

Teess Valley Combined Authority Overview and Scrutiny Committee

Agenda

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Date: Thursday, 14th October, 2021 at 10:00am

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

Membership

Cllr Hobson (Chair) (Middlesbrough Council)
Cllr Smith (Vice Chair) (Redcar and Cleveland Borough Council)
Cllr Barlow (Stockton-on-Tees Borough Council)
Cllr Branson (Middlesbrough Council)
Cllr Harker (Darlington Borough Council)
Cllr Harrison (Hartlepool Borough Council)
Cllr Hobson (Middlesbrough Council)
Cllr Jones (Darlington Borough Council)
Cllr Jones (Redcar and Cleveland Borough Council)
Cllr Loynes (Hartlepool Borough Council)
Cllr Renton (Darlington Borough Council)
Cllr Riordan (Stockton-on-Tees Borough Council)
Cllr Stephenson (Stockton-on-Tees Borough Council)
Cllr Wells (Redcar and Cleveland Borough Council)

AGENDA

PUBLIC

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2 Declarations of interest

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3 Minutes

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Tees Valley Combined Authority Overview and Scrutiny Committee

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CONFIDENTIAL

9 Appendix 1 - Teesside International Airport Business Plan

CONFIDENTIAL - Airport Business Plan attached [Page 35]

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, including the opportunities available for any member of the public to speak at the meeting; or for details of access to the meeting for disabled people, please

Contact: Sharon Jones
Governance and Scrutiny Officer
Teess Valley Combined Authority
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Sharon.jones@teesvalley-ca.gov.uk

Tees 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. If no declaration is received from elected members within 28 days the matter may be referred to the Head of Paid Service of your local authority and Leader of the political group you represent on your council for action. If a Declaration is not submitted within an appropriate timescale you may be prevented from attending committee meetings.
7. 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

8. 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.
9. 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.
10. 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

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

Tees Valley Combined Authority Overview and Scrutiny Committee

**Cavendish House, Teesdale Business Park, Stockton-On-Tees, TS17 6QY
Wednesday, 15th September, 2021 at 10:00 am.**

Present:

Cllr Stephenson (Chair) (Stockton-on-Tees Borough Council)
Cllr Hobson (Vice Chair) (Middlesbrough Council)
Cllr Barlow (Stockton-on-Tees Borough Council)
Cllr Harker (Darlington Borough Council)
Cllr Harrison (Hartlepool Borough Council)
Cllr Hobson (Middlesbrough Council)
Cllr Jones (Redcar and Cleveland Borough Council)
Cllr Renton (Darlington Borough Council)
Cllr Riordan (Stockton-on-Tees Borough Council)
Cllr Smith (Redcar and Cleveland Borough Council)
Cllr Wells (Redcar and Cleveland Borough Council)

Officers:

Julie Gilhespie - Group Chief Executive
Peter Judge - Group Chief Legal Officer (Monitoring Officer)
Sharon Jones - Governance & Scrutiny Officer

Also in attendance:**Apologies for absence:**

Cllr Brenda Loynes (Hartlepool Borough Council)

OSC Apologies for absence
2/21

OSC Declarations of interest
3/21 ``
None

OSC Election of Chair & Vice Chair
4/21 ``
Nominations were taken for Chair of the Committee.

Cllr John Hobson was nominated, and this nomination was seconded.

Cllr Sandra Smith was nominated, and this nomination was seconded.

A secret ballot was proposed by Cllr Stephenson and agreed. The ballot took place. Cllr Hobson received 6 votes. Cllr Smith received 5 votes.

Nominations were taken for Vice Chair. Cllr Sandra Smith was nominated and seconded. There were no other nominations.

Resolved that Cllr John Hobson is nominated as Chair of the Committee and Cllr Sandra Smith as Vice Chair. Nominations will be taken to Cabinet for final ratification.

The meeting was chaired from this point by Cllr Hobson.

OSC
5/21 **Minutes**
``

The minutes of the meeting held on 11th March were agreed as a true record.

OSC
6/21 **Overview & Scrutiny Committees - Statutory Powers/Legislation**
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A paper was circulated detailing the Statutory Powers of the Committee and the legislation that defines these powers.

The Monitoring Officer confirmed that the Leaders of each Local Authority, as Cabinet Members, are the Members of the Combined Authority. Overview & Scrutiny Members have been nominated by their own Authority to scrutinise the decisions that Combined Authority makes. The statutory powers referred to in the circulated report relate to this committee and its members.

Members raised concerns that they are not being given access to information that they would be given access to within their own Local Authority. The Monitoring Officer advised he has not turned down any requests for information from the Committee since his appointment 12 months ago.

Members also questioned why the Chair and Vice Chair of this Committee are asked to leave Cabinet meetings when a confidential item is for discussion. Members were advised that the legislation covering Overview and Scrutiny Committees relates to rights to documents and not access to attend meetings. It is at the discretion of the Chair and members of Cabinet whether Members of Overview & Scrutiny can remain in the room for confidential discussions. Cllr Stephenson, as outgoing Chair, questioned why LEP Members are able to stay for confidential discussion, but elected members are requested to leave. Further clarification as to who can remain during confidential discussions at Cabinet meetings will be sought.

The Monitoring Officer clarified that this Committee has the right to scrutinise any investment, and the monitoring of that investment, by the Combined Authority but the remit stops at decisions of the Combined Authority and does not extend to the decisions made by the Airport itself. Therefore, if it is the Airport Board making a decision then that is not within the remit of this Committee to scrutinise.

The Committee was advised that the legislation governing the Committee is set by Parliament, supplemented by guidance also from Government. The Combined Authority Constitution is overseen by Cabinet and the Monitoring Officer and reviewed annually. The most recent review has been completed and, all but one change, agreed by Cabinet. Provisions relating to Overview & Scrutiny have not been changed in the latest review. Members were advised that should they wish to propose amendments to the Constitution then they can put forward a proposal for this to be considered.

Members agreed to schedule an informal, members only, meeting to look at work planning for the Committee for the forthcoming year and agree key lines of enquiry and scope of information required. This will then allow for formal requests for information to be made and responded to accordingly.

Resolved that: the detail of the report is noted, and an informal meeting of Members be arranged for work planning purposes.

OSC **Meetings & Forward Plan**
7/21 ``

Resolved that the Forward Plan for the Committee is noted.

The next meeting is scheduled for 14th October 2021.

AGENDA ITEM 4

REPORT TO THE TEES VALLEY OVERVIEW & SCRUTINY COMMITTEE

14th OCTOBER 2021

REPORT OF THE GROUP CHIEF EXECUTIVE

GROUP CHIEF EXECUTIVE UPDATE

SUMMARY

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

RECOMMENDATIONS

It is recommended that the Overview & Scrutiny Committee notes the report.

DETAIL

COVID-19 RESPONSE

1. As the economy continues to re-open, our Covid response is increasingly aligned with the mainstream delivery of plans designed to build resilience and support longer term growth. The latest Investment Plan refresh (agreed by Cabinet in July 2021) included changes to allocations to address the impact of Covid and ensure we provide the necessary investment to restart our economy.
2. Over £3.5m Covid-19 Recovery Funds have now been delivered including Welcome Back Fund, Back to Business Funds, Culture Innovation Fund, Festivals Recovery Fund, Mayor's Challenge, Education Recovery and Employer Grant for Apprenticeships:

| Fund | Number of businesses supported | Funds delivered |
|---|---------------------------------------|------------------------|
| Welcome Back Fund | 333 | £438,000 |
| Back to Business (Visitor Economy) | 73 | £202,000 |
| Back to Business (Wider Economy) | 232 | £778,000 |

| | | |
|---|--------------|-----------|
| Festivals Recovery Fund | 24 | £345,000 |
| Cultural Development and Innovation Fund | 21 | £333,545. |
| Education Recovery | 60 (schools) | £900,000 |
| Apprenticeship Grants | 86 | £982,000 |

3. The Covid-19 Business Support Helpline has taken 1200 calls.
4. 104 applications were approved for the Apprenticeship Support Grant.
5. The Routes to Work pilot project, which engages those furthest from employment, was extended by one year and expanded to enable any unemployed person over 16 to access support to gain work and has now engaged over 3493 people with over 760 assisted into employment. This pilot will now end on 31st March 2022. The new Restart initiative will support 17,000 Tees Valley long term unemployed people over the next three years.
6. Tees Valley Combined Authority are working with the Learning and Work Institute as part of a Department of Education pilot to ascertain best practice in helping people whose careers are most affected by the pandemic.
7. The Combined Authority continues to provide weekly updates on the economic impact of Covid-19 to the government, including intelligence provided by the local business community and local authorities.
8. The Combined Authority responded to the Kickstart opportunity as part of the Governments Plan for Jobs, this programme offers 6 months paid work experience to young people aged 16-24 and on Universal Credit. As of 17th August. 707 placements have been created in 196 businesses equating to approximately £5.2m.
9. Tees Valley Business are supporting with delivery and promotion of the National programmes such as Help to Grow - Management, Help to Grow – Digital and the Peer to Peer Networks.
10. The Mayor's Challenge 'Digital Solutions to Support the Local Response to Covid-19 Challenge' was launched in June, offering grant funding for projects able to begin on a trial basis within 4 weeks of approval and supporting the reopening of the regional economy. 2 businesses were approved for funding totalling £49,688.

TEESWORKS

11. On 2 August, an accelerated demolition programme across each of the 11 major plants across the site was commenced. The first section to be demolished was the main charge conveyor, with other structures, such as the chimney stacks at the Basic Oxygen Steelmaking (BOS) Plant brought down. The £113million programme will free up 600 acres of land, paving the way for future investment. All of the major structures are expected to be demolished within the next 12 months, to allow for the delivery of the GE facility and Freeport.
12. Teesworks Heritage Taskforce has published its plans to celebrate the history of the site, with a collection of items carefully removed from key structures and buildings to form part of future exhibitions. The site has also been captured via videos, time lapse footage, drone footage, 3D modelling and high-resolution photography. The Combined Authority will now work with local authorities, museums and other groups to decide how to display the preserved items, including the last slab of steel cast in Teesside.
13. Coins which went on sale to commemorate the history of the site have raised more than £25,000 for two Redcar community groups. The Teesworks coins, forged from some of the last iron from the site, were sold with a suggested donation of £10, with £13,456 from their sale awarded to men's mental health group Walk N Talk and £12,687 for voluntary community group Ladies of Steel.

ONE PUBLIC ESTATE

14. The OPE programme is a national programme delivered in partnership by the Local Government Association and the Office of Government Property within the Cabinet Office. The 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 (including homes and jobs) and deliver better, more integrated customer services.
15. TVCA is the accountable body for the OPE programme in Tees Valley. The Programme is overseen by a Strategic Estates Group, which maintains operational co-ordination and implementation of programme activity. The Strategic Estates Group has been successful in securing £758,750 of resources for Tees Valley.
16. Work is ongoing with public sector partners to identify a pipeline of future projects in preparation for future OPE funding rounds and to explore alignment of the OPE programme with town centre regeneration programmes e.g. Future High Street Fund, Town Deals.

BUSINESS INVESTMENT

17. The Combined Authority Business Investment team is working with Department for International Trade (DIT) to prepare content for the upcoming Global Investment Summit and COP26 in October and November. This will include summary messages of both the Bio Manufacturing and Offshore wind high potential opportunities showcases for inward investment.

18. In addition, the team will be exhibiting at Chem UK, the UK Chemical Industries Supply Chain expo in Birmingham, on September 15th and 16th, and exhibiting as part of Energi Coast at Global Offshore Wind conference in London on September 29th & 30th.
19. Further exhibitions are planned to promote Tees Valley at Advanced Engineering 2021, a leading engineering and supply chain event being held in November and Offshore Wind North East 2021, a regional showcase for the offshore wind supply chain in December.

EDUCATION, EMPLOYMENT AND SKILLS

20. The Collaborative Skills programme that supports small and medium sized businesses to prepare their workforce for their future sustainability is going from strength to strength with 120 businesses engaged and 134 employees upskilled in relevant skills that businesses will need in the future.
21. The new academic year commenced and implementation of our Adult Education offer, including the newly devolved L3 training offer from the 31 successful training providers, including Further Education colleges, 6th Forms, Independent Training Providers and Local Authorities is well underway with good levels of enrolments.
22. Tees Valley was announced as one of the 8 successful Local Skills Improvement Plan Trailblazer areas. The Chamber of Commerce will work with local partners and businesses to define the skills that are required for future economic growth and investment.

CLEAN GROWTH AND INNOVATION

23. The North East and Yorkshire Energy Hub is delivering its £53 million allocation of the Green Homes Grant LAD2 programme in 27 of its 31 local authorities. Aligned to this, TVCA has led a bid into the Sustainable Warmth Competition for £6.8 million to improve the energy efficiency of low income homes across the region.
24. The Tees Valley Cluster Plan for Decarbonisation has begun engagement with businesses in the region's industrial cluster. The project, a partnership between BP, NEPIC and TVCA, now has a full time project manager and will deliver plan to reach Net Zero within the cluster by 2040.
25. TVCA will host a flagship event of the BEIS funded Zero Carbon Tour in October 2021, as part of the region's build up to COP26. This is supported by the North East and Yorkshire Energy Hub, which has been central to the planning and delivery of the tour in its region. Funding for regional 'green zones' has also been available via

the energy hub for events delivering the COP26 message throughout the North East and Yorkshire.

CREATIVE PLACE

Cultural Industries and Visitor Economy Recovery Programme

26. Following the final meeting of the Independent Sector Recovery Task Force (a Creative Place Advisory Group has been established to inform longer-term activity), three elements of the Cultural Industries and Visitor Economy Recovery Programme remain in delivery:

- Cultural Development & Innovation Fund
- Festivals 2021 Recovery Fund
- Tees Valley Young Creatives

Key findings and evaluation of the programme will be shared once all programme elements are complete with learning being incorporated into future activity.

Beyond the work of the Task Force, a new Creative Place Advisory Group will ensure continued independent sector engagement with representatives working alongside Local Authority Officers and other national / regional agencies to advise and inform Creative Place activity.

Growth Programme for the Creative & Visitor Economies

27. The process of developing the four 'Foundation Frameworks' which will underpin the programme is nearing completion. The consultant teams have delivered an extensive stakeholder engagement process, including round table sessions with each of the Local Authorities; 1-to-1 interviews with professionals from across the creative and visitor economy sectors; workshops with a diverse range of stakeholders, including a dedicated session for young people; and resident, visitor and business surveys. This process, combined with extensive data gathering and analysis, will form a robust baseline from which will inform detailed programme objectives, intervention approaches and measuring of impacts.

RUGBY LEAGUE WORLD CUP

28. In August, it was announced that the Rugby League World Cup 2021 would be postponed until 2022. The Tees Valley was due to host a game between the Cook Island and Tonga, and also the Cook Islands national team, in November this year. The Combined Authority had anticipated that this would be the case in the face of the Covid pandemic, and there has not been, nor will there be, any additional financial impact due to the postponement or restaging. The dates for the 2022 tournament have been announced as 15th October to 19th November 2022, with the rescheduled Tees Valley match to be confirmed.

TEES VALLEY PLACE MARKETING PROGRAMME

29. Work is progressing with the development of a Destination Management Plan for the Tees Valley which will underpin the new Growth Programme for the Creative & Visitor Economies. This strategic document will focus on the development and marketing of the region over the next 4 years.
30. Enjoy Tees Valley summer campaign launched with a strategic focus on a target audience of a two-hour drive time across the North East and Yorkshire and domestic destinations linked to Teesside Airport. Focused on the reopening of businesses, in line with the Government roadmap, the campaign put the spotlight on businesses and captured members of the public 'enjoying' the Tees Valley on camera and in film.
31. A schedule of events and festivals taking place around the region displayed Enjoy Tees Valley branding and featured within a mix of film and photography for the summer campaign.

FINANCIAL IMPLICATIONS

32. There are no financial implications to this report.

LEGAL IMPLICATIONS

33. There are no legal implications to this report.

RISK ASSESSMENT

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

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AGENDA ITEM 5**REPORT TO THE COMBINED AUTHORITY OVERVIEW & SCRUTINY COMMITTEE****14th OCTOBER 2021****REPORT OF THE HEAD OF TRANSPORT****TRANSPORT UPDATE****SUMMARY**

This report provides a progress update on the Strategic Transport Plan and transport investment programme.

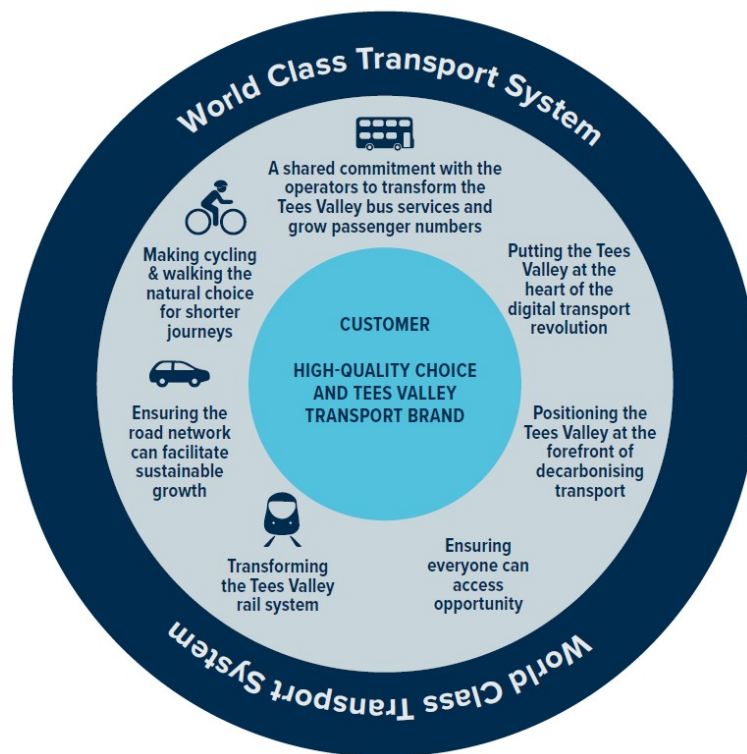
RECOMMENDATIONS

It is recommended that the Committee note the details of this report.

DETAIL**Progress update**

1. The Tees Valley Strategic Transport Plan (STP) 2020 – 2030 sets out how Tees Valley Combined Authority (TVCA) will deliver a world-class transport system and provides the framework for transport investment. This is critical to ensure that:
 - everyone, no matter where they live in the Tees Valley, is connected to opportunity; and
 - existing business can grow, and the Tees Valley is able to continue attracting new businesses and inward investment.

2. The investment programme has the customer at its core and will provide high quality choice across a range of modes. This is something that is commonplace in many combined authority areas, but not yet the Tees Valley. There are seven investment packages, all of which are interrelated and are the building blocks of a world-class integrated transport system. The programme will be brought together under an overarching Tees Valley transport brand that will ensure a single source of accurate and consistent information provision to enable customers to make informed decisions (see diagram overleaf).



3. This table below provides a summary of each investment package and progress update.

| Package | Description | Progress |
|--|--|---|
| <i>Making cycling & walking the natural choice for shorter journeys</i> | <p>TVCA has an approved Local Cycling and Walking Infrastructure Plan (LCWIP) setting out a long-term approach to developing a comprehensive Tees Valley cycling and walking network. The LCWIP is entirely consistent with the national ambition and has received positive feedback from Government. The plan is underpinned by analysis, which identifies the priorities for investment, with a focus on those corridors where there is the greatest potential to encourage people to walk or cycle to work, school or to access essential services.</p> <p>The package will be complemented by a programme of activity to encourage cycling and walking, including personalised advice, training, better information and positive incentive programmes.</p> | <p>Delivery of the phase 1 investment package has been split into phases 1a and 1b. Phase 1a includes the two most-advanced schemes (Linthorpe Road in Middlesbrough and Woodland Road in Darlington), which are due to start on site in Q4 2021/22, with completion by summer 2022.</p> <p>Phase 1b includes the other three schemes (A689 in Hartlepool, Norton Road in Stockton and Guisborough to Nunthorpe in Redcar & Cleveland). These schemes are progressing through outline design, consultation and detailed design and are on programme for completion by March 2023.</p> <p>The phase 2 investment package is also being developed to ensure a strong pipeline of schemes.</p> <p>The A689 pedestrian and cycling improvements, include:</p> <ul style="list-style-type: none"> • a new pedestrian and cyclist bridge over the A689 to connect Wynyard Park and Village, with the delivery programme currently being finalised; and • signalisation, incorporating pedestrian connectivity, on the A689 Meadows |

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| <p>Transforming the Tees Valley rail system</p> | <p>The aspiration is for a modern ‘metro style’ passenger rail system, whilst also enabling more rail freight.</p> <p>The major improvements at Darlington and Middlesbrough Stations represent the first phase of transforming the rail network. The remaining package is focused on two key elements:</p> <ul style="list-style-type: none"> • Interventions to address capacity constraints identified through comprehensive analysis undertaken by Network Rail. The constraints currently prevent a minimum 30-minute passenger service at every station and freight growth. • A package of enhancements to all our 24 stations to improve the passenger experience and interchange with bus, cycling and walking. <p>The recently published Williams-Shapps Plan, to be followed by the Levelling Up White Paper later this year, proposes a greater role for elected mayors and combined authorities in rail matters affecting their areas, which should increase the influence of TVCA over future rail services.</p> | <p>roundabout, which is now complete.</p> <p>Darlington Station Outline Business Case (OBC) submitted to Government and £8.7m of funding secured to develop detailed design and Full Business Case (FBC). Planning applications for the station gateways were submitted to Darlington Borough Council in June 2021 and progress is being made on acquiring the land needed to deliver the scheme. There is a need to secure the remaining funding for delivery from the Department for Transport (DfT) in summer 2022, with construction due to commence soon after and the project completing by May 2024.</p> <p>Middlesbrough Station funding package has been secured through contributions from TVCA, DfT and the Getting Building Fund. Phase 1 of the project, the extension of platform 2, started on site in December 2020 and completed in May 2021. Development work has progressed on the other phases of the project, including redevelopment of the station undercroft and the new platform 3. Redevelopment of the undercroft is due to start on site in December 2021 with completion by December 2022. The new platform 3 is due to start on site in early 2022 with completion by December 2022.</p> <p>The rail freight capacity improvements project formed part of the TVCA bid into the Levelling Up Fund. The current gauge clearance on the most direct rail line that connects Tees Valley to the East Coast Main Line (ECML) restricts the height and width of freight trains. This means that freight trains with large containers from the Teesside Freeport heading south must use a longer and less efficient route via Darlington Station. This project will enhance the gauge clearance to enable more freight to be moved efficiently by rail and facilitate the projected growth in freight volumes through the Freeport. A decision on the bid is expected in the autumn.</p> <p>The Billingham Station project will replace the life-expired footbridge with a new bridge and install lifts to/from the platform, alongside car park and access improvements. The project is due to start on site in early 2022 with completion late in 2022.</p> <p>The Hartlepool Station project will see the reinstatement of a second through platform to improve capacity and resilience on the Durham Coast Line facilitating future growth in services. The project is also seeking to provide a second access to the station linking to the marina. To</p> |
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| | | <p>date, Cabinet has only approved development funding to complete the detailed design and an FBC.</p> <p>The Eaglescliffe Station project will provide a new fully accessible pedestrian footbridge. This includes a new connection to the western side and replacement of the existing bridge to the eastern side. The project also includes a new 120 space car park and other highway access improvements on the western side. The programme has a start on site in early 2022 with completion in 2023.</p> <p>Teesside International Airport Station is only served by 1 train per week. However, due to rail capacity constraints it is proving difficult to identify opportunities for service enhancement until after completion of the Darlington Station project in 2024. Work is underway to develop a scheme to upgrade the station, which could facilitate a future increase in services.</p> <p>The proposed changes to the East Coast Main Line (ECML) May 2022 timetable have been postponed until at least 2023. This follows a joint response from TVCA and all local authorities making it clear that the proposed reduction in services, particularly at Darlington, was not considered acceptable. The postponement of the ECML timetable does not affect the LNER Middlesbrough to London service, which is still scheduled to commence in December 2021. It is also understood that the proposed extension of the TransPennine Express service from Manchester Airport to Saltburn will still commence from May 2022.</p> |
| <p><i>A shared commitment with the operators to transform Tees Valley bus services and grow passenger numbers</i></p> | <p>TVCA and the regional bus operators have a history of collaborative working.</p> <p>The National Bus Strategy, published in March 2021, sets out several requirements that must be met to be eligible for potential future funding to support bus provision:</p> <ul style="list-style-type: none"> • submit a Bus Service Improvement Plan (BSIP) by 31 October 2021. The BSIP should set out a vision for delivering a step-change in bus services; • implement an Enhanced Partnership (EP) Scheme by 31 March 2022. The EP plan must contain the detail of how | <p>TVCA is working with the bus operators and local authorities to develop the BSIP and a public consultation has been undertaken to help inform the ambitions, which are:</p> <ul style="list-style-type: none"> • decarbonisation – one of the first regions in the UK to have an entirely zero emission local bus fleet; • fares – simpler fares and targeted promotions to drive passenger growth; • customer experience – putting the needs of customers at the heart of service delivery and improving information provision with one brand identity; • infrastructure – new infrastructure investment to prioritise bus on core corridors and improve passenger experience; and • network – a collaborative approach focused on core corridors and integration |

| | | |
|---|--|--|
| | <p>the high-level vision and key interventions set out in the BSIP will be delivered.</p> | <p>with the Tees Flex on-demand bus service.</p> <p>TVCA has funding to deliver the phase 1 investment package on the infrastructure priority, which is focussing initially on the following corridors:</p> <ul style="list-style-type: none"> • Redcar to Middlesbrough (mainly used by number 63 service); • Middlesbrough to Hartlepool via Stockton (mainly used by number 36 service); and • Branksome to Red Hall, Darlington (mainly used by number 2 service) <p>These corridors have been prioritised in phase 1 because of overlap with the Key Route Network and cycling and walking packages, and the need to ensure a joined-up approach.</p> <p>The remaining BSIP ambitions will need to be funded by the potential funding allocation from Government, which is dependent on the strength and ambition of the document. It is anticipated that there will be a funding allocation to TVCA from 1 April 2022.</p> |
| <p>Positioning the Tees Valley at the forefront of decarbonising transport</p> | <p>TVCA is working alongside the DfT to secure funding to deliver hydrogen refuelling infrastructure, long-term trials and research activity through the hydrogen transport hub.</p> <p>TVCA is also committed to delivering a step-change in the provision of electric vehicle charging infrastructure, which is one of the main deterrents for people considering a transition to electric vehicles. The DfT states that around 80% of all electric car charging happens at home, but for drivers who do not have off-street parking, access to charging points is essential.</p> <p>TVCA would also like to facilitate:</p> <ul style="list-style-type: none"> • electric micro-mobility (range of small, lightweight vehicles) making cleaner modes of transport more accessible for all; • the uptake of electric vehicles for last mile urban freight delivery; • the decarbonisation of public sector fleets; and • support for business to decarbonise their fleets. | <p>The DfT recently announced the winners of a £2.5m competition to carry out hydrogen transport pilots in the Tees Valley area starting in 2021/22. The successful trials involve Teesside International Airport, emergency services, supermarkets and delivery companies.</p> <p>The TVCA Expression of Interest for a hydrogen bus trial through the Zero Emission Bus Regional Areas (ZEBRA) Scheme has been shortlisted to progress to the business case development stage. The final business case must be submitted by 31st January 2022.</p> <p>TVCA has appointed a supplier to install, operate and maintain a network of electric vehicle charging points across Tees Valley. The initial roll-out will focus on publicly accessible car parks with installation scheduled to commence in 2021.</p> <p>The e-scooter trials continue in Middlesbrough and Hartlepool with strong usage figures (4,028 rides in Middlesbrough & 4,184 rides in Hartlepool across June, July & August 2021). The trial will run until March 2022, after which TVCA will be able to run a pilot scheme whilst the Government seek to amend primary legislation.</p> |

| | | |
|--|--|--|
| <p>Ensuring the Key Route Network can facilitate sustainable growth</p> | <p>The Key Route Network (KRN) is made up of the most important roads for growth and productivity. The KRN accounts for 22% of the total road network in the Tees Valley.</p> <p>There are specific locations that are already at capacity or are forecast to be over capacity by 2025. The consequence of taking no action will be a significant increase in congestion, which will negatively impact upon journey times, reliability and air quality, and threaten the economic transformation of the region.</p> <p>There is a need to deliver a programme of targeted improvements to address these capacity issues and improve the efficiency of the current network.</p> | <p>A19 New Tees Crossing OBC submitted to Government. They have requested additional evidence to further emphasise the importance of the scheme to wider priorities, specifically Teesworks and the Freeport. A decision is needed from Government to commit to the development of an FBC for the scheme, which National Highways would complete.</p> <p>A689 Corridor improvements OBC submitted to Government. The package consists of junction improvements along the corridor to address congestion and cycleway/footway improvements to create a traffic-free shared use route on the corridor from Sedgefield to Hartlepool. The total scheme cost is £40,782,820 with a £6,411,222 TVCA local contribution. A decision is needed from Government to commit to the development of an FBC for the scheme.</p> <p>A66 maintenance project included in the TVCA bid to the Levelling Up Fund given the strategic importance of the route. The project will deliver critically important highway maintenance interventions to improve resilience on the route.</p> <p>An OBC has been developed for Darlington Northern Link Road. However, the DfT has indicated that they are not currently able to consider making a financial commitment to the scheme. There may be a future opportunity to develop a funding package with contributions from across Government and this continues to be explored.</p> <p>Scheme to provide a grade separated junction, Elwick bypass and new Hartlepool western link is being progressed by Hartlepool Borough Council. National Highways is supportive and there is on-going work to acquire the necessary land.</p> |
| <p>Putting Tees Valley at the heart of the digital transport revolution</p> | <p>TVCA is seeking to deliver a wide-ranging package of digital infrastructure and services to accelerate our ambition for a digitally enabled transport system across the region. The package includes:</p> <ul style="list-style-type: none"> • managing and optimising our network using the Urban Traffic Management & Control (UTMC) system; • interventions to encourage, support and incentivise people to use active travel and public transport; and • interventions to collate and | <p>A project is underway to enhance the capability of the Tees Valley UTMC system. The system can link different applications, including traffic signals, variable message signs, car parks and air quality monitoring stations, to better manage the road network. This can have a range of positive impacts including:</p> <ul style="list-style-type: none"> • prioritising buses at traffic signals; • air quality monitoring; • real-time public transport & traffic information; • incident detection; and • variable message signs providing route diversions and car parking information. |

| | | |
|---|---|--|
| | provide data on multi-modal journeys, real time movement and occupancy data to enable customers to make informed travel choices. | |
| Ensuring everyone can access opportunity | There are circa 36,000 people who live in rural areas across the Tees Valley that are not served by the commercial bus market. There are also deprived urban communities where accessibility is a challenge and there is a need to improve connectivity to jobs, training and essential services. | <p>The Tees Flex service continues to perform well and the 4-week period from 25/07/21 – 21/08/21 was the busiest since the service launched with 5,816 completed rides. Customer feedback remains very high and publicity activity is on-going to promote further take-up of the service. Unlike more standard bus services, where older concessionary pass holders tend to make-up a significant proportion of passengers, Tees Flex is attracting a different demographic. In the same 4-week period 67% of passengers were fare paying adults and around 20% were under 19.</p> <p>A provider has now been appointed to deliver the Tees Valley Wheels 2 Work scheme through to 2024. The scheme provides a subsidised transport solution for those with no access to a private vehicle or public transport. The fleet is now all electric and includes electric motorbikes and electric bikes. The scheme takes referrals from Job Centre Plus and the Let's Go Tees Valley travel advice team and will also be widely publicised to raise awareness.</p> |

Measuring impact

4. The logic model below clearly articulates the causal link between the respective inputs, outputs, outcomes and ultimate impact. It will be used to monitor and evaluate the impact of the programme.

| Transport Need | Transformative Activities (Inputs) | Outputs (Monitor) | Outcomes (Monitor & Evaluate) | Impacts (Evaluate) |
|---|--|--|---|--|
| Driving growth and productivity through infrastructure investment | <ul style="list-style-type: none"> Integrating Tees Valley clusters into national/regional clusters Encouraging increased access to high value jobs/increased community access | <p>CYCLING AND WALKING</p> <ul style="list-style-type: none"> Km of new dedicated infrastructure No. of people with access to a dedicated route No. of campaigns Reach of campaigns No. of people receiving cycle training No. of people receiving personalised travel planning support <p>RAIL</p> <ul style="list-style-type: none"> No. of capacity constraints addressed No. of stations with improved access No. of stations with improved facilities Km of route W12 gauge cleared <p>BUS</p> <ul style="list-style-type: none"> No. of reliability / improvement schemes delivered Improvements delivered through bus partnership <p>DECARBONISING TRANSPORT</p> <ul style="list-style-type: none"> No. of hydrogen trial projects Scale of hydrogen trial projects No. of EV charging points <p>ROAD</p> <ul style="list-style-type: none"> No. of road corridors improved No. of capacity constraint schemes delivered <p>DIGITAL</p> <ul style="list-style-type: none"> No. of innovative smart solutions Development of travel information products No. of UTMC applications <p>ACCESSING OPPORTUNITY</p> <ul style="list-style-type: none"> No. of Tees Flex users No. of Wheels 2 Work users Customer satisfaction Social Value impact from projects | <ul style="list-style-type: none"> Increased regular use of walking/cycling by the Tees Valley population Satisfaction with the availability and quality of cycling infrastructure Improve safety and reduce the number of cyclists and pedestrians killed or seriously injured Delivery of cycle training – number of individuals trained per year An increase in the number of passengers boarding and alighting at rail stations in the Tees Valley Increase in rail freight tonnages to/from the Tees Valley To return passenger boarding on local bus services in the Tees Valley to pre-pandemic levels and then increase by the end of the first BSIP period (2026) To increase passenger boardings on the Tees Flex on-demand bus service Reduction in CO2 emissions from transport Mode shift from private transport to public transport/active travel by 2027 Accelerate local bus fleet decarbonisation to achieve a zero carbon fleet by 2030 Increase the number of publicly accessible electric vehicle charging points from a baseline 2021 to target level by 2030 Increase in hydrogen vehicle trial activity and demand in line with the hydrogen transport hub masterplan Road outcome based measures will be used including: improved journey times; reduction in journey time variability; improved road traffic speeds; and reduction in delays Ensure mobility information is available to customers and businesses through tailored digital services that meet their needs. More efficient management of our network and its assets through wide application of our UTMC system. Increase the number of the Tees Valley residents within 60 minutes travel time by bus or rail to a significant employment opportunity from a 2021 baseline to a target level by 2026 Increase the number of the Tees Valley residents within 30 minutes travel time by bus or rail to a main urban centre from a 2021 baseline to a target level by 2026 | <p>GVA/ Output gap</p> <p>Future Growth in Revenue for Treasury</p> <p>Jobs</p> <p>Levelling up Communities</p> <p>Reduction in Carbon Emissions</p> |
| Levelling up services towards the standards of the best | <ul style="list-style-type: none"> Encouraging increased access to entry level jobs Encouraging increased access to local services | <ul style="list-style-type: none"> Transforming the Tees Valley rail system Ensuring everyone can access opportunity Putting the Tees Valley at the heart of the digital transport revolution Making cycling and walking the natural choice for shorter journeys A shared commitment with the operators to transform the Tees Valley bus services and grow passenger numbers | | |
| Decarbonising transport, especially promoting modal shift | <ul style="list-style-type: none"> Encouraging modal shift for logistics Encouraging modal shift for passenger journeys | <ul style="list-style-type: none"> Positioning Tees Valley at the forefront of decarbonising transport A shared commitment with the operators to transform the Tees Valley bus services and grow passenger numbers Transforming the Tees Valley rail system Ensuring everyone can access opportunity Making cycling and walking the natural choice for shorter journeys | | |

FINANCIAL IMPLICATIONS

- The current transport allocation in the Investment Plan to deliver this programme is £171.46m, an element of which is based on a forecast for the period from 2023/24.
- However, earlier this year the Government committed to invest between £4.2 billion and £6.8 billion through City Region Sustainable Transport Settlements (CRSTS) for eight city regions, including Tees Valley. The funding will cover the five-year period from 2022/23 to 2026/27. The Tees Valley bid was submitted in September 2021 and

depending on the Government's assessment, there is potential to increase the transport allocation in the Investment Plan. It is anticipated that the Tees Valley funding allocation will be announced in autumn 2021.

7. The transport allocation in the Investment Plan is being used to try and leverage additional funding currently estimated at £622m. This funding is from a variety of sources including:
 - Rail Network Enhancements Pipeline (RNEP) funding for Darlington and Middlesbrough Stations;
 - Getting Building Fund for Middlesbrough Station;
 - Active Travel Fund for cycling and walking projects; and
 - Major Road Network funding for the A19 New Tees Crossing and the A689 corridor improvements.
8. TVCA also has several live funding bids, including the Levelling Up Fund, Active Travel Fund tranche 3 and the development of a ZEBRA Scheme business case.

LEGAL IMPLICATIONS

9. There are no legal implications associated with the recommendations within this report.

RISK ASSESSMENT

10. There is a rigorous approach to risk management across the transport programme in accordance with TVCA's Risk Management Framework. TVCA is responsible for the programme risks, whilst project risks that sit with delivery partners are transferred through appropriate agreements.

CONSULTATION & COMMUNICATION

11. The Tees Valley Transport Advisory Group, Management Group and Chief Executives Group are regularly updated on transport matters. TVCA also works very closely with key stakeholders including Network Rail, National Highways and Transport for the North.

EQUALITY & DIVERSITY

12. The programme will have a positive impact on the protected characteristic groups through the following high-level impacts:
 - job creation during construction phase;
 - improved access to employment opportunities; and
 - improved accessibility to the transport system.
13. At a project level Equality Impact Assessments are undertaken to ensure all localised impacts are considered as part of the project development

LOCAL ENTERPRISE PARTNERSHIP

14. The Local Enterprise Partnership transport lead is regularly updated on transport matters and the LEP can input into the development of all transport related Cabinet reports.

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REPORT TO THE OVERVIEW & SCRUTINY COMMITTEE

14th OCTOBER 2021

REPORT OF GROUP CHIEF EXECUTIVE

DELEGATED DECISIONS AUGUST- OCTOBER 2021

SUMMARY

The table below shows the Delegated Decisions signed off by the Combined Authority between August 2021 and October 2021

RECOMMENDATIONS

It is recommended that the Combined Authority Overview & Scrutiny Committee note the table below.

DETAIL

1. The table below shows the Delegated Decisions signed off by the Combined Authority between August 2021 – October 2021.

| Title | Amount | Date signed | Key Decision |
|--|------------|-------------|--------------|
| <p>Net Zero Industry Innovation Centre</p> <p>On the 31st January 2020, Cabinet resolved (minute number TVCA 60/19) to approve a £18.98M Innovation Programme, designed to utilise funds allocated in the Combined Authority Investment Plan to:</p> <ul style="list-style-type: none"> • Invest in and create clusters aligned with regional innovation priorities which have the capacity to bid into national funding initiatives, and to; • Invest in activities which amplify the work of the region’s research and innovation centres and focus their impacts in the Tees Valley. <p>This decision will confirm the allocation of £4,885,446 to the Net Zero Industry Innovation Centre project (‘the Project’) and allow this project to progress. The Project is led by Teesside University and will create a modern innovation campus of 1,691 sq. m. within the Freeport Zone which will be aimed at contributing to the UK and Tees Valley’s net zero target for industry. The project aims to promote innovation to Tees Valley SMEs through the application of digitisation, circular economy and net zero enabling technologies thereby enhancing company</p> | £4,885,446 | 29/07/2021 | No |

| Title | Amount | Date signed | Key Decision |
|---|--------|-------------|--------------|
| <p>level productivity and environmental and business sustainability and also contributing to overall sectoral competitiveness. Eligible expenditure, for TVCA purposes, will contribute to the capital costs of constructing and fitting out the centre and to supporting revenue costs until June 2023. The Project will deliver the following outputs and benefits:</p> <ul style="list-style-type: none"> • The creation of a 1,691 sq m innovation centre; • The facilitation of business innovation and collaborative research and development in 22 SMEs; • The creation of 8 new jobs; • 9 new research collaborations; and • The development of 16 new to company/market products. | | | |

2. All key decisions are sent to the Overview & Scrutiny Committee within 2 days of being made. All other delegated decisions are provided for information at their next scheduled meeting.

FINANCIAL IMPLICATIONS

3. There are no direct financial implications arising from this report. The report derives from the Constitution and Assurance Framework for the Combined Authority, which have embedded within them the statutory financial regulations.

LEGAL IMPLICATIONS

4. The Report derives from the Constitution and the Assurance Framework for the Combined Authority which sets out the appropriate statutory framework and is legally binding.

RISK ASSESSMENT

5. The report is categorised as low risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION & COMMUNICATION

6. Not Applicable

EQUALITY & DIVERSITY

7. Not Applicable

LOCAL ENTERPRISE PARTNERSHIP

8. Not Applicable

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Tees Valley Combined Authority Overview & Scrutiny Proposed Work Programme 2021/2022

Standing Items

Minutes from the Previous Meeting
Chief Executive Update
Delegated Decisions
Forward Plan
Date and Venue of the Next Meeting

| Overview & Scrutiny Committee | | |
|--|-----------------|--|
| Date | Venue | Item / Responsible Officer |
| 13 th January 2022 | Cavendish House | Finance & Resources Sub Committee Budget Consultation Report Investment Plan delivery update |
| 17 th March 2022 | Cavendish House | TBC |

| Finance & Resources Sub-Committee | | |
|--|-----------------|---|
| Date | Venue | Item / Responsible Officer |
| December 2021 - TBC | Cavendish House | Draft Budget 1 st Consultation meeting |
| December 2021 - TBC | Cavendish House | Draft Budget 2 nd Consultation meeting (if required) |

| <u>Proposed Items to be scheduled</u> |
|--|
| <ul style="list-style-type: none"> • STDC Monitoring Report – Quarterly • Investment Plan delivery update - Quarterly • Portfolio Lead updates • Updates from Finance and Resources Sub Committee (where applicable) |

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Elements of Appendix 1 are not for publication by virtue of paragraphs 3 of schedule 12A of the Local Government Act 1972

AGENDA ITEM 8

REPORT TO THE TEES VALLEY OVERVIEW & SCRUTINY COMMITTEE

14TH OCTOBER 2021

REPORT OF THE GROUP CHIEF EXECUTIVE

TEESSIDE INTERNATIONAL AIRPORT – BUSINESS PLAN UPDATE (2021-2029)

SUMMARY

The airport's current business plan and annual budget went to Cabinet at its meeting in November 2020. This report covers the recent change in the ownership arrangements of the airport, sets out briefly the progress made under the current Business Plan by the airport over the period since the previous report (including through the period of the Covid 19 global pandemic), and presents the updated TIA Business Plan (2021-2029). The updated Business Plan update is set out at **Appendix 1** to this report.

RECOMMENDATIONS

It is recommended that the Combined Authority Overview & Scrutiny Committee:

- i. notes the updated position on airport ownership;
- ii. notes the progress made by the airport during the period since the previous Cabinet report; and
- iii. notes the updated TIA Business Plan (2021-2029).

BACKGROUND

1. TIA is 89% owned by Goosepool Limited and 11% by local authorities (the five Tees Valley authorities and Durham County Council).
2. Goosepool was previously 75% owned by TVCA and 25% owned by Esken (formerly Stobart), under a joint venture entered into in 2019 following the acquisition of the airport by TVCA from Peel Holdings. In July 2021 Esken transferred its 25% shareholding in Goosepool to the newly established Teesside Airport Foundation and is no longer involved with the ownership or operation of the airport, following completion of their support to help build a self-sustaining management team within the airport itself and assisting with airline growth.
3. A key priority in the period after the acquisition of the airport was to agree a business plan and annual budget, which was updated and reported to Cabinet in October 2019. The current business plan was reported to Cabinet at its meeting in November 2020 and is therefore due to be updated.

DETAIL

Esken (Stobart)

4. Over the last year the airport's management team undertook a review of all major contracts to ensure they are fit for purpose for the future, which resulted in a number of changes to contracts.
5. At the time the airport was acquired, Stobart Group (now Esken) signed an initial 4-year agreement with TIA to provide corporate support (back office) services in place of the previous airport owner (Peel Group), and to deliver aviation support. The intention was that those corporate services would transition to internal provision within the 4-year period, with Stobart continuing to provide aviation services beyond that date. As part of the arrangement Stobart took a 25% interest in Goosepool, the company TVCA established to make the acquisition. The acquisition itself was funded by shareholder loans from TVCA.
6. Stobart/Esken provided crucial support and assisted with many transitional management services. Their aviation experience and support resulted in the airport being able to build its own strong relationships with airlines and across the wider sector ahead of the original schedule.
7. In the last two years following the acquisition, the back office services have been brought in-house and the airport management team has been developed, including with the appointment of Phil Forster as Managing Director - Phil has significant experience at Leeds/Bradford and Newcastle Airports, including strong relationships and experience of negotiating with airlines.
8. As the sector emerged from the Covid-19 pandemic and TIA moved into the next phase of development, it was considered the right time to review the operating arrangements. The review concluded that the Esken agreement outputs had been delivered. The decision was taken to part company with Stobart Group/Esken, by mutual agreement, as this coincided with several other projects at TIA and also externally for Stobart Group/Esken.
9. The 25% stake in TIA previously held by Esken has been transferred, at no cost, to the recently established Teesside Airport Foundation which is a new independent charitable trust. The Foundation will focus on education, employment, welfare and regeneration across the region, and its establishment also introduces the requirement to have a public referendum on any future proposed sale or closure of the airport.
10. TVCA support to TIAL is unaffected and will continue in the same way, with the airport being run by an experienced in-house team (reporting to the airport's Board of Directors) and oversight from the Group Directors at TVCA and the Mayor.

The impact of the Covid 19 pandemic

11. TIA, like every other airport in the UK, has been significantly impacted by the global pandemic, given the extended periods of time without passengers and flights. In recognition of this impact, the Investment Plan 2019-29 Refresh report that was approved by Cabinet in July 2021 included an additional allocation to TIA of £10m over

2 years, to enable the airport to stay on track for its recovery plan notwithstanding the ongoing global pandemic. This compares with local authority support to other UK airports as set out in the table below:

| Airport | Financial support | Supporting authority |
|-------------------------------|---|---|
| Luton Airport | £139m | Luton Council |
| Manchester | £250m | The 10 Greater Manchester councils (Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan) |
| Birmingham airport | £33m | Birmingham City Council, Coventry City Council, Walsall Council, and Solihull Council |
| Liverpool John Lennon Airport | £34m | Loan from the Liverpool City Region Combined Authority |
| Newcastle Airport | Suspended repayment of £68m loan from 2012/13 | Northumberland, County Durham, Sunderland, South Tyneside, North Tyneside, Newcastle and Gateshead Councils |

The outturn for the financial year 2020/21 (subject to final audit sign-off) is a loss of £13.4m and an EBITDA loss of £8.9m. This is largely attributable to the global pandemic. The loss is greater than the forecast loss in the original Business Plan due to Covid-19, but it is in line with other airports and operators within the aviation sector, this result is not an outlier in the market. There are several examples where aviation linked companies have had to seek substantial financial support. For example, Cardiff airport have received additional grant support of £42.6m and Heathrow reported in March 2021 losses of £2bn. EasyJet are reporting their first loss in their 25-year history and as a result are seeking to raise £2bn from shareholders.

12. In March 2021 TIA was successful in securing Government pandemic grant funding of £478,839. This was the maximum allowed in respect of the Airport & Ground

Operations Support Scheme (AGOSS), which reimbursed the annual business rates paid by the airport in 2020/21. TIA has since put in a further application to the AGOSS Renewal Fund for £233,610, to reimburse 50% of the business rates liability for 2021/22, and a decision on this second application is expected in late summer.

TIA progress under the current Business Plan

13. Notwithstanding the Covid19 pandemic, TIA has made significant progress against the targets set out in the current Business Plan. In particular: -
- A significantly increased route mix of scheduled, charter and low-cost operators has seen a total of 15 routes now launched from Teesside since the airport was acquired by TVCA. This has significantly exceeded the 10-year plan which was originally to attract 10 additional route by 2022;
 - Low-cost carrier Ryanair commenced flights for summer 2021 and, due to the success of those, are now operating year-round;
 - Loganair commenced flights on various new routes, including London Heathrow up to 3 times daily, with a British Airways codeshare agreement enabling passengers to connect seamlessly to hundreds of BA destinations;
 - Passenger satisfaction responses for the last 3 months are very high – 99% of respondents were either “very happy” or “happy” with their airport experience;
 - TUI, the UK’s largest holiday company, is offering flights to Majorca beginning summer 2022, nine years after its last departures from the airport. Based on successful early sales an additional TUI flight to Antalya, Turkey has also been secured for summer 2022;
 - The terminal was extensively redeveloped with the airport using 18 local firms to carry out the works - carrying this out during a period of suppressed passenger traffic has minimised disruption and left the airport in the best possible condition to accommodate post-pandemic growth;
 - State-of-the-art scanners were installed as part of a major renovation of the security area;
 - 37 new jobs were created at the airport; and
 - Willis Asset Management Limited is expanding its operations at the airport as a base for carrying out maintenance, storage and disassembly of aircraft.
14. To set against this, along with every other UK and international airport, TIAL was severely impacted by the global pandemic. Further information about that impact to date is set out in the updated plan at Appendix 1, but the headline position is an outturn for the year ended 31 March 2021 of a draft loss of £13.4m and an EBITDA loss of £8.9m. This is in line relative to other airports and operators within the aviation sector following the pandemic and therefore this result is not an outlier in the market, as detailed at paragraph 11.

Updated Business Plan (2021-2029)

15. Looking forward, the Business Plan Update (2021-2029) is set out at **Appendix 1** to this report. [The Business Plan Update was approved by both the Goosepool and TIA Boards (along with the TIA annual accounts) on 21st September 2021.]
16. The Business Plan headlines are that, in common with all airports, TIA’s short term financial performance has inevitably been adversely affected by the pandemic in 2021/22, and the position is behind the original pre-Covid business plan for 2021/22.

However, looking forward, TIA is now forecasting to outperform the original business plan over the 10-year period. The plan forecasts a return to a positive EBITDA position by 2023/24, 2 years ahead of the original business plan, and revenues are now forecast to be £30.5 million by March 2025. As described in Appendix 1 in more detail, the challenges of the pandemic have in fact provided some opportunities which the airport is taking forward which might not otherwise have materialised at this relatively early stage of the 10-year plan, providing genuine grounds for optimism about the future.

FINANCIAL IMPLICATIONS

17. Appendix 1 sets out the updated Business Plan for TIA for the period 2021-2029. The pandemic inevitably resulted in the additional short-term cash requirement of £10m compared to the original Business Plan approved at the July 2021 TVCA cabinet. If targets are achieved, the updated Business Plan does not require the Combined Authority to review its approved funding allocation to the airport out to 2029.

LEGAL IMPLICATIONS

18. There are no legal implications arising from this report.

RISK ASSESSMENT

19. The key short and medium-term risk to the delivery of the TIA Business Plan is the aftermath and ongoing uncertainty surrounding the COVID-19 pandemic and its effect on the aviation industry generally, and the airport specifically. The airport's senior management team will continue to monitor and manage this risk and develop strategies for the growth and development of the airport. Regular updates will be continue to be provided to the Goosepool Limited and TIA Boards.

EQUALITY & DIVERSITY

20. There are no equality and diversity impacts arising from this report.

LOCAL ENTERPRISE PARTNERSHIP

21. This item has been considered at the LEP meeting in advance of TVCA Cabinet.

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