
- Improved east-west road connectivity along the A66 corridor from the A1(M) to the International gateway at Teesport;
- Track and platform capacity and passenger facility improvements at Middlesbrough station;
- Improvements to local rail services, including increased frequency, newer trains and potentially newer stations;
- Tees Valley bus network;
- Tees Valley cycle network;
- Tees Valley walking network;
- Improved ticketing;
- Local road network;
- Local Major Transport Schemes already in development such as Middlehaven Dock Bridge;
- Highway schemes targeted at locations where growth would be constrained without action; and
- Provide road capacity for individual large scale planning applications.

**Baseline Information**

**Target:** Population growth : 6% growth increasing the Tees Valley population to 706,200 by 2026

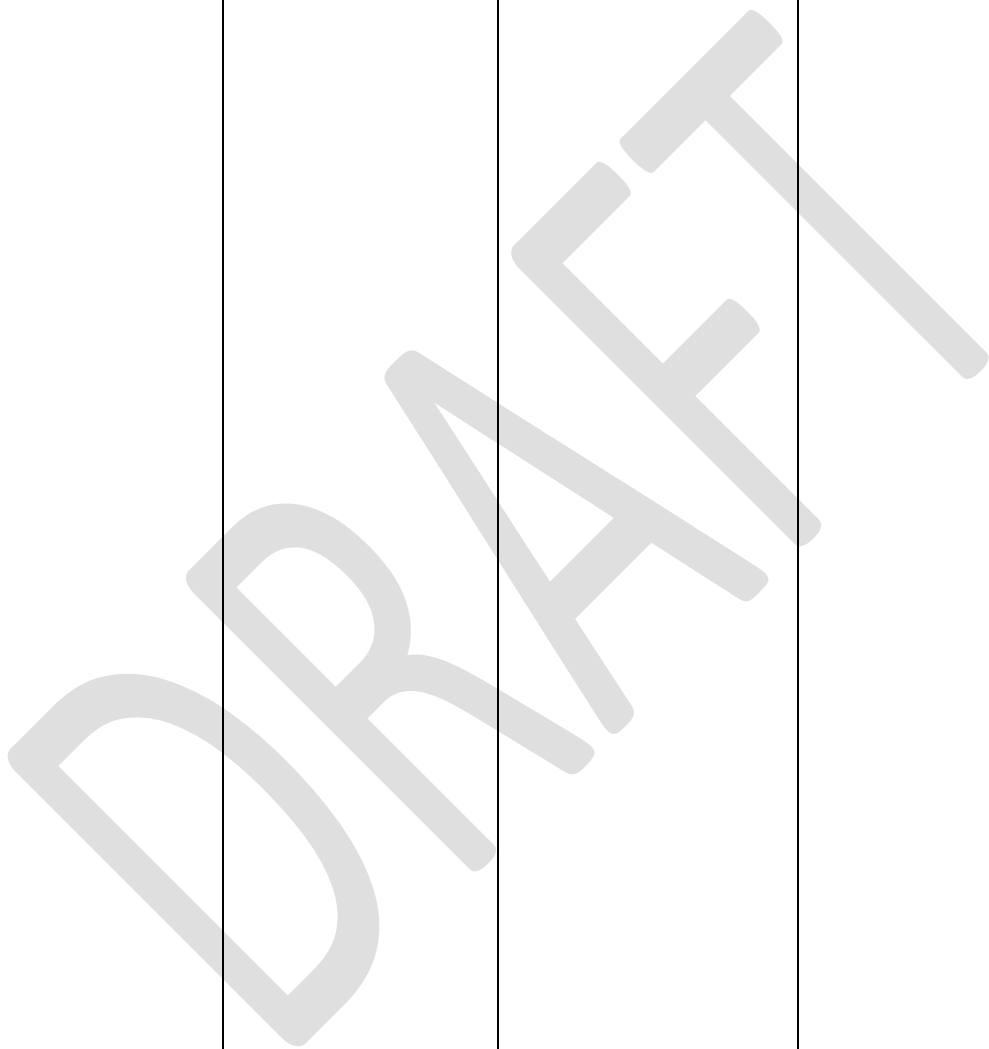
**Baseline:** Population growth rate of 2.61% and a population figure of 666,200.

**Target:** CO2 Emissions: 25% reduction on 2005 baseline (12.5m tonnes)

**Baseline:** 16.7m tonnes (including 825 for Darlington, 862 for Hartlepool, 1,030 for Middlesbrough, 10,427 for Redcar and Cleveland and 3,520 for Stockton)

Opportunity/ 1A Improved Connectivity	Rationale for Public Support (key market failures)	Inputs	Activities	Outputs	Outcomes	Impact
<ul style="list-style-type: none"> <li>To provide rail station infrastructure that is ready for major projects such as High Speed Rail and Northern Powerhouse Rail and to improve the East Coast Mainline and Transpennine rail networks to cater for future growth in both freight and passenger demands across the North;</li> <li>To provide a resilient and high quality major road network that delivers consistency in journey time reliability and standards to cater for future economic and housing growth across the North;</li> <li>To connect our town centres, economic assets (Teesport, Durham Tees Valley Airport and Enterprise Zones) and key health, employment, education and retail locations by a frequent, high quality and integrated public transport network and</li> </ul>	<ul style="list-style-type: none"> <li>Commercial viability- the peripheral nature of the region acts as a disincentive to investment;</li> <li>Networking/Coordination failure: There is a need for coordination of planning and implementation, neither of which are solely in the control of one organisation. There is a need for coordinated public/private sector responses.</li> </ul>	<ul style="list-style-type: none"> <li>Financial: Financial contribution to the programme</li> <li>Leverage support from other public and private sector organisations</li> <li>Non financial</li> <li>Management of the contract and overview of key deliverables</li> <li>Marketing and promotion of the programme</li> <li>Monitoring and evaluation of the programme</li> <li>Provision of proposition support- lobbying and business case development</li> </ul>	<ul style="list-style-type: none"> <li>New roads developed</li> <li>Extension/upgrade of existing motorways / major roads</li> <li>Road surface improvements</li> <li>New junctions developed on motorways / major roads</li> <li>Junction improvements on motorways / major roads</li> <li>New rail lines and supporting infrastructure developed</li> <li>New light rail lines and supporting infrastructure developed</li> <li>Key corridor improvements (traffic calming schemes, crossings etc.)</li> <li>Cycle paths development or improvement</li> <li>Bus priority / rapid transit schemes</li> <li>Development and improvement of park and ride schemes</li> </ul>	<ul style="list-style-type: none"> <li>Km of new road developed</li> <li>Km of resurfaced roads</li> <li>Km of additional lane capacity</li> <li>Number of new junctions</li> <li>Number of junctions improved</li> <li>Km of rail infrastructure developed</li> <li>Km of light rail infrastructure developed</li> <li>Km of new or improved cycle paths</li> <li>Km of dedicated bus / public transport infrastructure</li> <li>Number of construction years of employment</li> </ul>	<p><b>Theme-specific</b></p> <ul style="list-style-type: none"> <li>Reduced congestion</li> <li>Reduced journey times</li> <li>Enhanced accessibility – employment / business locations</li> <li>Enhanced accessibility – services / community locations</li> <li>CO2 savings via modal shift</li> <li>Increased passenger numbers on public transport</li> <li>Increased cycle usage</li> <li>Enhanced local environment (incl. air quality)</li> </ul> <p><i>Timing: Measurable within 12 months of completion, but full effects may take time to flow through, and likely to vary by the scale and type of scheme</i></p>	<p>Additional GVA</p> <p>New Jobs Created</p> <p>Population growth</p> <p>Reduction in CO2</p>

<p>improved private transport networks.</p> <ul style="list-style-type: none"> <li>• To address specific problems on the major and local road networks to cater for future economic and housing growth across the Tees Valley and to provide a transport network that is fit for purpose for freight;</li> <li>• To develop supporting bus, cycling and walking networks that link housing sites to key destinations such as rail stations, bus stations/stops and key health, employment, education and retail locations across the Tees Valley;</li> <li>• Addressing the remaining not spots across the region.</li> </ul>					<p><b>Broader economic outcomes</b></p> <ul style="list-style-type: none"> <li>• Widening of labour market (measured via catchment area analysis)</li> <li>• Enhanced attractiveness as a place to live -measured via house price uplifts &amp; housing starts</li> <li>• Enhanced attractiveness as a place to do business – measured via commercial priority rental / sales values uplifts (£)</li> <li>• Enhanced attractiveness as a place to invest – measured via investment (number/value), land value uplift, property market sentiment surveys</li> <li>• Improved business productivity via travel time savings, agglomeration effects</li> </ul>	
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					<p><i>Timing: expected to take 3-5 years to be delivered following completion, although may be some 'anticipation effects' prior to completion and in intervening years</i></p>	
<p>Opportunity/ Market Failure</p> <p>1B Access Improvements to Sites and Premises</p>	<p><b>Rationale for Public Support (key market failures)</b></p>	<p>Inputs</p>	<p>Activities</p>	<p>Outputs</p>	<p>Outcomes</p>	<p>Impact</p>
<ul style="list-style-type: none"> <li>To provide rail station infrastructure that is ready for major projects such as High Speed Rail and Northern Powerhouse Rail and to improve the East Coast Mainline and Transpennine rail networks to cater for future growth in both freight and passenger demands across the North;</li> <li>To provide a resilient and high quality major road network that delivers consistency in journey time reliability and standards to cater for future economic and</li> </ul>	<ul style="list-style-type: none"> <li>Commercial viability- the peripheral nature of the region acts as a disincentive to investment;</li> </ul> <p>Networking/Coordination failure: There is a need for coordination of planning and implementation, neither of which are solely in the control of one organisation. There is a need for coordinated public/private sector responses</p>	<ul style="list-style-type: none"> <li>Financial: Financial contribution to the programme</li> <li>Leverage support from other public and private sector organisations</li> <li>Non financial</li> <li>Management of the contract and overview of key deliverables</li> <li>Marketing and promotion of the programme</li> <li>Monitoring and evaluation of the programme</li> <li>Provision of proposition</li> </ul>	<ul style="list-style-type: none"> <li>New link / access roads developed</li> <li>New junctions to open up access to sites</li> <li>Improved junctions to enhance access to sites</li> <li>New roundabouts or other traffic management schemes (e.g. crossings, surface schemes) developed</li> </ul>	<ul style="list-style-type: none"> <li>Km of new road developed</li> <li>Km of resurfaced roads</li> <li>Number of new junctions</li> <li>Number of junctions improved</li> <li>Number of construction years of employment</li> </ul>	<p><b>Theme-specific</b></p> <ul style="list-style-type: none"> <li>Reduced congestion</li> <li>Reduced journey times</li> <li>Land unlocked for development (ha)</li> </ul> <p><i>Timing: Measurable within 12 months of completion, but full effects may take time to flow through.</i></p> <p><b>Broader economic outcomes</b></p> <ul style="list-style-type: none"> <li>New businesses attracted to sites / premises</li> </ul>	<p>Additional GVA</p> <p>New Jobs Created</p> <p>Population growth</p> <p>Reduction in CO2</p>

<p>housing growth across the North;</p> <ul style="list-style-type: none"> <li>• To connect our town centres, economic assets (Teesport, Durham Tees Valley Airport and Enterprise Zones) and key health, employment, education and retail locations by a frequent, high quality and integrated public transport network and improved private transport networks.</li> <li>• To address specific problems on the major and local road networks to cater for future economic and housing growth across the Tees Valley and to provide a transport network that is fit for purpose for freight;</li> <li>• To develop supporting bus, cycling and walking networks that link housing sites to key destinations such as rail stations, bus stations/stops and key health, employment, education and retail locations across the Tees Valley;</li> </ul>		<p>support-lobbying and business case development</p>			<ul style="list-style-type: none"> <li>• Increased employment at sites / premises</li> <li>• Enhanced attractiveness as a place to invest – measured via investment (number/value), land value uplift, property market sentiment surveys</li> <li>• Improved business productivity via travel time savings, agglomeration effects</li> </ul> <p><i>Timing: expected to take 3-5 years to be delivered following completion, although may be some 'anticipation effects' prior to completion and in intervening years</i></p>	
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<ul style="list-style-type: none"><li>Addressing the remaining not spots across the region.</li></ul>						
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Opportunity/Challenge 1C Transport Systems	Rationale for Public Support (key market failures)	Inputs	Activities	Outputs	Outcomes	Impact
<ul style="list-style-type: none"> <li>To provide rail station infrastructure that is ready for major projects such as High Speed Rail and Northern Powerhouse Rail and to improve the East Coast Mainline and Transpennine rail networks to cater for future growth in both freight and passenger demands across the North;</li> <li>To provide a resilient and high quality major road network that delivers consistency in journey time reliability and standards to cater for future economic and housing growth across the North;</li> <li>To connect our town centres, economic assets (Teesport, Durham Tees Valley Airport and Enterprise Zones) and key health, employment, education and retail locations by a frequent, high quality and integrated public transport network and improved private transport networks.</li> <li>To address specific problems on the major and local road networks to cater for future economic and housing growth</li> </ul>	<ul style="list-style-type: none"> <li>Commercial viability- the peripheral nature of the region acts as a disincentive to investment;</li> <li>Networking/Coordination failure: There is a need for coordination of planning and implementation, neither of which are solely in the control of one organisation. There is a need for coordinated public/private sector responses</li> </ul>	<p>Financial:</p> <p>Financial contribution to the programme</p> <p>Leverage support from other public and private sector organisations</p> <p>Non financial</p> <p>Management of the contract and overview of key deliverables</p> <p>Marketing and promotion of the programme</p> <p>Monitoring and evaluation of the programme</p> <p>Provision of proposition support- lobbying and business case development</p>	<ul style="list-style-type: none"> <li>Levies and charging schemes (e.g. city-centre, workplace parking)</li> <li>Smart integrated ticketing schemes for public transport (e.g. bus, light rail rail)</li> <li>Integrated transport planning analysis and strategy development</li> </ul>	<ul style="list-style-type: none"> <li>Take-up of Smart integrated ticketing schemes, measured by number of purchases / scale of usage</li> <li>Revenue raised by levies and charging schemes</li> <li>Strategies, plans and research reports produced</li> </ul>	<p><b>Theme-specific</b></p> <ul style="list-style-type: none"> <li>Reduced congestion</li> <li>Reduced journey times</li> <li>Enhanced accessibility – employment / business locations</li> <li>Enhanced accessibility – services / community locations</li> <li>CO2 savings</li> <li>Increased passenger numbers on public transport</li> <li>Increased cycle usage</li> <li>Enhanced local environment (incl. air quality)</li> <li>Improved integration of transport system</li> </ul> <p><i>Timing: Measurable within 12 months of completion, but full effects may take time to flow through.</i></p>	<p>Additional GVA</p> <p>New Jobs Created</p> <p>Population growth</p> <p>Reduction in CO2</p>

<p>across the Tees Valley and to provide a transport network that is fit for purpose for freight;</p> <ul style="list-style-type: none"> <li>• To develop supporting bus, cycling and walking networks that link housing sites to key destinations such as rail stations, bus stations/stops and key health, employment, education and retail locations across the Tees Valley;</li> <li>• Addressing the remaining not spots across the region.</li> </ul>					<p><b>Broader economic outcomes</b></p> <ul style="list-style-type: none"> <li>• Improved business productivity via travel time savings, agglomeration effects</li> </ul> <p><i>Timing: expected to take 3-5 years to be delivered following completion</i></p>	
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## 4. Live List of Projects:

4.1 The following table identifies all projects currently live, their source of funding, project duration, their project owner and links to other projects/possibility for joint evaluation:

Name of project	Status	Project Duration	Project Owner	Links to other projects
Routes to work Programme	In delivery	3 year pilot programme – 2018-2021	Shona Duncan TVCA	Standalone Programme
Careers & Enterprise Extension	In delivery	3 year pilot programme – 2018-2021	Shona Duncan TVCA	Standalone Programme
New Apprenticeship Grant	In delivery	3 year pilot programme – 2018-2021	Shona Duncan TVCA	Standalone Programme
Improve and Sustain 16+ facilities	In delivery	3 year pilot programme – 2018-2021	Shona Duncan TVCA	Standalone Programme
Culture Destination Marketing Programme	In delivery	2 year pilot programme 2017-2019	Linda Tuttiett TVCA	2 other cultural programmes
Culture: Festivals and Events	In delivery	2 year pilot programme 2017-2019	Linda Tuttiett TVCA	2 other cultural programmes
Culture: Building Cultural Capacity	In delivery	2 year pilot programme 2017-2019	Linda Tuttiett TVCA	2 other cultural programmes
Supporting education innovation and collaboration	Pipeline	TBC	Shona Duncan TVCA	Standalone

Developing a skills system for business growth	Pipeline	TBC	Shona Duncan TVCA	Standalone
Creating a TV Careers & Enterprise Challenge	Pipeline	TBC	Shona Duncan TVCA	Standalone
Business challenge and workforce planning	Pipeline	TBC	Shona Duncan TVCA	Standalone
Youth employment initiative extension	Pipeline	TBC	Shona Duncan TVCA	Standalone
Addressing long term unemployment (15-8 programme and work experience)	Pipeline	TBC	Shona Duncan TVCA	Standalone
Collaborative Networks	Pipeline	TBC	Linda Edworthy	Standalone
Teesside Advanced manufacturing Park – Remediation and Development	In delivery	3 year duration - 2021	TWI	Standalone
Darlington Salters Lane/Ingenium Park Infrastructure	In delivery	3 year duration	Darlington Borough Council	Standalone
Tees Valley Broadband	In delivery	2 year duration - 2020	Linda Edworthy TVCA	Standalone
Darlington Feethams Grade A Office Development	In delivery	3 year duration - 2021	Darlington Borough Council	Standalone
Hartlepool Centre of Excellence in Technical Training for the Creative Industries	In pipeline	TBC	Hartlepool Borough Council	Standalone

Skippers Lane Industrial Estate Expansion	In pipeline	TBC	Stockton Borough Council	Standalone
Stockton Riverside College – IT Infrastructure	In pipeline	TBC	Stockton Riverside College	Standalone
National Museum of the Royal Navy (Phase 1)	In pipeline	TBC	Hartlepool Borough Council	Should be considered as one programme
Hartlepool Waterfront	In pipeline	TBC	Hartlepool Borough Council	
National Museum of the Royal Navy (Phase 2)	In pipeline	TBC	Hartlepool Borough Council	
Billingham Bio-Pharmaceutical Campus (Fujifilm Expansion)	In pipeline	TBC	Fujifilm	Standalone
Middlesbrough District Heating	In pipeline	TBC	Neil Kenley TVCA	Standalone
Central Park EZ Final Infrastructure	In pipeline	TBC	Middlesbrough Borough Council	Standalone
Tees Valley Community Projects The Enterprise Village	In pipeline	TBC	Middlesbrough Borough Council	Standalone
New Tees Crossing (inc Portrack Relief Road)	In pipeline	TBC	Stockton Borough Council	Standalone
Northern School of Arts Expansion	In pipeline	TBC	Northern School of Arts	Standalone

4.2 The following table is the evaluation template, which confirms the relevant logic model, what primary and secondary research needs to be undertaken, the timings of all reports and whether it has been signed off by SQW.

Name of project	Logic Model	Type of Evaluation (Impact/Progress Report)	Primary/secondary research needed	Timings Reports	of	Sign off by SQW
Routes to work Programme	Skills 2c Employment support	Impact Report	Large scale interviews with beneficiaries, companies and stakeholders	Interim report 2019		TBC
Careers & Enterprise Extension	Skills 2d School Age employment	Progress report	Stakeholder interviews	TBC		TBC
New Apprenticeship Grant	Skills 2c Employment support	TBC	TBC	TBC		TBC
Improve and Sustain 16+ facilities	Skills 2a Capital	Progress report	TBC	TBC		TBC
Culture Destination Marketing Programme	Revenue report for culture programmes	Progress report	TBC	TBC		TBC
Culture: Festivals and Events	Revenue report for culture programmes	Progress report	TBC	TBC		TBC
Culture: Building Cultural Capacity	Revenue report for culture programmes	Progress report	TBC	TBC		TBC
Supporting education innovation and collaboration	Skills 2b revenue support	Progress report	TBC	TBC		TBC

Developing a skills system for business growth	Skills 2c employment support	Progress report	TBC	TBC	TBC
Creating a TV Careers & Enterprise Challenge	Skills 2c employment support	Progress report	TBC	TBC	TBC
Business challenge and workforce planning	Skills 2b revenue support	Progress report	TBC	TBC	TBC
Youth employment initiative extension	Skills 2c employment support	Progress report	TBC	TBC	TBC
Addressing long term unemployment (15-8 programme and work experience)	Skills 2c employment support	Progress report	TBC	TBC	TBC
Collaborative Networks	RD&I 4B Enterprise, Innovation Advice and support	Impact Report	TBC	TBC	TBC
Teesside Advanced manufacturing Park – Remediation and Development	R&DI Sites and Premises	Impact Report	TBC	TBC	TBC
Darlington Salters Lane/Ingenium Park Infrastructure	Business Growth Capital	Progress report	TBC	TBC	TBC
Tees Valley Broadband	Place 3c Broadband & Mobile Connectivity	Impact Report	TBC	TBC	TBC

Darlington Feethams Grade A Office Development	Business Growth Capital	Progress report	TBC	TBC	TBC
Hartlepool Centre of Excellence in Technical Training for the Creative Industries	Business Growth Capital	Progress report	TBC	TBC	TBC
Skippers Lane Industrial Estate Expansion	Business Growth Capital	Progress report	TBC	TBC	TBC
Stockton Riverside College – IT Infrastructure	Skills Capital	Progress report	TBC	TBC	TBC
National Museum of the Royal Navy (Phase 1)	Culture and Tourism Capital	Progress report	TBC	TBC	TBC
Hartlepool Waterfront	Culture and Tourism Capital	Progress report	TBC	TBC	TBC
National Museum of the Royal Navy (Phase 2)	Culture and Tourism Capital	Progress report	TBC	TBC	TBC
Billingham Bio-Pharmaceutical Campus (Fujifilm Expansion)	R&DI Capital	Progress report	TBC	TBC	TBC
Middlesbrough District Heating	R&DI Capital	Progress report	TBC	TBC	TBC



Central Park EZ Final Infrastructure	Business Growth Capital	Progress report	TBC	TBC	TBC
Tees Valley Community Projects The Enterprise Village	Business Growth Capital	Progress report	TBC	TBC	TBC
New Tees Crossing (inc Portrack Relief Road)	Transport 1A Improved connectivity	Progress report	TBC	TBC	TBC
Northern School of Arts	Skills Capital	Progress report	TBC	TBC	TBC

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## 5. Two in-depth Evaluations

Name of project or initiative to be evaluated	Adult Education Budget (AEB)
Description of project or initiative	<p>The current AEB aims to engage those adults (19+) who are furthest from the labour market and provide them with the skills and learning necessary to equip them for either work, an apprenticeship or other learning. It enables a more flexible bespoke learning programme which doesn't necessarily lead to a formal qualification in the first instance, but overcomes perceived personal barriers to learning (such as confidence issues, lack of core skills). The AEB combines all Skills Funding Agency support excepting those related to the European Social Fund, Advanced Learner Loans or Apprenticeships.</p> <p>Although still subject to negotiation, it is anticipated that the revised Tees Valley AEB programme will focus on developing mechanisms to signpost emerging market demand (from employers) and ensure that this is reflected in local training priorities across the Tees Valley.</p>
Research questions to be addressed by the evaluation – what is being evaluated?	<p>The principal research question relates to the identification of existing/anticipated skills constraints affecting employers and learners in Tees Valley, assessing the quantum of demand and ensuring that there are mechanisms in place to signpost and match emerging training needs to provision.</p> <p>Once the programme is established, the subsequent research study will aim to address the following research issues:</p> <ul style="list-style-type: none"> <li>• Garner knowledge/experience from employers of the 'new' support and how it augments the national programme;</li> <li>• Garner knowledge/experience from beneficiaries (learners) of the 'new' support and how it augments the national programme;</li> <li>• Review of new delivery mechanisms;</li> <li>• Assess how well the programme has reflected local economic priorities: in particular matching emerging employment gaps with training provision and links to the Priority sectors identified in the refreshed Strategic Economic Plan; and</li> <li>• Assessment of economic impact/Value for Money of the programme (benchmarked to national initiatives).</li> </ul>
Methodologies to be used	<p>As this is the development of a new pilot programme the following aims must be achieved:</p> <ul style="list-style-type: none"> <li>• Assessment of need;</li> <li>• Assessment of what works (formative review); and</li> <li>• Assessment of impact (summative review).</li> </ul> <p>In developing assessment criteria which could readily isolate the particular circumstances of Tees Valley, the following issues were considered:</p> <ul style="list-style-type: none"> <li>• An assessment of need and subsequent appropriateness of new processes (formative analysis );</li> <li>• A need to identify the reference case;</li> <li>• A need to capture all direct costs and benefits leading to an assessment of value for money and wider economic impact:</li> </ul>

- Benchmarking all costs and benefits to comparable programmes (to assess relative efficiency);
- Calculating impact (additionality) and delivery against key outcomes through comparison with the reference case.

The population for this study is all adults (who are furthest from the labour market) in Tees Valley who seek support under the Tees Valley AEB. It will be necessary to isolate the follow groups:

- **Reference case cohort:** This programme, as presently constituted is non excludable and so randomised control trials could not be operated. The reference case will therefore rely on comparisons with national performance metrics (as evidenced from the employer satisfaction survey); and
- **TV AEB Programme cohort:** Those individuals who received support.

In order to address the aforementioned research issues, the following methodology will be employed:

#### Stage 1 (Formative Analysis):

- **Sector Action Plans:** Tees Valley is currently undertaking research on the skills needs of employers across seven priority sectors. The online survey will collate the following information:
  - Characteristics of Employers (Size, sector, location, age and demography of workforce);
  - Existing/anticipated skills constraints; and
  - Assessment of existing training provision
 This exercise will be completed by September 2017.
- **Survey of employers:** Reliance will be placed on the regional findings of the Employer Satisfaction Survey to identify (and create a baseline of) perceptions on the quality of the training provided and the responsiveness of the College/training organisation to employer's needs;
- **Stakeholder Consultation Exercise:** A facilitated stakeholder consultation exercise will be undertaken by TVCA with employer representatives and training providers to confirm training priorities, set key performance metrics and the frequency of reporting/updating priorities (anticipated to be at the following intervals: 12 months and 2 years) ; and
- **Walk thru test with existing delivery bodies:** Up to 2 facilitated sessions with delivery bodies (1 with Colleges and 1 with private sector delivery bodies) to 'walk thru' existing processes, outputs and outcomes to assess their continuing validity and quality , funding and any areas for improvement.

The Walk Thru test questions will be developed by TVCA skills team and the facilitated sessions will be delivered by the TVCA Economic Strategy and Intelligence Team. The results of the walk thru tests will be presented in the form of a process flow chart with commentary on key aspects.

The output of the formative analysis is the design of the new AEB programme (including a concise logic model).

	<p><b>Stage 2: (Summative Analysis)</b> Assessment of value for money and impact:</p> <p>A desk based review of management information will be utilised to assess the comparative delivery costs and outputs for the TV AEB Programme cohort. Key metrics, such as cost per intervention, timeframe for delivery and comparative overhead costs will be identified and benchmarked to comparable programmes in Manchester, Liverpool and Sheffield and assessment made of comparative value for money</p> <p>We will utilise question sets from the respective Learner Satisfaction Surveys and Employer Satisfaction Surveys for all participants of the TV AEB programme, and the cohort will be interviewed at the following milestones: post 6 months, post 12 months and post 24 months National performance will be compared to the TV AEB performance. Output will be a standalone impact assessment.</p>
<p>Data requirements – what will it be measured, how frequently and from what source?</p>	<p>The following information will be sourced from Tees Valley’s own records:</p> <ul style="list-style-type: none"> <li>• Number of starts;</li> <li>• Number of participants receiving support (by sector);</li> <li>• Number of participants completing programme (by sector);</li> <li>• Number of participants going onto further education/ training (by sector) ;</li> <li>• Number of participants entering the job market (by sector); and</li> <li>• Number of participants achieving a qualification (by sector).</li> </ul> <p>These training outputs will be reviewed against the annual training needs survey to assess impact for the principal outcome: Adult Learners going into employment.</p>
<p>Who will conduct the evaluation?</p>	<p>Formative analysis (Stage 1) will be undertaken by the Economic Strategy and Intelligence Team of TVCA</p> <p>Summative analysis (Stage 2) surveys will be undertaken by external consultants. The desk based analysis will be undertaken by the Economic Strategy and Intelligence Team of TVCA.</p>
<p>How much will the evaluation cost and how will it be funded?</p>	<p>It is anticipated that the Stage 2 evaluation costs will be in the range £5-7k.</p>
<p>What are the timescales for the evaluation and what will be the key milestones?</p>	<p>Programme due to commence in August 2018:</p> <p>Stage 2 will commence 6 months after the final cohort has been through the course and to be completed within 12 months.</p>
<p>Who is the audience for the evaluation and how will the findings be disseminated?</p>	<p>Tees Valley Management Team and wider skills network and DWP. Published report and presentation of findings and recommendations to DWP.</p>

Routes to Work

Name of project or initiative to be evaluated	Routes to Work
Description of project or initiative	<p>In February 2017, the Combined Authority were invited to submit an application for Innovation funding to pilot a major new approach to support those most distant from the labour market to prepare for and to access work. £6m was awarded to the Combined Authority. The Combined Authority Cabinet agreed to provide £1.5m as match funding for this pilot, making a total of £7.5m. The Pilot will be monitored by the Combined Authority and delivered locally by the 5 Tees Valley Local Authorities in their respective areas.</p> <p>The Pilot is an opportunity to test new ways of collaborative working at a local level which takes an individually centred approach, with the innovative use of dedicated Key Workers. The pilot aims to work with those most disengaged from the labour market, to support them to engage formally with the out of work support system, to move them further towards a sustainable situation where employment is more of an option or get them into formal employment. This approach also includes providing extended In-work support to those successful in gaining employment. As well as working with the economically disengaged, the pilot will involve direct engagement with both existing and potential partners and employers to also provide better brokerage of public services presently delivered by a range of agencies in the Tees Valley with an understanding to recognise how the Pilot has impacted on local integration of services to reach the 'hardest to help'. The pilot will test if greater collaborative and person centred approaches deliver better and more sustainable outcomes for the vulnerable people it aims to assist.</p> <p>The key elements of the pilot are to test out four innovative elements:</p> <ul style="list-style-type: none"> <li>• Create multi agency delivery approaches, led by each local authority.</li> <li>• Bring together existing services with innovative holistic support to move people through their journey towards and into work ( <b>the 'Customer Journey model'</b>);</li> <li>• Provide ongoing 'in-work support', for both the individual and the employer, over the first 12 months of employment.</li> <li>• Provide flexible funding to support individuals and employer incentives where appropriate.</li> </ul> <p>The Routes to Work Pilot will provide holistic support from a range of service providers for those unemployed or economically inactive individuals aged 30+, across the Combined Authority area, who are deemed to need the most help and support to move back into work. This includes many elements with the primary focus being the individual, it provides the opportunity to identify and address multiple barriers that some people face when trying to access work and will not solely focus on providing training courses. See Appendix B for the 'person centred delivery model'</p> <p>The eligibility criteria for the pilot is;</p> <p>In all cases the customer must be aged 30 or over, not be in work and either;</p> <ul style="list-style-type: none"> <li>• Disengaged from the benefits system or:</li> <li>• Receiving benefit</li> </ul> <p>Plus fall within any of 1-4 below:</p> <ul style="list-style-type: none"> <li>• Long term (2yrs +) unemployed /inactive benefits.</li> </ul>

- Claim to Employment and Support Allowance (ESA) rejected.
- In the ESA support group (health/disability).
- Have been out of work for min 13 weeks and be unlikely to find work in the next 12 months, due to having significant or multiple barriers to work. This could include:
- Ex-offenders, Health/MH or disability, BME/ESOL needed, SEND, Drug/alcohol dependencies, 50+, Lone parents, Returners to the labour market, Roma/travellers, Refugees, Carers, Care Leavers, Homeless, Ex Forces.

Although both men and women are welcome on the programme, the Tees Valley continues to have increased numbers of males in long term unemployment and are also aware that older males in particular seem to be more reluctant to access support.

The Pilot has the following objectives and targets:

For those most disengaged from the labour market:

- Engage with up to 2,500 individuals over the three year lifetime of the pilot;
- Move 15% of this cohort (375) into employment; and
- 38% of others (938) making significant improvements towards being ready for securing work;
- Engage with people who are disengaged from economic activity;
- Test the role of dedicated key workers who will support the individual throughout their time on the Pilot (up to 2 years);
- Test how the Pilot has impacted on those hardest to help and what improvements have impacted on the customer journey.
- Test the inclusion and impact of Careers, Education, Information, Advice and Guidance (CEIAG) throughout the time of support;
- Test the impact of the availability of a flexible and responsive fund, used to remove immediate barriers and challenges faced;
- Identify the impact that In Work Support has on sustainability of the employment entered into.

For employers:

- Engage with employers to source new jobs; and
- Engage with employers to support (375) into employment;
- Support employers to be flexible and provide 12 months support to individuals once in work;
- Test is the employer response is greater with the availability of Incentive funding;
- Test the increase in response of employers through increased advocacy/brokerage support for potential employers.

For public service providers

- Better integrate service provision through enhanced brokerage;
- Identify efficiency gains through the provision of more sustainable and integrated solutions; and
- Identify the potential for gain-share to contribute to post funding sustainability;
- Increase the efficiency and scale of successful referrals to specialist services;
- Identify the merits of increased personal support against the norm of providing access to skills development.

Given the complexity of the intervention, it will be necessary to ensure shared understanding of the interrelatedness of the suite of supports and how these contribute to anticipated outputs/outcomes.

Research questions to be addressed by the evaluation – what is being evaluated?

To facilitate this the successful consultant will be obliged to undertake the following activities at three stages:

**Stage 1:**

- Completion of a comprehensive review of how the programme has been set up and implemented and production of a full programme evaluation project plan for Steering Group approval.

**Stage 2:**

- Implementation of the evaluation project plan, with regular but no less than quarterly reporting on progress to the Steering Group and an annual progress report that includes recommendations for immediate and future change.

**Stage 3**

- Production of a final report that highlights the results of the pilot in a format that demonstrates the added value and efficiency savings made to the public purse.

It is anticipated that the evaluation will:

- Assess the fitness of purpose of the proposed interventions in line with the needs of the target group and employers, including but not limited to the scale and type of support offered, the duration of the pilot and the composition of the users;
- Review in conjunction with partner organisations, the actual delivery of the pilot, including, promotion, brokerage services, the quality and type of support being offered, the complementarity of the suite of support being offered and a review of management information and reporting: including opportunities for capturing efficiency gains and developing gain share;
- Develop a detailed logic model which clearly articulates all attributable inputs, activities, outputs and outcomes (including the specific efficiency gains/method for calculating gain-share as a result of the integrated approach to delivery and secondly the development of an economic model which has the potential to capture the cumulative economic benefits of successful participation to individuals and society at large<sup>10</sup>);
- Identify comparable programmes which are currently being delivered and which will be used for benchmarking purposes to assess value for money;
- Again using the logic model, identify mechanisms for addressing the counterfactual/calculating additionally (including the use of longitudinal studies and randomised control trials) for the following groups:
  - Age 30 and over and not in work.
  - The long term (2years) unemployed/ disengaged from the benefits system;
  - Those with significant/multiple barriers who are unlikely to find work in the next 12 months: e.g. ex-offenders, the disabled, ethnic minorities with ESOL needed, drug/alcohol dependencies;
  - Those for whom a claim to Employment Support Allowance (ESA) has been rejected;

<sup>10</sup> Direct benefits, including but not limited to: Salary and local multipliers; and Reduction in benefit costs; Indirect benefits (inputted from comparable analysis undertaken by GMCA), including Reduced drug dependency; Reduced alcohol dependency; and Reduced mental health dependency.

- Have been out of work for a minimum of 13 weeks and be unlikely to find work in the next 12 months, due to having significant or multiple barriers to work.

It is anticipated that Stage 1 will commence in July 2018, with a report and project plan presented to the Combined Authority covering the aforementioned outputs to be completed by the beginning of September 2018. The draft report and presentation will be delivered by the successful consultants to the project steering group which will consist of the following:

- Combined Authority staff, including Skills and Evaluation team staff;
- What works Centre;
- City Region Employment Network, led by Dr Adam Whitworth; and
- The Department for Work and Pensions.

Stage 2 report, including detailed action plan involving the roll out of the monitoring and evaluation framework and methodology for assessing the counterfactual and delivering longitudinal studies will be agreed and delivered by the consultants from October 2018 to the end of the programme.

It is anticipated that programme staff within the Combined Authority will be responsible for the monitoring of relevant management information. Assessment of counterfactual and longitudinal analysis will be undertaken by the successful consultants and will inform the stage 2 reports.

Stage 3 will be drafted no later than the end of the programme, 31st March 2021, and potentially a supplementary evaluation post closure, to be agreed by the Combined Authority.



Methodologies to be used

<b>1. Inception meeting</b>	We will begin the evaluation with an inception meeting to ensure clarity of expectations and processes for project management.
<b>2. Comprehensive review of programme set up and implementation</b>	We will then immediately begin with a comprehensive review of available documents, data, external research and scoping interviews.
<b>3. Production of evaluation project plan</b>	Alongside the comprehensive review, we will also produce an overarching evaluation project plan, setting out what, how, when and by whom all major outcomes and activities will be evaluated.
<b>4. Evaluation fieldwork</b>	We will carry out ongoing data analysis over the course of the programme along with consultation with participants, partners, key workers and employers.
<b>5. Developing a Logic Model for the Routes to Work pilot</b>	Through a Logic Model impact mapping workshop with key partners, we will establish an initial Logic Model for the programme, to be reviewed and refined each year.
<b>6. Evidencing outcomes and establishing impact, efficiency gains and economic benefits</b>	Using this Logic Model, we will carry out a robust cost benefit analysis (CBA) of the programme to identify efficiency gains and economic benefits; this will be reviewed each year with a final CBA in 2021.
<b>7. Benchmarking with other programmes</b>	We will work with you to identify a set of four equivalent programmes for a benchmarking review to support the Stage 2 and Stage 3 reports.
<b>8. Assessing the counterfactual</b>	Our research design will develop a counterfactual using comparisons with other groups through a range of approaches, including evidence collected through sections 6 and 7 of our evaluation, adjusted to avoid overstating benefits
<b>9. Longitudinal studies</b>	We will carry out a set of 10 longitudinal studies of individuals involved in the programme, drawing out their life and employment experiences before, during and after their Routes to Work support.
<b>10. Reporting</b>	We will produce a series of reports over the course of the programme: Stage 1 (Sept 2018); Stage 2 (Mar 2019 and Mar 2020); Stage 3 (Mar 2021) as well as quarterly update reports to the Combined Authority.

Data requirements – what will it be measured, how frequently and from what source?

The following information will be sourced from Tees Valley’s own records:

- Number of starts;
- Number of participants receiving support
- Number of participants completing programme (by sector);
- Number of participants going onto further education/ training (by sector) ;
- Number of participants entering the job market (by sector); and
- Number of participants achieving a qualification (by sector).

	These training outputs will be reviewed against the annual training needs survey to assess impact for the principal outcome: Adult Learners going into employment.
Who will conduct the evaluation?	The evaluation was put out to public procurement and was awarded to Rocket Science
How much will the evaluation cost and how will it be funded?	%367k and funded from Programme costs.
What are the timescales for the evaluation and what will be the key milestones?	2 <sup>nd</sup> August 2018 – 31 <sup>st</sup> March 2021
Who is the audience for the evaluation and how will the findings be disseminated?	Tees Valley Management Team and wider skills network and DWP. Published report and presentation of findings and recommendations to DWP.

DRAFT



TEES VALLEY  
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