

AGENDA ITEM 5

REPORT TO THE TEES VALLEY COMBINED AUTHORITY CABINET

23 NOVEMBER 2017

REPORT OF THE MANAGING DIRECTOR

MANAGING DIRECTOR'S UPDATE

SUMMARY

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

RECOMMENDATIONS

For information and discussion.

DETAIL

South Tees Development Corporation – Launch of Masterplan Consultation

1. The South Tees Development Corporation reached an important milestone on 18th October with the launch of a public consultation on the masterplan for the site, at the Community Heart in Redcar. The event was attended by more than 250 regional business and political leaders and members of the public. The 25 year plan sets out the Development Corporation's regeneration goals for the area, alongside the necessary infrastructure investments and opportunities for inward investment. The consultation will tour the Tees Valley with a number of drop-in sessions for members of the public being held over the next six weeks.
2. In parallel, we continue to engage with central government, to secure the necessary funding for the operation, management and remediation of the South Tees site beyond the current financial year.

Heathrow Airport Logistics Hubs

3. The Tees Valley has been long-listed as a potential area for one of Heathrow Airport's logistic hubs, in preparation for the £16 billion project to expand capacity. The proposal brings together local companies to coordinate the supply chain, and ensure that local firms play a strong role in the delivery of the project. Subject to parliamentary approval, the project could start delivering as soon as 2021, and it is

therefore important that the Tees Valley is well prepared to maximise the opportunities for local business and jobs. Our involvement in this project has been strengthened by meetings between the Mayor and the CEO of Heathrow, and by the commitment of many local businesses to contribute. The South Tees site has been identified as a particularly suitable site for coordination of construction and logistics.

Carbon Capture and Storage

4. Following the publication of the government's Clean Growth Strategy, efforts are stepping-up to develop an effective response from the Tees Valley. As home to the UK's largest concentration of CO₂-producing industries, we have a significant role to play in supporting transformation, while ensuring the future sustainability of the UK's vital process, energy and advanced manufacturing sectors.
5. Tees Valley Combined Authority in partnership KPMG and NEPIC is working to identify a long-term programme of investment in Industrial Decarbonisation, ensuring our area makes a strong contribution to the UK's low carbon obligations. The Plan will identify priority developments in Carbon Capture Storage & Utilisation, district heating, the hydrogen economy (including its use for heat and transport) and large scale energy storage. The CCS project has now achieved 'Project of Common Interest' status, to be confirmed by the EU in November. PCI status demonstrates the strategic importance of the project within Europe, and will allow the project to apply for significant funding from the Connective Europe Facility to move the project forward. This €40 billion fund is only open to those projects that have achieved this status.

Routes to Work

6. In March 2017 the Combined Authority was successful in securing £6 million from government to deliver the Routes to Work programme, with £1.5 million approved by Cabinet as match funding. The programme aims to support 2,500 people most distant and disengaged from the labour market.
7. The model of delivery will build upon the joint working that Local Authorities and their partners undertake at local level to support vulnerable people to address personal and social barriers. The model will centre on creating key workers that mentor and support the person to access a wide variety of support to assist them to move towards work. A flexible fund will be available to assist in removing specific barriers where no existing funding is available.
8. The five local councils are taking will take the lead in creating delivery plans for their locality, engaging with partners and support services as appropriate to their area. Engagement of additional partners, including the Voluntary, Community and Social Enterprise sector will expand the range of support services and offer direct referral routes to this programme.
9. The programme began in October 2017, initially on a small scale basis, using Combined Authority funding until the DWP funding is unlocked. Initially, the focus is on the development of local delivery plans, and establishing the key worker network.

More detailed local delivery plans will be completed and collated by the end of December, and a further update provided to Cabinet in February. Externally commissioned evaluation is a condition of this funding award, and initial engagement with national experts in this policy field is underway.

Tees Valley Skills Event

10. The Tees Valley Skills Event 2017 took place on 21st September at Teesside University. Over 1600 young people aged 14–18, and 125 schools/college and learning provider staff members, attended from 30 Tees Valley schools/ colleges and other education establishments.
11. There were 75 exhibitor stands (of which 66 were individual organisations) exhibiting at the Tees Valley Skills Event. Exhibitors included local and national employers, universities and learning providers such as British Steel, EDF, EE, Elringklinger, Hart Biologics, JDR Cables, Nifco, Royal Navy, Sembcorp, Sirius Minerals, University of Leeds, Cumbria and Coventry University Scarborough campus as well as all Tees Valley FE and Sixth Form Colleges. Attendees took part in a range of interactive practice activities ranging from; virtual welding, carrying out keyhole surgery, creating circuits and taking finger prints.

Advanced Engineering International Exhibition

12. The Business Investment team exhibited at the Advanced Engineering International Exhibition on the 1-2 November 2017 in Birmingham. It is the largest event for the advanced engineering sector in the UK. The event was very well attended and the team generated some strong leads.

Housing Investment Agreement

13. Following agreement by the Cabinet in March 2017 to seek an Investment Agreement with the Homes and Communities Agency, further positive discussions have taken place to accelerate investment in the delivery of affordable homes. Details of a draft Investment Agreement are being finalised with the HCA, councils and other partners, and we hope to bring a final agreement to Cabinet in December, unlocking substantial additional investment in new homes and local communities.

FINANCIAL IMPLICATIONS

14. There are no financial implications to this report.

LEGAL IMPLICATIONS

15. There are no legal implications to this report.

RISK ASSESSMENT

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

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