

Tees Valley Metro Mayor

Three Policy Priorities for 2021

In May, voters in Tees Valley will return to the polls to elect their metro mayor for a second time. Since 2017, this new institution has used its significant executive powers and funding to make strategic decisions over the city region, generating growth and opportunities for the local economy.

In recent polling conducted by Savanta ComRes for Centre for Cities, 82 per cent of local residents know that the Tees Valley has an elected mayor, and 40 per cent can correctly name the incumbent Ben Houchen.

Figure 1: Tees Valley Combined Authority

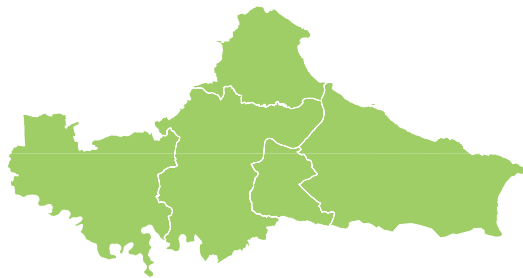


Figure 1 shows that Tees Valley Combined Authority is made up of Middlesbrough, Stockton-on-Tees, Redcar and Cleveland, Darlington and Hartlepool local authorities. More data on the Tees Valley economy and how it ranks compared to other metro mayor areas can be found in the [factsheet](#), and for Middlesbrough in [City Monitor](#), the [High Street Tracker](#), and the [UK Unemployment Tracker](#).

The Covid-19 pandemic has hit Tees Valley hard both socially and economically, and unemployment-related benefit claims rose by 12,000 in the area from March 2020 to February 2021. But economic issues for the city region were present before the pandemic, and will re-emerge once life returns to normal. Improving the city region's economic performance should be the overarching objective for the mayor – GDP per worker in 2018 was £55,100, the second lowest of all mayoral areas.

This policy briefing sets out three policy priorities for the metro mayor beyond the immediate recovery from the Covid-19 pandemic. The three policy priorities are to: **invest in skills; develop Middlesbrough's centre; and make travel easier without cars.**

Policy priority 1: Invest in local skills to boost productivity, employment and wages

- **Focus the £30.5 million devolved Adult Education Budget on residents without formal qualifications and establish a 'skills compact'**. The mayor should continue to implement the 2019/20 Strategic Skills Plan with local partners and establish a 'skills compact' to co-ordinate delivery.
- **Commit to extending skills programmes currently funded with European Union money.** Some of the skills programmes in Tees Valley face an uncertain future and should be continued.
- **Build on the new careers service by providing a 'UCAS for apprenticeships' portal.** Similar initiatives have already been launched in Liverpool City Region and Greater Manchester.

Reducing high levels of unemployment and creating jobs is a local priority. Even before the pandemic, Tees Valley had the second lowest employment rate of the nine metro mayor areas (68.6 per cent). But, as well as employment, Tees Valley needs to create more, better-paid jobs, and this requires investment in skills. Twelve per cent of all adults lack any formal qualifications, hindering their ability to find work and higher wages, and reducing the attractiveness of Tees Valley as a place to invest.

The mayor should continue to use their £30.5 million Adult Education Budget to boost the skills of those without any qualifications. The 2019/20 Strategic Skills Programme focuses funding on Level 2 vocational qualifications, getting people ready for work, and life skills in Maths and English.¹ This focus is appropriate, and should be sustained. Establishing a 'skills compact' with local firms and education providers to co-ordinate local activities and to integrate with central government strategies focused on understanding local skills need and provision, should be the next step for the mayor, to create a strong culture of adult learning.²

The mayor should also commit to continuing funding for skills programmes currently provided by the European Union. Programmes such as 'Skills Support for the Workforce' is funded by European Social Fund, and the University of Teesside runs a European-funded course 'Leading Growth' and 'Management Catalyst' for local business leaders to support their development and support networks to develop.³ The 2019/20 Strategic Skills Programme should be updated to make clear that these programmes will be continued in the future.

¹ <https://teesvalley-ca.gov.uk/wp-content/uploads/2019/07/TVCA-Strategic-Skills-Plan.pdf>

² Magrini, E (2018) Can Cities Outsmart the Robots?, Centre for Cities

³ <https://teesbusiness.co.uk/2020/01/02/new-leadership-alumni-network-established-at-teesside-university/>

The mayor should also build on *Tees Valley Careers*⁴ and establish a local ‘UCAS for apprenticeships’. This would connect young people and businesses and provide clear information on apprenticeship opportunities available within the region. The Greater Manchester Apprenticeship and Careers Service and Be-More in Liverpool provide models for this.⁵ The mayor should add to this with pre-apprenticeship training and mentorship programmes that have been shown to improve completion rates for apprenticeships.⁶

Policy priority 2: Develop a thriving city centre economy in Middlesbrough

- **Ensure more Grade A office space is available in the centre of Middlesbrough.** Tees Valley’s urban core should replace its excess retail space with high-quality office.
- **Avoid forcing new office and retail development away from town centres.** Levelling up will be more difficult to achieve if jobs are dispersed across out-of-town locations.
- **Pursue infill development within Middlesbrough.** While the development of high-quality suburban housing is welcome, care must be taken to avoid the depopulation of the centre. The mayor should continue to support infill development within Middlesbrough on cleared land.

In addition to the clear industrial strengths of the Tees Valley, the mayor should continue to address a major weakness in the local economy – its lack of a strong urban centre that, if left unaddressed, may hamper the economy as it recovers from the pandemic, in the same way it did in the decades before. This will require improvements to both commercial property and the housing stock in central Middlesbrough.

Central Middlesbrough needs more high-quality office space, and currently has too much retail space. Almost half of all commercial floorspace in central Middlesbrough was retail in 2018, compared to 26 per cent in the average city centre, and city centre high street vacancies in Middlesbrough were at 15 per cent against a city centre average of 12 per cent. Meanwhile, just 29 per cent of commercial space in central Middlesbrough was office compared to 50 per cent in the average city, and Middlesbrough’s city centre office space was of poorer quality than many city centres.⁷

The mayor should continue to support city centre office investment such as the Centre Square development in the centre of Middlesbrough, which is already 80 per cent let.⁸ This will require conversions and possibly even demolitions of surplus retail space. Providing an environment that is attractive to highly productive office workers and firms within the centre will deepen the appeal of the overall local economy, creating more jobs and growing the wider Tees Valley economy over the longer term.

4 <https://www.teesvalleycareers.com/>

5 <https://gmacs.co.uk/>

6 <https://whatworksgrowth.org/resources/apprenticeships-toolkit/>

7 As proxied by below average Energy Performance Certificate ratings.

See <https://www.centreforcities.org/data/building-blocks-data-by-city/>

8 <https://www.thenorthernecho.co.uk/news/18878109.plans-unveiled-next-stage-middlesbroughs-centre-square-project/> and <https://www.ashallproperty.com/projects/centre-square-middlesbrough/>

The mayor should avoid forcing new development to occur away from urban centres. Subsidies and schemes to promote out-of-town development may seem to offer short-term jobs growth and narrow business rates benefits for local authorities. But in the long term, they undermine the overall strength of the economy by taking activity away from where it can be accessed widely. Deepening the density of jobs and customers in central Middlesbrough should be an economic priority for the mayor.

The mayor should continue to pursue infill development of brownfield land within inner Middlesbrough. Large, new high-quality homes are appropriate in the city region due to low land costs and as a means to improve choice for existing and new residents. But providing more of these dwellings should not lead to neglect of land closer to the urban core. Ensuring that brownfield land close to the centre of Middlesbrough that has been cleared is eventually developed should be a priority for the mayor, as they continue to strengthen Tees Valley's wider economy.

Policy Priority 3: Make the city region easier to get around without owning a car

- **Franchise bus services.** Ensure the bus network is run for the benefit of the wider Tees Valley economy in conjunction with the new National Bus Strategy.
- **Create 'Transport for Tees Valley'.** Tees Valley should aim for London-style control over local transport within the city region.
- **Invest in and grow locally innovative transport policies.** Tees Flex and Wheels to Work should be expanded using the revenue from bus franchising and Transport for Tees Valley.

If Tees Valley experiences sustained economic expansion, then intra-region transport will become a greater local economic issue, as demand for local road space and thereby congestion increases. The mayor should anticipate and prepare for this and get the city region ready for growth.

The mayor should use the powers of the Bus Services Act 2017 to improve the buses in Tees Valley by introducing a franchising system. As the Tees Valley Transport Strategy makes clear, the bus network is a crucial social and economic link for people in Tees Valley, where 31 per cent of households have no car, bus use is falling and satisfaction with the services is in decline.⁹ The new National Bus Strategy makes clear that franchising will allow local government to access new funding specifically for bus services.

Franchising bus services will allow the mayor to address the major causes of declining ridership and quality, and set the fares, frequencies and routes of services and improve reliability and journey times. Through franchising, all funding for bus transport can be combined into one transport pot – from passenger fares, bus service operators grant, non-emergency patient transport and school bus trips – to procure an integrated, clean, green efficient service.

⁹ <https://teesvalley-ca.gov.uk/wp-content/uploads/2019/08/STP-Main-Report-Design-Full-Plan.pdf>

Tees Valley should then build a London-style Transport for Tees Valley. The greater control bus franchising gives over routes and fares, will allow the mayor to begin to build a seamless urban transport network. But Tees Valley needs a transport body to manage this – a new Transport for Tees Valley – tasked with improving transport in the city region and accountable to the mayor should be created with London-style powers. Bringing together all travel under one brand will make life easier for passengers. The fares revenue will also give the mayor the power to spend on initiatives and policies.

The mayor should invest more in ongoing local transport initiatives. Better buses will still leave many people across Tees Valley who are without access to a car out of reach of local job opportunities. For an area with high levels of youth unemployment in particular, even before Covid-19, this is a serious problem.

The mayor should support and extend the existing Wheels to Work scheme, that provides rented mopeds, e-bikes and bicycles for people looking for work or trying to get to work where public transport is not viable. Bus franchising will enable schemes such as the on-demand bus service Tees Flex to be extended and better integrated with other services.

Contact

Anthony Breach, Senior Analyst

a.breach@centreforcities.org

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Centre for Cities Second Floor, 9 Holyrood Street, London SE1 2EL

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