

ECONOMIC STRATEGY BOARD

**Meeting to be held at City Learning Centre, Normanby Road, South Bank
at 2.00pm on Tuesday 19 January 2010**

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|----|----------------------------------------------------|--------------|-----------------|
| 1 | APOLOGIES | | |
| 2 | CONFLICTS OF INTEREST | | |
| 3 | NOTES OF MEETING HELD ON 14 JULY 2009 | Attached | |
| 4 | MATTERS ARISING | Verbal | |
| | ITEMS FOR DECISION | | |
| 5 | NATIONAL POLICY STATEMENTS | Attached | Malcolm Steele |
| | ITEMS FOR INFORMATION | | |
| 6 | TAKING FORWARD THE INDUSTRIAL INVESTMENT PROGRAMME | Attached | Jonathan Spruce |
| 7 | ISSUES ARISING FROM BUSINESS CASE WORKSHOPS | Attached | Jonathan Spruce |
| 8 | FORMAT OF THE BUSINESS CASE | Attached | Jonathan Spruce |
| | ITEMS FOR PRESENTATION | | |
| 9 | NORTH SOUTH TEES INDUSTRIAL FRAMEWORK | Presentation | Sarah Tennison |
| 10 | ANY OTHER BUSINESS | | |

11 DATE OF NEXT MEETINGS

- Tuesday 20 April 2010

Meeting to be held at 2pm – venue to be confirmed

Introduction

1. Tees Valley Unlimited (TVU) Board Members should act impartially and should not use their position on TVU to further their personal or private interests. It is therefore good practice to have, and One NorthEast requires, TVU to have a set of clear procedures for dealing with any conflicts of interest, which may occur during business, whether at the Leadership Board, the Executive or the Sub Boards.
2. The purpose of this note is to advise TVU Board Members what is meant by a “conflict of interest” and to set out procedures for dealing with such conflicts if they occur.
3. Board Members, who are also elected members or co-opted members of one of the Tees Valley Local Authorities, will have signed an undertaking to adhere to a Model Code of Conduct, issued under section 50 of the Local Government Act 2000, and adopted by their authority. Within that Code are requirements relating to the declaration and registration of personal non-prejudicial and personal/prejudicial interests. Local Authority members should have regard to all the requirements of the Model Code when representing their authority on TVU Boards.

Definition

4. A conflict may be defined as an interest in any TVU business which relates to or is likely to affect the financial, commercial, professional or personal interests of an individual member, their relatives, close associates, employer, any firm in which they are a partner, any company of which they are Directors, or the organisation they are representing on TVU.
5. An example of a conflict of interest could be a business representative influencing a decision that will be of financial benefit to that member's business or another business that they have an interest in.
6. The responsibility for declaring an interest and for withdrawal from the meeting room and not improperly influencing a decision on a partnership matter rests with the individual Board Members.

Basic Principles

7. In conducting its business, TVU requires all partner organisations, and their representatives, to act in the overall interests of TVU and its schemes.
8. Partners should accept a collective responsibility for the effective delivery of the funding programmes, which over-rides any individual interests (corporate or personal).
9. Partners should declare an interest when involved with partnership business and act at all times in good faith, in the best interest of the schemes and the local area.

Procedures

10. In conducting TVU business, the following procedures will be applied:
 - (i) A standing item, regarding conflicts of interest, will be included on each agenda at the start of TVU meetings. All members should declare the existence and nature of any interests at this point. Details of the declaration will be recorded in the Board's minutes. If members arrive part way through a meeting they should declare any interest at the start of the relevant item or as soon as it becomes apparent that they have an interest;
 - (ii) TVU will maintain a register of such declared interests, detailing the nature and extent of such an interest;
 - (iii) Where a conflict of interest occurs, the Board member should withdraw from the meeting room whilst the relevant business is being considered / determined and, must not vote or otherwise improperly influence decisions on that business;
 - (iv) In respect of collective decisions, such as partnership quarterly grant claims or the approval of annual delivery plans, partnership members should consider the issues in respect of the *other* elements of the schemes and not their own projects or interests. *In practice, this means that within the context of an overall scheme decision, members should vet each other's claim or submission.*

In the case of Local Authority Board Members they should consider whether they have a personal non-prejudicial or personal/prejudicial interest in any matter, as defined in the Model Code of Conduct for Local Authority Members. Where a member has a prejudicial interest in a matter they should leave the meeting room and must take no part in the discussion or voting on the business concerned.

If partnership members require further advice on conflicts of interest, they should contact **Linda Edworthy, Senior Assistant Director (Corporate Support) at the Tees Valley Joint Strategy Unit (01642) 264908.**

ECONOMIC STRATEGY BOARD

Meeting held at City Learning Centre, Eston at 2.00pm on Tuesday, 14th July 2009

ATTENDEES

Councillor David Budd	Middlesbrough BC	Chair
Mike McNulty	Environment Agency	
Keith Robinson	Keith Robinson & Co	
Steve Petch	Darlington BC	
Ray Bryant	North Yorkshire CC	
Stan Higgins	NEPIC	
Richard Buckley	Tees Valley Regeneration	
Richard Poundford	Stockton on Tees BC	
Jonathan Lamb	Business Enterprise North East	
Susan Hanley	ONE	
Sandra Cartlidge		
Graham Collinge	GENECON	
Malcolm Steele	TVJSU	
John Lowther	TVJSU	
Jonathan Spruce	TVJSU	
Sarah Johnson	Stockton BC	

APOLOGIES

Councillor John Williams	Darlington BC
Councillor Mark Hannon	Redcar and Cleveland BC
Councillor Bob Cook	Stockton on Tees BC
Malcolm Potter	Tees Engineering Alliance
Nigel Kidwell	Jackson Solicitors
Nigel Perry	Centre for Process Innovation
John Anderson	Darlington BC
Martyn Pellew	PD Ports

1 APPOINTMENT OF CHAIRMAN

It was agreed that Councillor David Budd be appointed Chairman for this meeting only.

2 CONFLICTS OF INTEREST

None.

3 NOTES OF MEETING ON 21 APRIL 2009

The minutes of the meeting held on 21st April 2009 were agreed as a true record.

4 MATTERS ARISING

Tees Valley Bus Network Improvements

It was noted that a bid of £62 million had been granted entry to the Government's forward programme. Market prices were expected at the end of the year. The project was expected to start early 2010 and be finished by 2012.

Regional Funding Advice Round 2

It was explained that although the advice had been submitted at the end of February there had been issues with the A19 schemes. At a meeting of the Interim Transport Board, chaired by Nick Brown, it was explained that forecasted under spending over the next 3 years needed to be corrected. Two of the A19 schemes in North Tyneside had now slipped to 2017/18. As a result, £30 million had been contributed to the Tees Valley Metro Phase 1 and £5 million to the East Billingham Corridor. Money could also potentially be allocated to regional smart ticketing scheme, which was to be rolled out by 2012.

Community Infrastructure Fund

The Board was informed that since the last meeting the bid had been submitted. This was a £4 million scheme to improve conditions on the A19 and A66 to allow the housing growth point sites to go ahead. It was expected that an answer would be received later in July.

5 NORTH AND SOUTH TEES PROJECT UPDATE

Members were provided with an update on the North and South Tees project.

It was explained that a detailed presentation would be given at the next meeting as the study was due to be complete in late September/early October.

The Board was given details of the draft stage 1 reports that had been received. The key issues coming from the reports were highlighted and it was noted that they were currently being reviewed before being issued in final form.

The Board was informed that in order to test the research so far, two workshops had been held one for the public sector and one for the private sector. Details of the initial feedback received from the workshops were provided to the Board. Board members noted that there had been a good attendance at the workshops and that it would be good to feedback to the attendees. JS noted that the consultants were currently doing a summary report and that a link to this would be sent round to those that had attended.

The Board discussed the Health and Safety Executives 'Advise Against' recommendations. JS noted that TVJSU would be going to the HSE with a longer term plan and that detailed discussions would take place to resolve any issues for the North and South Tees in order to minimise risk.

RESOLVED that the report be noted.

6 DURHAM TEES VALLEY AIRPORT

Consideration was given to a report relating to Durham Tees Valley Airport.

It was explained that in response to the recent consultation on Reforming the Framework for the Economic Regulation for UK Airports, the Joint Strategy Unit had prepared a submission on behalf of the Local Authorities. A copy of the submission was provided to the Board.

In summary, the response rejected totally the proposals and arguments put forward in the proposed regulatory framework justifying the lack of any proposals for the maintenance of regional connectivity to Heathrow, an issue that had been raised by Members previously.

It was noted that discussions were continuing with the Regional Minister and his counterparts in Yorkshire and Humber and the South West, as well as through The Northern Way to try to form a coalition of similar views on regional airport connectivity in an attempt to signal to Government the consequences of the current regulatory framework to regional airports and the clear need for change.

RESOLVED that the report be noted.

7 CORUS TASK FORCE

The Board received a presentation on the Corus Task Force.

It was noted that TVU were working on proposals for the North East to become a centre of excellence for energy and low carbon economy. It was considered that a joint task force with the Government could deliver the new economy for the Tees Valley. A budget for the work was currently being worked up. It was considered that Government involvement from the beginning was important.

The draft proposal had been submitted to ONE who were currently drafting a response.

RESOLVED that the information be noted.

8 ECONOMIC BENEFITS OF GREEN INFRASTRUCTURE

The Board was reminded that they had received a previous presentation on the outcomes of a study into developing a Green Infrastructure network across the Tees Valley and also an update at the last meeting on more recent work to determine the economic benefits of green infrastructure.

MS commented that the strategy had a lot of support in the Tees Valley to establish the best way forward for implementation. A lot of agencies were interested and had made financial contributions. It was considered that it could be held up as a national example of good practice.

The Board received a presentation from GC of GENECON consultants on the key findings of their work.

RESOLVED that the report be noted.

9 ANY OTHER BUSINESS

None.

10 DATE OF NEXT MEETINGS

- Tuesday 13 October 2009
- Tuesday 19 January 2010
- Tuesday 20 April 2010

Meetings to be held at 2pm – venues to be confirmed.

Report of: Director of Joint Strategy Unit
Report to: Planning and Economic Strategy Board
Date: 19th January 2010
Subject: National Policy Statements
Item for: Decision

SUMMARY

1. A number of National Policy Statements (NPS) have been issued for consultation by government:
 - Overarching Statement on Energy
 - Fossil Fuel Electricity Generating Infrastructure
 - Renewable Energy Infrastructure
 - Gas Supply Infrastructure and Gas and Oil Pipelines
 - Electricity Networks Infrastructure
 - Nuclear Power Generation
 - Ports
2. National Policy Statements, along with the Infrastructure Planning Commission (IPC) form part of the new planning regime introduced by the 2008 Planning Act to provide a faster, fairer, more efficient system for considering proposals for nationally significant infrastructure projects. In particular they will cut out often lengthy debates at public inquiries on the 'need' for types of energy or infrastructure. NPSs will show which forms of development are, or are not, in line with government policy. Applications for major infrastructure developments, above certain thresholds, will be determined by the IPC.
3. This report summarises the coverage of the National Policy Statements and highlights some potential implications for the Tees Valley. Key issues include:

- No indication of priority areas for new energy infrastructure provision with the market largely deciding when and where new proposals will come forward
- Insufficient weight given to the statutory development plan and its role in planning future infrastructure requirements
- At regional and sub-regional levels strategic initiatives are being developed to provide a firm basis for making investment decisions about facilitating infrastructure to place the Tees Valley in a strong position to attract new investment and facilitate expansion – the Overarching Energy NPS in particular must acknowledge then need to support future economic strategy and development
- Possible conflicts between increasing fossil fuel generation capacity and the approach to planning for low carbon energy infrastructure
- Little on the relationship between future infrastructure provision and potential development opportunities

Recommendation

4. It is recommended that the Planning and Economic Strategy Board endorse the comments on the National Policy Statements and agree to them forming the basis of a formal response to the relevant Government department.

1. PURPOSE OF REPORT

- 1.1 The government has issued for consultation the first tranche of National Policy Statements (NPS). The purpose of this report is to summarise the content of the NPSs, consider any issues and implications for the Tees Valley, and agree a formal response to the relevant government department. The report also gives some background to the role of the Infrastructure Planning Commission (IPC) and how it will use NPSs to determine applications for nationally significant infrastructure projects.

2. BACKGROUND

- 2.1 The 2008 Planning Act introduced a new planning system for applications for nationally significant infrastructure facilities. The new system covers applications for major energy generation, railways, ports, major roads, airports, and water and waste infrastructure. Under the new system, national policy on infrastructure will be set out in a series of National Policy Statements which can be reviewed by the Secretary of State if there is a change in circumstances. Smaller infrastructure projects which fall below the thresholds set out in the 2008 Act (see the individual NPS summaries in this report) will continue to be dealt with under the existing planning system.
- 2.2 A new independent body, the Infrastructure Planning Commission (IPC), will examine and decide applications for new infrastructure development, using the criteria on national need, benefits and impacts set out in the NPS. The IPC can also consider other matters which it considers both important and relevant to its decisions.
- 2.3 NPSs will vary in content depending on the type of infrastructure, the need for that infrastructure, and whether the government has determined that it should establish through the NPS where that infrastructure should be located. Only two NPSs will be location specific – Nuclear Energy and Airports – although other NPSs may set out criteria to be applied in deciding whether a location is suitable, or potentially suitable, for a specified type of development.
- 2.4 The aim of the new planning system is to produce a faster, fairer and more efficient system for considering proposals for nationally significant infrastructure projects. This will be achieved principally by eliminating the often lengthy debate at public inquiries on the 'need' for new significant infrastructure projects such as a nuclear power station. The 'need' element will be covered in the NPS which will show which forms of development are, or are not, in line with government policy.
- 2.5 There will be 12 NPSs. The first 7 draft NPSs were published for public consultation in November 2009 and consist of:
- Overarching National Policy Statement for Energy (EN-1)
 - Fossil Fuel Electricity Generating Infrastructure (EN-2)

- Renewable Energy Infrastructure – including wind farms, energy from waste, biomass plants (EN-3)
 - Gas Supply Infrastructure and Gas and Oil Pipelines (EN-4)
 - Electricity Networks Infrastructure (EN-5)
 - Nuclear Power Generation (EN-6)
 - Ports
- 2.6 National Policy Statements EN-1 to EN-6 have been published by the Department of Energy and Climate Change, and the Ports NPS by the Department for Transport.
- 2.7 The following National Policy Statements will be published for consultation in 2010 (Spring to Summer):
- National networks (e.g. strategic roads and railways, strategic rail freight)
 - Waste Water (e.g. sewage treatment infrastructure)
 - Hazardous Waste (e.g. high temperature incineration)
 - Water Supply (e.g. reservoirs)
- 2.8 The final NPS, which will be published in 2011, will deal with Airports.
- 2.9 Under the 2008 Planning Act the Secretary of State, in designating or reviewing an NPS, must have regard to the objective of contributing to the achievement of sustainable development, including mitigating and adapting to climate change and achieving good design. To help achieve this all NPSs are subject to an Appraisal of Sustainability (AoS) covering the economic, environmental and social effects of the policies in the NPS. Where necessary NPSs will also be subject to Strategic Environmental Assessment.
- 2.10 There is no set period for NPSs and they will remain in force until such time as they are withdrawn or replaced. The 2008 Act requires the Secretary of State to review each NPS whenever it is appropriate to do so. This could be either a partial or full review of the NPS.

3. NATIONAL POLICY STATEMENTS, LOCAL ISSUES AND THE PLANNING SYSTEM

- 3.1 Applicants will be required to consult local communities and local authorities before submitting an application to the IPC. The IPC will give notice in writing to the relevant local authority, inviting them to submit a local impact report by a specified deadline. The Planning Act is not prescriptive about what should or should not be included in a local impact report – it is for the local authority to determine what they regard as relevant taking account of the likely impact of the proposed infrastructure development on any part of the authority's area.

The IPC must have regard to the local impact report in coming to a decision on the planning application.

- 3.2 The new system for nationally significant infrastructure projects will operate alongside the current town and country planning process.
- 3.3 NPSs are not part of the statutory development plan (i.e. Regional Spatial Strategy and Local Development Frameworks) but are statements of national policy which regional planning bodies and local planning authorities must have regard to when preparing plans and strategies.
- 3.4 NPSs should not unnecessarily delay the process of preparing development plans, including regional strategies. Local planning authorities and regional planning bodies should consider the extent to which emerging plans and strategies can reasonably have regard to emerging NPSs, depending on the stage the development plan has reached. If it is not possible to make changes to emerging plans to take account of an NPS it will be necessary to address any issues through an early plan review. In cases where development plans have not been updated to take account of a particular NPS, the NPS is likely to be a material consideration which the local planning authority will have to take into account when determining planning applications.
- 3.5 NPSs can also include policies that may need to be taken into account by other decision makers as well as the IPC. For example the Ports NPS sets out government policies for all types of port infrastructure – both above and below the thresholds set out in the Planning Act. Local planning authorities and others should therefore take account of such policies when considering planning applications.

4. CURRENT NPS CONSULTATIONS

- 4.1 This section summarises each of the consultation NPSs and highlights some of the potential implications for the Tees Valley. The Overarching Energy Policy NPS (EN-1) should be read together with each technology specific NPS (EN-2 to EN-6) as it sets out the key principles that the IPC will take into account in determining energy infrastructure applications, as well as setting out the national need for different types of energy.

Overarching National Policy Statement for Energy (EN-1)

- 4.2 The Overarching National Policy Statement establishes national policy for major energy infrastructure provision. The objectives of government energy and climate change policy for the power industry are to reduce emissions; provide security of energy supply; expand grid capacity; keep costs down, and contribute to sustainable development.
- 4.3 A large number of power stations are due to close over the next 10 to 15 years (oil, coal and nuclear) and significant new electricity generating capacity is needed to meet future demand and ensure that peak demands and unexpected events do not lead to interruptions in supply. The NPS sets out a

diverse energy mix to deliver the new capacity requirements and makes clear that the IPC does not need to consider the relative advantages of different technologies. By 2020 around 30% of future electricity generation will be from renewable sources. Nuclear power will potentially amount to 40% of new capacity by 2025. New fossil fuel electricity generating stations with carbon capture and storage are expected to be operational by 2020, and a 'smarter' electricity grid for distribution is required. Imported gas will become increasingly important as production in the North Sea declines and will require new infrastructure.

4.4 The NPS sets out five key principles which will guide the IPC when deciding applications:

- If development contributes to meeting need and is in accordance with the NPS, then consent should be given;
- Regard should be had to local impact reports and other matters considered relevant and important;
- National, regional and local benefits (environmental, social and economic) should be taken into account;
- Adverse impacts should be considered, including longer term and cumulative impacts and proposed mitigation, and
- If the IPC considers that the adverse impacts (after mitigation) outweigh the benefits, then consent should be refused.

4.5 In the event of a conflict with existing planning policy, the NPS will be followed.

4.6 The NPS identifies a series of criteria and impacts applying to all energy infrastructure projects which the IPC will take into account when reaching a decision:

- Good design
- Air emissions – impact on the health of ecosystems and Air Quality Management Plans
- Biodiversity – particular consideration of impacts of designated sites and mitigation
- Aviation and defence interests
- Coastal Change – resilience to coastal change, taking account of climate change, impacts on marine biodiversity
- Nuisance from noise, odour, dust, light, smoke etc

- Flood risk – Flood Risk Assessment is required. Development in a flood risk area must be designed to remain operational if floods occur
- Historic Environment
- Landscape and Visual Impacts
- Land use – impacts on high quality agricultural land, coastal recreation, open space, sports facilities
- Social and Economic Impacts
- Traffic and Transport – mitigation of impacts will be required
- Waste Management – requires effective management of hazardous and non-hazardous waste
- Water Quality and Resources – regard to the Water Framework Directive

Potential implications

- 4.7 A number of issues and concerns have been raised nationally by several key stakeholders over the government's approach to energy infrastructure in the NPSs, including:
- The lack of a locational strategy – the government is leaving it to the market to decide where proposals for new electricity generating infrastructure will come forward. There is no indication of priority areas for new infrastructure provision and no attempt to steer investment away from areas where such developments are not desirable
 - Little on the relevance of the development plan (Regional Spatial Strategy and Local Development Framework) to the infrastructure decision making process. The NPS should give clear guidance on the weight to be given to the development plan in considering proposals and how they relate to other planned development. The 'need' for an infrastructure development should be considered in relation to development plan policies, local impact, environmental sustainability, and other relevant programmes and strategies
 - Concern that the possible 'fast-tracking' of fossil fuel power stations may deflect action and priorities away from climate change issues and the move to a low carbon economy
 - The NPS should support regional and sub-regional economic needs and development aspirations, and there should be a mechanism to coordinate different generators, different technologies and different supply and transportation of energy

Fossil Fuel Electricity Generating Infrastructure (EN-2)

- 4.8 This NPS covers the provision of large coal, gas and oil fired generating infrastructure over 50MW in capacity. Large power stations need large areas of land, close to transport routes and a way of connecting to the electricity grid network. Some power stations will have a high demand for water and need to be located on the coast, alongside rivers or estuaries.
- 4.9 The government has concluded that new fossil fuel generating capacity with carbon capture and storage will be needed to provide additional and flexible supply. The government expect up to four coal power carbon capture and storage demonstration projects to be operational by 2020. Incorporation of combined heat and power should also be considered as an option.

Potential Implications

- 4.10 A major concern is that the NPS contains no guidance on preferred locations for new power stations. The NPS should be more prescriptive about which conditions would be favourable to help meet other spatial planning objectives, such as:
- Use of previously developed land
 - Proximity to compatible/incompatible uses, including protected wildlife sites
 - Proximity of carbon capture and storage facility
 - Proximity to the demand for energy use
 - The extent to which local communities and/or the perception of an area might be disadvantaged, and
 - The spatial framework for the area, including aspirations of landowners
- 4.11 The overarching NPS states that need is to be accepted for all types to ensure a range of technologies are included in the energy mix to ensure security of supply. However, there should be further information setting out the level of provision for each technology. At the very least, there needs to be a strong mechanism for monitoring applications to ensure a suitable mix is coming forward and gaining permission. There is a danger that a specific technology (i.e. the most economically viable) will dominate the market, resulting in an inappropriate mix that may not meet the requirements.
- 4.12 There is a presumption that CCS will be commercially viable, although this may still be open to debate. Although the NPS makes provision for this scenario by stating that a regulatory approach to managing emissions may be needed, this could result in the UK not being able to provide sufficient low carbon energy at 2025 and beyond. It seems obtuse to on the one hand take a proactive approach to planning for low carbon energy infrastructure, whilst

on the other promote what could be significant fossil fuel generation capacity without understanding whether this will actually be low carbon.

- 4.13 Power plant over 50MW is already determined by the Secretary of State, rather than within local government, and on the face of it there seems little change in this process. However, the current Section 36 procedures (of the Electricity Act) provide for the Secretary of State to hold a public inquiry into the development if the local planning authority object to a proposal (and this cannot be resolved). This is absent from the proposed procedures and represents a marked change in process. There is concern that local views and technical expertise (as expressed by local planning authorities) will not be given due weight within the new regime and within the NPS, Indeed, more clarity of the process of affording weight to local planning authority concerns should be provided. It is important that local/sub-regional views, evidence on planning policies, and technical expertise are fully aired.
- 4.14 Currently local planning authorities get up to 4 months in which to formally respond to government on major power generating development. It would appear that this will be cut to 28 days within the new system (albeit with an additional 28 day period at pre-application stage). Even with amended procedures, there is concern that this would be far too short a period to allow an adequate response be considered and agreed, especially if the local authority planning committee is required to be involved.
- 4.15 Other issues of concern include:
- The need to assess the impact of grid infrastructure at the same time as power plant applications
 - The importance of monitoring conditions and planning obligations
 - The need to consider the implications of Hazardous Substance Consents, the COMAH regulations, and the potential impact of HSE constraining future developments around major infrastructure development
 - Landscape and visual impact needs to be given significant weight – the emphasis on high quality design should not be limited to simply minimising adverse impacts
 - The implications of plant decommissioning must be built into the process, particularly impact on local communities
 - The combined effects of carbon capture storage infrastructure should be fully considered in tandem with wider power projects

Renewable Energy Infrastructure (EN-3)

- 4.16 This NPS relates to large energy generation developments from on shore wind, biomass and waste plants (over 50MW generating capacity) and off shore wind (over 100MW generating capacity). With the national need for different types of energy infrastructure required over the next 10-15 years set out in the Overarching Policy Statement for Energy (EN-1), the government estimates that by 2020 about 30% of electricity generation will be from renewable sources – primarily wind generation with smaller amounts of ‘bioenergy’, with more of the latter becoming desirable and possible.
- 4.17 Biomass and Waste Combustion – biomass and waste which would otherwise go to landfill can be used to generate energy through combustion. Transport movements will be high and good connections required. Applications involving waste should be in conformity with the waste hierarchy and should not prejudice the achievement of waste management targets.
- 4.18 Onshore wind – turbines usually generate between 2-3.5MW and have a limited lifespan. The NPS advises the IPC to limit consent to 25 years and require removal afterwards. Key considerations include proximity of housing (visual amenity and noise), connection to the electricity network, access and impacts on national designations.
- 4.19 Offshore wind – many offshore windfarms require significant onshore infrastructure to bring in electricity, including very large sub-stations and possibly overhead lines. These should form part of the application to the IPC.

Potential Implications

- 4.20 The thresholds set by the NPS as nationally significant for wind farms and combustion plants have not been reached by any applications to date in the Tees Valley, although a number of biomass plants have been just below the threshold and the cumulative impacts could be significant.
- 4.21 With regard to biomass and waste combustion proposals, concerns include:
- The need for a detailed assessment of transport options in terms of economics and sustainability with applicants justifying the options chosen to allow the IPC to address all impacts and benefits of the proposal
 - The NPS should reflect priority to brownfield locations as many developments can have some flexibility in their location requirements
 - While the NPS gives support to proposals that will recover residue materials, where such recovery forms part of a proposal there should be sufficient evidence provided to allow an informed decision to be made.
- 4.22 Regarding onshore wind the balance between the potential impacts of a site and its efficiency should be a consideration of the IPC. The installation of test

masts prior to application submission could be a useful way of assessing economic viability and maximising potential energy capture from a limited resource – the capacity of a landscape to accommodate turbines.

- 4.23 Bird collision is an issue with windfarms, and the NPS should require an assessment to take account of the importance of bird populations against the benefits of the proposed scheme.

Gas Supply Infrastructure and Gas and Oil Pipelines (EN-4)

- 4.24 This NPS covers large underground gas storage and liquid natural gas facilities; large gas reception facilities; gas transporter pipelines conveying gas to at least 50,000 potential customers; and oil and gas cross country pipelines over 10 miles in length. In England the IPC will decide all relevant applications. Offshore gas storage, infrastructure and pipelines, will be determined by the Secretary of State for Energy and Climate Change.
- 4.25 Underground Natural Gas Storage – nationally significant underground natural gas storage facilities will hold 43 million standard cubic metres of gas or higher; or will have a projected delivery flow rate capacity equivalent to 4.5 million standard cubic metres of gas per day or higher. Gas needs to be stored where it can enter the transmission system quickly at times of high demand, and where longer term storage can take place. Porous rocks in a depleted or partially depleted oil or gas field, salt caverns, and aquifers offer suitable locations. The main areas where thick natural layers of salt are found are in northern England. Specific criteria relate to water quality and resources – in a salt cavern water abstraction and disposal of brine will need to be addressed.
- 4.26 Liquid Natural Gas Import Facilities – these are major installations, which need to be located on the coast away from areas of population, where tanker unloading facilities including a deepwater jetty, large storage tanks and re-gasification plant can be accommodated. Specific criteria include the impact of dredging on designated marine and coastal habitats, protected species, the water environment, coastal processes and geomorphology which will need to be considered, together with the need to mitigate visual impacts.
- 4.27 Gas Reception Facilities – these receive and process gas to a form in which it can be used in domestic appliances. They need to be linked to the on shore and off shore gas supply infrastructure. Nationally significant gas reception facilities will have a projected maximum flow rate of at least 4.5 million standard cubic metres of gas per day.
- 4.28 Gas and Oil Pipelines – these networks link import facilities, refineries, storage and distribution facilities. Where possible the proposed route should avoid impacts on National Parks or Areas of Outstanding Natural Beauty. Elsewhere the character of the landscape should be taken into account and mitigation provided. Impacts on groundwater will need to be assessed and mitigated, and the suitability of the geology for gas storage considered.

Potential Implications

- 4.29 The North and South Tees Industrial Development Framework summarises current gas supply infrastructure in the industrial area around the Tees Estuary, and identifies a number of issues/opportunities:
- There is excess capacity of gas in the North/South Tees study area caused by a drop in consumption as some industrial users have closed or contracted (although a recent new customer may take up much of this spare capacity and this may have an impact on further developments in the area)
 - There is significant potential for liquid/gas storage, particularly in the brine cavities in the N Tees area; there is however a significant cost associated with testing and proving a redundant cavity is suitable for re-use as a storage cavity
 - Land ownership is a significant constraint to the development of new, and the use of existing, pipelines; particular issues include potential ransom demands, costs of using/leasing existing pipelines, and lengthy legal processes to obtain wayleaves
- 4.30 The NPS sets out clearly the issues that will need to be considered by an applicant for underground natural gas storage, LNG import facilities, gas reception facilities, and gas and oil pipelines. The IPC will need to be assured that all relevant safety, environmental, and locational considerations have been met.
- 4.31 The NPS highlights the potential increased demand for gas storage facilities as offshore gas production declines, particularly for a mix of short range and medium range storage. The brine cavities in the North Tees area could be well placed to meet this potential need.

Electricity Networks Infrastructure (EN-5)

- 4.32 This NPS covers above ground electricity power lines for long distance transfer of electricity (275kV and 400kV) and distribution systems (lower voltage power lines 132kV and above) and associated infrastructure e.g. sub stations. Lines below 132kV are only included if they are associated with a nationally significant infrastructure project which will be determined by the IPC and is applied for at the same time.
- 4.33 A 'smarter' electricity grid will be needed to support a more complex system of electricity supply and demand, where generation takes place in a wide range of locations across the country. The NPS recognises that whilst desirable, it is not always possible for applications for electricity networks to be submitted at the same time as the related generating plant.
- 4.34 Specific criteria for considering electricity network applications include:

- Landscape and visual impacts – routes should avoid areas of high amenity or scientific interest. Otherwise the most direct route should be followed, avoiding skylines and ridges, maximising tree screening, avoiding concentrations of lines, and in urban areas approaching through industrial zones and considering running routes underground in residential and recreational areas
- Noise – depending on weather conditions, transmission lines emit an audible ‘hum’ or ‘crackle’ which should be minimised, although this is unlikely to lead to a refusal by the IPC. Sub-station noise should be mitigated
- Electric and magnetic fields – these occur around power lines, electric cables and equipment. Applications for 275kV – 400kV overhead lines will have to satisfy the IPC that international safety standards are not exceeded for residential accommodation along the route.

Potential Implications

- 4.35 The NPS appears to be acceptable in terms of considering the impacts and effects of electricity networks in terms of landscape, visual and amenity impacts. The main concern is that there are no considerations regarding how future electricity network infrastructure will impact on potential development opportunities. It is a key concern that future infrastructure does not inhibit the development and regeneration aspirations of the Tees Valley local authorities. It is necessary to ensure that electricity infrastructure has sufficient capacity to deliver the future needs of development and regeneration proposals. There is also no mention of how old infrastructure will be removed and dealt with once new electricity networks have been installed. This should be considered further.
- 4.36 The Tees Valley aims to support improvements in the electricity network which will contribute to the prosperity of the sub-region. It is important that the energy network provides certainty of energy supply and uses excess heat and steam for industrial use to help resist global fluctuations in energy prices. The overall strategic aim is to develop a low carbon infrastructure that is fully integrated with local industries and technologies. The North and South Tees Industrial Development Framework has noted that grid access should not be viewed as an immediate restriction to the development of new projects in the study area but a rigorous process is needed to investigate potential connections to the National Grid Company and/or the Distribution Network Operator.
- 4.37 It is essential that the provision of electricity networks infrastructure is coordinated with the provision of electricity generating facilities. This will ensure not only that the necessary infrastructure is in place to serve such facilities but also to minimise the amount of infrastructure required and ensure

the use of that provided can be maximised. Given the potential for the provision of energy generating facilities in Tees Valley as part of a low carbon economy it is important that the electricity networks infrastructure does not result in an uncoordinated mesh of power lines crossing the area. It is equally important that this infrastructure when provided has enough capacity to be able to accommodate the electricity generated from facilities provided in the future.

Nuclear Power Generation (EN-6)

- 4.38 The NPS for Nuclear Power Generation establishes the need for nuclear power stations, the locations considered to be potentially suitable, likely impacts which could result and measures which a developer will be expected to take into account to reduce adverse impacts.
- 4.39 In 2008, the government decided that nuclear power stations should have a role to play in the future energy mix. Currently there are 10 nuclear power stations in the UK, providing around 13% of the electricity supply and all but one of these will close by 2023 on current schedules. The Government expects the first new nuclear power station(s) to be operational from around 2018, and that by 2025 nuclear power generation could potentially amount to around 40 % of the new energy provision.
- 4.40 During 2009 eleven sites were put forward by energy companies as locations for new nuclear power stations. In preparing the draft NPS for Nuclear Power Generation the Government undertook a Strategic Siting Assessment, assessing sites against a range of criteria, and now considers ten of these to be potentially suitable. The NPS consultation is seeking views on all of these sites and there is no hierarchy in terms of potential locations. One of the identified potential locations is Hartlepool.
- 4.41 The NPS sets out the Government's view on the management and disposal of radioactive waste and considers that effective arrangements will exist to manage and dispose of waste, and is satisfied that spent fuel and high radioactive waste from new build is expected to be disposable. Decommissioning can take 30 years and the IPC will need to be satisfied that funding is in place to cover the full costs of this and any share of waste management and disposal costs.
- 4.42 Operators will be required to obtain authorisation from, and comply with conditions set by, the regulators to ensure safety and protection. In addition security measures will need to be included in any plans. The Health & Safety Executive and Environment Agency are currently assessing the suitability of two different reactor designs for use in the UK.

Potential Implications

- 4.43 During an earlier consultation carried out in April/May 2009 on the Strategic Site Assessment for potential nuclear energy locations, Hartlepool Borough Council agreed that the nomination of a site for a new nuclear power station at

Hartlepool did merit further investigation by the government in its preparation of the draft NPS. The Council's decision took account of local studies to assess the economic and environmental impacts of a new station at Hartlepool. An inter-departmental officer group within the Council has been established to help manage the process, and the Mayor in particular has expressed his intention to encourage a full and open debate on the subject that could help inform the Council's position on the nuclear power proposals within Hartlepool.

- 4.44 To help inform public debate Hartlepool Borough Council has liaised with partners within the Economic Forum and the Environment Partnership to produce an economic impact study and a high level assessment of the environmental implications of a new nuclear power station. The Borough Council is now progressing arrangements for consultation of the NPS and these include:
- A "Question Time" session on 26th January – a panel representing a variety of interest groups/organisations will be gathered and it is intended that EDF Energy and the Department of Energy and Climate Change will be invited
 - A dedicated website for comments – this will be open until 1st February and can be accessed through the Council's homepage www.hartlepool.gov.uk
 - A survey using the Council's Viewpoint 1000 group
 - An additional Cabinet meeting to discuss the issue and agree a response to the NPS consultation
- 4.45 The nuclear debate, and whether or not planning permission is ultimately granted by the IPC for a new power station in Hartlepool, is a good example of why it is important for the Tees Valley to lobby from an economic development perspective for the provision of the necessary electricity infrastructure to distribute effectively the electricity generated from new energy developments.

Ports

- 4.46 The NPS notes that national forecasts suggest that expansion of port capacity will resume after the recession, and that this is most likely to occur in the container and 'roll-on roll-off' sectors. The NPS shows why it is in the national interest for ports not only to meet the total estimated need for new capacity, but also to adapt to changing patterns of demand, encourage competition and build national resilience.
- 4.47 The NPS aims to:
- Encourage sustainable port development to cater for long-term forecast growth in imports and exports
 - Allow the ports industry to make informed judgements about when and where new development might take place

- Ensure all proposed developments satisfy the relevant legal, environmental and social constraints and objectives
 - Encourage port operators to develop master plans as the basis for engaging with their neighbours, users and other stakeholders from the earliest stage of project formulation
- 4.48 The NPS applies to major developments, at either an existing, or new port, and each adding at least:
- 500,000 teu of containers (a teu is a twenty foot equivalent unit: most containers are 40ft long so these count as 2 teu each);
 - 250,000 roll-on roll-off units, mainly lorries, unaccompanied trailers or trade vehicles, or
 - 5 million tonnes of other types of cargo

Potential Implications

- 4.49 A principal concern is that the NPS seems to act as a replacement to national, regional and local policies. Whilst it is recognised that there are benefits of streamlining the decision-making process, this should be done within the spirit of the wider spatial planning system. The NPS should complement the existing policy framework rather than overriding it. There are elements of the NPS which are directly at odds with existing planning policies at all levels. The NPS is focused purely on delivering the economic benefits associated with large infrastructure developments, rather than taking a balanced view to consider the wider economic, social and environmental implications of the development.
- 4.50 The spatial planning framework in the statutory development plan is based upon having a clear and robust strategy that is to be delivered, taking into account the full range of benefits and impacts. This NPS is a departure from this ethos as there is a complete absence of strategy. It is more a list of factors that the IPC will have to look at when dealing with applications.
- 4.51 The NPS makes little reference to how national Planning Policy Statements (PPSs) will be considered. The NPS aims to incorporate all considerations, but does not make clear if these are instead of PPS or as a supplement to them.
- 4.52 Although the NPS contains demand forecasts, it does not specifically detail where and how such demand should be distributed amongst the regions. The NPS should be clear about the level of need for future capacity and it would be preferable if there was some strategic thinking to lead the NPS, so that port development can deliver specific aims and objectives. For example, economic growth and job creation could be targeted throughout the country. If the NPS set out where the increase in ports capacity (in quantitative and qualitative terms) should be located, then full consideration could be given to

improving infrastructure networks and housing delivery to support this. This approach could also result in shorter road haulage miles and reduced CO₂ emissions. Clearly transport infrastructure will need to be part of the IPCs consideration of major port development.

- 4.53 There is no guidance on the preferred approach to selecting suitable sites. For example, whether preference should be given to expansion of existing facilities over creating new ones or preferring the use of brownfield over greenfield sites.
- 4.54 There is little reference to the role of RSS/LDF in the decision making process for the IPC. As spatial plans, and statutory development plans for the area, proposals for major ports are likely to have been considered in the preparation of the documents, which have been subject to full public consultation and examination in public.
- 4.55 There is no reference to how the aspirations of adjacent landowners will be taken into account. There should be no presumption that port development will be the most economically advantageous (and therefore most appropriate) use of a particular piece of land, especially if there is an agreed strategic framework for the area.
- 4.56 The NPS reflects the importance of protecting national and European wildlife sites, but does not state whether compensation/mitigation will be required for impacts on local sites.

5. RECOMMENDATION

- 5.1 It is recommended that the Planning and Economic Strategy Board endorse the comments on the National Policy Statements and agree to them forming the basis of a formal response to the relevant Government department.

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Report of: Senior Assistant Director, Tees Valley Joint Strategy Unit
Report to: Economic Strategy Board
Date: Tuesday 19 January 2010
Subject: Taking Forward the Industrial Investment Programme
Item for: Discussion

SUMMARY

1. Over the last three months of 2009, the Joint Strategy Unit prepared The Low Carbon Economic Transition Plan showing how the City Region could benefit from the potential growth in low carbon industry, building upon our existing strengths. The Plan concluded with a series of eight key actions to maximise these opportunities.
2. These specific actions have now been superseded by the need to take forward priorities within the Government's £60 million support package in the wake of the news about the mothballing of Corus' operations at Redcar – called the Tees Valley Industrial Investment Programme.
3. It has been made clear by Government that ONE and BIS jointly held responsibility for the expenditure of the £60 million investment programme, as they are putting £30 million each towards the programme. ONE has also decided to set up a task group to implement the programme.
4. It is essential that the Industrial Investment Programme has the full involvement of TVU, and so this paper has been prepared to outline the emerging governance structure for the programme and the links with TVU.
5. Board Members' views on the paper would be welcomed.

1. INTRODUCTION

- 1.1 Over the last three months of 2009, the Joint Strategy Unit prepared The Low Carbon Economic Transition Plan showing how the City Region could benefit from the potential growth in low carbon industry, building upon our existing strengths. The Plan concluded with a series of eight key actions to maximise these opportunities.
- 1.2 One of these actions was the development of a strong governance structure to make the Plan a reality. The need for an accountable governance structure was intensified with the Government announcement of a £60 million support package in the wake of the news about the mothballing of Corus' operations at Redcar – called the Tees Valley Industrial Investment Programme. Half of this package was specifically identified for the types of activity set out in the Plan, to help the Tees Valley to make the most of the opportunities in the developing low carbon economy.
- 1.3 At a meeting with ONE on 18 December 2009, it was explained that BIS had made it very clear that Alan Clarke and Phillipa Lloyd (BIS) jointly held responsibility for the expenditure of the £60 million investment programme. It was also stated that ONE has decided to set up a task group to implement the programme.
- 1.4 It is essential that the Industrial Investment Programme has the full involvement of TVU, and so this paper has been prepared to outline the emerging governance structure for the programme and the links with TVU.

2. INDUSTRIAL INVESTMENT PACKAGE

- 2.1 ONE has confirmed that the package consists of two elements – £30million of new money from the Strategic Innovation Fund of BIS, and £30 million from ONE. The resource has to be spent by the end of March 2011. It is expected that the £60 million be additional to mainstream programmes and where possible should be matched by ERDF and other mainstream resources.
- 2.2 The Industrial Investment Package contains the following elements:
 - a). **Apprenticeships** – to continue and expand employment related training in the Tees Valley through training 150 engineering apprentices, including high level and graduate apprenticeships. It includes current and recently qualified apprentices facing redundancy (or having been made redundant) and the transition of apprentices undertaking programme led apprenticeships into employed status.
 - b). **Enterprise and Business Support** – to support additional activity focusing on the establishment of new enterprises including those developed by redundant workers. The specific activities supported will also include investment in incubation premises and links to business advice including access to finance.

- c). **Engineering Diversification** – to enable the engineering design industry to diversify its new activities through technology transfer, training and new business practices. It will look at the potential for new growth markets, particularly offshore wind, CCS infrastructure, nuclear and new energy networks.
- d). **Innovation** – to take forward the development of 5 applied R&P projects on biomaterials, and looking at CCS through algae activity. The programme will look at new projects e.g. Ensus, Ineos Bio, Pyreco and Impetus and existing capacity at Wilton Centre and the Corus Teesside Technology Centre.
- e). **Energy** – to enable industry to implement technology and energy management solutions and provide real demand reduction and reduce carbon intensity before the EU Carbon Emissions Trading Scheme. The programme will utilise the research of CPI and the Teesside University National Industry Symbiosis Programme, focusing on making use of energy such as heat and steam that is currently being wasted. Primary activity will be to develop a detailed business case for funding from private and existing public sector resources such as the Carbon Trust Loan Scheme.
- f). **Carbon Capture and Storage** – to carry out detailed engineering study and preparation of full business case to provide a carbon capture storage facility for industrial emitters. Such a facility would complement existing plans for CCS linked to power generation from clean coal. The work must be completed by September 2010 in time for a decision by DECC that the Tees Valley is one of four pilot CCS proposals part funded by Government.
- g). **Investment Support** – to provide extra support for companies to develop their proposals in the £8 billion pipeline of development.
- h). **Infrastructure** – to enable vital site preparation to take place to attract specific investments. The work will comprise:
- Investment required to secure the future use of Corus land for alternative industries;
 - Gauge enhancement of Teesport - Darlington section of the rail network;
 - Feasibility work on developing a public/private sector partnership to take over the management and operation of pipelines;
 - The development of a strategic plan to deal with connections to the national grid and local electricity network;
 - Identification of a technical panel of regulatory agencies to speed up development; and,

- Any land remediation works required to enable development to go ahead.

2.3 These eight elements include all of the main requests of Government included within the Low Carbon Transition Plan (and the majority of these are contained within the 'Infrastructure' package, which has since been combined with the Investment Support package).

2.4 There is therefore a great opportunity to take forward the Low Carbon Economic Transition Plan within the Industrial Investment Programme, but is essential that TVU plays a full and active part to ensure that the Transition Plan becomes a reality and the opportunities for the Tees Valley are maximised.

3. GOVERNANCE OF THE PROGRAMME AND TRANSITION PLAN

3.1 During the development of the Transition Plan, an emerging thought was that it be taken forward by a governance structure being made up of:

- A high level Project Board, meeting monthly in the first instance;
- A number of sub-groups, each tasked with taking forward one each of the main actions at the end of the Plan, or main elements which the support package will fund; and
- A Wider Reference Group, to which progress will be reported and views sought, building on the success of the private sector engagement events held as part of the North and South Tees IDF work.

3.2 However, as noted in paragraph 1.3, ONE has decided to set up a task group to implement the programme. This task group comprises the organisations invited to the meeting in December 2009, namely:

- ONE – Ian Williams;
- Joint Strategy Unit – John Lowther;
- Tees Valley Regeneration – Neil Kenley;
- Middlesbrough Council – Sandra Cartlidge;
- Redcar & Cleveland Borough Council – Ian Wardle;
- NEPIC – Stan Higgins;
- CPI – Nigel Perry;
- SABIC – Paul Booth; and
- Huntsman – John Shipman.

- 3.3 Given that most of these people were suggested members of the high level Project Board outlined in paragraph 3.1, it would seem that to set up such a Project Board would involve significant duplication. Hence, it is now suggested that the ONE Task Group replace the proposed Project Board.
- 3.4 There is still a clear and agreed need to have a series of sub-groups taking forward each of the individual elements of the programme. At the December 2009 meeting, ONE proposed that for each of the workstreams there will be a ONE lead and a local partner lead. Given the insistence from BIS on retaining an element of responsibility, this would seem the most appropriate course of action.
- 3.5 However, it was agreed that TVU would provide the lead on the Enterprise and Business Support and Infrastructure workstreams, with involvement in all of the others. ONE is preparing a schedule of proposed membership for each of the sub-groups.
- 3.6 Again, this seems a sensible approach, and a scoping meeting for the Enterprise and Business Support workstream, involving all five Boroughs (as the funding can be used across the Tees Valley) was held on 7 January.
- 3.7 The JSU and ONE met with Northern Way representatives on 17 December to start the next stage of design work for the gauge enhancements, and outline briefs are being prepared for the work on pipelines and grid connections. The JSU has asked that Redcar and Cleveland Borough Council be asked to take responsibility for leading on any issues related to the use of the Corus land.
- 3.8 The JSU has also asked that there be TVU representation on each of the other workstream sub-groups to ensure that TVU is fully involved as work is scoped out under each one. There may also be individual Borough representation where applicable, such as Redcar and Cleveland's involvement with the CCS workstream developing the Progressive Energy proposal.
- 3.9 To ensure that these efforts are co-ordinated, the JSU will convene fortnightly (at least initially) meetings of the TVU Lead Officers of all of the sub-groups. These meetings will then produce reports for the on progress would go to the Directors of Regeneration, Directors of Environment and Chief Executives' meetings.
- 3.10 For the Investment Programme itself, this just leaves the matter of TVU Board involvement. To avoid duplication, it is proposed to use the Planning and Economy Board and the Leadership Board as the main means of communicating with the broader Tees Valley interests. As representatives on the high level Task Group, Stan Higgins could be asked to report to the former, and Paul Booth the latter.
- 3.11 These proposed arrangements are illustrated in the diagram at the end of this paper, with the red boxes illustrating where TVU is leading elements.

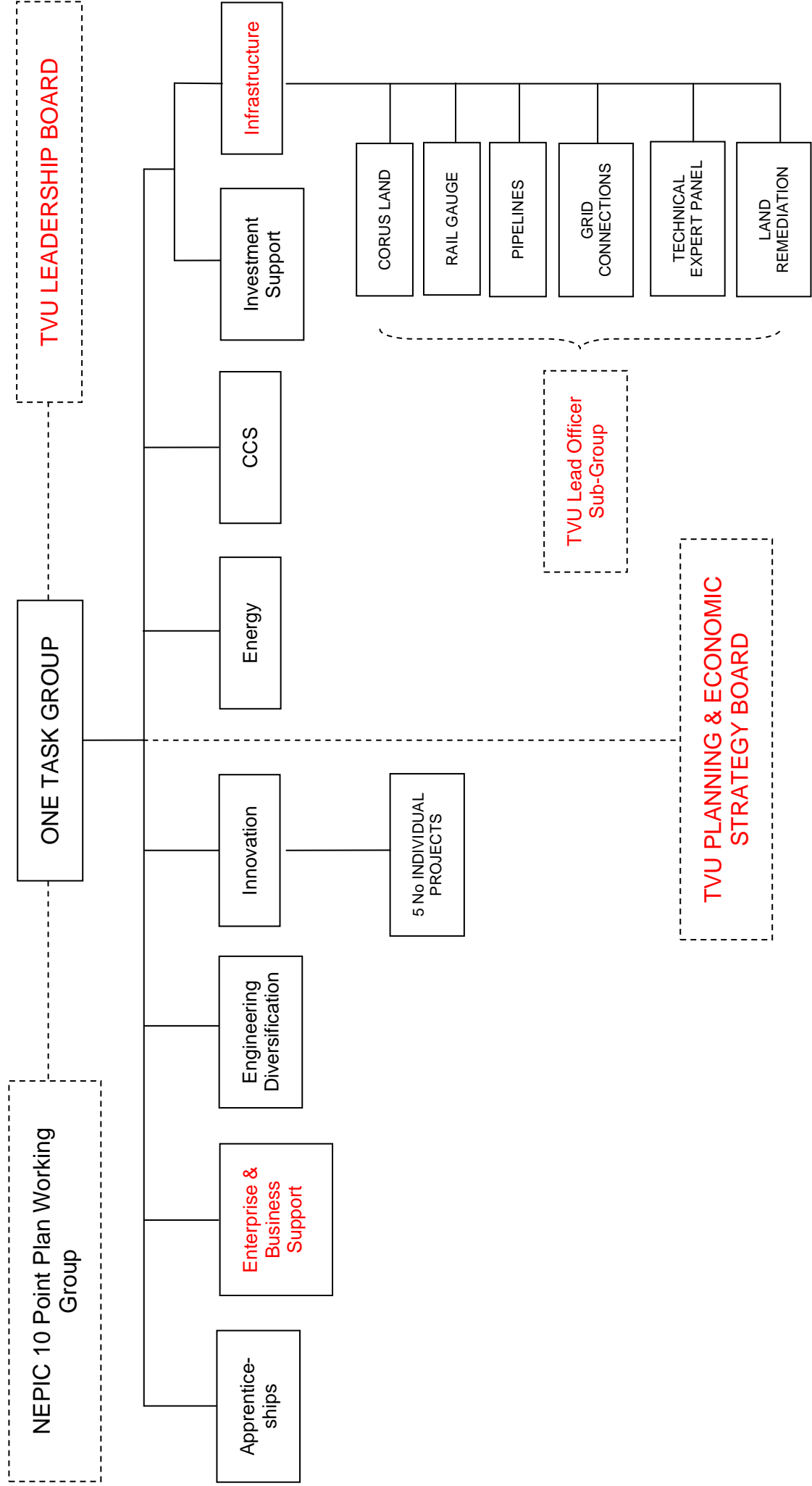
- 3.12 However, the JSU feel that there will need to be reference to a wider group of stakeholders as the Transition Plan is developed further, both at a local level, and also nationally, and the Investment Programme takes shape.
- 3.13 It is therefore proposed to set up a Wider Reference Group to whom key stages will be presented and soundings taken, as for the North and South Tees IDF work. Suggested membership includes:
- Other industry partners;
 - Other Government Departments (DECC, CLG, DfT, DEFRA);
 - Environment Agency;
 - Health and Safety Executive;
 - Natural England.
- 3.14 This group will meet on an ad hoc basis to consider significant outputs, and it is intended that this group will also start the scoping of the Expert Technical Panel suggested under the Infrastructure workstream.

4. RECOMMENDATIONS

- 4.1 Board Members are asked to provide comments on the suggested governance structure outline within this paper.

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TEES VALLEY INDUSTRIAL INVESTMENT PROGRAMME GOVERNANCE STRUCTURE



Report of: Director of Tees Valley Joint Strategy Unit
Report to: Economic Strategy Board
Date: 19 January 2010
Subject: Issues arising from the Business Case Workshops
Item for: Discussion

SUMMARY

The Business Case workshops were extremely well attended and raised some critical issues which need to be resolved in developing the business case. They are:

- a) The format and purpose of the strategy;
- b) The balance of the strategy between improving economic performance and tackling deprivation;
- c) The balance between the low carbon economy and other key sectors;
- d) The need for an enhanced comprehensive start up/business development/incubation programme;
- e) Is there a need for a new approach to regeneration in the light of the credit crunch?
- f) How do we resource housing and regeneration development in the future?
- g) Changing the attitudes of the Tees Valley public towards public transport;
- h) How do we brand the Tees Valley?
- i) How do we better integrate arts/culture/tourism projects into regeneration?
- j) How do we best influence national agencies in the provision of skills needs and demands in the Tees Valley?

The Board is asked for views on these issues.

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1.0 INTRODUCTION

1.1 The purpose of the report is:

- a) Arising from the workshops already held set out the key issues which need to be considered in developing the business case; and
- b) To identify any further work we need to carry out taking forward the business case.

2.0 WORKSHOPS

2.1 We have to date held five workshops on the economy, transport, housing and regeneration, tourism/culture and the arts, and employability and skills. The workshops have been well-attended and the response from the participants has been overwhelmingly positive. The final workshop business investment has had to be postponed twice, once because of the Corus announcement and a special Corus Task Force meeting and the second because of the weather. This workshop will be rearranged.

2.2 The full minutes of the workshops are attached. This report sets out the issues we need to address.

3.0 ISSUES ARISING FROM THE WORKSHOPS

a) What does the strategy look like?

3.1 There is a need to consider the format of the strategy. We still have a number of sub regional strategy documents being produced such as the sub regional housing strategy. Many of these documents are more assessment than strategy. We therefore propose that we have one strategy document for which we need to give a name supplemented by a set of delivery plans which could be sub regional topic based such as transport or local connectivity or a major regeneration project such as Middlehaven.

3.2 A paper proposing the format of the strategy is included on the agenda of this meeting.

b) The balance of the strategy between improving economic performance and tackling deprivation.

3.3 One of the critical questions that is arising from the economy and regeneration sessions is the question of balance between improving economic performance and tackling deprivation. The work we have been carrying out on the low carbon economy is about improving

economic performance and creating GVA which is entirely sensible. The large scale regeneration projects are also about improving economic performance. The critical policy challenge that we need to tackle is to identify how we ensure people from deprived communities can gain access to jobs in these economic growth areas.

c) The balance between the low carbon economy and other key sectors

3.4 Whilst it is accepted that the development of the low carbon economy is a key element in the future development of the Tees Valley economy, it is important that other sectors are not forgotten. There is a concern that at a time of delivering public sector resources, regional agencies and Government will concentrate on the low carbon economy. Key issues such as the development of the advanced engineering sector, the continued development of digital city and innovation connectors in each Borough, the development of logistics, the development of the service sector, small business development and the development of the Northern Gateway Container Terminal and the Darlington Gateway proposals are also important.

d) The need for an enhanced comprehensive start up/business development/incubation programme

3.5 The economic assessment shows that the performance and creation of small firms is improving. There is still much to be done. There is a need to build on the existing programme of business development to identify gaps, develop a proactive approach and speed up progress. The recent consultancy work by GVA Grimley should enable us to develop a clear strategy.

e) Is there a need for a new approach to regeneration in the light of the credit crunch?

3.6 As a result of the credit crunch, questions are being asked as to whether the traditional model for the regeneration of major sites i.e. masterplan, procure and developer and then implement needs to become more flexible. It is noticeable that in the larger sites we have effectively moved away from the one developer approach. The current financial climate therefore means that we need to understand better what the market will provide, divide our larger sites into more manageable parcels, plan sites better with uses that relate to neighbourhood communities and take advantage of opportunities that take place which will benefit a town by transferring resources. A good example is the realisation in Middlesbrough that the area by the Boho has more interest from developers than other areas in Middlehaven.

3.7 A critical issue is to ensure that if we improve economic performance we also improve the quality of life in the Tees Valley by improving the housing, retail and cultural offer which enables us to reduce leakage of

spend out of the Tees Valley. By ensuring that we retain more residents and expenditure in the Tees Valley, we can ensure more retail and service jobs are created for those with lower levels of skills.

f) How do we resource housing and regeneration in the future?

3.8 There has been in the last two years a 50% reduction in ONE Single Programme capital resources and a likely cut in HCA resources of probably 30%. A critical issue for us is how to resource housing and regeneration programmes. As a strategy document we need to include our aspirations but recognise that our delivery period may well be more long term.

3.9 It is clear from discussions with the HCA that local authorities will be expected to contribute more resources to regeneration projects. Most of the Tees Valley authorities have been looking at the potential for prudential borrowing, asset backed vehicles and other initiatives such as Accelerated Development Zones. ONE has also been exploring the use of European funding mechanisms such as Jessica or the European Investment Bank. Two issues arise:

- a) Can we fund our regeneration aspirations and if not how do we prioritise?
- b) Do we need to develop new funding models for regeneration?

g) Changing the attitudes of the Tees Valley Public towards public transport

3.10 One of the issues we face is persuading the Tees Valley public that public transport is reliable, and that this and non-motorised modes are both a viable alternative to the private car as well as having environmental and health benefits. Road congestion is low compared to other parts of the country and the £100 million investment in the transport system already agreed is going to make a major improvement in terms of reliability and quality. Learning from the experience of the Darlington Local Motion project, we will need to use the transport network more effectively and actively promote its benefits. The use of modern technology such as being able to obtain up to date transport information on your mobile phone, the development of the Connect Tees Valley web site and the development of smart ticketing will all help demonstrate a more integrated network that works for everyone in the Tees Valley.

h) Branding in the Tees Valley

3.11 The main issues arising from the Tourism/Culture Arts discussion was the development of a strategy based on a low cost approach to developing over time the Tees Valley brand.

i) Better integration of Tourism, Arts and Culture projects into Regeneration

3.12 We need to be more innovative in making the case for tourism, arts and culture projects as part of the economic development/regeneration agenda.

j) Employability and Skills

3.13 The main conclusions of the workshop were:

- a) The new agency framework for skills and employability is becoming far more centralised on a national basis. Unless we have a clear strategy and an evidence base to clearly set out the Tees Valley needs, we will have training programmes that do not meet our needs.
- b) We need to go down the route of obtaining section 4 powers to influence commissioning of training.
- c) We need to develop the capacity to provide up to date intelligence on skills needs and demands – any restructuring of the JSU needs to create this capacity.

A report on the agenda identifies how this can be done.

4.0 CONCLUSIONS

4.1 The Board is invited to comment on the issues raised in this report.

Business Case Development Event
The Tees Valley Economy
Friday 9 October 2009

Presentation on Globalisation and the impacts on the Tees Valley (Paul Mooney, ONE)

The following points were raised in a discussion following the presentation:

- In relation to climate change concerns were raised as to how seriously some countries were about reducing Co2 emissions. It was noted that there was recognition that there was a wider price to pay for all.
- It was important to recognise the obligation the region has to Tesco and Asda as major employers and also importers. The infrastructure for them to expand needed to be considered.
- Taxation and environmental issues were discussed in the context of globalisation. It was noted that how far we need to adjust our behaviour was the question. There were also the implications of cutting co2 emissions to consider.
- Emissions trading was discussed. It was possible that some competitive advantage could be lost therefore coordination was important.
- It was expected that technological change would have an adverse affect on employment.

Key points (Lee Shostak)

- If there is to be a real focus on how the Tees Valley will earn a living in the future then need an answer the question 'what investment does the public sector need to make to strengthen the Tees Valleys capacity to import and export?'
- In light of the deprivation legacy, what kind of investment do we need to be making to the third sector and the skills of those people so that they are better able to contribute to the economy?

Presentation on The Tees Valley Economy (John Lowther, TVJSU)

The following points were raised in a discussion following the presentation:

- The TV has low levels of people at skill level 4.
- Better links with the trade unions were needed.
- There was a need to improve the intelligence to understand what was happening globally and how this affected the TV. Better links with companies needed to be made in order that issues could be flagged up early. Local managements at chemical companies could also play a part.
- It was noted that the impacts of the changes in working practices as a result of the recession and the ways in which employers and trade unions had been reacting to retain jobs could mean that some changes could become more permanent.

Key points (Lee Shostak)

- The future of the economic strategy must highlight what else we need to do in relation to education, learning and skills.
- There has been a lot of good news in the press, particularly changes in the TV vs changes nationally. The TV has gotten its fair share of economic growth which is most likely a mixture of luck, location and the efforts of TV partners.
- The kinds of decisions made in the economic strategy and business case in terms of what we are going to do and what help we need are critical to maintain momentum and address the recession.

Group discussions took place to consider the following questions:

1. Does the material that has been presented feel right – is it the Tees Valley you recognise?
2. Are there any other key issues that are missing and need to be considered?
3. What are the three key challenges for Tees Valley moving forwards?

The following feedback was presented:

Table 1

Q1. Yes but:

- Flagged up the issue of the age profile and qualifications of those in the key industries.
- Considered that there were gaps in the information on the service sector and that a better understanding of this was needed.

Q2. It was considered that:

- More detail and information is needed on external companies regionally and internationally.
- A concern was raised over the third sector not being involved in the event as it was considered they had a key role to play.

Q3. Challenges:

- Generating aspirations in the community.
- Managing the balance between the short, medium and longer term.
- Getting the balance right between the public and private sector in the economy.

Table2

Q1. Yes but highlighted the need for key strategic choices.

Q2.

- Highlighted the need for updated data.
- Considered that branding for the Tees Valley was missing and that in order to create confidence we need to create the right business conditions.
- There is a need for Leadership in the Tees Valley.

Q3. Challenges:

- Being joined up – having the confidence to ensure inward investment.
- Being focussed on a diverse range of businesses.

- Continuing the history of responsible investment in the area whilst recognising that industry and employment are going through transition.

Table 3

Q1. Yes but some surprises:

- Unemployment rises in Stockton and Darlington
- Extent of growth in the service industry a concern
- Noted that the downturn was slower to hit the Tees Valley so slower to recover
- The quality of employment being created e.g. contact centres

Q2.

- Wealth generation/relative wealth – interesting point about rise in earnings but questions raised on how it compares to earnings in the rest of the country and where people live.
- Gap in information in the service sector – need more on this to understand the challenges and opportunities. No mention of tourism. Skills transfer was discussed in terms of transferring from manufacturing to the service sector.

Q3. Challenges:

- CO2 emissions pressure – Tees Valley produces more per head. The answer is not to shut down industry but to think about how to develop structurally in the long term. Carbon capture and storage buys us some time while we develop key structural change.
- Co-ordination and anchoring of assets – Leadership and co-ordination of the public and private sector working together to promote the location and our assets. Used the example of the Rotterdam model where the city owns the assets.
- Skills – discussion on raising aspirations and the learning culture. Challenge of balancing the national 14-19 agenda against our need for the retraining of the older workforce. The idea of someone taking a personal risk to learn a new skill for a job that isn't located in the area was discussed.

Table 4

Q1. Yes but highlighted that the data is out of date.

Q2.

- Skills – need to have home grown skilled people but also aim to attract people to the area.
- Need to establish how we got here in terms of what the Tees Valley looks like – have we an identity and what makes us different?
- Need to have a better understanding of the service sector in order to attract it to the area and grow the sector.

Q3. Challenges:

- Developing the low carbon economy
- Ensure that have a highly skilled and flexible workforce

Table 5

Q1. Yes, echoed the points about the data being out of date.

Q2.

- Considered that the relative success in economic performance doesn't square with what is seen on the ground in terms of polarised communities. More understanding is needed on how the economy affects those areas.
- Need to protect and nurture key industries in the sub region with an emphasis on entrepreneurship and development. The over reliance on the public and service sector needs to be addressed.

Q3. Challenges:

- Skills gap – understanding the importance of skills in an ageing population and the impact of this.
- Economic strategic vision for the low carbon economy and skills and the offer of the Tees Valley. In comparison to the global economy, is it distinct enough and unique?
- Match aspiration for ideas and innovation with public and private investment going forward.

Table 6

Q1. Yes interesting to see the data.

Q2.

- Need to hang onto manufacturing. Tees Valley needs to be in a position to attract and retain.
- Tees Valley would be uniquely placed to have new industry and retain it – carbon capture.
- Skills process needs to be replenished.

Q3. Challenges:

- Business creation – the right balance is needed. Smaller industries could flourish but need the right kind of small industries.
- Market forces – do we need a structured plan on how assets used?

Table 7

Q1. Yes – recognise low carbon industry as potential industries.

Q2. Highlighted the interconnectivity of so many issues – need to understand more where place and communities contribute to it.

Q3. Challenges:

- Future skills and how drive up the demand for higher level skills.
- How devise a realistic suite of intervention and business needs in the new economic climate.
- What sort of models are needed to drive public and private investment.
- Investment in the public – how we make investment here count and have an impact.

Presentation on The North/South Tees Industrial Development Framework (Paul Noble, Parsons Brinckerhoff)

Presentation on The Low Carbon Economy (Chris Pywell, ONE)

Key Points from the session and how to proceed (Lee Shostak)

- It is a work in progress and opportunities have been identified.
- New institutional arrangements are challenges.

- The public and private sectors need to work together.
- Important to focus on how to strengthen the Tees Valleys ability to export and import international trade and its role in the global economy.
- Skills/Learning/Culture of Learning/Replenishing Skills base – need visible leadership and championing key priorities and how take advantage of strengths we have.
- Businesses going through change, restructure of global economy and move to carbon economy and potential of carbon capture storage gives a big advantage. Need to be clear what strengths are and strengthen ability to earn a living.

Business Case Development Event
Connecting the Tees Valley
Tuesday 20 October 2009

Presentation on Current Transport Trends and Challenges (Steve Payne, JSU)

Presentation on the Initial Findings of the Economic Assessment (Heather Heward, JSU)

The following points were raised in a discussion following the presentations:

- Forecast rise in the population – it was highlighted that the forecasted rise was expected to increase the older population groups and that this would have an impact on connectivity.
- The issue of how the Tees Valley is going to earn a living in the next 10-15 years was discussed.
- The sustainable travel planning work with the University was discussed.

Group discussions took place to consider the following questions:

1. Does the material that has been presented feel right – is it the Tees Valley you recognise?
2. Are there other issues missing?
3. What are the three key transport challenges for the City Region moving forwards?

The following feedback was presented:

Table 1 (?)

Q1. Yes, satisfied with the information. Various points raised:

- Earnings have gone up but it is relative and how does it compare to the national average?
- Recognised that more info is needed on rural transport
- Need strategic approach and more formal planning
- Identifying the future growth points, drivers and what markets need access to
- Theme led approach to address connectivity in the Tees Valley

Q2. Considered report covered issues in the Tees Valley but walking and cycling missing.

Q3. Challenges:

- Leisure
- Accessibility
- Network Management

Table 2 (Penny)

Q1. Yes is Tees Valley we recognise:

- Public Transport base not as strong as indicated
- One of the things that has shaped it is the polycentric nature of settlement and the way it is related

Q2. Need to concentrate on LDF's and core strategies

Q3. Challenges:

- Getting land use, planning and transport interface right.
- Delivering sustainable development and reducing CO2 emissions
- Funding – how maintain momentum once money has been spent and keep the pace of change going.

Table 3 (Jim J)

Q1. Yes:

- Considered there was an over emphasis on the employability agenda. Need more exploration on place agenda, leisure agenda etc.

Q2.

- Need to talk about the polycentric nature of the city region and the impact it has.
- Look at such issues as childcare and location of employment, low level of belief in public transport system and the health agenda.
- Need more on CO2 agenda

Q3. Challenges:

- Confidence – perceptions, what is available etc.
- Connectivity – exploring the challenges that the polycentric region gives us to connect town centres together – cross boundary working.
- Integration – integrated bus and train network.

Table 4 (Ian)

Q1. Yes but data needs unpicking further.

Q2.

- Impact and inter relationship between housing, regeneration, health, education etc.

Q3. Challenges:

- Carbon reduction
- Advocacy at a national level
- Spatial Integration

Presentation on Connecting beyond the City Region (Jim Darlington, ONE)

The following point was raised in a discussion following the presentation:

- There is currently no data or information on the wider economic link between Tyne & Wear and the Tees Valley.

Group discussions took place to consider the following questions:

1. What particular needs does the Tees Valley have in connecting outside the City Region?
2. How can the City Region ensure that these needs are met in future?

Table 1. (Penny)

Q1. Needs:

- Understanding the connection with Tyne and Wear
- Links with North Yorkshire
- Importance of the A19 and A66

- Rail Gauge Enhancement – vital and affordable
- East Coast Mainline – danger that no investment in the east coast due to resources needed for high speed rail links

Q2.

- Study on Tyne and Wear connection to be done as part of Dasts.
- A19 Corridor – work ongoing but is a need for Local Authorities to support this with complimentary measures
- Keep the pressure of DfT and Network Rail to complete work on the rail gauge

Table 2 (?)

Q1. Needs:

- Gauge enhancement for freight.
- Link with Tyne and Wear important
- Connections with Yorkshire, the North West and London important

Q2.

- Explore the rail linkages between Middlesbrough, Newcastle and Sunderland
- Transpennine improvements to roll and stop would be helpful
- More lobbying by the region and being more joined up with the private sector

Table 3 (Ross)

Q1. Needs:

- Need to look at strategic drivers for industries in terms of where need connections to – need to encompass new industries
- Good international connections to the markets
- Good connection to London
- Invest in the east coast mainline now
- Understanding the connection with Tyne and Wear
- Connect to North Yorkshire
- Prioritising is important

Table 4 (Simon)

Q1. Needs:

- Consistent messages
- Considered that all the information needed to understand travel patterns wasn't to hand
- In terms of the TV economy – is it still reliant on inward investment?
- Access to economic centres
- Rail access – intercity express programme – journey times important
- Rail strategy – ratification gaps in network

Q2.

- More information and evidence needed to build the business case
- Cross regional collaboration – transpennine and city region and the opportunities it will bring

Summary of key points (Jonathan Spruce)

- The city region has changing demographics and needs
- 3 challenges that came out in all group discussions – legibility and promotion of network, reduction in carbon emissions and land use integration
- Access to other economic centres – what they are dependent on and what we are trying to promote. Gauge network and ports have fundamental role.
- Lobbying – need a well evidenced and coherent strategy

Business Case Development Event
Housing and Regeneration
Thursday 5 November 2009

The National and Regional Context – Presentation on the role of the HCA and the critical challenges facing the region (Pat Ritchie, Regional Director, HCA)

The following points were raised in a discussion following the presentation:

- The issue of affordability in relation to house prices was raised. It was noted that it was relative to the rest of the country and income.
- Making the case for ongoing public investment in place was discussed. It was considered that the case needed to be made jointly between HCA, ONE and the Tees Valley. Lining up investment better and stimulating the housing market was considered a challenge for the Tees Valley.
- Partners needed to share more information in relation to prospects and their current position.
- No one area was doing better than others. Yorkshire had more information sharing and trade offs.

Presentation on 'Where are we now and what challenges are we facing?' – (John Lowther, Tees Valley JSU and Jim Johnson, TVL)

Group discussions took place to consider the following questions:

1. Does the material that has been presented feel right – is it the Tees Valley you recognise?
2. Are there other key issues that are missing and need to be considered?
3. What are the three key priorities for the Tees Valley moving forwards?

The following feedback was presented:

Table 1

Q1. Yes.

Q2. How we continue to work towards the strategic vision in the Tees Valley whilst managing more acute concerns.

Q3. Priorities:

- Leadership – the priorities are different between the 5 LA's
- Investment in the Tees Valley – what has been the impact? Is investing in the Tees Valley value for money? Where will investment make a difference? Can we afford to achieve our priorities?

Table 2

Q1/Q2. Yes but caveats:

- Potential to accommodate growth – essential
- Danger of losing the need to address poverty stricken neighbourhood/homes
- Gap in analysis on deprivation/social inclusion

- Practical measures of neighbourhood management (if the focus on bricks and mortar)
- Programmes need to address both the physical and human dimensions
- Some programmes need long term commitment in a holistic way
- How does the future economy relate to this?

Q3. Priorities:

- Strong shared view of economic risks, realities and possibilities
- Long term planning and commitment to holistic regeneration of existing communities
- Remain true to our main strategic projects, urban core and town centres

Table 3

Q1. Yes but raised concerns over how much closer partners could work together.

Q2. Various points raised:

- Infrastructure fundamentally important
- Quality of urban areas important
- Flexibility of funding

Q3. Priorities:

- Agreed economic masterplan – prioritisation across boundaries
- Joined up working
- Town Centres – infrastructure and quality

Table 4

Q1. Yes – needed to be more of a link with the previous business case

Q2.

- Need to consider social regeneration and how regenerate communities
- Need to consider how link to wider issues such as building schools for the future
- Link to economic growth patterns
- Transformation investment – making a difference to people

Q3. Priorities:

- Partner funding with delivery – make sure keep momentum
- Place agenda linked to economic growth

Table 5

Q1. Yes but considered that references to the community as a whole were quite light.

Q2.

- Important to keep looking beyond the recession but also need action in the near future
- Problem of funding in the future – need innovative ways of joining together

Q3. Priorities:

- Sustainable communities – how we contribute to economic growth in the longer term
- Climate change agenda – high standards of low carbon emissions at the same time as trying to deliver a volume of new buildings

Table 6

Q1. Yes but need to remember rural dimension.

Q2.

- Links to economy
- Establish a criteria/framework against which priorities can be set

Q3. Priorities:

- Doing the right thing – quality, the right product, the right tenure mix, neighbourhoods that fulfil a purpose
- Right time – recognise where we are and what can be achieved over the next 5 years
- Right place – where do we want the market to appear? How rigorous, open and objective we are at applying this

Table 7

Q1. Yes

Q2/Q3.

- Chance to step back and look at it pragmatically and review the picture of the Tees Valley
- Review existing priorities
- General Election – impact of this. Need to be able to react to changes

Panel discussion – how do we take housing and regeneration forward in a time of public sector funding constraint?

General comments of the panel

Malcolm

- Sustainable regeneration has to be about creating places where people want to live and raising aspirations.
- One of the dangers is that emphasis is lost on lessons from programmes such as Sure Start.

Neil

- De-risking sites in the Tees Valley was important to encourage the private sector to invest.

Simon

- Housing companies are still looking for development opportunities and would like to be involved with Local Authorities from an early stage.

Kevin

- Concerns that losing edge over rest of region. Need to get a clear vision together and look at delivery.
- Concerns around private landlord sector and the impact on future housing provision. Need to understand the sector more.

Angela

- Lobbying for our fair share of funding in the North East needs to continue.
- Important to continue to be creative and innovative and lead the way regionally and challenge new models of central government.

Neil

- Attention going forward needs to be on creating places people want to live and also tackling negative places.

The Panel answered questions and the following points were raised:

- New Deal for Communities was discussed – it was considered that the approach had been successful in Hartlepool. A plan was produced at the beginning and was accepted by TVL and Councils and had the approval of the residents.
- It was noted that the business plan needs to have a clear view about where deprivation is concentrated in the communities.
- The Panel discussed what more could be done to stay ahead of the game. It was suggested that a case study of a hypothetical town could be carried out in terms of looking at solving the social issues with new development and cross funding streams. It was also considered important for all partners to meet to avoid pre supposing what others are doing. It was noted that there was a need to be experimental in a time when more was needed for less money. The concept of having a ‘year zero’ to focus on planning was suggested.
- There was a real opportunity to focus on place in terms of attracting funding with quality plans.
- The Tees Valley could do something similar to Durham in terms of pulling together strands of funding and how to use them. The Tees Valley could consider doing total place.
- The Tees Valley could have holistic planning for areas with public sector partners delivering the plan for each area.
- It was noted that an important part of the strategy was neighbourhood planning for the future. Hartlepool’s LSP were signed up to the plans.

Key issues arising from the session (Pat Ritchie):

- ‘Prioritise’ was the core message from the session. Developing a clear sub regional framework would help prioritisation.
- Need to step back and look at what the Tees Valley has been doing – are the priorities, objectives and outcomes right?
- Understanding the market and being realistic.
- Transformation on a larger scale is still important – need to be much clearer about the impact on people and communities and ensure more joined up. In terms of the holistic theme, need to look at education, employment and skills etc.
- Where does the Tees Valley want to focus?
- Being creative and innovative and looking at different models of delivery
- Good opportunity to use this process to look at the economic direction of the Tees Valley, also timely.

Lee Shostak comments:

- If going to get prioritisation process then have to define clear criteria that’s the work of regional, sub regional and national level. Need to

ensure that each Local Authority gets something out of the investment plan and a culture of openness and transparency is needed.

Business Case Development Event
Tourism, Culture and the Arts
Tuesday 24th November 2009

The following presentations were given:

The Tees Valley economy and the role of visitor economy - John Lowther, Tees Valley Joint Strategy Unit

Current trends and challenges in the visitor economy - David Kelly, visitTeesvalley

The visitor economy from a rural perspective - Ian Wardle, Redcar & Cleveland Borough Council

Role of culture, arts, creative industries in the place shaping/regeneration agenda - Reuben Kench, Stockton Borough Council

Group discussions took place to consider the following questions:

1. Does the material that has been presented feel right – is it the Tees Valley you recognise?
2. Are there any other key issues that are missing and need to be considered?
3. What are the three key priorities for the Tees Valley moving forwards?

The following feedback was presented:

Table 1

Q1. Yes

Q2. Linking the Tees Valley to other regions such as North Yorkshire and Durham.

Q3. Challenges:

- Packaging up what the offer is – events and experiences programme
- Improving the story telling of the Tees Valley and what it is rooted in
- Working with partners and organisation outside of the Tees Valley Boundaries

Table 2

Q1. Yes. A work in progress but TV beginning to be distinctive and find its place in the region.

Q2.

- Recognise changes to the funding environment.
- How maintain the high levels of aspiration.
- Importance of political leadership.
- Balancing different priorities.

Q3. Challenges:

- Better place
- Skills and aspirations

- Events

Table 3

Q1. Yes. Competition between the boroughs is healthy, Want people to experience the whole of the TV.

Q2.

- Consider our industrial heritage.
- Need facilities for people to eat.

Q3. Challenges:

- Defining the brand and the offer.
- Branding.
- Defining what have on offer and getting baseline infrastructure right.

Table 4

Q1. Yes – information relating to numbers of day visitors and trends interesting.

Q2.

- Industrial and traditional heritage of the area
- Great days out
- Need to develop some investment

Q3. Challenges:

- The brand – developing this and how it is tackled
- Pride in great days out in TV and promoting it
- Packaging major events – e.g. promoting what other things people can do/see whilst visiting the tall ships.

Table 5.

Q1. Yes

Q2. Evidence – Understanding what we've got, how its used and by whom. Looking at economic return on investment.

Q3. Challenges:

- Continuing to make the case for this type of investment.
- Integration of Durham/ North Yorkshire and 5 LA's and how come together to look at whole offer.
- Understanding quality of life and visitor economy.

The following presentations were given:

Tees Valley from a visitor perspective - Tania Robinson, One NorthEast

Tees Valley from the inward investor perspective - Neil Kenley, Tees Valley Regeneration

Group discussions took place to consider the following question:

1. What three practical actions could be taken to increase recognition of the Tees Valley brand?

The following feedback was presented:

Table 1.

Q1. Can't afford to get cold feet about the Tees Valley brand.

Actions:

- Postcode Change
- Key organisations, including LA's, using Tees Valley in addresses/promo materials etc
- Looking into the Tees Valley name being used in standard drop down menus on websites

Table 2

Q1. Its about quick wins and longer term campaigning.

Actions:

- Encourage people to use Tees Valley as a line in addresses.
- Could be a destination on signage on major routes.
- Harnessing the next generation – encourage use of Tees Valley in schools.

Table 3

Q1. Actions:

- Use the Tees Valley Unlimited 'swoosh' on all materials.
- Unique opportunity to use .tv domain name.
- Need to decide on brand and stick with it.

Table 4

Q1. General discussion on whether need to promote TV as a brand to visitors. Whilst recognised that come a long way in other spheres there was not a comfortable recognition that going in the right direction in promoting TV as a brand/destination for visitors. Opinion of Stuart Green that takes time to change a brand and need to get into schools to get local acceptance.

Table 5

Q1. Actions:

- Postcode
- Signage
- Campaign to sell the name.

Summary of key points (Lee Shostak)

- Important to the Tees Valley economy – economic benefits and investment improving the quality of lives.
- Need to have clear/strong plans to make tourism stronger. Shouldn't underestimate the tourism area management plan.
- Aspirations need to be higher in tourism terms.
- Need to take significant steps forward in order to achieve brand change.
- More attention to industrial heritage and distinctive qualities in the TV.
- The region as a whole is having significant success. Not many regions in England can claim the same success.

- Business Case must set out clearly what has been done and what we are intending to do and when. Also what we are going to do with the private sector and what LA's and regional bodies are doing.

Notes of TVU Culture and Tourism branding workshop

Participants:

Malcolm Armstrong
Brian McClean
Councillor Stella Robson
Sarah Tennison
Stuart Green
Kelly Hopkins
Ian Stewart
John Irvin
(Victoria Cornfield – scribe)

1) Does the material that has been presented feel right – is it the Tees Valley you recognise?

- overall a good representation and felt the material was inspirational
- Tees Valley is a missed opportunity, there is lots to do here, a diverse range of activities e.g. activity tourism very strong
- The people round the table felt that they had good knowledge of the Tees Valley destination and offer however it is very difficult to gage the opinion of the general public.
- Tees Valley still has no identity, the word “Tees” means something but the word “Valley” is confusing.
- Confusion with promoting the towns and villages on the outskirts of the Tees Valley – are they in or are they out? It was felt we need to include these within the offer as the resident and visitor does not recognise political boundaries.
- A clear message is that there is a vibrant mix in Tees Valley
- The variety of the area could be a weakness as other areas of the North East have a clearer, stronger offer e.g. Northumberland – rural, NewcastleGateshead – city, Durham – world heritage site/recognised cathedral.
- Industrial heritage is a key strength to the area that binds the Tees Valley together.
- History of the area was missing from the material presented. Need to root heritage in activity.
- Tees Valley needs a recognisable product
- Tees Valley is known for its cutting edge design and technologies, innovation and creativity – “Engineers of the imagination”.

2) Are there any other key issues that are missing and need to be considered?

- need to extend the catchment area
- target key stakeholders/residents and visitors along the River Tees e.g. including Richmond, Teesdale
- include product in the outskirts of Tees Valley within the overall offer.

3) What are the three key priorities for Tees Valley moving forward?

- Partnership working with North East and North Yorkshire
- Packaging activity together and clustering of events
- Telling the Tees Valley story – where are it's roots

4) What three practical actions could be taken to increase recognition of the Tees Valley brand

- 5/6 members of the group were unsure if Tees Valley was a brand. They didn't feel it was anything people can identify with.
- Some felt the Tees valley brand works for government but not for visitors.
- It was felt the Tees Valley brand was stronger in a business capacity rather than for visitors as residents currently didn't recognise that they lived in the Tees Valley.
- It was felt that for Tees Valley to work it needed real resource behind it – but also debated whether this was needed if the individual visitor attractions within the area was strong.
- "Is the Tees Valley too elusive an idea"
- However it felt if the brand was to work all those involved in marketing within the Tees Valley had to agree to it and sign up to playing their part.

Tourism Culture and the Arts Business Case Development Event

Summary of Table discussion

(Cllr Bob Cook, Richard Poundford, Tania Robinson, Pat Green, David Kelly, Sandra Cartlidge, Linda Edworthy, John Lowther)

Question 1.

Does the material that has been presented feel right – is it the Tees Valley you recognise?

- Yes TV we recognise - Always a work in progress but TV starting to look more distinctive and we are beginning to understand better what our USP's are.
- Material presented suggests have a lot of strengths in the visitor market but need to resolve the 'brand' issue. Investment needs to recognise strengths.
- Important to have a sensible strategy that uses strengths well and provides a firm foundation to go forwards on. Have we now got the right product to go forwards? Getting the TV name out there is another matter altogether.

Question 2.

Are there any other key issues that are missing and need to be considered?

- Public sector funding environment has to be there. Must not dampen aspirations. An investment plan will be produced and it is important to have an idea from the outset of what we are doing, where we are going and identify ways to fund the activities.
- It was considered that elected members had a good understanding of the visitor economy.
- In terms of cultural facilities a venue /theatre was needed but it was acknowledged that this would have to be on a larger scale to attract people

Question 3.

What are the three key priorities for the Tees Valley moving forwards?

- Brand – for those inside and outside the TV to recognise it.
- Placeshaping
- Upskilling
- Public facing employers
- Reducing deprivation
- Maximising value of events

Question 4.

What three practical actions could be taken to increase recognition of the Tees Valley brand?

- Changing the postcode – it was acknowledged that this was difficult to do.
- Consistency with signage in the region.
- Adding 'in the Tees Valley' when talking about Middlesbrough, Stockton etc.
- Messages in employees' payslips re the Tees Valley – acknowledged that many looking towards electronic payslips.
- Senior level management using 'Tees Valley' in conversations.
- Having 'Tees Valley' on drop down address menus on websites as currently not referenced.
- Change Teesside University to Tees Valley University – acknowledged that this could create issues and would be more of an option once the Tees Valley brand had been established.
- Changing letter heads to 'Darlington – in the Tees Valley' for example and using Tees Valley on job adverts.
- Need better quality information and photos on regional website.
- Re brand the OS map.

Business Case Development Event
Employment and Skills
2nd December 2009

The following presentations were given:

**Where are we now and what challenges are we facing? –
John Lowther, Tees Valley JSU**

Key Points (Lee Shostak)

- Economic Strategy and the overall shape of the economy and how things are going to change is becoming clearer.
- Big challenge – need to be confident that skills and employability provision is in line with the economy, particularly the low carbon economy and other key sectors.

The Changing Skills Landscape – Petrina Lynn, LSC (Skills Funding Agency)

Key Points (Lee Shostak)

- A new Government will recognise the strengths of the current machine. Stability more important than further change. More responsibility locally.

High Level Skills – Meeting the skills challenge – results of research – Dr Ruth Helyer and Dionne Lee, Teesside University

Key Points (Lee Shostak)

- In terms of engaging with the business community demand led itself is not the answer. Needs to be a continuous dialogue to meet the current and future market needs.

**Changes to National and Regional arrangements for 14-19 –
Dorothy Smith, LSC (Young People's Learning Agency)**

Key Points (Lee Shostak)

- Future of Tees Valley is in Sub Regional Working.

**Tees Valley Arrangements for 14-19 - Julia Morrison,
Stockton Borough Council**

Group discussions took place to consider the following questions:

1. Does the material that has been presented feel right – is it the Tees Valley you recognise?
2. Are there any other key issues that are missing and need to be considered?

The following feedback was presented:

Table 1

- More information is needed on entry level jobs (levels 1 and 2)
- Coherence of the offer to employers – need more discussion around partners getting together to clearly articulate the offer to employers
- More is needed on the role of brokerage
- 14-19 Groups – how do we better support disadvantaged groups?
- Cross border working – links to N Yorks and other LA's

Table 2

- Its important that the business case is structured to allow us to deal with things we don't yet know about
- Look more at transferring of skills and learning at level 4
- Need to have more interaction with Sector Skills Council

Table 3

- Look at higher level skills in relation to small companies
- Businesses are interested in attitude and enterprise skills as well as qualifications
- In terms of level 4 – are those with this level in employment at the same level as their qualifications?

Table 4

- Considered that the sub region is the right level to do this.
- Need to understand the economic drivers.
- The inherent advantage of the Tees Valley is still relevant – aim to exploit industry etc and explore the energy sector.
- Capital investment into chemicals not not generate jobs but others may for example ports.
- Decline of industry – what does it mean and what contingencies are in place?

Table 5

- More communication needed – how are employers and deliverers going to understand the new landscape?
- Relationship between funding streams and local priorities
- Concerns over interpretation and understanding of credit system
- Rural environments etc – where do these economies play their part?
- Considered that there are mixed messages over the low carbon economy – need more understanding on it.
- Dependency culture needs to be looked at.

Table 6

- Use historic Skills base and ensure transferable skills for existing and new workforce
- What are the attractions to keep people here and also encourage people to come back

- Grasp opportunities to diversify. Support attitudes, expectation and aspirations of young people

Table 7

- In the changing landscape we need something understandable
- Need to understand what happens post 25.
- Culture of dependency/unemployment – need to understand aspirations of young people
- Develop role models
- Training offered – could use the voluntary sector to train.
- Look at potential for national training levy.
- Could we have a sub regional graduate programme?

The following presentations were given:

Jobcentre Plus Provision in Tees Valley – Chris Livingstone, Jobcentre Plus

Key Points (Lee Shostak)

- Must not underestimate the challenge – need to strip out duplication and get the best value for money from all the money allocated
- High level of people in the TV on benefits but the onus is on us now to ensure any money is used in a complimentary way
- Focus on joining up and planning further provision in a way that reflects changes in the JCP offer

Tees Valley Employability Framework, current activity – Sue Hannan, JSU

Role of TVU – How could we influence development of mainstream employment and skills provision (to include lessons from other areas)? Donna-Louise Hurrell, Shared Intelligence

Group discussions took place to consider the following questions:

1. What are the key priorities for Tees Valley Moving Forward ?
2. Should we prepare a case to Government to influence the Regional Skills Strategy and DWP/ SFA/YPLA funding?
3. How should we engage with employers?

The following feedback was presented:

Table 1

Q1.

- Ensure employment and skills board is effective and has employer representation

- Need longer term view of employer demand
- Ensure emerging industries are engaged
- Need effective communication

Q2. No to case direct to Govt, yes to regional route.

Q3.

- Need to work collaboratively, consistently and coherently.
- One person to speak with employers on behalf of TVU
- Need effective communication strategy

Table 2

Q1. More clarity and identification of sectors going forward.

Q2. Yes should be a Tees Valley response. Need an employer led skills board. Need to involve small medium and large employers.

Q3. Yes should be a single point of contact.

Table 3

Q1. Need a work and skills plan – concentrate on how generate wealth creators

Q2. Yes but only when we have point 3 right.

Q3. There is a difference between meaningful engagement and engagement for show

Table 4

Q1. Need to understand what the skills needs are.

General points:

- Businesses have made huge strides in consistency of service. Potential for threat to that with such local arrangements.
- Work gone into FE sector – needs to be more responsive to needs of employers.
- Consumer focus – quality of service from JCP going against grain of localisation

Table 5

General Points:

- There is a clear case for needing to align a collective Tees Valley strategy
- Section 4 powers relates to some of direction of skills funding agency
- Need a clear and accessible narrative about economic opportunities in the Tees Valley
- There is a skills gap around career management – support people in managing their careers

Table 6

General Points:

- Aspirations and engagement – need to change peoples perceptions within the Tees Valley about the Tees Valley
- Engagement – need more 1 to 1 intelligence gathering from businesses
- Priorities – need to be working closer together

- Yes need to make case to Govt
- Need a connection between the Tees Valley business case and demand led agenda

Table 7

Q1.

- Communications – difficult to engage
- There is a huge amount of info and we still have very real challenges
- We have a sophisticated network of provision – need to ensure we don't lose this

Q2. Yes if accept the principle that want influence over destiny – needs to be linked to bigger total place agenda.

Q3. There are barriers and confusion over the ever changing profiles – success in the sub region demonstrates good access for employer routes.

Summary/Moving forward – Lee Shostak

- There is an urgency and need given the scale of the numbers out of work. Need to take challenges and opportunities talked about today.
- Tees Valley has a good track record in joint working.
- There are very significant changes in government policy underway and still to come. There will be serious changes in the welfare reform approach.
- Vacuum of opportunities – it will open the door for the Tees Valley to provide real leadership in employment and skills. Opportunity for the Tees Valley to have far more control and responsibility for the provision of skills and employment services.
- Need to embrace the ongoing steady stream of continuous intelligence. Gathered in a sensible way with business link and working with employers to help them with their future needs.
- Integrate employment services with housing. High degree of overlap with those in social housing and JCP so need to take advantage of the overlapping client base.
- Opportunity to join up and achieve very ambitious targets of the learning needs of the 14-19 agenda. Need to be going above the national average.
- Opportunities to align adult skills training and the joined up offer to those out of the labour force.
- Should be pitching for section 4 but should be making the changes now rather than waiting until get it.

12 months from now:

- Have clarity on the needs of each client group in the out of work population and how we help them back into work.
- Have confidence that have a strong flow of intelligence coming from large and small businesses in the Tees Valley and use the intelligence to shape 14-19 and adult skills.
- Using the skills funding agency to encourage and assist employers to upskill the existing work force.

- Using the 14-19 money to build the most skilled workforce in Britain/Europe and ensure getting best value for the money being invested.
- Know that the tools already in place are being used and have succeeded in bidding for formal powers.

Discussions from Employment and Skills Business Case Development Event

Table discussion

1st session

- HLS Report – big companies will be linked in to this but what about SME's? Are the companies who responded large or small?
- Skills agenda seems to be just qualifications and for most businesses its about flexibility, attitude to work etc.
- Are we driving GVA or learning/work opportunities (i.e. 80% service sector but concentrating on 20% manufacturing)
- Universities/Colleges/Schools need to turn out 'employable people' not just people with high quals.
- Need to use existing jobs available as stepping stones to higher level jobs.
- Not everyone is capable of filling these HLS roles – manage expectations.
- Although L4 people are for the most part in employment – not necessarily in high level skilled jobs.
- What about retention of graduates in the Tees Valley after they leave university? Have we got the other attributes to keep them/attract them – lifestyles etc.

2nd session

- Work and Skills Plan – need to churn out 'wealth creators'.
- Find out what we need for Tees Valley re skills and communicate that – work and skills plans/LEA etc
- Yes should prepare a case to government.
- Employers – large companies in Tees Valley are not even UK owned. Engage with employers associations and have close links with SSCS. Formalise links with employers. Make it clear that this will give them leverage over the skills agenda.
- Meaningful engagement vs engagement for show.

Table discussion

2nd session

- Need clarity and identification of sectors. Where will the opportunities come from and what will they be?
- Yes should prepare a case to govt. Need an employer led Skills Board. Need to include small medium and large employers. Be proactive – make it worthwhile for employers but ensure it is not just about their agendas.
- Need a single point of contact.

Table discussion

1st and 2nd Sessions

- The presentations felt right for the Tees Valley.
- We need to develop and share a clear understanding of the future economic drivers in TV. Then determine what that means for skills. Where will the main opportunities be?
- How many jobs per sector? Skill levels required?
- What will the 'low carbon economy' actually generate in terms of numbers (and other new economy sectors e.g. digital media)
- We need to recognise that many of our economic assets are the same now as 150 years ago e.g. Coastal location, deep water port, access to Europe, readily adaptable skilled workforce etc
- Attention needs to be given right across the employment spectrum i.e. the major players in chemicals, engineering etc who may invest 100's of £m but only generate 10's of jobs need to be nurtured. At the other end of the scale, bringing the workless into employment is a vital challenge. This will narrow the GVA gap between TV and the national average.
- We need a more widespread discussion of our contingency plans which respond to decline/withdrawal in steel and chemicals. How does the TV respond?

Table discussion

1st session

- Yes, recognised the Tees Valley.
- How is this to be communicated to employers?
- Funding streams and local priorities.
- Tensions between DCSF school tables – local agendas
- Concerns about interpretation and understanding of credits.
- Lots about structure – but what are we doing/should be doing?
- Tension around funding streams and regional agenda/local needs.
- Rural/other priorities/areas
- Mixed messages over low carbon economy/carbon capture
- Dependency culture – aspirations.
- Intelligence re business needs/ambition

2nd session

Priorities:

- LA working closer to shape agenda. Need a bigger voice.
- Focus on the TV Business Case as framework/driver.
- Connect TV to the demand led agenda.
- Changing aspirations.
- Better use of intelligence of information that is already out there.

Engagement

- Communications/shaping key sectors.
- More 1 to 1 rich intelligence

Table discussion

2nd session

Q1.

- Need to ensure Emp/Skills Board is effective with employer representation which is invigorated.
- Need longer term view of employer demand for emp/skills ensuring it's relevant.
- Need to ensure new/emerging industries are engaged.
- Need to ensure effective communication agenda appears to be fragmented.

Q2. No to case direct to govt, yes via regional route, will have stronger case and need to emphasise role/strength of TV.

Q3.

- Via employers organisations i.e. Chamber. One person on behalf on TV to speak to employers.
- Effective communications strategy.
- Need to work collaboratively, consistently, coherently.

Table discussion

1st session

Q1. Yes we broadly recognise the Tees Valley from the presentation.

Q2. Key issues:

- Use historic skills base and ensure transferable skills for existing and new workforce.
- Exploring risks, don't put all eggs in one basket, take all opportunities to diversify but don't lose the natural advantages in sub region.
- Look at what attraction is in sub region for employers and learners.
- Consider attitudes/aspirations/expectations of young people.
- Education and industry need to work together to help young people understand what opportunities are available and change perceptions of industry.

Report of:	Senior Assistant Director, Tees Valley Joint Strategy Unit
Report to:	Economic Strategy Board
Date:	Tuesday 19 January 2010
Subject:	Format of the Business Case
Item for:	Discussion

SUMMARY

1. The accompanying paper, “Issues Arising from the Business Case Workshops”, set out a number of issues that have arisen from the TVU Business Case events held to date. In terms of the format of the Business Case, three main issues came out from the events:
 - What does the strategy look like?
 - There is general support for a Total Place approach to housing and regeneration – how do we take this concept forward?
 - There is a need to prioritise our interventions thematically and in terms of geographical priorities for economic development, housing development and regeneration – how do we take this forward and build it into the single conversation discussions?
2. All of these issues will impact on the format of the Business Case, and it is prudent to have a brief discussion about the format of the Business Case before substantial work is done and the format and content is fixed.
3. The purpose of this paper therefore is to offer some suggestions on the format and content of the Business Case for discussion by the Board Members.

1. INTRODUCTION

- 1.1 Five of the six TVU Business Case events have now been held – all have been well attended, and all have resulted in open debate about the key challenges and the City Region's priorities going forward.
- 1.2 There have also been a number of common emerging issues, and the accompanying agenda item set these out in more detail. A number of them have an impact on the format and the content of the revised Business Case.
- 1.3 The purpose of this paper therefore is to offer some suggestions on these for discussion by the Board in advance of substantial work starting on the drafting of the document.

2. KEY MESSAGES

- 2.1 At each of the TVU Business Case events, the JSU has started the proceedings by setting out that the purpose of the event is to help shape the revised Business Case in Spring 2010. However, one of the key messages that has come from the meetings is that the City Region needs to spell out exactly what the revised Business Case is for.
- 2.2 The October 2006 document contained a lot of descriptive text, particularly on the economic make-up of the area and the future plans. There is an emerging consensus that the statutory economic assessment will contain much of this information, and so we need to be very clear at the start – **what is the Business Case actually for?**
- 2.3 The October 2006 document was also developed with a heavy bias towards the public sector – it recognised the crucial role of the private sector, but the fact that TVU did not exist when the document was drafted means that it had less direct steer from the private sector in its development.
- 2.4 Now that TVU is a true public-private partnership, this situation is different, and so there is the opportunity to use the private sector in a more constructive manner. Those private sector Board members attending the events were keen that the revised Business Case is succinct and clear, and less like a development programme. So there is a need for the document to **be clear and concise to engage the private sector.**
- 2.5 Following on from private sector involvement in the Business Case itself, the private sector Board members are also keen that the City Region is seen as one that actually achieves things and is “open for business” in the early part of an economic recovery. There have been some comments about the large number of strategies that exist and questions about how these translate into actions on the ground. Multiple strategies are seen as a “turn off” for many in the private sector.
- 2.6 There has also been considerable debate on how TVU and the Business Case is relevant to the deprived communities across the Tees Valley – it clearly is, through the range of priorities that are being championed and

delivered, but this message is not necessarily clear. The revised Business Case therefore needs **to articulate a single strategy that has links to the different communities and their priorities.**

- 2.7 The external influences on the Tees Valley since October 2006 have been somewhat turbulent, and the shared opinion about the immediate future is that the only certainty is that uncertainty will prevail. It would therefore be a waste of valuable time and effort to produce a document that is rendered irrelevant by events within months of its publication.
- 2.8 The General Election sometime in 2010 will also signal a change, whatever the make-up of the new Government, with all parties signalling significant cuts in public sector funding, possibly starting in the latter part of next year. So it is important that the revised document **is flexible and adaptable to changing circumstances.**
- 2.9 Finally, the Business Case events have all shown that the City Region has some unique opportunities going forward, in addition to some of the more immediate challenges. Furthermore, the success of TVU and the strength of the partnership puts the Tees Valley in a good place to take advantage of these opportunities.
- 2.10 The Business Case itself presents an opportunity to recognise the current situation but set out in which direction we are heading and what type of economy that everyone is trying to facilitate. The document needs **to set out that we are aiming to deliver a thriving place with a more resilient and more diverse economy, as part of a managed transition.**

3. WHAT DO THESE MESSAGES MEAN FOR THE BUSINESS CASE?

- 3.1 Taking on board these key messages, and with a mind to the timescale and capacity for developing the new document, it is suggested that a different format for the document be adopted.
- 3.2 This format will see one overarching, high level document, fed by a number of key assessments, and supported by a series of delivery plans. This suggestion tries to address the message about a clear and simple strategy that is resistant to change, with the detail concentrated in delivery plans that re-inforce the impression that actions will follow.
- 3.3 This format matches the principles of TVU and City Regional working, that of subsidiarity. It tries to mirror the approaches taken to the development of the last set of Sustainable Community Strategies, which are, in general, visioning documents, outlining key priorities, with action plans linked to supporting LAAs and action plans, where most of the detail is concentrated.
- 3.4 This format should also provide a clearer link to the Sustainable Community Strategies, and hence provide a more obvious connection between TVU activity and the individual communities. Starting with the Sustainable Community Strategies, individuals will be able to see which elements are considered better delivered at a City Region level, linking up to the City

Region Business Case, but being able to trace delivery back down to individual locations.

- 3.5 This suggestion has more recently been tested, and agreed, when examining options for the Third Local Transport Plan in that it provides the right balance between City Region and local priorities and actions whilst showing the linkages between them.
- 3.6 A diagram illustrating the suggested format, and the main linkages to other documents, is included at the end.

4. INITIAL THOUGHTS ON THE CONTENT OF THE BUSINESS CASE

- 4.1 If the suggested format is endorsed, then the Business Case itself should become the clear, concise, yet flexible document that the key messages articulate.
- 4.2 A possible skeleton of the actual document is as follows:
- Introduction – what is the purpose of the document and why publish it now? **This is where we answer the message about what the Business Case is for.**
 - Tees Valley Economy – a brief review of where our economy is now, and where we want to get to. **This is where we set out our desire to move towards a more resilient and diversified economy and what this might look like for us.**
 - The Outcomes – a summary of where we are trying to get to and what the delivery of the Business Case will mean, to the economy and to people within the Tees Valley. **This is where we can make strong linkages to and from the Sustainable Community Strategies and demonstrate the impact of the Business Case on our communities.**
 - Transition to the New Economy – a review of the threats and opportunities that lie on the path to the new economy, and how the Business Case is resistant to this. **This is where we confirm that the document is flexible and resistant to change.**
 - Priorities for Intervention – setting out what strategic priorities are needed to realise our aspirations, pitched at quite a high level, advocating the Total Place concept, and providing signposts to individual delivery plans, as well as the overall Investment Plan. **This is where we articulate a clear, concise strategy that grabs the attention of the reader.**
 - Delivering the Business Case – a short concluding section setting out the role of TVU and its partners and putting forward some key ‘asks’ of the new Government to be taken forward into the refresh of the MAA.

- 4.3 Ideally, the document should be ideally around 20-30 pages, with extensive use of graphics and photographs, as with the individual Sustainable Community Strategies. Because of its strategic nature, it will hopefully be resistant to significant change, as our strategic direction and transition to where we want to be should not alter, although how we get there might.
- 4.4 The suggested content and format has been discussed by Officers within the City Region, with the proposal to have one 'visioning' City Region document, supported by a series of delivery plans, endorsed in principle. It was felt that such an approach would allow us to articulate what TVU's role is and how it intends to deploy its resources, providing clarity to both TVU Board Members and external partners.
- 4.5 The issue was raised, however, of whether, if this was to be a wider ranging Tees Valley City Region Integrated Strategy, there would be statutory procedures to follow, such as an Appraisal of Sustainability (AoS) and a Strategic Environmental Assessment (SEA). The document would also need to be tested against emerging Local development Frameworks and through the normal procedures of the five Authorities.
- 4.6 Whilst this was still seen as a desirable step, it was agreed by the Directors that there was a need to have a concise 'vision' or 'prospectus' with a clear narrative, for Summer 2010, in accord with the Business Case timescale discussed previously. It is proposed that this is more along the lines of a 20-30 page high level document that would not therefore require an AoS or SEA.
- 4.7 Beyond the General Election, in line with LDF timescales and the review of the five Sustainable Community Strategies, the more detailed strategy could be developed, in association with an AoS and SEA, with clear scrutiny from the five Councils. There would still need to be stakeholder consultation, using LSPs and scrutiny where desirable, of the high level document.
- 4.8 Much of the high level document will be fed by work already undertaken, or ongoing, in particular the economic assessment, the Low Carbon Economic Transition Plan, the sub-regional housing assessment, the DaSTS transport work, business and enterprise strategy, education and skills provision and the single conversation.
- 4.9 Recognising this mechanism is important because it places these individual elements in their proper context – almost all are enabling mechanisms. For example, land use proposals attract businesses that invest here because there are good transport links and the right type of housing supply for their employees, with a good supply of local labour with appropriate skills.
- 4.10 The Business Case events have shown that all of these issues need to be considered together for the whole picture to emerge and for the chance of success be maximised. For reasons of maturity of the partnership and confusion in responsibility (some of which still exists in the skills agenda), not all of these enabling mechanisms were considered in the previous Business Case.

- 4.11 Having the detail within the delivery plans will also help to re-inforce the argument that the high level summary of the Business Case to be launched in Summer 2010 is not the appropriate document to have an AoS or SEA, but that much of the option development work takes place in developing the delivery plans, all of which are well evidenced and grounded within policies that have already been through such procedures.
- 4.12 The fact that these more specific items are all enabling mechanisms also opens up the debate about whether there should be individual strategies for housing, transport, business and enterprise, green infrastructure, regeneration, etc. In the concept of Total Place, should the Business Case simply act as the City Region strategy (as the Sustainable Community Strategies do at a local level), with these other “strategies” gradually phased out over time?
- 4.13 This would leave the delivery (or action) plans to take a much more prominent role in demonstrating that the City Region was not just all about talking, but it also had clear actions in mind, involving both the public and private sector. Involvement of the private sector when developing the delivery plans is crucial, but brings significant rewards in terms of their involvement, as has been shown with the North and South Tees Industrial Framework study. Indeed, it may be that TVU Leadership Board members are asked to take a lead in developing the action plans in their own areas of expertise.
- 4.14 These delivery plans could be geographically based, eg Darlington Gateway or Greater Eston; they could be thematically based, eg logistics sector or skills; or there could be a mixture of the two, eg North and South Tees Industrial Framework (a geographical concentration focusing on the low carbon economy) or Housing Growth Points (spatially identified sites for more housing).
- 4.15 The important part about whatever delivery plan type is adopted is that they relate back to the Priorities for Intervention within the Business Case and provide evidence of the Outcomes that will be achieved, in both cases showing the contribution to the achievement of the Total Place concept.
- 4.16 Finally, whereas the overall strategic direction may not change, how we achieve our vision will, and this is where the delivery plans play an important role. As external circumstances change, new opportunities arise, and the inevitable funding cuts bite, it will be the delivery plans that can alter, not the overall strategy. How this is working in practice is shown by some of the five major regeneration sites – they are still working towards the vision that was set out at the start of the projects, but the delivery phasing and mechanisms have altered as time has progressed. We need to articulate this approach in the revised Business Case.

5. BENEFITS OF THE SUGGESTED APPROACH

- 5.1 The suggestions set out in this paper on the format and content of the revised Business Case are intended to stimulate debate within the Tees Valley before substantial work is undertaken on the document.

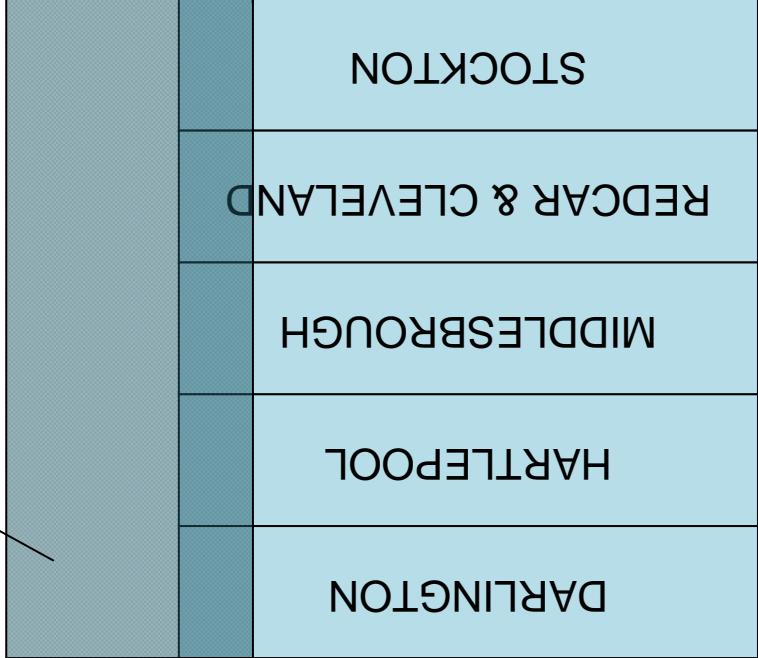
5.2 As well as trying to respond directly to the key messages coming from the Business Case events, there are a number of benefits of adopting the approach identified. These include:

- It will provide a high level document setting out what TVU's role is, and how it intends to use its resources, in a way that can be readily understood by TVU partners, central Government, the private sector and the general public;
- The strategic nature of the main document will allow an agreed, clear message to be articulated to a new Government whilst individual delivery plans are developed at their own appropriate pace;
- It will be an inclusive suite of documents that shows how many of the issues discussed at the Business Case events contribute to the Tees Valley as the place to which we all aspire;
- It will allow appropriate ownership of the different elements, reducing the possible strain on resources and increasing "buy in" from all sectors to the document;
- It will form the basis of the Tees Valley component of the Integrated Regional Strategy (or its successor document);
- It will be clear about the role of all partners in delivery, and what specific help may be needed from Government; and
- It will provide something that is balanced towards action rather than strategic thinking, which should appeal to any new Government.

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The Suggested Context and Format of the New City Region Business Case

City Region Business Case – single, integrated vision and strategy showing what elements are best done at a City Region level, with added value – showing clear links to communities



- INFLUENCED BY:**
- Economic Assessment
 - Low Carbon Economic Transition Plan
 - Sub-Regional Housing Assessment
 - Employment Framework
 - DaSTS Study on Future Transport Priorities
 - Business and Enterprise Framework

- DELIVERY PLANS:**
- Darlington Gateway
 - Greater Eston
 - 5 No Town Centres
 - Tees Valley Metro
 - Housing Growth
 - North South Tees Industrial Development Framework
 - Business and Enterprise
 - HMR

5 No Sustainable Community Strategies