



## AGENDA ITEM 4

### REPORT TO THE TEES VALLEY COMBINED AUTHORITY CABINET

15<sup>TH</sup> DECEMBER 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 not covered in other reports to this meeting.

##### RECOMMENDATIONS

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

##### DETAIL

##### INDEPENDENT REVIEW

1. On 7 June, it was announced that Angie Ridgwell, Chief Executive of Lancashire County Council had been appointed to lead a review into Teesworks following allegations about the organisation being made by the press and in the Commons. The investigation commenced at the beginning of June, with the panel reviewing TVCA's oversight of STDC and the Teesworks Joint Venture, including consideration of specific allegations made in relation to the Joint Venture, of corruption, illegality and wrongdoing. It is also looking at governance and financial management, reflecting the Government's existing approach to external assurance reviews.
2. In total we have provided more than 700 documents to the panel and have answered more than 185 questions. We understand that the independent review panel's report has now been postponed until mid-December 2023.

##### INVESTMENT ZONES

3. The government published the Investment Zones (IZ) policy prospectus on 15th March 2023. Tees Valley has been identified as one of eight areas (in England) to work with government to co-develop proposals for a Tees Valley Investment Zone (TVIZ).



4. The TVIZ has been proposed by the Tees Valley Mayor and is being developed by TVCA. TVCA is working closely with Teesside University (as significant research institution/co-signatory) on the Tees Valley Investment Zone.
5. IZs aim to catalyse high potential clusters in areas in need of levelling up to boost productivity and growth. They will support the development of clusters to increase local innovation capacity, attract investment and strengthen the private sector.
6. The Chancellor announced an extension to Investment Zones at the Autumn Statement. The total funding available to each IZ is now £160m over 10 years (commencing April 2024), with an expectation of 60% match coming from private sector, third sector and local government. This funding can be used flexibly, including a five-year tax offer. Places can also receive 100% of the business rates growth in designated sites above an agreed baseline for 25 years.
7. TVCA and TU are currently working with the Department for Levelling Up, Homes and Communities to co-develop the Tees Valley IZ. The TVIZ is focused on digital and technology as our priority sector, with identified high growth clusters in Middlesbrough, Hartlepool and Teesside International Airport.
8. TVCA is seeking fully flexible spend of the £160m funding plus Business Rate Retention for dedicated sites. Retained Business Rates will be over and above the £160m. Interventions are being developed from the full policy menu which includes infrastructure, skills, business support, planning and R&D.
9. Co-development of the TVIZ with government continues to move at pace and we are broadly in line with other areas in terms of progress against the 'gateways'. However due to the ongoing Independent Review into Teesworks government will not make formal decisions or announcements on the TVIZ until this has concluded.

## **NETWORK NORTH**

10. On the 4<sup>th</sup> October 2023, government published Network North. It was announced that TVCA has an indicative second round City Region Sustainable Transport Settlement (CRSTS2) allocation of £978m for the period 2027/28 to 2031/32. This follows the £310m CRSTS1 allocation for the period 2022/23 to 2026/27. The funding will enable TVCA to continue to take a long-term strategic approach to transformative transport investment.

## **BUS SERVICE IMPROVEMENT PLAN**



11. TVCA has now had confirmation of £1.53m of Bus Service Improvement Plan (BSIP)+ funding for 2023/24 and £1.53m for 2024/25. Following the publication of Network North, it has also been announced that TVCA will receive an additional £3.85m of BSIP funding in 2024/25. The total allocation across 2023/24 and 2024/25 is £6.91m.
12. The Tees Valley Mayor and Local Authority leaders have previously agreed to use a proportion of the funding to mitigate the impact of the Arriva service cuts made in July 2023, extending a number of services to March 2025. In addition, a new Riverside Park Service (Middlesbrough) and Wynyard Service (Stockton-on-Tees) will be introduced early in 2024 through to March 2025.
13. TVCA will develop a proposal for allocating the remaining £4.99m for 2024/25.

## **BILLINGHAM STATION IMPROVEMENTS**

14. The upgrade to Billingham Station is now complete. TVCA provided £1m of funding, together with £0.2m of funding from Stockton-on-Tees Borough Council, as a local contribution to the £3.6 million project. This has enabled the station platforms to be rebuilt; a new and improved bridge with lifts to be installed, connecting the station platforms and providing step-free access; and car park and access improvements.

## **CREATIVE PLACE**

15. Through its Festival Collectives, TVCA has confirmed £150k investment in Pride in Tees Valley - a partnership of charities and councils, working together to deliver quality & LGBT+ community-led events & festivals (Prides), developing/increasing LGBT+ Cultural infrastructure, festival products, visitors, investment and best practice in the sector across Tees Valley.
16. A new Challenge Fund – “The Great Outdoors” – launched on 17<sup>th</sup> November, inviting proposals for annual events/festivals which celebrate Tees Valley’s natural landscape and engage audiences through outdoor activity. Investment will be made over two years, with up to four event products likely to be supported at around £100k each. Proposals must demonstrate the potential for events to be self-sustaining/non-reliant on TVCA investment beyond 2025/26.

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

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



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

18. The Tees Valley OPE Partnership has been awarded £262,450 from the Brownfield Land Release Fund Round 2 for the Darlington Borough Council Skinnergate project.

### **TEES VALLEY LOCAL NATURE RECOVERY STRATEGY**

19. Local Nature Recovery Strategies (LNRS) were introduced in the Environment Act 2021 to support efforts to recover nature across England; help planning authorities incorporate nature recovery objectives; Support the delivery of Biodiversity Net Gain; and help deliver the governments national environment targets.
20. There are 48 strategy areas covering the whole of England and each LNRS will agree priorities for nature recovery and propose actions to achieving those priorities.
21. TVCA has been appointed as the Responsible Authority for preparing and publishing a LNRS for the Tees Valley and will work with other organisations and partners in the area to agree priorities for nature recovery in the region.

### **INNOVATE UK (IUK) LOCAL ACTION PLANS**

22. Place and Levelling up is one of six foundations in IUK Plan for Action. To strengthen the innovation capability in Tees Valley and drive economic growth for the region and nationally, a co-created and jointly owned plan is being developed by IUK and Tees Valley Combined Authority, with involvement from partners across the regional and national innovation eco system.
23. The Local Plan will enable us to align the strategic objectives of Tees Valley and focus on the clusters and activities that are most important to the Tees Valley enabling us to connect national to local with a shared purpose to drive growth through innovation. The Local Action Plan is scheduled to be launched in February 2024.

### **TEESSIDE INTERNATIONAL AIRPORT**

24. Teesside Airport has been voted by the public as the best UK Airport for Leisure Travel at the British Travel Awards. This following its success at being named UK & Irish Airport of the Year at the TTG Travel Awards and its Highly Commended honour for International Airport Review's Airport Experience Award.
25. The airport has revealed its annual financial results, reporting a significant reduction in losses. Accounts show the airports EBITDA loss for 2022/23 was £2.26million, down



from £9.03million in 2021/22 and ahead of the forecast business plan, which predicted losses of £5.04million for the period. It came after revenues doubled to more than £15million during the year.

26. The airport is working with SSE Energy Solutions to create a new solar farm at the site, which would help meet the energy needs of the airport and tenants, as it aims to become operationally net zero by 2030. Work is also under way on the first of two new hangars to provide additional space for aircraft storage and maintenance. Finally, the airport's Aviation Academy, in partnership with Teesside University, has now opened its doors to students.

## TEESWORKS

27. A key obligation imposed on the South Tees Development Corporation in the original Business Case when the South Tees Site Company (STSC) transitioned to local control, was to deliver the Decontamination Project. COMAH inventory materials quantities are now below the required COMAH thresholds. As of 15<sup>th</sup> November, the EA confirmed COMAH status has been removed from site. This has been a huge effort on behalf of many people and their hard work should be recognised.

28. British Steel has selected its Lackenby plant as the location for a new electric arc furnace, which uses greener technology to melt scrap and produce new steel. The multimillion-pound investment will link with British Steel's Teesside Beam Mill and Special Profiles Mill at Skinningrove which processes steel for industrial uses.

29. A new 43 modern business units will be built at South Bank, offering almost 100,000sq ft of industrial, commercial and office space. New parking for South Bank railway station will feature in the development.

## BUSINESS SOLUTIONS

30. Made Smarter is a government-backed initiative designed to improve the productivity of manufacturers through the adoption of Industrial Design Technologies (IDTs). TVCA continues to work as part of a NE Cluster with the North-East LEP to deliver the 2023/24 programme. Tees Valley has an allocation of £800k, that will continue to support c.30-40 manufacturing businesses. Confirmation of funding was received for 2024/25 of £800K. Government will expand the Made Smarter Adoption programme to 2030.

31. The Rural REF Fund allocation is £624,909. Two thirds of the overall allocation will be supporting rural businesses £416,606 and one third supporting rural communities £208,303 in eligible postcodes of Redcar and Cleveland. Capital grants of between £3-15K were available to access. The first round closed on 15<sup>th</sup> November and the fund has

received 72 applications in total. Assessment and scoring of the applications will commence w/c 20<sup>th</sup> November and a moderation panel will be held on the 4<sup>th</sup> December. Early indications are the business allocation will be over subscribed as opposed to the communities which received a small number of applications.

32. UKSPF People and Skills allocation £4.8m. The People and Skills Investment Priority is to deliver support to economically inactive people. Four providers were successful and £4,487,441 of the available funding has been allocated, the remaining £312,559 will be retained, with further consideration being given as to how to allocate this after the Year 1 review point in March 2024. The target group for Lot 1 is those economically inactive people who are: temporary sick (less than 12 months), in retirement or looking after family/home. The target group for Lot 2 is inactive individuals on long term sick (more than 12 months) and those completely disengaged from the benefit and support system.

## NET ZERO

33. The full Tees Valley Cluster Plan for Decarbonisation has now been published, and its digital model continues to be improved and updated with data from industrial partners. The Industrial Net Zero Leadership Group has established both skills and communications workstreams to develop the cluster's thinking in this area. This group, alongside the Tees Valley Business Board and Local Authority partners will feed into the region's Local Area Energy Plan, a key deliverable of the Net Zero Strategy which will tackle issues relating to energy grid constraints and future power needs.
34. TVCA's flagship Trees on Tees scheme continues to progress. This year's resident and community tree giveaway has launched, with 5,000 trees available from 25 local collection points across the region. Trees on Tees has been designated a Community Forrest in an announcement from DEFRA on 29<sup>th</sup> November, necessitating the production of a Forest Plan, and making significant capital funding available for tree planting across the Tees Valley. The Trees on Tees team has also supported a successful Urban Tree Challenge Fund bid led by Redcar and Cleveland Council
35. The North East and Yorkshire Net Zero Hub has launched its Community Energy programme, as well as continuing delivery of its £81 million Social Housing Decarbonisation Fund Wave 2.1 programme, which is upgrading 5,500 homes in partnership with 19 housing providers including Thirteen and Beyond. The Hub's Local Energy Advice Demonstrators programme has also progressed into the delivery phase. The Hub is launching a procurement framework to support TVCA and other Hub partners in obtaining technical expertise for the delivery of their Net Zero Projects, this will be available in early 2024 following contractual matters being concluded with framework members. The hub has appointed four new Board Members who will bring a wealth of private sector experience to its governance.



## FINANCIAL IMPLICATIONS

36. There are no financial implications to this report.

## LEGAL IMPLICATIONS

37. There are no legal implications to this report.

## RISK ASSESSMENT

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

Name of Contact Officer: Rachel Mills

Post Title: Policy Advisor to the Mayor

Telephone Number: 01325 792600

Email Address: [rachel.mills@teesvalley-ca.gov.uk](mailto:rachel.mills@teesvalley-ca.gov.uk)