



AGENDA ITEM 4

REPORT TO THE TEES VALLEY COMBINED AUTHORITY CABINET

30th JUNE 2023

REPORT OF THE TEES VALLEY MAYOR

TEES VALLEY MAYOR'S UPDATE

SUMMARY

This report provides a general update on the key activities of the Mayor and Combined Authority since the last Cabinet meeting, which are not covered in other reports to this meeting.

RECOMMENDATIONS

It is recommended that the Tees Valley Combined Authority Cabinet notes the report.

DETAIL

FREEPORT

1. Two new Freeports in Wales, at Milford Haven and Port Talbot have been announced. In addition, eight Investment Zones have been announced. The Investment Zones are expected to complement the Freeports.
2. Following the local elections, the new leader of Redcar & Cleveland Borough Council will be invited to join the Freeport Board and chair the Strategy & Accountability workstream, and the role of chair of the Innovation & Skills workstream will be offered to the Mayor of Middlesbrough, in accordance with the workstream Terms of Reference.
3. The Freeport Director has stepped down following the completion of their engagement to establish the first Freeport in the UK and conclude the MOU process with HMG. A transitional plan has been developed to manage the diverse areas covered by the Freeport Director, including Governance, Business Case development, Stakeholder engagement and Inward investment.
4. The business case to invest the remaining £3.5m capital seed funding from DLUCH is in development. This proposes a 5G Digital Trade Testbed at Teesside International Airport. The test bed will be technology agnostic, offering all systems within the sector to be trialled and evaluated prior to deployment and will lead to proven methodologies to move physical goods both nationally and internationally. The learning outcomes of tests will support delivery of the benefits of frictionless trade and digital interoperability.



TEESSIDE INTERNATIONAL AIRPORT

5. In June, it was announced that Ryanair would increase its twice-weekly off-season service from Teesside to Alicante to three times per week, beginning in October. This means a further c.20,000 seats will be available for people flying outside of the summer season, giving them more holiday options. This comes following a strong 2022 and after the airport returned to its full 2023 summer service operations, with the final route – to Corfu – also launching in June.
6. Teesside was the UK's first airport to entirely do away with the 100ml limit on liquids when passing through airport security. The threshold has been upped to 2 litres for hand luggage, thanks to two new state-of-the-art CT scanners fully operational in security. The requirement to remove electronic items from bags is also no longer in force.
7. New Civil Aviation Authority figures named Teesside the second most punctual in the UK in 2022. The average delay per departing flight was just 14 minutes, compared to the least punctual airport's 30 minutes. The airport has also been shortlisted in the Travel Trade Gazette (TTG) annual Travel Industry Awards in the UK & Irish Airport of the Year category, with the winner announced on 28 September.

TEESWORKS

8. The final explosive demolition on the Teesworks site – of the Redcar Power Station – is due to go ahead on June 29. This brings to a close the accelerated two-to-three-year programme of blowdowns across the site, beginning in March 2021, ahead of schedule.
9. Redcar and Cleveland Borough Council has officially approved plans for Circular Fuels Ltd's renewable fuel-from-waste facility on the Teesworks site. Its £150million plant at the Dorman Point area of the site is expected to create 250 construction jobs and more than 50 skilled roles when operational.
10. Over the past 12 months a number of media articles suggesting impropriety or wrongdoing by Teesworks and the Joint Venture Partners have appeared in the press and were subsequently raised in the House of Commons. Neither STDC nor Teesworks recognise these claims, with a Government spokesperson saying it has not seen any evidence of wrongdoing. Following cross-party calls for an investigation - including from the Tees Valley Mayor - Government announced an official independent review would be launched, headed by Angie Ridgewell, Chief Executive of Lancashire County Council. The panel will review TVCA's oversight of STDC and Teesworks JV, including consideration of specific allegations made, and look at wider governance and financial



management. The review is now under way and TVCA and STDC are working with the panel to provide all relevant information.

DARLINGTON STATION

11. Preparatory work at Darlington Station has been progressing well during the autumn, winter and spring. The new temporary car park opened on the former cattle mart site at the end of April and is now being used by station passengers. This enabled the former car park on the eastern side of the station to be closed, which was the final part of the land assembly. All buildings within the eastern gateway site have been demolished and cleared enabling the work on the new multi-storey car park and station building to move into the construction phase. Network Rail continue to make good progress on their elements of the project and will start on site later this summer.

EVENTS

12. The Department for Culture, Media and Sport offered £45,000 in funding to screen the Coronation of King Charles III and the Eurovision Song Contest after the BBC named Darlington one of the official host venues. TVCA helped facilitate the event, which brought more than 120,000 people to the centre for two weekends of live music and celebrations.

TEES VALLEY BUSINESS

13. More than £12million ERDF has been allocated to support Tees Valley SMEs' growth plans and job creation until June 2023. To date, 560 businesses have been supported with grant offers to the value of just over £12million, which will generate private sector match of £15.1million and is forecast to create 1,829 new jobs.
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15. Made Smarter is a government-backed initiative designed to improve the productivity of manufacturers through the adoption of Industrial Design Technologies (IDTs). Tees Valley Business is with the North-East LEP to deliver the 2022/23 programme. The £800k allocation for 2022/23 delivery is funded via BEIS. We have 50 manufacturing businesses on the programme at different stages. The programme consists of completing an online diagnostic, accessing a digital showcase to explore technology available along with one-to-one digital specialist support and workshops to develop a digital roadmap. Additional grant support is available for access to an IDT specialist as well as the purchasing of new digital technologies and equipment. To date, 5 Tees Valley SMEs have been approved grant funding to the value of £27,551. BEIS funding for Made Smarter is expected to continue for a further two years as a minimum.



UKSPF

16. UKSPF open calls for Business Support and People and Skills were launched on 17th March, 2023 and closed to applicants on 28th April, 2023. A total of 40 applications were received and are now in appraisal. TVCA officers working with the Business Board Chair are anticipating final decisions on funding awards to be concluded by the end of June and presented to the UKSPF Partnership Group as soon as practical in July.

CLEAN GROWTH AND INNOVATION

17. The Tees Valley's Cluster Plan for Decarbonisation was launched on 28th March at an event attended by representatives of the Department of Energy Security and Net Zero (DESNZ), Tees Valley's major industrials, and other key stakeholders. The advisory group from this project has now formed the Tees Valley Industrial Net Zero Leadership Group, which will meet for the second time in July having appointed its independent chair. The new group will work towards a single unified voice for the Tees industrial cluster and seek to foster collaboration on key challenges. Work conducted the cluster plan on electricity grid constraints is already proving useful to TVCA's Net Zero team in the work on this issue.
18. TVCA's flagship Trees on Tees scheme has seen strong progress, with a coordinator and team of officers appointed. Sign up via the Trees on Tees Web Page has resulted in a response by 49 businesses, 21 landowners, 9 schools, 15 community groups and 360 residents. Discussions with respondents has resulted in 20 projects coming forward from business and landowners. This includes small sites on which to plant trees, offers of financial support and an interest in corporate volunteering. Discussions with organisations such as Trees for Cities is starting to bring new offers of funding into the region.
19. The North East and Yorkshire Net Zero Hub has begun delivery of an £80m Social Housing Decarbonisation Fund Wave 2 programme, which includes housing providers and homes in the Tees Valley. TVCA has concluded its MOU with DESNZ and is now entering into legal arrangements with 19 delivery partners. The scheme will last for two years and upgrade more than 5,000 homes. The Hub's Solar Schools Enabling Fund has received positive feedback from Abingdon Primary School in Middlesbrough, which has been able to install solar panels and reduce energy bills as a result of a grant received.

EDUCATION, EMPLOYMENT AND SKILLS

20. Multiply, which launched in December 2022 as part of the UKSPF continues to provide innovative methods to engage people with low levels of numeracy to develop their functional number skills for life and work. With a first-year budget of £1m, TVCA secured 10 training providers who engaged over 2,000 Tees Valley residents in learning. Year two delivery commenced in March 2023 and will deliver learning within a budget of



£1.3m. DfE also confirmed that there will be an opportunity for Tees Valley to apply for additional funding during the next year.

21. TVCA continue to deliver the 22/23 academic year, £4m allocation for Skills bootcamps and now have confirmation for wave 5 for 2024/25. An implementation plan for 2024/25 will be submitted to the Department of Education in due course. Skills Bootcamps provide up to 16 weeks technical training at levels 3-5 that is developed by local employers to address the current and future workforce skills needs.

FINANCIAL IMPLICATIONS

18. There are no financial implications to this report.

LEGAL IMPLICATIONS

19. There are no legal implications to this report.

RISK ASSESSMENT

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

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