

## Overview and Scrutiny Committee Agenda

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**Date:** Thursday 26<sup>th</sup> April 2018 at 10.00am

**Venue:** Cavendish House, Teesdale Business Park, Stockton-On-Tees,  
TS17 6QY

### Membership:

Chair - Cllr Norma Stephenson OBE (Stockton-on-Tees Borough Council)  
Vice-Chair - Cllr Ian Haszeldine (Darlington Borough Council)  
Cllr Heather Scott (Darlington Borough Council)  
Cllr Sonia Kane (Darlington Borough Council)  
Cllr Stephen Akers-Belcher (Hartlepool Borough Council)  
Cllr Katie Trueman (Hartlepool Borough Council)  
Cllr Marjorie James (Hartlepool Borough Council)  
Cllr Denise Rooney (Middlesbrough Council)  
Cllr Matthew Storey (Middlesbrough Council)  
Cllr Jean Sharrocks (Middlesbrough Council)  
Cllr Glyn Nightingale (Redcar and Cleveland Borough Council)  
Cllr Neil O'Brien (Redcar and Cleveland Borough Council)  
Cllr Philip Thomson (Redcar and Cleveland Borough Council)  
Cllr Derrick Brown (Stockton-on-Tees Borough Council)  
Cllr Matt Vickers (Stockton-on-Tees Borough Council)

### AGENDA

**1. Apologies for absence**

**2. Declarations of interest**

**3. Minutes**

The minutes of the meetings held on 27<sup>th</sup> February and 15<sup>th</sup> March 2018 for confirmation and signature

**4. Announcements from the Chair**

**5. Announcements from the Managing Director**

**6. Portfolio Updates**

Attached

## Overview and Scrutiny Committee Agenda

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### 7. **Forward Plan**

Attached

### 8. **Date of the next Meeting**

7<sup>th</sup> June 2018 at 10.00am – Cavendish House, Stockton-On-Tees,  
TS17 6QY

#### **Members of the Public - Rights to Attend Meeting**

With the exception of any item identified above as containing exempt or confidential information under the Local Government Act 1972 Section 100A(4), members of the public are entitled to attend this meeting and/or have access to the agenda papers.

Persons wishing to obtain any further information on this meeting or for details of access to the meeting for disabled people please contact: Sarah Brackenborough – 01642 524423 – [sarah.brackenborough@teesvalley-ca.gov.uk](mailto:sarah.brackenborough@teesvalley-ca.gov.uk)

## **Teess Valley Combined Authority Declaration of Interests Procedures**

1. The purpose of this note is to provide advice and guidance to all members (the Mayor, elected and co-opted members, substitute members and associate members) of the Combined Authority Cabinet, Sub-Committees and Local Enterprise Partnership Board, on the procedure for declaring interests. The procedure is set out in full in the [Combined Authority's Constitution](#) under the "Code of Conduct for Members" (Appendix 8).

### **Personal Interests**

2. The Code of Conduct sets out in full, the principles on the general conduct of members in their capacity at the Combined Authority. As a general principle, members should act impartially and should not use their position at the Combined Authority to further their personal or private interests.
3. There are two types of personal interests covered by the constitution:
  - a. "disclosable pecuniary interests". In general, a disclosable pecuniary interest will involve any financial interests, such as paid employment or membership of a body, interests in contracts, or ownership of land or shares. Members have a pecuniary interest in a matter where there is a reasonable likelihood or expectation that the business to be considered will affect your well-being or financial position, or the well-being or financial position of the following persons:
    - i. a member of your family;
    - ii. any person with whom you have a close association;
    - iii. in relation to a) and b) above, their employer, any firm in which they are a partner, or a company of which they are a director;
    - iv. any person or body in whom persons described in a) and b) above have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
    - v. any body as described in paragraph 3 b) i) and ii) below.
  - b. Any other personal interests. You have a personal interest in any business of the Combined Authority where it relates to or is likely to affect:
    - i. any body of which you are a member (or in a position of general control or management) and to which you are appointed or nominated by the Combined Authority;
    - ii. any body which:
      - exercises functions of a public nature;
      - is directed to charitable purposes;
      - one of whose principle purposes includes influencing public opinion or policy (including any political party or trade union) of which you are a member (or in a position of general control or management).

### **Declarations of interest relating to the Councils' commercial role**

4. The constituent councils of the Combined Authority are closely integrated with its governance and financial arrangements, and financial relationships between the Combined Authority and Councils do not in themselves create a conflict of interest for Council Leaders who are also Combined Authority Cabinet members. Nor is it a conflict of interest if the Combined Authority supports activities within a particular council boundary. Nevertheless, there are specific circumstances where the Cabinet is considering entering into direct contractual arrangements with a council, for example in relation to a particular commercial investment project, or in which that council is a co-funder. In these circumstances a non-pecuniary declaration of interest should be made by the Council Leader or their substitute.

### **Procedures for Declaring Interests**

5. In line with the Code of Conduct, members are required to adhere to the following procedures for declaring interests:

#### **Register of Interests**

6. Each member is required to complete a register of interests form with their personal interests, within 28 days of their appointment to the Combined Authority. Details of any personal interests registered will be published on the Combined Authority's website, with the full register available at the Combined Authority's offices for public inspection. The form will be updated on an annual basis but it is the responsibility of each member to notify the Monitoring Officer of any changes to the register throughout the year. Notification of a change must be made to the Monitoring Officer within 28 days of becoming aware of that change.

#### **Declaration of Interests at Meetings**

7. The Combined Authority will include a standing item at the start of each meeting for declaration of interests. Where members are aware that any of their personal interests are relevant to an item of business being considered at a meeting they are attending, they must declare that interest either during the standing item on the agenda, at the start of the consideration of the item of business, or when the interest becomes apparent, if later.
8. Where members consider that their interest could be considered by the public as so significant that it is likely to prejudice the members' judgement then they may not participate in any discussion and voting on the matter at the meeting, but may attend the meeting to make representations, answer questions or give evidence relating to the business, before it is discussed and voted upon.
9. If the interest is a disclosable pecuniary interest (as summarised in paragraph 3a) then the member must leave the meeting room during discussion and voting on the item of business, but may make representations, give evidence and answer questions before

leaving the meeting room. Failure to comply with the requirements in relation to disclosable pecuniary interests is a criminal offence.

**Sensitive Information**

10. Members can seek the advice of the monitoring officer if they consider that the disclosure of their personal interests contains sensitive information.

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**TEES VALLEY COMBINED AUTHORITY  
OVERVIEW & SCRUTINY COMMITTEE**

**Cavendish House, Stockton-On-Tees, TS17 6QY**

**Tuesday 27<sup>th</sup> February 2018 at 10.00am**

**MEETING**

**ATTENDEES**

**Members**

Cllr Norma Stephenson OBE	Stockton On Tees Borough Council	SBC
Cllr Derrick Brown	Stockton on Tees Borough Council	SBC
Cllr Ian Haszeldine	Darlington Borough Council	DBC
Cllr Sonia Kane	Darlington Borough Council	DBC
Cllr Denise Rooney	Middlesbrough Borough Council	MBC
Cllr Glyn Nightingale	Redcar & Cleveland Borough Council	R&CBC

**Apologies for absence**

Cllr Katie Trueman	Hartlepool Borough Council	HBC
Cllr Jean Sharrocks	Middlesbrough Borough Council	R&CBC
Cllr Neil O'Brien	Redcar & Cleveland Borough Council	R&CBC

**Officers**

Sharon Jones	Governance & Scrutiny Officer	TVCA
Andrew Lewis	Managing Director	TVCA
Neal Smith	Head of Communications and Marketing	TVCA

<b>OSC 40/17</b>	<b>DECLARATIONS OF INTEREST</b>	
	There were no interests declared	
<b>OSC 41/17</b>	<b>MINUTES</b>	
	The minutes of the meeting on 16 <sup>th</sup> January 2018 were agreed and signed as a correct record.	
<b>OSC 42/17</b>	<b>ANNOUNCEMENTS FROM THE CHAIR</b>	
	<p>The Chair made the following announcements:</p> <ul style="list-style-type: none"> <li>• Welcomed Cllr Matthew Storey of Middlesbrough Borough Council to the Committee</li> <li>• Neal Smith who is the new Head of Communications and Marketing for the Combined Authority has been invited to the meeting to introduce himself to the Committee.</li> </ul> <p><b>RESOLVED</b> that the Chair's update be noted.</p>	
<b>OSC 43/17</b>	<b>ANNOUNCEMENTS FROM THE MANAGING DIRECTOR</b>	
	<p>The Managing Director made the following announcements:</p> <ul style="list-style-type: none"> <li>• The Budget process is now complete and an agreed budget and Investment Plan is in place. There was a debate in Cabinet about the appropriate treatment of Durham Tees Valley Airport, and an amendment agreed by the Cabinet (excluding the Mayor) to allocate funds to reflect proposals made by the Airport. A subsequent special Cabinet meeting regarding the topic of DTVA has since taken place, which was very helpful in establishing an agreed basis to take forward future work, with all options fully considered.</li> <li>• There are a number of project approvals to note, a number of these are now proceeding to delivery <ul style="list-style-type: none"> <li>○ Feethams – Darlington Office Block</li> <li>○ Kirkleatham -Tourist Site</li> <li>○ National Horizon Centre – Our biggest investment to date. This is led by Teesside University and provides training facilities and support for SMEs and new technological developments.</li> </ul> </li> <li>• South Tees Development Corporation – this is now at a pivotal point. Consultation on the Site Masterplan is now complete and the statutory planning document has been endorsed. We have had between 70-80 enquiries from businesses regarding location on the site. We are now working on a joint plan with Government for the long term future management of the site. Any big decisions to be made regarding STDC will need to come to the Combined Authority Cabinet for ratification.</li> </ul>	

	<ul style="list-style-type: none"> <li>• Inspiring Our Future – our Education, Employment and Skills strategy has now been approved by Cabinet. This will be formally launched in the next few weeks</li> <li>• Routes to Work is progressing as planned. Cabinet have reviewed the delivery plans that are in place across the five boroughs to support those who are facing barriers to work</li> <li>• Local Economic Impact – Following a report to Cabinet on this it has been agreed to establish a working group to focus on this area and ensure that the work of the Combined Authority and STDC is maximising the local economic impact of its own investments and those of inward investors. The group will report back to Cabinet later in the year with its findings</li> <li>• British Tourism week is to take place during 17<sup>th</sup> -25<sup>th</sup> March. In line with this we are looking to launch our new “Enjoy Tees Valley” website, in partnership with many other organisations, to promote tourism within the Tees Valley</li> <li>• A bid has been placed to give Teesport a “free port” status. This would secure the future of Teesport and encourage businesses to locate near to the port.</li> <li>• We have been working with Homes England to reach an agreement to bring forward some proposals for investment. We have successfully secured funding for 2 housing sites within Tees Valley – 1 in Darlington and 1 in West Stockton. We will continue to work with the local authorities to bring forward those sites that were not successful in their bid for funding.</li> <li>• Our transport Strategy will be launched for consultation this Spring. This is the first time we have published a full strategy for Tees Valley and is a great opportunity for people to engage with us on our priorities for transport.</li> </ul> <p>The Chair noted that the discussions around the Budget had not shown the Tees Valley in a good light, and she hoped the Combined Authority could move forward on the basis of a stronger consensus and spirit of partnership in future.</p> <p><b>RESOLVED</b> that the Managing Director's update be noted.</p>	
<b>OSC 44/17</b>	<b>Combined Authority Alignment to the Northern Powerhouse</b>	
	<p>The Committee considered a report regarding Tees Valley and The Northern Powerhouse.</p> <p>Discussion took place around the following areas:</p> <ul style="list-style-type: none"> <li>• Transport for the North is now a statutory body and therefore has a strong influence nationally. Transport for the North will therefore now establish its own Scrutiny Committee and the</li> </ul>	

	<p>Combined Authority will have a representative on this Committee. The appointment to this will be made at the next cabinet meeting as any member is eligible. It is important that whoever is appointed to this role maintain a strong link with this Scrutiny Committee.</p> <ul style="list-style-type: none"> <li>• Funding post Brexit – Funds committed before Brexit are guaranteed to us from Central Government, and the arrangements beyond that point will depend on the transition deal reached with the EU. The government has committed to create a new Shared Prosperity Fund, and we are actively involved in discussions about how this fund should operate. Combined Authorities are likely to have preferential access to these funds. A consultation paper is expected later this year.</li> </ul> <p><b>RESOLVED</b> that: the information in the report be noted</p>	
<b>OSC 45/17</b>	<b>Overview &amp; Scrutiny Committee Annual Report</b>	
	<p>The Committee considered the report that has been drafted for cabinet giving an overview of the work of this Committee over the last 12 months. This is to be presented by the Chair of the Overview &amp; Scrutiny Committee at the next Cabinet meeting on 28<sup>th</sup> March 2018</p> <p><b>RESOLVED</b> that any comments or amendments required to the report be passed to Sharon Jones, Scrutiny Officer by 20<sup>th</sup> March for incorporation into the final report.</p>	
<b>OSC 46/17</b>	<b>Forward Plan</b>	
	<p>Discussion took place around the next scheduled meeting of the Committee on 26<sup>th</sup> April 2018.</p> <p><b>RESOLVED</b> that this meeting be used to deliver a roundup of the work of each Portfolio area over the previous 12 months and to look at priorities for the next 12 months. This will allow the committee to also populate their forward plan for 2018/19</p>	
<b>OSC 47/17</b>	<b>DATE OF THE NEXT MEETING</b>	
	15 <sup>th</sup> March 2018 at 13.00pm (Special meeting – DTVA)	

These minutes are in draft form until approved at the next Committee meeting and are therefore subject to amendments.

## TEES VALLEY COMBINED AUTHORITY OVERVIEW & SCRUTINY COMMITTEE

Cavendish House, Stockton-On-Tees, TS17 6QY  
Thursday 15<sup>th</sup> March 2018 at 13.00 pm

### MEETING

#### ATTENDEES

##### **Members**

Cllr Norma Stephenson OBE	Stockton On Tees Borough Council	SBC
Cllr Derrick Brown	Stockton on Tees Borough Council	SBC
Cllr Ian Haszeldine	Darlington Borough Council	DBC
Cllr Sonia Kane	Darlington Borough Council	DBC
Cllr Denise Rooney	Middlesbrough Borough Council	MBC
Cllr Matthew Storey	Middlesbrough Borough Council	MBC
Cllr Philip Thomson	Redcar & Cleveland Borough Council	R&CBC
Cllr Neil O'Brien	Redcar & Cleveland Borough Council	R&CBC
Cllr Heather Scott	Darlington Borough Council	DBC
Cllr Shane Moore	Hartlepool Borough Council	HBC
Cllr Matt Vickers	Stockton Borough Council	SBC

##### **Apologies for absence**

Cllr Jean Sharrocks	Middlesbrough Borough Council	MBC
Cllr Glyn Nightingale	Redcar & Cleveland Borough Council	R&CBC
Cllr Katie Trueman	Hartlepool Borough Council	HBC

##### **Officers**

Sharon Jones	Governance & Scrutiny Officer	TVCA
Andrew Lewis	Managing Director	TVCA
Julie Prior	Legal and Commercial Manager	TVCA

<b>OSC 48/17</b>	<b>RESOLUTION TO EXCLUDE THE PRESS AND PUBLIC</b>	
	The Chair proposed and the Committee agreed to pass a resolution to exclude the press and public under paragraph 3 of part 1 of schedule 12a of the Local Government Act 1972, in order to allow the Committee to consider matters of a commercially confidential nature.	
<b>OSC 49/17</b>	<b>DECLARATIONS OF INTEREST</b>	
	There were no interest declared	
<b>OSC 50/17</b>	<b>DURHAM TEES VALLEY AIRPORT</b>	
	<p>The Committee had a wide-ranging discussion regarding the current situation of the Combined Authority in relation to Durham Tees Valley Airport.</p> <p>The Committee were advised that a special Cabinet was held on 22<sup>nd</sup> February to discuss Durham Tees Valley Airport and that a level of consensus was reached at this meeting. Cabinet agreed that all options should be explored and nothing should be ruled out at this stage.</p> <p>Any decisions that may be made regarding progression towards an agreement with the Airport, or its current owners, would need to be approved by Cabinet and this information will therefore be available to Overview &amp; Scrutiny Committee members at the time.</p> <p>RESOLVED that:</p> <ol style="list-style-type: none"> <li>i. The answers to pre-submitted questions be circulated to the Committee following the meeting;</li> <li>ii. Those questions which relate to the local councils' role as minority shareholders of the airport be forwarded to Stockton Borough Council and the responses be circulated to the Committee as soon as they are received;</li> <li>iii. The Committee be provided with regular updates regarding any progress with DTVA as and when relevant and available and at regular intervals;</li> <li>iv. The Monitoring Officer to be asked to determine whether information on proposals on new routes and facilities put by DTVA in confidence to the Combined Authority be made available to Overview and Scrutiny Members.</li> </ol>	
<b>OSC 51/17</b>	<b>DATE OF THE NEXT MEETING</b>	
	26 <sup>th</sup> April 2018 at 10.00am	

## **AGENDA ITEM 6**

### **REPORT TO THE TEES VALLEY COMBINED AUTHORITY OVERVIEW & SCRUTINY COMMITTEE**

**26<sup>th</sup> APRIL 2018**

#### **REPORT OF THE MANAGING DIRECTOR**

## **PORTFOLIO UPDATES**

### **SUMMARY**

This report provides the Overview and Scrutiny Committee with an update on the key work areas of each portfolio over 2017/18. Detailed reports for each portfolio are attached to this report.

### **RECOMMENDATIONS**

It is recommended that the Combined Authority Overview & Scrutiny Committee note the portfolio updates.

### **DETAIL**

1. The reports attached to this report set out an overview of the key areas of work undertaken by each portfolio throughout 2017/18, and also look ahead to the upcoming priorities for 2018/19.
2. It has been an important year for the Combined Authority, with a number of key developments and achievements:
  - Commitment of a further £64 million to projects and programmes, in line with the Investment Plan priorities;
  - Since the establishment of the Investment Plan the Combined Authority has made significant progress in obtaining additional devolved funding to the value of £86m;
  - The South Tees Development Corporation was established in August 2017, the first Mayoral Development Corporation to be created outside of London, securing £123m in the Chancellor's budget;
  - Launch of a £7.5 million Routes to Work Programme to support long term unemployed people in Tees Valley access the labour market;
  - Launch of the Enjoy Tees Valley website, to boost the Tees Valley visitor economy and help tourists and residents experience the best of the region;

- Development of a draft strategic transport plan setting out the future vision for transport in the Tees Valley;
  - Securing £59m for investment in local public transport, and taking forward development of Darlington and Middlesbrough Stations, a new Tees crossing and Darlington by-pass;
  - Securing statutory status for Transport for the North, with the Tees Valley's priorities established as priorities for the North as a whole.
3. The detail provided in each of the portfolio reports will also form the basis for the Combined Authority's Annual Report 2017/18, due to be launched at the Cabinet AGM on 1<sup>st</sup> June.

#### **FINANCIAL IMPLICATIONS**

4. None.

#### **LEGAL IMPLICATIONS**

5. None.

#### **RISK ASSESSMENT**

6. Not Applicable.

#### **CONSULTATION**

7. Not Applicable

**Name of Contact Officer: Sarah Brackenborough**  
**Post Title: Finance Governance & Scrutiny Manager**  
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## **Housing Portfolio Update**

### **Introduction**

Providing the right number of homes, of the right type and in the right places is essential in growing the Tees Valley economy and providing attractive and vibrant places for people to want to live and business to invest. By attracting and retaining people and business to the area Tees Valley will continue to grow and prosper.

Building new homes through sustainable growth and revitalising existing communities is central to the ambition for the Tees Valley as a successful place where:

- People and business thrive and prosper;
- Health and wellbeing flourishes;
- People want to live, work and invest;
- Vibrancy and vitality permeates;
- Rewarding jobs and life-time opportunities are available to all;
- Our future generations grow and succeed.

Our priorities for homes and communities are set out in the Strategic Economic Plan with the stated aim 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.

### **2017/18 Update**

It is recognised that delivering on this ambition for place does not come without its challenges and during 2017/18 the priorities regarding our homes and communities have been identified:

#### **Increase the pace at which we build new homes (overall numbers)**

We need to build more homes and more quickly if we are to meet the demands of a growing economy. In the last five years 8,650 homes have been built across Tees Valley. Based on Local Plans in the next 5 years we need to build 11,480, which is a 33% increase, and will take annual build rates from an average of 1,730 to 2,296 per annum. Not only will increased house-building activity support our continued economic growth it will also bring significant additional housing investment and construction jobs to Tees Valley. The additional 2,830 homes in the next five years equates to almost £400m additional investment and over 4,000 direct construction jobs, with total direct housing investment in the range of £1.5bn and direct jobs of over 17,000.

#### **Diversify the nature of new supply (broadening the type of homes being built)**

It's more than just numbers. We need to ensure we are building the right type of homes. Across Tees Valley almost 40% of people rent their home. This is within a context of supply in which data suggests that almost 9 in 10 homes are built for the sales market. Additionally, in recent year's new build activity has been increasingly focused on the mid to higher end of the housing market.

To support economic growth we need to ensure that there is access and choice across the housing market, making good quality homes, whether to rent or buy, within the reach of everyone. Our priority is to ensure diversity in the market offer to ensure access to good quality affordable homes across all our communities.

### **Balance the location of new supply (unlocking the more difficult sites)**

Tees Valley is a relatively affordable place to live which is a positive asset in attracting people and business to live and invest. However, this impacts on financial viability in building new homes and where they are built. It costs pretty much the same to build a new home on Tees Valley as anywhere else, however the end values of any development, whether sales price or rental levels, are lower. This has a significant impact, especially on less viable brownfield sites as the financial return is insufficient to justify the investment. In the worst case examples it would cost more to build on a particular site than the homes would be worth at the end of it. This leaves many potential housing sites undeveloped, many of which are brownfield in the urban core with the associated blight that such sites bring.

### **Expand the source of supply (broadening the range of investors / developers)**

In recent years there has been significant consolidation in the homebuilding sector, with less than 12 companies building more than 70% of England's homes. SME builders have seen their share of the market drop from about two-thirds of new homes in the 1980s to around 37% 10 years ago, and to just 12% today. A key part to accelerating the building of new homes and diversifying the nature of supply will be to have lots of players of different sizes, building a wide range of homes and tenures across Tees Valley.

### **Improve the quality of supply (investment in existing stock)**

In a number of areas across the Tees Valley, especially within the urban core, levels of poor quality homes and deprivation persist. Wider success in the growing prosperity of the Tees Valley needs to be matched by intervention and renewal in our most deprived communities. Investment in areas of poor quality housing needs to be matched by community intervention to tackle the long-standing challenges of social exclusion, poor public health outcomes, poverty and deprivation. Transforming existing communities suffering poor quality housing, deprivation, lack of social inclusion and poor public health outcomes is therefore a key priority for our homes and communities.

### **Innovate in the method of supply (increasing capacity to deliver)**

A key constraint in delivering on the ambitions for our homes and communities is limitations on capacity within the sector. Accelerating the building of new homes and revitalising our existing stock cannot be delivered without increased workforce capacity. Construction skills capacity is already identified as a national issue. In addition, increased capacity will require new and innovative ways of building homes, including the increasing use of more efficient and quicker off-site manufacture.

In responding to the priority areas a number of actions have been taken:

**Joint Delivery Plan:** Working in partnership with Homes England extensive work has been undertaken to identify opportunities to unlock sites, accelerate delivery and increase the supply of affordable homes for rent or ownership. This will be delivered through a joint housing delivery plan, with a focus on around 80 identified sites across the Tees Valley that require intervention to unlock and accelerate.

**Housing Infrastructure Fund:** Successfully secured £12.8m through the Housing Infrastructure Fund to unlock sites for the accelerated delivery of homes.

**Affordable Homes:** Through the joint housing delivery plan we have identified opportunities to increase the development of good quality affordable homes to rent or buy.

**Garden Village:** Adopting 'garden village' principles to housing growth is a widely recognised approach in delivering new sustainable communities and providing a differentiated housing offer. A study was commissioned to explore the potential for a garden village development on Tees Valley and the findings are now being considered.

**Land Commission:** We have established a Land Commission. Chaired by the Mayor and with representation from Homes England and Local Authority members. The Land Commission has a direct remit to identify and unlock the more difficult brownfield and publicly owned land for development.

**One Public Estate:** Successfully joined the Cabinet Office and Local Government Association led One Public Estate programme which aims to create economic growth (new homes and jobs), more integrated, customer-focused services, generate capital receipts and reduce running costs across the public service. Through the programme funding of over £750k is supporting a variety of asset related projects across the Tees Valley.

**SME developers:** A review of access to finance for SME developers has been undertaken with actions identified to help assist the growth of SME homebuilding activity across Tees Valley.

**Build to Rent:** Dialogue has taken place with institutional investors and developers in the private build to rent housing market to establish the opportunities to stimulate investment and development activity across the Tees Valley, which at present is extremely low.

**Research:** Working jointly with the Northern Housing Consortium, the Centre for Regional Economic and Social Research (CRESR), Sheffield Hallam University and Registered Providers we are examining the scale of the issue across Tees Valley; the impact that areas of low demand and poor quality is having; best practice solutions from elsewhere; and options for intervention and investment.

**Community Led Housing:** Across Tees Valley there are a number of established community led housing organisations. All are locally focused community groups/charities that have been bringing empty homes back into use and undertaking a variety of valuable community intervention activities related to social inclusion, training and support. Over the past year we have been working with the sector to explore how we may work collectively across the Tees Valley to have a greater impact at a local level, with a joint strategy and action plan now being developed.

**Skills and capacity:** A joint piece of research with the Construction Industry Training Board (CITB) to evaluate the skills availability and future requirements for Tees Valley. In response, and working with key partners including employers and training providers in establishing a plan of action to address the identified skills gaps.

**Innovation in homebuilding:** Working in partnership with the Ministry of Building Innovation (MOBI) led by George Clarke (Architect and Channel 4 presenter) to secure an innovative approach to the development of modular house building in Tees Valley. Comprising opportunities for education, research and development, manufacture and build, Teesside University has now established innovative undergraduate and post graduate courses with MOBI, which are the first of their kind in the UK.

### **Key Actions for 2018/19**

To continue to address the identified priority areas key actions planned for 2018/19 are:

**Strategy & Action Plan: Homes & Communities.** Objective: Set out high level Combined Authority strategy for Homes and Communities in support of the SEP. The strategy will set out the key strategic issues and opportunities regarding homes and communities and the key actions being taken.

**Economic analysis of the housing market.** Objective: To identify opportunities to strengthen the housing market, contributing to wider economic growth. To provide evidence base to support new housing needs assessment methodology.

**Joint Housing Delivery Plan.** Objective: Finalise the joint delivery plan with Homes England to unlock housing sites, accelerate development and increase affordable homes. A collaborative programme approach that identifies and monitors current investment and delivery, supports intervention where barriers and opportunities exist, provides capacity to support. Joint delivery is within current remit of Homes England and aims to maximise the opportunities of national programmes.

**Housing Deal with Government.** Objective: To secure a housing deal directly with Government to provide additional resources and powers. Key asks include ring-fenced programme approach to national funding programmes, capacity funding for housing delivery and specific funding pots currently unavailable including land gap funding, housing regeneration and renewal and land acquisition.

**Housing Partnership.** Objective: To take a collaborative partnership approach in addressing key strategic areas and cross cutting themes regarding Tees Valley housing, undertaking research, policy and strategy development.

**Garden Village.** Objective: To fulfil a Mayoral commitment to seek to take forward garden village in ensuring sustainable approach to housing growth. To review scope for new garden village development to support this ambition.

**Community Led Housing.** Objective: To support the sector in building capacity to increase their impact on deprived communities, bringing empty homes back into use and providing better choice to some of the most vulnerable tenants on Tees Valley.

**Housing Regeneration & Renewal.** Objective: To evaluate the issues and opportunities in addressing low demand, poor quality housing in deprived areas. To identify potential investment solutions.

**Tees Valley Land Commission.** Objective: Unlock brownfield and publicly owned land for development.

**One Public Estate programme.** Objective: To continue to develop the OPE programme.

**Construction Skills.** Objective: Build sector capacity to enable accelerated house building.

**Private Rented Sector.** Objective: To engage with PRS investors and developers to support stimulation of build to rent across the Tees Valley.

**Partner engagement.** Objective: Maintain dialogue with key partners across the housing sector.

### **Summary**

The first year of the Mayoral Combined Authority has established a strong platform for achieving the ambitions of our homes and communities and commenced key areas of work that will ensure we continue to support growth in the Tees Valley economy by providing attractive and vibrant places for people to want to live and businesses to invest.

## Transport Portfolio Update

### Introduction

Over the next 10 years, we want to create 25,000 new jobs and build 22,000 new homes, and this was set out in our Strategic Economic Plan. For all of this to happen and to ensure that everyone in Tees Valley is able to work, study, enjoy and fully participate in this ambitious vision for the future, we need a first class transport system where people and goods are able to move easily and safely.

The Tees Valley Combined Authority has developed a Draft Strategic Transport Plan in partnership with the five Local Authorities, with strong links to the Tees Valley Strategic Economic Plan and the Investment Plan. The plan addresses issues such as the area's strategy for the cycling, walking, bus, rail and road networks and has a vision for the future of transport in the Tees Valley:

“To provide a high quality, quick, affordable, reliable and safe transport network for people and freight to move within, to and from the Tees Valley”

Underpinning this are six closely linked themes for transport in the Tees Valley, including what and how the Combined Authority is planning to make improvements to them. The six themes are:

- National Rail;
- Major Roads;
- Connecting Centres;
- Supporting Economic Growth; and
- Local Journeys.
- Deliver Social Equality and Protect and Enhance the Environment

A framework document underwent a period of consultation during early 2017, which received generally positive support but highlighted a number of areas where the strategy would need further strengthening.

A draft Strategic Transport Plan is being consulted upon during summer 2018. Informed by the findings of this consultation process, the final Strategic Transport Plan will be published before the end of 2018.

### 2017/18 Update

Progress in 2017/18 includes:

**The expansion of PD Ports container handling capabilities.** Leading to in an increase in the throughput of containers.

**Redcar Bulk Terminal gaining additional rail and sea traffic.** Securing the terminal as a key freight handling asset in the UK.

**Sustainable Access to Employment Programme.** The delivery of a number of walking and cycling schemes, providing a healthier travel alternative, reducing congestion and the impact

of transport on the environment, and improving access for those without alternative travel options.

**A171 Swans Corner to Flatts Lane Highways Improvements.** £2m of funding secured to help reduce congestion for existing traffic and provide capacity for future housing growth.

**Darlington Growth and Enterprise Zone Connectivity.** £3.37m of funding secured to improve the Tees Valley Key Route Network from the A66 to Central Park Enterprise Zone, to help unlock growth sites.

**A66/A171 Cargo Fleet Roundabout improvement scheme.** £2.95m of funding secured to introduce a through-about to improve capacity and a new pedestrian/cycle crossing.

**Middlehaven Dock Bridge.** Funding secured for the delivery of the bridge that will open up, and improve accessibility into, and across the Middlehaven regeneration development site; enabling brownfield land sites to be developed.

**South Tees Development Corporation.** Funding secured for the delivery of improved access to South Tees Development Corporation land.

**Middlesbrough Station Masterplan.** £4.5m of funding secured towards the delivery of Middlesbrough Station Masterplan, a series of major improvements at the station to allow more efficient use by existing and the planned future local and long distance rail services.

### **Key Actions for 2018/19**

To continue to address the identified priority areas, key actions planned for 2018/19 are:

**Darlington Station Masterplan.** Developing the case for the funding of the Masterplan, a proposal for new platforms and buildings at the station to allow more long distance and local rail services to stop at Darlington and improve the vitality of the Station.

**Northallerton-Middlesbrough Gauge Enhancement.** Developing the case for gauge enhancement on this stretch of rail line, to support the ongoing development of Teesport, as a truly international freight gateway for the north of England and facilitate the passenger rail service improvements required at Darlington and Middlesbrough.

**Heathrow Logistics Hub.** Developing the case for Tees Valley to be a key Logistics Hub for operations at Heathrow.

**New Tees Crossing.** Developing a business case for a new crossing of the River Tees, to address current issues with journey times and delays, whilst allowing the local road network to be improved in order to help deliver a number of new employment and housing sites.

**A66 East-West Links.** Developing a business case for improved East-West links along the A66 corridor, to provide a consistent standard of route all the way to the international port at Teesport and the South Tees Development Corporation.

### **Summary**

The first year of the Mayoral Combined Authority has established a strong platform for achieving the ambitions of our forthcoming Strategic Transport Plan and commenced key

areas of work that will ensure we continue to support growth in the Tees Valley economy by providing a high quality, quick, affordable, reliable and safe transport network. It will help prioritise future investments such as the Transforming Cities Fund.

## **Education, Employment and Skills Portfolio Update**

### **Introduction**

Tees Valley Combined Authority has launched the first cross cutting Education, Employment and Skills strategy-Inspiring our Future-a skills plan that will build the skills we need for a modern economy. The plan highlights that we can achieve significant change by taking a whole system approach that aligns the three themes. Developed in partnership with a range of partners, key stakeholders and people from Tees Valley the plan will provide investment and direction that addresses the key education, employment and skills challenges.

Within the strategy we have agreed six priorities for action for the next three years:

1. Supporting Education Innovation and Collaboration
2. Developing a Skills system for Business growth
3. Addressing long-term unemployment
4. Transforming careers and enterprise education
5. Challenge and support businesses as an integral element to achieving success
6. Enhancing the Higher Education role in driving economic growth

The high level aims will be to:

- Support 1000 businesses to engage with schools
- Establish the Education Collaboration and Innovation Fund
- Assist 2500 long term unemployed people to gain work
- Increase the number of adults qualified to Level 2 to 80%
- Increase the number of secondary schools achieving Ofsted Good and Outstanding in line with national average
- Engage every school and college in the Tees Valley Careers Initiative

Establishing the Education, Employment and Skills Partnership Board has been a key part of developing the strategy and the Board will now move to implementing task and finish working groups to take each element of the strategy forward, including recommending the associated Investment Plan.

### **2017/18 Update**

The Education, Employment and Skills activity has included:

1. Devolution of the Adult Education Budget  
The Combined Authority continues to work closely with the Department of Education to prepare for devolution of the Adult Education Budget. The Adult Education Budget provides training to adults over the age of 19, often at lower skill levels including basic literacy and numeracy skills. Devolution of this budget was planned for August 2018 but due to the complexity of achieving full devolution, the Department of Education and the Mayoral led Combined Authorities agreed to delay devolution for a further year to August 2019.

Good progress is now being made and the Parliamentary Order to enable devolution is planned to be presented before summer recess 2018. Intensive work will continue to ensure we are prepared and ready for devolution. Close working with skills providers will continue and be developed further over the coming months to ensure the new skills offer for adults addresses current business skills gaps and prepares for new demands.

2. Careers Education

The Combined Authority has worked with partners including schools to focus upon improving careers education across all schools and colleges in Tees Valley. An overarching delivery framework has been developed that builds upon a careers pilot previously funded by Transforming Tees in the Teesside Education Trust. A partner workshop held in April has confirmed the successful elements required for rolling out the framework from September 2018.

The Combined Authority has delivered the Careers Enterprise Adviser network as part of a national programme managed by the Careers Enterprise Company. In 2017/18, 52 schools and colleges have been partnered with Business advisors to develop their careers strategy.

The combined Authority hosted a regional Careers Education Information, Advice and Guidance (CEIAG) conference for 120 delegates as a CPD event for school leaders in April 2017 and March 2018.

### 3. Routes to Work

In July 2017 the Combined Authority secured £6m from the Department of Work and Pensions to deliver a Tees Valley wide pilot to assist those most distant from the labour market develop skills and ultimately access work. The programme aims to assist 2 500 people move towards accessing work and will test local approaches led by Local Authorities to achieving better outcomes for long term unemployed people. This will include approaches to multi-agency working, employer support and in work support to improve retention levels for long term unemployed people who do move into work.

### 4. Institute of Technology

In December 2017 the Department of Education launched a £70m opportunity for LEP areas to apply to set up Institutes of Technology. An application led by Hartlepool College and Teesside University was submitted in March. The application centres on the energy sector and incorporates multiple colleges and providers with a range of employers. The two anchor employers are JDR cables and EDF Energy.

If successful the Institute of Technology will deliver industry developed training from technician levels and above. The training will encourage continued skills development to degree level. This will support the Science and technology priority sectors identified in Tees Valley.

### 5. Skills event

In September the Combined Authority hosted the annual schools Skills event, attended by over 2000 pupils from school years 9-13. The event provided opportunities for young people to engage directly with employers, interact with equipment, talk to young employees about their experiences and job roles and speak to training providers to gain information regarding skill routeways.

### 6. Apprenticeship Grant for Employers

In 2016 the combined authority received devolved funding for one year of £1.5m to support employers that created new apprentice opportunities. By August 2017 over 1000 grants were approved. A new grant for employers linked to priority sectors was launched in August 2017.

A full evaluation of the impact of apprenticeship support and the implementation of the Apprenticeship levy is underway and will be presented to cabinet in July 2018 to inform future actions required to support the creation and progression of apprenticeships.

#### 7. Big Bang

The Combined Authority hosted the annual Big Bang STEM (Science, Technology, Engineering and Maths) event at Teesside University, 1500 young people aged 11-16 and 1500 primary school pupils attended. The event consisted of a range of STEM based activity workshops and an interactive exhibition. The aim was to raise awareness of STEM related careers and job roles to inspire future take up of STEM subjects in school and future careers.

#### 8. Regional School Commissioner

In 2017 close working with the regional schools commissioner implemented the Sub Regional Improvement Board for Education. This Board membership was agreed and has met several times to identify the priorities for Schools to increase attainment levels of their pupils. This included undertaking intensive work with schools to apply for the national Strategic School Improvement Funding available through the Department of Education. As a result 4 applications have now been successful in the first two rounds of funding. These applications include 34 schools in Tees Valley as partner schools that will directly benefit from this funding.

#### 9. Area review of post 16 Education

The Combined Authority continues to work with Colleges of Further Education to deliver the recommendations of the post 16 Education review. Current work includes supporting a merger proposal for Redcar and Cleveland College. Work continues to work to ensure a Further Education college is retained in Redcar. The proposed merger with Stockton Riverside College, is planned to conclude by August 2018.

### **2018-19**

In the next 12 months the Combined Authority will:

- Deliver the Education, Employment and Skills strategy
- Launch an Inspiring Careers initiative across all secondary schools
- Introduce careers education in primary schools
- Launch an Education Collaboration and Innovation Fund to support schools to improve the outcomes for pupils
- Consider applying for a Department of Education Careers Hub
- Host the annual young people's Skills event
- Evaluate Apprenticeships and consider the potential for a new support package to be put in place to increase the number of apprenticeships being created
- Work with Universities to increase the number of degree apprentices in Tees Valley
- Engage more businesses to undertake workforce planning to address current and anticipated skills gaps
- Consider the appropriateness of a Digital Skills Pilot for Tees Valley
- Maximise opportunities offered by the national Industrial Strategy including retraining funding for the Construction sector

- Consider implementing a Skills Advisory Panel as presented in the Industrial Strategy
- Maximise the unallocated £37m European Social Funding allocation in Tees Valley
- Deliver the Routes to Work pilot
- Prepare for full devolution of Adult Education Budget
- Prepare for the introduction of Technical education reforms for 16-18 year olds

## Investment Portfolio Update

### Overview of Investment Activity

The Investment Plan agreed by TVCA's Cabinet at the start of our financial year in April 2017 was firmly built on our Tees Valley Strategic Economic Plan ("SEP"), reflecting our shared priorities for this region. Our aim is to invest in the right projects that will create economic growth and new opportunities that will benefit everyone.

As the year has progressed we have not made any fundamental changes to those SEP priorities or overall funding allocations. Over the year we have particularly focused on:-

- accelerating delivery of the investment programme;
- streamlining our application and decision making processes, to make sure that projects are agreed and can get into delivery as soon as possible;
- using forward-looking development funding to help ensure projects are planned and developed robustly, so they have a better chance of coming forward strongly and getting into delivery quickly once they are approved; and
- "testing" projects to make sure that they are funded commercially where this is feasible, to generate potential returns for the future that can be recycled into other projects – this makes our money go further and helps benefits everyone in terms of the overall level of project activity we can support.

As is normal with investment plans of this nature, we have built in a degree of over-programming, to cater for projects progressing more slowly than predicted or even dropping out of the programme. We also want to be able to react to new and unforeseen opportunities that come up, so some flexibility is important.

One highlight is that we have entered into an innovative arrangement with the Teesside Pension Fund, who are willing to make up to £200 million available for strong local projects they may be able to invest their funds in, and we are working with them to look projects that may be suitable for the Fund to take forward.

However, one particular issue for us is making sure that we maximise the European funding that is potentially available to us as a region, while those funding programmes are still in place. It has been a challenge to bring forward projects that meet all the eligibility criteria for the categories of available European funding, so we know we have some work to do on this - an update report is coming to TVCA's Cabinet at its June meeting, to highlight the issues and what we will do to focus on drawing down these funds.

So far we have not had to make difficult choices about which projects or activity we will and will not support. We will continue to work on attracting new funding into our region and leveraging other public and private sector investment into our projects. However, TVCA has a finite amount of funding available over the period until 2021, so we will need to work on prioritising those projects that will deliver the greatest economic and wider benefits for everyone, at the same time as focussing on delivering strong investment performance that will support our future requests to Government for additional funding.

Set out below are:-

- a summary of the financial aspects of our Investment Plan, including the funding available, additional funding brought in over the year and the funding we have invested during the year;
- a summary of the outputs we have achieved or are set to achieve through this investment to date, including other funding leveraged and jobs created and supported; and
- a list of the highlights of the year in terms of investment milestones and projects.

## **Investment Plan – Financial Performance**

Since the establishment of the Investment Plan the Combined Authority has made significant progress in obtaining additional funding to the value of £86m (including the Transforming Cities fund). This is partly offset by reduced income of £6m, giving a revised total of £547 million total funding to 2021– an increase of 18%.

Since March 2017, the Combined Authority Cabinet has continued to make commitments in line with its Investment Plan priorities, committing a further £64 million to projects and programmes, some of which will be funded via new borrowing powers or specific grants secured. Additionally we have committed £7 million to fund the development of projects in order to develop, challenge and refine proposals before they are brought to Cabinet for agreement.

The ability to provide local decision making and assurance and a focus on deliverability has accelerated our investment programme significantly this year. £9.8 million was paid to projects in 2016/17 but £25.3 million was paid out in 2017/18 (+158%). TVCA is forecasting to spend £69 million in 2018/19 (+172%) on local priorities.

## **Outputs Achieved**

### **Jobs Secured**

This includes all jobs to be delivered by projects where TVCA has either directly invested or supported investment, for instance through attracting inward investment and securing European Funds. This is based on when the jobs are announced; delivery of the jobs themselves will happen over the period to 2023:-

2011-2015	8052
2015/16	759
2016/17	1,169
2017/18	3,998
Total 2011-2018	13,978
(Increase of 74% in the last 3 years)	

### **Investment Secured**

This includes all funds that TVCA has directly secured in earlier years (through specific grants) and since 2016 as a Combined Authority (through devolution with local decision making and successful bids for specific investments). This is based on when the investment was secured; delivery of the investment will take place up to 2021:-

2011-2015	£174m
2015/16	£104.2m
2016/17	£196.9m
2017/18	£19.3m
Total 2011-2018	£494m
(Increase of 46% - primarily due negotiating a successful devolution deal).	

### **Investment Supported**

This includes all investment secured with support from TVCA, such as supporting inward investment and projects to secure European Funds. This is based on when the investment was secured; delivery of this activity will take place up to 2021:-

2011-2015	£1.15bn
2015/16	£35m

2016/17	£191m
2017/18	£244m
Total 2011-2018	£1.62bn

### Enterprise Zone Projects

These figures are included in the overall supported and secured investment figures. This breakdown is focused on activity on EZ sites specifically, including investment TVCA has both made directly and supported:-

2011-2015	£764m + 588 Jobs
2015/16	£33m + 231 Jobs
2016/17	£238m + 262 Jobs
2017/18	£1.3m + 238 Jobs
Total 2011-2018	- £1.3bn of Investment and 1,300 Jobs on our EZ Sites

### Investment Highlights

Overall	<p>Over the year, TVCA has:-</p> <ul style="list-style-type: none"> <li>• Invested £7 million of development funding into pipeline projects in addition to those set out above, to help them be developed robustly so they are ready to come forward for further investment and then delivery;</li> <li>• secured a further £78 million from central government funding sources;</li> <li>• committed a further £23 million to specific investment projects; and</li> <li>• Significantly accelerated delivery of the investment programme, actually spending around £25 million on projects this year.</li> </ul>
April 2017	TVCA Cabinet formally agreed the first Investment Plan running from 2016/17-2020/21 with a total investment fund of £464 million.
May 2017	TVCA received the first round of investment proposals for 31 investment projects across Tees Valley, with a total investment requirement of £139m. We have since received many more.
June 2017	The proposal to establish a Mayoral Development Corporation on the South Tees industrial site was formally approved by the new Tees Valley Mayor, and unanimously by the TVCA Cabinet – this is the first Mayoral Development Corporation outside of Greater London and has significant powers to promote economic regeneration.
July 2017	TVCA committed £6 million of investment to support the development of a range of projects. Work also started on construction of the new bridge at Middlehaven in Middlesbrough.
August 2017	TVCA secured the largest 'Routes to Work' pilot scheme in the country with £6 million committed from the Department for Work and Pensions, alongside £1.5 million from TVCA. The scheme will provide a wrap-around service to create a joined up approach to helping those furthest away from the labour market into work.
September 2017	TVCA signed an MOU with Teesside Pension Fund to work together on investment proposals and make available up to 5% of its funds to support projects that promote economic development in Tees Valley.
October 2017	The Prime Minister launched the 25 year master plan for the South Tees site. It aims to convert assets in the South Tees area into industrial opportunities for business investment. Once fully developed the vision would see 20,000 jobs created and add an additional £1 billion per annum to the local economy.
November 2017	<p>TVCA Cabinet approved a £3.9 million TVCA investment into Salters Lane/Ingenium Park infrastructure at Darlington. This is on a shared risk and reward basis, with returns to TVCA through future sales of development plots. It will unlock 11.5ha of employment land and will directly address the challenge of providing industrial sites and premises for business growth.</p> <p>The Autumn Budget statement announced £59 million of further investment into Tees Valley as part of the new Transforming Cities Fund, with a key focus on improving public and sustainable transport.</p>
December 2017	TVCA Cabinet approved a £7.65 million investment in the new Teesside Advanced Manufacturing Park in Middlesbrough to remediate and develop the

	Enterprise Zone site. This will be fully repaid through business rate receipts and is part of a joint investment with Middlesbrough Council with a total value of £22.46 million. It will deliver 180,000sqft of advanced manufacturing space which can host around 500 direct skilled jobs.
January 2018	<p>Work started on the Innovation &amp; Skills Quarter in Hartlepool - this is an £8 million project with £5.5 million of TVCA investment. It will deliver 1,608sqm of high quality, affordable studio and workspace for up to 31 start-up businesses and deliver a range of streetscape and connectivity improvements to connect the Innovation &amp; Skills Quarter to Cleveland College of Art and Design and the waterfront. The project aims to encourage the growth of a creative industries cluster.</p> <p>TVCA Cabinet also approved an additional £3.36 million (on top of £2.7 million previously allocated) for work to commence on the new Catering Academy, Walled Garden and site infrastructure at Kirkleatham Hall Estate in Redcar.</p>
February 2018	<p>Construction began on the new Teesside University National Horizons Centre on the Central Park Enterprise Zone site in Darlington. The £17.5 million investment from the Combined Authority will drive growth in the bioscience industries.</p> <p>TVCA Cabinet also approved an investment of £3.23 million to deliver top quality office accommodation at Feethams in Darlington Town Centre. This is on a shared risk and reward basis with a potential return from rental income.</p>
March 2018	TVCA cabinet approved an investment of £2.5 million into works on Middlesbrough Train Station, to be matched with £2 million funding from Network Rail and £0.5 million from Middlesbrough Council.

## Business Growth Portfolio Update

### Update on activity

The Business Investment team continues to lead on Inward Investment enquiries into Tees Valley, working in collaboration with Local Authority partners and business support to assist with the growth of existing companies already located in the area. This is achieved through the combined efforts of the internal Business Investment team and an outsourced contract to provide extensive support for local SMEs under the banner 'Business Compass'

As part of its role in supporting new investment the Business Investment team has established a close working relationship with South Tees Development Corporation (STDC) generating interest in the site and supporting the STDC team to deal with the resulting enquiries. Interest in this key site is strong with enquiry numbers and emerging private sector interest in investing on the site high.

To date the Business Investment team has secured the following level of private sector investment and jobs.

	2017/18	2016/17	2016/15	2011 - 2015
Private Sector Capital Investment	£165m	£314m	£39m	£1,187m
Jobs Created	529	357	323	3,581
Jobs Safeguarded	410	242	535	1,933
<b>Total Jobs</b>	<b>939</b>	<b>599</b>	<b>858</b>	<b>5,514</b>

The pipeline of new projects the team is dealing is strong with the total potential investment show below. This includes a number of investment projects which are under way but have not completed yet. The largest project in this category is MGT Power which is currently constructing a £650m biomass power station at Tees Dock in Redcar.

	Private Sector Investment	Potential New Jobs	Potential Safeguarded Jobs	Total Jobs
Started projects	£700m	687	62	749
Pipeline Enquiries	£2,970m	7,825	1,229	9,054
<b>Total Pipeline</b>	<b>£3,670m</b>	<b>8,512</b>	<b>1,291</b>	<b>9,803</b>

Whilst the level of interest in the Tees valley as a potential investment location is good and the team will continue to work with these enquiries and partners to land the projects, it is essential that the team also continues to focus its efforts on promoting the area to ensure enquiry levels remain high and replenish the pipeline.

The team is therefore refreshing its Business Development strategy which will be agreed with Local Authority partners. This strategy subject to endorsement has the following strands.

- **Launch a dedicated Inward Investment website for Tees Valley**

Plans to launch a new website under the *Invest Tees Valley* brand during 18/19 to provide relevant and specific inward investment information for website visitors. The website will host headline sector proposition materials, news, showcase case studies and highlight business investment by Tees Valley based companies.

- **Engage expertise of our local authorities to help inform and enhance future inward investment efforts**

To engage with our local authority stakeholders to ensure cohesion of approach, roles and tactics, explore integration and supply chain opportunities to enhance Tees Valley's positioning and focus for inward investment. This activity would see strong inclusion of the business accommodation offer within our respective local authority areas for future inward investment.

- **Develop an intermediary database of Professional Services firms, segmented by SEP Sector**

The team has already created a live, dedicated database of intermediary contacts in the professional service function for engagement purposes. This activity will build on this work.

- **Initiate an Intermediaries programme, segmented by TVCA SEP Sectors**

Commercial intermediaries can help to indirectly attract inward investment and include corporate advisors, multipliers and influencers that are regularly involved in location and expansion decision-making.

We propose a proactive programme of engagement with intermediaries and multipliers, ideally sector and market specialists in professional firms, commercial property agents, specialist inward investment consultants, advisors in government agencies, embassies and trade associations, inward investment specialists in major banks, accountancy and law firms.

- **Foster established links and infill relationship gaps with Trade Associations**

TVCA has working relations with a number of regional and national trade associations with activities to date largely focused on hosting and sponsoring Tees Valley based supply chain events, to highlight growth opportunities, routes to market and SME support. There is an opportunity to extend our reach in new growing sectors, establishing entirely new relationships and to re-purpose existing Trade Association relations. This activity would be geared to explore the potential for future joint working on events in the Tees Valley, UK or internationally to realise our business investment goals for new inward investment

- **Build links and infill relationship gaps with Innovation bodies, Government departments and NGO's**

To engage stakeholders operating within innovation eco-systems, Government departments and NGO's to help gather additional intelligence on new business investment opportunities.

## Tees Valley Business Compass

From January 2017 BE Group, a private sector organisation were procured and contracted to deliver on behalf of Tees Valley Combined Authority a comprehensive business support programme aimed at helping local SMEs to invest and grow.

Tees Valley Combined Authority has been successful in securing £12.9m of ERDF, and £240k of BEIS Growth Hub funding.

This funding has increased the number of advisors available to support local SME businesses to ten. This team works with key stakeholders including:

- Tees Valley Local Authorities
- Teesside University
- Department for International Trade
- BEIS
- Federation of Small Businesses
- British Business Bank/NPIF
- Chamber of Commerce
- Institute of Directors
- North East Social Enterprise Partnership
- Business Compass Start-Up (NEEAL)
- Business Compass Growth Hub and Fund (BE Group)
- Innovate Tees Valley (Teesside University)
- Tees Valley Rural Community Council
- Tees Valley Business Club

The project also includes a grant funding programme which can support companies to access external business support to unlock growth within their business, increase broadband speeds, access specialist innovation support and assist with capital investment in energy efficiency measures.

In its first year, the programme has engaged with 508 businesses, providing 3 hrs support to each and secured over £574k of investment from SME's with £189k of grant support.

Entering its second year, the programme is profiled to achieve the following targets in 2018 - 2019:

	<b>Total</b>
Grants	£ 4.7m
Private Sector Investment	£14m
Companies Supported	536
Companies Engaged	1019
Jobs Created	294

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## **Culture and Tourism Portfolio Update**

In March 2017 the Cabinet approved a £1.8 million package of investment in culture and tourism.

Initial work has been focused on:

- Major heritage attractions with the potential to attract significant new visitors to Tees Valley.
- Festivals and events.
- Capacity investment in various art form areas.
- The launch of the Enjoy Tees Valley website, showcasing our landscape, culture and attractions to local, national and international visitors.

The Tees Valley has an incredible story of innovation and exploration to tell – and this story underpins much of our region’s identity. This story must be woven together through investment in our heritage and cultural sites. The quality of the museums and heritage sites, their content and the connectivity will be critical to attracting more visitors to Tees Valley and engaging people with our heritage and stories.

We want to provide compelling reasons to encourage local people and visitors to learn more about Tees Valley by developing high quality experiences encouraging both visitors and overnight stays in the region, contributing extensively to the growth of our visitor economy.

The 200<sup>th</sup> Anniversary of the Birth of the Modern Passenger Railway in 2025 will provide a strong focus for Tees Valley to bid to be UK City of Culture.

In 2015 the Task and Finish Report identified both the growing energy and enthusiasm within the Tees Valley to consolidate and capitalise upon our strong creative arts and culture sector, not just for its own sake but the wider benefit of the economy and the community.

There is significant evidence that the process of bidding and becoming UK City of Culture will bring together diverse communities and organisations, our cultural sector and businesses to celebrate the innovation, heritage and stories of the region and create a more powerful sense of identity and confidence in Tees Valley, improving social inclusion and business growth.

Large events, especially those with TV broadcast potential, offer Tees Valley an opportunity to take the national stage. We are preparing bids to host City Games over several years and to host parts of the Rugby League World Cup 2021.

### **City of Culture Bid Preparation**

The City of Culture bidding process - and successful designation - hold unique potential as a vehicle for transformational change in Tees Valley.

This is an opportunity for our communities to gain richer, more nourishing life experiences; for businesses to champion their skills and attract new talent to the area; and for our visitors to enjoy a deeper understanding of the strengths, talents and contributions that define and power Tees Valley.

In order to reach this potential, it is vital that our bid is developed as a direct response and representation of the ambitions, hopes, ideas, passions and strengths of the people of Tees Valley.

Strategic discussions and workshops have already taken place, establishing the commitment and support of the Local Authorities, key stakeholders and leaders in the cultural sector.

We are opening this conversation out to our communities through the development of a community engagement strategy which will stimulate a Tees Valley-wide dialogue informing the final bid development. We will take this conversation to every settlement, every school and many workplaces in Tees Valley to ensure as many people have the opportunity to contribute their insights and ideas as possible.

We will also be working with the local business community and other stakeholders to galvanise support for the bid and explore potential partnerships and strategies for maximizing the economic impacts of a strengthened cultural landscape.

### **Railway Heritage Development**

Developing the potential of the world-renowned Stockton and Darlington Railway is a priority for TVCA. The combined authority will lead on the development of this large and complex project with the appointment of a Heritage Capital Project Manager and an officer seconded from DBC.

The project should attract a minimum of 200,000 extra visitors per annum to Tees Valley.

The Railway Heritage Project is supported by Lottery funding and initial partners have formed a Railway Heritage Steering Group.

There are three main strands to the project, both with national and international visitor potential:

- Creating a heritage and nature walking and cycling route conserving and developing the 26 mile Witton - Darlington - Stockton railway track bed.
- Creating a major attraction for the Railway Story to be told at North Road linked to a new site for the A1 Trust to build new Steam Trains.
- Creating a 200th anniversary celebration event in 2025. A festival development company has been appointed to scope initial plans for the celebration.

A key 'golden thread' of the programme is how to connect people and community, through engaging them in project delivery, instilling civic pride, and ensuring they benefit from all initiatives through economic prosperity, skills and a better quality of life.

Heritage Action Zone (HAZ) status has recently been awarded to the Stockton and Darlington Railway by Historic England (one of eight awards in England). This will support research and conservation of the heritage assets as part of the larger development project.

A delivery plan is being developed and we are looking to apply for a capacity building grant from Historic England to put in place a project officer who will oversee the daily management of the project.

### **Great Place programme**

Tees Valley was one of 16 areas in England awarded funding from the Heritage Lottery, Arts Council and Natural England managed Great Place Scheme, receiving **£1,332,500** to support a cultural and heritage programme.

The subsequent programme- **Greater Tees**- managed by the Tees Valley Combined Authority – sees activity take place in each Local Authority area:

- **Darlington Borough Council- Heritage on Track.** Building community engagement through the bi-centenary of the first railway passenger journey on the Stockton & Darlington railway.
- **Hartlepool Borough Council- Creative Hartlepool.** A partnership between the council and Cleveland College of Art and Design to develop a programme of student facilitated community arts events and a programme of creative industry career and training events.
- **Middlesbrough Council- Creative Factory.** Responding to the sector need in Middlesbrough for active maker spaces, workshops, and creative enterprise development.
- **Redcar & Cleveland Borough Council- The Black Path/ Re-awakening the Steel Gala/ Red Barns.** Celebrating the Black Path in South Teesside through the creation of striking and unique artwork along part of its length, reintroducing the historic annual Steel Gala and testing the potential for the architecturally significant Red Barns' property to be regenerated as a visitor attraction.
- **Stockton Borough Council- Greater Tees Carnival.** Extending the Stockton International Festival across the Tees Valley with the creation of Carnival Satellites for local celebrations.

Greater Tees will run until December 2020 and is seen as a key element of the Tees Valley Culture and Tourism Strategy. Each Local Authority partner has committed £25,000 cash match funding to the programme.

### **Festivals and Events**

Strengthening the capacity, quality, reach and profile of Tees Valley events and festivals continues to be a core strategic focus, as is supporting new festival and event development.

Successfully supported events include:

- The Festival of Thrift, incorporating a programme of temporary sculptural installations across the Tees Valley.
- A new Waterfront Festival in Hartlepool.
- T-junction, the Tees Valley poetry festival, which allowed seven poets to work in 45 schools and with over 1100 children.

Ongoing work also involves partnership developments with arts and cultural organisations and research into potential large event space and infrastructure needs.

### **Supporting Screen Industries**

Work continues to commission a 3 year screen-industries support and development programme, showcasing screen-industries as an education-choice and career route, supporting local film-makers and showcasing location filming in Tees Valley to film-makers, location managers and producers in the UK and abroad.

We are also supporting development of a high-quality TV concept created by Redcar film-makers who are keen to bring a high-budget TV series to Tees Valley and a British Film Institute funded feature film currently sourcing Tees Valley locations.

### **Hartlepool Waterfront Development**

The opportunity exists to create much more awareness of the maritime and military history of Hartlepool through the creation of high quality visitor and learning experiences.

This investment will create a catalyst for change within Hartlepool and the Tees Valley, increase visitor numbers, footfall and spend; create high quality architecture and public realm; improve the connectivity to the wider waterfront and Hartlepool area; encourage the sustainable use of the water and retain and create employment.

The Waterfront development will consist of:

- A Watersports Hub consolidating and expanding the many water based activities that currently take place around the marina.
- An outdoor events arena, establishing a platform suitable for hosting a range of temporary activities from markets and street food festivals to exhibitions, naval displays and music shows.
- A Waterfront Core Visitor Attraction exploring maritime and military history and the history of Hartlepool.
- Expansion of the National Museum of the Royal Navy Hartlepool
- An events programme.
- A 100 bed 4\* hotel with conferencing and banqueting facilities.

### **Kirkleatham Estate and Stable Block**

The 17<sup>th</sup> century Kirkleatham Estate is a major asset in Redcar and Cleveland and Tees Valley attracting 150,000 visitors per annum.

The potential to increase visitor numbers through broadening the range of activity on the site and to create a new cultural centre for Tees Valley is significant.

The site has become home to the Festival of Thrift, and the success of this festival demonstrates how the estate could become a more permanent centre for heritage, culture, sustainable living and leisure activities and contribute more strongly to the visitor economy of Redcar and Cleveland and Tees Valley.

The next phase of the project considers the most creative use of the conserved Stable Block – a set of buildings containing large and small spaces and offering the potential to become a cultural space with events, exhibitions and performance at its core.

### **Destination Marketing**

The new destination website for Tees Valley – Enjoy Tees Valley – was launched on March 17 2018 and a region-wide campaign to launch the site received widespread coverage.

The launch secured major media coverage, including front pages in several local newspapers and an interview on the 6pm ITV news with Mayor Dave Budd.

The website saw 1200 visits across the first week and a social media following of 2000 likes on Facebook, 750 followers on Twitter and 500 followers on Instagram.

### **Discover England Fund bid - East of England Touring Route**

A bid to the Visit Britain Discover England Fund to create an East of England Touring Route was successful. Tees Valley will now work in partnership with NewcastleGateshead and 13 other organisations on the project which is due to launch in 2019.

## **Rugby League World Cup 2021**

Middlesbrough Football Club, Middlesbrough Council and TVCA are working in partnership to prepare a bid to host a series of international matches during the Rugby League World Cup 2021.

The bid will include an application to host group games and a quarter-final of the Men's competition and games from the Women's competition.

An important feature of the Rugby League World Cup 2021 bid will be the developing a legacy – a commitment to developing the game going forward in Tees Valley.

## **The Great Tees City Games and the Great Tees XCountry**

Tees Valley is under consideration as a multi-year home for the leading urban games competition developed by the organisers of the Great North Run.

These events will showcase our unique combination of rural and urban landscapes on national and international television, as well as creating the opportunity to add a powerful City Games brand, elite sporting performance and mass sporting participation to the Tees Valley 2025 City of Culture bid.

The Great City Games series showcases athletics in an innovative way, providing an 'up close and personal' experience for spectators and allowing audiences to experience the thrill of competition outside of a traditional stadium setting. The IAAF ratified competition attracts world class athletes.

The City Games also include a series of mass participation events which would see a series of cross country events in the Tees Valley, presenting an exciting opportunity to showcase the Tees Valley landscape and drive participation in healthy lifestyles.

The first City games would be held in Stockton in 2019, with subsequent City Games and cross country events held in each of our five boroughs up to and including 2025.

## **In 2018-19, our Culture and Tourism focus will be:**

- Developing the City of Culture 'Big Conversation' with all of our communities in preparation for our bid.
- Developing our Great Place – Greater Tees project with partners across Tees Valley, engaging local people in arts and heritage.
- Progressing heritage capital investment projects to delivery stage and developing inspiring narratives of Tees Valley history and heritage to create a step change in visitor numbers and grow the visitor economy.
- Establishing Enjoy Tees Valley, the destination brand and website and developing a domestic and international marketing strategy to build the visitor economy.
- Attracting sporting and cultural events to Tees Valley, beginning with the Rugby League World Cup 2021 and City Games.

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## **Innovation Portfolio Update**

### **2017/18 Update**

#### **Carbon Capture and Storage (CCS)**

The Combined Authority (CA) has continued to lead the Teesside Collective approach to the development of a full chain industrial CCS system in the Tees Valley. Specifically we have worked with consultants to identify the most feasible route to delivery of a full chain industrial Carbon Capture and Storage network to inform the Department for Business, Energy and Industrial Strategy (BEIS) thinking on deployment, and to present a feasible development programme.

Because of this work the Oil and Gas Climate Initiative (OGCI) through Climate Investments and the Clean Gas Project (CGP) have agreed to develop an industrial CCS network in Teesside as part of their project to develop a CCS gas plant. BEIS expect OGCI to fully fund this given their budget and remit, but are believed to be willing to part fund alongside OGCI if it comes down to it. The CA is meeting with the European Investment Bank to discuss the CGP development.

A reformed Teesside Collective may be now required to take the CCS development forward alongside any power project and this is to be considered.

We have also maintained ministerial level contact including a visit by Claire Perry to discuss CCS and Hydrogen which went very well. Regarding CCS we clearly stated that the government need to publish the details on how it will financially support industrial companies to capture their CO<sub>2</sub> and use a network, and that how the government views the business model for transport and storage.

Other discussions have included meetings with Treasury to explain costs of an Industrial network. We have supported two other CCS projects (Summit power and Acorn – both Scottish projects) to present some work assessing the economic value of CCS if developed along the east coast.

#### **District heating**

Work has focussed on analysing and building the business case for the development of a network around Middlesbrough and the analysis to date suggests that the business case is compelling, particularly if the scheme can be extended south and include the South Tees Hospital.

The Stockton based network has progressed independently and is now seeking European Regional Development Fund support.

#### **Low Carbon Action Plan - Energy Strategy**

The work on the development of an approach to deployment and development of Low Carbon projects in the region has completed with a report commission from KPMG to propose a strategy to develop a low carbon industrial economy in the region and the impact on emissions that this would produce.

This provide a coherent and comprehensive approach to how the region targets industrial projects and seeks support for low carbon investment, allowing the Tees Valley to present a long term vision of its potential in a carbon constrained world.

Other elements of the action plan were completed including an analysis of the large scale energy storage options for the Tees Valley and the opportunity for new energy integration technology developed in the region. A review of the opportunity for deploying hydrogen as an energy source for rail was also commissioned – see below for further details.

### **Hydrogen Economy Development including Transport**

Over the last 12 months the profile of Hydrogen as an energy vector to enable decarbonisation of heat and transport has risen significantly. We have built on our position as a leading region in the production of Hydrogen, coupled with our continued promotion of Industrial CCS applied to hydrogen production amongst other processes, to present ourselves as the ideal location for initiation of the Hydrogen Economy. Our link to the Northern Gas Networks sponsored H21 project and contacts with Leeds City and West Yorkshire LEP have been maintained and ensure we are seen as innovating in this development.

We have led the UK presence in the EU technology Platform on Hydrogen's regions & Cities project looking at the opportunity for wider deployment of hydrogen to decarbonise heat transport and industry.

The CA has led the development of a Hydrogen Rail concept for the region (and the UK) and with Northern Rail and Network Rail have initiated a project to look at how to deliver a hydrogen powered Stockton to Darlington railway. Early stage discussions on road transport have been held with bus operators and refuse collection services to see if we can successfully bid for support for deployment of hydrogen in these areas. A submission for development funding is being made to allow this to proceed shortly.

We have also hosted (early April) a visit by the NIC to look at hydrogen and CCS development in the region and this seems to have the desired effect of demonstrating the unique advantages of a Tees Valley development in both these areas

### **Local Energy Hub and Energy Capacity Hub**

Two projects have been developed and are in early stage implementation.

1. Local Energy Hub Tools & Resources where the Combined Authority is working with Regional LEPs to address 5 specific projects to develop a best practice approach to development and delivery of energy related projects. In this case we are working with Yorkshire & Humber LEP on understanding how local energy projects can improve business rates via value of land assets but other projects include:
  - Resources for Managing Investment and Delivery of Energy and Renewable Schemes;
  - Mapping local energy & utilities infrastructure for integrated spatial planning;
  - Establishing Public Sector & JV Consortia for collaborative Investment in Energy Schemes;

As well as developing a model approach to operation.

2. NE, Yorkshire & Humber and Tees Valley Capacity Hub. Here we are in control of a project to deliver with the other regional LEPs a more effective process for delivery of local energy projects. Funds have been obtained from BEIS to allow LEPs to resource a project manager to identify and deliver more local energy projects

## **Priorities over 2018/19**

The Technology and Innovation work plan now looks over next 12 months to:

1. Support OGCI to develop the £5bn CCS project through to Final Investment Decision including bidding for substantial amounts of European funds;
2. Progress the District Heating scheme and then select a company to design, build, operate and maintain the Middlesbrough District Energy Network;
3. Secure funds to build Tees Valley's first hydrogen refuelling point for cars, buses, vans, and waste collection trucks;
4. Publish a business case for the UK's first hydrogen train to operate in Tees Valley;
5. Secure the Tees Valley as the location for the UK's national hydrogen innovation and demonstration centre;
6. Manage overall & deliver our part of the North East, Yorkshire & Humber & Tees Valley Regional energy project capacity building;
7. Deliver Regional Hub Energy Project for the department of Business, Energy and Industrial Strategy;
8. Exploit industrial energy strategy developed as part of Low Carbon Action Plan;
9. Deliver a local domestic energy analysis for 5 Local Authorities.

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## Tees Valley Combined Authority Overview & Scrutiny

### Work Programme 2018/19

#### Standing Items

Minutes from the Previous Meeting  
Announcements from the Chair  
Announcements from the Managing Director  
Forward Plan  
Date and Venue of the Next Meeting

<b>Date</b>	<b>Venue</b>	<b>Item / Responsible Officer</b>
7 <sup>th</sup> June 2018 at 10am	Room 1 Cavendish House Teesdale Business Park Stockton On Tees TS17 6QY	Appointment of Chair Appointment of Vice-Chair Combined Authority Budget 17/18 Q3
19 <sup>th</sup> July 2018 at 2pm	Room 1 Cavendish House Teesdale Business Park Stockton On Tees TS17 6QY	Annual Statement of Accounts
13 <sup>th</sup> September 2018 at 10am	Room 1 Cavendish House Teesdale Business Park Stockton On Tees TS17 6QY	Combined Authority Budget 18/19 Q1
25 <sup>th</sup> October 2018 at 10am	Room 1 Cavendish House Teesdale Business Park Stockton On Tees TS17 6QY	TBC
6 <sup>th</sup> December 2018 at 10am	Room 1 Cavendish House Teesdale Business Park Stockton On Tees TS17 6QY	Combined Authority Budget 18/19 Q2 Draft Combined Authority Budget 2019/20

17 <sup>th</sup> January 2019 at 2pm	Room 1 Cavendish House Teesdale Business Park Stockton On Tees TS17 6QY	Combined Authority Budget 2019/20
28 <sup>th</sup> February 2019 at 10am	Room 1 Cavendish House Teesdale Business Park Stockton On Tees TS17 6QY	TBC
25 <sup>th</sup> April 2019 at 10am	Room 1 Cavendish House Teesdale Business Park Stockton On Tees TS17 6QY	TBC

**Items to be scheduled:**

Durham Tees Valley Airport

Portfolio Updates:

- Education Employment and Skills
- Innovation, Culture and Tourism
- Transport
- Housing and Regeneration
- Investment and Business Growth

Mayoral Update

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