

House

**Monday, 18 January 2010
Claxton Room, Wynyard Rooms**

AGENDA

- 9:30 Tea and coffee on arrival**
- 9:45 INTRODUCTION: Lee Shostak, Shared Intelligence**
- 9:55 THE PROCESS SO FAR AND THE PURPOSE AND FORMAT OF THE BUSINESS CASE : Jonathan Spruce, Tees Valley JSU**
- 10:05 ISSUES ARISING FROM THE RESEARCH AND THE BUSINESS CASE DEVELOPMENT EVENTS: John Lowther, Tees Valley JSU to introduce followed by discussion focussed around the key issues.**
- 10:15 CREATING A RESILIENT ECONOMY IN TEES VALLEY – Board Members to respond**
- 10:30 PLACE BASED REGENERATION – Board Members to respond**
- 10:45 ISSUES ARISING FROM THE RESEARCH AND THE BUSINESS CASE DEVELOPMENT EVENTS – SKILLS – Linda Edworthy, Tees Valley JSU to introduce – Board Members to respond**
- 11:00 PRIORITIES FOR THE FUTURE : John Lowther, Tees Valley JSU**
- 11:10 DISCUSSION ON THE PRIORITIES – Board Members to respond**
- 11:33 WHERE DO WE GO FROM HERE? : John Lowther, Tees Valley JSU**
- 11.45 DISCUSSION ON THE WAY FORWARD – Board Members to respond**
- 12:00 FINISH**



Report of: Director of Tees Valley Joint Strategy Unit
Report to: Leadership Board
Date: 18 January 2010
Subject: Taking Forward the Tees Valley Business Case
Item for: Discussion

The purpose of the meeting is for the Leadership Board to provide advice on the critical policies and proposals that should be included in the Tees Valley Business Case. Lee Shostak will facilitate the session. I enclose the following reports which will form the basis of the debate on Monday. They are:

- a) A report on the format, purpose and objectives of the business case.
- b) A paper for discussion summarising the key issues arising from the workshops. We also attach for your information the detailed notes of the workshops.
- c) A paper for discussion setting out in 3 pages the priorities for business, people and place proposed for inclusion in the business case.
- d) A report on opportunities for devolving funding opportunities taking forward the key issue from the skills workshop on the need to influence the national agenda on skills.

The meeting will be arranged to keep presentations to a minimum and leave as much time as possible for discussion. From the discussions it is hoped we can achieve consensus on the key priorities.

Finally because of the rapid movement of events, I have included a paper for discussion on taking forward the £60 million Tees Valley Industrial Development Programme and the Low Carbon Transition Plan, particularly concerning how we deal with governance issues.

Originator: John Lowther
Contact Tel: 01642 264801
E-mail: john.lowther@teesvalley-jsu.gov.uk

Report of:	Senior Assistant Director, Tees Valley Joint Strategy Unit
Report to:	Leadership Board
Date:	Monday 18 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.

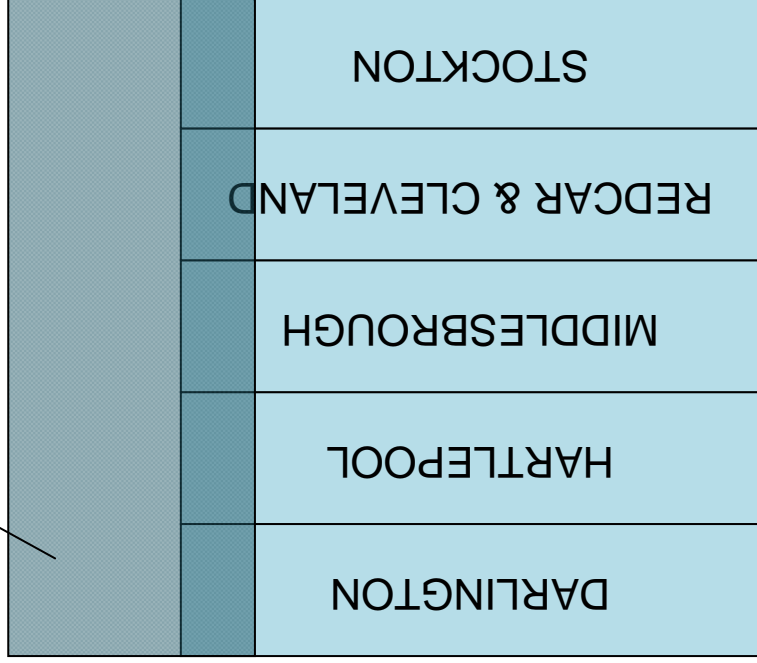
5.2 As well as trying to respond directly to the key messages coming from the Business Case events, there are a number of benefits of adopting the approach identified. These include:

- 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.

Originator: Jonathan Spruce
Contact Tel: 01642 264840
E-mail: jonathan.spruce@teesvalley-jsu.gov.uk

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

Report of: Director of Tees Valley Joint Strategy Unit
Report to: Leadership Board
Date: 18 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.

Originator: John Lowther
Contact Tel: 01642 264801
E-mail: john.lowther@teesvalley-jsu.gov.uk

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.

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
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.

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.

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.

Report of: Director of Tees Valley Joint Strategy Unit
Report to: Leadership Board
Date: 18 January 2010
Subject: Priorities and Proposals for the Tees Valley Strategy
Item for: Discussion

SUMMARY

I have set out in this paper for discussion the priorities for utilisation in the Tees Valley Strategy. I have not included the analysis. The proposals are based on:

- a) Discussions at the workshops.
- b) The Low Carbon Economy Transition Plan, NTees/STees Study.
- c) Current policy priorities in the business case we wish to continue.
- d) Current programmes e.g. Digital City Innovation Connectors, TVR projects, HMR priorities.
- e) Discussions at Directors of Regeneration, Chief Executives and the Leadership Board on priorities.
- f) Council policy documents e.g. Redcar Regeneration Master Plan, Middlesbrough Regeneration Strategy.
- g) Informal discussions with HCA on the single conversation process.
- h) Draft Economic Assessment.

Some of the areas notably housing, employment and skills are not as well developed. Work on the sub regional housing strategy, enterprise strategy and the skills study will need to feed into the work.

From the discussions, it is hoped there will be general agreement on the priorities for inclusion in the strategy.

Originator: John Lowther
Contact Tel: 01642 264801
E-mail: john.lowther@teesvalley-jsu.gov.uk

1.0 INTRODUCTION

1.1 The purpose of this report is to set out for discussion the key priorities and proposals for inclusion in the new strategy statement for the Tees Valley. I have divided the suggestions into three sectors: business, people and place.

A. BUSINESS

The priorities for business are as follows:

- a) The immediate actions to deal with the Corus/chemicals issues
- b) The implementation of the £8 billion pipeline of investment i.e. heavy oil upgrader, Progressive Energy scheme, Northern Gateway, Thor/Conoco Phillips, combined heat and power plants, expansion of the SITA energy from waste plant, three new biomass power stations (MGT, Gaia, Clarence Works), Graphite Resources/Pyreco at South Tees Ecopark, paper mill, second nuclear power station, offshore wind farm reconstruction and assembly (Heerema/Tees).
- c) Potential for further development from North Tees/South Tees Study.
- d) Infrastructure required to enable development to happen
 - carbon capture and storage network with or without Progressive Energy
 - Public private sector partnership to deal with pipeline infrastructure
 - Strategic plan with the national grid and NEDL for electricity supply
 - Energy plan for harnessing spare heat and steam to be used by other industry/housing
 - Gauge enhancement for Teesport/Darlington and East Coast Mainline
- e) Development of the advanced engineering industry.
- f) Digital City and the development of the innovation connectors in Redcar, Stockton, Darlington and Hartlepool.
- g) Development of logistics at the airport, Faverdale, Wynyard and the Port.
- h) Further development of the Darlington Gateway concept.
- i) Potential for further service sector development, Government relocations, call centres, health sector and higher level financial services.
- j) Potential for encouraging entrepreneurship, start ups and premises needs of small businesses – enterprise strategy.
- k) Potential for creative industries/tourism businesses.
- l) Potential for the development of the retail sector in our town centres.

- m) Potential for the universities and colleges of further education to contribute to improved economic performance.
- n) The development of the construction sector to meet the opportunities for economic growth.

A key objective of the strategy is to develop a more resilient economy which can cope better by downturns in the economic cycle. We are proposing a paper on how this could be done.

B. PEOPLE

The clear message from the workshop on employment and skills was that the new agency framework for skills and employability is becoming far more centralised on a national basis. It is vital that we go down the route of obtaining section 4 powers to influence commissioning of training and employability programmes by national agencies. In order to set up an officially recognised employment and skills board, we will be required by BIS to produce by the end of March a work and skills plan which sets out the needs and priorities for the Tees Valley and brings together 14-19, the employability and skills agenda. Guidance from BIS is expected by the end of January. The Work and Skills Plan will be a people based element of the strategy and will build on the 14-19 work, the existing work on employability and the work of Teesside University on the demand for higher level skills. A priority will be the development of proposals to ensure people from deprived communities obtain jobs in the growth sectors and major regeneration locations.

C. PLACE

- a) Identification of priorities for Housing and Regeneration. An analysis of the priorities for regeneration based on future and potential activities and the strategies of TVR and the local authorities indicates that the priorities for regeneration are generally town centres, the areas of poor housing close to the town centres and the major regeneration sites which are for the most part attached to the town centres. There is still a need to encourage new housing in the areas close to our town centres. The priority areas for regeneration proposed are as follows:
 - i) Darlington Town Centre, Central Park and the area between the two;
 - ii) Hartlepool Town Centre, Hartlepool Marina and the poorer housing areas of central Hartlepool;
 - iii) Middlesbrough Town Centre, Middlehaven, Gresham, Grove Hill and Hemlington Grange;
 - iv) Greater Eston;

- v) Redcar Town Centre/Sea Front;
- vi) East Cleveland;
- vii) Stockton Town Centre/Stockton Riverside, Northern Gateway and housing market renewal areas to the west of Stockton Town Centre.

The business case will need to make the case for these areas. It is not expected that the HCA or ONE will have any objections to the areas proposed. The intention would be that for each of these areas delivery plans would be produced or total place principles. The single conversation process with HCA/ONE will need to agree these priorities and the approach. A paper justifying these priorities will be produced for discussion with HCA. Cultural/Arts/Tourism projects will need to be included in these delivery plans.

- b) Identification of strategic housing needs.

HCA have indicated that there are likely to be four funding streams next year – neighbourhood renewal (which includes HMR), affordability, sustainability and growth. The sub regional housing strategy work has shown the housing needs of the area – we now need to carry out work on the market potential of our key housing sites and identify how they can meet the needs of the community.

- c) Environment

- incorporate the green infrastructure work.

- d) Transport

- Metro, Bus Network, strategic road network
- Improved marketing and publicity of services for public transport
- Port/Airport
- ECML and High Speed proposal
- DASTS study and projects for further investigation

- e) Delivery

The strategy will concentrate on those elements that can be delivered by Tees Valley Unlimited. The section will make very clear that TVU will only deliver activity which makes sense on a sub regional basis. The principle of subsidiarity will apply.

2.0 CONCLUSIONS

2.1 The Board is asked to consider the proposals set out in the report.

Report of:	Sue Hannan
Report to:	Leadership Board
Date:	18 th January 2010
Subject:	Employment and Skills - Devolved funding opportunities – Next steps for Tees Valley
Item for:	Information and endorsement

SUMMARY

Following the Tees Valley Business Case event for Employment and Skills (2nd December 2009) a feedback report was sent to the Tees Valley Chief Executives' meeting of 16th December. This report summarised key points from the event and outlined both key issues for consideration and proposed next steps. (see copy attached at Annex A).

The purpose of this further report is to update Chief Executives and Directors on the latest position and to set out the next steps for Tees Valley Unlimited in order to:

- a) achieve greater influence over the use of mainstream funding resources for employment and skills, and
- b) develop a Tees Valley Work and Skills Plan.

The employment and skills funding landscape is changing quickly and we need to be in a position to influence the use of all related funding streams in order to ensure that the needs of Tees Valley individuals and employers are best met by the combined resources available.

To do that, we need to fully understand the options, implications and opportunities surrounding potential devolution of employment and skills funding, through continued meaningful dialogue with both DWP and BIS.

The requirement for associated DWP Work and Skills Plans to be completed by 31st March 2010 means that we need to start work on this task quickly if we are to provide a meaningful document which best reflects the position for Tees Valley.

1. Purpose of the Report

The purpose of this report is to update Chief Executives and Directors on the latest position and to set out the next steps required in order to:

- a) achieve greater influence over the use of mainstream funding resources for employment and skills;
- b) develop a Tees Valley Work and Skills Plan.

2. Background

Following the Tees Valley Business Case event for Employment and Skills (2nd December 2009) a feedback report was sent to the Tees Valley Chief Executives' meeting of 16th December. This report summarised key points from the event and outlined both key issues for consideration and proposed next steps. (Copy attached at Annex A).

Tees Valley Chief Executives supported the proposed way forward, i.e. that we need to:

- b. be in a position as a City Region to influence the use of all funding streams, to ensure that the needs of Tees Valley individuals and employers are best met by the combined resources available.
- c. understand the options, implications and opportunities surrounding future devolution employment and skills funding, through continued meaningful dialogue with both DWP and BIS.
- d. to start work on the timeline for the Tees Valley Work and Skills Plan quickly in order to provide a meaningful document which best reflects the position for Tees Valley and meets the DWP deadline of 31st March 2010.
- e. That the continued information route for progress on these activities should be through Heads of Economic Development and Directors of Regeneration meetings.

3. Changes in key organisations and the impact on skills funding

Presentations from LSC on adult skills highlighted forthcoming changes to structures at national and regional level. The move to the new Skills Funding Agency (SFA) with national commissioning of skills provision based upon a Regional Skills Strategy (RSS) means that we need to be able to inform that strategy if we are to influence the use of mainstream funding to address skills needs within Tees Valley.

For Jobcentre Plus, the move to national commissioning has already taken place, with the Dept for Work and Pensions (DWP) contracting with prime providers to deliver 'Flexible New Deal' and other contracts. For these, Tees Valley is linked with one of the Yorks and Humber Jobcentre Plus Districts rather than with the rest of the North East Region.

4. Achieving leverage over mainstream employment and skills funding

It is clear from presentations at the Business Case event and from wider sources of information that there will be less public money around in the future for employment and skills and that some existing funding streams may be at risk. All the more reason why we need to influence the use of mainstream budgets and encourage closer alignment of all employment and skills funding streams.

Shared Intelligence Ltd have now met individually with Directors of Regeneration or their representatives and also presented the case for pursuing greater devolution at the Tees Valley Business Case event of 2nd December. The outcome of all these meetings was generally positive, with individuals now having a greater understanding of the current and emerging employment and skills policy context and the devolution agenda.

If Tees Valley City Region is to influence and exert leverage over any mainstream provision, both DWP and the Dept for Business Innovation and Skills (BIS) expect us to be moving along the journey towards greater devolution, and will offer greater degrees of involvement based upon the stage reached.

4.1 DWP - Chinese Walls Agreement

For DWP purposes, before any areas can be involved in any pre-contract discussions about provision, DWP require as a minimum, the signing of a 'Chinese Walls Agreement'. Linda Edworthy and Sue Hannan met with DWP on 15th December to find out more detail of what this would mean for Tees Valley:

- For those involved, there would need to be some element of separation (preferably to include physical separation of location) from anyone who could be bidding to deliver DWP programmes - be that with internal teams or external contractors.
- Once signed, it would mean that those individuals could not discuss (or be perceived to be discussing) details of forthcoming DWP programmes with anyone who might be involved as a bidder to deliver that programme.

- However, those individuals could then be involved in pre-contract discussions with DWP around the content of forthcoming contracting rounds. This could include influencing the detail of programme specifications and being part of the evaluation team for subsequent bids. Both aspects would be particularly useful to ensure that mainstream programmes fit with local needs.
- For Tees Valley purposes, the required 'separation' arrangements could be accommodated relatively easily by nominating certain people from within JSU to be those who sign the Chinese Walls Agreement.
- It is more likely that it would be the individual boroughs themselves (rather than JSU) who could potentially be involved in future bidding exercises to deliver DWP contracts. It would therefore seem sensible that it is JSU staff (rather than Local Authority staff) who enter into Chinese Walls.
- Whilst physical separation of staff is preferable rather than essential, JSU already have a different location to the borough teams, which would give DWP added confidence in our ability to comply with requirements.
- Apart from the obvious slight inconvenience that 'separation' requirements would bring, there are no apparent drawbacks to certain JSU staff entering into Chinese Walls.
- David Bond from Stockton Borough Council's Legal Team has examined the Chinese Walls documentation, and raised no concerns.

DWP have provided a draft version of their Service Level Agreement for such purposes (see Annex B) as used in other areas of the country. Sections 1 and 2 relate to instances where Chinese Walls have been signed, with Section 3 relating to the additional involvement in situations where some form of co-funding has taken place (something which would be for future consideration if and only if, an appropriate opportunity arose).

It would therefore appear that we have much to gain from signing Chinese Walls in order to influence the use of DWP funding. We need to proceed at the earliest opportunity if we wish to be included in arrangements for the next round of DWP contracting, due to take place in March/April 2010. This may be the last opportunity for some time as most DWP programme for Tees Valley have already been let in the last 12 months.

4.2 BIS – Section 4 Powers / Employment and Skills Boards

For the Dept of Business Innovation and Skills (BIS), any leverage over Regional Skills Strategies would come from those areas given 'Section 4' powers. However in order to achieve this status, BIS require as a minimum, the establishment of refreshed Employment and Skills Boards which satisfy their acceptability criteria – as set by the UK Commission for Employment and Skills (UKES). One of the key criteria is that the ESB must be 'employer led'.

Tees Valley Unlimited should therefore continue with it's work to refresh the Tees Valley Employment and Skills Board, with the intention of reaching a compliment of 'employer' membership which meets UKES criteria and is therefore acceptable to BIS. The aim would be to be in a position to then consider applying for Section 4 powers and to thereby achieve the opportunity to directly influence the North East Regional Skills Strategy.

5. Work and Skills Plans

Following recommendations from the 'Houghton Review of Worklessness', part of the Government's response included a requirement for all areas to submit a Work and Skills Plan by 31st March 2010. Work and Skills Plans should demonstrate the case for further devolution of resources, hence the strong link to our activities and progress above.

5.1 Guidance

Despite initial suggestions that we would receive high level national guidance before Christmas, this is still awaited. Detailed guidance has also been commissioned nationally (from IDeA /Shared Intelligence Ltd) and was initially due to be published by 31st January 2010. However, it is understood that this publication has now been put back, primarily due to the lack of higher level guidance to steer it. Unfortunately there is no indication that the deadline for us to complete our Work and Skills Plan has been relaxed in any way, and we are therefore currently still working to **a deadline of 31st March 2010.**

5.2 – Timetable

We are therefore proposing to start work without waiting for the national guidance as we will need to adhere to the following tight timetable in order that draft plans can be endorsed by Directors of Regeneration and ultimately by Tees Valley Chief Executives before issue of the final version to DWP.

Meeting of working group (nominated through HEDs) to consider/commission content	w/c 11 th January 2010
Outline draft to Directors of Regeneration	17 th February
Full draft to Directors of Regeneration	10 th March
Final draft to TV Chief Execs / Leadership Board	17 th March
Submit to DWP	31 st March

Progress will be reviewed as part of the monthly HEDs meetings on 21st January, 18th February and 18th March.

5.3 Content

Based upon the Government's response to the Houghton Review¹ and subsequent informal advice received through a recent working group, we should design our Tees Valley Work and Skills Plan to:

- set out the strategic approach to worklessness - including a short, medium and long-term approach to addressing the employment and skills issues
- set out roles and responsibilities for national, regional and local partners
- describe current funding arrangements and include a retrospective section looking at what has been achieved to date using mainstream and flexible funding streams – e.g. Working Neighbourhoods Funding etc.
- demonstrate the case for further devolution of resources, powers and responsibilities, setting out the basis for partnerships to be accountable for any greater responsibilities devolved to them– being very clear about how City Regions would use any new powers sought, including plans for the delivery of related LAA/MAA targets
- have a strong link to 'refreshed' Employment and Skills Boards, and be supported by sound governance arrangements

1

¹ Stepping up to the challenge: The Government's response to the Tackling Worklessness Review, 13 May 2009.
<http://www.communities.gov.uk/publications/communities/tacklingworklessnessresponse>

- include a robust analysis of the local labour market – drawing evidence from the Local Economic Assessment and Worklessness Assessment
- include linkage with 14-19 and Higher Level Skills agendas - this is considered to be critical.
- Cover an initial period until March 2011. Future Work and Skills Plans will cover a three year period.

The above list will be reviewed and adjusted once formal guidance is received.

6. Proposed Way Forward

In view of the time pressures brought upon us by recent and forthcoming changes to the national systems for use of employment and skills funding, and the new requirement for Work and Skills Plans, we must take action soon rather than later if we are to have influence and leverage over these mainstream funding streams.

We therefore need to continue to move forward and take certain specific actions before 31 March 2010, as identified in this document and summarised below.

7. Recommendations for endorsement

- a) That JSU enter into a 'Chinese Walls Agreement' with DWP at the earliest practicable opportunity, preferably in time to be included within the pre-contract negotiations for the next round of DWP programmes.
- b) That we continue to work towards refreshing our Employment and Skills Board with a membership which meets the BIS/UKES requirements and eligibility criteria for Section 4 powers.
- c) That we start work immediately on our Tees Valley Work and Skills Plan, as per the timetable in section 5.2 above.

Originator:	Sue Hannan
Contact Tel:	01642 264922
E-mail:	Sue.hannan@teesvalley-jsu.gov.uk



Report of:	Sue Hannan
Report to:	Tees Valley Chief Executives
Date:	December 2009
Subject:	Employment and Skills - Devolved funding opportunities – Next steps for Tees Valley
Item for:	Information and endorsement

SUMMARY

The purpose of this report is to summarise key points from the Tees Valley Business Case event for Employment and Skills, 2nd December 2009, and to outline the key issues for consideration and proposed next steps

The employment and skills funding landscape is changing and we clearly need to be in a position as a City Region to influence the use of all related funding streams, to ensure that the needs of Tees Valley individuals and employers are best met by the combined resources available.

To do that, we need to fully understand the options, implications and opportunities surrounding potential devolution of employment and skills funding, through continued meaningful dialogue with both DWP and BIS.

The requirement for associated DWP Work and Skills Plans to be completed by 31st March 2010 means that we need to start work on this task quickly if we are to provide a meaningful document which best reflects the position for Tees Valley.

1. Purpose of the Report

The purpose of this report is to summarise key points from the Tees Valley Business Case event for Employment and Skills, 2nd December 2009, and to outline the key issues for consideration and proposed next steps.

2. Background

Following on from the City Region Forerunner proposal in which we were unsuccessful, Government nevertheless invited Tees Valley partners to explore opportunities to secure greater influence over employment and skills funding. Both DWP and BIS are encouraging Tees Valley to consider moving forward along this path, with a gradual / phased transition towards both greater devolution of funding from DWP, and also greater city regional influence over the development of a Regional Skills Strategy – which itself will inform the commissioning of skills provision by the Skills Funding Agency (SFA).

In order to promote a greater understanding of what this means for local authorities and to offer an opportunity to raise issues /ask questions etc. staff from Shared Intelligence Ltd (who are working with other City Regions as well as with Tees Valley) have been undertaking one to one discussions with representatives of all five Boroughs (with Directors of Regeneration / Head of Economic Development). A copy of the information paper which was circulated prior to those meetings is attached for information as **Annex A**.

The outcome of all those meetings was generally positive, with individuals now having a greater understanding of the current and emerging employment and skills policy context and the devolution agenda. Following on from these meetings, Shared Intelligence facilitated and presented on the subject at our Employment and Skills Business Case event on 2nd December. Copies of all the presentations from the event are now on the TVU website, www.teesvalleyunlimited.gov.uk

3. Changes in key organisations and the impact on skills funding

Presentations from LSC on adult skills highlighted forthcoming changes to structures at national and regional level. The move to the new Skills Funding Agency (SFA) with national commissioning of skills provision based upon a Regional Skills Strategy (RSS) mean that we need to be able to inform that strategy if we are to influence the use of mainstream funding to address skills needs within Tees Valley.

For Jobcentre Plus, the move to national commissioning has already taken place, with the Dept for Work and Pensions (DWP) contracting with prime providers to deliver 'Flexible New Deal' and other contracts. For these, Tees Valley is linked with one of the Yorks and Humber Jobcentre Plus Districts rather than with the rest of the North East Region.

What was equally clear from the presentations and from wider sources of information was the suggestion that there will be less public money around in the future, and that some existing funding streams may be at risk. Hence, all the more reason why we need to influence the use of mainstream budgets and encourage closer alignment of employment and skills funding streams.

4. Achieving leverage over mainstream employment and skills funding

If City Regions are to influence and have leverage over any mainstream provision, both DWP and the Dept for Business Innovation and Skills (BIS) expect them to be moving along the journey towards greater devolution, and will offering greater degrees of involvement based upon the stage reached (see Annex A for more detail on the various levels).

- For DWP, before areas can be involved in any pre-contract discussions about provision, they would require as a minimum, the signing of a 'Chinese Walls Agreement'. For those people involved, this would require some element of separation from anyone who is then bidding to deliver DWP programmes (be that internal teams or external contractors).
- For BIS, any leverage over Regional Skills Strategies would come from those areas given 'Section 4' powers. However in order to achieve this status, BIS require as a minimum, the establishment of refreshed Employment and Skills Boards which satisfy their acceptability criteria – as set by the UK Commission for Employment and Skills, one of those key criteria being that the ESB must be 'employer led'.

5. Work and Skills Plans

In addition, following recommendations from the 'Houghton Review of Worklessness', DWP responded to say that they will require all areas to submit a Work and Skills Plan. Formal guidance is still awaited on what the scope, contents etc. should be, but indications so far suggest that any Work and Skills Plans should:

- set out the strategic approach to worklessness - including a short, medium and long-term approach to addressing the employment and skills issues

- set out roles and responsibilities for national, regional and local partners
- describe current funding arrangements and include a retrospective section looking at what has been achieved to date using mainstream and flexible funding streams – e.g. Working Neighbourhoods Funding etc.
- demonstrate the case for further devolution of resources, powers and responsibilities, setting out the basis for partnerships to be accountable for any greater responsibilities devolved to them– being very clear about how City Regions would use any new powers sought, including plans for the delivery of related LAA/MAA targets
- have a strong link to ‘refreshed’ Employment and Skills Boards, and be supported by sound governance arrangements
- include a robust analysis of the local labour market – drawing evidence from the Local Economic Assessment and Worklessness Assessment
- include linkage with 14-19 and Higher Level Skills agendas - this is considered to be critical.

One of the points which is not yet clear, is how Work and Skills Plans will fit with the requirement from BIS for a Regional Skills Strategy. We expect this to be covered in the forthcoming guidance, which is expected before Christmas in a high level outline version, with detailed guidance to be provided by the end of January 2010.

However, the **deadline for submission of Work and Skills Plans will be 31st March 2010** – initially for an interim Plan covering the period 1 April 2010 to 31 March 2011. After that, Plans will be required to cover a three year period.

6. Proposed Way Forward

The employment and skills funding landscape is changing and we clearly need to be in a position as a City Region to influence the use of all funding streams, to ensure that the needs of Tees Valley individuals and employers are best met by the combined resources available.

To do that, we need to understand the options, implications and opportunities surrounding future devolution employment and skills funding, through continued meaningful dialogue with both DWP and BIS.

The requirement for associated DWP Work and Skills Plans to be completed by 31st March 2010 means that we need to start work on this task quickly if we

are to provide a meaningful document which best reflects the position for Tees Valley.

7. Recommendations for endorsement

- a. That Tees Valley should continue its discussions with DWP and BIS around the devolution agenda.
- b. That work starts quickly on a timeline to deliver Work and Skills Plans, led at City Regional level but working with all Local Authorities and associated partners.

Originator:	Sue Hannan
Contact Tel:	01642 264922
E-mail:	Sue.hannan@teesvalley-jsu.gov.uk

ANNEX A

Report from Shared Intelligence Ltd – Circulated October 2009

Tees Valley Employment and Skills - Scoping Paper

1. Purpose

Shared Intelligence has been commissioned to support Tees Valley partners to explore the development of the City Region employment and skills agenda via an extension to the existing Multi-Area Agreement (MAA). This paper aims to establish the context, background and rationale associated with these with proposals and in doing so to identify:

- the experience of other areas across the Country in pursuing such an agenda;
- the associated opportunities and risks; and
- potential next steps involved should the decision be taken to proceed.

2. Context

The Department of Communities and Local Government (CLG) has invited the Tees Valley City Region partners to explore the opportunities associated with the devolution and joint commissioning of a range of Department for Work and Pensions programmes and in securing Section 4 powers for skills.

Building on the development of voluntary, MAAs in a number of English city regions Government is seeking to pilot how additional powers and funding could be devolved to City Region partnerships. The programme sits firmly in the context of the Government's 2007 Sub National Review of Economic Development and Regeneration (SNR) and the Local Democracy, Economic Development and Construction Bill, currently proceeding through Parliament.

The Tees Valley Employment and Skills proposition set out a range of proposals to minimise the impact of the economic downturn and accelerate economic recovery, through addressing employment and skills issues, this included:

- securing **statutory powers** under Section 4 of the Further Education and Training Act 2007 (or under Section 24A of the Learning and Skills Act 2000) to formulate a city region employment and skills strategy to which the LSC (and its successor body, the Skills Funding Agency) must have regard in discharging its responsibilities
- developing an **integrated approach to commissioning** employment and skills provision across Tees Valley through improved alignment of existing funding streams and the non-statutory **devolution of funding and accountability** to localities via the tiered approach proposed in the Department of Work and Pension's (DWP) 'Raising expectations and increasing support: reforming welfare for the future' White Paper, published in December 2008
- establishing an employer-led, **City Region Employment and Skills Board** to articulate the future skills needs of key sectors of the Tees Valley economy;

influence adult and 14-19 skills provision through the development of an Employment and Skills Plan for the City Region and oversee devolved responsibilities for skills and employment programmes.

3. Developing a world class labour market – where are we now?

“Our nation’s skills are not world class and we run the risk that this will undermine the UK’s long-term prosperity. Productivity continues to trail many of our main international comparators. Despite recent progress, the UK has serious social disparities with high levels of child poverty, poor employment rates for the disadvantaged, regional disparities and relatively high income inequality. Improving our skill levels can address all of these problems.”

Prosperity for all in the global economy - world class skills; Leitch Review of Skills, HM Treasury, December 2006

In the currently economic climate upskilling and re-skilling the workforce to mitigate the impacts of recession, assist with economic transformation and build a long-term platform for improved productivity and economic growth is critical.

In this economic climate top-down decision making processes are limited in what they can achieve. Low levels of participation in the labour market and low workforce skills levels will act as a significant drag on the performance of the Tees Valley economy as it seeks to emerge rapidly from the recession and will continue to reinforce child poverty and other social inequalities.

The status quo in terms of how local and central government are organised is unlikely to deliver stretched performance and may thereby fail to fulfill both the City Region’s and the Government’s ambitions. Ensuring that decision making occurs at the spatial level at which complex problems exist is key to ensuring these employment and skills challenges are addressed.

4. Developing a devolved, integrated employment and skills system – lessons from elsewhere

Building on the Leitch Review, a succession of Green and White Papers have set out the Government’s evolving policy approach to integrating and streamlining the provision of employment and skills support and the devolution of accountability and resources.

The ambition is to create integrated employment and skills services that are more responsive to the needs of individuals and employers. This means ensuring that employer demand for skills is identified and articulated at the right spatial level – whether regional, sub-regional, or local. This includes ensuring that strategic skills needs are identified and met – for example, in fast-changing parts of the economy where individual employer demand may not produce sufficient skilled people quickly enough to take account of new opportunities. Employers have a critical role to play in making sure that this happens, as they are best placed to identify the support that will meet the business needs of today and of the future.

Government increasingly sees this employer role being played out in the creation of Employment and Skills Boards and states compelling evidence that the city-region is the level at which it wishes to encourage the creation of such Boards in order to bring

together employers and other local partners to raise and articulate demand for skills in support of local economic priorities, and to ensure that employment and skills provision responds to this demand. To make such Boards effective Government has further committed to delegating to them responsibility for skills strategy setting.

Where Employment and Skills Boards can demonstrate strong employer leadership in support of a clear, evidence-based strategy setting out demand for skills to support their economic vision, the Government will encourage them to apply to be specified by order by the Secretary of State as a body to formulate (and keep under review) a strategy in an area specified in that order, under section 24A of the Learning and Skills Act 2000 (“the 2000 Act”). Under section 24C(1) of that Act, the Learning and Skills Council is under a duty to carry out any function to which a strategy under section 24A relates, which might include the delivery of training required to support that strategy. The Skills Funding Agency (which will replace the Learning and Skills Council from 2010) is expected to be under the same duty.

This authority is more commonly known as Section 4 powers and will effectively give Employment and Skills Board the opportunity to set the binding strategy on the Learning and Skills Council and its successor body the Skills Funding Agency and thus have formal influence over the distribution of resources and associated commissioning. This would therefore, give Tees Valley City Region partners the power to ensure skills provision was commissioned that directly responded to City Region needs.

To date, the London Skills and Employment Board is the only body which has successfully secured Section 4 powers. Chaired by the Mayor of London, the Board has 22 members, including 15 employers, Higher and Further Education providers and the London Voluntary Sector Consortium. In July 2008, the Mayor launched ‘London’s Future’, the first skills and employment strategy for the City prepared under the Board’s powers, this strategy has guided LSC commissioning in the London area.

This willingness to devolve powers to local partnerships with regard to skills is echoed with regard to the employability agenda.

The fifteen City Strategy Pathfinders (launched in 2006 and subsequently extended until 2011) sought to empower local partnerships to design and develop innovative solutions; the Welfare Reform Paper ‘Raising Expectations and increasing support: reforming welfare for the future’ published in December 2008 set out a raft of measures including the development of an invest to save model, first proposed by David Freud, which seeks to fund providers who achieve sustainable job outcomes for the long-term unemployed through benefits savings. The paper also laid out three levels of devolution for (DWP) contracted employment programmes as follows:

- **Level 1** - This provides partners with the opportunity to shape DWP contracted employment provision to meet local requirements, against a national spine of provision. This is the minimum level of consultation that will be offered for all future commissioning activity.
- **Level 2** - This involves partners providing some funding to enhance the services delivered under the DWP contracts and facilitate a ‘co-commissioning’ approach.
- **Level 3** - At this level partners would have even more influence and control over the commissioning process. It could involve DWP handing over a level

of accountability and contracting responsibility to partnerships for delivery of specified outcomes.

The recent Houghton Review of Worklessness (2009) also supports this devolution agenda and proposes a clearer framework for partnerships to deliver integrated skills, employment and wider support for workless people and to guide more flexible local funding.

Initial messages on this devolution agenda appeared to suggest that local partnerships would be expected to progress throughout the various levels in a linear way with a view to a number of areas having level 3 powers by 2015. However, the current view emerging from DWP is that partnerships can draw from this the level of devolution and combination of levels which work best for them. This suggests much more flexibility for local partnerships to determine the type of devolution which works best for them and which secures maximum influence at the local level. It is also the case that seeking Section 4 powers for Skills and DWP devolution are no longer mutually exclusive.

The ultimate aim is to devolve responsibility from DWP and Department for Business, Innovation and Skills (BIS) to employer centred collaborative partnerships. In response a range of innovative approaches have emerged across the UK, some underpinned by MAAs:

- In Glasgow (a City Strategy Pathfinder), Glasgow Works has established an Area Based Commissioning model which aligns resources from a variety of sources to create a single investment fund; providers are rewarded in line with the 'distance travelled' by programme participants. The model allows for the flexibility to respond to distinct local needs within an overarching City wide framework. In order to prevent overlap and duplication of services Glasgow Works are currently working closely with DWP to plan local service provision which complements Flexible New Deal and are also negotiating with DWP mechanisms through which they can have greater local input into DWP mainstream commissioning.
- The Greater Manchester City Strategy Pathfinder has sought to integrate health, housing, childcare and a range of local authority services into the employability agenda and has jointly commissioned a Flexible New Deal programme with DWP, tailored to the needs of the City Region; these proposals were enshrined in the City Region MAA and, as the other Forerunner City Region, AGMA are now working with DWP and DIUS to secure section 4 powers for skills to the City Region and to pilot level 3 commissioning for employability programmes.
- Birmingham, Coventry and the Black Country was designated a City Strategy Pathfinder in 2006 and has recently agreed an MAA which is centred on employment and skills; the MAA covers the local authority areas of Birmingham, Coventry, Dudley, Sandwell, Solihull, Telford and Wrekin and Walsall and seeks to secure Section 4 powers; enhanced influence over planning and commissioning of mainstream employability programmes; and improved alignment of 14-19 commissioning at City Region level. The City Region has established an employer led Employment and Skills Strategic Management Board (ESSMB) to guide the delivery of the MAA which will report to the overarching City Region Leaders Board. The City Region is currently working with BIS to agree the terms of reference for its ESSMC with a view to securing section 4 powers at the earliest possible stage. The City Region is also working with DWP to co-commission the pilot Invest and Save mainstream programme which will be

targeted on assisting 2 year plus Incapacity Benefit claimants, this will allow the City Region and its constituent Local Authorities to have direct input into the specification of this contract from the earliest stage and provide a mechanism for ensuring maximum linkage of mainstream and local resources.

5. The Opportunity and Risk....

In the face of the employment and skills challenges presented and looking at the experience of other areas Tees Valley partners should consider the extent to which they wish to grasp hold of this devolution agenda.

Such considerations become even more pertinent given forthcoming changes in the operational and funding landscape. In June 2007 the Government announced changes to the way in which skills development for young people and adults were to be funded in the future, as set out in 'Raising Expectations: enabling the system to deliver'. In reforming the post-19 skills system it proposed the creation of the Skills Funding Agency (SFA), and its four proposed business units:

- National Apprenticeships Service (NAS) - operational from April 2009.
- National Employer Service (NES) - based in the SFA from 2010.
- Adult Advancement and Careers Service (AACCS) - operational from 2010
- Learner Responsiveness.

The SFA will replace LSC and will be responsible for funding colleges and providers driven by the choices of individuals and employers in a market that is increasingly becoming choice-led. However, the SFA will be a slimmed down organisation with its focus at the regional and national level. Much of future provision will be commissioned on this regional and national basis with less opportunity for local influence over mainstream funding and delivery.

Skills Strategy will now be set at the regional level by Regional Development Agencies and the Skills Funding Agency will be informed by this Regional Strategy in its commissioning of provision. This presents a real risk for the Tees Valley City Region that the skills issues which are unique to the City Region will not be sufficiently realised via national and regional strategy setting and commissioning.

However, where Section 4 powers are granted to designated Employment and Skills Boards the Skills Funding Agency in its commissioning activities will be under a formal requirement to take account of the Strategy produced for the locality in which these boards operate. Therefore, it appears likely that any Section 4 related Strategy would have equal if not more traction on the Skills Funding Agency than any Regional Strategy.

Also critical given the challenges of worklessness, likely to be further compounded by the potential Corus situation, is that the amount of discretionary funding (currently available via programmes such as Working Neighbourhoods Funding and Single Programme) for employability provision moving forward is likely to be reduced. Therefore, securing the ability via the devolution agenda to deploy mainstream resource more effectively in support of employment and skills outcomes will be critical.

Such devolution would also assist Tees Valley partners to address some of the existing complexities in the current operating system, some already identified and being addressed under the Tees Valley Employability Framework, but which would be enhanced through devolution through:

- Increased complementarity between discretionary and mainstream funded support
- Reduction in duplication, fragmentation and gaps in provision currently existing in a number of localities throughout the City Region
- Removing eligibility constraints impacting on the ability of support agents to provide the full suite of support that an individual requires to assist them towards sustained employment
- Increasing operational personal data sharing providing more effective and co-ordinated targeting of workless individuals, particularly those experiencing the most severe barriers to employment (already being addressed to some extent with the introduction of a shared database for Local Authority Provision)
- Joined up approach to performance management and target frameworks leading to inefficient use of resources
- Better match /co-ordination of employment and skills provision increasing the development of holistic and integrated programmes

While this national policy agenda and promise of increased devolution brings with it real opportunities it is not without risks which would need to be actively addressed to turn policy statements into effective practice. Experience from other areas demonstrates that pursuing this devolution requires clarity from local partners on what they are seeking to achieve. It also requires significant effort and intensive joint working with central government partners. Other risks and challenges include:

- Imposition of a private sector led Employment and Skills Board which would set the agenda for skills and employment provision in the City Region taking power away from mainstream agencies – that said, such risk could be mitigated by having local authorities sufficiently represented on such a Board and indeed give them more influence than they currently have. There is also the risk that if City Region Partners do not proactively respond to the demand led agenda and design the relevant structures to respond that structures may be imposed upon them by Central Government.
- Potentially some reduced control over Working Neighbourhoods Funding and other local resources under the DWP Level 2 co-commissioning model - however, if addressed in the right way this could provide an opportunity for local partners to ensure that mainstream resources complement rather than duplicate or cut across local programmes and spending. Maximising such value from mainstream resources is critical given declining levels of discretionary funding available. It is also the case that there is currently more opportunity for City Regions to determine their own devolution agenda rather than follow nationally set levels.
- Reverse devolution with imposition of a City Region tier of governance, management and administration replacing that of Central Government limiting the opportunity for local authority level control and influence – again however, such risks have been mitigated in other areas across the UK through the design of structures which ensure local control and influence and the flexibility for local needs and issues to be appropriately addressed within a City Region

model. Such co-ordination at the City Region level could also result in increased efficiency savings in the context of declining public sector resources.

Taking the risks into account by pursuing a new relationship with Government Tees Valley partners could secure greater devolution of the employment and skills agenda which would provide the opportunity to:

- effectively address the constraints and barriers in the current operating system;
- ensure more efficient use of resources;
- secure maximum employment outputs and outcomes;
- combat the risks associated with the new employment and skills organisational and funding landscape; and
- provide local partners with more confidence that they have real influence and input to the planning and commissioning of provision.

The opportunities associated with extending the Tees Valley MAA to encompass employment and skills are great and pursuing this agenda would demonstrate continued ambition among City Region partners and reinforce the desire to build on the successes and flexibilities achieved to date. There is a risk however that in the absence of a MAA further devolution and delegations would not take place.

By pursuing an extension of the MAA the City Region would reinforce its position as a fore-runner in the employment and skills agenda. Conversely, if partners do not grasp this opportunity to push ahead they could be overtaken by other areas. Indeed, one of the key threats identified by Tees Valley partners is competition from other core cities and city regions. Extending the MAA to encompass employment and skills, therefore, provides the opportunity to demonstrate success at joint working as a City Region and to guarantee a place as a national leader in this regard matching the success of localities such as London, Leeds and Manchester.

6. Proposed Next Steps...

The work to date has focused on those elements of activity that an employment and skills element of the MAA would cover and has identified those areas where it could bring added value over and above what could be achieved locally.

However, the detail and quantification of this added value and the associated proposals which will achieve it will require intensive commitment and in-depth joint working by all stakeholders including Local Authorities, JCP, the LSC/SFA and ONE.

In order to enhance the Tees Valley MAA to encompass employment and skills it will be necessary to:

- pursue detailed discussions and negotiations with Government in this regard;
- start detailed work on developing the proposition;
- examine the governance and management arrangements that need to be put in place;

- establish a clear time-line to suit Tees Valley and the wider responsibilities of the TVU partnership (eg Revising the TVU Business Case / reviewing the membership of the Tees Valley Employment and skills Board etc); and
- put in place a structure to formalise the coming together of senior officers who are currently leading on employment and skills for their respective organisations.

Immediate next steps will involve a further round of meetings with Local Authorities, JCP, LSC/SFA and One NorthEast in order to inform the development of an outline City Region employment and skills proposition. Draft proposals will then be prepared and presented for discussion at a workshop scheduled for early December 2009.

Donna -Louise Hurrell
Shared Intelligence Ltd

Annex B

Tees Valley MAA and Tees Valley Jobcentre Plus Service Level Agreement December 2009

1. During procurement exercises

Tees Valley MAA will have:

- An opportunity to influence programme specifications (around the 'national spine' and at nil cost). Tees Valley MAA will not be able to change the specification of national DWP programmes. If the Tees Valley region features in a DWP pilot then DWP may consult Tees Valley MAA on the content of the programme being piloted – this is currently happening with the Invest to Save pilots. For national provisions, Tees Valley MAA may propose amendments to the specification to ensure that it reflects how the programme will fit locally.
- Involvement in evaluation of bids Tees Valley MAA will be offered the opportunity to comment on the 'local fit' of each bid received to aid DWP assessors who will not have that detailed local knowledge.

2. Once contracts are awarded

Tees Valley MAA will be:

- Invited to Post Contract Award Briefings to give them the opportunity to meet with the provider and the contract manager and to participate in implementation planning
- Invited to Walkthrough events with Jobcentre Plus and Providers to give them the opportunity to gain more detailed information about the programme. Jobcentre Plus may wish to invite Tees Valley MAA to provide background information to Jobcentre Plus advisers about the local fit of the programme.
- Sight of Performance Information MI which shows e.g. referrals, starts, job outcomes will be shared on monthly basis. This is likely to begin in Feb 2010.
- Invited to participate in Provider Engagement Meetings Provision of the MI above will allow Tees Valley MAA to join in discussions at PEM meetings and e.g. to identify gaps in provision locally or e.g. to suggest how the FND 'black box' may be adjusted to continue to meet the local needs.

3. If in the future Tees Valley MAA agree to co-fund one of DWP's contracted employment programmes

Tees Valley MAA will be offered all the above, plus:

- The potential for bespoke Management Information
- Access to DWP Contract Managers where there are concerns which are relevant to the SRP's contribution, with the potential to jointly meet with the Provider to discuss these concerns and agree remedial action. DWP will retain the role of Contracting Authority.

Report of:	Senior Assistant Director, Tees Valley Joint Strategy Unit
Report to:	Leadership Board
Date:	18 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.

Originator: Jonathan Spruce
Contact Tel: 01642 264840
E-mail: jonathan.spruce@teesvalley-jsu.gov.uk

TEES VALLEY INDUSTRIAL INVESTMENT PROGRAMME GOVERNANCE STRUCTURE

