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**LIPSIT**  
LOCAL INSTITUTIONS,  
PRODUCTIVITY, SUSTAINABILITY &  
INCLUSIVITY TRADE-OFFS

# TEES VALLEY COMBINED AUTHORITY PROFILE

June 2020

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This document should be cited as:

LIPSIT (2020) ‘Tees Valley Combined Authority Profile’. Local Institutions, Productivity, Sustainability and Inclusivity Trade-offs (LIPSIT) working paper.

Local Institutions, Productivity, Sustainability and Inclusivity Trade-offs (LIPSIT) is an [ESRC](#) (Economic and Social Research Council) funded collaborative project with Demos and the Universities of Birmingham, Cardiff, Surrey and Warwick. The aim of the project is to identify institutional and organisational arrangements at the regional level that tend to lead to the ‘good’ management of policy trade-offs associated with increasing productivity, and to make recommendations based on this. For further details of our research please visit [www.LIPSIT.ac.uk](http://www.LIPSIT.ac.uk).



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## Introduction

This profile of the Tees Valley Combined Authority (TVCA) provides a detailed account of the region's devolved structure and data relating to key aspects of the economy, including: innovation, business, infrastructure, people, place and the environment.

## Tees Valley Combined Authority

The Tees Valley Combined Authority (TVCA) was formally established in April 2016. It is one of 10 combined authorities (CAs) set up in England as legal entities to enable groups of local councils to collaborate and collectively make decisions across council boundaries. The TVCA covers 5 local authorities (Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-On-Tees) and 1 private sector-led Local Enterprise Partnerships (LEPs), the Tees Valley LEP (TVLEP) that has been in operation since 2011 to facilitate financial planning, regeneration, transport and labour market interventions in the region. TVCA covers 3,300 square miles and has a population of approx. 670,000.



Figure 1: Geography of the Tees Valley Combined Authority

The Tees Valley Combined Authority Board is chaired by the Mayor of the Tees Valley and made up of representatives from the five Tees Valley Local Authorities and the chair of the Tees Valley Local Enterprise Partnership, the details of which can be found in Table 1 below. Other members of the Tees Valley Local Enterprise Partnership board are associate members of the Combined Authority.

<b>Board Members</b>	
Mayor Ben Houchen	Tees Valley Mayor
Councillor Heather Scott	Leader of Darlington Borough Council
Councillor Shane Moore	Leader of Hartlepool Borough Council
Mayor Andy Preston	Mayor of Middlesbrough
Councillor Mary Lanigan	Leader of Redcar and Cleveland Borough Council
Councillor Bob Cook	Leader of Stockton Borough Council
Paul Booth OBE	Chair of Tees Valley Local Enterprise Partnership

Table 1: TVCA Board Members

For a full list of TV LEP Board members see [here](#).

Tees Valley CA operates within an [Assurance Framework](#), which sets out its governance arrangements, policies and protocols, and the relationship with the accountable local authority including management of funding. The Tees Valley CA Board has agreed a high-level governance for Tees Valley, which includes the following groups:

- Mayor (Chair) – voting.
- Leaders of the five constituent local authorities:
  - Darlington Borough Council – voting
  - Hartlepool Borough Council – voting
  - Redcar & Cleveland Borough Council – voting
  - Stockton on Tees Borough Council – voting
  - Middlesbrough Borough Council – voting.
- Deputy Mayor – is held by one of the Local Authority Leaders on an agreed annual rotation.
- Local Enterprise Partnership Chair – non-voting.
- Local Enterprise Partnership other public and private sector members – associate members – non – voting.
- Local Enterprise Partnership – business representation organisations – observers – non-voting.

For a full overview of the Tees Valley CA's governance/decision making structure see **Appendix A**.

Following the government's commitment in 2013 to negotiate Growth Deals with every Local Enterprise Partnership (LEP), LEPs were tasked with developing multi-year strategic economic plans (SEPs) to demonstrate their commitment to the growth agenda and to set out their priorities in return for freedoms, flexibilities and influence over resources from government and a share of the Local Growth Fund.

Tees Valley LEP published the regions first SEP – [Tees Valley Strategic Economic Plan](#) - in 2014.

In October 2015, the five Tees Valley local authorities and the Tees Valley Local Enterprise Partnership signed a devolution deal with Government. The deal enabled the transfer of specific powers and responsibilities on economic growth from Whitehall to the Tees Valley.

Powers and funding agreed to date include (Source: [LGA Devolution Register, 2020](#)):

- Government commitment to working with Tees Valley to explore how it can continue to develop its industrial carbon capture and storage proposals towards deployment of this infrastructure for its industrial sites in the 2020s.
- Responsibility for a devolved approach to business support from 2017, to be developed in partnership with Government.
- The Government will work with Tees Valley Combined Authority to mitigate the impact of significant industrial closures on the local economy, particularly in SSI's suspension of production. This will be the subject of future work to develop an appropriate economic recovery plan.
- Power to create a Tees Valley Investment Fund, bringing together funding for devolved powers and used to deliver a 30 year programme of transformational investment in the region
- Control of a new £15 million a year funding allocation over 30 years, to be included in the Tees Valley Investment Fund and invested to boost growth.
- The Combined Authority and Government will pilot a scheme which will enable the Combined Authority to retain all business rate growth that would otherwise have been paid as central share to government, above an agreed baseline, for an initial period of five years, with 2015/16 forming the starting point for the baseline.
- Government commitment to work with the Tees Valley Combined Authority to achieve Intermediate Body status for ERDF and ESF.
- Government will explore the devolution of housing financial transaction funding with Tees Valley.
- Creation of new Mayoral Development Corporations and leadership of a land commissions to examine what publicly owned land and other key strategic sites should be vested in the development corporation.
- Leadership of the comprehensive review and redesign of the education, skills and employment support system in Tees Valley. This includes local commissioning of outcomes to be achieved from the 19+ adult skills budget starting in academic year 2018/19. These arrangements do not cover apprenticeships.
- Responsibility devolved from Government for a consolidated transport budget, with multi-year settlement.

Through the delivery of their refreshed SEP in 2016 – '[Tees Valley Strategic Economic Plan: The Industrial Strategy for Tees Valley 2016-2026](#)' - the TVCA set out their growth vision (see **Appendix B** for a full overview of Tees Valley CA's strategy for growth):

The Strategic Economic Plan is focused around six growth generating themes and provides the strategic rationale and priorities for interventions and for investment:

1. Transport: to improve connectivity within Tees Valley, across the Northern Powerhouse, the UK and the world;
2. Education, Employment & Skills: to increase educational attainment, produce the skilled workforce that businesses need and increase lifetime opportunities for our residents;
3. Business Growth (including enabling infrastructure): to diversify the economy, support more business start-ups, develop high growth potential businesses and key growth sectors;
4. Culture: to build cultural vibrancy in our communities and change external perceptions of Tees Valley through the arts, cultural and leisure offer whilst creating places that attract and retain

businesses and business leaders and make the area more attractive to investors, workers and visitors;

5. Research, Development, Innovation & Energy: to introduce new processes and practices which reduce carbon emissions, increase productivity and the availability of high value jobs; and
6. Place: to accelerate the supply of good quality homes across the whole housing market, revitalise our town centres and urban cores, bring forward surplus public and blighted brownfield land for development and strengthen our commercial property offer.

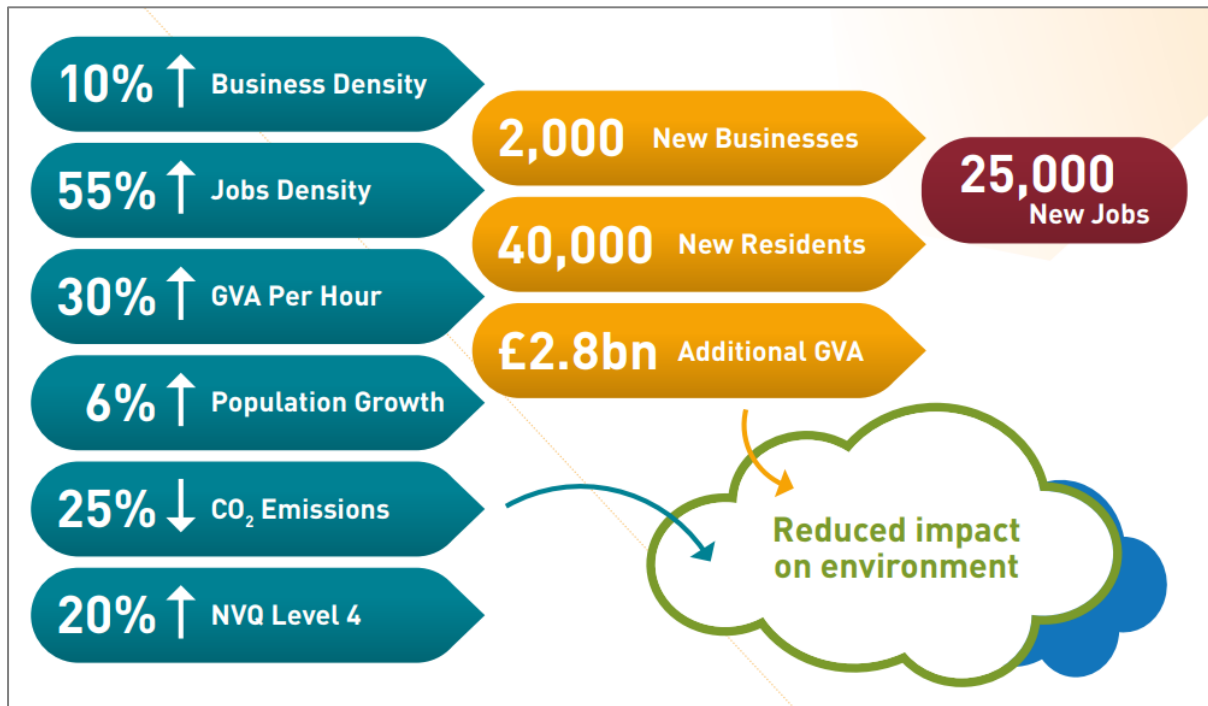


Figure 2: Tees Valley CA's Growth Vision by 2026 (Source: [Tees Valley Strategic Economic Plan: The Industrial Strategy for Tees Valley 2016-2026](#))

In May 2017, the Tees Valley became a mayoral CA when Ben Houchen was elected as Mayor.

In May 2019, the [Tees Valley Local Industrial Strategy](#) was published. Supporting the TVCA SEP and building on the established industrial strengths of the region, this document sets out the Tees Valley's strategy to:

- Lead the way as an exemplar region for clean energy, low carbon and hydrogen
- Develop pioneering capabilities in industrial digitalisation and ensure implementation of digital applications at scale
- Leverage the full potential of our innovation ecosystem in support of building innovation capability, R&D capability, commercialisation, business creation and growth
- Grow and widen the pipeline of talent to support our competitive advantages and help more people into good jobs with long-term prospects; and
- Attract investment and establish a global reputation for Tees Valley as a vibrant and thriving place to be, with world leading opportunities in clean energy, low carbon and hydrogen.

*“Tees Valley will be a global leader in clean energy, low carbon and hydrogen. The area will achieve a net zero carbon industrial cluster by 2040, providing good jobs with long-term prospects that local people can access. This ambition sits at the heart of our framework for growth”*

Tees Valley CA LIS Vision Statement 2019

A summary of the external funding received by the Tees Valley CA/LEP is shown in Table 2 below.

	<b>Total (£m)</b>	<b>Per Head (£)</b>
Regional Growth Fund 2011-12 to 2016-17	17.0	25.64
Growing Places Funding 2011-12	8.6	13
Growth Deals 2014-2021	126	188.8
European Structural and Investment Fund 2014-2020	173.2	259

Table 2: External Funding – Tees Valley (Source: [Smart Specialisation Hub 2019](#))

As part of the devolution deal, the Combined Authority also has responsibility for a ‘Single Pot’ of funding, including:

- Gainshare (the devolution deal £15m p.a. for 30 years);
- Local Growth Fund (LGF);
- Transforming Cities Fund (TCF); and
- Adult Education Budget (AEB).

Other sources of income for the TVCA including Enterprise Zone business rates and loan repayments. The long term security of the gainshare funds and other income and the devolution deal powers for the Combined Authority means that the Combined Authority is able to borrow against future funds (Source: [Tees Valley Combined Authority Assurance Framework 2019](#)).

## Tees Valley CA Key Statistics

In Table 3 below, figures for the TVCA are shown for a number of key indicators related to prosperity, inclusivity and sustainability. Figures for the UK are also provided as a baseline to assess regional performance according to latest data and over a 5-year period.

	<b>TVCA</b>		<b>UK</b>	
	2018	% change 2013-18	2018	% change 2013-18
GVA per/hour	90.9	<b>0.7</b>	100	<b>2.0</b>
Median gross weekly pay for full-time workers	501.2	<b>8.8</b>	568.3	<b>9.8</b>
Employment rate 16-64	68.4	<b>2.9</b>	75.0	<b>5.3</b>
% of total employees in low pay sectors	35.0	<b>4.8</b>	33.7	<b>-1.7</b>
% of workers in high-skilled occupations (SOCs 1, 2, 3)	12.5	<b>-0.4</b>	14.9	<b>5.5</b>

% of working-age population with NVQ Level 2+ quals.	69.0	-3.0	74.9	3.7
% in-work households with and without children receiving child and/or working tax credits	30.9	-20.0	22.1	-29.1
20:20 ratio of median weekly pay (gross), ft workers	2.1	-4.6	2.27	-0.02
Ratio of lq. house price to lq. earnings <sup>1</sup>	4.7	0.2	7.3	11.1
Life Expectancy (females)	81.3	-0.3	82.9	0.2
% of total connections receiving superfast broadband (>= 30 Mbits) (years = 2016-18)	65.8	42.3	55.3	36.5
% of workless households	22.8	-1.7	14.5	-16.2
CO2 per capita emissions (t) (years = 2017, 2013-17)	10.2	-55.6	4.5	-23.7
Total residual fuel consumption, tonnes of oil equivalent per capita (years = 2017, 2013-17)	1.12	-47.5	0.3	-9.3
Total transport energy consumption, tonnes of oil equivalent per capita (years = 2017, 2013-17)	0.52	-0.6	0.57	-0.3
Motor vehicle traffic per capita, vehicle miles <sup>2</sup>	4789	6.6	5083	4.2
Municipal waste generation, tonnes per capita <sup>3</sup>	0.5	-2.4	0.66	-4.3
% of household waste sent for recycling/reuse/composting <sup>4</sup>	33.3	-7.6	43.0	-0.5

Table 3: TVCA Key Statistics

This data was used to develop a regional typology to assess the productivity, inclusivity and sustainability of all UK regions in relation to the nature of their economies and their outcomes over time. Table 3 below shows the results of this typology for the TVCA, indicating its performance in relation to all other regions in England (LEPs and CAs), Wales and Scotland.

	LEVELS (2018)			CHANGE (2013-2018)		
	PROSPERITY	INCLUSIVITY	SUSTAINABILITY	PROSPERITY	INCLUSIVITY	SUSTAINABILITY
TVCA	LOW	LOW	LOW	LOW	MEDIUM	HIGH

Table 4: TVCA performance on prosperity, inclusivity and sustainability (levels and change)

LOW = Q1; MEDIUM = Q2 and Q3; HIGH = Q4

The results indicate the following for the TVCA:

**Prosperity** - performance low and improving below average compared to other regions

**Inclusivity** - performance low but improving in line with other regions

**Sustainability** - performance low but improving above average compared to other regions

<sup>1</sup> UK = Data for England and Wales

<sup>2</sup> UK = Data for Great Britain

<sup>3</sup> UK = Data for England, 2014-18

<sup>4</sup> UK = Data for England, 2014-18



PROSPERITY	<b>90.9</b> GVA per/hour (index) (UK=100) <b>↑ 0.7%</b> 2013-18	<b>£501.2</b> Median gross weekly pay for full-time workers <b>↑ 8.8%</b> 2013-18	<b>68.4%</b> Employment rate 16-64 <b>↑ 2.9%</b> 2013-18	<b>35.0%</b> of total employees in low pay sectors <b>↑ 4.8%</b> 2013-18	<b>12.5%</b> of workers in managerial, professional and technical occupations <b>↓ 0.4%</b> 2013-18	<b>69.0%</b> of working age population with NVQ2+ quals. <b>↓ 3.0%</b> 2013-18
INCLUSIVITY	<b>30.9%</b> In-work households receiving child and/or working tax credit <b>↓ 20.0%</b> 2013-18	<b>2.1</b> 20:20 ratio of median weekly pay <b>↓ 4.6</b> 2013-18	<b>4.7</b> Ratio of lower quartile house price to lower quartile earnings <b>↑ 0.2%</b> 2013-18	<b>81.3</b> Female life expectancy <b>↓ 0.3%</b> 2013-18	<b>65.8</b> of premises with access the superfast broadband <b>↑ 42.3%</b> 2016-18	<b>22.8%</b> of workless households <b>↓ 1.7%</b> 2013-18
SUSTAINABILITY	<b>10.2</b> CO2 per capita emissions <b>↓ 55.6%</b> 2013-17	<b>1.12</b> Total residual fuel consumption (tonnes of oil equivalent per capita) <b>↓ 47.5%</b> 2013-17	<b>0.52</b> Total transport energy consumption (tonnes of oil equivalent per capita) <b>↓ 0.6%</b> 2013-17	<b>4789</b> Motor vehicle traffic (vehicle miles per capita) <b>↑ 6.6%</b> 2013-18	<b>0.5</b> Municipal waste generation (tonnes per capita) <b>↓ 2.4%</b> 2013-18	<b>33.3</b> of household waste sent for recycling/reuse/composting <b>↓ 7.6%</b> 2013-18

Productivity in Tees Valley CA is lower than the national average. Looking at GVA/hour as the best proxy measure of productivity available, Figure 3 shows that GVA/hour worked has been consistently lower than the UK average over a 5 year period (2013-18). In 2018, GVA/hour in the TVCA was £31.8 compared to £35.0 for the UK. It should be noted that the data used in Figure 3 should not be used to compare GVA/hour between years but only within years.

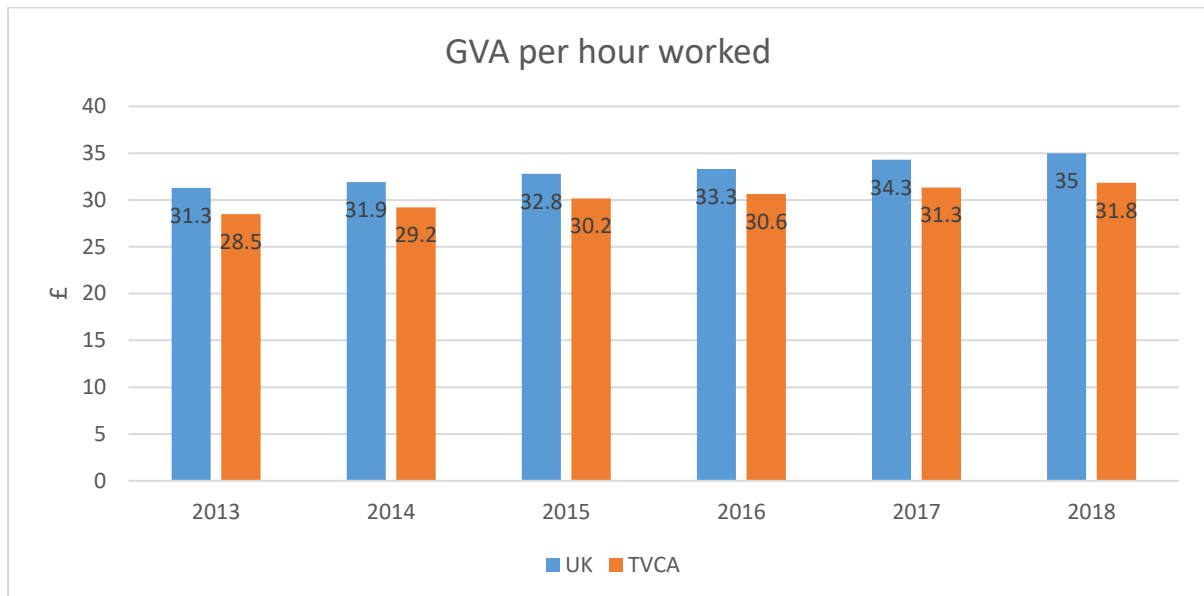


Figure 3: GVA per hour worked (£), nominal (smoothed) (Source: ONS)

Now turning to look at the growth of GVA/hour in TVCA over a 5-year period, Figure 4 below provides a positive outlook of recent performance. Growth in GVA/hour in the TVCA was growing at a faster rate than the UK average between 2013 and 2016. Since 2016, however, GVA/hour growth in TVCA started to decline and in 2018 fell below the national average for the first time since 2013.

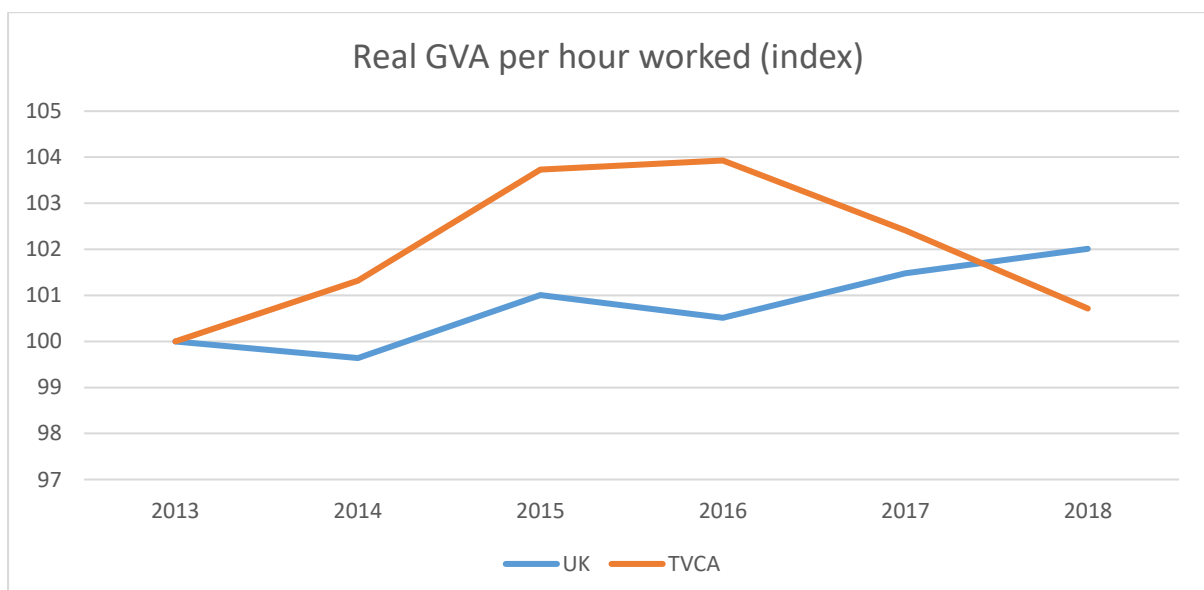


Figure 4: Real GVA per hour worked (index) (Source: ONS)

## 1. Innovation

Figure 5 and Tables 5-6 below provide an initial indication of the strength of the innovation environment in the TVCA. Figure 5 gives an approximation of the extent to which firms are engaged in different types of innovation activity in the TV LEP area, including the lowest and highest proportions for each metric of all LEP areas as benchmarks. Of the 10 measures of innovation included in this analysis, data is not available for TV LEP on four of these measures. TV LEP scored the lowest of all LEPs on three out of the six measures shown in Figure 5. The TV LEP does, however, perform relatively strongly in innovations related to 'innovation sales'.

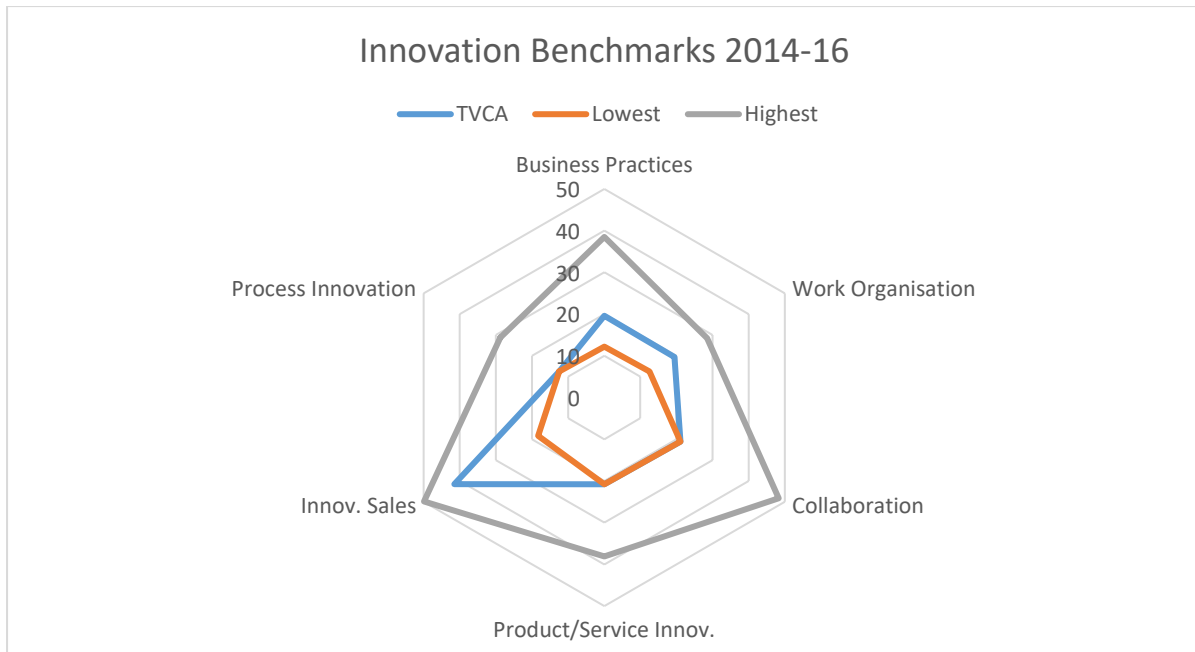


Figure 5: Innovation Benchmarks ([Source: Roper and Bonner, 2019](#))

	Business Enterprise Spending on R&D		Higher Education Spending on R&D	
	£/FTE	Benchmark relative to average LEP value	£/FTE	Benchmark relative to average LEP value
Tees Valley LEP	374	0.46	222	1.06

Table 5: Spending on R&D, 2014 (Source: [Smart Specialisation Hub](#))

	Interactions between HE Institutions and Business			
	Consultancy	Benchmark relative to average LEP value	Contract Research	Benchmark relative to average LEP value
Tees Valley LEP	3878	0.79	799	0.10

Table 6: Interactions between HE Institutions and Business: Income for consultancy and contract research for SME's and large businesses, HEBCI, 2014/15-2015/16 (average over 2 years) (Source: [Smart Specialisation Hub](#))

Table 5 above shows that the TV LEP performs below average in terms of business enterprise spending on R&D, with £374 spent for each full-time equivalent job and a benchmark relative to the average LEP value of 0.46. Also shown in Table 5 is higher education spending on R&D where the TV LEP performs just above average with £222 spent for each full-time equivalent job and a benchmark relative to the average LEP value of 1.06. The TV LEP performs below the average for all LEPs on the number of interactions between HEIs and business in terms of consultancy (a total of 3878 interactions between 2014 and 2016 and a benchmark of 0.79) and contract research (a total of 799 interactions between 2014 and 2016 and a benchmark of 0.10) as shown in Table 6.

Tees Valley CA has 1 university, 1 science park and 1 catapult centre.

Teesside University is TVCA's only university with 18,377 students enrolled in academic year 2017-18.

Tees Valley key innovation assets include:

- **Wilton Centre** - dedicated to nurturing innovative businesses within the science, technology, engineering and life sciences sectors, combining industry know how and leading edge facilities to support new and established companies in the North East.
- **Material Processing Institute** - an Open-Access Technology Centre serving organisations which work with materials, materials processing or energy
- **Epigem** - a hi-tech micro-engineering company based in Redcar and Cleveland.
- The Welding Institute - one of the world's most respected research and technology organisations, with industry-leading capabilities in a number of areas.
- **Centre for Process Innovation** - part of the High Value Manufacturing Catapult, CPI is a technology innovation centre that uses applied knowledge in science and engineering to enable clients to develop, prove, prototype and scale up the next generation of products and processes.
- **Digital Catapult Centre North East and Tees Valley** – a local centre that aims to help innovators bring digital services and products to the market. It is an exciting new space for innovators, businesses and academia to showcase their products and connect and collaborate.
- **Digital City** - provides professional support to a thriving digital cluster, including a stream of innovative start-up and spin-out companies delivering new technology products and services for business.

Tees Valley CA's innovation strategy is set out in the following document - [Innovation in Tees Valley: Turning Ideas into Reality](#).

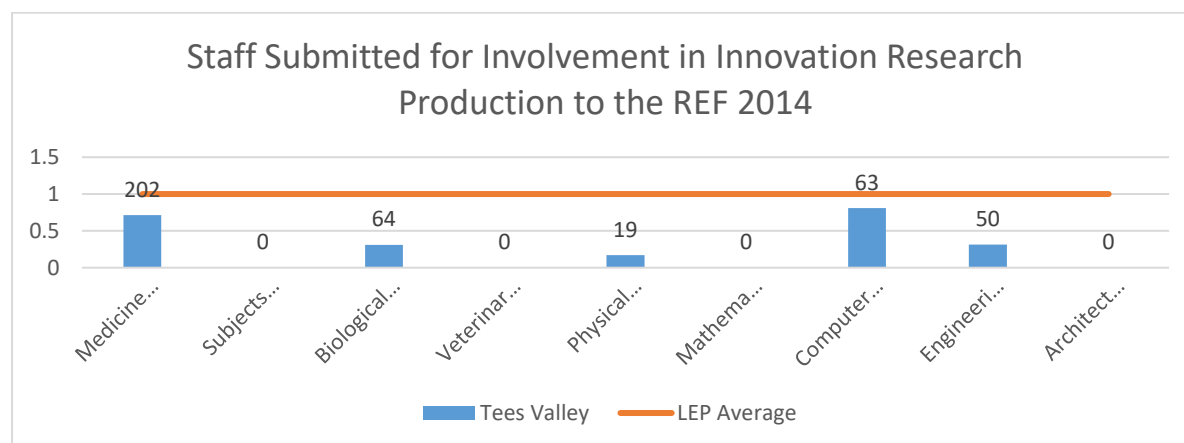


Figure 6: Staff submitted for involvement in innovation research production to the REF 2014 (Source: [Smart Specialisation Hub](#))

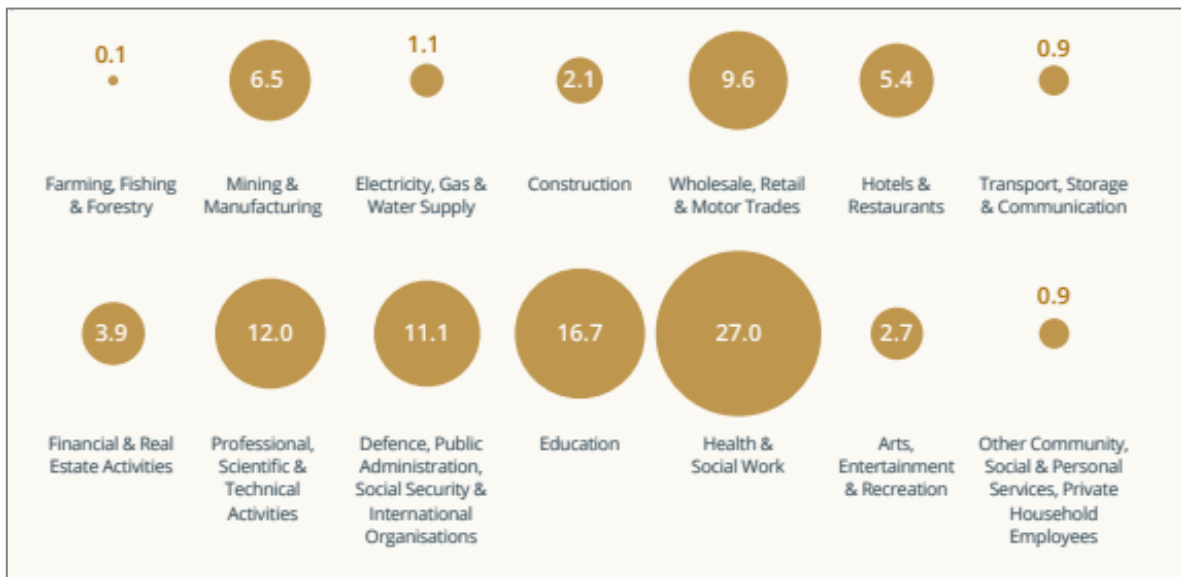


Figure 7: Employment of first degree graduates across industry sectors in the TVCA (%) (Source: [Smart Specialisation Hub](#))

Figure 7 provides a breakdown of employment of First Degree Graduates across industry sectors. The largest sector is Health and Social Work (27.0%) followed by Education (16.7%).

Relative to the LEP average, the TV LEP has a much lower proportion of jobs in science and technology as shown in Figure 8.

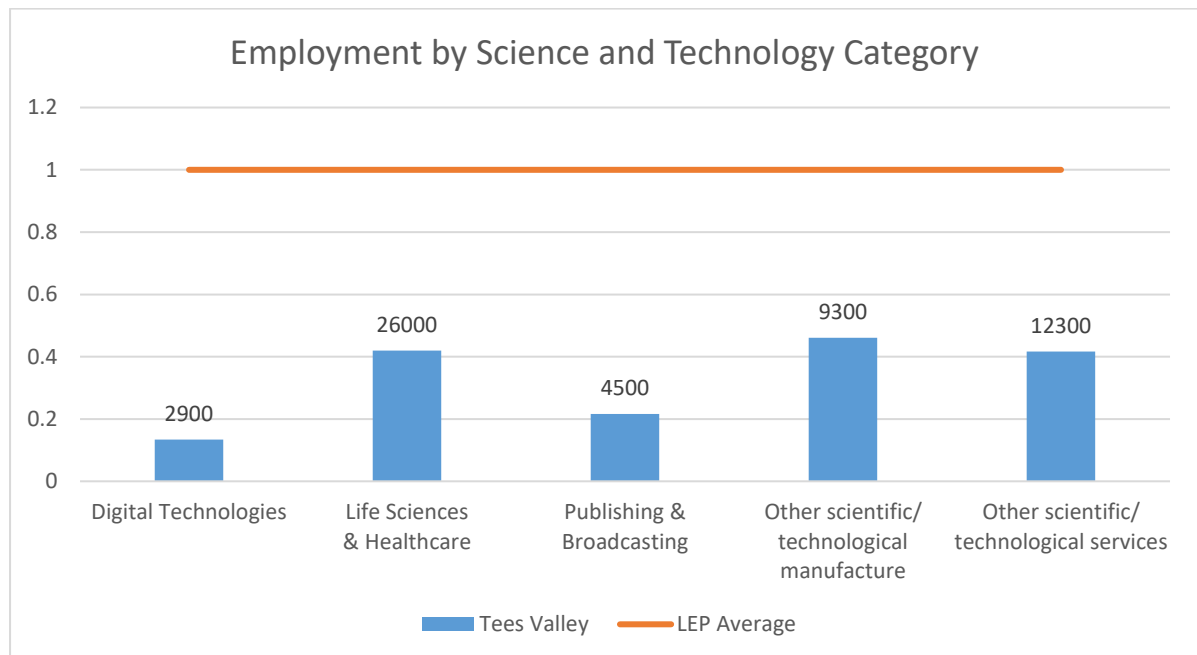


Figure 8: Employment by science and technology category (Source: [Smart Specialisation Hub](#))

## 2. Business

The TVCA's business base currently stands at 19770 (293 per 10,000 population compared to 442 for the UK in 2018). This is well below the national average. Business births per 10,000 population for the TVCA is also lower than the national average at 40 compared to 57 in 2018 (see Table 7). Figure 9 shows that business births are exceeding business deaths in the TVCA area in Darlington, Middlesbrough and Redcar and Cleveland but not in Hartlepool and Stockton-on-Tees. Figure 10 shows the proportion of start-ups scaling <£500k to £1m+ in 3 years (2015-18) and survivors scaling £1-2m to £3m+ in 3 years (2015-18). On the growth of start-ups, the data shows that the TVLEP falls below the English average at 1.4% compared to 2.0%. On the growth of existing businesses, TVLEP falls above the average for England at 7.1% compared to 7.6%. Between 2010-13 and 2015-18, TVLEP has had a slightly lower high growth firm incidence rate than the UK average with the exception of 2013/16 (see Figure 11).

	Business stock (2018)	Business stock per 10,000 population	Start-ups per 10,000 population
UK	2939520	442	57
Tees Valley CA	19770	293	40

Table 7: Business Stock and Start-ups (Source: ONS Business Demography, 2018)

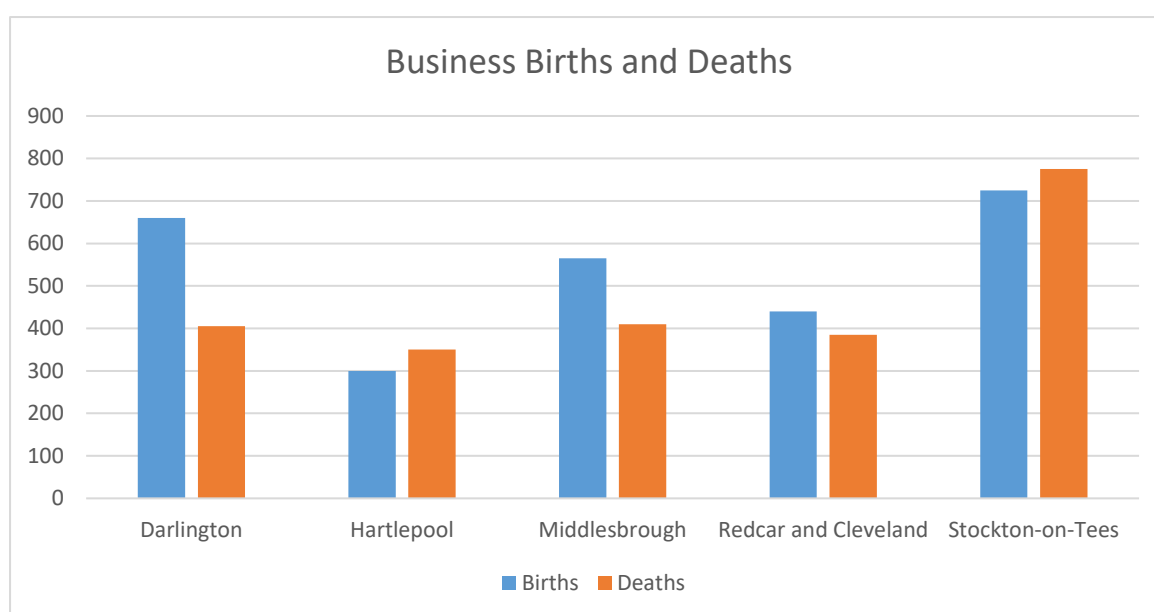


Figure 9: Business Births and Deaths (Source: ONS Business Demography, 2018)

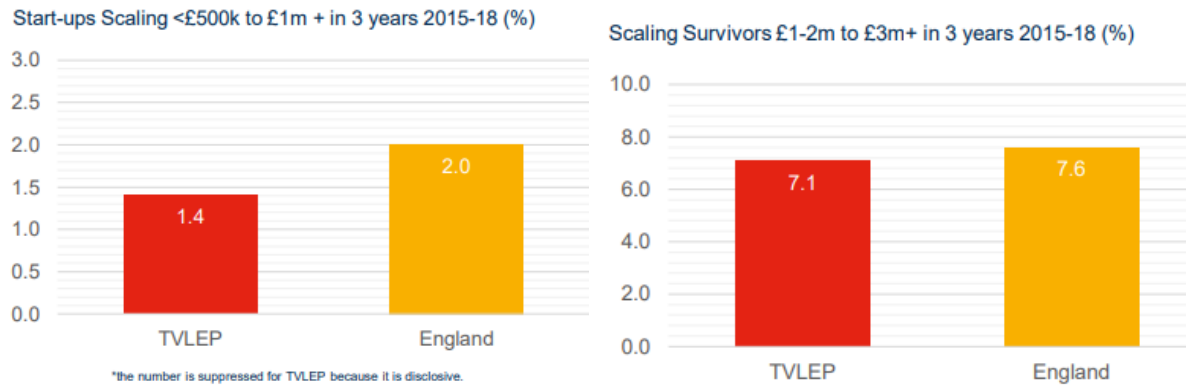


Figure 10: Growth of start-ups scaling <£500k to £1m+ in 3 years 2015-18 (Source: [Enterprise Research Centre, 2018](#))

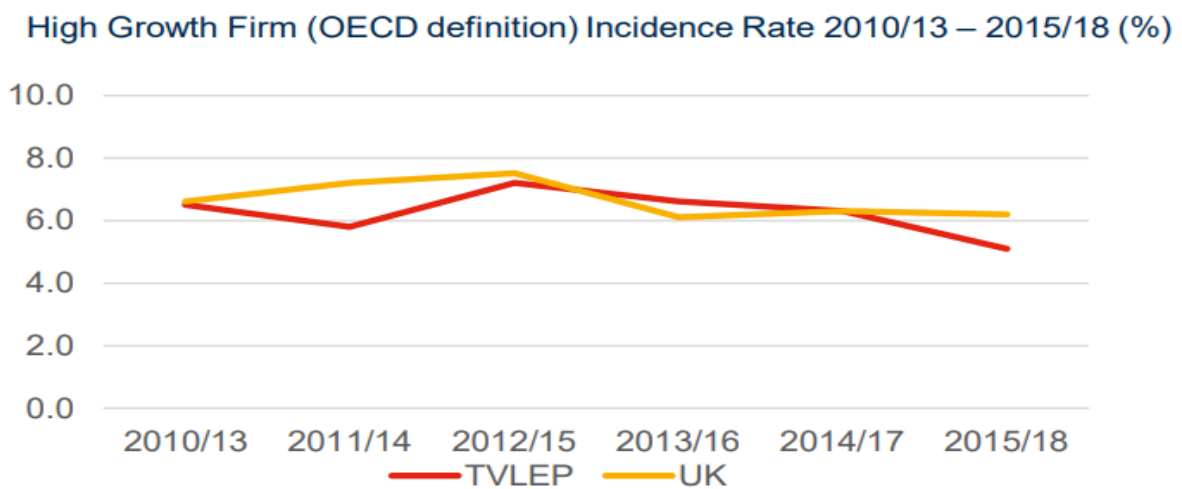


Figure 11: High growth firm incidence rate 2010/13 – 2015/18 (%) (Source: [Enterprise Research Centre, 2018](#))

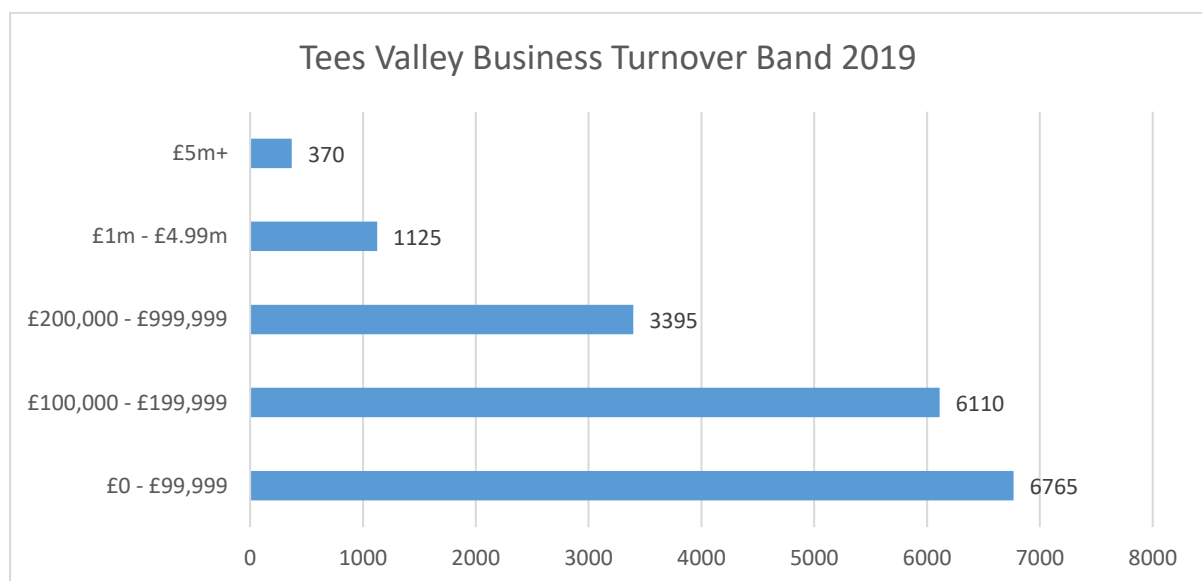


Figure 12: Businesses by Turnover Band 2019 (Source: ONS UK Business Counts 2019)

	Tees Valley (number)	Tees Valley (%)
Micro (0 to 9)	15590	87.8
Small (10 to 49)	1775	10.0
Medium (50 to 249)	330	1.9
Large (250+)	90	0.5
<b>Total</b>	<b>17765</b>	<b>-</b>

Table 8: Employment size band of businesses 2019 (Source: ONS)

Table 8 shows that the vast majority of TVCA enterprises (87.8%) are small firms with 0 to 9 employees. Only 0.5% of enterprise firms in the TVCA employ more than 250 people.

Figure 13 shows jobs by broad sector for the TVCA and Great Britain. The TVCA has a strong business base focused on 'health' (17.5% of total employment). Other sectors the TVCA scores higher than the national average include: 'retail' (10.5%), 'manufacturing' (9.7%), 'education' (9.3%), 'public administration and defence' (5.8%), 'transport and storage' (5.4%), 'construction' (5.4%), 'motor trades' (1.9%) and 'mining, quarrying and utilities' (1.8%).

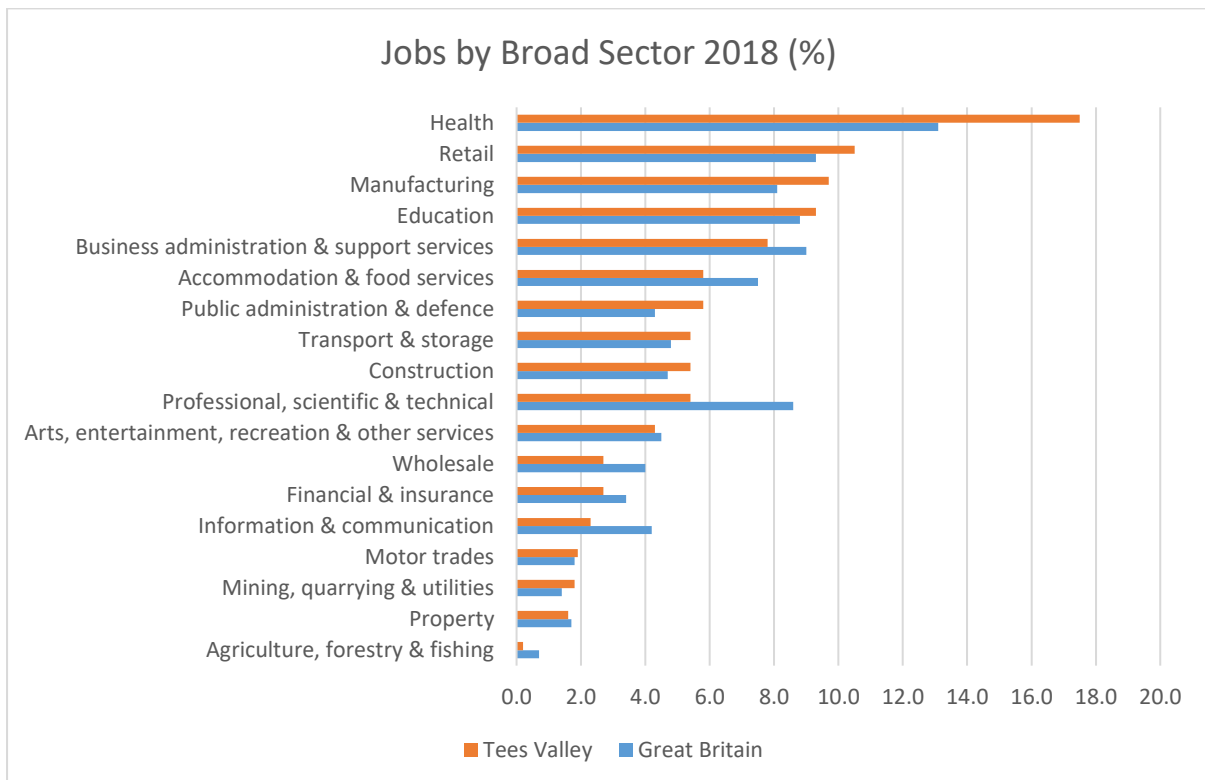


Figure 13: Jobs by broad sector (Source: BRES, 2018)

Tees Valley remains a strong exporting region. However, recent sharp growth in imports (up 15.8% on 2017) means that it no longer runs a trade in goods surplus i.e. imports into Tees Valley are now greater than exports out. In 2018, Tees Valley goods exports totalled £3,278m with imports at £3,423m, a deficit of £145m. No English region now runs a trade in goods surplus (Scotland and N. Ireland still do) but the North East remains the region with the lowest deficit (£830m in 2018). However, reflecting the Tees Valley's increasing reliance on imports, the North East region recorded the largest percentage increase in imports of any region/country of the UK (NE 6.2% up, UK 2.9% up).

Tees Valley runs a trade in goods surplus with the EU but a deficit with the rest of the world. In 2018, export trade with EU countries was £1,863m (up 4.8% on 2017) whilst that with non-EU countries



totalled £1,415m (up 2.2%). EU goods imports were £1,675m (up 9.6% on 2017) and those from non-EU countries totalled £1,748m (up 22.4%). The UK has trade agreements (until the end of 2020) with many of these non-EU countries through its membership of the EU. The recent strong growth in exports to these non-EU countries highlights the opportunity for further export growth provided the present country by country agreements can be replicated or improved upon with UK bilateral deals by the end of 2020. (Source: [Tees Valley Economic Assessment 2019](#)).

### 3. Infrastructure

*“To provide a high quality, quick, affordable, reliable, low carbon and safe transport network for people and freight to move within, to and from Tees Valley”* (Source: [Tees Valley Strategic Transport Plan 2020-2030](#))

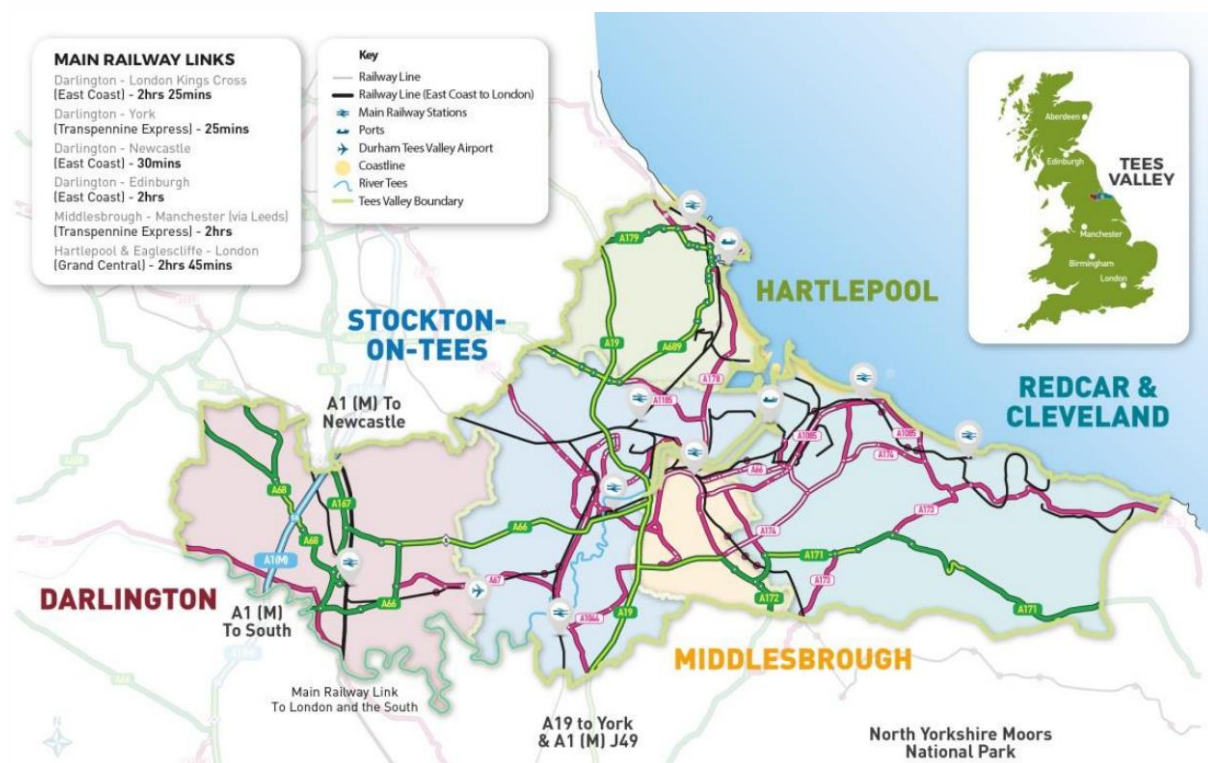


Figure 14: Tees Valley Infrastructure Map (Source: [Tees Valley: Opportunity Unlimited](#))

Latest investment programme projects include:

- The £40million purchase of Teesside International Airport and 819 acres of land
- The purchase of 1,420 acres of land on the South Tees Development Corporation site
- Transforming our rail network with £20million and £25million respectively to support the strategic redevelopment of Middlesbrough and Darlington train stations
- £50million scheme to improve town centres, delivering projects that will have a local economic impact and improve the lives of Tees Valley residents
- Construction completed on the National Horizons Centre in Darlington. At £17.5million, this is one of our biggest investments, which will provide a centre for excellence led by Teesside University, specialising in training and education for the UK bioscience sector

- £20million each to Hartlepool Waterfront, Stockton and Darlington Railway Heritage, Riverside Northshore Development, making Middlesbrough the digital city and a scheme in Redcar and Cleveland
- £4.2million towards the construction of the Elwick Bypass in Hartlepool. This will form part of a wider funding package to deliver improvements to the local road network and to ensure continued and sustainable growth of Hartlepool and improve traffic flow on the strategic road network
- £4.6million to support research and development on the manufacturing of new speciality alloy metal powders. This can be used in additive manufacturing for applications like 3D printing engine parts. This will be hosted in the Materials Processing Institute. The long-term vision is for an advanced manufacturing facility to be established in Tees Valley, which would see the creation of 70 high-value jobs and up to 185 indirect jobs created in the supply chain

<b>Strategic Road investment:</b> <ul style="list-style-type: none"><li>■ New Tees Crossings<sup>4</sup> (West and Eastern)</li><li>■ Darlington Link Road<sup>4</sup></li><li>■ Improved east-west connectivity along the A66 corridor from the A1M to Teesport<sup>4</sup></li><li>■ Hartlepool Western Growth Corridor</li><li>■ A689 Wynyard Improvements</li></ul>	<b>Rail investment:</b> <ul style="list-style-type: none"><li>■ Darlington Station Growth Hub<sup>4</sup></li><li>■ Middlesbrough Railway Station Improvements<sup>4</sup></li><li>■ TransPennine Extension to Saltburn</li><li>■ Upgrade of the line from Northallerton to Middlesbrough / Teesport including gauge clearance for freight<sup>4</sup></li></ul>	<b>Local rail network improvement programme – projects for consideration include:</b> <ul style="list-style-type: none"><li>■ Hartlepool Station Platform Capacity</li><li>■ Eaglescliffe Station Western Access</li><li>■ Nunthorpe Parkway station Feasibility</li><li>■ Redcar Central Station Access Improvements</li><li>■ Billingham Station Accessibility</li></ul>	<b>Other potential stations improvements / new stations programme to be considered and developed:</b> <ul style="list-style-type: none"><li>■ Durham Tees Valley Airport Station</li><li>■ Nunthorpe Parkway</li><li>■ Morton Palms</li><li>■ South Tees</li><li>■ Teesside Park</li></ul>
<b>Local journeys:</b> <ul style="list-style-type: none"><li>■ Urban Traffic Management Control System</li><li>■ Meeting individual needs – “wheels to work” across Tees Valley</li><li>■ Cycle and walking networks</li><li>■ Low emission vehicles</li><li>■ Hydrogen fuelling stations</li><li>■ Connect Tees Valley marketing and information</li></ul>	<b>Potential bus improvements including:</b> <ul style="list-style-type: none"><li>■ Bus improvement corridors and key hubs / stations</li><li>■ Ongoing consideration of bus franchising</li><li>■ Bus shelters</li><li>■ Community transport</li><li>■ “Dial a ride” style service</li></ul> <b>International transport:</b> <ul style="list-style-type: none"><li>■ Durham Tees Valley Airport development programme</li></ul>	<b>Additional funding sources including:</b> <ul style="list-style-type: none"><li>■ Department for Transport</li><li>■ Network Rail</li><li>■ Highways England</li><li>■ Homes England</li><li>■ Office for Low Emission Vehicles</li><li>■ Transport for the North</li><li>■ National Productivity Investment Fund</li><li>■ Private sector</li></ul>	

Figure 15: Investment Priorities (Source: [Tees Valley Investment Plan 2019](#))

Figure 16 shows that housing stock in the TCVA has been rising in recent years, although this was at a slower pace than the average for England between 2016 and 2018. Between 2017 and 2018, the number of dwellings in the EM3LEP rose by 0.8% compared to 0.9% for England.

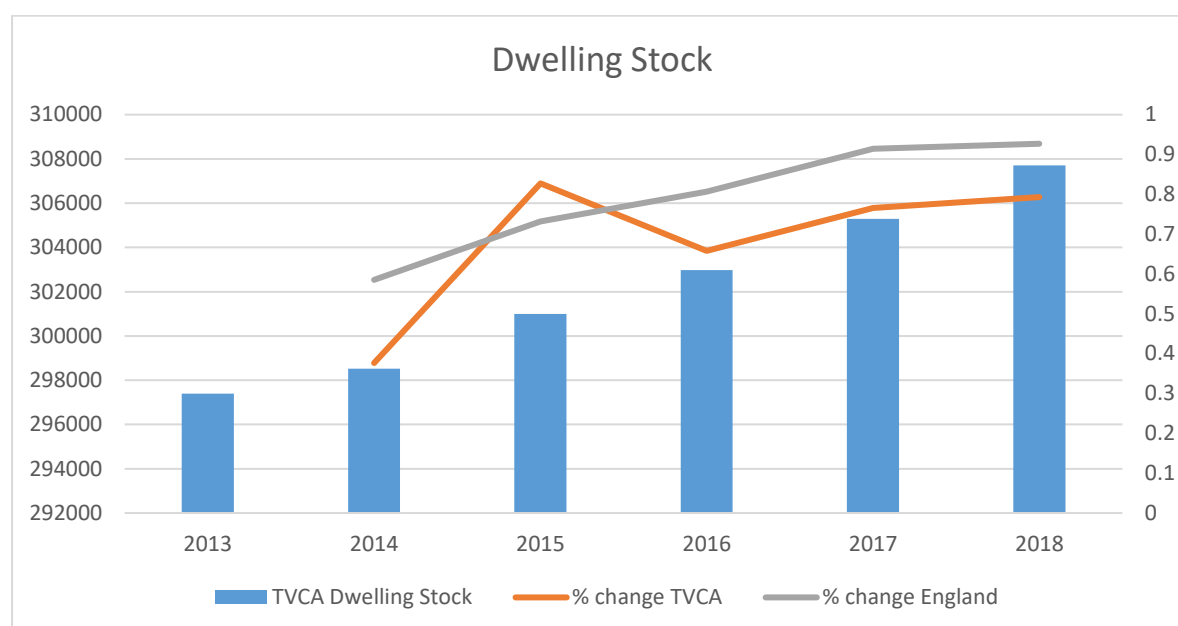


Figure 16: Dwelling Stock (Source: Ministry of Housing, Communities and Local Government, 2018)

The ratio of median house prices to median gross annual earnings are relatively low in the TVCA (Figure 17). In 2018, the median house price in TVCA was 5.2 times the median wage.

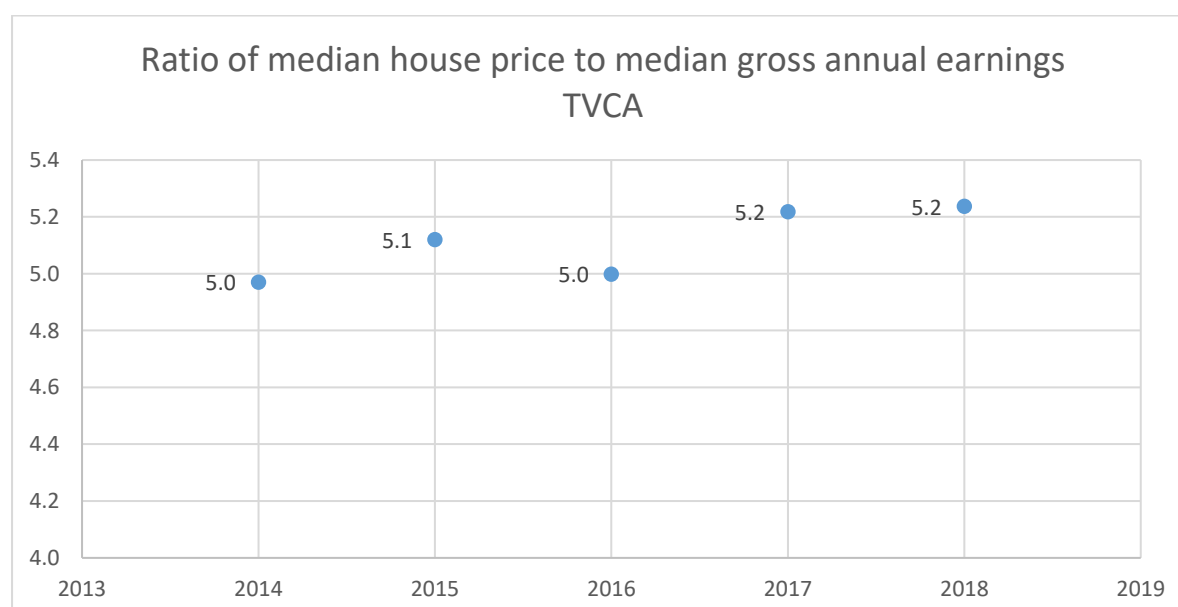


Figure 17: Ratio of median house price to median gross annual earnings in the TVCA

Superfast broadband connectivity in the TVCA is higher than the average for the UK at 65.8% compared to 55.3% respectively (Figure 18).

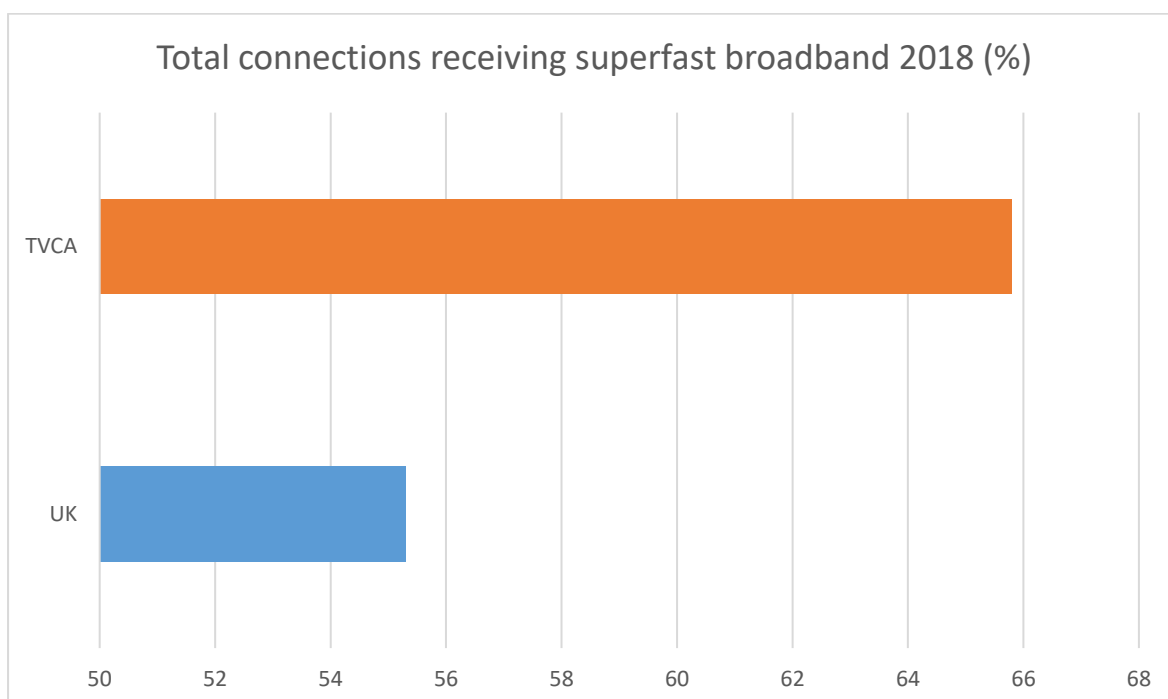


Figure 18: Total connections receiving superfast broadband (Source: OFCOM, Connected Nations 2018)

#### 4. People

	TVCA	TVCA (%)	Great Britain (%)
All people aged 16-64	414400	61.5	62.7
Economically Active	309900	73.5	78.9
In Employment	290100	68.7	75.7
Employees	255000	60.8	64.7
Self Employed	34300	7.7	10.8
Unemployed	19800	6.4	3.9

Table 9: Working age population, employment and unemployment 2018 (Source: ONS Annual Population Survey)

	TVCA (%)	Great Britain (%)
NVQ4+	29.6	39.3
NVQ3+	50.1	57.8
NVQ2+	70.5	74.9
NVQ1+	82.5	85.4
Other Qualifications	6.5	6.8
No Qualifications	11.0	7.8

Table 10: Qualifications 2018 (Source: ONS Annual Population Survey)

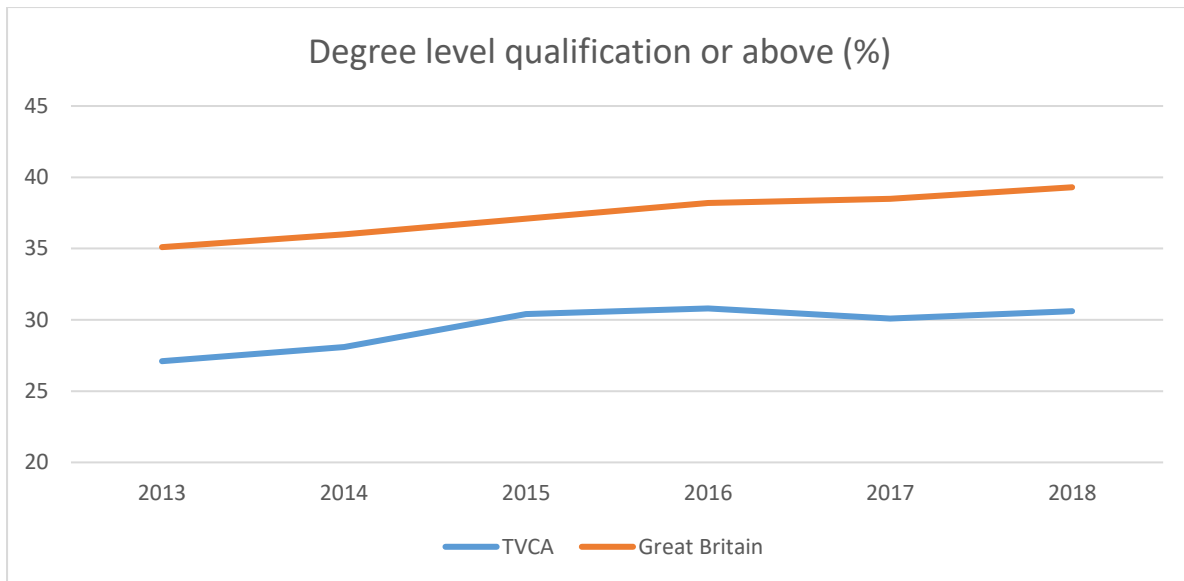


Figure 19: Population aged 16-64 with NVQ4+ qualifications (Source: ONS)

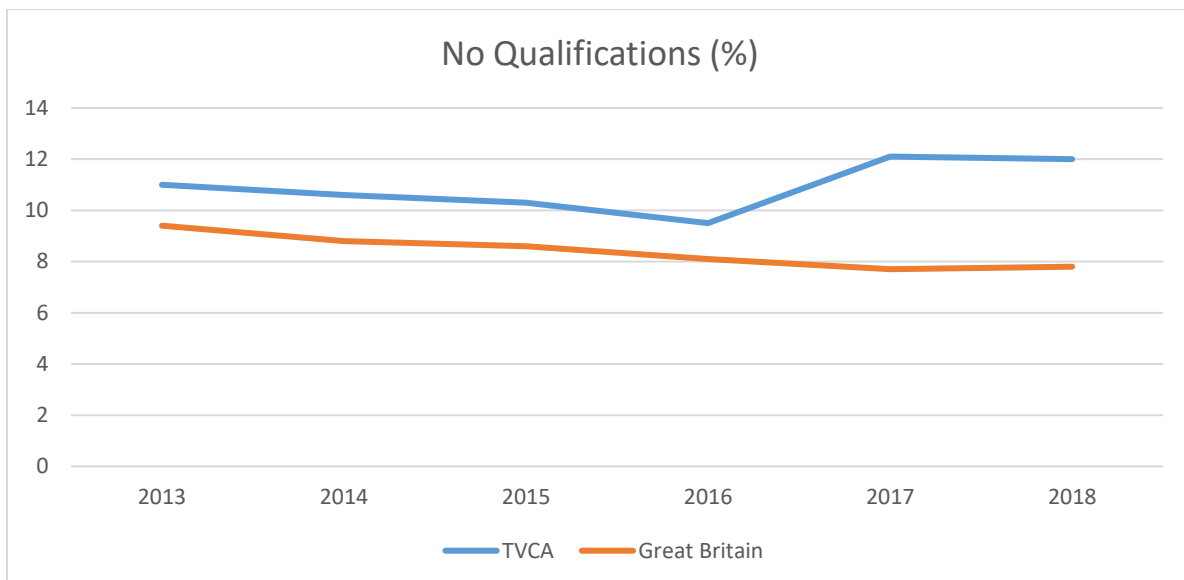


Figure 20: Population aged 16-64 with no qualifications (Source: ONS)

## 5. Place

In 2021 Tees Valley will bid to become UK City of Culture in 2025.

Tees Valley's tourism industry is a quiet achiever in the local economy. Tees Valley currently attract as many day visitors as Newcastle and Gateshead, but without a destination marketing service in place for a number of years, Tees Valley's overnight stays and profile as a visitor destination has suffered.

In 2018, Tees Valley launched [Enjoy Tees Valley](#) – a dedicated destination marketing service, website and brand. The establishment of a destination marketing service for the Tees Valley is expected to increase visitor expenditure in the region by attracting new visitors and increasing the length of stay of existing visitors. This will ultimately support business growth in the tourism industry, creating jobs and supporting the wider Tees Valley economy.

The TVCA is an area with relatively high levels of deprivation. According to the 2019 Index of Multiple Deprivation (IMD) for England, 39.8% of the TVCA falls within the 20% more deprived areas nationally. In contrast, only 14.6% of the TVCA falls within the 20% least deprived areas (see Table 11). The distribution of deprivation in the TVCA is shown in Figure 21.

2019 IMD		
	No.	%
10% most deprived	121 (out of 417 LSOAs)	29.0%
20% most deprived	166 (out of 417 LSOAs)	39.8%
10% least deprived	22 (out of 417 LSOAs)	5.3%
20% least deprived	61 (out of 417 LSOAs)	14.6%

Table 11: 10% and 20% most and least deprived areas in the TVCA (Source: IMD 2019)

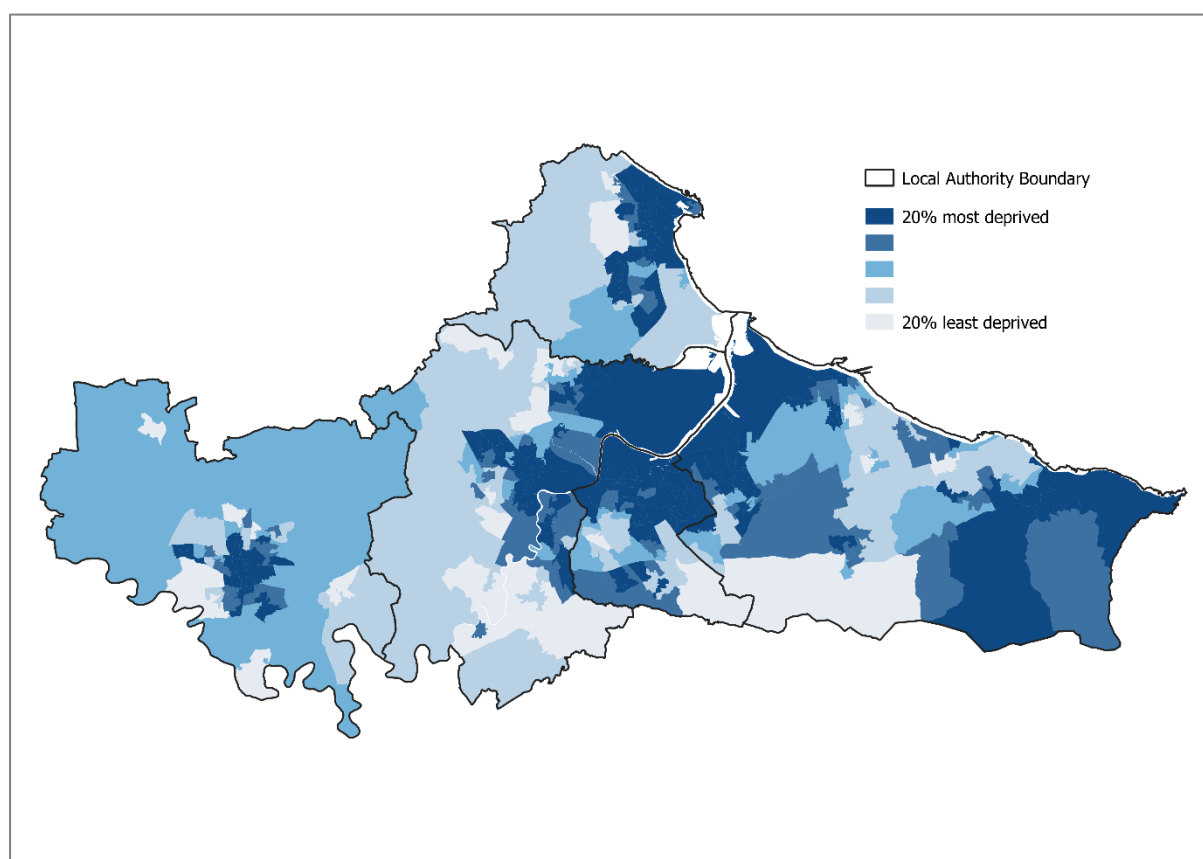


Figure 21: Deprivation in the TVCA (Source: IMD 2019)

## 6. Environment

Tees Valley is one of the most carbon-intensive regions in the UK, with emissions per capita over twice the national average. A large part of this is down to the level of heavy industry in the area.



	2016 per capita emissions	2017 per capita emissions	2016-17 per capita emissions change (%)
England	5.4	5.1	-5.6%
<b>Tees Valley</b>	<b>11.0</b>	<b>10.2</b>	<b>-7.3%</b>

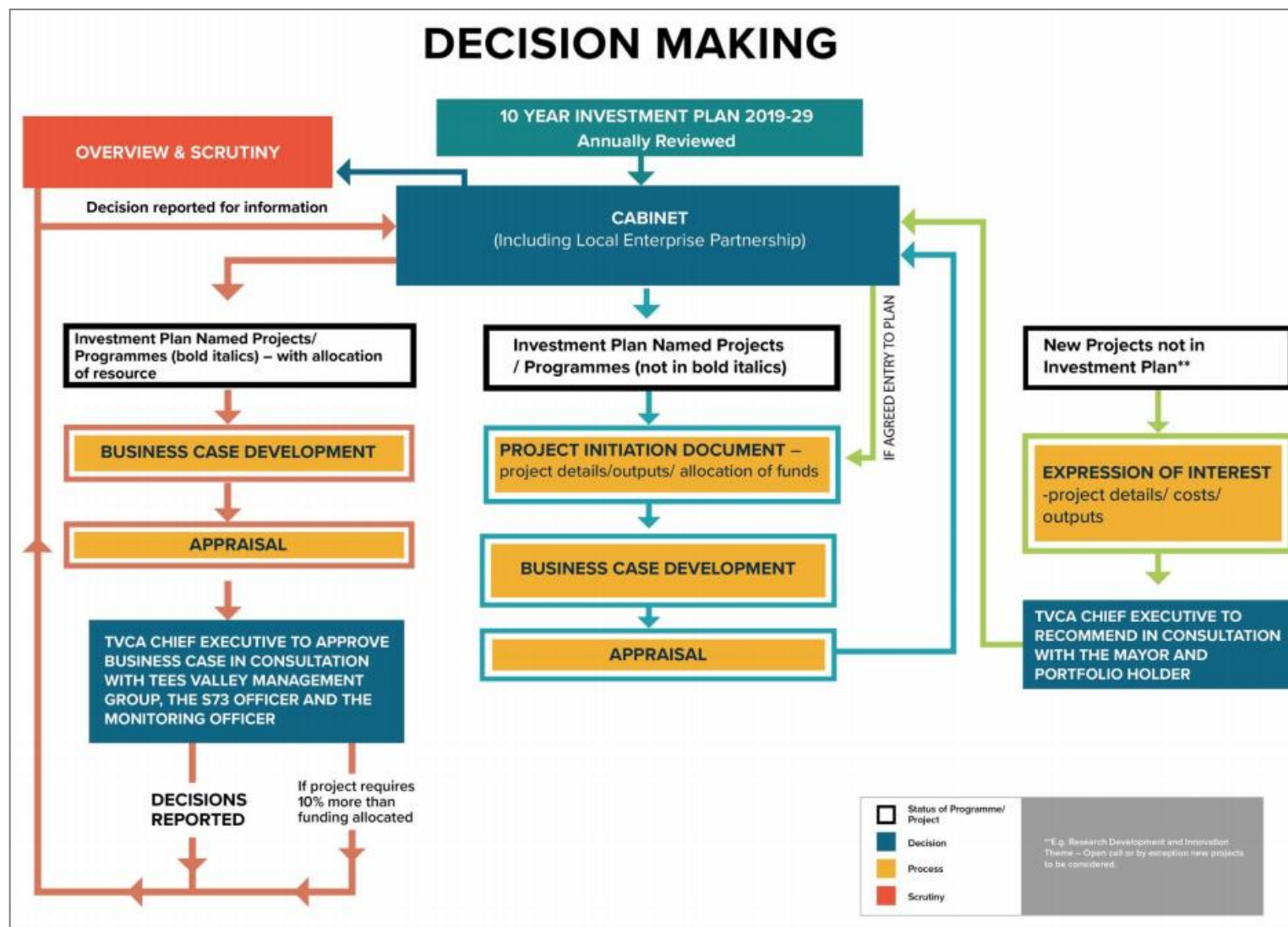
Table 12: 2016-17 CO2 Emissions (Source: Department for Business, Energy & Industrial Strategy)

The Tees Valley sits at the centre of the UK's move towards a high value, low carbon economy having attracted significant investment over recent years and developed a reputation for green excellence. We are currently working with Government on a Low Carbon Action Plan, Industrial Carbon Capture and Storage and industrial heat networks as a result of our agreed City Deal:

- Waste processing – Tees Valley is leading the way on bioindustries and energy from waste, with projects underway from major global companies including Air Products (currently building one of the world's largest energy from waste plants using advanced gasification), SembCorp and SITA.
- Renewable Energy – Tees Valley is increasingly being seen as a destination for green investment, including energy from waste and offshore wind. This is particularly so having been recognised as a Centre of Offshore Renewable Engineering (CORE) as we host industry leaders including Heerema, TAG Energy Solutions and JDR Cables and a growing cluster of leading SMEs.
- Hydrogen – Tees Valley produces around 50% of the UK's hydrogen and already has an established hydrogen pipe network. With the application of Carbon Capture and Storage, investments such as Air Products, and the potential extraction of hydrogen from industrial sources, there is a significant opportunity to produce green hydrogen in Tees Valley which is capable of supplying the increasing demand for hydrogen fuel cells.

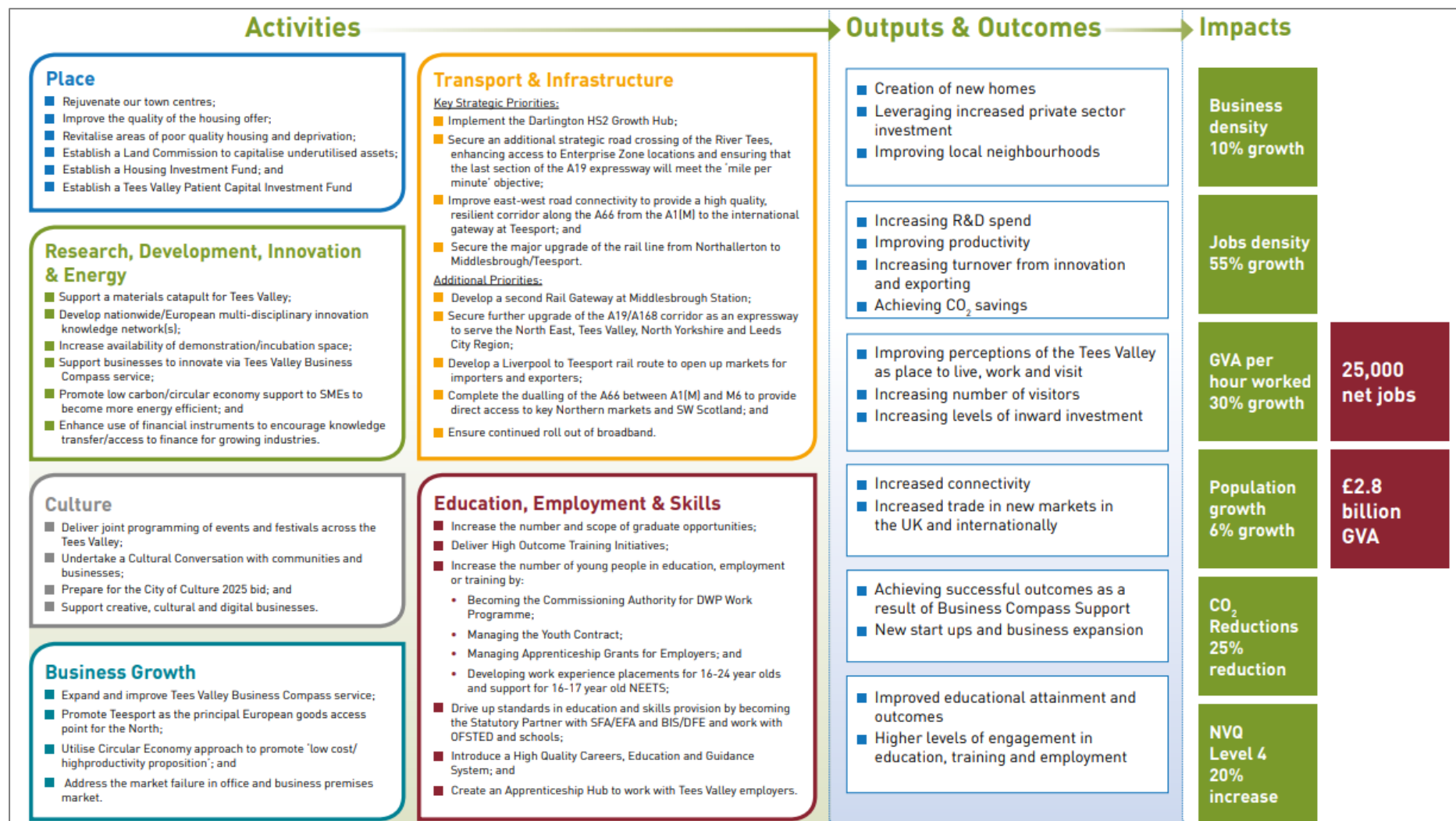
Source: [Tees Valley SEP 2014](#)

## Appendix A – Governance/Decision-making Structure of the Tees Valley CA





## Appendix B – Tees Valley CA SEP Vision, Objectives and Priorities



Source: [Tees Valley Strategic Economic Plan: The Industrial Strategy for Tees Valley 2016-2026](#)