



**UK2070 TEESSIDE TASK FORCE**

**Report on Findings**

**Setting the Foundations  
for  
The Next Generation**

**October 2021**

## UK2070 Commission Teesside Task Force

The UK2070 Commission is an independent inquiry into city and regional inequalities in the UK. It has been set up to conduct a review of the policy and spatial issues related to the UK's long-term city and regional development.

The Teesside Taskforce was established by the UK2070 Commission to work with the Tees Valley Mayor and Combined Authority to support the long-standing aspirations for a major increase in the number and quality of job opportunities in the region, alongside enhancing the wellbeing of people who live in Teesside.

This *Report on Findings* sets out potential areas of action for reinforcing current initiatives, and identifies immediate opportunities for action, based on its findings and recommendations to Mayor Houchen and Tees Valley Combined Authority.

As this report demonstrates, the opportunities in Teesside are considerable but so also are the challenges. The current national and local focus on harnessing the opportunities is very welcome and has real potential. However, to fully succeed will require sustained local leadership and national support over a long period. Nothing less will '*move the dial*'.

This report is supported by an accompanying *Background Technical Report* based on the evidence gathered by the UK2070 Task Force, from its interviews, research and Call for Evidence, as well as Focus Groups and face-to-face Panel sessions.

The Task Force is conscious that the current economic and social policy environment is subject to change, in particular because of the fallout from the Covid-19 Pandemic. The data and evidence in both these reports have taken account of this uncertainty. The UK2070 Report '*Go Big: Go Local*' reviewed and updated the Commission's findings in the light of the economic shock and social impact of the pandemic.

The Task Force is grateful for all the support that it has received from the five local councils, public agencies, the business community, academia, voluntary groups and individuals, and from Turner & Townsend. I want in particular to thank the Mayor and his team, the Combined Authority, Teesside University, Middlesbrough College, the Local Enterprise Partnership and Dept. of Science & Innovation for the Republic of South Africa for all their support and advice.

I also want to record our deep sorrow at the death of Professor Jane Turner. The significant role that Professor Jane Turner played was instrumental in ensuring the widest range of voices were represented, and are recorded in the Technical Background Report. I am sure that Jane would have welcomed the recommendations of the Taskforce, and the demand for change, progress and action.



Lord Bob Kerslake  
Chair, UK2070 Commission



## The Ambitions for Tees Valley

1. There is a new optimism and ambition for Tees Valley. In the words of Mayor Houchen, Tees Valley “*led the way for the Industrial Revolution and is now poised to lead the way in the clean energy revolution*” - the UK’s Fourth Industrial Revolution through a Green Clean-Growth Strategy.
2. This vision for Tees Valley seeks to transform the external perception and boost local pride in Tees Valley as a place within which to invest, work and live. It seeks to support the ambition of young people to stay in the region and develop their creative careers. The next three years will set the foundations in the Tees Valley for the next generation.
3. Already there is a wide range of initiatives being promoted by the Mayor, Combined Authority and the local councils,<sup>1</sup> as well as the private sector, for example, the net zero electricity Whitetail Clean Energy project in Redcar. These have been reinforced by the designation of the Freeport, the creation of *Treasury North* in Tees Valley and the UK Infrastructure Bank in Leeds. These have sent out clear signals about the new post-pandemic economic geography of the UK which the government sees at the core of its *Plan for Growth*.
4. The emerging new national economic role for Tees Valley has the potential to re-shape the wellbeing of its communities in terms of their patterns of work, quality of life and social mobility, and through the transition to zero-carbon. Tees Valley therefore has the potential to play a leading role in the national agenda for the levelling up of the economic performance and social conditions across the UK, and to provide a template for action nationally.

## A National Corridor of Growth

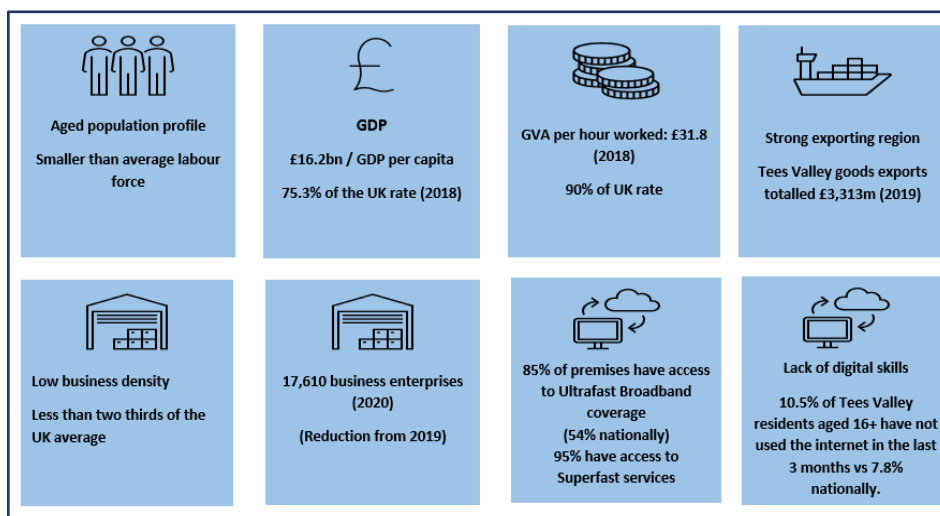
5. These ambitions for the Tees Valley therefore have the potential to ‘*shift the dial*’ fundamentally in terms of helping to rebalance the economic geography of the UK. This requires sustained, integrated and wide-ranging action by all levels of government and all parts of society, business and civic, over the forthcoming decades.
6. This requires action on three spatial levels to deliver the following:
  - National and international alliances to create synergy between the ambitions around zero-carbon, the hydrogen-hub and global trade;
  - Strong regional relationships, particularly in terms of research and business networks, and political cooperation;
  - Action which capitalises on the local distinctiveness of the five Teesside towns, strengthening the network of centres in Tees Valley, and reducing their dependency of other areas for higher order services.
7. These ambitions need to be held together by a shared vision if the full potential of Tees Valley is to be harnessed. This vision can build on the momentum created by established programmes of action. This together with the new roles in energy, steel, pharmaceuticals, the civil service and port operations can already be seen collectively to be creating a ***Corridor of Growth*** for Tees Valley.
8. At the heart of these ambitions is a recognition that as a multi-centred conurbation, all communities can be connected to the new centres of employment, fully linked to national networks and by intra-urban transit systems and enriched by a renewed the green-blue environmental infrastructure for the region. The Metro Mayor and Combined Authority have the unique capacity to facilitate this, and to enable the wide range of national and local programmes of action to be coordinated for the benefit of all communities.

Tees Valley – it all comes together



## Required Scale of Change

9. The scale of change needed to transform the Tees Valley requires levels of productivity and employment to increase by 10% across the board, with a doubling of the rate of innovation.<sup>2</sup> Key to this is the future-skilling of the workforce lifting an estimated 35,000 people to Degree or Level 4 qualifications just to match the UK average.<sup>3</sup>
10. Low levels of employment in the Tees Valley underpin many of the challenges it faces, ranging from low productivity, wages, youth unemployment, educational outcomes and spending power. It is reinforced by poor access to opportunities, and has resulted in low levels of personal wealth and social mobility<sup>4</sup>.
11. A common theme is the need for a connectivity revolution, in all its forms. Tees Valley needs to be seen as a national hub, as part of the nation's core networks and not just linked to them, but an integrated industrial ecosystem and labour market. The building blocks are there in terms of rail, road, airport, ports and IT networks. Tees Valley must however respond to the rapidly changing environment for connectivity: internationally, by keeping pace with new technology; nationally, through being a key part of a renewed Pan-UK rail network; and locally; through access to the new regional growth poles for all communities.
- 12.
13. The diagram below highlights some key statistics for Tees Valley. These are amplified in Table 1 which benchmarks the Tees Valley against the overall state of the nation on a range of economic, social and environmental measures. These illustrate the scale of task facing Tees Valley in redressing the gap in economic performance, and social and environmental conditions.
14. These issues are compounded by the growing pressure on basic services for Tees Valley (transport services, planning and policing) for the most vulnerable, for example, related to the area's levels of poor mental health, suicides, drugs, and domestic abuse.
15. Over-riding these major social and economic challenges is the need to fundamentally reduce the carbon footprint of Tees Valley. This requires the decarbonisation of commercial and domestic activities but also harnessing the untapped potential of the natural capital of Tees Valley in the sequestration of carbon emissions<sup>5</sup>.
16. The future vision for Tees Valley must however reject the narrative around 'left behind' towns, if it is to succeed. This needs to be reflected in new approaches to service provision across a range of services - in particular health, education and social work.



Source: TCVA

## The Tees Valley Narrative

17. The regeneration of Tees Valley requires the perception of the area to be transformed as a place in which to live, visit and, most importantly, invest. There is a need to express this transformation that Tees Valley is undertaking from carbon-based industry to a future as a green place, high environmental quality and green energy, whilst celebrating its heritage.
18. The need for a fresh Teesside narrative is recognised in the draft Local Industrial Strategy<sup>6</sup> and the current campaign of *Talking-up Tees Valley*. Recent culture and arts programmes show that cultural, creative and heritage assets have tangible benefits, supporting the ambition of many young people to stay in the region to develop their creative careers. A stronger image, narrative and international branding should be adopted in promoting the future for growth and the renewal of Tees Valley in terms of its sense of place, culture, linkages and iconic image.
19. The value of such action is demonstrated by experience in the UK and internationally. This has ranged from defining a sense of place (e.g. *European Green Capital*, Hamburg), by a culture of being ready for change (Glasgow's *Miles Better*), by linkage to a recognised prestige institution (e.g. *Tate North* Liverpool), or through a symbol of change (e.g. the *Guggenheim*, Bilbao). Where such marketing is built around genuinely transformational action (i.e. goes beyond marketing itself) it has had a real impact on external perceptions and local pride.

## Local identities and interdependencies

20. Tees Valley has an established identity whilst its five towns have their own distinctive character, role and history. To date, the five communities have been relatively self-contained, in terms of work, housing and day to day activities.<sup>7</sup> Although therefore Tees Valley has a population base of nearly three quarters of a million people in five urban centres, its largest centre does not offer the same range of goods and services as places of a similar size with one dominant centre<sup>8</sup>.
21. Economic and social patterns however are changing and the towns within Tees Valley are becoming less self-contained.<sup>9</sup> This trend will be reinforced if new employment opportunities are to be accessed by all, creating new patterns in the labour market. Although policy interventions are still being developed, it should include, for example, prioritising of new transit links to areas of most need, the marketing of new jobs to local people and the enhancing of a skills development programme.
22. As a corollary, economic growth needs a strong place-based strategy drawing on the individual strengths of each community, in particular, having a strong network of vibrant and attractive town centres. There is however some evidence that town centres in the Tees Valley are under pressure.<sup>10</sup> This is a significant issue given their role at the heart of communities. Priority therefore needs to be given to investing in existing town centres. This is needed to enhance and restructure the quality of their environments and their offer in terms of goods and services, reducing their dependency on other places for cultural, educational and social services.





## A Framework for Action in Tees Valley

23. Experience in the UK and internationally<sup>11</sup> demonstrates that older industrial regions, like Tees Valley can successfully renew themselves. In each case this has been underpinned by a coherent and sustained longer-term spatial strategy from which all communities benefit. These have involved integrating urban and economic development policies, designing and by implementing a broad balanced set of interventions as well as leveraging the potential of existing economic opportunities.
24. The effective development and implementation of the strategy is dependent on strong institutional collaboration between different sectors of society. Coordinated action is needed to avoid short-term incrementalism which, in the past, failed to deliver the scale of change required.
25. In this context, a Tees Valley spatial framework would illuminate the national role of Tees Valley and the distinctive contributions of each of the five towns to their common future. It would allow action to be place-based, whilst enabling policies and programmes to be held together on a sustained basis. It would enhance the ability to bid for resources whilst reinforcing the individual local assets and priorities of all five towns. It would also provide a vehicle for identifying cross boundary issues including requirements for shared infrastructure (for example, higher education, transport, renewable energy and major development sites).
26. The Mayor and Combined Authority are well based to coordinate the production of a such a strategy on a collaborative and non-statutory basis. To gain traction it will need to be supported by an agreed investment strategy and programmes. This level of collaboration needs the strategy for Tees Valley to be based around three timescales for action, which are amplified in the following sections:
- ***A long-term explicit vision*** to deliver the clean green growth strategy. The Task Force has therefore sought to illustrate this in the following section within the theme of *Clean Green Growth*;
  - ***A 10-year investment programme of action*** for the medium-term. This needs to be broadly based. The Task Force has therefore based its recommendations on the scope of such programme around the *10-Point Action Plan* set out in the UK2070; and
  - ***Immediate Priorities for action*** in the short-term which are set within longer term vision and the 10-year investment programme, and not ad hoc.



## The Longer-term Vision for Tees Valley Tees Valley Clean Growth Strategy

27. The delivery of the ambitions for clean green growth across Tees Valley needs to be place-based operating on three geographic levels:

- A. *Nationally*: Strengthening the national role of Tees Valley;
- B. *Regionally*: Framing region-wide priorities for promoting net-zero and clean growth; and
- C. *Locally*: Building on the local distinctiveness and growing interdependencies of Teesside's main towns.

### A: Strengthening Tees Valley's National Role and International Links

28. The national role of Tees Valley could increase its contribution to the UK economy by over 40%. The national contribution of Tees Valley however goes beyond job growth. Its ambitions especially in the field of clean energy and net-zero steel should be seen as part of the national strategy for making the UK more resilient and secure against global shocks and international political change.

29. Tees Valley's new national roles and international links need to be embedded explicitly long-term in national priorities for development. These include the national strategies for growth, climate action and transport. It also must be linked to funding commitments in the Comprehensive Spending Reviews, Single Prosperity Fund and across departmental programmes. For example, its core rail network needs to be included as part of the Pan-UK network emerging from the Hendy Interim Review.

30. Similarly, the ambitions around zero-carbon, the hydrogen-hub and international trade with the Freeport need to be brought together as a single economic eco-system, to reflect Tees Valley's role as a national growth pole, for example, in terms of production, processes and marketing. The submission to the Task Force by the South African Government also shows the potential opportunities for new alliances with other *Hydrogen Valleys*.

### B: Framing a Region-wide Clean-Growth

31. If these ambitions are realised then Tees Valley will be re-established as a significant part of the regional economy. Over the next twenty years it will contribute 10% of the growth of the northern English regions - even though it only has 4% of the population base,

32. A region-wide integrated investment framework to provide is required as a basis for

- Holding together wide-ranging, diverse and multiagency programmes of action;
- Regional collaboration on research expertise and industrial capacity across the range of energy sources (nuclear, wind and tidal); and
- Providing the context for, and link to, local spatial frameworks.

33. In addition, the ambition for an additional 25,000 jobs by 2025 needs to be embedded across all policy areas. It should be part of the agreed economic assumptions and target outcomes, that are used in training programmes, housing targets, transport plans, and all other policies.

### C: Local distinctiveness and interdependencies

34. It will be important both to build on local distinctiveness and reflect the growing interdependencies of Tees Valley's major towns. They are becoming less self-contained,<sup>12</sup> whilst town centres in the Tees Valley are under increasing pressure.<sup>13</sup> There is also a stark contrast between the beautiful setting of the Tees Valley and its coast, and the poor everyday environment of many *Teessiders*. In addition, there is enormous potential to harness the natural capital of Tees Valley currently estimated to contribute [over £100 million](#) to the welfare of Tees Valley, yearly.

35. These above issues should be reflected in policy in particular through:

- Giving priority to enhancing the environmental quality and role of town centres in terms of their higher order cultural, educational and community service offer, reducing Tees Valley dependency on other places;
- A renewed and extended Tees Valley Transit network by 2045 to deliver a high-quality reliable net-zero carbon transit system across the whole of the Tees Valley, linking all communities to opportunities in the new centres of employment and services; and
- Develop further and embed natural capital accounting into policies for Tees Valley.



## The Sustained Programme of Action The 10-Point Plan for Tees Valley

### Context

36. The process of change in Tees Valley has already been kick-started by the Mayor and Combined Authority for example, Teesside Airport. The Task Force has been provided with an audit of existing policies and programmes for Tees Valley (refer Annex). This has had regard to the existing major flagship projects (see text box below) which together with other recent decisions, for example, Treasury North and the Freeport, create a green corridor of economic and community growth.

#### Major Tees Valley Projects include in particular the following:

- **Teesworks:** the UK's largest industrial zone of 4500 acres including an industrial cluster focused on renewable energy sector at the centre of the Freeport and skills academy
- **Wilton** is central to the North East of England Process Industry Cluster (NEPIC) with laboratories and scale-up facilities for the chemical process industries
- **Bioscience enterprises** employing more than 6,000 people, in particular through the National Biologics Manufacturing Centre and the National Horizons Centre:
- **Teesside University** with around 19000 students and over £275m town-centre campus in Middlesbrough being developed through [Teesside 2025 – Ambition Delivered Today](#) strategy.

37. The feasibility of the production of green steel on Teesside has also been established. This would be of national significance in enhancing the resilience of the UK, by reducing its relative over dependence on imported steel, and exposure to the volatility of global energy costs. It is understood that there is the potential for a new green steel production to create 7500 jobs on Teesside, with work starting on site by 2023.

38. The Task Force has therefore identified recommended additional action for strengthening, and maximise the benefits from the existing programmes and projects. This is set out as follows in terms of the *UK2070 10-Point Action Plan*.

### Recommended Programme of Action

#### ***Action 1: A Just-Transition Programme to a Net-zero Carbon Economy***

TVCA to coordinate a complementary Just Transition Programme for Tees Valley, with public and private sector partners. Its focus would be to link new economic opportunities and mitigate, and prioritise adaptation of, the impacts of climate change on disadvantaged<sup>14</sup> and marginalised communities. This could include setting up a *Just Transition Fund* and 'Energy Conservation Areas'<sup>15</sup>, and initiating a carbon-literacy programme across the Tees Valley<sup>16</sup>.

#### ***Action 2a: Enhancing international and inter-regional connectivity for all businesses and communities***

TCVA to promote a strategy for enhanced rail services along the whole corridor of the Tees Valley to the Darlington national hub and roll out digital connectivity:

- To match the quality of service on the national East Coast main line, for both passengers and freight;
- To be recognised as an integral part of a new Pan-UK Transport Network recommended in the Interim Report on Union Connectivity by Sir Peter Hendy; and
- To establish a *Smart Region Plan* beyond 4G and in support of greater digital Inclusion.

#### ***Action 2b: Connecting jobs and services for all disadvantaged communities***<sup>17</sup>

The TCVA transport strategy<sup>18</sup> should be rolled forward to include the planning and implementation of a Tees Valley Transit system<sup>19</sup> accompanied by major improvements to the public realm in urban centres, with pedestrianisation measures to prioritise active travel, alongside an appropriate zero carbon transit system.

#### ***Action 3: Accelerate growth in Tees Valley as a Global Centre of Excellence***

Joint working between Teesside University and the TVCA to promote a Global Centre of Excellence through stronger collaborative UKRI & industry alliances in the wider region. This should be based around Bioscience, Zero-carbon economy and the potential of Green-Steel, including making good the annual £80m underfunding of higher education research in Tees Valley, with its potential for substantial gearing on private funding. There is therefore potential to roll forward the [Teesside 2025 Strategy](#) (see box) to significantly upscale the ambitions for the University.



***Action 4: Embedding the Foundational Economy to support community initiatives & SMEs***

TVCA to update the Tees Valley economic strategy to embed the foundational economy, including the establishment of a dedicated £1 million Foundational Economy Fund<sup>20</sup> and related local procurement policies to support experimental projects in the provision of not-for-profit care. This should be guided by an integrated *Tees Valley Wellbeing Framework*<sup>21</sup> setting an agreed set of service outcome targets across health, education and environmental performance.

***Action 5: Aligning Housing Policies with the Economic Needs of a Regenerated Teesside***

Local plan reviews, in their updating of land use and infrastructure assumptions and policies for future levels of housing and population, should explicitly align the economic policy ambitions for growth in Tees Valley with their implications for the scale, affordability and quality of housing provision.

***Action 6: Future Skilling of the Workforce and the elimination of the current mismatch between the demand for skills and the training undertaken***

TCVA should seek expanded local powers to enable a more integrated approach to training and skills, and greater flexibility in funding. In the interim, the Mayor could use his convening power to ameliorate the fragmentation of responsibilities and complexity of funding streams and programmes, allow the number of job openings<sup>22</sup>, especially for young people, to be expanded, and to maximise the local employment potential of the Whitehall of the North.

***Action 7: Harnessing Environmental and Cultural Assets of Teesside***

A Tees Valley Environmental Action & Natural Capital Plan<sup>23</sup> should be drawn up jointly with existing partnerships<sup>24</sup>, including:

- Designating National Heritage Areas linked to a UK World Heritage Fund, especially the Stockton Darlington Railway;
- The creation of a cultural flagship institution, for example, around the new Hydrogen technologies to link a Flagship cultural draw to the new economy of the area;
- Integrating the green and blue network of the Tees Valley urban communities more closely with the North Yorks Moors National Park and coastal resources, including its capacity for carbon sequestration.

***Action 8: Establish new processes for local community engagement to strengthen the benefits of devolution***

TCVA and Teesside University to consider further the outcome of the University-led focus group work with a range of community interests (especially with women and young people). There is scope to develop new strategic participatory local devolution processes (for example Citizens' Assembly) and to engage more with schools and communities, and speaking to young people in their environments to understand better their legacy, challenges and priorities.

***Action 9: Levelling Up the Playing Field for Fairer Access to Funds***

The TVCA and partners could establish a local Shared Prosperity Fund partnership which would:

- Prepare an integrated investment seven-year programme as a basis for accessing £600 million<sup>25</sup> from the Shared Prosperity Fund and £500 million on infrastructure; and
- Undertake a review of mechanisms to maximise the public share of income and uplift in land values from developments created by public sector investments, through discussions with the Public Assets Network for the Tees Valley,<sup>26</sup> including the potential in the longer term creating a Tees Valley Trust Fund.

***Action 10: Future national commitments in support of Tees Valley***

The TVCA should lobby central government to recognise as national spatial development priorities the following:

- East-West Tees Valley corridor as part of a Pan-UK Network;
- Designating Tees Valley as one of the new UK's global centres of excellence, with Teesside University as its hub research centre;
- Designating as of national importance Tees Valley's cultural and natural heritage.

## Immediate Opportunities for Action

39. The *Tees Valley Clean Green Growth Strategy* and *10-Point Action programme*, set out in the earlier sections of this report, could be accelerated by the immediate implementation of the following cross-cutting themes with support in the CSR<sup>27</sup> and departmental Programmes of central government:
- Innovation Partnerships;
  - Tackling Green Fuel Poverty;
  - Levelling access to job opportunities;
  - Uplifting the living conditions of the most disadvantaged communities.

### A: Innovation

*(Cross-cutting UK2070 Actions 1, 2, 3, 6 & 10)*

Innovation is at the heart of creating Tees Valley as a *Global Centre of Excellence* in the green economy. This needs to attract and hold the highly skilled by maintaining research excellence. Experience in Tees Valley and elsewhere has highlighted the value of developing 'innovation zones'<sup>28</sup> to create and support industrial clusters and create national centres of excellence. TCVA should establish as a matter of priority an innovation investment programme, bringing together local universities with industry to rollout and scale up research investment. This would be accelerated and by an early commitment, for example, to a hi-tech partnership with government and private sector stakeholders.

### B: Tackling green fuel poverty

*(Cross-cutting UK2070 Actions 1, 2, 4, 6 & 10)*

Tees Valley is spearheading the transition to zero-carbon as the UK's Hydrogen Hub and is ideally placed to pilot nationally a hydrogen village/town. In addition, it needs to be recognised that domestic consumption remains a major issue, producing [40%](#) of the UK's CO<sub>2</sub> emissions, and the incidence of fuel poverty is high. Extend the recent WHF project by establishing a *Just Transition Fund* including:

- The Tees Valley pilot of a UK 'Energy Conservation Area' programme with a £5m/an funding stream managed by the TVCA<sup>29</sup>;
- An associated training and local job creation programme; and
- A local task force to champion local action and promote *carbon literacy* campaigns.

### C: Levelling Access to Job Opportunities

*(Cross-cutting UK2070 Actions 1, 2, 4, 6 & 8)*

There is great imbalance in the levels of access to job opportunities across Tees Valley.<sup>30</sup> The priority for the proposed Tees Valley Transit Network is to increase access to jobs in the Tees Valley to the most poorly served areas<sup>31</sup> by:

- Further enhancement<sup>32</sup> of local public bus transport links to employment and basic services (e.g. health and education);
- A fresh approach to training and skills<sup>33</sup> to eradicate the mismatch between the demand for skills and training undertaken especially in the 16–18-year-old sector; and
- Establish a £1 million Foundational Economy Fund<sup>34</sup> to support entrepreneurship locally.

### D: Uplifting Environmental Conditions

*(Cross-cutting UK2070 Actions 1, 2, 4, 6, 7 & 8)*

Action programmes should be established in the immediate future to give priority areas to restoring impoverished environments as well as promoting skill development and early job creation and reduce the pressure to move away from home to more attractive settings. The immediate priorities are:

- To enhance the established town centre action programme in terms of its scale and to sustain it beyond the current project funding;
- To establish a ten-year *Green-Blue* environmental action programme for Greening-the-Tees, enhancing disadvantaged communities, and the long-term investment prospects on former industrial areas, with an estimated budget of £50-70m.

### Other Areas for Early Action

40. Other areas for action on housing (*UK2070 Action 5*) and national planning policy (*UK2070 Action 10*) lie outside the Mayor and Combined Authorities direct responsibility but are important to the success of the ambitions for Tees Valley. They are matters on which ongoing further liaison would be useful.

Table 1	Benchmarks of Levelling up Economic Performance and Social Conditions	Metrics		Shift Required
		National	Tees Valley	
Existing Conditions	Productivity (GVA/hour 2018 ONS/TVCA)	£35.0	£31.8	Economic Conditions
	Job Density (Jobs: Working Age Population: <u>ONS</u> )	0.86	0.73	
	Household Wealth (GDHI per head 2018 ONS)	£21.1K	£16.6K	
	Job <u>Opportunities</u> in Major Towns (Centre for Cities)	62 <sup>nd</sup> out of 63		
	Good Work <u>Index</u> (2021)	(Average 91 <sup>st</sup> out of 115)		
	Housing Costs (Affordability price to earnings ONS)	7.7:1	5.0:1	
	Children in Workless Households <sup>1</sup> : <u>ONS</u>	9.6%	18.8%	Social Conditions
	Child Poverty ( <u>Proportion in Low Income Families</u> ONS)	16%	37%	
	Educational Attainment (Level 3 Nat. average TVCA on FSM) <sup>2 3 4</sup>	60%	29%	
	Social Mobility (National Ranking Social Mobility Commission)	180 <sup>th</sup> out 320		
	Social <u>Fabric</u> (Average Rank UKOnward)	331 <sup>st</sup> out of 380		Environmental Conditions
	Living Environment (IMD/ONS LEP areas)	37 <sup>th</sup> out of 38		
	Healthy Life Expectancy ( <u>For females: ONS</u> )	63.9	59.7	
	Carbon Footprint (CO2/Cap 2018 ONS)	5.2	10.4	
Accessible Job Opportunities (intraurban Car v PT – NIC)	3.1	9.2		
Need for standards or outcome targets	Productivity – (GVA/Cap ONS)	£28.5K	£20.4K	+40%
	Inclusion ( <u>Deprived Areas Connection to Jobs</u> JRF)	22%	65%	+200%
	Access to Services (IMD subdomain ONS)	36 <sup>th</sup> out 38		sustain
	Access to Higher Education (Outstanding Schools – Ofsted)	17%	19%	+10%
	Environmental Standards	tbc		?

<sup>1</sup> Only includes those households that have at least one person aged 16 to 64:

<sup>2</sup> This is the gap between those on FSM attaining Level 3 compared with the overall average for the UK

<sup>3</sup> Within Tees Valley less than one in three residents are qualified to NVQ Level 4 and above. There is also a 22% gap to national performance in terms of high-level skills. There is also a lag with regards to low level skills

with 11% of the area's working age residents having no formal qualifications. (See response from TVCA)

<sup>4</sup> Nationally, 43.3% of workforce aged 16-64 achieved at least level 4 of National Vocational Qualification (NVQ) and around one-fifth of local authorities exceeded the 50% threshold. The situation in TVCA is below the national level as only 36.5% of workforce achieve at least NVQ4 and above from 2017 (Wong TTF 32)

## ANNEX

### The Tees Valley Combined Authority's alignment with the UK2070 Ten Point Programme of Action (As of October 2021<sup>35</sup>)

UK2070 Recommended Actions	TVCA Activities complementing this recommendation
<p><b>ACTION 1</b> A Spatially Just Transition to Zero-Carbon Ensuring there is an explicit spatial dimension in the UK's plan to become zero carbon by 2050.</p>	<p>Our locally agreed Local Industrial Strategy set the Tees Valley the goal of becoming a global leader in Clean Energy, low carbon and hydrogen. Building upon our local assets, the Tees Valley stands ready to lead on the national path to Net Zero, in particular in:</p> <p><b>Carbon Capture Utilisation and Storage</b> Establishment the UK's first Net Zero cluster by 2030, driven by the Net Zero Tees partnership of five leading energy companies.</p> <p><b>Hydrogen:</b> Leading nationally on the development of hydrogen as a fuel source, including through the development of a Hydrogen Transport Centre to lead research, development and testing of new hydrogen transport technologies, including for cars, buses, trains, lorries, boats and planes</p> <p><b>Offshore Wind:</b> The establishment of the TeesWorks site as a key national hub for the Offshore Wind sector.</p> <p>We are also currently seeking government support for the establishment in the Tees Valley of a Net Zero Innovation Centre, helping to attract internationally renowned researchers and technology developers in this field to the Tees Valley, and attempting to attract an Electric Arc Furnace to The Tees Valley, allowing new usable products to be created from scrap steel, significantly lowering Carbon Dioxide emissions.</p>

## **ACTION 2**

Delivering a Connectivity Revolution Creating a transformed public transport network between cities, within cities and beyond cities.

The Combined Authority is using the devolved resources already available to us, to work with government to secure a number of significant schemes to improve connectivity inside and outside the Tees Valley. Projects at various stages of business case development include:

- A new Tees Crossing on the A19
- Junction improvements on the A66
- Corridor improvements on the A689
- A Darlington Link Road.
- Darlington Rail Station upgrade
- Middlesbrough Rail Station upgrade.

We also work closely with pan-regional bodies such as Transport for the North to ensure these plans are appropriately co-ordinated with other regional plans.

Building upon these critical infrastructure developments, the Combined Authority has developed [Tees Valley Strategic Transport Plan 2020–2030](#), which sets out our further ambitions to deliver a world-class transport system in Tees Valley.

Innovative projects in delivery include:

Tees Flex, a new demand responsive bus service pilot to provide better access to jobs and key service centres for rural and more remote communities.

The UK's first public eScooter hire programme.

Wheels to Work, a scooter and eBike hiring programme supporting those struggling to access work or training.

Developing five priority corridors for improved cycling and walking.

Exploring the potential to use 5G technology to facilitate more intelligent movement of people and goods around the Tees Valley, in particular connected to Teesside International Airport and our port infrastructure.

We are also developing a programme of interventions to make bus travel more attractive and to dissuade mass switching to cars by commuters following Covid-19. These could include improving the efficiency of bus movements on strategic corridors, enhancing the passenger experience through improved waiting facilities and real-time information and simplifying and improving the ticketing offer.



### **ACTION 3**

Creating New Global Centres of Excellence Harnessing increased investment in research and development to create 'hub and spoke' networks of excellence across the country to complement London and the Wider South East.

The Tees Valley is working to bring together regional companies, networks, innovation and research providers to cluster around key regional priorities, in order to create clusters with the critical size to enable the region to bid into national initiatives and attract investment.

Our cluster development work is currently focused upon:

- Clean Growth
  - CCUS
  - Clean Transport / Hydrogen
- Offshore Engineering
  - Offshore Wind
  - Decommissioning
- Bio-life sciences (Life Science Manufacturing)
- Digital
  - Industrial digitisation
  - Advanced and modern logistics
  - Smart public services.

We have been making the case to government that this agenda would be more effectively pursued with a more place-based and devolved approach to innovation funding, due to the current systematic imbalance in UK funding and investment.

A key priority for place-based policy needs to be increasing local business engagement with Innovation, Research and Development to increase productivity and local opportunity. Our proposals to enable this include:

- Investment in a new Net Zero Innovation Centre which will provide the facilities, research and industry engagement to develop technologies, implement and export technologies, integrated within the World's first Net Zero Industrial Cluster. This research excellence, coupled with demonstration and deployment facilities, will support the levelling up of both economic and Innovation outputs.
- Establishment of an Open Access PhD Innovation Centre in Tees Valley, focused on Hydrogen and Clean Growth, within our established Industrial Cluster. As part of a wider national approach, this can support the creation of new research clusters, putting UK businesses at the forefront of research, and embedding academic expertise within companies.
- Recommending the Government introduce a Demonstration Fund to support businesses to bring technologies to market. This fund would support businesses to undertake capital intensive testing and verification of technologies before they are offered to investors and to the market.

**ACTION 4**

Strengthening the Foundations of Local Economies Empowering local leadership in towns and local communities to deliver increased local economic growth and wellbeing.

The five local authorities of the Tees Valley have come together with local business and stakeholders in a Combined Authority to create a vision of a revitalised local economy, with the infrastructural and skills investment we need to lead the nation in hydrogen technology, carbon capture utilisation and storage, offshore wind and industrial digitalisation – powering the nation whilst contributing towards the UK’s net zero targets, while creating well-paid highly-skilled jobs for our residents.

We believe that the Combined Authority model has proven to be an appropriate and effective vehicle with which to pursue this goal – so much so that we have made a case to government for local areas who have demonstrated robust governance arrangements and track record of effectively using devolved funding to address local needs - should be afforded the maximum level of local control, providing us with the flexibility and agility to maximise our local economic impact in future.

Our Investment Plan includes an Indigenous growth Fund providing £50million to improve our town centres and drive growth within our five constituent local authorities, delivering projects that will have a local economic impact and improve the lives of Tees Valley residents, whilst also contributing to our regional offer. We are also lending project management support to the development of the Tees Valley’s five Towns Deals, including sitting on each of the Towns Deal Boards to ensure that the fund is integrated with the work of the Combined Authority to maximise local impact.

**ACTION 5**

Rethinking the Housing Crisis Recognising housing as part of national infrastructure and ensuring that supply of new housing meets the needs of the economy.

Although housing powers allocated to the Tees Valley in our devolution deal are strictly limited, the Combined Authority previously established a Land Commission which identified 36 brownfield sites in public ownership across Tees Valley that suitable for housing development.

We have also recently received a confirmed allocation of £19.3m for the Housing Brownfield Fund to deliver a minimum of 1000 housing units between by March 2025 and are working with local authority partners and constructors to deliver the first phase of new homes.

## **ACTION 6**

**Harnessing Cultural and Environmental Assets** Increasing the focus of policy and funding of assets outside of London.

A vibrant cultural sector and diverse leisure and hospitality offer are critical to deliver economic growth in the Tees Valley and make it an attractive place to live, work, visit and invest.

The TVCA agreed a £16m Culture Programme in November 2020, supporting world class series of cultural events and festivals, alongside £1m Culture Recovery Fund. The Combined Authority Investment Plan also contains a Culture Capital Programme aimed at maximising the region's arts, cultural, heritage, rural, maritime and natural assets

Projects in delivery include:

- Host region for Rugby League World Cup 2021.
- Establishment of Enjoy Tees Valley, a region-wide tourism marketing programme

Award of Heritage Action Zone status by Historic England for the Darlington and Stockton Railway. In 2025 it will be the 200th anniversary of the first passenger train which travelled from Stockton to Darlington

We have also commissioned research into the Tees Valley's natural capital, allowing us to better assess the most effective use of the region's natural assets.

The TVCA hosts the S&DR Rail Heritage Board, including an Executive group along with Durham, Darlington and Stockton councils, the TVCA and Historic England, co-ordinating a wide range of activities and preparation for the 200th Anniversary of the line in 2025. A first report on the Economic Impact of the celebrations is being prepared.

## **ACTION 7**

Implementing a Comprehensive Framework for Inclusive Devolution Allow different places to step up through different levels of devolution according to local ambition, need and capacity.

We believe that the success of the first wave of Combined Authorities such as the Tees Valley support this recommendation. To date TVCA has:

Secured ownership of 1420 acres of land at the former site of Redcar Steelworks, turning a symbol of regionally industrial decline into the UK's biggest development opportunity.

Been named the UK's first ever hydrogen transport hub, taking a national lead on driving forward national plans to embrace hydrogen as an alternative fuel for buses, lorries, rail, maritime and even aviation.

Funded the £40m purchase of Teesside International Airport and 819 acres of prime development land attached to the Airport.

Completed construction on the National Horizons Centre in Darlington which will provide a centre for excellence led by Teesside University, specialising in training and education for the UK bioscience sector

Fully implemented the DWP Innovation Pilot Routes to Work, engaging with more than 2,800 residents furthest away from the labour market with complex needs and supporting more than 488 into employment

We have been making the case to government the next phase of devolution to regions such as ourselves involved a more place-based approach to investment which would better allow regions to fast-track major local opportunities to deliver economically and environmentally significant projects and take a more strategic and focused use of funding streams to maximise the potential of existing powers. For example:

Flexible capital investments, as already implemented with the Transforming Cities Fund and Towns Fund, where autonomy is granted to regions to identify and fast-track the delivery of infrastructural investment and regeneration priorities.

Use of multi-department place-based budgets, allowing local interventions to be built around the needs of the regions.

Devolution of BEIS innovation funds, such as the Industrial Energy Transformation Fund to Combined Authority areas.

Increased flexibility of apprenticeship funding, particularly with regards to unspent levy funds to support the growth of local skills.

Maximum devolution of the planned Shared Prosperity Fund to drive regional development and deliver the government's levelling up agenda.

A critical cross-cutting theme of our Local Industrial Strategy is Inclusive Growth - creating the necessary conditions to enable all Tees Valley residents to benefit from our future prosperity. Delivering inclusive growth will mean providing more good quality jobs with long-term prospects – jobs which can be accessed by local people.

**ACTION 8**

Future Skilling the United Kingdom Develop a national plan to raise attainment levels, especially in future skill needs for all areas to achieve the levels of the best performing places.

Under our devolution deal we have assumed responsibility for the Adult Education Budget, allowing us to:

- Develop a more responsive, flexible skills system
- targeting the training paths needed to better connect with business demand
- Create a more dynamic education offer to learners and businesses
- Work more closely with our strategic, economically significant training providers across the public, private and community sectors.

We have also delivered:

- An Apprenticeship Support grant.
- A comprehensive schools careers programme involving 926 local businesses.
- apprenticeships
- 501 placements at over 100 businesses through the government's Kickstart scheme.
- A Routes to Work pilot supporting almost 3000 of those most distant from the labour market into or closer to sustainable employment.



<p><b>ACTION 9</b>  Levelling-up the Playing Field: Fairer Access to Funds Triple the size of the Shared Prosperity Fund to £15bn per annum for 20 years with clear spatial priorities; and change the way major projects and local priorities are able to be funded and assessed.</p>	<p>We agree with the Commission that the successor programme to historic European Structural Funding is a unique opportunity to accelerate regional development and truly level up the United Kingdom.</p> <p>In conversations with government, we have consistently emphasised four messages with regards to the Shared Prosperity Fund:</p> <ul style="list-style-type: none"> <li>• <b>Devolution must be at its heart:</b> Local areas such as the Tees Valley - who have demonstrated robust governance arrangements and track record of effectively using devolved funding to address local needs - should be afforded the maximum level of local control, providing us with the flexibility and agility to maximise our local economic impact.</li> <li>• <b>Funds must be distributed on the basis of need:</b> The Tees Valley economy continues to lag national averages in relation to a number of key economic metrics, making the area vulnerable to further economic shocks, including impacts of Covid-19 and EU Exit. It is therefore critical that the allocation of UKSPF, and other government resources designed to reduce inequalities between regions, are allocated on the basis of genuine need, support levelling up and enable all regions to realise their full potential</li> <li>• <b>Funding settlements should be long-term:</b> The UKSPF should also operate over a similar programme timeframe to the current European Structural Investment Funds (i.e. seven years) in order to give the projects and programmes benefiting from them the best possible chance of success.</li> <li>• <b>The new Fund should reduce the previous administrative burden for applicants.</b> Economic development funding should be allocated on the basis of which regions have the greatest need, not which regions are the best at filling out forms. To this end we believe the most effective way to allocate the Shared Prosperity Fund is through an un-ringfenced multi-year allocated single pot of money, based around outcomes agreed between national and regional government.</li> </ul>
<p><b>ACTION 10</b>  Shaping the Future: A National Spatial Plan for England Task the National Infrastructure Commission to create a national spatial plan for England and linking to those in Scotland, Wales and Northern Ireland, to guide investment and to support local and regional spatial plans.</p>	<p>We believe that such planning is done most effectively on a regional level, and that established Mayoral Combined Authorities such as the TVCA have provided an effective sub-national framework to identify and connect regional economic strengths, identify cross-boundary policy priorities and establish an evidence base for long-term infrastructure investment.</p> <p>We believe that regional plans such as our Strategic Economic Plan, Investment Plan and Local Industrial Strategy are equivalent to the Tees Valley element of a National Spatial Plan, and that the government should prioritise providing the regions with the powers and resources to put these plans into action.</p>

## Endnotes

---

- <sup>1</sup> Listed in Annex of the supporting Technical Report,
- <sup>2</sup> These figures are based on the TVCA's economic assessment
- <sup>3</sup> In terms of Degree/Level 4+ qualifications in 2018, the area needs an additional 34,800 residents qualified to that level to match the UK rate.
- <sup>4</sup> The SMC highlighted Hartlepool and Middlesbrough, as national priorities
- <sup>5</sup> Refer [Natural Capital Account for Tees Valley](#)
- <sup>6</sup> LIS *"the development and effective promotion of a strong sense of place is also critical – through raising Tees Valley's profile and enhancing perceptions of the quality of life offer available – in shaping our ability to attract and retain the workforce and inward investment needed to drive future growth"*.
- <sup>7</sup> For example, the local plans are based on separate housing market areas
- <sup>8</sup> For example, Leicester compared with Middlesbrough.
- <sup>9</sup> For example, between 2012 and 2019 the proportion of households who moved to stay in Tees Valley that dropped from 52% to 32%
- <sup>10</sup> For example, the findings of the Javelin Group's Venue Score 2017 – although more analysis is needed to establish the extent of change in the vitality and viability of the centres
- <sup>11</sup> For example, for Glasgow, Pittsburgh (USA) and Dortmund (Germany)
- <sup>12</sup> For example, between 2012 and 2019 the proportion of households who moved to stay in Tees Valley that dropped from 52% to 32%
- <sup>13</sup> For example, the findings of the Javelin Group's Venue Score 2017 – although more analysis is needed to establish the extent of change in the vitality and viability of the centres
- <sup>14</sup> For example, working directly with those most vulnerable like the Manchester Living Lab project
- <sup>15</sup> Build on similar experience in the 1980s as part of Housing Improvement Areas.
- <sup>16</sup> As promoted by the GLA and sponsored by [BEIS](#).
- <sup>17</sup> Tees Valley has [5 of the top 20](#) neighbourhood's dependent on public transport i.e. lowest car ownership
- <sup>18</sup> The CSR included £310million over the next five years, across all modes of travel, including rail, road, bus and cycling. This includes money of stations and line improvements, road links to the Freeport and Teesworks and bus priorities and zero-emission vehicles and new cycleways.
- <sup>19</sup> Such as local rapid transport networks; bus rapid transit and trams, along with suburban rail to connect within cities.
- <sup>20</sup> Learning from the experience of the Welsh Government
- <sup>21</sup> Examples exist e.g. in Scotland and Wales Although Tees Valley has a relatively good level of access local services, concerns have been raised about services for the most vulnerable compounded by the impact of COVID-19,
- <sup>22</sup> For example, work experience placements, internships, mentoring apprenticeship placements, civil service recruitment or kickstart job placements
- <sup>23</sup> [Natural capital in the Tees Valley](#) already delivers annual benefits in excess of £100 million through recreation opportunities, improved air quality, thriving wildlife, water supply and flood mitigation
- <sup>24</sup> For example, the Tees Nature Partnership and Middlesbrough Environmental City, updating the 2008 Green Infrastructure Strategy
- <sup>25</sup> These are initial estimates based on threefold increase of ERDF /ESF funding from just over £20m/year to £60m/year and increasing the transport budget by at least twofold from current £250m/10-year programme to £500m/10-year programme.
- <sup>26</sup> A potential research project on new approaches to leveraging private finance in partnership with Sheffield and Oxford Universities, with support from the Lincoln Institute (USA).
- <sup>27</sup> The [CSR](#) included a range of initiatives to support action in the Tees Valley directly and indirectly.
- <sup>28</sup> In various forms (e.g. villages or districts). Refer [UK2070 report](#)
- <sup>29</sup> This is based on estimates on filling the gap between the number of households in fuel poverty in Tees Valley, and average level of support per household in existing programmes and increasing the rate of delivery
- <sup>30</sup> Tees Valley Local Housing Markets: Ed Ferrari & Karl Dalgleish: 2019
- <sup>31</sup> Refer Crisp et al. (2018) *Tackling transport-related barriers to employment in low-income neighbourhoods*. York: JRF
- <sup>32</sup> This requires further discussion because of its links to the ongoing consideration of the potential of franchising
- <sup>33</sup> This is currently constrained by issues that lie outside the Metro Mayor's powers and those of the Colleges, e.g. the focus on Level 3 v Level 2 training.
- <sup>34</sup> Learning from the experience of the Welsh Government (see UK2070 Report Make No Little Plans)
- <sup>35</sup> This assessment predates the Autumn 2021 CSR which includes a range of actions in support of the Tees Valley that have not been able to be reflected in this report. They however reinforce the arguments set out in this report.