

AGENDA ITEM 5

REPORT TO THE TEES VALLEY COMBINED AUTHORITY CABINET

30 NOVEMBER 2018

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

Budget 2018

1. The Chancellor of the Exchequer delivered his Budget Statement on Monday 28 October 2018. Key announcements relating to the Tees Valley included:
 - An extension to the Transforming Cities Fund by a year to 2022-23, providing an extra £16.5m for the Tees Valley and bringing the total allocated for the delivery of priority transport schemes to £75.5million;
 - The creation of a Special Economic Area on the South Tees Development Corporation site, allowing for the local retention of business rates to reinvest into site remediation;
 - £14million of funding to enable the early redevelopment of a part of the Development Corporation site to attract two specific metal works projects, bringing total Government investment announced on the site in the last year to £137million.
2. The Mayor and South Tees Development Corporation Board are working with Government officials to pull together and submit a comprehensive, multi-year bid for additional support ahead of the spring 2019 Spending Review.

New Tees Crossing and Darlington Northern Link Road:

3. Development of the business cases for a new crossing of the River Tees and for the Darlington Northern Link Road continues. The schemes are designed to address current issues with journey times and delays and improve the local road network in order to help deliver a number of new employment and housing sites.
4. Local funding has been provided to continue scheme development, and it is hoped that the schemes will be funded through the Government's £25billion Road Investment Strategy 2 (RIS2) process, and the new National Roads Fund for delivery in 2023 onwards.
5. It is planned that an update report on the New Tees Crossing will be presented to the Cabinet meeting on 31 January 2019.

Carbon Capture and Storage

6. We are currently supporting the development of a nationally significant energy plant on the South Tees Development Corporation site equipped with Carbon Capture and Storage (CCS) as a potential anchor project for our emitter cluster.
7. Work continues on building the profile of the Tees Valley as a cost effective location for CCS, and we have been active on the government's Cost Challenge Task Force, advising on a deployment pathway for CSS at Scale from 2030.
8. The recommendations put forward to the Task Force have stressed the need for at least two clusters to be identified and provided with the policy framework and funding mechanisms to support the development of a full chain CCS system. Our submission also highlighted the need for this initial deployment to take place between 2020 and 2030 if significant cost savings are to be achieved for the larger scale deployment by 2050.
9. Further announcements are anticipated from Government in November.

National Hydrogen Centre

10. We are working with number of industrial partners, including MPI and TWI, to develop a proposal for funding from the Industrial Strategy Challenge Fund (ISCF) for establishment of the UK's first National Hydrogen Centre in the Tees Valley.
11. The ISCF is one possible source of match funding for the deployment of hydrogen to decarbonise industry, transport and homes in the region. The results of the submission are expected before the end of the year.
12. We have made progress on establishing a hydrogen cluster with industry to support the case for a deployment here. The Government's Chief Scientific Advisor has visited the region and was shown our hydrogen infrastructure and ambitions.

Hydrogen Transport

13. Commercially sensitive work continues with Northern Rail and Network Rail on the development of a business case for Hydrogen Rail deployment in the Tees Valley. This is due early in 2019 with deployment following in the early 2020s.

14. We also in the process of submitting a bid for Government funding (via the Office for Low Emission Vehicles) for Hydrogen Vehicle refuelling infrastructure in the Tees Valley, and an initial deployment of passenger cars.
15. Two refuelling stations are proposed, one on the A66 towards Wilton and the other near the Haverton Hill/A19 junction. These are coupled with a modest fleet of vehicles currently operated by the Ambulance Service and MPI. The project should be operational within 12-18 months from a decision by Government which is expected around the end of the year. The bid is for £2m of OLEV funding which will need to be matched should we be successful.
16. The proposal compliments our ambitions on hydrogen rail and will provide an infrastructure for further deployment in road transport. We intend to use our industrial hydrogen infrastructure to supply the project to support the case for industrial decarbonisation in the Tees Valley.

£24million 'Opportunity North East' programme

17. The Mayor and Combined Authority officials, together with the five Local Authorities, are working with Government to influence the recently announced £24million 'Opportunity North East' programme. The aim is to tackle issues that are holding young people back from achieving their ambitions, raising the number of students attending the country's top Universities and inspiring them to access education, employment and training post-year 11.
18. The programme will see £12m invested in targeted approaches to improve the transition from primary to secondary school, drive up standards at secondary level and improve outcomes for pupils post 16 years of age. A further £12m will be used to boost early career training for new teachers, and to raise standards in the region's secondary schools.
19. The programme will see secondary schools, and colleges work to encourage young people to consider university, degree apprenticeships and other high quality technical education options, while partnering with local businesses to improve job prospects for young people across the region.

FINANCIAL IMPLICATIONS

20. There are no financial implications to this report.

LEGAL IMPLICATIONS

21. There are no legal implications to this report.

RISK ASSESSMENT

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

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