

# **TEES VALLEY PARTNERSHIP**

## **2005-2008 INVESTMENT PLAN**

**(DECEMBER 2005 REVIEW AND UPDATE)**



## Tees Valley Partnership Business Plan 2006

### Strategic Overview

The Partnership's proposals for taking forward the sub regional programme for 2006-2008 responds to and builds upon the investment priorities identified in the Partnership's 2005-2008 Investment Plan submitted in 2004.

Within this plan review we seek to provide an update on the sub region's high investment priorities.

The programme outlines proposal for continuing and new investment under the RDA's broad theme headings of Business, People, and Place and retains its alignment to the RDA guidance of:

- **Focus** – concentrating resources on those areas where a real difference can be made.
- **High Impact** – delivering fewer, larger higher impact initiatives.
- **Added Value** – using Single Programme funding not only to support mainstream funding but to fill gaps in key areas.
- **Deliverability** – assessing the capacity and capability of our partners to develop and deliver initiatives on time and to budget.

The Plan continues to be placed in a fully justified strategic and policy context though throughout the implementation period it faces a series of challenges not least of which are the impending changes at local and regional levels in the areas of Business Support, the regionalisation of the Learning and Skills Council and the planned changes that will impact upon the regional and sub regional delivery of Job Centre Plus. Each in their own way key strategic partners going through structural and operational changes that will not be without impact to the sub regional programme. The Partnership however views these challenges as opportunities to identify and work towards increased focus and yet more strategic delivery and looks forward to working with these key partners to further these aims.

The programmes set out in this plan review continue to reflect and come from three main strategic documents. They are:

- “Leading the Way” the reviewed Regional Economic Strategy with its concentration on Leadership, Enterprise and Business Support, Sectoral and Global Networks, Innovation and Creativity, Skills, Economic Inclusion, Infrastructure and the Built Environment, and Image and Cultural Assets.
- The Tees Valley Vision which sets out the economic and spatial development strategy for the Tees Valley;

- The Northern Way Growth Strategy which sets out an important role for the Tees Valley City Region as a driver of economic growth
- The Tees Valley City Region Development Plan emerging from the Northern Way Growth Strategy which further identifies and build on the Tees Valley Vision through analysis of the seven key economic challenges facing the Tees Valley
- The Regional Spatial Strategy which sets out the statutory planning basis for the economic development and regeneration of the region.

As requested, we have reviewed the programme in the light of these major policy initiatives. We have found that for the most part our programme conforms to the key elements of these new strategies and programmes and hence needs little change.

Responding to the Agency's over-arching themes of **Business, People and Place** we have made considerable progress.

**North East Business Network for the Tees Valley** is now firmly established and our Business Support programme is predominantly being delivered through the Network and the Brokerage Model. Debate however continues and the Partnership still awaits guidance from One NorthEast upon the position of programmes of the nature of RENEW TEES VALLEY; DIGITAL CITY and KIBs all of which include elements of business support but with differing levels and degrees of specialism and thus claimed to fall outside the brokerage model. The Partnership has asked and continues to wait for further Agency guidance.

In 2005/2006 the Partnership established the **Skills Development and Raising Aspirations Steering Group**. Jointly chaired by the LSC and Connexions and fully inclusive of the wider membership of the Partnership this group has commissioned programmes and projects to deliver against sub regional and regional strategies and will continue to do so throughout the remaining programme period. Our future programme will continue its alignment with the One NorthEast emerging priorities for skills and higher education.

Assessing the scenario in the Tees Valley there is clearly a need to provide young people with a range of alternative career options and the skills and support to take advantage of these choices. Our programme will seek to fund projects which meet the theme of Employability and Enterprise.

Leading the Way makes an important recognition of the "**Quality of Place**". The Tees Valley has faced and still faces serious challenges left by the decline of its industrial and manufacturing base. Whilst the Partnership recognises that sustainable regeneration is a combination of social, economic and physical activity, through continued commitment to its Area Based Growth Initiatives and flagship development programmes it will continue to provide the foundation and

framework that will deliver the strategic approach. This will enable us to add value to the economic and social renaissance providing a ready supply of sites and premises and a quality environment for business and community. This will further support wealth creation and economic inclusion and the development of the Tees Valley City Region.

Significant progress has already been made. In Darlington the Tees Valley Regeneration flagship mixed use development at **Central Park Darlington** has advanced from the preliminary planning phase and site assembly and infrastructure works are progressing alongside the development of the new Darlington College of Technology due to open in September 2006. A preferred developer has been appointed for the development of **Faverdale** in Darlington, building upon the recent investment by Argos. This will take forward the continuing development of the **Darlington Gateway Strategy** as will the work on the “pedestrian heart” of Darlington town centre which has helped facilitate and will complement the adjacent private sector investment in the retail redevelopment of Commercial Street.

Following the launch of the **Stockton/Middlesbrough Initiative** the partner authorities have successfully appointed an interim project director and are presently preparing a robust and sustainable business plan that will be the framework against which key initiatives like the **Green/Blue Heart**, continuing the regeneration of the river corridor and hinterland between the two town centres, will progress. Further and significant progress has also been made by Tees Valley Regeneration at their flagship sites of **North Shore** in Stockton and **Middlehaven**. At North Shore TVR have announced the appointment of preferred developer AMEC/Urban Splash and in Middlesbrough Terrace Hill have completed the first development on the Middlehaven site at Hudson Quay and await their first tenants. Adding to that progress the announcement of the relocation of Middlesbrough College to Middlehaven will bring 17,000 students and 1200 staff on to site adding to the development momentum of this key regeneration site.

Our **Coastal Arc** programme has made “steady progress” in 2005/2006 but the Partnership does have genuine concern that the emerging leisure/tourism policy from One NorthEast and its application to the Coastal Arc does not fully accommodate the wider aspirations of the programme. The Partnership is anxious to sit and discuss with the Agency the means of progressing vitally important projects for the Coastal Arc. This includes the preparation of Framework Development Plans for Redcar and Saltburn and commencement of the mixed use regeneration programme for **Coatham Enclosure**.

The following programme by programme review seeks to advise and guide one NorthEast upon the direction and continuing objectives of the Single Programme in the Tees Valley. It seeks to highlight those continuing priorities being pursued in each area but it should be recognised that there are of course cross cutting

themes that could comfortably sit in more than one programme area, for example between skills development and enterprise.

We have been asked to identify the level of over programming in each of the Agency's nine programme areas. Our plan preparation however does not permit this and we have thus as with past plans included an overarching element of over programming of circa 41% in 2006/2007 recognising that many of our capital regeneration projects must be considered to be "high risk" and prone to programme impact by external factors beyond the control of the project sponsor and Partnership

As ONE is aware, the Partnership has had some difficulty in appointing a Chair because of the reluctance of a number of suitable candidates from the private sector willing to take on the role. The institutional environment of the Tees Valley is changing with the regionalisation of Business Link and the Learning and Skills Council, the Regional Funding Allocation process, the growth of the City Region concept and the development at local authority level of local area agreements. We consider that we need to revitalise the Partnership to take account of these developments and the Partnership will be working with the Agency over the next few months starting with a meeting with Alan Clarke in January to set the parameters. However despite the problems of finding a Chair, the Partnership Executive meets on a three weekly cycle and there are a number of working groups of partners on specific projects/issues which ensure partner involvement in the development and implementation of the programme.

## Tees Valley Partnership Business Plan 2006

### Programme Direction, Key Milestones and Strategic Added Value

#### Innovation Industry and Science Programme`

The DTI document “Upstream/Downstream Processing of Heavy Oils Study” concludes that there is a strong economic case for the development of Heavy Oil upgrading capability forecasting that Northern Europe alone will need 3/4 large facilities to meet demand. Within the UK the Tees Valley is particularly well placed to make a strong case for the development of such a facility in the sub region. The Partnership welcomes and supports One NorthEast in developing this initiative and will continue its work with the Agency and its private sector partner in delivery of the first stage feasibility work which if successful has the potential to lead to a multi £bn. investment for the Tees Valley.

The Partnership also supports the One NorthEast /Welding Institute collaboration on the NorthEast REMTEC (Renewable Energy Manufacturing Technology Centre) to be developed adjacent to TWI’s existing premises at Riverside Park. Provision has been made within our programme to complement the Agency investment being made in 2006/2007 with circa £1.7m of Single Programme sub regional funding in 2007/2008 enabling REMTEC to be developed and fully operational by March 2008.

<b>Key Milestone / SAV</b>	<b>Year</b>	<b>Qtr</b>
	2006/07	
Heavy Oil Upgrader – completion of phase 1 FEED study – SAV the provision of 40 consultancy studies (re-usable)		4
	2007/08	N/A

## **Business Programme**

Progress against our identified priorities has been as follows:

### **1. To further develop the chemical and engineering sectors in the Tees Valley**

The Tees Valley's specialist engineering skills have underpinned the development of the chemical, iron and steel, offshore and other civil/mechanical industries. There is significant potential to export these skills to global markets and to develop new opportunities for the Tees Valley. These opportunities are more likely to be realised if Tees Valley firms collaborate in a sector development programme.

The Tees Valley Partnership will continue its support for and work with the **Tees Valley Engineering Partnership** with the stated objective of creating a dynamic employer-led Partnership that will support and strengthen the engineering/manufacturing base of the Tees Valley enhancing competitiveness and sustainability.

In 2005/2006 the Partnership made a further commitment to support much of the work of **NEPIC** through provision of funding for its Science Education Programme aimed at encouraging more young people to participate in science and engineering subjects and take up career opportunities in these sectors; and its Marketing and Investment Programme through which it aims to market the Tees Valley as a prime location for inward investment in the chemical and process industries. This support will continue throughout 2006/2007 and 2007/2008

### **2. Support for the retention of a sustainable steel industry in the Tees Valley**

The future of the steel industry in the Tees Valley has for the moment stabilised but there is no room for complacency. The Partnership has and will continue to support the key sectoral stakeholders through the furtherance of its proposals for the establishment of an "environmental industries park" that will seek to maximise the commercial opportunities arising from the EU End of Life Directives, and will further support One NorthEast's own direct investment (e.g. South Tees Freight Park; and Imperial Food Park) through delivery of a continuing series of economic and environmental measures that address the issues of dereliction and negative perception of the South Tees.

### **3. The development of new and emerging industries**

Through continued support for RENEW Tees Valley and collaboration with NEPIC the Partnership will seek to ensure that the momentum and the lead

the Tees Valley has gained in the field of the new and emerging industries is maintained thereby preserving the Tees Valley's position as a nationally and internationally recognised area of expertise in the new and renewable sector.

We will continue our support for the Digital City Concept. 2006 will see the start of work on site for the construction of the Institute of Digital Innovation, being developed by the University of Teesside and proposals for the development of the next stages of the concept (BOHO and the Museum of Digital Media) will be brought forward.

#### **4. To raise awareness of e-commerce and broadband in business in the Tees Valley.**

In June 2005 the Partnership successfully introduced the Tees Valley Broadband Network to the Tees Valley providing business class SDSL bandwidth accessibility to in excess of 15,000 SMEs and SOHOs in the Tees Valley. This was achieved through a process called Local Loop Unbundling of key exchanges throughout the sub region. Further investment in 2005/2006 will expand the Network to create and provide a world class platform capable of supporting economic and social transformation and responding to the challenges set by the DTI report "Connecting the UK: the Digital Strategy". The Partnership will continue its support to raise awareness and availability of the Network recognising that the development of broadband and broadband accessibility and IT will underpin all future development.

#### **5. The development of the co-ordinated delivery of business support services through the North East Business Support Network Tees Valley (NEBSNTV).**

Working with Business Link Tees Valley the Partnership has supported the establishment of NEBSNTV through which predominantly all business support service is now delivered. It has not however been a straight forward process and there still remains debate within the Partnership about the treatment of projects that maintain that they provide "specialist" support service and thus fall outside of the Network and Brokerage Service. The Partnership is quite prepared to be the arbiter of this debate but does require further guidance from One NorthEast for which it has asked and currently awaits a response. The recent consultation draft of the Strategic Action Plan for Enterprise and Business Support throughout the Region and prepared by One NorthEast is less than clear in this area. The Partnership will in 2006 consolidate the Business Support Network and brokerage ensuring the delivery of co-ordinated customer focussed business support services.

**6. To foster innovation and product development through universities and colleges.**

The University of Durham is the only research –led university in the Tees Valley. The Partnership views this very much as a major asset/strength for the Tees Valley and is working collaboratively with the University to develop further its research presence in the Tees Valley. Through 2006-2008 the Partnership will continue to support through the Single Programme the University’s further aims and objectives of expanding the Wolfson Institute at the Queens Campus in Stockton and further encourage the University’s continued collaboration with other strategically important research institutes/centre in the Tees Valley City Region, notably NEPIC at Wilton and NetPark research institute at Sedgefield.

<b>Key Milestone / SAV</b>	<b>Year</b>	<b>Qtr</b>
	2006/07	
NEBSNTV – Implement Communications Plan		1
Rivergreen Business Centre – Phase 1 completion		3
Knowledge in to Business – Wolfson Research Institute – ext start on site		3
	2007/08	N/A

## Enterprise Programme

Reference has been made earlier to the cross cutting elements of our programme. Our Skills and Higher Education proposals are very much focussed upon developing further the entrepreneurial culture within the Tees Valley, especially within the younger age groups (14-19 year olds). This builds upon the highly successful Enterprise Academy Programme that we have, following pilot delivery in Middlesbrough and Stockton working with Middlesbrough Football Club, been able to replicate upon a Tees Valley wide basis.

We will continue our work with the North East Social Enterprise Partnership promoting the expansion of the third sector through the creation of a dedicated support structure that will facilitate and encourage the development of Social Enterprise throughout the Tees Valley.

Working with Business Link Tees Valley we will further develop the Incubation Strategy for the Tees Valley building upon best practice and seeking to implement the findings of recent research to ensure that customers receive services which are high quality and responsive to the individual client needs.

Key Milestone / SAV	Year	Qtr
	2006/07	
Enterprise Academy – Summer Schools		2
	2007/08	N/A

## **Skills and Higher Education Programme**

In 2005/2006 the Partnership established the Raising Aspirations and Skills Development Steering Group. Incorporating membership of key stakeholders including the Universities, the five local authorities of the Tees Valley, Business Link, LSC, Connexions and the VOL/COM Sector this steering group has throughout 2005/2006 commissioned programmes and projects that have addressed the identified priorities in the Tees Valley of:

1. Raising aspirations of our young people.
2. Encouraging the development of new initiatives which transfer people from school to further and higher education
3. Encouraging workforce development

Through its two sub groups chaired by Connexions and the LSC the over-arching steering group will continue this work in 2006 – 2008 responding to the Regional Skills Action Plan and setting that into the sub regional context.

Our Raising Aspirations and Higher Education programme has so far funded projects that have developed the delivery infrastructure and created new programmes working with young people across the sub region.

Working with the Agency as an active member of our Steering Group we will in 2006-2008 seek to bring forward programmes that will provide young people with a range of alternative career options and skills and support to take advantage of these new career choices. Our programme will seek to emphasise that enterprise and the self employment offer real and significant opportunity for young people and is set to become of even greater importance in the future.

We will seek to build on the past successes of our Foundation Degree development programme and through continuing support for our Raising Skills in the Tees Valley project we will align skills interventions with One North East's Strategy for Success and the "three pillars" of the Strategy: Health Care & Health Science, Energy & the Environment and the Process Industries.

The project will also contribute to the successful implementation and delivery of the Regional Skills Action Plan. This highlights key measures of success that are vital to the continued development of the wider region;

- More people participating in learning
- Higher skill levels of the workforce
- Increased employer investment in skills
- Increased employment levels

<b>Key Milestone / SAV</b>	<b>Year</b>	<b>Qtr</b>
	2006/07	
Raising Aspirations – Agree volumes and targets with providers – phase 1 – SAV – the commissioning of project on a Tees Valley wide basis providing a strategic response and reflecting national and regional policy in a sub regional context.		1
	2007/08	N/A

## Economic Inclusion Programme

Supporting the Agency's Economic Inclusion Programme the Partnership will continue its Delegated Grants Programme which provides community/voluntary groups within Priority 4 Areas of the Tees Valley to access funding of up to £25,000.

This funding will support projects that not only benefit the objective 2 Priority 4 target communities but is linked to job creation and employability. The nature of projects that can be supported include:

- Provision of IT equipment
- Developing community facilities related to job creation
- Using ICT in training and employment initiatives.

In addition the Partnership is working with Jobcentre Plus and Redcar and Cleveland Borough Council in developing a pilot project to operate and work alongside Jobcentre Plus "Pathways to Work" initiative supporting individuals who are in receipt of incapacity benefit to return to work through supported work placement trials. **Leading the Way – Health in the Workplace** recognises the importance of this work in raising aspiration levels and enabling people with illness and disability to remain or return to work.

Key Milestone / SAV	Year	Qtr
	2006/07	
Building futures – establish NAPP initiative within Tees Valley Regeneration - SAV		3
	2007/08	N/A

## Physical Regeneration Programme

**Leading the Way** recognises that regional (and sub regional) competitiveness is built upon the ability to attract and retain highly skilled, creative and motivated people and that increasingly that the quality of life offered in locations is a key driver. The Tees Valley has made significant progress in addressing the legacy of industrial and manufacturing decline through regeneration but much remains to be done if the aspirations espoused in the Tees Valley Vision are to be delivered. In our 2005/2008 Investment Plan the Partnership committed itself to the urban and rural renaissance of the Tees Valley and the creation of new sustainable communities through major and comprehensive redevelopment and regeneration schemes. The Tees Valley Partnership remains committed to those aspirations and through 2006-2008 will continue its programme of the following area based growth initiatives:

- **The Stockton/Middlesbrough Initiative** – seeking to develop a “city zone” straddling the River Tees at the heart of the Tees Valley.
- **The Darlington Gateway Strategy** – exploiting the vital “gateway” role that Darlington provides linking the Tees Valley with South Durham and North Yorkshire, well placed to create new inward investment opportunities that will support the growth and expansion of existing businesses in the town and wider sub region.
- **The Coastal Arc** – seeking to revitalise and regenerate the post industrial resort areas of the Tees Valley, boosting the economic activity of and attracting development to the eastern part of the Tees Valley, focussing on the communities of Hartlepool, Redcar and East Cleveland.

These initiatives are important for the future economic success of the Tees Valley and complement the five flagship project of Tees Valley Regeneration at:

1. Middlehaven, Middlesbrough
2. North Shore, Stockton
3. Central Park, Darlington
4. Victoria Harbour, Hartlepool
5. Durham Tees Valley Airport

In the last financial year TVR has made significant progress in each of the projects and is rapidly moving from implementation to delivery, particularly at North Shore where preferred developers have just been appointed and Middlehaven where the first private sector investment at Hudson Quay has recently completed.

Supporting the wider programme of urban renaissance the Partnership is collaboratively working with TVR, One NorthEast and CABE and strongly supports the establishment of the Tees Valley Design Initiative actively seeking

to work with key stakeholders in all sectors to improve the quality of design and development throughout the Tees Valley.

<b>Key Milestone / SAV</b>	<b>Year</b>	<b>Qtr</b>
	2006/07	
Darlington Gateway – completion of Pedestrian Heart		4
Middlesbrough Town Centre Company – preparation of exit strategy		2
Stockton/Middlesbrough Initiative – production of Green Blue Heart Masterplan		1
Coastal Arc – Central Area Attractors - Phase 1 completion		1
Tees Valley Regeneration – Combined Heat and Power – ESCO company established and operational – SAV researching alternate sustainable means of energy delivery in development		3
Tees Valley Regeneration – Tees Valley Metro – submission of appraisal scenarios to Dept. for Transport – SAV –supporting the case for integrated public transport in the Tees Valley		2
Tees Valley Regeneration – Middlehaven - CPRG approval		2
Tees Valley Regeneration – NorthShore – agree terms for key premises acquisition		4
Tees Valley Regeneration – Victoria Harbour – commence detail design work		2
	2007/2008	N/A

## Culture and Tourism Programme

Through 2005/2006 the Tees Valley benefited from its continued cultural programmes delivered through partner organisations (e.g. SIRF and BIFF). Equally through its support for the Culture10 programme the Tees Valley shared with the region the acclaimed visit of the Tall Ships and hosted the prestigious Seve Trophy. Through our area based initiative, the Coastal Arc, the Partnership continues to develop and fine tune its tourism offer seeking to add value to the sub regional and regional visitor economy through strategic investment in the likes of the award winning and internationally acclaimed Hartlepool Historic Quay Visitor Experience and the planned opening of the Middlesbrough Institute of Modern Art (MIMA) in late summer 2006. The Partnership has made a bold and exciting bid to host one of the BBC Proms concerts working closely with the Arts Council and One NorthEast. The outcome of the bid is awaited.

In 2006/2007 our programme will continue to be supportive of and complementary to the regional Culture 10 aspirations yet will retain its own sub regional distinctiveness.

We are committed to and are working through the establishment of the Area Tourism Partnership and the preparation of the sub region's Area Tourism Management Plan following the emerging Culture and Tourism strategy from the Agency at a regional level. We agree that the Agency's proposals for a review of the tourism strategy for the north east region coastline is long overdue and look forward to working with the Agency in taking this strategically important piece of work forward in conjunction with our own developing Coastal Arc Strategy.

Key Milestone / SAV	Year	Qtr
	2006/07	
Area Tourism Partnership – implementation of ATP Business Plan		1
Middlesbrough Art Gallery – grand opening		2/3
Saltholme International Nature Reserve – tender submissions		3
	2007/08	N/A

## Rural and Environment Programme

There has been much debate around the Partnership's approach to rural affairs. The Partnership has most recently been in consultation with the Tees Valley Rural Community Council as it seeks to respond to DEFRA in preparation of the Rural Social and Community Plan in the Tees Valley. The resource available (£66,000 per annum for 2006-2008) is however grossly inadequate to address the issues identified by the Council of ;

- Social Exclusion in rural areas
- Affordable Housing
- Parish/Community planning
- Making use of Village Halls/Co-location of services
- Community Development Work
- Rural transportation

The Partnership does remain wholly committed to its rural priority area of East Cleveland and its Market Town of Guisborough and will bring forward projects that are supportive of the wider community (social and economic) in furthering and stabilising the economic viability of these areas. Our policy however must be set in the wider Partnership programme context boldly supported in the draft RSS which clearly states that whilst the Partnership should continue to invest in these areas, *“strategies, plans and programmes should support the development of the Tees Valley City Region by giving priority to the regeneration of both banks of the Tees between Stockton and Middlesbrough, Victoria Harbour, Hartlepool and Central Park Darlington....”*

Our approach to our rural priority area must be further clarified in recognition that East Cleveland has more in common with inner city areas of the Tees Valley than with traditional rural areas.

The exclusion of the wider rural area of the Tees Valley has been the cause of some debate between the Partnership and the Agency to which our response is that through programme preparation via consultation with partners and LSPs extensive rural proofing has been undertaken and programmes developed and prioritised accordingly.

The Partnership's work on environmental issues is predominantly led by the work of the team at RENEW Tees Valley who work very closely with the Agency, NAREC and NEPIC in pursuit of government targets on “green house gas” emissions and the development of new energy technologies. In addition through the work of the Tees Valley Design Initiative and Tees Valley Regeneration the Partnership is seeking through design and planning to encourage more sustainable and environmentally efficient development initiatives

<b>Key Milestone / SAV</b>	<b>Year</b>	<b>Qtr</b>
	2006/07	
Skelton Micro-Café – annual review		1
Guisborough Market Town – core costs evaluation		4
	2007/08	N/A

## Promoting the Region Programme

The Partnership does not identify individual programmes that specifically address this programme category but through other programmes of the nature of our Strategic Investment activity and Culture and Tourism programmes our partners seek to collaborate with One NorthEast and the other sub regions in promoting the economic values of the north east and the quality of place building upon the success of the programmes, projects and events of the nature of the Heavy Oil Upgrade Facility, the Digital City ; the Seve Trophy, the Tall Ships Visit, the Newcastle/Gateshead Half Marathon; Stockton International Riverside Festival etc etc.

<b>Key Milestone / SAV</b>	<b>Year</b>	<b>Qtr</b>
No planned milestones	2006/07	?
	2007/08	N/A