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Can Metro Mayors work?

A Case Study of Tees Valley 2017-2021.

Thomas R Smyth

PhD

2021

Can Metro Mayors work?

A Case Study of Tees Valley 2017- 2021.

Thomas R Smyth BSc, MSc

A thesis submitted in partial fulfilment of the requirements of the University of Northumbria for the degree of Doctor of Philosophy.

Research undertaken in the Faculty of Arts, Design and Social Sciences.

November 2021

Abstract

This thesis covers a five year research programme into the establishment and first term of metro mayors within the United Kingdom.

Based on an initial analysis of the areas of which would be most likely to add to existing academic interest, add a unique contribution to the debate around mayoral governance, as well as personal knowledge of the key individuals and economic context, the geographic focus of the research is the Tees Valley. This is one of the smallest areas (by both population and area) covered by a metro mayor in England. The first incumbent of the post was (unexpectedly) a candidate from the Conservative party (Ben Houchen).

The research uses the 'path dependency' model to assess the economic and political impact of the mayoral governance model in the Tees Valley, as well as dealing with how the personal and political qualities of the mayor have led directly to economic consequences. Data for the latter was gathered by detailed interviews with economic and political leaders across the area, while the impact was assessed by analysis of the quantitative information available across a range of economic and political outcomes, as well as using the purchase of Teesside International Airport as a case study of the powers and funding available to the mayor. As part of the work on the economic indicators, I propose a new quantitative model for assessing the impact of mayors in the medium to long term, and discuss the use of comparator areas to smooth out country-wide economic impacts.

The research finds that the change in political leadership and governance in the Tees Valley represents a major evolution in its economic development and has had a significant impact on the funding availability and use within the area, as well as a dramatic impact on its political make up, and that these impacts have causes in both the powers available to and the leadership capabilities of the mayor. This increase in funding and economic prioritisation has not yet been translated into demonstrable better economic outcomes, although there are tentative signs of improvement across some education and employment indicators, relative to a control area.

Declaration

I declare that the work contained in this thesis has not been submitted for any other award and that it is all my own work. I also confirm that this work fully acknowledges opinions, ideas and contributions from the work of others. The work was done with funding support from my employer, the Department for Business, Energy and Industrial Strategy. Any ethical clearance for the research presented in this commentary has been approved. Approval has been sought and granted through the Researcher's submission to Northumbria University's Ethics Online System on 1st February 2018.

I declare that the Word Count of this Thesis is 83,551 words

Name: Thomas R Smyth

Signature:

Date: 9th November, 2021

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Acknowledgements

Many thanks to the politicians, business leaders and community advocates within the Tees Valley and the wider North East that have contributed to both my personal development and this thesis. Although there are a wide range of differences about the methods of achieving lasting change, all those who I have worked with, past and present, are committed to the economic and social development of Tees Valley. In contested times, I want to play tribute to this commitment.

Thanks to Emil Evenhuis and Peter O'Brien (then both at Curds) for stimulating this thesis, and supporting my early thoughts, as well as the rich discussions enabled at the annual conferences of the Cambridge Journal for Regions, Economy and Society that have helped shape some of my academic thinking and language.

I'd also like to play tribute to those at Northumbria University, led by Professor Keith Shaw, who have supported the development of this thesis, and helped develop my professional knowledge and expertise by adding academic rigour and analysis.

I acknowledge, with gratitude, the financial support of my employers, the Cities and Local Growth Unit within the UK civil service, as well as the development and growth opportunities it has given me over the past 10 years, building on my previous 13 years at the Government Office for the North East.

I'd also like to thank Dorothy, Aidan and Jessica for their family support, as well as Bramble and (latterly) Ember – those reflective morning dog walk was critical to seeing how to proceed, when my conscious brain was stumped!

Chapter 1 – Introduction and Context

“So, where to begin? With the polis, of course, because the polis is at the centre of Western political thought. Not only do most of our key analytic terms derive from the ancient Greeks – democracy, oligarchy, and tyranny; politics, politicians, and policy; practice, theory, technique, and logic – but ancient Greek thought – particularly Plato’s and Aristotle’s – provides the point of departure for most thinking about political possibilities.”

(Magnusson, 2011)

1.1 Context

Starting this PhD is partly an examination of an area I know and care for very much. Although, like many who have hoped to influence the development of Tees Valley over the last 200 years, I am an outsider to the place, it has found a way to enter into my psyche. Much of this can no doubt be traced to my own experience growing up in a declining, northern, Victorian City, but working and living among those who themselves call Tees Valley home, has had a profound impact on my professional life.

Thus, I am not just a disinterested academic observer to the events of mayoral governance and development in the Tees Valley. As part of my role in the Cities and Local Growth Unit of the UK Government, I led the Government’s negotiating team, and wrote the final agreement. I worked hard to try and ensure that the needs of Tees Valley were met through that devolution deal, and was overjoyed when they eventually agreed to a new model of governance. Partly as a consequence of being part of the central Government machine for two decades, it was my strong belief that locally led decisions are generally better than centrally led decisions. The method on offer for that increased local decision making was a directly elected mayor. Again, I have been party to many stalled decisions and muddled economic thinking in partnerships across multiple local authorities. Having some way to cut across that confusion seemed to offer a better possibility.

I am aware from the start of my research programme, that this view of mayoral governance is still disputed. At the start of my research programme Tomaney highlights some of the potential flaws in this devolution approach:

“Devolution’s impact on democratic renewal is similarly contingent on the forms of decentralisation that are adopted. Central to the emerging English model is the role of the directly elected mayor. In the absence of convincing evidence about the impact of directly elected mayors on local economic growth and the improvement of local services, many of the claims made in the English debate rest on more or less persuasive anecdotes drawn principally from the US experience and the limited experience in London.” (Tomaney, 2016)

To some extent, this work has been stimulated by the process of devolution in England. Close access to key politicians during the development phase of devolution, including critical engagement with Lord Heseltine as part of his review team for his report into the Tees Valley (Heseltine, 2017) have stimulated my brain, but also challenged my critical assumptions about good governance. There is simply not enough known about how mayoral governance could and should work within the United Kingdom. Even less on how it can apply to particular places, especially peripheral, relatively small, areas such as Tees Valley. I saw this research therefore as an unique opportunity to reflect on this new model of governance as it develops, particularly in a relatively small and self-contained functional economic area.

The role of the leader working in a particular place is also crucial in developing this thesis. As Fenwick and Johnston point out:

“The rational model of policymaking and decision making does not, we would suggest, assist our understanding of the world of politics, power and local ‘horse trading’ which lies behind the new Combined Authorities and their leadership. This model also neglects the importance of the human agency which provides the spark for governance structures to operate at all. (Fenwick and Johnston, 2020, p89)

Comparison of how the human agency of a particular individual in a particular place can deliver economic, social and political outcomes over the initial period, as well as new models of delivery that are supported by mayors will support wider thinking on the appropriateness and effectiveness of this mayoral model for England within the

historically centralized English state. This original research will provide a useful counter-point to existing literature on local economic development and growth.

1.2 Overview of research

This thesis is developed in 3 key stages, with complementary strands of research, each with a rich literature.

- The initial part this thesis covers these bodies of work, with chapter 2 examining the characteristics, effectiveness and personalities of elected mayors, highlighting different styles of operation, their relationship with the wider body politic and their impact on achieving results. Chapter 3 locates this wider leadership analysis in the economic governance of city regions, largely within the context of economic growth policies in the United Kingdom. It then drills down offering a detailed review of the literature of the development of Tees Valley as an economic construct, with a key focus will be governance changes since 2010, in a post-regional paradigm. This will cover the development of the Local Enterprise Partnership in 2012, the devolution deal agreed between Government and Tees Valley during 2015 (on which I led for the Government side of negotiations), the creation of a Tees Valley Combined Authority in 2016, and the early years of the new directly elected mayor.
- The next section covers the active research and development of novel approaches to highlight the activities and impact of the new mayor. Chapter 4 covers some in-depth interviews with key individuals involved in the overall governance of the Tees Valley as well as business and academic leaders, particularly over the election period and initial leadership until September 2019. Chapter 5 traces the impact of the mayor on national policy making, and particularly key changes and additional funding that can be directly associated with mayoral governance, while chapter 6 uses the important case study of the negotiations to purchase a local airport and how the mayor was able to use the tools at his disposal to achieve a contested political objective. Chapter 7 uses quantitative analysis techniques to examine if there is any demonstrable improvements in key economic and social indicators within the Tees Valley, comparing its progress with a useful comparator area (the

Humber). In chapter 8, I examine whether there has been any political impact of the election of a mayor from the Conservative party, while part 2 concludes with chapter 9 - an unexpected but crucial assessment of mayoral leadership in Tees Valley in the face of the Covid 19 pandemic and its unprecedented economic and social consequences.

- The thesis brings these various research strands together in concluding chapter 10 – and offers both assessments of whether mayors work in the key areas examined (impact on local leadership and governance, national policy development, making progress on a key local economic priority, delivering real change, changing the political dynamic and leadership in an emergency) as well as an overall assessment of effectiveness of the new metro mayors in general, and the Tees Valley mayor in particular.

1.3 *What makes a good Mayor? (review of literature)*

In understanding mayors, my starting point is the literature on what makes a good mayor. As highlighted by Tomaney (2016), much of this literature concentrates on the experiences in North America, and particular the United States, where the examination of mayoral leadership systems has developed a rich research strand, with a considerable overlap on the literature on leadership qualities. Benjamin Barber identifies four characteristics of successful mayors as in his polemical book (Barber, 2013). From a wide range of global examples, he identifies these as:

‘(1) a strong personality marked by both hubris and humour, (2) a pragmatic approach to governing, (3) personal engagement in city affairs, and (4) commitment to the city as a unique entity and a possible and even likely career terminus’ (Barber, 2013, p88)

Katz and Bradley (2013) also comment from their US experiences of effective city and metro governance:

‘Members of this pragmatic caucus share common traits. They are impatient. They do not tolerate ideological nonsense or political bromides. They are frustrated with gridlock and inaction. They bristle at conventional pessimism and focus on constructive optimism. They are risk takers. They do not have a partisan allegiance; they have a political attitude’ (Katz and Bradley, 2013, p6)

This international comparison is supported by analysis of the experiences and effectiveness of mayors (both elected and appointed) in 5 very different European states (Copus et al, 2016) – these tend to focus on the political systems that the mayors operate in, using an understanding of the particular economic and political history of places including Czechia and Sweden, to understand the effectiveness of particular mayors. Within the UK, the effectiveness of the London mayoral model has been examined by Sweeting. In a range of different papers (Sweeting, 2003, 2017), he highlights the wider framework in which the London mayor operates, adding external environment, institutional arrangements and the local environment to Barber’s thinking on the personal characteristics of the mayor. Chapter 3 will expand on each of these as they relate to Tees Valley.

Experiences in mayoral leadership in Bristol provided in Hambleton and Sweeting (2016) examine the effectiveness and delivery of the Bristol mayoral model, while Archie Brown sounds a note of caution about the deficiencies in an overly strong leadership model:

‘Good leadership requires many attributes, whose relative importance varies according to time, place and context. It should never be confused with the overmighty power of overweening individuals’. (Brown, 2014)

1.4 *The economy and governance of the Tees Valley*

For city regional governance, there is a rich literature covering the UK’s democratic deficit – highlighting that compared to our European neighbours and G7 comparators, the UK is more centralised, with a far smaller proportion of key decisions being taken at the local level. While the impact that this centralised approach has on economic development is contested territory, the central academic and think tank argument from all sides of the political debate (IMF, Centre for Cities, ippr North, Res Publica) is that greater devolution by itself will create the conditions more likely to favour economic growth – especially in areas and places that are lagging (Blond and Morrin, 2015).

On Tees Valley specific issues, Hugh Beynon and his colleagues provides a masterful analysis of the development of Teesside from a few small villages to an industrial complex, from boomtown to 1980s recession and decline. Their striking

analysis of the uniqueness of Teesside highlights a unique industrial development as well as a distinct socio-political identity:

'While Teesside might be in the North, it was certainly not of the North, and it would be dangerous and wrong to regard it as somehow typical of some Northern malaise' (Beynon et al, 1994, p3).

This industrial past continues to resonate in the modern world, and the work was usefully updated by Evenhuis (2016) in his comparison of the more recent economic developments and opportunities of the Tees Valley.

Chapter 3 therefore sets out the long term economic context of the Tees Valley and the associated changes in industrial make up, employment and sectoral changes since the 1950s. It examines the changes in the Tees Valley economy with the establishment of Local Enterprise Partnerships in 2012, leading to a Tees Valley city deal and local growth deals and reviews the effectiveness of these actions and deals.

Within the context of this historic decision making, this thesis will also examine the development of the mayoral devolution deal in 2015, and how key Tees Valley priorities were translated into Government agreement, leading to the formation of a combined authority in April 2016, and preparations for a mayoral combined authority from May 2017. Specifically on governance, chapter 3 will help to set the context for the primary research in part 2 of the thesis by critically reviewing the 'information for electors' produced by the Tees Valley Combined Authority on the key priorities of each of the 4 candidates for mayor, and the more detailed manifestos that were produced by these candidates, as well as the independent report by Lord Heseltine (which I part authored) entitled Tees Valley: Opportunity Unlimited. (Heseltine, 2017)

The Cabinet Office also produced a 'Plain English' guide to the powers and responsibilities of the new mayor within Tees Valley, which provides much helpful context, and there were several 'hustings' style events for the potential mayoral candidates. (Cabinet Office, 2017)

During the timescale of this thesis, the Centre for Cities, in collaboration with University of Cambridge (and others), has been undertaking research, into five

different UK cities for an in-depth exploration of the role of institutional arrangements and policy initiatives in dealing with economic change over the past 5 decades, including the Tees Valley. I will examine this work from the perspective of evolutionary economic theory and path dependency developed in the UK by Martin and Sunley (2005). This research, which this thesis draws upon, covers the following key areas:

- What have been the main institutional arrangements and policy initiatives with regard to the economic development of Tees Valley since the 1970s?
- What role have these arrangements and initiatives played in shaping the economic evolution of Tees Valley?
- Are there more general lessons concerning institutions and policy for cities coping with and adapting to economic change?

1.5 Research aim and questions:

The simple research question is the title of the thesis: ‘Can metro mayors work?’. This is, of course a question to which there is no simple answer. It will depend on at least three intersecting areas of research:

- The personal traits, capabilities and style of leadership of any particular elected mayor;
- The local political, social and economic situation of a particular place, including the actual powers and funding available;
- The impact of national and international events.

The research programme examines all three of these areas. In chapter 4, I will describe the theoretical basis for using structured interviews to examine what particular characteristics key political and business leaders thought were the most important traits in an effective mayor generally, before highlighting whether they felt that those traits were seen in the initial 12 month period of the new Tees Valley mayor. Using qualitative direct research I examine the perspectives of key participants in the mayoral process using semi-structured interviews with key participants, providing a real time qualitative analysis of how the mayoral model was introduced and is developing with in the Tees Valley.

These interviews with key stakeholders around the Tees Valley and in national Government used a single questionnaire to cover aspects of mayoral leadership in general, as well as its operation in Tees Valley. Informed consent – including acknowledge of my unique research standpoint as a participant in the process – was obtained from each individual interviewees, and both detailed notes and transcripts were kept of each interview. Interviewees were assured that my work was independent of my paid employments. The selection of individuals to interview was based on ensuring a variety of political and business sector viewpoints, as well as diversity of gender, geography and relationship to the Mayor. Ethical approval was granted by the University on 1st February 2018, and the initial interviews were conducted between May and December the same year.

Chapters 5 and 6 then analyse to what extent the mayor's personal traits and leadership style has interacted with the local situation of the Tees Valley to produce better policy and (in the case of chapter 6) drill down into a fascinating case study of using both formal and informal power led to purchase of an airport in the face of practical and political challenges.

On the quantitative impact, I have been guided by the key factors put forward by the successful mayoral candidate, but have also examined the monthly economic snapshot reports produced by the Tees Valley Combined Authority, as well as regular reports from the Office of National Statistics on key indicators of the mayoral Combined Authorities. Using gap analysis over a consistent time period, and utilising a comparator control area, this analysis is then utilised in chapter 7 to develop both a tentative suggestion as to whether there has been any observable improvements in the economic situation of the Tees Valley, but also a framework for assessing what should be examined in future iterations of data to conclude whether this tentative improvement is embedded and real, and not simple noise in the data.

Chapter 8 traces any impact of the mayor and his personal characteristics on the political situation within the UK between 2017 and 2021. This was an extremely contested political situation, combining the results of a referendum of the membership of the EU, negotiations of a future trade and co-operation deal with the EU as a result of leaving the EU, 2 general elections, 3 Prime Ministers, an

international pandemic with severe economic and social consequences for the UK as well as a volatile President in the USA. Conclusions in this chapter are necessarily hedged around this uncertainty, but it attempts to analyse what the local and national political impact of a mayor has been.

Although not part of the initial research plan for this thesis, the challenge of international events on the leadership of a particular place was thrown into sharp focus by the events surrounding the Covid-19 pandemic in 2020. Within chapter 9, I highlight how the Tees Valley mayor has used his communication and campaigning skills within the area, as well as how the benefits and deficiencies of local leadership have been observed through the initial and secondary waves of infection. This is a primarily economic analysis, rather than a health piece, and the political and economic repercussions of the infection and the public sector response of what has been the deepest recession in the UK for at least a century will be felt for many years to come.

1.6 Concluding remarks

In undertaking this research programme, I will be tracing the impact of mayoral leadership within Tees Valley, and undertaking analysis of the outcomes of mayoral governance, and comparing those with other forms of governance in the Tees Valley over the past decades, as well as examining whether there has been an economic impact as opposed to developments of similar places. It was adapted in line with external changes in political, economic and social factors, as well as internal changes with the learning and development of the mayor over his first term. It will add to the literature surrounding economic governance in England, and add an unique assessment of the key skills of the mayor from his election in May 2017, to the end of his first term, four years later in May 2021.

Chapter 2: What Makes a Good Mayor?

“Getting things done demands from mayors unique talents and personality traits not necessarily appropriate to other political offices. Among those that seem to mark successful mayors are (1) a strong personality marked by both hubris and humor, (2) a pragmatic approach to governing, (3) personal engagement in city affairs, and (4) commitment to the city as a unique entity and a possible and even likely career terminus.” (Barber, 2013)

2.1 Introduction

There is a plethora of information on what makes a good leader, and indeed what makes a good elected leader (Barber 2013, Harkness 2017, Brown 2014). Applying this to the personal qualities of an elected mayor has been a relatively recent phenomenon, but one that has produced a wealth of new material. Much of this is US based, and uses their well developed and mature mayoral model as the starting point. For instance Harkness et al consider that the effectiveness of mayors is a combination of the following key factors:

- Formal powers – both within cities and with respect to regional, state and central governments;
- Functional capacity to effectively run cities;
- Individual leadership qualities; and
- Political, cultural, economic and other defining dynamics at play in city governments (Harkness et al., 2017)

As leaders operate in all walks of life, not just the political, and there is a rich industry in highlighting what makes an effective leader. Airport and railway book shelves are full of management and leadership theory, capturing lessoning from leaders across the span of globe’s recorded history such as Nehemiah’s leadership of the Jewish exiles to rebuild Jerusalem in 445 BC (Book of Nehemiah, the Bible) or Sun Tzu’s examination in the same time period of what makes a great general in his polemical Art of War. The latter is lauded in such modern periodicals as Forbes magazine:

“There was no greater war leader and strategist than Chinese military general Sun Tzu. His philosophy on how to be a great leader and ensure you win in work, management, and life is summed up in these 33 pieces of advice. They can all be applied by you in your job when you go back to work next week.”
(Jackson, 2014)

These 33 pieces of advice cover the need to ‘lead by example, not by force’, ‘self belief’, the importance of knowing your enemy, waiting for the extraordinary moment, taking opportunities and moving swiftly, deceiving your enemies and the need to ‘look after your army’. (Jackson, 2014)

As well as the personal qualities that are looked for in a leader, the context in which a leader operates has to be taken into account. In her masterful overview of leadership, Keohane summarises this as:

“The size and culture of an organisation, the expectations of followers, the purpose that the organisation is intended to pursue, and its history and traditions are all relevant in considering what kind of leadership is most likely to succeed. Behaviour by a leader that seems perfectly appropriate in some contexts may appear quite out of space in another. (Keohane, 2010)

For the purposes of this research therefore, it is important to cover both aspects of leadership – what personal qualities and leadership attributes could lead to a good mayor, and what system they operate in. For the stakes resting on the type and effectiveness of these new leaders are high. At the very beginning of this challenge, before the new metro mayors in England were elected, Luke Raikes from ippr North highlighted this challenge clearly:

“If their powers are used effectively, these mayors could transform their cities. They could greatly improve the everyday lives of their citizens: the quality of the air they breathe, the efficiency of the public services they use, and the jobs and prospects of families and children. With the disruption brought about by the UK’s decision to leave the EU, their election could present a welcome opportunity for democratic empowerment and progressive change. These new mayors won’t be able to deliver this change immediately, and they cannot act alone. In order to deliver on their democratic mandate, they will need to use hard and soft power to convene local stakeholders and tackle challenges collaboratively. The powers they will have are a mix of direct control (over bus franchising, for example), joint ownership with their leaders’ cabinet (over skills and transport more generally), and influence (over health and social care where there is some delegation of power in those areas)”. (Raikes, 2017)

2.2 *International context for mayoral leadership*

The wider political context will also have an impact on the ability of mayors to deploy their leadership skills and abilities. The English context for the new metro mayors is very different from that in other western democratic system – in most of these nations, there is a long-established context for local or regional leadership, and that context generally provides a clear remit for relevant local leadership. These differences were initially described into different typologies by Hesse and Sharpe in 1992, who identified 4 different political leadership models for local government in Europe – the ‘Franco’ type (France, Greece, Spain, Italy); the ‘Anglo type (England and parts of Ireland); the ‘North-Middle European’ type of Germany, Austria, Switzerland and Sweden and the ‘Central-East European’ type of Poland, Hungary and Czechia (Hesse and Sharp, 1991, reproduced in Heinelt and Helpas, 2006).

These historical differences continue to impact on styles of governance across Europe. For example, in Italy (Franco type), which became a unified country in 1861, the history of coming together as a nation from historically autonomous city regions and micro-states still impacts on current governance, with 20 regions, 5 of which are deemed ‘autonomous’ (Fenwick and Johnston, 2020). In chapter 9, we will see how this manifested itself in particular approaches to the Covid pandemic, but in normal times, these historic differences are still manifested culturally and politically, with vibrant and distinctive regional electoral parties (such as the Venetian League) which generally campaigns for greater autonomy and independence on top of more mainstream political views.

This importance of clear sub-regional governance is also seen in Spain. Although it has a longer history as an independent country, internal political turmoil initially through the Spanish civil war, and then through war and dictatorship, has shaped the constitutional settlement after the death of General Franco in 1975. This has required a strong regional dimension to both its culture and its governance, with each of the 17 autonomous Spanish regions having its own Parliament and President, while the continuing issues of independence for Catalonia, and the Basque country demonstrate powerful and conflicting regional identities.

A similar strong place for sub national government is seen in countries with formal ‘federal’ structures, - the north-middle European types - such as the Swiss cantons.

It is also seen in the strong federal and democratic governance seen in the USA. For example, in their analysis of the recent changes in the governance of US cities, Svvara and Watson highlight the trend for larger cities to adopt governance by directly elected mayors. Highlighting the unique nature of US politics, where cities are largely free to debate their own governance models without reference to federal or national governments (Svvara and Watson, 2010, p1) and that *'leaders may propose and citizens may initiate revisions in the city charter'*, the recent impact has overall been an increase in the council-manager led governance (from 34.7% of cities in 1984 to 48.9% in 2008) – but that this trend is reversed in larger cities (those over 1 million population, where the mayor-council model is operated by 67% of those cities). They highlight the important factors in this debate, with the key features around the benefits of mayor-council leadership described as 'strong leadership and accountability'; 'ability to allocate resources to support the mayor's agenda' and 'capacity to initiate major policy changes'. The counter-arguments – often made by opponents of the mayor-council model – focus on the dependency on one individual, who's 'effectiveness can rise and fall with the qualities of the strong mayor'; the greater potential of corruption, and the accountability to supporters, rather than the wider electorate (Svvara and Watson, 2020, p14/15). They use the analysis to trace out the governance debate in 6 cities where there was a transfer to a mayor-council leadership structure, 4 cities where that change was rejected, and 2 where there was a change from a mayor-council to a council-manager leadership model. Their conclusion is that:

"When referenda occur, the debate over form is still largely expressed through the old themes of corruption versus competence, responsiveness versus efficiency, and executive mayors versus professional managers" (Svvara and Watson, 2010, p321)

They do express some concern about this debate, and suggest that it would be much better to be framed on 'how do we get the best performance from the form we have?', concluding their analysis with the following statement:

"There are no magic bullets or automatically successful forms of government. Governing is difficult." (Svvara and Watson, 2010)

Enthusiasm for directly elected mayors is perhaps seen most clearly in the newer democracies of eastern Europe where the introduction of directly elected mayors as

key components of city governance has been rapid. In their study of directly elected mayors in Poland, Gendźwiłł, and Swianiewicz (2017) highlight that:

“The direct election of mayors was introduced almost immediately after the fall of Communism in several countries in the region, including Slovakia, Romania, Bulgaria, Albania, Slovenia, Moldova and Armenia. Hungary followed shortly after in 1994, Macedonia in 1995, Poland in 2002 and Croatia in 2019.” (Gendźwiłł and Swianiewicz, 2017, p179/180)

In the Polish example that they study in detail, the key reasons behind this change to increased directly elected mayors are:

- As a remedy for deficit of local legitimacy and accountability; and
- To enhance the efficiency of local authorities by (i) increasing turnout and interest in voters; (ii) increasing transparency and accountability and (iii) reducing the power of political parties (as nominations to the role of mayor is through a citizen assembly process, rather than party nomination).

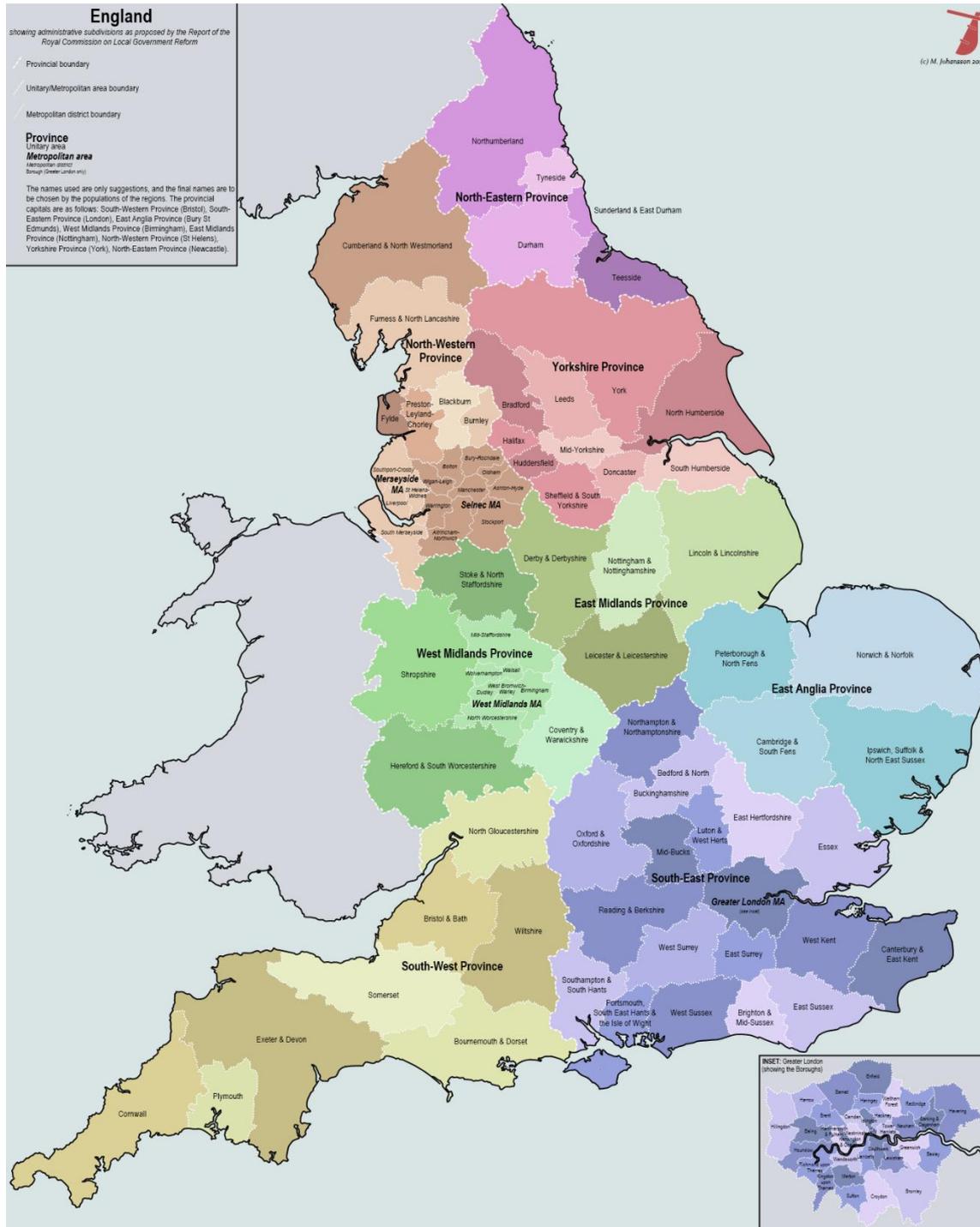
The introduction of directly elected mayors seems to have been a success within Poland, with the author’s concluding that:

“There is little doubt that directly elected mayors have become firmly rooted in the consciousness of Polish citizens... it is still widely valued... and elections for mayor are generally considered to be the most important among subnational elections” (Gendźwiłł and Swianiewicz, 2017, p187)

Within the UK, however, directly elected mayors are still an unusual form of local governance, and there is no coherent framework into which they readily fit, with confused and overlapping governance models that exist, especially in England.

This confusion persists, despite the best efforts of the 1960s local government theorist Redcliffe-Maud who proposed abolishing the existing county, county borough, borough, urban district, rural district – and replacing them with metropolitan counties covering the big conurbations, while unitary authorities, with towns or cities at the heart, covered the rest of the country. Those local authorities would be part of eight provinces which would handle strategic and economic development (Elledge, 2022). The map of his proposals is shown at figure 2.1 below.

Figure 2.1: Redcliffe-Maud’s proposals for English governance (not implemented)



Source: Redcliffe-Maud, 1969 (reproduced in Elledge, 2022)

With the failure to implement the Redcliffe-Maud proposals, England has remained a centralised system of governance, with multiple levels of local governance – this system is examined further in chapter 3, particularly as it applies to the Tees Valley.

This strong sub national governance, with direct elections the norm in western democracies, gives a clear context for mayors (who tend to operate over discrete cities or sub-regions) to express their leadership capabilities. Differences of history and culture do impact on the leadership expectations and experiences of mayors. For example Svava and Watson (2010) highlight that the different forms of leadership they studies in the US (either mayor-council or council-manager) can change the relationship of public sector leader with the business communities (who tend to favour the mayor-council model).

In their reflection on the implementation of the directed elected local government mayor in England, (Copus et al, 2017) reflect that mayors have been able to find sufficient room for local initiative, even given tight legislative constraints, and can produce a *'highly individualised leadership dynamic'* (Copus et al, 2017, p237).

Despite these glimpses of wider leadership potential of mayors, in their review of how these international experiences relate to English government, Fenwick and Johnson (2020) conclude that:

"The scope and breadthis striking in comparison to the relatively parochial remit of the English mayor." (Fenwick and Johnston, 2020, p77)

That restricted growth, and unclear legislative system does help to explain some of the challenges of mayoral governance within the UK, explored in more detail below.

2.3 UK context for elected leaders

Within the UK, the nature of place-based leaders has had some analysis, particularly in relation to local authority elected mayors or in the Mayor of London. World-wide examples are also pertinent, and consider if city leaders should be servants of the citizens who elected them, or agents of international economic forces (Hambleton, 2015). In particular the challenge of individuals and leaders who particularly focus on and understand a place is critical, especially with a rise in so-called place-less leaders. In examining this global phenomenon, Hambleton describes the situation as:

"Place-less leaders, that is, people who are not expected to care about the consequences of their decisions for particular places and communities, have gained extraordinary power and influence in the modern era." (Hambleton, 2015a, p168)

While contrasting this with place-based leaders:

A key feature of these innovation stories is that place-based leaders have been successful in developing and implementing strategies that are guided by locally determined social and economic priorities. (Hambleton, 2015a, p169)

So powerful forces and external realities will continue to shape the context within which place-based leadership is exercised. Globalised corporations and central governments tend to care only about their bottom line or national output, and may care little about the quality of life in particular place. In turn, this can lead to disenfranchisement of particular communities living in particular localities, which can lead to extremes and shocks across the political landscape – the revenge of ‘places that don’t matter’ (Rodriguez-Pose, 2018).

The role of an effective leader can ensure that their ‘cities and localities are not helpless victims in a global flow of events’ (Hambleton, 2015). One of the key challenges for these new place-based elected mayors to understand is how to use their local power to develop proposals and lead negotiations with place-less organisations in both government and industry to support their areas. Meeting this challenge provides the potential of a positive feedback loop, where local action is seen bring about desirable outcomes and therefore enhance the power, scope and nature of local democracy. Although he is no fan of the new metro mayor model, Hambleton concedes that, from his analysis of these place-based leaders, *‘place-based leadership can, even in heavily constrained situations, work to expand the amount of political space available to local communities’*. (Hambleton, 2015a, p174)

2.4 Key personal qualities of a Mayor

While it is true that “*many democratic theorists ignore leadership altogether or regard it as a dangerous anomaly that should be kept under control to protect popular sovereignty and popular participation.*” (Keohane, 2010), there has been a significant expansion of models and theories trying to understand the personality and qualities that goes to make up a good elected mayor.

Benjamin Barber identifies four characteristics of successful mayors as in his polemical book (2013). From a wide range of global examples, he identifies these as:

'(1) a strong personality marked by both hubris and humour, (2) a pragmatic approach to governing, (3) personal engagement in city affairs, and (4) commitment to the city as a unique entity and a possible and even likely career terminus' (Barber, 2013, p88)

While Katz and Bradley (2013) also comment from their US experiences of effective city and metro governance:

'Members of this pragmatic caucus share common traits. They are impatient. They do not tolerate ideological nonsense or political bromides. They are frustrated with gridlock and inaction. They bristle at conventional pessimism and focus on constructive optimism. They are risk takers. They do not have a partisan allegiance; they have a political attitude' (Katz and Bradley, 2013, p6)

These US experiences are supported by analysis of the experiences and effectiveness of mayors (both elected and appointed) in 5 very different European states (Copus et al, 2016). Within the UK, Ginsberg and his team held interviews with members of past and present GLA mayoral offices to better understand how mayors' backgrounds and personal characteristics affected their leadership. Interestingly, they record that the key issue is the mayor's ability to 'sort' transport and crime, rather any more nuanced political discussions. (Ginsberg et al, 2017). For example, to deliver on these dual priorities, both Ken Livingstone and Boris Johnson relied heavily on a very personal mandate, rather than partisan ones, and their apparent successes were not through executive powers, but rather to use their influence and mandate to develop big systemic changes such as congestion charging or biking schemes.

While the individual characteristics of elected leaders do make a difference, we need to be clear that there is much more complexity at work than just a strong, outwardly confident and dynamic individual. So Archie Brown (2014) sounds a note of caution about the deficiencies in an overly strong leadership model:

'Good leadership requires many attributes, whose relative importance varies according to time, place and context. It should never be confused with the overmighty power of overweening individuals'. (Brown, 2014, p15)

and Keohane goes further in her warning:

“The Great Man theory of history is clearly unacceptable as an explanation for human events.” (Keohane, 2010, p12)

That said, the individual intellect, capacity and emotional intelligence of a mayor is a key factor in leadership, and, in recent years we have seen the rise of greater populism in political leaders – best demonstrated by the leadership style of Donald Trump as US President as both key critic and only solution to a bleak and troubling perception of American politics, economy and society (Mollan and Geeson, 2020). Whether this leadership is about providing solutions to common problems or offering ideas about how to accomplish collective purposes, mobilizing the energies of others to follow these courses of action, clarify goals for a group of individuals or bringing together the energies of that group to accomplish those goals, leadership quality matters. While the key attributes, such as decision making, strategic develop and implementation will be key, it is important to note that the key factor for a leader in a public setting is being directly responsible to the community rather than to an anonymous group of shareholders or anonymous group of hidden power brokers (Keohane, 2010).

Keohane also highlights that wider emotional intelligence is a key factor. She provides an emphasis on these other personal characteristics or traits are often helpful for leaders:

“I focus on three pairs: passion and proportion, empathy and detachment, courage and moderation. Although the members of these sets may at first seem opposed to one another, each is often complementary to the other characteristic in the set.” (Keohane, 2010, p105)

2.5 Key characteristics of effective Mayors

In consolidating this literature, both from the US and UK, I used the research phase of the project to examine ten key personal characteristics that could have a positive impact on mayoral delivery in the Tees Valley. These characteristics, developed from an analysis of the most common characteristics suggested in the US based literature, are shown in Table 2.1 below:

Table 2.1 – Key personal characteristics of effective Mayors

<ul style="list-style-type: none">• A strong personality• A sense of humour• A pragmatic approach to governing• Detailed engagement in the running of Tees Valley• Commitment to Tees Valley as a unique entity• Impatience with the status quo• Constructive optimism• Risk taking• Cross-party approach• Strong relationship with other Mayors

Within the research phase of this thesis, I tested out the rationale of this selection as well as the wider framework with key stakeholders and decision makers within the Tees Valley and within national Government, with a view to highlighting what has been most important to this new phase of governance. The results of that analysis form part of the findings in chapter 4 of this thesis. As Harkness highlights, in her specific commentary on UK metro mayors:

“The learning curve for the new mayors will be steep; they have new formal powers to wield and will need to quickly develop key functional capacities to govern effectively. While a thorough review of these important urban governance changes is beyond the scope of this report, they are unfolding in real time and should be the subject of close observation and continued research. A network of new metropolitan mayors would help these leaders learn from peers as they build these new institutions and define new roles.”
(Harkness et al, 2017)

2.6 Context of England’s new mayoral leadership

Mayors have a long and proud history within the United Kingdom, with a ceremonial position originating in feudal times – and at the beginning of the 12th century, the title of mayor was enacted as the designation of the chief officer of London, followed around 1190 by that of Winchester, and then other boroughs across England and Wales.

In the 19th century, some semblance of order was created in the regulation of the election of mayors. The mayor was to be a *‘fit person elected annually on 9 November by the council of the borough from among the aldermen or councillors or*

persons qualified to be such. His term of office was one year, but he was eligible for re-election' (Shaw, 1889).

This ceremonial office of mayor does not cover any important administrative duties, and is generally regarded as an honour conferred for local distinction, long service on the council, or for past services. The mayor devotes much of his (or her) time to civic, ceremonial, and representational functions, and to preside over meetings for the advancement of the public welfare.

However, after the Local Government Act (2000), the power was given for English local authorities to have directly elected mayors who combine the "civic" mayor role with that of leader of the council and have significantly greater powers than either. Within Tees Valley, there have been two such elected local authority mayors – in Hartlepool (between 2002 and 2013, when the post was abolished) and in Middlesbrough from 2002, and still in existence today. Interestingly for both of these posts, individuals independent of party affiliation have been successful in every election bar one (the election of Dave Budd as Labour Party candidate Middlesbrough Mayor in 2015). The role of the current incumbent – Andy Preston - as Mayor of Middlesbrough is discussed in more detail during chapter 9.

The main subject of this thesis – the role of Metro mayors – was initially introduced in London, created as the executive of the Greater London Authority in 2000 as part of a reform of the local government of Greater London, with the first mayor elected in May 2004. Expanding the remit of this governance model was introduced as a key part of the agenda of the Conservative-led governments formed in 2010 and 2015. These new metro mayors were created as a new tier of government, between Whitehall and local government, to take on mainly economic responsibilities, with the larger footprint expected to improve the productivity of large cities in the north, and a key part of the then Chancellor's 'Northern Powerhouse' agenda.

In negotiations with local leaders, the UK government made the introduction of metro mayors a prerequisite before any substantial allocation of powers or additional budgets. This was intended to provide a single point of accountability for decision making and for negotiation with central government.

The first devolution deal that included the introduction of a metro mayor was agreed between the UK government and the Greater Manchester Combined Authority in 2014. A series of additional devolution deals were then negotiated – including one for Tees Valley - in other parts of England after the 2015 election, with the statutory basis for devolution created by the Cities and Local Government Devolution Act 2016.

2.7 *The first metro mayors*

This thesis covers the first term of these new directly elected mayors, and examines the institutional arrangements of the mayoral combined authority and how the directly elected mayors utilised their with considerable freedoms and decision making powers. There is some evidence of how individual leaders interact with the wider body politic at a local level in the UK, and particularly in England as a result of the Local Government Act 2000, which introduced the mayor/cabinet structure and the leader/cabinet structure into local government. This division of powers between the executive and representative assembly as exists in central government had not existed in England since the nineteenth century (Ginsberg et al, 2017). Instead, the committee structure – in which responsibilities were delegated to committees of representatives to be discharged - were the norm.

Directly elected mayors take the division between the executive and the representative assembly further even than central government, and introduce an ‘American-style’ of politics (Hambleton and Sweeting, 2014) into local government, with a mayor who is not reliant on his or her party for authority. So, while directly elected mayors are a novelty for UK politics in general, they are even more distant from the traditions of local government. In his 2003 analysis, Sweeting highlights the wider framework in which the London Mayor operates, adding external environment, institutional arrangements and the local environment as key determinants of success (Sweeting, 2003). Around the time of the initial mayoral elections, there was considerable media discussion of the merits and powers of these new mayors. For instance the Guardian newspaper adopted seemingly contradictory viewpoints with Hetherington highlighting:

“This brand of devolution, while welcome, has limitations. It promises some power and responsibility – but neither much money, nor additional revenue-

raising, to back it up ... So, while metro mayors can certainly champion their areas and help coordinate services such as public transport, job creation and economic growth, in truth they are a sideshow in a wider battle: saving local government and the diminishing services it provides.” (Hetherington, 2017)

While his Guardian colleague Simon Jenkins commenting on the potential of these new mayors in his native Birmingham is more hopeful:

A direct mandate is effective, compared with council leaders chosen from party cabals. What the new mayors may lack in formal power, they should make up in their ability to “convene, to form coalitions and wield leadership”. It is the new politics of personal visibility against that of old party machines. (Jenkins, 2017)

2.8 *Strong and weak mayors*

A long-standing framework for understanding the effectiveness of mayoral government is the ‘strong’/‘weak’ model (Svara, 1990) shown in Table 2.2 overleaf (from Sweeting, 2003). The terms do not reflect quality of leadership, but the balance of power between mayor and combined authority.

While the new Combined Authority mayors have individual mandates, it is clear that there are less formal budget raising and economic leadership powers than the London mayor. In particular:

- The London mayor does not share responsibilities with the London Assembly, which is primarily a scrutiny and accountability body of 25 members (albeit it can block the exercise of certain mayoral powers).
- The functions of the CAs under existing legislation will predominantly need to be exercised concurrently with the local authorities, not instead of them.
- MCA mayors are required to form cabinets, consisting of leaders from constituent councils, on whom they will rely to deliver certain services, and to whom individual portfolios will be assigned.
- They have fewer powers reserved to them individually, as opposed to exercised jointly with the local authority leaders. (ippr North, 2017)

Table 2.2 The strong/weak mayoral model

Strong Mayor	Weak Mayor
Mayor controls budget	Mayor and council control share of budget
Mayor control policy	Mayor and council share control of policy
Mayor appoints staff	Council appoints staff
Mayor directs bureaucracy	Council directs bureaucracy
Mayor and Council only elected actors	Many elected actors

Source: Quoted in Sweeting, 2003

As each mayoral devolution deal is (in theory) a bespoke one, driven by the needs of local areas as well as central Government, the new combined authority mayors will also have slightly different powers from each other – which may cause some confusion internally and externally. The table overleaf, reproduced from a Centre for Cities briefing (Centre for Cities, 2017) provides a helpful overview of the powers and funding of each of the new mayors.

Table 2.3: Powers of new mayors

What powers will new metro mayors have?

	Greater Manchester	Liverpool City Region	Sheffield City Region	Tees Valley	West Midlands	West of England
 30-year investment fund	£900m	£900m	£900m	£450m	£1.1bn	£900m
 Education & skills powers	Apprenticeship Grant for Employers. Adult Skills Budget. Post-16 further education system.	Apprenticeship Grant for Employers. Adult Skills Budget. Post-16 further education system.	Apprenticeship Grant for Employers. Adult Skills Budget. Post-16 further education system.	Adult Skills Budget.	Adult Skills Budget.	Apprenticeship Grant for Employers. Adult Skills Budget. Post-16 further education system.
 Housing & planning	£30m a year Housing Investment Fund. Strategic planning. Land Commission. Compulsory purchase powers. Mayoral Development Corporations.	Strategic planning. Compulsory purchase powers. Mayoral Development Corporations. Control of Key Route Network	Strategic planning. Compulsory purchase powers. Mayoral Development Corporations.	Mayoral Development Corporations.	Compulsory purchase powers.	Strategic planning. Compulsory purchase powers. Mayoral Development Corporations.
 Transport	Consolidated transport budget. Bus franchising. Smart ticketing.	Consolidated transport budget. Local roads network. Bus franchising. Smart ticketing.	Consolidated transport budget. Local roads network. Bus franchising. Smart ticketing.	Consolidated transport budget.	Consolidated transport budget. Local roads network. Bus franchising. Smart ticketing.	Consolidated transport budget. Local roads network. Bus franchising. Smart ticketing.
 Health & social care	Control of £6 billion integrated health and social care budget	Planning for health and social care intergration	Planning for health and social care intergration			

Source: Centre for Cities, 2017.

In general, these powers suggest that, compared to the London Mayor, the role of Combined Authority mayors will be more facilitative – using their individual mandate to bring councils together to persuade and encourage, rather than exercising power directly. In the taxonomy proposed by Mouritzen and Svava (2002), MCAs move further from the strong mayor and closer to the committee-leader model and MCAs are collectively bound by: limited local autonomy; the lack of fiscal levers, the level of reliance on central Government funding; and, the lack of direct party political affiliations (Tomaney, 2016). In this regard, the potential and style of leadership (and indeed the derivation of responsibility for achieving successful outcomes) are bounded by the wider structure of devolution.

2.9 Working with a wider cabinet governance structure

The precise context in which mayors operate also depends on the precise make up of the combined authority cabinet – they are all leaders of local authorities in their own right, with a distinct political viewpoint and hinterland. Even if no party politics come into play, it is expected that, almost from their first day in office, the new

directly elected mayors' of the UK combined authorities will be faced with a challenge articulated effectively below:

“... out of diversity and fragmentation, widespread autonomy and competition, separate islands of power, and numerous restrictions, (s)he is called upon to provide unity and action”. (Sayre and Kaufman, 1960)

Svara builds on this in the observation that:

“Mayors stand out as the spokesperson for city government (...) In filling this role, it is important that mayors be able to separate their own preferred positions from the decisions made by the council” (Svara, 1990)

2.10 Expanding the model to cover soft, convening power

However, as noted by Ginsberg et al in their research paper for (the then) DCLG, the formal strong/weak spectrum model does not provide a very helpful theoretical framework to explain the relevance of the mayor's background or skillset. In particular, the model does not cover the relationship to central Government or the soft, convening power (ie the of informal networks, patronage and relationship to meet political ends), and media focus likely in a mayor (Ginsberg et al, 2017). Sweeting (2003) highlights the critical nature of this soft, informal 'power to' drive this local consensus and make use of networks across businesses and civic society. He highlights four key points for mayoral capability:

- Cope with complexity in urban governance;
- Generate consensus;
- Identify common interest between different partners; and,
- Create the right conditions for effective coordination.

This convening power will be very relevant in building alliances and support with central government and across the wider mayors. Indeed as Harkness highlights:

“Regardless of municipal governance structure, the ability to build, maintain and activate networks across sectors and levels of Government is perhaps the single most important capacity for Mayors.” (Harkness et al, 2017, p26)

2.11 The role of party politics

The role of party politics could also have a key impact. While the general feature of mayors has been an evolution towards a non-partisan mayoral stance as individuals

are keen to appeal to a broad base of the electorate in seeking re-election, the state of the national political parties will have a critical impact, either exasperating local differences or in promotion of cross-party consensus (IfG, 2011a).

Within that prism of party politics, the power of mayors to appoint advisers directly is an interesting one. Travers (2003) notes the *“idea of a group of close and trusted advisors surrounding a directly-elected executive is generally part of mayoral politics in the United States.”* To the extent that the mayor’s mandate is a personal one, and since the mayor cannot be in all places at once, there is certain logic to the mayor’s wishes being executed by those appointed personally. This power may be exercised by mayors who are able to appoint a single political advisor.

While combined mayoral office will have less formal power as compared to the London or international experiences, it is critical that mayors understand the fundamentals of good government and governance, and they need to understand how to engage with other levels of government and to advocate for city-level interests. The wider professional team that supports them will also be fundamental to success, and the need for capable professional managers able to support this new complex mayoral paradigm will be necessary if mayors are able to deploy their power most effectively. Harkness highlights that certain capacities are becoming even more essential in this new role: the need for professionals and partners to build and activate networks; the need for effective analysts to use data and information technologies more effectively to plan, manage, and evaluate programs and services; and creative innovators to develop new mechanisms to leverage public assets for greater value. She goes on to highlight that:

“Beyond these general capacities, mayors could benefit from domain-specific expertise in areas such as climate adaptation and mitigation, police reform, or immigration. In a time of increasing need and complexity, mayors and their teams need support and expertise.” (Harkness et al, 2017)

2.12 A transformational leader?

One of the key questions of mayoral leadership is whether it will be transactional or transformational. This leadership paradigm was conceptualised by James McGregor Burns in ‘Leadership’ (Burns, J.M, 1978), and expanded later in ‘Transforming Leadership’ (Burns, J.M., 2003). He conceptualises leaders as either ‘transactional’

– so ‘exchanging one thing for another’ (Burns, J.M, 1978, p4) – or offering rewards for good performance (or, indeed, in denying rewards for poor performance). On the other hand transformational leaders stimulate and inspire followers to achieve outstanding performance or social change, which is embedded longer term into an organisational or political culture.

This model of leadership can be applied to a political process, but has its roots in military and business hierarchies, where the rewards are more apparent, and control or discipline is engrained in the organisational cultures. Achieving such transformational change within a UK mayoral setting, with its relatively weak formal structures has yet to be properly tested, but we will be able to examine whether mayors can have a clear grasp of their overall goal, can convey that goals effectively, can make progress necessary to the goals’ achievement, and (to supporters at least) do so in such a way that their passion become contagious and transformative.

Burns overall approach was developed by Bass (1985) into Bass’ Transformational Leadership Theory (Bass, 1985) with ‘components’ of transformational leadership being:

- *Intellectual Stimulation.* Through shaking the established norms and questioning the status quo, the transformational leadership style amplifies followers’ level of creativity, and fosters open-mindedness toward new avenues for learning.
- *Individualised Consideration.* High regard to the importance of open communication lines within a team.
- *Inspirational Motivation.* Those who follow the transformational leadership style are aware that their entire team needs to be on the same level of passion and enthusiasm in order to ensure utmost efficiency and productivity; hence, they unwaveringly cater their expertise in support and motivation to each of their team members.
- *Idealised Influence.* Transformational leaders do not lead by intimidation or predetermined command. They lead by setting an example. Through their keen observance of transformational leadership practices, they are able to

gain their team members' faith and respect, which eventually inspires these members to emulate their admirable qualities. (Bass, 1985.)

2.13 Conclusion

In this chapter we have examined the dual factors that go towards answering the question of 'What makes a good Mayor?'; namely the personality and personal qualities of the individual elected as mayor, coupled with the institution that they have to work through – with its specific powers, capabilities and complex power arrangements. At the time of the initial mayoral election in April 2017, there was considerable disagreement of what difference these new mayors would actually make. Most of the more critical analysis concentrated on the limited formal powers that the new mayors will have, and the harsh reality of budget reductions for local services, while the more positive tend to look at the potential of these powers. So the 'Bageshot' columnist (Economist, 2017) highlighted that the job of running a big city-region now provides an appealing alternative to power, either for elected MPs, or for new entrants to the political classes. He also highlights this potential:

The new mayors will run entire regions rather than just local authorities. This means that they are more than glorified city councillors. They will be directly elected, making them accountable to voters and giving them the soft power that comes from having far larger constituencies than any MP—including the prime minister, who is chosen only by his or her party. London's mayor was elected with more than a million votes. (Economist, 2017)

It is remiss to have reached this stage of the analysis of what makes a good mayor, without having considered the views of the key author of this new phase of Government, George Osborne, who as David Cameron's powerful Chancellor of the Exchequer during the coalition years and before the Brexit referendum in 2017 was the architect of this new experiment – particular as part of his Northern Powerhouse priorities. While there is much speculation as to the reasoning behind this, from a desire to connect with grass root political activists across the north of England, or sinister political calculation, it is perhaps relevant to highlight his public purpose in the creation of these new mayors. Before the mayoral elections, and writing with Mike Bloomberg (a former Mayor of New York) he was clear that:

Voters across Britain, the United States and Europe have been expressing frustration with globalisation. Although wage stagnation and the loss of

manufacturing jobs have more to do with automation at home than with trade abroad, people are feeling disempowered by global forces beyond their control, and alienated from democratic political systems that have been slow to respond. Yet thus far, the populist leaders exploiting their anxiety have offered only a false promise: that in retreating behind our borders, we can recover a past that is gone forever — if it ever really existed.

We see it differently. We believe that free trade, new technology and open democracy have delivered increases in living standards and opportunities unimaginable to our forebears. But we also recognise that over the past couple of decades governments have done too little to address legitimate concerns that come with these changes and that have now reached a critical mass. But rather than seeking refuge in nationalism and isolationism, we believe that a better response to globalisation lies in localisation.

Osborne goes on to highlight the role that mayors have in understanding their communities better than national administrations, and their directly accountable nature. In turn he argues that this leads them to be more pragmatic and less ideological, focused on solving problems rather than conducting debates. His prescription is for greater control over funding *“local governments often lack the authority and control over funding that they need to address their most pressing challenges effectively. Instead, they must beg their national capitals to act on their behalf.”* (Osborne and Bloomberg, 2017)

Bloomberg highlights his experience as mayor of New York to comment that when empowered to act they are able to address many of the sources of anxiety that have arisen on both sides of the Atlantic, illustrating this impact from his own direct experience:

“In New York, for instance, local authority was absolutely essential to the city’s success in driving down crime to historic lows, turning around a failing school system, building record amounts of affordable housing, creating well-paying jobs in industries such as tech and bioscience, softening the worst effects of the global recession, making dramatic improvements in public health, reducing carbon emissions by one fifth and driving progress in many other areas.” (Osborne and Bloomberg, 2017)

Osborne highlights that there has been some success with this approach in the United Kingdom, particularly in London, *where devolution, “has brought some decision-making closer to the people”* (Osborne and Bloomberg, 2017). They go on

to highlight the potential linkages between this devolution agenda and in particular the needs of northern England:

“The needs of the UK’s northern cities led one of us (George Osborne) to create the idea of the northern powerhouse, which aims to spread economic opportunity more widely. Linking together the cities and towns of the north of England, and devolving greater powers to their mayors, would allow these cities to enjoy the kind of advantages of scale that bigger cities such as London and New York enjoy, and which they have used to great effect. In other words: by joining forces, the whole of a region can be bigger than its parts — and also more effective at persuading central government to support their interests, such as access to data that they can use to measure their progress. To make this happen most effectively, these cities need directly elected mayors too....” (Osborne and Bloomberg, 2017)

2.14 Mayoral governance

There is much discussion on the qualities of mayors, which had yet really to be tested out in UK governance (with the exceptions of the London Mayors). The extent that the individual mandate and personality of the Tees Valley mayor has had on his effectiveness is a key research question of this thesis. However, the system in which this new mayor operates will also have a critical impact, from making alliances across the broad Tees Valley interest group and residents to making progress with key national leaders. I will develop the results of this work further in chapters 4 and 5 of this work, and examine the key policy priority of the airport in chapter 7. But before getting into the detail of the role and operation of the mayor, we need to understand much more about the *place* into which this new mayoral model has landed. That is the focus of chapter 3, where taking the ‘long view’ will give us an insight in the evolution of economic and political processes within the Tees Valley, and whether the new mayor represents an improvement on previous attempts to support the flourishing of Tees Valley.

Chapter 3 – Economic Governance and Devolution in Tees Valley

‘Devolution only goes one way, no-one is asking for less powers, only more. There is unstoppable momentum behind decentralisation, reversing the national changes and centralisation forced on us by 2 world wars in the last century.’ (Jake Berry, Minister for Local Growth and Northern Powerhouse, in speech to EEF regional dinner, Crowne Plaza hotel, Newcastle upon Tyne, 7th September, 2017)

3.1 Introduction

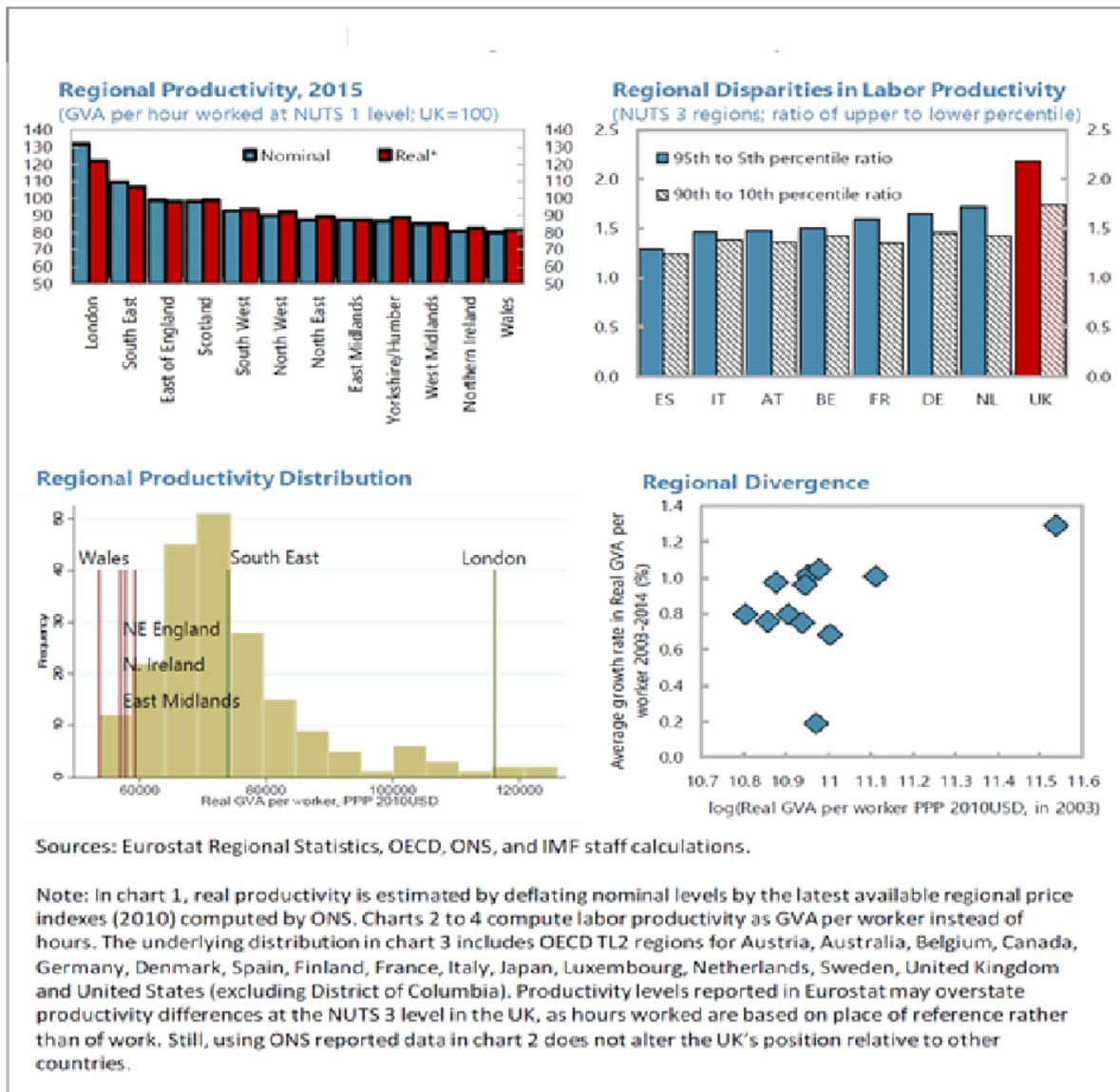
To understand how we arrived at the concept of mayoral devolution in England to city regions, it is helpful to spend some time on the recent history of this approach, but much more important to highlight what problem is being addressed. Etherington and Jones highlight that the problem is dual one; certainly one of economic growth and rebalancing the UK economy, but partnered with the need to secure effective and accountable governance, contingent on open engagement with civil society (Etherington and Jones, 2016).

IPPR North builds on this approach highlighting that a decentralised state, embracing mayoral city region governance *‘is essential to driving change across three key themes’*. Agreeing with Etherington and Jones, two of these themes are the need for *‘boosting local economies and, as a consequence, tackling the UK’s productivity gap’* and a devolution process that *‘allows for people to have a greater say over decisions that affect them, and to better hold power to account’*. The third theme identified by ippr North is an opportunity to *‘improve the delivery of public services, including a more integrated and coordinated approach to strategic planning and commissioning’*. (ippr North, 2017).

Slightly surprisingly, the IMF also takes issue with this lack of decentralisation and particularly highlight its impact on productivity. In their report on the economic conditions of the UK, they are clear that, while as a whole UK productivity is below other advanced western economies, there are *‘large and long-standing disparities in labor (sic) productivity across UK regions’* with 70% of employment is in regions with productivity levels below average. The IMF highlight that *‘regional disparities are*

large compared to other advanced economies’, while ‘UK low productivity regions underperform the least productive regions in other advanced economies’ and ‘regional discrepancies in the UK are long-standing and have not shown signs of convergence over the last decade’. (IMF, 2018, p16-17). Figure 3.1 below is extracted from the report.

Figure 3.1: Regional Labour productivity



Source: Extract from IMF 2018, p17

Among a range of measures to address this issue, the IMF are clear about the role of improved local governance and decentralization to make a real difference to local economies:

“Decentralization of governance arrangements could improve the responsiveness of policy to local economic conditions. Centralized policy making risks being too far removed or having insufficient knowledge and flexibility to be tailored to local circumstances. Further, where policy makers are accountable to central not local government, their choices may not necessarily reflect local priorities. OECD (2016) finds that a well-designed regional fiscal policy supports sustainable regional growth. In particular, fiscal decentralization, as measured by the share of subcentral government taxes (or revenue) in total taxes (revenues), tends to reduce regional disparities. This happens as decentralization incentivizes local authorities to put in place business-friendly policies to raise the tax base. This is achieved by more efficient management of existing resources and through competition for resources with other regions. Fiscal centralization, measured as the share of local revenues and expenditures in total public revenues and expenditures, is indeed relatively high in the UK.” (IMF, 2018; pp34/35).

Along with key commentators on this subject area they are concerned that that too much attention has been paid to the purported benefits of devolution, and not enough to the potential risks (for example, see Tomaney, 2016), the IMF viewpoint is that it is too early to say whether the mayoral devolution currently available to Tees Valley is sufficient for the benefits of decentralisation to occur. As the IMF point out of the current position in England:

“A number of government initiatives seek to promote decentralization in England, but are either yet to be implemented or are too recent to assess their effectiveness.” (IMF, 2018, p 35)

In particular, Tomaney highlights that the benefits of decentralisation is dependent on the design and operation of the type and reality of decentralisation actually in place. In examining the devolution deals on offer, he is again highly critical of the approach:

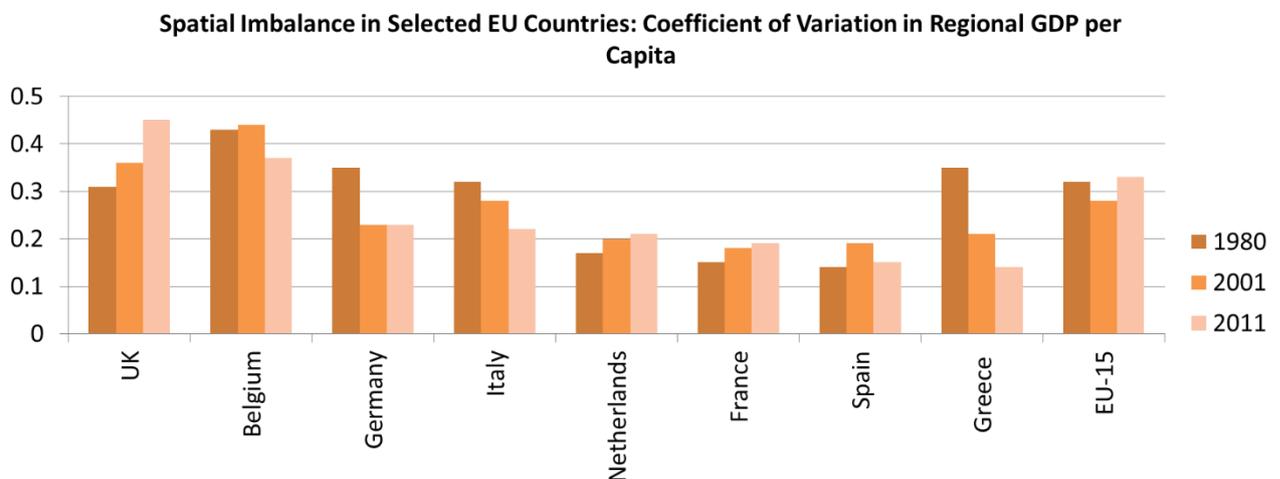
“However, the democratic advances involved in this approach are minimal at best and its underpinning economics are regressive.... In England, the government is creating a system of devolution that is embedded within a centrally imposed tax-cutting agenda, concentrates power in closed political and businesses elite and facilitates interjurisdictional competition.” (Tomaney, 2016, p551)

So the current situation is clear. Commentators from the all spectrums of political philosophy, from the World Bank, OECD to the IMF to ippr North and UCL all

recommend that greater decentralisation and localised decision making can have a real impact on productivity and outcomes at a local level. They agree that the UK is currently one of the most centralised economies among industrialised countries, and (as outlined below in Figure 3.2) spatial inequality in the UK has increased over time and is greater in the UK than similar countries. Much of the UK population lives in regions with productivity lower than the EU average, which contributes to lower wages in these regions. 30 of the 41 UK regions had a lower GDP per capita than the EU average in 2014. However, there is no consensus that the current model of decentralisation on offer from the UK Government will have any impact. As Nick Gray pithily comments:

“English subnational policy: 1. Cut local funding 2. Invite places to sing for their supper to get a little bit of it back 3. Issue “£x million boost for...” press release” (Gray, N., 2018)

Figure 3.2 Spatial imbalance across EU countries



(Source: Smyth, 2017)

Directed elected mayors self-evidently have some impact on this wished for decentralisation. The research question of this thesis, however, will need to examine whether it is an improvement on previous attempts, and whether the decentralisation on offer is sufficient to have any impact on productivity and economic growth.

3.2 What has been happening in economic governance in Tees Valley?

In order to properly study this question in the context of Tees Valley, I will use the concept of the path dependency approach in economic geography. This approach describes how the economic history of a place, and choices made in the past around economic priorities and governance then become embedded in current economic governance as well as specialised industries, training provision and research centres. This concept has been adopted from the work of evolutionary economists, and it has linked to studies in geography and history to explore patterns of regional governance growth and decline (Mackinnon, 2008). Probably the best-known account of regional path dependence in institutional economic geography is Gernot Grabher's work on the coal, iron and steel complex of the Ruhr in the 1970s and 1980s. In this study, Grabher (1993, 24) adopts the concept of lock-in from evolutionary economics to argue that '...strongly embedded regional networks turned from ties that bind to ties that blind.'

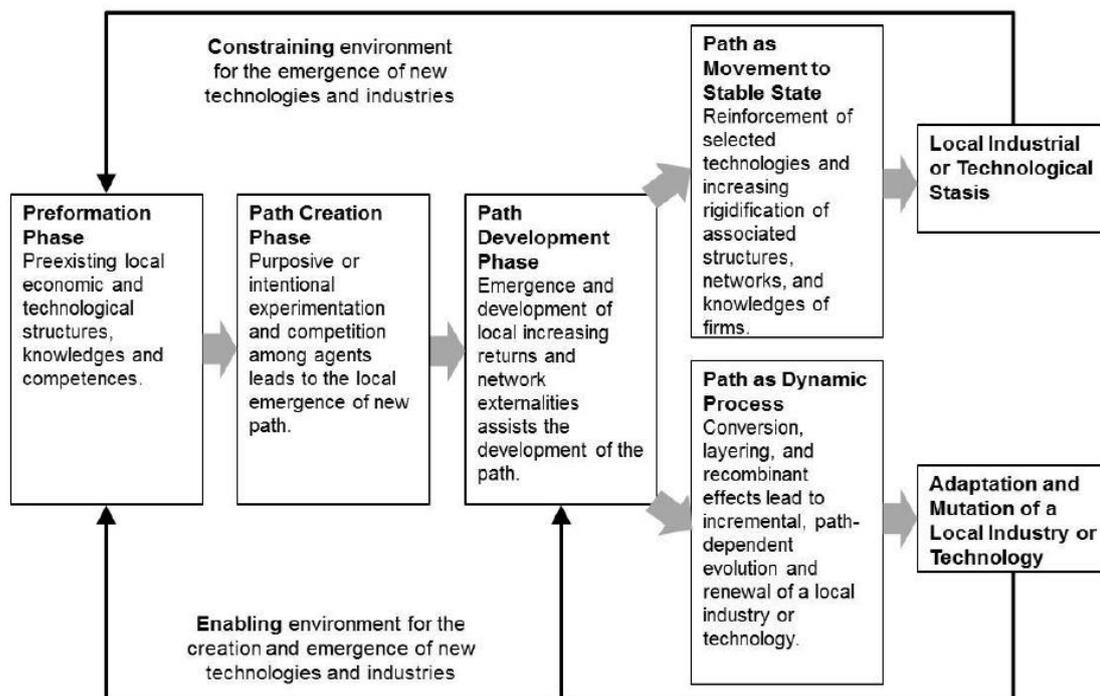
To locate mayoral governance in this path dependent context, it is necessary to have both an understanding of the path dependency model, as well the key phases of both economic and political development in the area, and an overview of governance changes, and to properly distinguish these developments within the Tees Valley from elsewhere in the North East, the rest of England and the wider UK.

3.3 Path dependency

The model of path dependence – as based on the works of Paul David and W. Brian Arthur – has three main features (Martin, 2010, p. 4): a seemingly small event has significant and unpredictable long-run effects ('nonergodicity'); this event becomes progressively 'locked-in' through various self-reinforcing mechanisms (e.g. increasing returns, network effects, coordination effects, learning effects, self-reinforcing expectations, sunk costs, etc.), which limit the scope for alternative development paths; and this pattern is then assumed to remain stable until disrupted or dislodged by a shock of some kind. The classic example is that of the 'qwerty' keyboard, which had an advantage in the times of manual typewriters, but now represents near ubiquity across keyboard design – with no actual benefits (and several studies suggesting it is in fact less efficient) (David, 1985, 1986).

In applying this model to regional economic development, Martin and Sunley (2006) highlight that path dependence should also be able to capture situations which are ‘metastable’ (Martin and Sunley, 2006, p. 419): i.e. regional economies still exhibit continuous incremental development, renewal activity and the emergence and disappearance of industries and technologies, but in a manner that somehow builds on the assets and legacies of the past. They see the ‘path’ as being an on-going dynamic process, where the current state captures a point in time, based on the history and context of a place, but not an end point to the journey. I liken this to a railway journey – perhaps the well known (to me at least) east coast mainline between Newcastle and London Kings Cross, where a place (like say Peterborough) represents a point in time, that can be best understood from the preceding journey, but is not in itself a stable end point. Martin (2010) has produced the diagram I show at Figure 3.3 to illustrate the point.

Figure 3.3 Martin’s model of path dependency in regional economics



Source: Reproduced from Martin (2010), p. 21.

They also qualify that the classic notion of path dependency of being ‘locked-in’ which can only be dislodged by an external shock must also be amended to apply the concept to regional economic thinking. As there is on-going internal dynamism, the directions for future development may be shaped from the inside the economic

system being studied, including events that lead to the creation of a new path. To carry the railway illustration further – arriving at Peterborough station allows the potential of changing destination station, or getting off the railway network altogether!

However, within the framework of Path Dependency, the idea of ‘lock-in’ (those structures, technologies, networks, ideas and knowledge that have been previous steps in the journey) will significantly constrain the options available for further development. To carry forward the railway journey just one step further, arriving at Peterborough does allow changes to Norwich, Cambridge and Ipswich, but rules out any linkages with Carlisle or Middlesbrough – unless you retrace the steps already taken. Those lock-ins will inevitably inhibit adaptation to new and changing circumstances, and diminish resilience. In his study of the development of the Ruhr Area – once dominated by the coal and steel industries – Gernot Grabher (1993) has distinguished between lock-ins at three levels within a regional economy:

- Functional lock-ins: rigidities that inhibit entrepreneurship of people and firms, because a lack of boundary spanning functions (marketing, R&D, long term strategy department) as a result of strong and tight relations between firms in the supply chain, and investments in specific assets and technologies within these cooperative relations.
- Political lock-ins: arrangements between local businesses and the political leadership that ensure that vested interests are protected, and policies are enacted that support the status quo and inhibit renewal.
- Cognitive lock-ins: rigidities in the world views and ways of thinking of key regional actors, because of complacency and a lack of critical reflection.

Mechanisms of path dependency not only appear in the functional domain, but also in the political and cognitive domains, and indeed this is how Martin and Sunley (2006) integrate regional economic studies into the Path Dependency approach, and it is on this basis that it offers a useful framework for analysing the aspects of policy of governance in regional economic adaptation and resilience. The role for policy and governance in adaptation and resilience is whether it has to the potential to break through mechanisms of lock-in, where the future state is simply a product of what has gone before, for good or ill, or whether the governance change is a

sufficient to change the eventual destination, creating mechanisms of positive path dependence (based on on-going dynamism) in the functional domain instead.

In developing this approach, it is important to guard against the tendency to disregard external pressures and influences on a place – especially in the case of Tees Valley where industrial assets are mainly foreign owned, with the future economic potential of the place in the hands of companies based in Saudi Arabia (Sabic) or by pension funds based in Canada (Brookfield, who own PD Ports) as much as it is in the politicians and business leaders based in Tees Valley itself.

3.4 Tees Valley

The claim to distinctiveness of Tees Valley is nothing new, and was succinctly highlighted by a Cleveland County Council report as far back as in 1983:

"the problems of Cleveland are not those of the caricature of the depressed area with low productivity, lack of competitiveness, poor industrial relations and a record of low levels of industrial investment". Whilst Teesside might be in the north, it was certainly not of the north, and it would be dangerous and wrong to regard it as somehow typical of some northern malaise. (Cleveland County Council report in 1983, quoted in Beynon et al, 1994)

In many ways the economic construct now known as the Tees Valley is place with a weak over-riding identity. The name itself has been subject of much local debate in local papers such as the Northern Echo and the Evening Gazette. While the debate is vigorous, it is clear that there is no real love for the name. The first elected mayor for the Tees Valley is clear to characterise the area as 'Darlington, Hartlepool and Teesside' (Teesside Live, 2017).

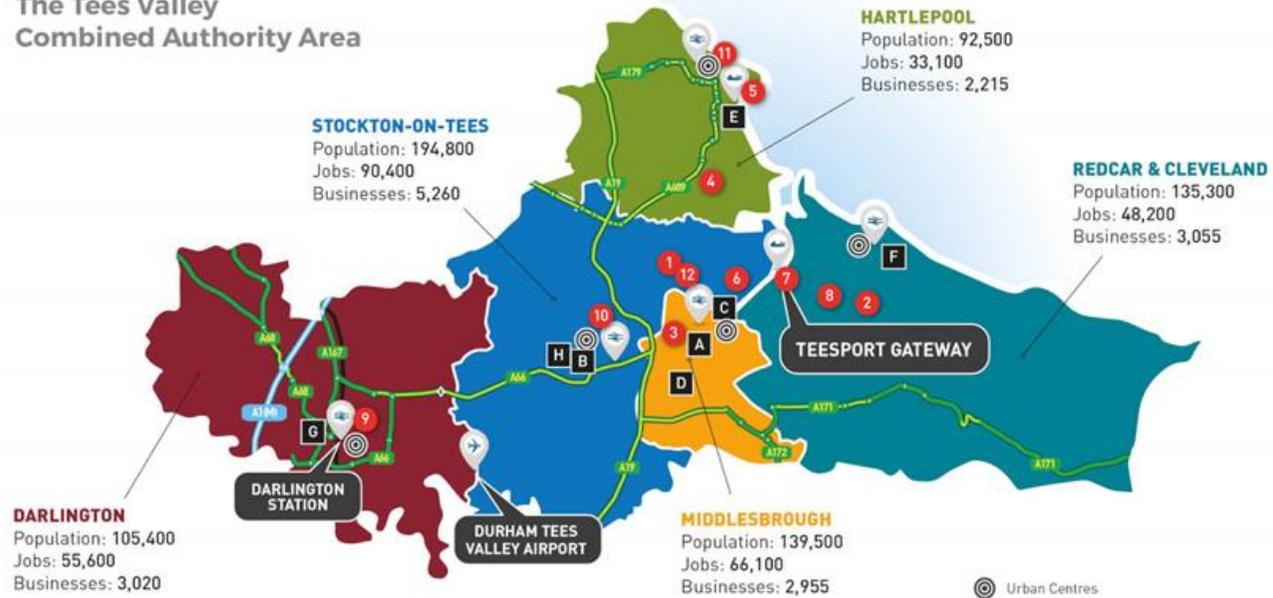
The actual make up of Tees Valley combined authority consists of 5 unitary authorities: Darlington, Hartlepool, Stockton-on-Tees, Middlesbrough and Redcar and Cleveland. The latter four were created after the abolition of Cleveland County Council in 1996, while Darlington Borough Council was created as a new unitary local authority (from a previous existence as a district council in County Durham) in the following year.

While the 5 local authorities have co-operated in some form or other since their creation, Tees Valley Combined Authority only came into formal existence in 2016, in the year before the election of the first mayor for the area. The 2016 population for

Tees Valley is 669,900 (ONS mid-2016 estimates). Figure 3.4 (overleaf) shows the inter-relation between all of these five authorities, as well as the key transport routes. Of these the most significant roads are the A1 road which passes to the west of Darlington, the A19, which provides the main north-south trunk road for the Tees Valley, and A66 which provides some east –west connectivity across the area. The east coast mainline passes through Darlington, and, at the time of writing, the proposed High Speed 2 train line from London to the north of England proposes to utilise Darlington station. There are three main newspapers for the area (Hartlepool Mail, Northern Echo and Evening Gazette), while BBC Tees provides a focal point for local broadcast media.

Figure 3.4: Tees Valley Combined Authority

The Tees Valley Combined Authority Area



Enterprise Zone Sites:

- | | |
|---|-----------------------------------|
| 1 Belasis Business Park | 7 South Bank Wharf |
| 2 Kirkleatham Business Park | 8 Wilton International |
| 3 Teesside Advanced Manufacturing Park [TAMP] | 9 Central Park |
| 4 Queen's Meadow Business Park | 10 Northshore |
| 5 Hartlepool Port Estates | 11 Oakesway Industrial Estate |
| 6 New and Renewable Energy Park | 12 Middlesbrough Historic Quarter |

Universities and Colleges:

- | | |
|-------------------------------------|---|
| A Teesside University | E Cleveland College of Art & Design, Hartlepool |
| B Durham University, Queen's Campus | F Redcar & Cleveland College |
| C Middlesbrough College | G Darlington College |
| D Cleveland College of Art & Design | H Stockton Riverside College |

Source: Tees Valley website, 2018

3.5 *The economic and social history of the Tees Valley*

The origins of the Tees Valley are as complex and fascinating as the current debate over its precise identity and give context to some of that debate. Hartlepool, Stockton-on-Tees and Darlington are fairly historic towns, with Hartlepool founded in the 7th Century, based on its port and Hartlepool Abbey. The abbey was founded by St Aidan in 640 AD, and came to prominence under the leadership of St Hilda in the 650s. Stockton-on-Tees was the next significant settlement in the Tees Valley, and was granted a market charter by the Bishop of Durham in 1310. Darlington came to prominence as a market town, and expanded quickly after the formation of the world's first steam passenger railway in 1825. The Quaker movement had a significant cluster in Darlington, and their ethic, financial strength and commercial acumen was important to much of the development of the Tees Valley in the 19th Century.

It is in creation and development of industrial Middlesbrough, however, that the Tees Valley came to global significance. At the start of the 19th century "Middlesbrough was a tiny hamlet on a bleak expanse of salt marsh alongside the River Tees" (Beynon et al, 1994.) In one of his classic works on the development of the United Kingdom during the Victorian era, Asa Briggs describes the development as:

'Six 'broad-brimmed, broad-fronted, broad-bottomed' Quakers had cleared and made a city. They have not been inhibited by history. They trusted not in precedent but in the future.' (Briggs, 1980, page 275/276).

He also quotes the classic description of Middlesbrough by Gladstone:

"Middlesbrough was described by Gladstone as a Hercules, an infant Hercules no doubt, but a Hercules all the same." (Briggs, 1990, p241).

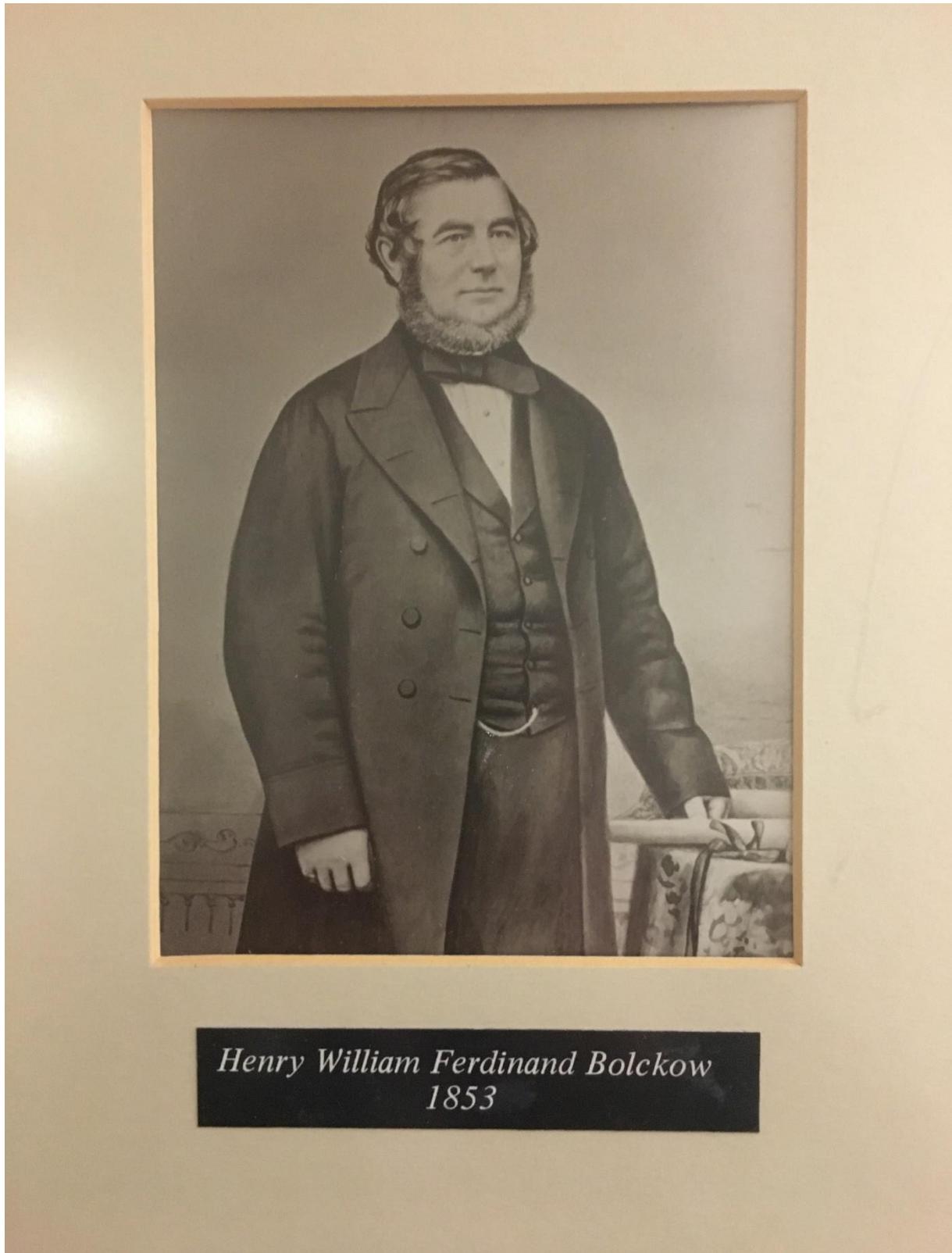
There is no doubt that the development of Middlesbrough between 1850 and 1900 was the key event that brought new wealth, prosperity and population across the Tees Valley. While the early developments were as a new port for exporting coal mined from County Durham along the new railway lines were initially successful, the further development of the railway industry also meant that it was short-lived. It was in the development of the iron industry that Middlesbrough, and the whole of the Tees Valley, found its economic fortune. As Briggs describes:

“Middlesbrough grew from a very tiny real community over a very small time frame to a large town of 100,000 people - this was the fastest growth of any English time during the Victorian period. While the initial development of Middlesbrough was as a dock to export Durham coal from the River Tees to London and other markets, this was soon overtaken by improvements in the railway – a new industry was required. Victorian entrepreneurs, typified by Henry Bolclow and his partner John Vaughan transformed the place by the development of the iron industry.” (Briggs, 1990, p246).

The development of Middlesbrough and Teesside as an industrial centre was ‘intimately bound up with the shifting fortunes of a global economic system’ (Beynon et al, 1994). Indeed the development of the place as a manufacturing centre continued to shape the development of the place, the economy and the people throughout the entire 20th century, and is still seen in the visceral reaction to the closure of the last remaining iron making industry on Teesside – the SSI steelworks in Redcar – during the Autumn of 2016.

This intimate connection between the interests of capital, labour, innovation and entrepreneurship has been particularly critical to the development of the political culture within the Tees Valley – and allows a classic development of path dependency. As it developed into one of the most important manufacturing complexes, not just in the United Kingdom but in the world, industrialists started dominating all spheres of life. The most prominent of these initial industrialists was a German/Polish immigrant called Henry Bolclow (Figure 3.5, overleaf, is a picture of the current portrait on display in Middlesbrough Town Hall).

Figure 3.5
Henry Bolckow, portrait in Middlesbrough Town Hall –



Source: picture taken by author, 2019

In their seminal work on the development of Teesside, Beynon et al describe his impact:

“The paternalist forms of capitalist wage relations encouraged by the early Ironmasters were intimately connected with their effective control of local politics. In the early years of growth, especially the 1850s and 1860s, the basis of local economic and political life resided in the hands of a small, closely related group of men. Of these, Henry Bolclow as the most outstanding: becoming Middlesbrough's first mayor, when it was incorporated in 1853; its first President of the Chamber of Commerce, when that was formed in 1863; and the first member of Parliament, when it became a Parliamentary constituency in 1868.” (Beynon et al, 1994, p56)

This largely benevolent paternalism started to take shape in earnest through the latter years of the 19th Century. At the opening ceremony of the Town Hall by the Conservative mayor Major Dixon he said;

‘Up to this time all the public buildings that have been erected in Middlesbrough have soon proved themselves utterly inadequate to the wants of the place, and have not been able to keep up with rapid development. In erecting these Buildings we are doing something permanent. We have not much of a past to speak of, but we look to having a great future’. (Beynon et al, 1994)

3.6 Industrial development through the 20th century

The¹ expansion of Middlesbrough and the wider Tees Valley were shaped by the interests of heavy industry. With rapid economic growth came a rapid increase of the population, mainly through in-migration from rural areas around Tees Valley but also from Ireland. Although there were economic lows during this period, particularly during the world wide slump In the 1920s, Teesside emerged relatively unscathed, and, after the consumption boost of the 2nd world war, all seemed set well for the future (Evenhuis, 2016). This sense of economic optimism is captured in Figure 3.6 (overleaf) – which reproduces the front of a report from the Tees-side Industrial Development Board in the immediate post war period - giving a boost to central planning and future development in vogue during that period.

¹ Paragraphs 3.6 – 3.8 draw heavily on a background paper that I wrote for Lord Heseltine ‘Tees Valley: Opportunity Unlimited, 2017’ where it formed the mainstay of chapter 2 in the final report (Heseltine, 2017).

Figure 3.6
Cover page of a report by the Tees-side Industrial Development Board, 1947



However, since those optimistic times of the late 1940s, the UK has undergone significant structural change as it has been buffeted by the winds of economic change. In particular globalisation, technological and transport developments have reduced the cost advantages that manufacturing in the UK was once able to offer. By the late 1950s Tees Valley was one of the leading production centres in the UK, but was again facing challenges from lack of sustained capital investment, and was consequently becoming less viable.

After the slump of the 1920s and the depression of the 1930s, the larger iron and steel industry companies had been nationalised by the Labour government in 1951. However, the Conservatives then privatised most of the iron and steel industry in 1953; it was re-nationalised by Labour under the leadership of Harold Wilson in 1967 to form the British Steel Corporation (BSC). This ownership focussed on the development of a massive, new integrated works was to be constructed near Redcar which would triple total capacity for crude steel production in the area by the 1980s replacing much of the older plants in other locations.

By the time that we reach the mid-1960s, a broad consensus between central government, local authorities, regional bodies, major employers, and the trade unions was developing, with three main strands:

- the modernisation and rationalisation of existing heavy industry,
- expansion of the area's infrastructure and provision of industrial land, and
- the attraction of new employment in light manufacturing and services.

(Heseltine, 2017)

As a result of this consensus new investments were directly supported by generous grants from the central government; and were supported by public investment in infrastructure such as the reclamation of Seal Sands, construction of the new Tees Dock, a new nuclear power station close to Hartlepool, and the development of a regional airport (Evenhuis, 2018).

The structure of the Tees Valley economy has changed significantly over the past 40 years. In the 1960s several strategic parameters had shifted to the disadvantage of the area. Firstly, with the gradual dismantling of the industrial complex of the North-

East (as a result of the decline of coal mining and ship building within the UK), the locational advantages of iron and steel in the Tees Valley had decreased. Economic activity and industry in the Tees Valley had become more mobile.

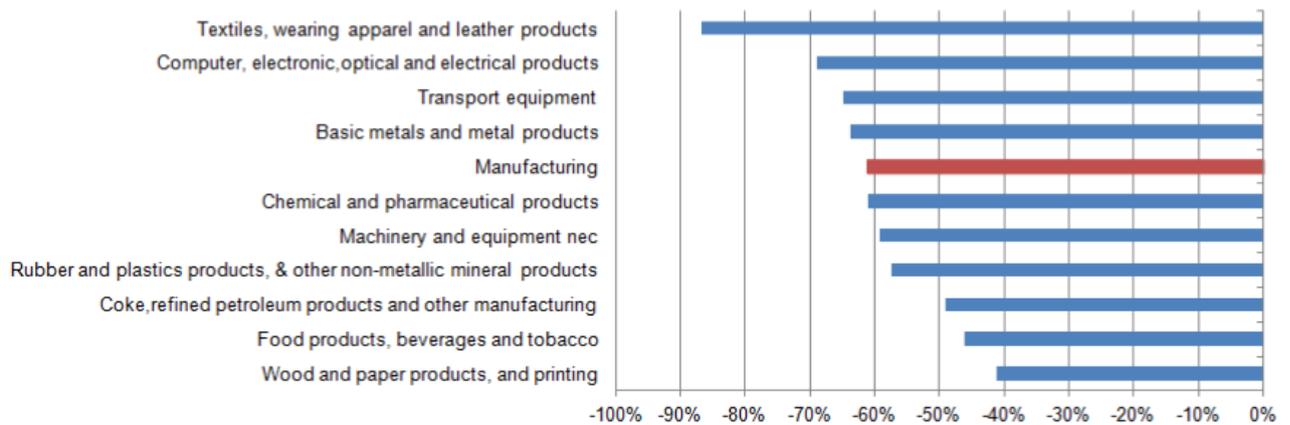
By the late 1950s, 40,000 people were employed in iron and steel in the Tees Valley, while about 29,000 were employed in the chemical industry. Increased foreign competition from low wage economies squeezed UK manufacturing and low cost services, forcing improved productivity to remain competitive. The chemicals industry experienced high growth however, and continued to rapidly expand within the Tees Valley. In 1973 almost 43% or 122,000 of the 284,000 employee jobs in the Tees Valley were provided by the manufacturing sector. Construction accounted for 9.4% of jobs and around 46% of employees worked in the Service sector (132,000). In contrast, today the largest industries by Employment in the Tees Valley are public administration, education and health which make up 33% of employment in the area. This is followed by 18% who work in the distribution, hotels and Restaurants industries, 12% in manufacturing and 12% in banking, finance and insurance.

This broad consensus and optimism about the economy of Teesside continued right up to the mid 1970s. However, as the decade went on, the increasing globalisation of manufacturing, coupled with lack of local investment in key industries led to decreases in employment levels in steel and chemicals. The steel crisis from 1975 until the mid-1980s hit the area hard, and also other manufacturing industries experienced problems from the early 1980s onward. As Evenhuis comments:

“Deindustrialisation was particularly rapid and disruptive in the area; and the local economy experienced a severe crisis (both in absolute and relative terms). The first signs of this crisis were visible in 1976 and it lasted until about 1984, when the economy finally stabilised again.” (Evenhuis, 2018, p12)

Losses in employment in the steel industry had already started in the late 1960s, but accelerated rapidly during the steel crisis. The steel crisis from 1975 until the mid-1980s hit the area hard, and also other manufacturing industries experienced problems from the early 1980s onward. From 1975 until 1984 almost two-thirds of employment in steel (more than 18,000 jobs) was lost.

Figure 3.7: Jobs reduction between 1979 and 2013 in Tees Valley (ONS)



Source: ONS analysis of labour market statistics

3.7 *The economic situation of Tees Valley at the start of Mayoral governance*

At the start of mayoral governance within the Tees Valley in May 2017, it is still subject to the relative decline of the UK manufacturing sector has continued since the 1980s. In chapter 7, I will attempt to discover to what extent mayoral governance, funding and prioritisation has made on the economic situation in Tees Valley, as compared to the Humber.

In terms of macro-economic impacts, globalisation has moved the UK towards specialising in more knowledge-intensive activities in which the production of the idea is where the most value is added, rather than in the production of a physical commodity – and this has had a significant impact across the Tees Valley. As a result, over the past 30 years manufacturing output has grown more slowly than services, and the number of people employed in manufacturing has dropped steadily as productivity per employee has increased (UK manufacturing achieved a 50% increase in labour productivity from 1997-2007). By 2014 employee numbers stood at 261,000 in the Tees Valley, combined with a further 31,500 self-employed to take the number of jobs to 292,500. Manufacturing employment had fallen to under 25,000 by 2014 with construction below 14,000. Jobs in utilities were broadly unchanged at 4,000 and services increased to 218,000. (Heseltine, 2017)

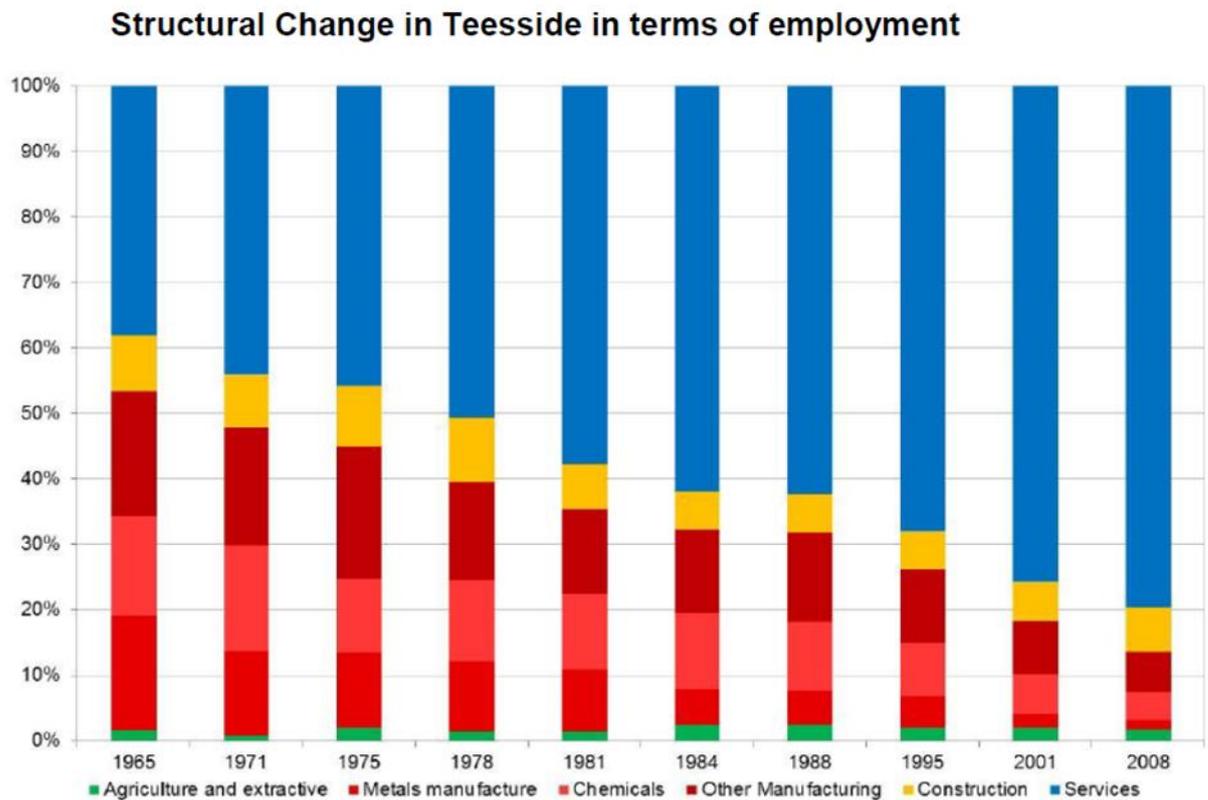
3.8 Employment profile for the Tees Valley

The employment profile for the Tees Valley has changed significantly in the last 50 years. The rapid loss of employment in iron and steel, chemicals, other manufacturing industries, and construction has been matched by a rise in the services sector. The percentage of employment in manufacturing went from nearly 50% (about 105,000 jobs) in the early 1970s, to slightly more than 10% (about 25,000 jobs) in 2008.

The Tees Valley has relatively fewer people of working age and higher rates of economic inactivity and unemployment as compared to national rates. The Tees Valley is also expected to be significantly impacted by a decline in the working age population, which is predicted to fall by 5% by 2032; this is due to a combination of migration and ageing. The number of people of retirement age is predicted to increase by a substantial 41% by 2032; an extra 49,800 65+ year olds. There were over 28,630 Tees Valley job vacancies advertised online in 2015. This was a 19% increase of over 4,490 vacancies compared to 2014 and compares to an 18% increase nationally.

In the year to September 2015, the employment rate in the Tees Valley (68.8%) was lower than the North East (69.4%) and the UK (73.5%). The employment rate in the Tees Valley increased slightly from 67.1% a year earlier and the employment levels increased by over 9,000 to 293,600. Median earnings for people working full-time in the Tees Valley are presently around 5% below that observed nationally. The average full-time Tees Valley employee earned around £504 per week before tax in 2015 compared to a UK rate of £528, while North East earnings stood at £489. Mirroring national and regional trends, however, Tees Valley earnings are now starting to grow again in real terms after a number of years of decline following the recession.

Figure 3.8: Structural employment change in Tees Valley.



Figures for 1971 refer to Teesside and Hartlepool County Boroughs; 1975, 1978, 1981, 1984 and 1988 refer to Cleveland County; and 1995, 2001 and 2008 are calculated from figures for Middlesbrough, Stockton-on-Tees, Hartlepool and Redcar and Cleveland.

Sources: Office of National Statistics (Census data 1971); Beynon et al. (1994); NOMIS (<http://www.nomisweb.co.uk>).

3.9 Economic growth and productivity

The Tees Valley remains a significant economy, with annual Gross Value Added (GVA) in 2014 of £12.3bn, 292,500 jobs, and over 16,500 businesses. Economic growth over the past decade has, however, been relatively modest, contributing to a significant productivity gap: GVA per job in the Tees Valley is £43k compared to £48.8k in the rest of England (excluding London). The Tees Valley GVA accounted for over a quarter of total North East regional GVA (£47.7bn) in 2014. In turn, the North East accounted for around 3% of UK GVA (£1.62tn). The Tees Valley output gap – the amount of additional GVA required to match UK GVA per head – was £4.1bn in 2014. Since 2009, GVA has grown by 1.36bn.

Key causes of the productivity gap include:

- Low rates of enterprise which combined with the traditional reliance on large employers/public sector employment has led to relatively lower levels of private sector employment.
- Employment in the public sector remains relatively high in the Tees Valley. This is in large part a reflection of the area's relatively small private sector. The Tees Valley, with 16,500 registered businesses in 2015, has around 34% fewer businesses than the national average. This approximates to a short fall of around 8,600 private sector businesses.
- Skills deficits notably in terms of higher level qualifications with 30.3% of the working age population with NVQ level 4+ against 31.5% in the North (UK rate is 36.9%). Progress is being made here with recent growth of NVQ4+ qualifications above the national average over the past three years.
- Levels of commercialisation across the business base as a whole. The area has major innovation assets focused on specific industries/sectors, and recent evidence indicates that the Tees Valley is the best performing of the Northern local economic areas in terms of innovation, based on analysis of the UK Innovation Survey 2013. However according to its strategic economic plan, rates of contract and collaborative research income into the Tees Valley are comparatively small, as are R&D tax credit take up and, crucially, rates of commercialisation, are amongst the lowest in the UK. (Heseltine, 2017)

3.10 Business start-ups and growth

The business birth rate in Tees Valley in 2014 was 15.3% which is higher than the national figure of 13.7% and continues a trend present since 2011 (the data does not include unregistered small businesses). This figure equates to 2,745 new enterprise births in 2014, slightly lower than the rate in 2013 (15.6%). For the period 2011 to 2014 business birth rates in Tees Valley exceeded the UK business birth rate by over 1%. The business death rate in Tees Valley in 2014 was 10.2% or 1,810 enterprises, slightly more than the rate in 2013 (10.5%). This is higher than the UK business death rate and continues a trend that is evident from 2010 onwards. However, since 2011 the difference in local and national rates has been under 1%. The difference between the birth and death rates in 2013 and 2014 (5.1% in each year) reflect an up-turn in the Tees Valley labour market and economy. UK data for the same period is 4.4% in 2013 and 4.1% in 2014.

In the period 2010 - 2014 the number of active enterprises in the Tees Valley increased. In 2010 there were 15,685 active enterprises compared to 17,755 in 2014 - an increase of 2,070 or 13%. Just under 47% of this increase, or 970 active enterprises, took place in the period 2013-2014. The recent up-swing in business start-up and survival rates may be accounted for by two main factors:

- The changing nature of the labour market. Increasing self-employment and other forms of flexible ways of working act to feed entrepreneurship; and
- The 'pick-up' in the economic climate generally leading to increased demand and opportunity for existing business growth or for new businesses to meet this need.

The Tees Valley economy contributed £12.3bn to national GVA in 2014. Between 2013 and 2014 both Tees Valley GVA and employment grew strongly – above UK rate increases. In 2014 the local economy grew by 4.8% (UK 4.6%) whilst in per capita terms the increase in Tees Valley GVA per head was 4.6% (UK just 3.4%). The number of jobs (employees and self-employed) located in the Tees Valley stood at 292,500 in 2014. This was up by 8,500 jobs compared to the 2013 estimate. The number of working age Tees Valley residents with jobs, however, stood at 278,300 in 2014 representing a Tees Valley employment rate of 67.1% compared with the UK rate of 72.2%. The most recent Tees Valley employment rate for 2015 is estimated at 68.8%, still significantly below the UK rate of 73.5%. The average annual wage in the Tees Valley is currently £23,800, compared to £27,600 nationally. (Heseltine, 2017)

3.11 Political governance in Tees Valley

As we have seen, the political history of what is now known as Tees Valley, has taken many different directions over the last 150 years or so, since it began its development as an unique economic entity, built around the needs of heavy industry, with iron and steel making to the fore for much of that period. The connection between industry, labour and politics has been intertwined for all of this period. Settlements have grown up to support the immediate needs of the working class, such as cheap housing, transport links as well as local shopping centres. As the needs of industry have changed, so has the physical geography of the key urban

centres changed alongside it. As early as the First World War, iron-making was concentrated in 3 companies, which further consolidated in 1929, as steel manufacturing faced increased competition from newer more economic plants, and the supply of iron ore from the Cleveland Hills diminished. Newer settlements, such as Billingham, came to the fore – concentrated on the needs of the emerging chemical industry, with ammonia production starting in 1918, and the emergence of Imperial Chemical Industries in 1926, drawing in new labour from across the north of England and Ireland. (Beynon et al, 1986).

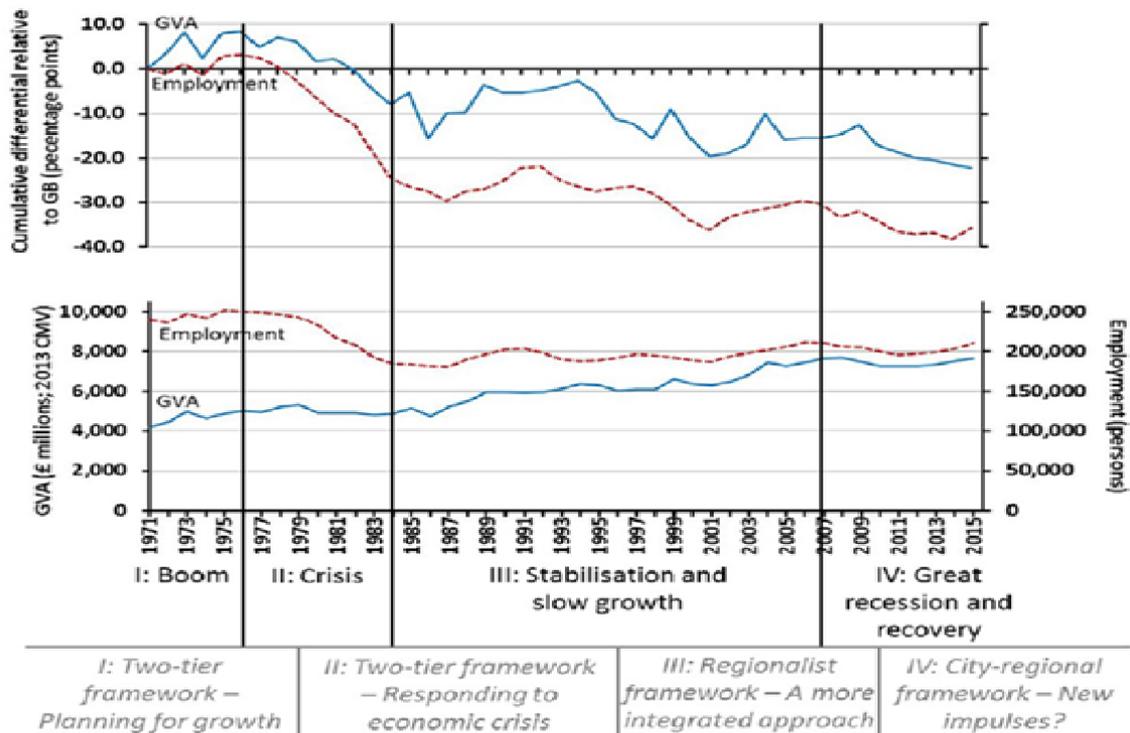
After the Second World War there was a significant increase of central government involvement in economy of the area, particularly with the nationalisation of key industries. The iron and steel industry was subject to approval by a new Iron and Steel Board, set up in 1953 (North, 1975), and structural change through nationalisation (in 1951, then again in 1967). Systems were put in place to stimulate investment in manufacturing in Tees Valley through active spatial planning and grants, with much of modern Tees Valley included in the North-East Development Area. The Teesside Industrial Development Board was formed in 1945 to promote investment in the area and set up new industrial estates. (Cousins et al., 1974; North, 1975)

The roots of political governance have already been discussed in this chapter. However, it is the period from the late 1960s to the present which has really been of impact for the current mayoral governance. As part of the work for the Centre for Cities 'Structural Transformation, Adaptability and City Economic Evolutions', I have participated in a study group of key interests in the Tees Valley. Emil Evenhuis has written up these findings, and in his working paper, highlights four distinct political and economic governance phases in the Tees Valley since the early 1970s. These are shown in figure 3.9 below, but he categorises them as:

- Two-tier framework – planning for growth (until 1979)
- Two-tier framework – responding to economic crisis (1979 – 1995)
- Regionalist framework – a more integrated approach (1995 – 2010)
- City-regional framework – new impulses? (2010 – present) (Evenhuis, 2018)

Within the planning for growth stage (lasting until 1979), progress on the earlier consensual basis of economic governance was the norm, guiding the actions of central, local and regional government bodies, as well as the main employers in the British Steel Corporation and ICI, and a high degree of consensus with the trade unions). Institutionally governance was embedded in that many local authority councillors were employees of BSC or ICI.

Figure 3.9: Key episodes of economic and political changes in the Tees Valley



Source: Cambridge Econometrics data, constructed as part of the ESRC 'Structural Transformation, Adaptability, and City Economic Evolutions'-project.

The main focus for this work was the plans developed in the Teesside Survey and Plan of 1969 (Wilson and Womersley, 1969), guiding the consensus for the area's development of the 1970s. This programme aimed to 'upgrade' the whole of the area:

“Teesside, born in the Industrial Revolution, offers to the second half of the twentieth century both a tremendous challenge and an almost unique opportunity. The challenge lies in the legacy of nineteenth century obsolescence; the opportunity is to make it one of most productive, efficient and beautiful regions in Britain; a region in which future generations will be able to work in clean and health conditions, live in dignity and content and

enjoy their leisure in invigorating surroundings.” (Wilson and Womersley, 1969, p. 3).

These priorities were formalised in the Teesside Structure Plans (Cleveland County Council, 1977 / 1983), with Cleveland County Council implementing the structure plan, accommodating the planned growth.

However, by the late 1970s it was clear that the increasing globalisation of the economy, mechanisation and lack of investment by key industries meant that increasing employment in key industries was unlikely. In fact, job losses in key industries such as steel, heavy engineering, shipbuilding took place at a much faster rate than anticipated, new employment opportunities were scarce. Unemployment was rising quickly, and within the County Council doubts were being raised about the previous key industry focus. In their 1979 report, the County Council had a clear focus on diversifying the economy and their structure plan highlights the dilemma faced by policy leads:

“The structure plans aim to diversity the County’s economic base by attracting light manufacturing and service jobs, whilst at the same time they encourage the growth of capital-intensive industry by zoning 2,000 acres of land for further growth. Are these two things incompatible, or can they both realistically be pursued side by side?” (Cleveland County Council, 1979).

3.12 Changing governance - Thatcher and Teesside Development Corporation

In retrospect, the second key stage of modern governance in the Tees Valley can be traced to the election of a new Conservative national government in May 1979, led by Margaret Thatcher. This led to a key shift in policy at a national level, and the consensual approach between industrial owners, workers and local authorities was challenged. Initially, however, little changed in the structure of local governance. Cleveland County Council remains the key strategic driver, but with the acceleration of job losses that it was powerless to prevent, meant that new more dynamic business networks began to emerge, such as Teesside Tomorrow (later Tees Valley Tomorrow) and the Teesside Chemical Initiative. Teesport was privatised in 1992, bringing huge swaths of industrial land into the control of a single company, with a primary purpose of ensuring a profitable business.

During this period we also see the emergence of a much stronger regional tier of central Government activity (with stronger regional arms of central Government, eventually leading to the creation of an integrated Government Office network under the Major Government in 1994). This increasing regionalisation was supported by the local authorities, and the regional sections of the Confederation of British Industry and the Trades Union Congress, who came together in 1986 to enhance the resources and mandate of the regional development body. The creation of the Northern Development Company was prompted by a desire for the region to compete more effectively for the attraction of inward investment.

During this same period, Government was increasing its direct interventions in local areas as a response to the problems in many old industrial cities and towns. One of the most significant interventions in the Tees Valley area, was the establishment of a second-generation Urban Development Corporation (UDC) established under the Local Government, Planning and Land Act of 1980.

Exemplifying the philosophy of 'property-led regeneration' and direct intervention the task for UDCs was to 'lever in' private sector investment in urban development projects, using public sector initial funding. This which would then lead to the creation of new employment and other benefits for the community. Although UDCs were set in a clear national framework, Imrie and Thomas highlight the differences between them:

“There are significant variations in individual UDCs, a variation which, in part, must be explained by distinctively local forms of urban politics, i.e., the way UDCs have related to local urban regimes” (Imrie and Thomas, 1999)

Teesside Development Corporation (TDC), established in 1987, was the largest of the 12 development corporations established in England. In common with other Urban Development Corporations (UDCs), TDC had extensive powers to achieve regeneration objectives and enjoyed a high degree of autonomy to deliver results against a broad remit. This included activities to boost the physical, environmental and economic regeneration of designated urban areas experiencing long term industrial and economic decline. These powers included, among other things, planning and the ability to acquire and dispose of land and property, carry out construction projects and award grants. (Imrie and Thomas, 1999)

The Corporation spanned an area of about 12,000 acres between Cleveland and Hartlepool. During the Corporation's 11-year lifetime 4.6m sq ft of non-housing development and 1,306 housing units were built with development largely undertaken on wasteland. Over its lifetime, the corporation spent in the region of £475 million and employed 40 staff.

During the period of its operation, significant successes were recorded. The Corporation was instrumental in attracting private investment to the tune of £1.1 billion. Prior to its inception, only 15,000 people were in employment in the area. Subsequently, over 12,000 new jobs were created and 1,300 acres of derelict land were remediated and brought back into use. The former abandoned site of Head Wrightson engineering works was transformed into Teesdale Business Park which now includes law firms and stockbrokers amongst its businesses. Flagship developments included the Tees Barrage, which stabilised the water level at a previously tidal part of the river. It now provides a range of leisure activities for residents and tourists including watersport facilities with a watersports centre nearby, and Hartlepool Marina, one of the most modern marina facilities in Europe.

However, in terms of governance, UDCs were first and foremost accountable to the Ministry of the Environment, and thus as a consequence local authorities lost some of their control over planning and development in their area, and were excluded from exercising any control over the key initiative in the area's economic development. It operated in a singular, opportunistic, and secretive manner, with the relationships with the local authorities and community organisations deteriorating quickly over time (Coulson, 1989; Robinson and Shaw, 1994; Robinson et al., 1999; House of Commons Committee of Public Accounts, 2002).

3.13 The end of Cleveland County Council and new Labour

The abolition of Cleveland County in 1996 with the creation of new unitary authorities of Middlesbrough, Stockton, Hartlepool, and Redcar and Cleveland marked the next phase in the economic governance of the Tees Valley. These four authorities, together with Darlington – a new unitary formed out of County Durham – came together to collaborate on issues of economic development. They formed the Tees Valley Joint Strategy Unit to undertake strategic planning and generate economic intelligence, as well as establishing the Tees Valley Development Company to

provide a focus on inward investment. In turn, this development company was subsumed into Tees Valley Regeneration in 2002. With the support of central government money, was made responsible for several regeneration projects in the area (in a similar fashion as the Teesside Development Corporation, but this time in close cooperation with the local authorities).

With the 1997 election a 'New Labour' party government led by Tony Blair at a national level, there was another shift in subnational economic development policies in the United Kingdom. Accompanied by the birth of new units, initiatives, partnerships and programme this was a particularly dynamic and unstable time in central-local government relationships. As part of this new wave of governance, in 1999 Regional Development Agencies were established, working alongside the regional Government Office, with a broad mandate and a substantial budget combining contributions from different central governments departments and from European funds, to further the economic development of the English regions (Perry and May, 2007).

The Blair Government also created Regional Assemblies, with representatives from local authorities, and business and third sector stakeholders. Together these were intended to pave the way for a new tier of elected regional assemblies, with a referendum being held on whether a new assembly should be created in the North East held in 2004. This was decisively rejected as unnecessary, bureaucratic and with limited powers (Tickell and Musson, 2005).

Within the Tees Valley, the Regional Development Agency that covered North East England – ONE North-East – supported a sub-regional focus and partnership in the Tees Valley area, delegating some of its budget and responsibilities. This led to the creation of a Tees Valley Partnership in 1999, comprising of the five local authorities, the Chamber of Commerce, the Learning and Skills Council and Tees Valley Tomorrow (a local business organisation). The Tees Valley Joint Strategy Unit acted as the secretariat for this partnership. This Partnership produced an outline investment vision, and in 2002 took control of its implementation. As the Joint Strategy Unit notes:

“The Tees Valley Vision is an attempt to coordinate initiatives and actions in multiple domains and by various actors: it is built around three main themes:

“creating sustainable jobs, creating attractive places, and creating confident communities” (Tees Valley Joint Strategy Unit, 2003).

With echoes of the past consensus around building on key skills, the vision emphasised the value of existing assets and activities:

“we must recognise that our economy is a manufacturing one based on world class chemicals clusters, a port - the second largest in terms of volume in the UK, an infrastructure able to support further economic growth – and an engineering and growing service economy which is largely dependent on the manufacturing base” (Tees Valley Joint Strategy Unit, 2003, p. 7).

In 2007, the Tees Valley Partnership was transformed into a more formal arrangement – Tees Valley Unlimited – with an overall leadership board, supporting boards for specific themes, and consultation forums (Tees Valley Joint Strategy Unit, 2006). Tees Valley Unlimited was put in place in anticipation of additional money and a new multi-area agreement with central Government.

3.14 Coalition government and the end of regionalism

In 2010 a new government came to power at the national level, formed of Conservatives and Liberal Democrats². This coalition government rejected the regional model, and focussed on ‘localism’ as a guiding principle for subnational economic development – aiming to connect national Government activity and focus on geographic areas with clear economic, cultural and historic ties. They dismantled the regional tier, with RDAs and Government Offices closed in 2012, replaced by smaller arms of central Government, and a system of Local Enterprise Partnerships was set up. After initial discussions with Government about whether a regional Local Enterprise Partnership should be formed, partly rejected due to the hostility many in Tees Valley has towards a perceived Newcastle focus of One North East, Tees Valley was accepted as an appropriate geography for the Local Enterprise Partnerships. The five constituent Local Authorities formed a new partnership, under a Strategic Economic Plans to create 25,000 new jobs by 2022. After a period of stabilisation, and as result of a mayoral devolution deal, these same authorities formed a new Combined Authority in April 2016.

² Paras 3.14 – 3.16 are sourced from an unpublished paper I authored as part of Lord Heseltine’s review team for his independent report ‘Tees Valley: Opportunity Unlimited’ (Heseltine, 2017)

Voluntary collaboration has worked well, but the Tees Valley Local Authorities and the LEP thought that this new approach would bring about accelerated economic growth. They have concluded that a Tees Valley Combined Authority would do this by:

- providing greater certainty for businesses to attract more inward investment;
- speeding up decision-making;
- improving transport infrastructure and skills;
- a stronger role in marketing and promoting the Tees Valley as a place to do business;
- greater transparency and accountability; and
- preparing for devolution.

Local stakeholders thought that the Combined Authority would offer more effective, speedy and transparent decision making; the ability to receive devolved powers and resources, including transport powers of an Integrated Transport Authority (ITA), and the longer-term commitment (as it is set up by Act of Parliament) that will give business further confidence to invest in the area's economic future whilst remaining within democratic control.

In his 2017 report into the Tees Valley, Lord Heseltine highlighted that:

“It is important that future governance arrangements preserve the excellent relationships, delivery and working arrangements that exist currently within the LEP. Both the five Local Authorities and the business community have worked hard to build an effective team ethos underpinned by common goals, hard work and mutual respect.” (Heseltine, 2017)

In a break from the past, however, Lord Heseltine recognised that the strength of the Tees Valley was no longer limited to just the steel making, chemicals and process sector. He highlighted that the future arrangements must take into account the real shape of the Tees Valley employment and growth sectors. He recommended that:

“The Combined Authority must deepen their current engagement by ensuring that they have clear links to the widest possibility of new jobs in the private sector, and augment their advisory board with leaders in the construction, health, digital and retail sector.” (Heseltine, 2017)

His report highlighted these newer sectors as encompassing a significant proportion of the Tees Valley economy, with opportunities for growth in skills shortage in key industries, the replacement of aging skills workforce that will need to be replaced.

3.15 A new beginning? – localism and the mayoral model of governance

So we have seen that, since 2010, the importance of the sub-regional agenda has been on the rise in the UK, replacing the regional and national agendas that preceded it. This has been true across England, and has been driven by strong city regions – most notably the conurbation surrounding Manchester, working in tandem with devolution minded Ministers – principally George Osborne, who was Chancellor of the Exchequer in the UK Government between 2010 and 2016. As Gains highlights the Manchester approach was characterised as:

Although the agreed devolved budgetary decision-making does not represent the kind of decentralisation of fiscal responsibilities found in other western European countries and elsewhere (Communities and Local Government Select Committee 2014); or the kind of control over revenue raising powers as well as spending decisions demanded by local government itself (Core Cities 2015); nevertheless in the context of English local governance, the extent and range of devolved decision-making powers is remarkable. (Gains, 2015)

This is part of a more generalised movement of having more local governance across the globe – essentially moving governance from a central state to a city structure. Partly, this is driven by classical economic model adopted by both the IMF and OECD as a means of increasing productivity. However, in his key book on the subject, Magnusson highlights some of the benefits of this devolutionary agenda to how people understand their role in society, and their sense of belonging:

“..when I see like a city I am neither so dazzled nor so panicked.” (Magnusson 2011), p4

He goes on to highlight the deep roots of movement on developing greater city-level governance work, advocating a return to a more ancient understanding of city state. He differentiates this city state (or ‘polis’) from the state:

“We know that the polis was not a state, and indeed that the idea of the state did not really take shape before the sixteenth century of the common era, about two thousand years after the heyday of classical Greek philosophy. But, we tend to set that knowledge aside, because we scarcely know how to think

of political order, except in terms of the state. For us, the state is normative in the sense that all other forms of political order are simply defective versions of it. What makes the polis recognizable for us, as a state, is that it is not simply the effect of religious or tribal traditions. It is a kind of rational order, intelligible in terms of human needs and possibilities conceived in the most general terms, without reference to the particularities of religious belief or cultural tradition. In principle, it is an order appropriate for all humans, especially in so far as it meets needs and realizes possibilities that are suppressed by particular religions or cultures. Thus, the polis is the embodiment of a universal truth, a truth realized in a different, perhaps higher, form within the modern state.” (Magnusson, 2011, p116)

Magnusson is not alone in this view. Understanding the world through approaching through what is familiar has been a recurrent theme within the globalised economy. Within the UK this has been given greater emphasis in the post-Brexit sense of forgotten or left behind places. The advantages of understanding the global through the local is that it encourages us to think about what is here, all around us, rather than frightening ourselves with visions of what is out there, in the big, bad world. Again as Magnusson points out:

“But, if we want to figure out what works and what doesn’t – in terms of providing security, advancing social justice, or allowing for greater freedom – we are well advised to begin with the world that is already familiar to us, rather than with those imagined spaces elsewhere where the bogeymen live.” (Magnusson, 2011, p139-140)

Of course there are limits to this approach. Any model of governance is messy, but the advantage of smaller places is that they are less complex to understand (Magnusson, 2011). Within a state the mode of organization is not well understood, with a multiplicity of political authorities in different registers and at different scales can be confusing and complex, even to the well-connected insider. The rise of a metropolitan elite calls attention to the presence of powerful leader in the cultural, religious, economic, or social, spheres, which can be alienating to the excluded, peripheral or forgotten places. At its best, central Government can enable order and produce public benefits, but it can also be remote, inflexible and slow to adapt to global drivers, less enabled to respond to opportunity or crises – certainly that has been my predominant experience of working for the UK Government for 25 years. Change happens in particular places and transformations are non-linear and inherently unpredictable, but that is often forgotten in a centralised policy sphere. In

a well run and well connected city, this is less likely – consumers and policy makers live and work in close proximity. As Magnusson highlights:

“When I see like a city, I do not see the world as a place without violence and injustice: quite the contrary. To see like a city is to put the state under erasure, and reveal what it obscures. The picture is not pretty in most parts of the world: not only violence and injustice, but environmental degradation, impoverishment, and misplaced hatred.” (Magnusson, 2011, p 168-169).

These challenges are of course complex – there are many examples of places and leaders getting this wrong. As Hambleton states ‘*City leaders, and all those concerned with the governance of urban areas, face unprecedented challenges.*’ (Hambleton, 2015, p3), but he is clear that his argument is that place-based impacts and effects should receive much more attention from those who wish to enhance the effectiveness of public policy. He condemns the centralised approach to governance:

“National governments tend to construct their domestic public policies around sectors – such as the economy, education, health, social care, transport, agriculture, policing, energy and so on. As a result hugely influential central government departments, bolstered by associated policy committees, professions and vested interests, have come to dominate the way public policy is conceived, developed and implemented. This is bad news.” (Hambleton, 2016, p9)

3.16 Place-based leadership

So strengthening place based leadership can help to make sense of the unknown, and allows places to set distinctive priorities for their own growth and develop, that acknowledges the realities of its history and focussing on a future where the benefits and risks are directly applicable to those making the decisions. Within place-based leadership, mayoral governance has been a longstanding feature of local government across Europe and the US (Greasley and Stoker 2008; Hambleton 2013); either directly elected, or as an appointed role. For example, in the US, most mayors are directly elected with the larger cities having powerful mayors with strong executive powers (Mouritzen and Svara 2002). This strong model of urban leadership with executive decision-makings powers vested in a mayor (directly elected or not) is seen can be seen in part as a response to a liberalised economic agenda where the ability of places to compete internationally and attract inward

investment demands speedy, informed and effective decision-making (Headlam and Hepburn 2016).

Within the UK, these arguments were made by the City Growth Commission for Manchester. In a series of reports in the preparations for the Manchester devolution deal, this Commission argued that the international experience is that growth is driven by cities, but that within the UK, key places are still dependent upon centralised funding. The Commission argued devolved funding arrangements would allow cities to respond dynamically to the needs and opportunities of their economies: and that with improved connectivity between northern cities these city regions could achieve greater growth (City Growth Commission 2014, p13).

These economic drivers support arrangements which support the exercise of stronger, strategic leadership to deal with cross cutting issues, and the European and US experience is increasingly one of strong leadership, competing on the world stage for economic and cultural development for the benefit of their localities (Gains, 2015). The mayoral model of strong leadership, with an individual mandate can free up mayors from party management, enabling direct advocacy and lobbying for the area.

In addressing these economic, social and democratic challenges, local leaders are required therefore to be more strategic, networked and responsive (Gains, 2015). In particular she highlights that:

The mayoral model of strong executive leadership has features which are seen to address these challenges and facilitate a new type of urban political leaders 'a facilitator who provides positive interaction and high level of communication amongst officials in city government and with the public and who also provides guidance and goal setting and policy making'. (Gains, 2015)

Magnusson agrees with this need for a new type of leadership:

'It is difficult to see how radical change in public services can be brought about in the absence of bold, forward looking leadership, and yet theories of public leadership appear to be lagging behind the needs of practice.... Out goes the notion of the 'city boss' determining policies and priorities; in comes the 'facilitative leader' orchestrating the efforts of multiple actors' (Magnusson, 2011, p11)

While we have considered the key attributes of leaders, and particularly directly elected mayors in chapter 2, it is worth remembering that a key challenge for any place-based leaders is to use local power to negotiate with national organisations to support the development of their place. But the possibilities of effective leadership can make a difference. As Hambleton notes:

“..place-based leadership can, depending on the context, work to expand the amount of political space available to local communities.” (Hambleton, 2011 p 137)

3.17 An elected mayor for Tees Valley

So, while we have seen a greater global and UK shift towards directly elected mayors for cities, it is less apparent how this mayoral governance model would suit or be applied to a relatively small part of England, comprising of no actual ‘city’, and of peripheral importance even to the wider economy of the North East of England. We need to examine what led this ‘dark horse of devolution’ (Centre for Cities, 2017) to agree their devolution deal, and to progress it to a conclusion, especially while other, more connected and likely candidates either failed to get to the starting line, or failed to progress beyond a few stuttering steps before imploding under a weight of internal politics and egos.

In 2015, the key leaders of the 5 local authorities were a fairly cohesive group of individuals. Gone were the egos and factions surrounding Ray Mallon (Fenwick et al, 2014) – recently departed as an independent (local authority) Mayor of Middlesbrough, and the new Mayor of Middlesbrough (Dave Budd), together with new leadership in Redcar and Cleveland (Sue Jeffrey) and Hartlepool (Christopher Akers-Belcher), blended with the more experienced voices of Darlington (Bill Dixon) and Stockton (Bob Cook). All were members of the Labour Party, and under the leadership of Sue Jeffrey decided that the Government’s offer of discussing devolution should be taken advantage of. During discussion with the author, their motives were expressed as partly as a result of wanting to keep pace with their northern neighbours in the North East Combined Authority, and partly out of frustration with the impact of a new Conservative government, and a national Labour Party in disarray.

At a national level, Tees Valley also had some powerful advocates for their cause. Although now a MP in the affluent Tunbridge Wells, the then Secretary of State for Communities and Local Government (Greg Clark) had been born in Middlesbrough, and based his localism philosophy on memories of Henry Bolclow, while the Minister for the Northern Powerhouse and Local Growth was James Wharton, MP for Stockton South. These two individuals ensured that there was sufficient political momentum to allow initial discussions to take place, despite scepticism from colleagues across Government – indeed, after only one visit to the Tees Valley, the lead official from Her Majesty’s Treasury declined further opportunities to engage with the proposal.

The first discussions around a devolution deal began in August 2015, with lead negotiators established on both sides. As previously mentioned, I led for Government, while James Bromiley (ironically an official from central Government, on secondment) took the lead for Tees Valley. As is common on all deal, the initial proposals from Tees Valley were ambitious, covering a local long term investment fund, a key focus in skills and education, as well as tools to support private sector growth. The full list of requests initially established by the Tees Valley included:

- The certainty of a 10 year settlement and a single place-based budget for Tees Valley with flexibility in how we use the funds already spent by different Government departments in the region.
- Additional Government funding and support and the development of a new local business rate model
- Powers to set a limited precept for Council Tax to be available to the CA for specific identified major infrastructure projects and to have no impact on the Council Tax levels and referendum thresholds of the individual local authorities. Revaluation and power over bandings remains with Government through their Valuation Office Agency service;
- HM Treasury support for LA issuing of investment bonds for large scale projects. HM Treasury’s support would be to administer the bond sale and administration processes thereafter. (Skelton, 2015)

Tees Valley leaders also requested new governance structures for EU funding, the enabling of commissioning responsibilities for post 16, post 19 and 14-19 technical

education provision as well as for the DWP work programme and Youth Contract and traineeship and apprenticeship programmes. They also focussed on the need to drive up standards across the Tees Valley Education and Skills system.

On land assembly and economic development, leaders had the following key priorities:

- The creation of a Tees Valley Development Corporation under the democratic control of the Combined Authority.
- The transfer of vacant land and buildings in public ownership including HCA, NHS and MOD to the Corporation.
- The Combined Authority to manage a Tees Valley housing investment strategy and fund which would stimulate the housing market. (Skelton, 2015)

The leaders were also interested in new forms of funding for council owned housing as well as the acceleration of starter home sales across Tees Valley using devolved Government funding and/or recycled receipts from right to buy or other sales of land and assets; the promotion homesteading schemes in vacant stock or empty homes in private ownership and developing a new model of incentivising tenants to buy market sale properties to free up stock for home ownership or rent.

The extensive list of demands concluded with a range of specific funding and strategic development priorities:

- A commitment to a joint investment strategy between Arts Council England and Tees Valley to drive economic growth through culture.
- The Tees Valley to be in the first wave of science and innovation audits.
- Government to formally designate the Tees Valley as a UK key area for green energy and technology and to support the case for establishing a major industrial Carbon Capture Storage (ICCS) project in the Tees Valley.
- Government to accelerate the development of a new nuclear power station in Hartlepool, so that Hartlepool is the next power station to be planned and announced.

- We also want Government to review and remove the regional disparity that exists in the access and transmission charges levied by the national grid for those organisations that need to use the national grid to commute electricity from one place to another.
- The power to manage bus regulation, to shape franchises and ensure that services cater for the need of residents and employers.
- Government and Tees Valley to agree a joint strategic plan for the Tees Valley to prioritise major infrastructure projects
- Government support for Free Trade Zones based around Teesport and Durham Tees Valley Airport.
- Commissioning responsibility for the Business Growth Service contracts (GA and MAS), and agreement to develop a joint plan for export and inward investment between UKTI and the Tees Valley Combined Authority.
- Government to commit to working with the Tees Valley to increase investment in the area and to support an annual ‘investment fair’ within the Tees Valley. (unpublished paper, Tees Valley Unlimited, 2015)

After several months of discussions on both sides, marked by an unusual degree of discretion on both sides (and in contrast to the rather noisy discussion on a similar devolution deal under discussions for the North East Combined Authority), agreement was reached which met the aspirations of Government for an elected mayor as a single point of contact, as well as local leaders need for appropriate checks and balances and increased funding and leadership, particularly in skills development and provision as well as supporting private sector growth. The agreement was announced on 23 October 2015.

Lord Heseltine (who had undertaken a review into the opportunities of the area following the liquidation of the SSI Steelworks in Redcar in October 2015) provided an overview of what this deal meant:

“...a radical devolution of funding powers and responsibilities, and a directly elected Mayor for the Tees Valley will be established from May 2017. The Mayor will work as part of the Combined Authority subject to local democratic scrutiny, and in partnership with business, through the LEP.” (Heseltine, 2017)

The deal provided for the transfer of some powers for employment and skills, transport, planning and investment from central government to the Tees Valley, and highlighted that it could pave the way for further devolution over time and for the reform of public services to be led by Tees Valley. A 30 year initial allocation of funding for investment purposes of £15 million a year was also agreed. The summary of the agreement highlighted:

“... a new, directly elected Mayor of Tees Valley will act as Chair to the Tees Valley Combined Authority and will exercise the following functions devolved to that Authority:

- Responsibility devolved from Government for a consolidated transport budget, with a multi-year settlement to be agreed at the Spending Review; and*
- Creation of new Mayoral Development Corporations and leadership of a land commission to examine what publicly owned land and other key strategic sites should be vested in the development corporation.*

The Tees Valley Combined Authority, working with the Mayor, will exercise the following devolved powers:

- 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; and*
- Leadership of the comprehensive review and redesign of the education, skills and employment support system in Tees Valley.”*
(HMT, 2015)

3.18 Conclusion

Within this chapter I have covered the various forces, from both the left and right of the political spectrum, that call for enhanced decentralisation as a tool for both economic growth and citizen empowerment. Using the concept of path determination I have sketched out the particular economic history and governance of the Tees Valley, since its beginnings as an industrial entity in the 1850s to today. I examined the analysis of economic governance in England, and considered the nature of the mayoral devolution settlement within the Tees Valley, leading to the election of their first directly elected mayor in May 2017. I have analysed initial views of whether this devolution deals represent any form of decentralisation. But the

crucial test, and indeed the premise of this thesis, is understanding whether this new mayoral governance is actually effective in Tees Valley – in short ‘Do Mayors’ work? This will cover a number of distinct strands of evidence:

- What are the views and perspectives of key individuals and decision makers across the Tees Valley in the introduction and initial term of a new mayor in the area. This original data is covered in chapter 4 of this thesis.
- Impact on national policies and practice – does having a distinctive voice for Tees Valley make any difference, both in terms of attracting new powers or funding, or in fostering greater decentralisation? I have covered the impact of this in chapter 5, and follow this up with a specific case study on the key mayoral priority of an operational airport in chapter 6.
- Economic conditions – is there any observable economic impact in the Tees Valley over the initial mayoral term, and can any of it be traced to the personality, powers and impact of the mayor? – covered in chapter 7
- Political impact and citizen empowerment – what is the overall impact across civil society of having this new mayor – do individuals feel closer to decision making, and more empowered, and what (if any) impact has the mayor made in national policy development. This analysis is covered in chapter 8
- Lastly, in chapter 9, I have provided an analysis of the impact of the Covid-19 pandemic on governance in the UK, and particularly on the impact on mayoral leadership.

Chapter 4 – Perspectives on Mayoral Governance in the Tees Valley

‘Within the UK, with its high level of fiscal centralisation, it’s obvious to transfer more resources and powers to a local level. Finding the right balance internationally is more of a challenge.’ (Professor Diane Coyle, University of Cambridge, speaking at ‘Back on the Agenda? Industrial Policy Revisited’; 12th July 2018)

4.1 Introduction

The previous chapters of this thesis have concentrated on the economic and social history of the Tees Valley, and how the mayoral devolution deal arose from both history and economic contexts. This chapter starts part 2 of the thesis, examining how that theory and history is actually being experienced in the Tees Valley, and how the first elected mayor has undertaken his role. This goes to the heart of this thesis question; ‘Can metro mayors work?’. While later chapters will study the political and policy impact of the mayor, this chapter starts the analysis by capturing the views of key stakeholders in national and local Government, the business community and Universities which are then examined in some detail.

In a series of in-depth discussions, feedback and perspective were gathered on 5 key areas associated with mayoral devolution within the Tees Valley – namely:

- Views on the elected mayor model, irrespective of place or focus;
- Perception of the personal strengths and qualities required to be a good mayor, again irrespective of place;
- Perspectives on the mayoral model as it has developed in the Tees Valley;
- Assessment of how Ben Houchen is performing in his role as the first elected mayor of the Tees Valley – in particular any differences he has made (positively or negatively) to key economic priorities;
- Examining how the current Government policy with respect to elected mayors should develop.

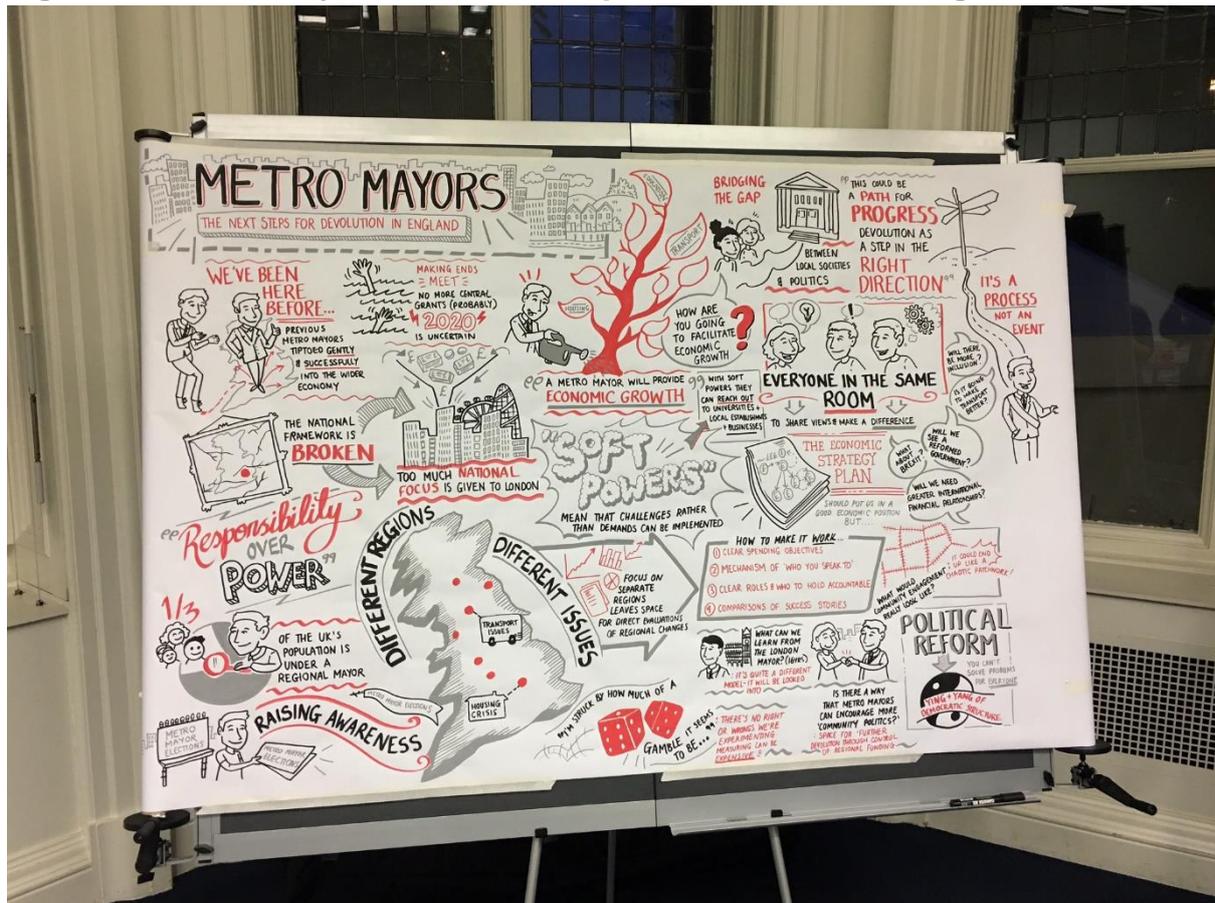
The full list of questions, together with the job titles of those interviewed, is contained in Appendix 1. All those interviewed have very regular interactions with the mayor - Ben Houchen, whether as members of the LEP and combined authority, chief local government officers or wider private sector leaders. They also have broader networks within the political and business community, and have therefore provided a helpful synthesis of their own networks. It is fair to say that there is a significant divergence of views from these key stakeholders – and the aim of this chapter is to present these views as accurately as possible.

Before we examining these views, we need to put the election of Ben Houchen in context, of both national and local politics, within the various manifesto commitments of the candidates for mayor, and the various hustings events held across the Tees Valley.

This was the first metro mayor election in the Tees Valley, as part of a series of initial elections across England for these new politicians, with new posts being elected covering Liverpool City Region, Manchester City Region, the West Midlands, West of England and Cambridgeshire and Peterborough. There was a mixture of expectations around the election, with some regarding the post as yet another bureaucratic layer of government, adding no value (according to the UKIP campaign in Tees Valley) (Tennant, 2017), while others, such as the Centre for Cities or devo connect produced key priority leaflets and communications about the potential impact of these new mayors. The ‘hopeful’ perspective is perhaps best illustrated in figure 4.1 – a depiction of some of the expected mayoral issues produced at a seminar organised by the Cities and Local Growth Unit in 2017.

This work on the potential and drawback of structures in local government builds upon contemporary research into the management and leadership structures of local government, and the connections between leadership and the place as highlighted by the focussed work on Bristol governance structures (Hambleton, 2015c), as well as the integration of ‘local place’, ‘place making’ and ‘place identities’ (Fenwick & Johnston, 2020). This debate played out within the Tees Valley election campaign – as outlined in the next section.

Figure 4.1: Metro Mayors – the next steps for devolution in England



(Source: Cities and Local Growth Unit, 2017)

4.2 The election campaign

As the mayoral election cycle began in the Tees Valley, there were 5 expected candidates

- John Tait** (North East Party Candidate), who was selected as the North East Party candidate - a new political party campaigning for a regional government under its first ever manifesto. It was led by the former Labour MP Hilton Dawson. John Tait was born in the North East, lived in Stockton since 1986, and has been an independent Councillor on Grindon Parish Council for over 19 years. He was reported as wanting to use the new, devolved powers to raise money to invest in Teesside and Darlington to create jobs. He also wanted to use the powers to improve the transport system in the Tees Valley, specifically the rail network which he brands as a "disgrace". His key commitment was:

“I want to use the opportunity of devolution and new resources from fair taxation to invest in jobs and enterprise developing ever more successful spin-offs from world class science and technology to benefit the people of Stockton and the North East.” (Tait, 2016).

- After an internal nomination challenge, **Sue Jeffrey** (then leader of Redcar and Cleveland Council, as well as chair of the Tees Valley Combined Authority) was confirmed in January 2017 as the Labour candidate. Sue was a ward councillor for South Bank (since 2009) and elected Leader of Redcar and Cleveland Council in 2015. Sue had more than 25 years’ experience working in the public, private and third sectors at regional, local and national level. Until she took early retirement in 2009 she was Executive Director of the Yorkshire and Humber Regional Assembly and also spent a year as Interim Chief Executive of the North East Regional Assembly. Her key campaign rhetoric was:

“For too long the future of the Tees Valley has been in the hands of faceless officials in Whitehall who know nothing about our area. At last we have a chance to change that.

[The mayor] would take on significant powers for employment and skills, transport, planning and investment, which will move from central government to the region. The deal will see the authority control £15m a year of funding over 30 years to boost economic growth.” (Jeffrey, 2017).

Cllr Jeffrey was the only woman in the UK to be picked by the Labour Party to contest a metro mayor election. She was seen as a strong candidate as soon as she announced her candidature in October 2016 (Evening Gazette, 2016).

- **John Tennant**, a UKIP Ward Councillor (Jesmond in Hartlepool) and Group Leader at Hartlepool Borough Council. He was elected to Jesmond Ward in May 2016 was selected as UKIP mayoral candidate in February 2017. He largely ran his campaign based on his opposition to devolution, and looking to abolish the mayoral model as soon as he was elected. His views at the time were:

“These devolved powers in the form of a combined authority will actually diminish the local voice of Hartlepool, it is only beneficial for Council Leaders, whose powers will increase while democratic accountability will decrease.

This isn't good enough for Hartlepool and it certainly won't deliver value for money." (Tennant, 2016).

- **Ben Houchen**, a Conservative Ward Councillor for Yarm, and group leader on Stockton-on-Tees Borough Council was selected as the Conservative Party candidate in December 2016. In 2015, he had contested the Middlesbrough parliamentary constituency, and had previously stood as a candidate in the 2014 elections to the European Parliament. Initially he focussed his views as:

"[this] election will put Tees Valley at the centre of the action as one of only four Northern Powerhouse devolved areas, and the only one with a mayor-led Development Corporation. As mayor I will pursue a simple political strategy of continuity where it works, change where it is needed...

Having sensible people from both parties on the new Combined Authority will force local politicians into a formidable consensus...

That consensus will only be possible with a Conservative mayor, electing Labour will mean Tees Valley becomes a one party state." (Houchen, 2016)

- **Chris Foote-Wood**, previously leader of Wear Valley district council and a perennial (43 separate campaigns since 1963!) campaigner for the Liberal Democrat Party was clear about his personal experience and qualities to be the new mayor:

"I seriously think I was made to be mayor, I have the experience, the personality, the vision, the dedication. I can maximise the value of this job.

The devolution deal is a marvellous document, but it is all well ministers signing it, the problem will be the bureaucracy not wanting to pass down the powers. But I will make it happen. I will make people sit up and take notice." (Foote-Wood, 2017a)

Of these potential candidates, only four actually met the requirements to stand – with John Tait from the North East Party failing to secure the necessary £5000 deposit. On withdrawing his application, he said; *"In setting the deposit so high they have ensured only the wealthy and those representing national political parties can stand. It is an affront to democracy."* (Tait, 2017).

As well as local public debates, mainly organised by the business community, each of these 4 candidates had the opportunity to make a candidate statement that was

sent in printed copy to every household within the Tees Valley. The differences in both content and tone between the candidates was apparent.

4.3 *Manifesto and campaigning priorities*

Chris Foote-Wood again highlighted his experience and personal qualities in his address, with innovative eye-catching ideas – albeit delivered in a somewhat ‘shouty’ tone – as evidenced in the extract below. Interestingly, within a national political environment that was hostile to Labour Party under Jeremy Corbyn’s leadership (this was just before the General Election of 2017, and the nadir of national Labour Party expectations), the candidate also made clear his priority for ‘Anyone but Labour’ – perhaps a key issue for the additional vote system that is in place for mayoral elections. (Foote-Wood, 2017b)

WORLD LEADERSHIP FOR THE TEES VALLEY!
Says Chris FOOTE WOOD



Chris says:
Build ICONIC SUPERBRIDGE!
Create METRO RAIL LOOP!
Make TEESPORT a FREEPORT!
Invest in GREEN ENERGY!
Create 1,000s of JOBS!
Make Tees Valley
A CENTRE OF EXCELLENCE
and A VALLEY OF CULTURE!

Chris Foote Wood
LibDem candidate for
Tees Valley Mayor

John Tennant’s manifesto was clear in his position that he didn’t think that the position of elected mayor was necessary – and that the position needed to be confirmed in some sort of local referendum. Away from this principled position, he made clear his priorities of transport investment – with proposals for a Tees Valley Metro, better housing, more jobs and investment and supporting communities in need. (Tennant, 2017)



JOHN TENNANT FOR TEES VALLEY MAYOR



Giving Tees Valley the voice it needs

ON THURSDAY 4TH MAY

I am standing in this election to offer the residents of Darlington, Hartlepool, Teesside and Redcar the opportunity to decide for themselves whether they want to be a part of the Tees Valley Combined Authority. I believe a referendum is necessary, especially in the absence of any real engagement before the Combined Authority was signed off by the relevant Councils.

In contrast to the other election candidates, Sue Jeffrey presented a more detailed plan for action in the Tees Valley, highlighting both her personal experience, and determination to do something for the Tees Valley. She had a five point plan for action, with a focus around job creation, including aspirational targets. (Jeffrey, 2017)

Sue's 5 Point Plan for the Tees Valley

1 - JOBS

delivering high quality well paid jobs built on local investment

2 - EDUCATION

I will take funding from London & use it to develop our own skills strategy, ensuring everyone in the Tees Valley can train in the skills our local economy needs

3 - HIGH PAY ECONOMY

I will work to deliver a Tees Valley living wage of £8.45 an hour & make more secure jobs

4 - REGENERATING HOMES & COMMUNITIES

My plan will bring 25,000 more jobs, build 20,000 new homes & improve communities & town centres

5 - BUILDING A WINNING TEAM

We must stand together to speak up for the Tees Valley. I'll give us a strong & united voice, fighting for more & refusing to settle for less.

Providing different perspective to all of the other candidates, Ben Houchen's election address concentrated on a single emotive issue – that of the ownership of Durham Tees Valley Airport. In a simple strap-line, his election address was headlined:



Alongside this key and eye-catching pledge, Ben Houchen's campaign also focussed on hostility to the organisation of Cleveland Police and the planning regulations set in place by the local authorities, as well as a new Investment Fund to support jobs and growth.

As the campaign developed, most commentators assumed, alongside the local paper that the front runner was Sue Jeffrey: *"Well, all five councils are Labour-run, and of the seven MPs who represent the Tees Valley, six are Labour. It would be a surprise if Labour lost"*, however they did qualify this by going on to explain: *"but a low turnout plus the popularity of "insurgent" politics add a Trump-like touch of unpredictability. It would create an interesting politic dynamic if the public elected a non-Labour figure to head the all-Labour cabinet."* (Lloyd, 2017)

In the end, this proved prophetic, with a relatively low turn-out (21.31%) producing no overall winner after the first ballot, with Ben Houchen having a narrow lead of 1st preference votes over Sue Jeffrey (40,278 compared to 39,797), both well ahead of Chris Foote-Wood on 12,550 and John Tennant on 9,475 votes. After taking the 2nd preference votes into account, Ben Houchen extended this narrow lead, eventually being declared elected with just over a 2,000 vote majority. (Tees Valley Combined Authority Returning Officer, 2017).

So the context for this phase of the research was of a narrow victory in a low turn-out, by a slightly surprising candidate, with an eye-catching single focus campaign, but with a relatively undeveloped plan for making use of the powers and funding of the new combined authority. Across the other mayoral elections in the north of England, turn out was slightly higher as shown in Table 4.2 below. Overall turn-out, at 27.8%, was higher than at the first elections for Police and Crime Commissioners (PCCs) in November 2012 (15.1%), and at a similar level as the second PCC elections in May 2016 (27.3%), but significantly lower than turnout at the 2017 English (35.1%) and Welsh (42.0%), and Scottish (46.9%) local elections.

Table 4.2. Voter turn-out and ballots cast: mayoral elections May 2017

Combined authority	Ballots at the count	Turnout(%)
Cambridgeshire & Peterborough(C&P)	204,302	33.6%
Greater Manchester	573,543	28.9%
Liverpool City	291,449	26.1%
Tees Valley	103,767	21.3%
West Midlands	523,201	26.7%
West of England	199,519	29.7%
Total	1.9m	27.8%

Source: Electoral Commission, 2017

4.4 Feedback on the Tees Valley Elected Mayor

Around 12 months after this election, between May and December 2018, I undertook a series of intensive interviews with key stakeholders around the Tees Valley and in national Government through meaningful ‘rich descriptions’ (Creswell and Miller, 2000) into the elected mayor’s priorities, capabilities and understandings of the role of a metro mayor. After informal conversation and agreement in principle with participants signed, informed consent was obtained before any interviews take place. Although, as highlighted in chapter 1, I am to some extent a participant in this process, as the lead Government official for the Tees Valley devolution deal, I was

open with all participants about my role and responsibility as an independent researcher as well as the ethics codes for sponsoring University. My own role as a decision maker and reflective practitioner did enable me to secure the participation and support of key local and national decision makers.

While the ability to access elites for qualitative interview allowed the development of rich and detailed quantity of data, I was also aware that my own role as a participant in that decision making led to a potential problem with interviewing, as my own personal experiences and perceptions, caused me to enter the field with preconceptions. I guarded against this by using the check on reliability developed by Denscombe, where highlighted that reliability can in essence be reduced to two basic concerns: are the data valid and are the methods reliable, summarised in the table 4.3 below:

Table 4.3: Assessing the reliability of data (Denscombe, 2002:98)

Are the data valid?	Have the right questions been asked?
	Are the data precise and detailed enough?
	Have honest answers been given?
	Were those observed behaving normally?
Are the methods reliable?	Did the methods of data collection affect the collection of data?
	Were the methods applied neutrally?
	Were the methods applied consistently?

Between May and December 2018, I conducted 14 semi-structured interviews with an elite group of public stakeholders including executive managers, council leaders and elected mayors, local authority chief executives, university leaders and private sector representatives. Interviewees all had personal knowledge of the operation and focus of the elected mayor and multiple complex interactions with him. Based on advice from colleagues, the research approach was qualitative, using an interpretivism ontology and an inductive epistemology position (Bryman, 2016) – a similar approach was also taken by Fenwick and Johnston in their comprehensive and informative analysis on the role of elected metro mayors (Fenwick and Johnston, 2020).

This approach sought to contribute to an ‘evidence base’ of meaningful knowledge to compare against the wider analysis developed in chapter 2 of this thesis.

Interpretivism is the aim to contribute to an ‘evidence base’ of meaningful knowledge which I could use to examine my assumptions – looking to make sense of the data from a diverse group of respondents and recognises the importance of understanding the different background and perspective of the interviewees, as well as the ethical and position of my own role, referred to earlier. I then used this data to make inductive observations about the role and operation of the early days of the new mayoral system in place in the Tees Valley. This reasoning is highlighted in section 4.13 of this chapter, and is returned to at chapter 10 of the thesis.

4.5 Findings³

As you would expect from a range of individuals, perspectives were many and varied. However, on the question of whether or not an elected mayor was ‘a good idea’, there was clear and significant support for the mayoral model – albeit a clear exception was from one of the unsuccessful candidates for the mayoral election, while others raised issues around the appropriateness of the geography (where either a historic ‘North East region’ or strengthened unitary local government were the preferred footprints) and a feeling that the model had been ‘imposed’ by central Government. One business leader was succinct in her view about the forced nature of this governance; *‘[The] imposition of mayoral role seems to be far too black and white as an approach. It is negative and destructive, rather than empowering.’*

The reasons behind this assertion of the benefits of a directly elected mayor were more nuanced, ranging from a grudging acceptance of ‘a price worth paying’, to an opportunity to try out new and different approaches to public policy – where there was an overwhelming view that current national policy had failed to deliver any meaningful benefit to both the Tees Valley and the wider north of England. The role of a mayor in raising of the profile of Tees Valley, both at a national and international level, was recognised as a potential benefit of the role. Within this, the convening or ‘soft’ power (i.e. those that have no statutory basis) that provides ‘clear leadership

³ All quotes in sections 4.5 – 4.12 report are taken from these in depth interviews. They are not attributed to any individual, due to the confidential nature of the conversations. Transcripts and meeting notes are available on request.

and voice for a peripheral area with a small population'. Increased funding and greater autonomy over existing funding were also highlighted as benefits, with the potential for increased powers, greater self-determination and planning starting to make an impact. As one senior business leader highlighted in response to a question about the benefits of having a mayor:

"The mayor has brought external focus. Tees Valley was offered extra funding which is added bonus and more devolved powers are an added benefit". (Interview with author, 2019)

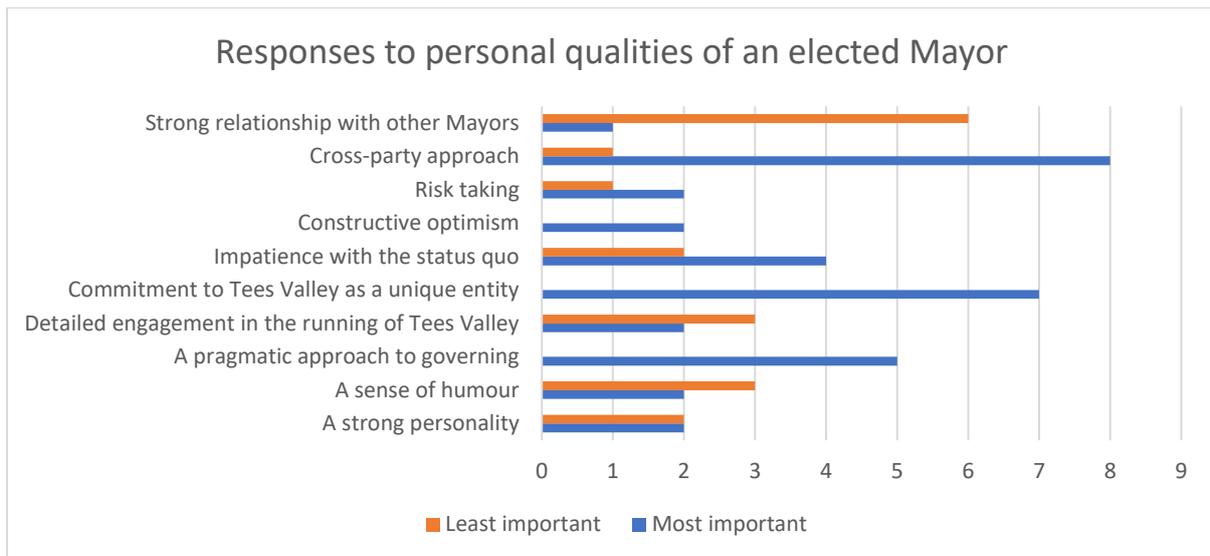
4.6 *Personal strengths and priorities*

As highlighted in chapter 2, I developed a list of key strengths and priorities that have been suggested as key mayoral personality or delivery traits. While some interviewees found this list somewhat opaque and difficult to grapple with, there were some clear messages that emerged from this analysis – with the key strengths emerging as the need for a cross-party approach, and a commitment to the Tees Valley as a unique entity, whereas having a strong relationship with other mayors was seen as much less important. As one senior public sector official highlighted: *'a good relationship with other mayors is not a priority for Tees Valley – we have our own distinct and pressing issues'*.

The theoretical framework around what makes a good mayor that I covered in chapter 1 in turn supported a deeper thematic analysis, where I used analysis of key themes to consider key issues and everyday experiences into this new type of governance. Recorded interviews and key notes of each interview, enabled familiarisation with all the results, in turn leading to the identification of distinct themes based upon initial engagement with the mayors. I then summarised the evidence in a tabular form to enable interrogation of data and priorities effectively.

The results for personal qualities are shown in Table 4.4 below, while new areas of potential mayoral activity are summarised in Table 4.5. The latter informed later interviews and as later interrogation of the data obtained, bringing out common themes and priorities apparent in the metro mayor model for the Tees Valley, which had not been clear from wider literature review.

Table 4.4. Personal qualities of the Tees Valley Mayor



(source: author analysis of data responses)

Table 4.5: Wider feedback on the role and operation of the Tees Valley Mayor

- Natural collaborator
- Great communicator
- Passionate about the area they represent
- Ambitious for the area
- Opportunistic
- Vision and leadership
- Humility
- Ability to relate to a large group of different people – from business to the local unemployed, from local politicians to international bankers
- Listening to others, and making best use of other’s talents
- Collaborative
- Accountable
- Disruption of the status quo – ‘we can’t have the same old, same old’, and the ability to challenge vested interests
- Forward facing
- Good political skills – ‘seeing the big picture, ability to pick up complex issues and cut through

(source: Data from author interviews with key stakeholders)

Within this list of positive qualities, some qualities emerged as negative – particularly those around the ‘big, strong leader’; and the ‘overtly party political’. One experienced local politician summarised this as; *‘Media view of a strong man working alone is wrong. What you do, and what you trust others to do – that balance either keeps people on board or doesn’t.’*, while a private sector leader highlighted that; *‘Good leaders exercise humility and are therefore appreciated’*.

4.7 *Personal qualities of the first elected Mayor for Tees Valley*

While these generic qualities were, in theory, about any elected mayor, it is obvious that the (positive and negative) experiences that individual interviewees have experienced over the initial 12 month period of having a mayor in Tees Valley have coloured their perspectives. This section starts to develop this narrative in more detail. Differences in perspective and situation contribute to a very mixed picture of the new mayor's impact and qualities.

Most positive of all the commentators have been those from the private sector and wider business community. They report that Houchen has gone out of his way to promote the private sector, to understand its concerns, and listen to experts in the field. One leading business figure highlighted that the mayor has; *'Lots of energy and makes use of personal and political contacts and has very strong networking, strategic thinking and influencing skills – a sharp thinker'*. Others highlighted that while he has occasionally lacked maturity, they appreciate his impatience, his commitment and drive and the fact that he; *'works hard, for not much money'*. He has been a strong advocate for growing businesses and the potential of Tees Valley companies to grow into new markets, and described by one local authority chief executive as an *'ambassador for business'*. As one leading business representative said; *'..we're pleased at the way he has courted and tried to understand the business community – both home grown and branch plant'*. This was echoed by an other business representative who expressed surprise that; *'..there's no bad word to be said about him in the business community. Ben has been unique up to now – he has the passion and commitment to deliver improvements for Tees Valley.'* The way in which the mayor has used the South Tees Development Corporation to reimagine the future of the Tees Valley has particularly engaged with the private sector – more on that specific example follows in section 4.10 of this chapter.

Also positive has been the way in which the mayor has brought the Tees Valley to the attention of national politicians. Almost all interviewees saw this as a clear benefit, with the perception that *'he's in No.10 regularly'*, and the ability to develop his role and remit with senior Conservative party politicians, with regular meetings with Ministers both in London and in the Tees Valley. His advocacy and potential of the Tees Valley has attracted real support within Government – even if, as one

experienced civil servant said; *'..he has a fairly forceful approach and impetus as to what can be achieved, even if it causes us problems.'* The same interviewee remarked that she was *'surprised at how personable he is, made a strong impression and you feel that you could work well with him.'* Even political critics acknowledge that he *'has increased the pace of change'*; and *'raised the profile of Tees Valley'*, even if that is tempered with some scepticism as to the ultimate success of that approach. In a balanced assessment, one private sector leader said; *'Great leaders get things done, but there is no sustainability to that approach if the wider community is not involved. It will be interesting to see how this happens – he has been clear around ambition and clarity for Tees, but not yet demonstrated that he can sustain that approach. His persona is out there, but part of the mayor's role of to let others shine, and he needs to be an enabler, rather than a beacon'*.

The relationship with the rest of the existing leadership across the Tees Valley Combined Authority was clearly an issue. While some of that can be explained in differences of political party allegiance (with the mayor a member of the Conservative Party, while the remaining leaders of the 5 local authorities are all Labour Party politicians), the challenges of working across this political divide have been significant. Some put this down to a naivety of an inexperienced politician, grappling with an unexpected post, with little preparation for the role and inadequate support from officials within the Tees Valley Combined Authority, while others put this down to a carefully crafted approach to politics, making voting for the Conservative party less 'toxic' by presenting a relentless positive and economically literate persona, and so preparing for significant gains in the politically complex Tees Valley.

So for example, one senior local authority leader was very challenging about his skills in developing political collaboration across party lines, and his inability to put aside politics, with a focus on taking credit *'for everything'* in the press through a well-oiled and effective communications team, working outside the normal channels of the wider combined authority. The same interviewee commented that there is *'no confidence that he is operating to support our interests and those of the wider Tees Valley'*. In the initial start-up phase another leader's advice was that the mayor should have spent more time by building consensus, although this was tempered by an acknowledgement that *'he has tried to recover from that and some of the press*

stuff is changing’, however *‘the prime imperative is still to promote himself and party politics.’* Another senior leader highlighted that from his perspective the mayor is not collaborative, and has damaged relationships with local authorities. In a telling comment about his lack of trust in the persona of the mayor he commented that; *“I appears everywhere. That annoys people and is self-defeating. That isn’t politics, it’s the person.”*

A local business leader, involved with the Local Enterprise Partnership, had a more balanced approach. While acknowledging the initial difficult relationship with other local politicians; *‘Initially Ben has basically slapped Labour leaders down. Reasons may have been sound, but don’t tell them they’re talking bollocks’*, he was also clear that he has been able to:

‘give him honest feedback to which he has listened. He learnt that lesson and he’s now more conciliatory in how he treats them [local authority leaders]. He’s more aware of how to manage people’s ego and expectations’.

This developing and learning approach from the mayor has come across forcefully in the interviews, but there was also a sense that this is still work in progress, with one interviewee highlighting her advice that *‘Ben needs to leave silly party politics behind, stop being needlessly antagonistic and be more thoughtful in his twitter channel – stop using it to impress Conservative Central Office’*, while another acknowledged this learning process; *‘he’s better than he was’*. Apart from the local authority leaders who remain distrustful of the mayor and his ways of working, the overwhelming sentiment from the remainder of the interviewees was that while this initial weakness and challenge had caused significant issues and breakdown in trust, the mayor is *‘now growing in stature as a statesman.’*

Given this focus on both publicity and lack of trust around the role of the mayor, most interviewees commented on the role of Tees Valley Combined Authority. The perception of the Combined Authority leadership of being ill-prepared for a new incumbent, with no senior experience in local government, and representing a different political party to the rest of the leadership was a common trait – even among board members and senior staff of the combined authority itself. As one leader said on the mayor’s start to the role and his method of operation and development of a private office and political support with no real connection with rest

of combined authority; *'[This way of working]... didn't even cross our minds, we weren't prepared.'* In particular the role of the then managing director of TVCA was criticised;

'There was nobody providing support and guidance to a young politician. The job of a Chief Executive to facilitate debate and fora ... maybe develop an away day on priorities, or ensuring support needs are met. We missed a huge trick at the beginning because we weren't ready.' (author interview with senior public sector official, Tees Valley, July 2018)

Another leader highlighted his criticism of the growing Combined Authority staffing:

'As TVCA has grown, it hasn't created its own priorities, it's reactive, wandering into all sorts of areas. [It's] missing the basic things – diverted off into all sorts of other stuff.' (author interview with local authority leader, September 2018)

A private sector leader commented that Houchen's approach has been to set up separate streams of work within the combined authority structure – a second stream of activity with separate analysts and communicators, with the mayor setting off programmes of work which the rest of the cabinet have only a vague understanding of. His advice, which he thought was having an impact, was that there was a better approach:

'[He should] win others around to a different way of thinking, to a more inclusive approach. If he includes people earlier in his thinking, there will be better results in long term.' (author interview with senior private sector leader, August 2018)

4.8 The role and operation of political advisers

One of the most controversial aspect of this initial adversarial approach, was the early decision of Houchen to make use of his powers to appointment a special (political) adviser to the mayor. While other metro mayors had the power to appoint such advisers, they were generally uncontroversial choices, designed to improve communications among elected politicians. This latter post was intended to work in the same manner as Special Advisers within the UK Government – political appointments to the civil service that provide specialist policy and communications advice. While these posts are well understood within the civil service, and relationships and safeguards are in place to ensure political impartiality, such an

approach was novel within local government, and caused significant adverse comment.

The role and remit of the special adviser was advertised [as detailed in Table 4.6 below], and the job was quickly filled by Cameron Brown, a relatively young (23 at appointment) communications specialist, relocating back to Tees Valley from London, where he had been an aide to former MP for Stockton South and Northern Powerhouse Minister James Wharton. As Cameron reported on his appointment;

'Right then lads, I have some news [taps mic]... I'm delighted to announce that after five years in London, I'll be moving back to the Costa del Boro to take up a new role as a Special Adviser to the Conservative Mayor of the Tees Valley! It is a genuinely exciting new challenge supporting the Mayor to make some serious changes locally, driving jobs and growth in the area I grew up in and love - what's not to like?!' (Brown, C. 2017)

Houchen was effusive in his praise: *'Cameron is a significant and very talented appointment, who was much in demand for senior positions in London. He chose to relocate back to Tees Valley to support my work, developing and delivering key initiatives and working in partnership with key stakeholders, within and outside the combined authority.'* (Evening Gazette, 2017) Other members of the combined authority were more cautious, with Sue Jeffrey highlighting; *'We have never had a special adviser, or a mayor, before so all this needs to be worked out'*, and Stockton Council leader Bob Cook reported to be "quite shocked" by the appointment, stating; *"He wouldn't be able to be politicised outside the mayor's office by taking a role in the Conservative Party. I think you have to have a low profile,"* (Evening Gazette, 2017). As this role developed over the initial year of the mayoralty, it continued to cause particular concern, with a senior leader criticising;

'a publicity machine that focuses on the mayor – that's his profile raising, but that can create resentment for claiming things that he hasn't done. It's unfortunate, he needs to give credit where it is due. It is ultimately self-defeating and wrong.' (Interview with author, local authority elected leader, September 2018)

Table 4.6

<p>Special Adviser to the Mayor Duration: Fixed term to May 2020 (duration of the Mayoral Office)</p> <p>Responsible to: The Mayor This is a post which is politically restricted in accordance with the Local Government and Housing Act 1989, as amended by the Local Democracy, Economic Development and Construction Act 2009.</p> <p>Job Purpose To support Tees Valley's first elected Mayor in the delivery of their priorities. The post holder will work in conjunction with the Cabinet and Senior Leadership Team to secure the achievement of the Mayor's programme. In particular, the post holder will provide executive support and advice to the Mayor; assist with the development of his initiatives; represent the Mayor with key stakeholders within and outside of the Combined Authority.</p> <p>Duties & Responsibilities The Mayor's special adviser will:</p> <ol style="list-style-type: none">1. Give assistance to the Mayor on any aspect of the Combined Authority business, and give advice (including expert advice where appropriate).2. Undertake long term policy thinking and contribute to policy planning within the Combined Authority.3. Write speeches and undertake related research, including adding to material prepared by Combined Authority or constituent local authority officers.4. Contribute to policy planning within the Combined Authority.5. Liaise with constituent local authority elected members, parliamentarians, ministerial offices, and the Mayor's contacts in the Conservative Party as appropriate, on issues of Combined Authority policy.6. Represent the views of the Mayor to the media, where they have been authorised by the Mayor to do so.7. Liaise with local and national interest groups (including those with a political allegiance).8. To oversee the proactive management of the Mayor's diary and the prompt and professional response to correspondence.9. To ensure the success of key events for the Mayor through effective co-ordination and expert project management.10. Ensure compliance with Corporate Governance procedures, procurement regulations and the Data Protection Act.11. To work flexibly and undertake such other duties and responsibilities commensurate with the grading and nature of the post.12. To adhere to all policies, practices and procedures with regard to financial management, legal matters including procurement and those associated with the workforce including Health and Safety promoting employee engagement and ensuring good practice is in place.
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Source: TVCA, 2017

4.9 *Disrupter and innovator?*

Perhaps linked to this approach of adversarial and siloed policy making is the perception of a key attributes of Houchen as a disruptor and innovator. Several interviewees highlighted a key strength of the mayor in disruption and challenge to the status quo. One leading academic was particularly supportive of that approach, commenting that; *'he's started to disrupt, he's got a positive contagion of new ideas,*

getting the right people involved and getting things done.' (interview with author, July 2018). A business representative wanted to see this disruption and novelty develop further, perceiving a real need for the Tees Valley business community to have more real ambition for their area and potential development, encouraging the mayor to; *'put the Tees Valley forward as a test-bed for new opportunities and big ideas, shift the mindset of local government to be market shapers.'* (interview with author, September 2018)

There was an interesting range of comments on Houchen's election manifesto commitments. As we saw in paragraph 4.3, this had a clear focus on the 'buy-back' of the airport, with other priorities around policy and a business investment fund. Some interviewees highlighted the importance of making progress on these key areas – and particularly the airport – for instance a business representative's succinct summary of how he will be judged; *'It's the airport that everybody will judge him on. It either scuppers or secures a second term.'* The majority of interviewees, however, were of the opinion that the manifesto pledges were a distraction to the key priorities of the Tees Valley, with one local authority chief executive highlighting that the *'manifesto could do with a bit of a rethink'*, a business representative advising that; *'he should drop the pledge on Cleveland Police, he has no powers, money or time to make progress'*. One local authority leader was more blunt; *'[the mayor is] not prioritising against a strategic economic plan, and is wasting resources on abortive projects like the airport'*.

4.10 South Tees Development Corporation – the Mayoralty in action

One area that almost every interviewee commented on was the South Tees Development Corporation, which, although it did not feature in Houchen's manifesto, has been an early priority for him. It will need some background to be provided in order to fully understand this project and local importance, which had its genesis in the liquidation of the SSI steelworks on 2nd October 2015, impacting directly on their workforce of over 2000, and a direct supply chain impact of another 1000 individuals.

Responding to this significant economic shock in an already vulnerable area, with Government (through BEIS) set up a Task Force, under the chair of the local authority Chief Executive (Amanda Skelton) and provided resources of 'up to £80 million' to support the affected workforce. The official Receiver, working under an

indemnity provided by (the then) BIS took over the interim manager role for the safety and security of the site, which presented complex risks and potential significant health and safety impacts across the South Tees area.

At the same time as the SSI steelworks was facing liquidation, Government was finalising the devolution deal with the Tees Valley, which was agreed in October 2015. As well as additional resources, the devolution agreement agreed that HMG would give *“the Mayor of Tees Valley and the Tees Valley Combined Authority the power to create democratically controlled Mayoral Development Corporations as envisaged by the Cities and Local Government Devolution Bill. This new corporation will seek to prioritise economic development and housing on under-developed land within the Tees Valley.”* (HMT, 2015) In his independent review into the Tees Valley ‘Tees Valley: Opportunity Unlimited’, Lord Heseltine recommended that the best way to establish a new future for the SSI site and surrounding land was to establish a Mayoral Development Corporation. As a result of this report, Government set up a shadow board for the South Tees Development Corporation (STDC), with the Cities and Local Growth Unit providing the secretariat.

After the election of Houchen as the first Tees Valley Mayor, the STDC was formally created as the first Mayoral Development Corporation outside London on 1 August 2017, and highlighted a vision for the South Tees as presenting a major opportunity to regenerate industrial land and stimulate investment opportunities for the long term benefit of the regional as well as national economy, supporting ambitions in national Industrial and Clean Growth Strategies. On taking office, and despite advice from officials within Government, the mayor decided that he would be Chair of the South Tees Development Corporation, taking a direct leadership role. (BBC, 2017) Under this leadership the development corporation put forward an ambitious plan to establish a new industrial business park to take full advantage of existing infrastructure links and attract new opportunities and sustainable businesses that address local and national policy requirements.

This STDC was set up with significant powers, but no additional budget to deliver the vision or agenda. While central Government had an important role funding security and safety related projects at the former steelworks site (with the land in receivership and subject to a fixed charge in favour of a consortium of three banks in Thailand),

there was no long term certainty of this funding, and nothing available to either bring those fixed costs under control or start developing the land. One of the mayor's key initial tasks was to secure such funds, and after a series of locally developed business plans, in Autumn Budget 2017 the Government committed £118m for keep safe and spend to save funding (over the period 2018-2022) and £5m for regeneration (over the period 2018-2020). While there was some local discussion about how much of this was 'new money', from my perspective as leading the central Government analysis of the business case, the role of the mayor was absolutely crucial in (i) securing investment to start to bring the costs under control and prepare the site for development and (ii) in the ability to strike a long term funding arrangement, rather than the more usual annual settlement. As Robert Jenrick (then Exchequer Secretary to the Treasury) highlighted in a visit to the STDC in August 2018, commenting to the local media on Houchen's role that '*he had made a "huge difference" by having a "direct line" to the chancellor and himself in the Treasury.*' (Evening Gazette, 2018a).

Part of this perspective was in a draft South Tees Regeneration master plan which was issued for consultation in October 2017. It set out a vision to see the area transformed into a hotbed of new industry and enterprises for the Tees Valley that makes a substantial contribution to the sustained economic growth and prosperity of the region and the communities it serves. The vision anticipates the creation of 22,000 jobs with focus on higher skilled sectors and occupations centred on manufacturing innovation and advanced technologies. The Masterplan seeks to attract new development to deliver a high value, low carbon, diverse and inclusive circular economy for the Tees Valley, and to encourage environmental protection and bio-diversity. The plan looks to afford sufficient flexibility in uses, land allocations and phasing to cater for anticipated changing requirements across the proposed 25 year programme. (South Tees Development Corporation, 2017). These masterplan proposals sit alongside the Tees Valley Strategic Economic Plan which is focussed around 6 thematic building blocks aimed at unlocking transformation over the next 10 years.

This work, both in securing the funding and leading direct discussions with investors and the Thai Bank chargeholders has been recognised as a positive impact, with a senior Labour Party figure (and member of the STDC Board) commenting that; '*he is*

showing leadership and pursuing some of that agenda'. Another board member of the STDC was more measured in support, commenting;

'Not sure that this [delivery of new jobs] is evident, but a lot of this is long term. Jobs will come [on SSI] eventually. What the Mayor does today may take 5 years to lead to any result, and being in same political party as HMG may lead to some sort of economic push. But it is too early to tell.' (author interview with senior public sector official, September 2018)

A private sector STDC board member was more supportive of the personal leadership role that the mayor has played with the development corporation:

'[The] MDC is an amazing opportunity to land real companies there and Ben as figurehead on trade missions promotes good things, with the effectiveness of a clear single voice.' (author interview with private sector leader, September 2018)

Outside of the STDC board members that I interviewed, the wider business community was also impressed with his approach; *'he's riding the crest of a wave – making the most of the resources on STDC. Ben has been good at getting STDC sorted out.'*, while another highlighted the work that the mayor has led on developing proposals for a 'Free Port' as being particularly visionary, leading the economic agenda and exciting both local and international investors. Her summary of his approach was clear; *'He can [deliver], and he is delivering'*. (author interview with business representative organisation, September 2018)

4.11 Initial ideas of a free port area

It is perhaps worth examining the Free Port proposal in some detail. Intimately connected with the future of the STDC, Houchen has made a strong impact in discussing the economic benefits that a 'free port' could bring to Tees Valley. This has attracted a great amount of press and publicity, with significant local support, as concrete example of an economic boost that could come with a 'hard' Brexit. As the Financial Times reported;

"Many here see Brexit as an opportunity to revitalise Teesside's industry and are calling for the government to support the establishment of a Tees Valley free port — a large designated zone where goods can enter tariff-free, be processed or manufactured and re-exported." (Tighe, C. 2018)

In the same article Houchen is reporting as saying *'if we get this right we could see the reshoring of manufacturing jobs that we haven't seen for decades'*.

There is no single definition of the precise freedoms of a 'Free Port' (alternatively known as Free Trade Zones). They are currently not feasible as part of the European Union, although vestiges of some historic freedoms are still in operation at Trieste in Italy. They are more common worldwide, with key examples of different types of Free Ports in the US (Chattanooga Foreign Trade Zone is a useful perspective) and the UAE. Generally Free Ports provide special freedoms to trade, within a specific area around a major port or airport, supporting the expansion of international trade by offering exemptions from certain operational, regulatory and customs requirements. (BEIS, 2017c)

Within the UK, the Centre for Policy Studies has developed some thoughts on this approach. They highlight that there are four main freedoms that could be beneficial for the UK, if it is to develop Free Ports, after the UK leaves the EU Single Market and Customs Union. These are:

- Duty Exemption (so goods imported to the Free Port would attract no customs levy until they leave the Free Port, either to the host country, or to another nation);
- Duty Deferral (so goods can be stored in a Free Port, and only attract customs levy when they leave the Free Port);
- Tariff inversion (unfinished goods are imported without customs levy, then assembled into finished products, which are then either exported or imported to host country. Typically finished goods attract lower customs dues than unfinished ones);
- Other tax incentives (usually some form of lower business rates, corporation tax or VAT liability to support new business formation).

The CPS paper highlights that a significant proportion of the biggest ports in the UK are in areas of higher deprivation or within the Northern Powerhouse, so promotes the potential of Free Ports to have a rebalancing and local growth impact within the UK. (Centre for Policy Studies, 2016).

Unsurprisingly for such a potential economic boost, a number of areas expressed interest in developing the Free Port concept. Houchen made the development of a 'study into the benefits of a Free Port' as a proposal in his discussions around extending devolution within the Tees Valley. Alongside 50 local business leaders, the mayor wrote publicly to the Chancellor of the Exchequer backing this study into establishing a Free Port in Tees Valley. He has also held a number of discussions with Ministers about his proposal for a Free Port, highlighting the potential that this could bring, particularly in attracting new investment for the South Tees Development Corporation and highlighting that a Free Port could stimulate new jobs rich industry in a couple of areas:

- By a new investment from a major manufacturer, moving into automotive production, allowing the finished model to be assembled on site, with components imported free of any customs levy;
- By electric-arc recycling of scrap steel (which is currently exported to Turkey, then re-imported) – where moving to a customs free zone would make the industry much more competitive.

Under the customs, single market and state aid regulations, in play through the discussion on the UK Exit from the European Union, there seemed little possibility of establishing a Free Port in the UK. The incentive effect of Free Ports is based principally on reduced tariffs – meaning that if the UK secures good market access for the whole country they are effectively a redundant tool as tariffs would already be low and there is little incentive they can offer. They therefore only provide a good deal for firms if the UK applies large import tariffs to the rest of the country. In actuality, the terms of the Trade and Cooperation Agreement did allow the establishment of specific trade and customs zones and the idea of Free Ports was progressed. Tees Valley was indeed the recipient of such a zone – which is covered in more detail as part of the next chapter on the policy impact of the mayor.

4.12 Government Policy

Each of these interviews concluded with a series of question with key stakeholders about Government policy towards devolution and elected mayors. Unsurprisingly for a group well connected to business, local politics and the Tees Valley, there were

strong views on the current policy and its implementation. Although, as we've already seen, there were some business voices who were concerned that the geography was wrong for devolution, and there were more sceptics over a mayoral model to preside over any greater powers, almost all of the interviewees were very much in favour of greater powers and decision making at a local level – away from the perceived bias towards London based policy making.

Overall the approach of central Government was welcomed, although with considerable scepticism over the depth and motives of that approach. As one senior Labour council leader said;

'For me it's a no brainer. You make better decisions closer to the places where it is going to happen. I don't think anyone disputes that now. There has been a complete failure of Governments to differentiate between different areas', also being clear that individual national and local politicians *'are committed and want to make it happen. To give the Tories their credit, they have actually delivered some devolution, more than Labour ever did'.* (author interview with local authority leader, June 2018)

This support by some politicians was tempered by challenge and criticism of whether this was actually a real cross-Government priority;

'however, DfE and some civil servants hang on to their powers for dear life. It would need to be something that the whole of Government, led by the Prime Minister, felt to be absolute priority. All departments have to give something up. There is a role for every department. I'm not sure that it has cascaded or understood throughout Whitehall.' (author interview with senior public sector leader, September 2018)

A senior director at the combined authority echoed concerns about the absence of any cross-Government narrative;

'more recently there has been back-tracking. Not all bits of Government are committed to it. Some are, but not driven across departments.' (author interview with senior public sector leader, September 2018)

In terms of the motives for this approach, there was a mixture of perspectives of why Government had prioritised increasing devolution of powers and funding. For some, it was a smokescreen to divert attention away from wider austerity and significant cuts to local government budgets; *'sometimes it's about passing the buck',* and *'who picks up the bill for that policy - we do.'* Others saw an overarching Conservative

party plot to have a greater voice across the midlands and north of England. Two individual politicians were singled out for positive comment – George Osborne, who as Chancellor of the Exchequer until 2017 was seen as ‘genuinely an enthusiast for devolution and rebalancing’ and Greg Clark, in his various roles from Cities Minister to Secretary of State for Business, Energy and Industrial Strategy. A senior business leader from the Local Enterprise Partnership, who has had several conversations with Greg Clark on the issue commented;

‘Talking to Greg about his view on [the challenges of] centralism. Decentralism is his dogma. BEIS is in the vanguard of this approach.’ (author interview with senior private sector leader, September 2018)

Others were concerned about the fragility, and lack of real cross-party consensus on the issue, with one business leader worried that; *‘if Labour ever get in, we’ll head off in the opposite direction,’* while another business representative commented that this project was tied explicitly to the performance and overall perception of the quality of the mayors in office; *‘[Mayoral governance] can survive one generation of waster, but can’t survive two. The job has to be attractive enough to get the right level of candidate.’*

The patchiness of the Government approach came in for some challenge – although devolution had been presented as a cross-Government framework, actual experience was of considerable variation between different Departments. Partly this was blamed on the fact that, since George Osborne’s removal as Chancellor in the wake of referendum on EU membership, there was no commanding, central voice, holding central Government to account for delivering this project, while partly this was blamed on the distractions caused by the impact of the referendum result – as one local authority leader said; *‘when HMG isn’t consumed by Brexit, we’ll want some more [devolution]. That’s just the way it’s going to be.’*

Singled out for most criticism and challenge were the Treasury where comments were universally negative; *‘HMT rules on risk haven’t changed.’* *‘Exactly the same processes as before.’* *‘No understanding at all of the need to differentiate.’* *‘Need to alter Green Book priorities to capture potential.’* *‘Skewed towards metropolitan schemes and to move high paid people around the south of England.’* The Department for Education also came for some challenge over *‘taking too long on*

Adult Education Budget and *'officials are holding back progress, there is lack of trust, a need to retain power and control'*, as did the Ministry for Housing, Communities and Local Government, where the failure to recognise the needs of housing development within Tees Valley was a frequent bugbear; - *'One size [in housing policy] doesn't fit all, there needs to be more slack to those that want to develop. Local Authorities are not allowed to build houses. We could do things better, which from a longer term point of view could be more effective.'* On the more positive view of engagement and support was the Department for Transport, where an unexpected allocation of £59 million was allocated, without any competitive process, to Tees Valley at Autumn Budget 2017, - *'one success was the direct award of Transforming Cities fund to MCA'*. This positive view was also referred to in Government's support for the South Tees Development Corporation, where the funding commitment of the Department of Business Energy and Industrial Strategy was seen as significant and helpful.

When interviewees considered what else could be delivered through this devolution process, views were mixed. There was a general sense that the formal powers and remit of the mayor should expand, but considerable disagreement as to the areas of this expansion. One combined authority member of staff highlighted a potential push into new areas of policy, such as *'blue light powers, the health agenda'*- with an acknowledgement that the powers of the Manchester City Region Mayor had set the template for existing powers, and that that combined authority continued to be ambitious to move into new areas. One business leader made this point explicitly;

'What Manchester has shown is the art of the possible. Coherent cases should be listened to as part of a longer term plan. [We need] devolution of fiscal powers and responsibilities as in Scotland or elsewhere in Mayors. [We need] equivalence of what those administrations have.' (author interview with business representative organisation, June 2018)

However, this expansionist agenda was challenged, with another business leader highlighting;

'Don't put too much on. Blue light and health is crazy. [There is] potential for mission creep – [Mayors] need to have economic development policy as a core priority', while another cautioned; *'Got to be careful of what you wish for, there might be negative consequences elsewhere'*. (author interview with business representative organisation, September 2018)

Away from this disagreement over what new policy areas could be devolved, there was more coherence about how mayors could operate their existing powers and reality, with the potential for more direct funding awards, with less bureaucracy, and Mayoral Combined Authorities being recognised and treated differently to those LEPs and Combined Authorities without mayors – with the higher level of voter engagement in mayoral areas leading naturally to greater autonomy from central Government accountability and associated checks and balances on spending. One senior business leader summed this up as:

'[in the] 2nd, 3rd, 4th devolution deal, with longer term funding, strategic planning, proper single capital pots, we can really galvanise economic growth'. (author interview with senior private sector leader, September 2018)

4.13 Conclusion

In some ways, it is difficult to draw out a coherent narrative on how mayoral governance is impacting on the Tees Valley. It is, however, making an impact. For good or ill, all interviewees have had strong opinions on the mayor and his strengths and weaknesses. He is far from a neutral anonymous figure of no relevance – he and the role have galvanised opinion and focus on what is a small area, with contested and unclear governance. His strengths are clearly in working with Government, and particularly Ministers – where his particular brand of northern Conservative politics has been courted extensively by national politicians and the party, as well as the private sector (Spectator, 2021a) – where his priority in taking time to meet, understand and develop relationships with businesses has won him many plaudits.

While there has been some sense of maturing in the role, his understanding of it, and how to work with local politicians, that is an area still very much under scrutiny and challenge – and it clear that he did not command trust or an effective working relationship with key local authority leaders. Despite recognising his personal qualities and personability, his focus on publicity for his own role and impact, to the exclusion of others, grates on egos and makes any sense of collective responsibility impossible. His prevailing political view is also seen at odds with the long established sense of what Tees Valley is like, and how it fits into a wider sense of the

north of England – a brasher individualism that runs counter to an established Labour hegemony based on communitarism (Beynon et al, 1994), – itself based on older models of corporate paternalism developed through the industrial growth of the Tees Valley in the latter half of the 19th and early 20th centuries (Beynon et al, p57). Of course this pattern of politics is developing worldwide, and to some extent is one to which the individual focus and concentration on a single individual as mayor was intended to ferment. It is certainly a change to the Tees Valley, and one that will continue to develop. Labour leaders are reluctant to bring too much attention to this – summing up his thoughts, one leader commented:

“As a group of Labour leaders, we don’t want to damage what has been going on. The place is more important. [But] we’re not agreeing with what is happening. [The] organisation of the Combined Authority is verging on dysfunctional at present. It needs to work in a slightly different way. The Mayor could and should influence. The parallel communications between CA and Mayor’s office are signs of an organisation and individual who don’t quite get working together.” (author interview with local authority leader, June 2018)

It has been challenging to make any robust assessment from the interviews on how the mayoralty is perceived within the wider public. The mayor is certainly prominent in local media, on a whole range of issues, from his economic development priorities in the South Tees, to his disagreements with local authority leaders on the future development of the airport (and on the local campaign to ‘Protect the Parmo’ -a breaded, deep fried chicken dish covered with bechamel sauce and parmesan cheese – with reported Teesside origins), (Northern Echo, 2017) and leading national campaigns on Free Ports, with national serious journalists from print (Financial Times), radio (Today programme) and tv (Robert Peston) all seeking in the mayor’s views (Spectator, 2021a).

But how far this resonates with local people will be a challenge to separate out from wider political disillusionment, and would ultimately only be measured in the next mayoral election – both in terms of turnout and election share (covered in chapter 8). Of course that decision itself will be nuanced around the role, delivery and focus of the mayor, alongside a nationally polarised political debate – with the choice of ‘neither’ topping the opinion polls for ‘who would make the better Prime Minister –

Theresa May (the then current Prime Minister) and Jeremy Corbyn (then leader of the opposition)?' (yougov, 2021).

In the central question of this thesis, then, of 'can metro mayors work?', the current evidence of the impact of Ben Houchen as the first elected Mayor of Tees Valley would suggest the need for a balanced assessment. The perspective of the analyser is of critical importance, and taking the inductive position highlighted in section 4.4, the most positive impacts emerging from these in-depth interviews are:

- A single figurehead and contact for both local businesses and international investors;
- His ability to command attention within the corridors of UK power;
- His effective projection of a positive and optimistic view of the economic future of the area;
- The disruption of the status quo and cosy paternalism of the existing political structures within Tees Valley;
- Ability to focus resources and attention of key issues, and galvanise others to support improvements.

While the negative characteristics that have emerged are:

- Polarising and overtly party political approach, risking cross-party consensus and partnership working;
- A focus on the eye-catching and popular, at the expense of properly evidence-based policy development.

These interviews covered the early days in the Tees Valley mayoralty, so this analysis represents only a snapshot at a particular time – and it is one to which I will return as the mayor reaches the end of his initial term of office in 2020. This later detail will be covered in chapter 10.

Chapter 5 – Policy impact of the Mayor

“I have seen first-hand how the region is driving forward our modern Industrial Strategy, with the ... Tees Valley leading the way in developing a local Industrial Strategy which will keep them at the cutting-edge of UK innovation and business growth.” (Greg Clark, then Secretary of State for Business, Energy and Industrial Strategy, speaking at Prosperity UK conference, Teesside University, 20th September, 2018)

5.1 Introduction

The previous chapter of this thesis highlighted that Houchen had campaigned on a relatively narrow manifesto, focussed on the purchase of an airport. This had a clear resonance with the electorate, and a simple understandable message, but as a result of this focus, his election manifesto did not really mention wider economic development or growth in the Tees Valley. However, within the first month of taking office, this wider remit and focus started to become clearer. In his first detailed public statement of his new role and focus, he highlighted this growing understanding and focus on the Tees Valley economy:

“The briefings I received in the first week were extensive and detailed. We all have our opinions about state of our local area, but when confronted with the data from every sector, maps of every industrial site and reports about the many different funding streams and regulations it becomes quickly obvious how multi-faceted and complex our economy is. Jobs in services, public sector organisations, small business, niche manufacturing, digital and the process industry compete for the attention of policy makers.” (Houchen, 2017a)

The mayor publicly committed himself to the existing Combined Authority targets for job creation – 25,000 new jobs by 2020; as well as wider transport objectives, the formal establishment of the South Tees Development Corporation, the development of the wider industrial base of the Tees Valley as well as committing himself to concrete action on the airport. (Houchen, 2017a)

5.2 Detailed setting out of initial Mayoral priorities

This more detailed engagement in the wider economic agenda of the Tees Valley became even more apparent as the mayor established his own views and relationship with the incoming national Government. This new Government was established after a Parliamentary election held on the 8th June, 2017 – which, after a less than impressive campaign for the Conservative Party, resulted in a hung Parliament. After a period of intense negotiation, the Conservative Party developed a ‘supply and confidence’ agreement with the Democratic Unionist Party of Northern Ireland, finally agreed on 26th June. This allowed the leader of the Conservative Party to remain as Prime Minister, and the proper formation of a new Government and Cabinet.

The mayor reacted quickly to this situation, and in a series of letters to Cabinet Ministers sent in June and July made a number of requests and asks of Government – neatly encapsulating one of Hambleton’s key benefits of having an elected mayor;

‘A directly elected Mayor can use the position to address the strategic leadership challenges facing the locality, including international challenges, as well as take tough decisions’ (Hambleton, 2013, page 3)

These letters covered a range of key issues for each of the Government departments they were sent to. While not intended for public consumption or publicity, their breadth and scope provide a helpful overview of the growing policy agenda of the mayor. Although similar to the approach of other newly elected mayors, the wide ranging ambition shown in extensive and comprehensive policy areas, are summarised in table 5.1 below. Table 5.2 then sets out these key priorities by central Government Department, highlighting a breadth of policy ambition, coupled with a detailed perspective that was remarkable for any politician in the early months of their role. While the key manifesto commitment on ‘buying the airport’ remains (albeit transformed into a rather more relevant focus) to take ‘a prominent commitment to take urgent and radical action to reverse the decline of Durham Tees Valley Airport’ (Houchen, B. 2017b)), the Mayor’s policy priorities are now much broader and more developed in scope and specificity.

Table 5.1: Summary of initial Mayoral priorities

<ul style="list-style-type: none">• New borrowing powers• New funding to replace European Strategic Investment Fund• Carbon Capture and Storage• Nuclear Power• Electricity costs and regulation and 'private wire networks'• Developing the hydrogen economy• District heating networks• Attracting new inward investors	<ul style="list-style-type: none">• A new housing deal• Control of public sector land• New rail and road crossings• Improving public transport• Greater influence on airport promotion• Improved careers provision and advice• Specific proposals on apprentices• Faster progress on adult skills• Support on Further Education Colleges and other providers
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(Source: analysis by author from Mayoral letters to key Government Departments)

While the prominence of the airport proposal - and its importance to the Mayor's credibility - means that it receives more detailed coverage in chapter 6 of this thesis, how the mayor delivers against this broad and wide-ranging policy manifesto is a useful starting point to test out how well the Tees Valley Mayor meets Harkness' analysis on the key priorities that make up an effective mayor. I set the theoretical framework for this approach in chapter 2, and will use the following criteria to analyse the effectiveness of the mayor in this wider policy framework:

- Formal powers – both within cities and with respect to regional, state and central governments;
- Functional capacity to effectively run cities;
- Individual leadership qualities; and
- Political, cultural, economic and other defining dynamics at play in city governments (Harkness et al., 2017)

The interplay between the third and fourth of these criteria, of how the mayor was able use his skills, contacts and knowledge to navigate effectively the changing dynamics of national politics during an especially turbulent time is developed further through sections 5.3 - 5.9 of this chapter.

Table 5.2 Mayoral policy priorities

Government Department	Economic and policy context	Key Mayoral request
<p>Her Majesty's Treasury (letter to the Chancellor of the Exchequer dated 12th June 2017)</p>	<p>Our area offers huge opportunities to deliver the UK's Industrial Strategy. As you know, we host a number of national economic assets; including one of the UK's largest ports, an international centre of the chemical and process industries, and the site of the first Mayoral Development Corporation outside London. The creation of our Combined Authority, and my election as the first Tees Valley Mayor, presents opportunities for growth which we need to seize in partnership with central government.</p>	<p>Legislate to give borrowing powers to Mayoral Combined Authorities without overly restrictive limit on these new powers, nor to restrict access to future funding through the bureaucratic gateway process.</p> <p>Replace European funding with genuinely local arrangements by adding £25 million a year to the existing Mayoral single pot with a far more effective, efficient and locally responsive investment programme.</p>
<p>Business Energy and Industrial Strategy (letter to the Secretary of State dated 13th June 2017)</p>	<p>Particularly keen for us to make progress in our energy proposals, recognising the unique role this area plays within the national energy network, the relative importance of high energy production in our area, and the contribution we can make to meeting climate change objectives.</p>	<p>The opportunity for the UK's first Carbon Capture and Storage project to be in Tees Valley, building on the work of the Teesside Collective industry partnership.</p> <p>Securing a future for the Hartlepool Nuclear Power Station site, as an excellent location for small-scale modular reactors.</p> <p>Delivering energy production with private wire networks on the STDC and other Teesside industrial sites.</p> <p>Heating homes and fuelling transport using low carbon hydrogen (50% of UK's hydrogen is produced in the Tees Valley).</p> <p>Using surplus industrial heat through a district heating system, alongside energy storage and smart microgrids.</p> <p>The opportunity for the Atlantic Superconnector project to be landed on Teesside.</p>

<p>Communities and Local Government (letter to the Secretary of State dated 13th June 2017)</p>	<p>The new Mayoral arrangements for the Tees Valley, and my election as its first Mayor, place us at the forefront of the UK's Industrial Strategy, devolution and the rebalancing of our economy. Devolution will help us make decisions closer to the people most affected.</p> <p>I want to demonstrate the importance of pushing the boundaries of devolution, playing a leadership role that goes beyond the initial Mayoral responsibilities.</p>	<p>Establishing a draft housing investment agreement</p> <p>Reviewing government-owned land within the Tees Valley and identifying where we can bring proposals forward for development and local re-investment.</p> <p>Greater devolution of housing investment, land assets and powers, alignment of infrastructure plans, and flexibility in the use of national funding programmes.</p>
<p>Department for Transport (letter to the Secretary of State dated 23rd June 2017)</p>	<p>Priorities for investment in our transport infrastructure are to enhance connectivity to the wider northern and national economy, and to trading networks around the world. Committed to playing an active and positive role in the Transport for the North partnership, ensuring HS2 and the Northern Powerhouse connect effectively into Tees Valley, and improving public transport services across the Tees Valley.</p> <p>Mayoral commitment to take urgent and radical action to reverse the decline of Durham Tees Valley Airport. All parts of the UK to be enhancing our trading links across the world, and it would be hugely damaging to our area to have our international connectivity restricted at this critical time.</p> <p>Welcome that Durham Tees Valley was named as a priority route to reestablish through an expanded Heathrow, but it is critical that we don't lose our airport before that point is reached.</p>	<p>The Darlington 2025 proposals to deliver a modern rail hub, with greater capacity for HS2 and Northern Powerhouse Rail services, connected into a high quality local rail network across the Tees Valley.</p> <p>The upgrade of the railway line between Northallerton and Teesport.</p> <p>Making use of devolved powers and funding, and partnerships with Rail North and bus operators, to dramatically improve local public transport.</p> <p>A new crossing of the River Tees, to alleviate congestion on the A19, and better connect our industrial sites north and south of the river.</p> <p>Improvements on the East-West A66 corridor, connecting Teesport to the A1(M), addressing chronic congestion through Darlington, improving links between economic centres, and opening up opportunities for large scale housing development.</p> <p>National support for the development of new routes, differential landing fees, APD (Air Passenger Duty) reform, and designation of the airport site as an Enterprise Zone.</p>

<p>Department for Education (letter to Secretary of State dated 6th July, 2017)</p>	<p>We have more residents with no qualifications compared to national averages, and far fewer residents with higher level skills.</p> <p>Difficulty for businesses in accessing the specialist skills they need.</p> <p>Average performance and attainment in our secondary schools currently lags behind national averages. I agree with Lord Heseltine’s assessment in his recent review of the Tees Valley that variable school performance is a “thorn in the side” of the economy, and am determined to use the new Mayoral role to make a difference. The government has recognised that school performance across parts of the north requires specific attention, and has committed resources to help address this. There is a strong willingness within the Tees Valley to meet this challenge.</p>	<p>Improve careers education, which is not fit for purpose in our area. Too many of our residents have low aspirations, and we suffer a mismatch of skills in some of our priority sectors for growth. The Combined Authority has established a strong relationship with the Careers and Enterprise Company, and a very effective partnership with local businesses is in place. But we could go much further through a devolved programme of sustained investment.</p> <p>We are also keen to develop a strong contribution to the national drive for apprenticeships. Following your decision to devolve the Apprenticeship Grant for Employers to our area, we have successfully supported nearly 7,000 apprenticeships through local SMEs. We would like to explore with you how this success can be sustained through a pilot approach, reflecting the new Apprenticeship Levy framework, but diversifying our economy by channelling additional resources into apprenticeships within local SMEs.</p> <p>The devolution of the adult skills budget was a radical step forward under the mayoral devolution deals, and I am determined to make the most of this opportunity. Progress has been slow so far, and I hope we can now move forward to deliver on our commitment to full devolution in 2018.</p> <p>Resolve the significant problems we face with local FE provision, following an area review that has failed to create strong and sustainable institutions.</p> <p>Supporting an ambitious bid for Tees Valley Institute of Technology in Tees Valley, in partnership with local employers.</p>
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5.3 *Turning policy ideas into reality*

As we have already seen in chapter 2, the formal powers of the UK metro mayors are relatively limited in scope, having some budgetary responsibility, and working with a combined authority leadership group leading the delivery of a range of economic policies across the Tees Valley. These powers were enshrined in the devolution agreement between Government and Tees Valley, already covered in chapter 3, with key powers summarised as:

“... a new, directly elected Mayor of Tees Valley will act as Chair to the Tees Valley Combined Authority and will exercise the following functions devolved to that Authority:

- *Responsibility devolved from Government for a consolidated transport budget, with a multi-year settlement to be agreed at the Spending Review; and*
- *Creation of new Mayoral Development Corporations and leadership of a land commission to examine what publicly owned land and other key strategic sites should be vested in the development corporation.*

The Tees Valley Combined Authority, working with the Mayor, will exercise the following devolved powers:

- *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; and*
- *Leadership of the comprehensive review and redesign of the education, skills and employment support system in Tees Valley.”*
(HMT, 2015)

One of the key criticisms of the devolution deal was this limited focus and lack of any formal powers to make a significant impact on the economy – particularly on areas like the Tees Valley which continued to experience higher unemployment than average, and, in the vast majority of sectors at least, lower than average productivity. Tomaney and Pike highlight this challenge:

“Consequently, place-based forms of economic development require strengthened institutional frameworks. Tackling the entrenched problems of ‘left-behind’ places will require more imaginative and flexible geographies than the centrally imposed approach to devolution which has fetishised city-regions and implanted metro-mayors” (Tomaney and Pike, 2019)

They go on to highlight that there is a need to tackle the problems of the left-behind places through a new politics of redistribution, and following Leunig’s 2008 analysis an approach of allowing the continued and ‘managed decline’ of left-behind communities or exhorting their residents to migrate are ‘*a political and moral dead end*’ (Tomaney and Pike; 2019). Alongside Rodriguez-Pose’s 2018 analysis of left behind places, they recognise that one of the defining characteristics of areas like Tees Valley is that people, and particularly those with lower than average skills attainment level have a low propensity to move out - including the difficulties of relocating from low value and weak to high value and strong housing markets. (Rodriguez-Pose, 2018).

Against that unforgiving economic backdrop for ‘left behind’ places like Tees Valley, and with a political agenda that could not envisage any sort of managed decline, it is useful to examine 2 main ways in which the Tees Valley mayor used his influence (as distinct from formal powers) to achieve his policy goals:

- Personal, political and persistent leadership and championing of place
- Using evidence to support economic decision making in favour of Tees Valley

5.4 The power of persistent leadership and relationships with Ministers

The initial term of the Tees Valley Mayor was extended to May 2021, following a delay caused by the coronavirus pandemic (covered in more detail in chapter 9). This period of 4 years, against a backdrop of instability in national Government, with 3 different Prime Ministers and 2 general elections, and with the significant challenges associated with the UK’s departure from the European Union, gave the Tees Valley Mayor unprecedented access to the corridors of power, demonstrating aspects of both personal leadership and the ability to navigate effectively within the levers of state (Harkness et al., 2017). The mayor’s popularity, consistency of approach, clear electoral mandate and relentless positivity, as well as his membership of the dominant ‘Brexit’ wing the Conservative party, meant that he was

sought after by generally inexperienced and new national politicians – eventually being described as ‘the most popular politician in Britain’ (Spectator, 2021), with columnist Katy Balls describing his impact:

“Houchen has created his own brand of Conservatism. He has become known for doing things differently – he has taken Teesside International Airport into public ownership and pledged to ‘bring steelmaking back to Teesside’ with electric arc furnace technology. Neither scream Tory. He has also worked closely with ministers to make sure Teesside is at the heart of levelling up plans, from pledging to introduce free ports to moving parts of the Treasury to Darlington.” (Spectator, 2021)

One of the key areas that show the success or otherwise in achieving the policy goals of the mayor is in forming relationship with decision makers within the UK Government. Formal records of meetings with Government Ministers in key central Government ministries in the UK, the Prime Minister and the Ministerial team at Her Majesty’s Treasury (HMT), are detailed in Table 5.3, and highlight the breadth and depth of these formal relationships with the centre of power.

Table 5.3 Ministerial meetings with Ben Houchen, Mayor of Tees Valley

Department	Minister	Date	Other attendees	Subject matter
Prime Minister	Boris Johnson	01/05/2020	English Mayors	Roundtable with M9 mayors to discuss COVID-19 response
	Boris Johnson	27/07/2019	The Mayors of Manchester and Tees Valley	Meeting to discuss the Mayors' priorities for their combined authorities and transport investment in the north.
	Boris Johnson	13/09/2019	Northern Metro Mayors	During visit to Rotherham to discuss Mayoral powers and transport
	Theresa May	19/06/2018	Local Enterprise Partnerships	Local industrial strategies, skills, and diversity in leadership
	Theresa May	23/08/2017	South Tees Development Corporation Board	Formal launch of Board
HMT (Chancellor, Chief Secretary to the Treasury,	Rishi Sunak	24/07/2020	Tees Valley Mayor	To discuss English Devolution
	Steve Barclay	13/07/2020	South Tees Development Corp	To discuss infrastructure policy
	Kemi Badenoch	22/09/2020	English mayors (M9)	Meeting to discuss the Devolution and Local

Exchequer Secretary to the Treasury				Recovery White Paper and the Spending Review
	Sajid Javid	03/02/2020	M9 Mayors	To discuss devolution and regional growth policy
	Robert Jenrick	11/02/2019	Ben Houchen, Chris Duggan, Cameron Brown	To discuss the Tees Valley Combined Authority
	Robert Jenrick	09/10/2018	Tees Valley Combined Authority	To discuss Tees Valley Combined Authority
	Philip Hammond	24/07/2018	Ben Houchen - Tees Valley Mayor	To discuss his plans for redevelopment of the former SSI steelworks site in Redcar
	Robert Jenrick	24/07/2018	Ben Houchen - Tees Valley Mayor	To discuss his plans for redevelopment of the former SSI steelworks site in Redcar
	Robert Jenrick	05/02/2018	Mayor Ben Houchen	To discuss the Tees Valley
	Robert Jenrick	05/03/2018	Mayor Ben Houchen	To discuss the Tees Valley
	Philip Hammond	04/09/2017	Northern mayors	To discuss regional matters

Source: **Ministerial meeting with Tees Valley (May 2017 - September 2020) as recorded in ministerial gifts, hospitality, travel and meetings registers, analysis by author.**

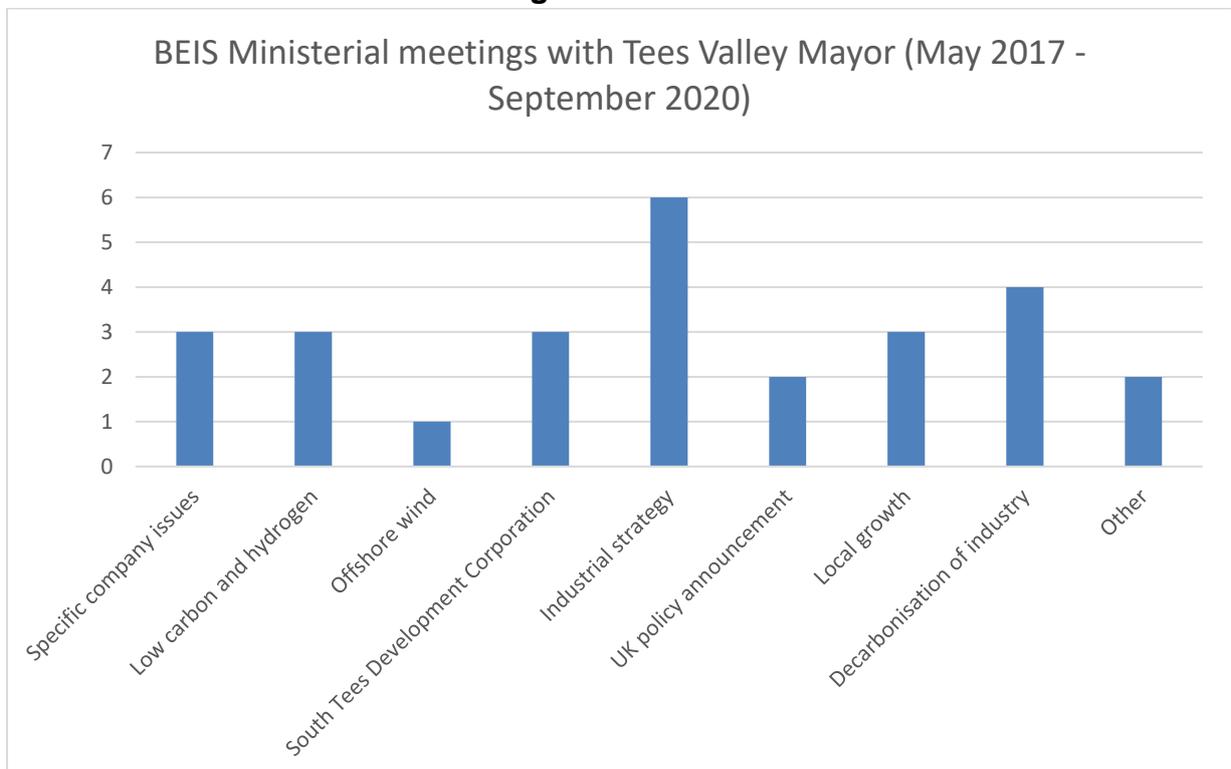
While this public record of meetings with key national politicians is striking, it does not include political or informal discussions of which there are no formal records. In how Tees Valley and its mayor were able to use both those informal relationships and formal meetings to promote key local priorities is perhaps exemplified with reference to two specific Government departments – the Department for Business, Energy and Industrial Strategy (BEIS) and the Ministry for Housing, Communities and Local Government (MHCLG), where the breadth and depth of mayoral engagement is clear.

Over the period between his election to September 2020 (the latest period for which records are available), the mayor was present at 46 separate official meetings with Ministers within BEIS. Stripping out the 19 separate meetings that concerned the fate of British Steel during a particularly acute phase of the perennial crisis of the UK steel industry between June 2019 and February 2020, the content of these interactions are summarised in Table 5.4 below.

There remains a clear focus on the BEIS led agenda items outlined in the Mayor’s letter to the Secretary of State for Business Energy and Industrial Strategy in June 2017, and outlined in Table 5.2 above:

- The opportunity for the UK's first Carbon Capture and Storage project to be in Tees Valley, building on the work of the Teesside Collective industry partnership.
- Securing a future for the Hartlepool Nuclear Power Station site, as an excellent location for small-scale modular reactors.
- Delivering energy production with private wire networks on the STDC and other Teesside industrial sites.
- Heating homes and fuelling transport using low carbon hydrogen (50% of UK's hydrogen is produced in the Tees Valley).
- Using surplus industrial heat through a district heating system, alongside energy storage and smart microgrids.
- The opportunity for the Atlantic Superconnector project to be landed on Teesside.

Table 5.4: BEIS Ministerial meetings



Source: Author-derived analysis from BEIS register of Ministerial meetings, full list shown at Appendix 2.

Of those key initial priorities, we do see that the focussed engagement on Hartlepool power station and the Atlantic SuperConnector were, to some extent, replaced with a focus on specific company issues in the chemical sector, and the potential for offshore wind, as the Mayor's agenda and focus is informed by both the evidence gathered (covered in section 5.2 of this chapter) but also realisation of new opportunities and potential, informed by engagement with Ministers on wider industrial strategy topics.

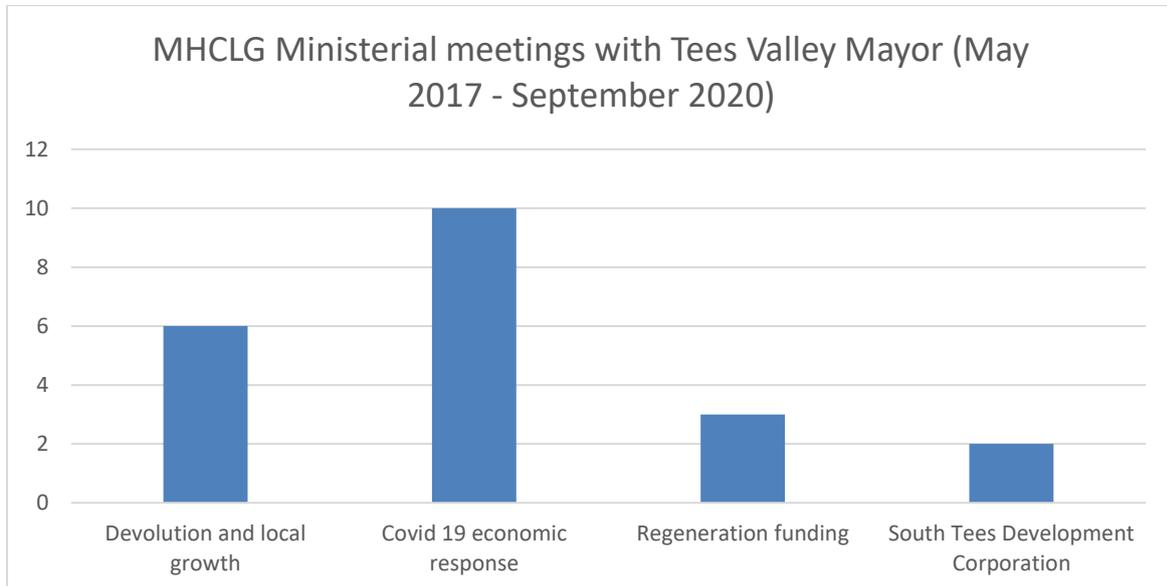
While – at 21 different official meetings over the same period - the direct Ministerial engagement with MHCLG Ministers (detailed at Table 5.5 below) was less frequent than that within BEIS, there is a similar train of key issues around devolution, funding and as a leader of place through the initial phases of the Covid-19 pandemic (for a detailed analysis of the role of the Tees Valley mayor in that emergency, see chapter 9 of this thesis). However, as opposed to the continuation of the thread for BEIS, there is distinct absence of housing from the initial June 2017 priorities of the mayor (see Table 5.2) for MHCLG, which were set out as follows:

- Establishing a draft housing investment agreement
- Reviewing government-owned land within the Tees Valley and identifying where we can bring proposals forward for development and local re-investment.
- Greater devolution of housing investment, land assets and powers, alignment of infrastructure plans, and flexibility in the use of national funding programmes.

That absence of any mention of housing led meetings suggests a tactical shift by the Mayor, with considerable resistance by local authorities to the mayor and Tees Valley Combined Authority taking any further powers, as well as lack of specific detail and focus around a central Government offer around housing. Attempts were made to develop this thinking around a new housing agreement for Tees Valley, particularly by Homes England, but it failed to win any real traction at Ministerial level around a national focus on increasing housing supply in high demand areas of England. Mayoral engagement in housing was eventually limited to the Brownfield Housing Fund – where Tees Valley was awarded £19.4 million, intended to support

the delivery of up to 1800 new houses in previously developed land (Northern Echo, 2021)

Table 5.5: MHCLG Ministerial meetings



Source: Author derived analysis from MHCLG register of Ministerial meetings, full list shown at Appendix 2

This approach of tactical awareness and making progress where it is possible, balanced with pragmatism around areas where it is difficult, does reflect some of the key personal qualities of the mayor as covered in the previous chapter. Such a use of influence is neatly captured in the remarks of - an albeit sympathetic - regional commentator (and former Conservative party candidate) Graham Robb, writing in the Journal (and in comparing the various progress of the North of Tyne Mayor and that of the Tees Valley Mayor).

“The Mayor plays his messages neatly into the Government’s agenda. He uses his influence very well. I have witnessed him cornering cabinet ministers and explaining in direct and unequivocal terms what he wants, he is always backed by a carefully prepared case and vocal businesses rallying around. He relies on persuasion more than coercion, but is unafraid to criticise, he is Tees Valley Mayor first and a Conservative mayor second.” (Robb, G.; 2021)

Informal political influence is much more difficult to trace, and a source to the well-regarded Politico news outlet summarised that situation as:

“... informal efforts to lobby ministers and officials take place over text, WhatsApp (and in non-corona times over dinner) on a daily basis, with no

transparency, declarations or accountability over whether their efforts had any success.” (Politico, 2021)

That interplay of people, policy and politics is perhaps best illustrated by the career changes of the first special adviser to the Tees Valley Mayor, Cameron Brown, whose controversial appointment was covered in the previous chapter. Cameron left his role as special adviser to the mayor in August 2019 for a role as an adviser to Jake Berry (Northern Powerhouse Minister) in MHCLG. After the Northern Powerhouse Minister stood down from his role in February 2020, Cameron Brown was appointed as special adviser to North East MP and Secretary of State for International Development (Rt Hon Anne-Marie Trevelyan). When that Department was abolished in September 2020, Cameron took up a role as a special adviser within BEIS, supporting both Rt Hon Alok Sharma and Rt Hon Kwasi Kwarteng as Secretaries of State. While tracing those blurred lines between political accountability and party patronage would no doubt be an interesting field to explore, it is outside the scope of this thesis. (Cabinet Office, 2020)

The importance of evidence base is highlighted in Graham Robb’s quote above, and the next section examines how that evidence base has been developed for the Tees Valley over the initial period of mayoral leadership.

5.5 The power of evidence

Having an evidence-based assessment of local economic conditions and priorities has usually been required to unlock central government funding for new projects. The Treasury publication ‘*Managing Public Money*’ sets the framework by which evidence should be assessed, and what information is required to justify spending decisions. It sets out some clear expectations on all spending decisions, including the principles and standards for managing public resources, such as “*honesty, impartiality, openness, accountability, accuracy, fairness, integrity, transparency, objectivity, reliability carried out in the spirit of, as well as to the letter of, the law in the public interest to high ethical standards achieving value for money.*” (HMT, 2013. Box 1.1)

Within economic funding for regions, that has usually been developed through a strategy or evidence base by which Ministers can demonstrate the requirements for objectivity and fairness. The historic roots and evidence base that were in existence

before the mayoral election in 2017 were traced out in chapter 3 of this thesis, with the development of Lord Heseltine's report 'Tees Valley: Opportunity Unlimited' further developed some of the key priorities that, in his view, would make the most of the assets of the area, and building on its strengths. (Heseltine, 2017)

This local evidence was designed to fit into a wider picture of how to increase productivity and support the economic potential of places. In 2017, central Government published an Industrial Strategy that built on some of the work covered in chapter 3, and particularly highlighting:

"Yet many places are not realising their full potential. The UK has greater disparities in regional productivity than other European countries. This affects people in their pay, their work opportunities and their life chances." (BEIS, 2017a. p214)

This national strategy called for the development of evidence based distinctive strategies that highlighted the existing assets of an area, and where investment would have the greatest impact in terms of productivity growth. The Industrial Strategy committed the Government to '*agree Local Industrial Strategies that build on local strengths and deliver on economic opportunities*'. (BEIS, 2017a)

5.6 Development of Local Industrial Strategy

Tees Valley started to develop this work in earnest from June 2018, where Tees Valley and officials from central Government (including myself) developed an approach to their local industrial strategy (LIS). This work was not new – as we have seen there was already a strong evidence base. Building on Lord Heseltine's independent report "Tees Valley: Opportunity Unlimited", (Heseltine, 2017) Tees Valley LEP and Combined Authority launched their refreshed Strategic Economic Plan (SEP) (TVCA, 2016) in Autumn 2016. It set a commitment for the Tees Valley to significantly enhance productivity at the same time as improving the lifetime opportunities for local people through inclusive growth. The refreshed SEP has two core objectives:

- To contribute, through the provision of sustainable energy solutions to 10% of total GVA growth for the Northern Powerhouse by 2040; and

- For the area to become the exemplar region in England for the application and testing of the circular economy. (TVCA, 2016).

So building on these existing priorities, but also informed by new evidence and emerging economic trends, the LIS was designed to harness and build on some of Tees Valley's core assets - exploiting actions most likely to drive productivity growth.

Those assets were described in terms of people and businesses, so a total population of 672,500; with over 289,000 jobs across some 17,500 businesses that was contributing £12.8 billion to the UK was the foundation. It also covered infrastructure such as good road, rail and sea connections including mainline train services and home to England's largest port in terms of outward tonnage with a strong mix of deep sea and short sea capabilities. The LIS recognised the world class expertise in a number of industries including advanced manufacturing with a high concentration of businesses undertaking product or process innovation, with a strong exporting expertise. (TVCA, 2018b)

The evidence base was also clear on the economic challenges of the area, such as:

- overall GVA per person is lower than the national average,
- employment growth remains below the national average
- too many residents still struggling to find sustainable employment.
- the need to upskilling the Tees workforce and raising educational attainment.

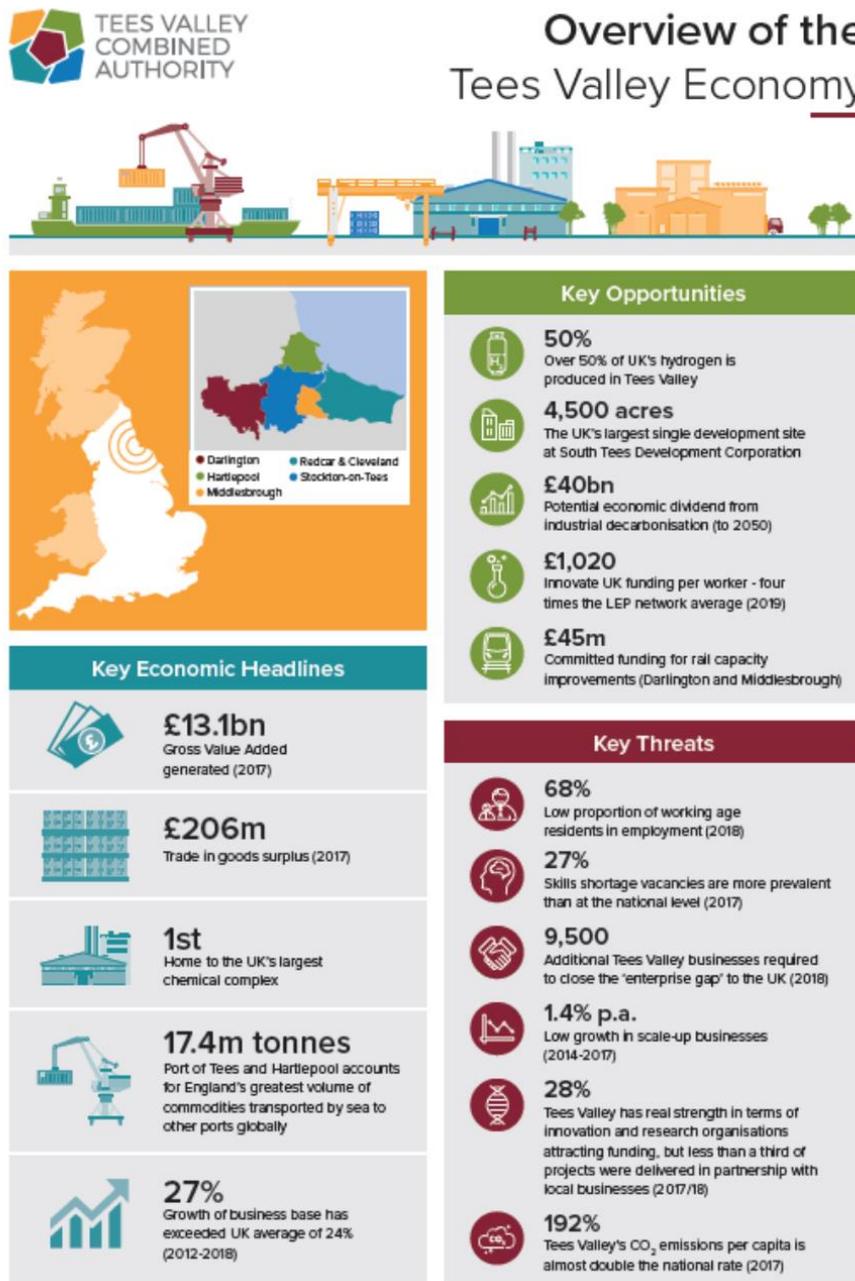
The development of the evidence base was also to take account of international shifts in spend, as well as national priorities set out in the Industrial Strategy. At the time, central Government's Clean Growth Strategy set out how the country could benefit from carbon economic opportunities through the creation of new technologies and new businesses, including the decarbonisation of power. (BEIS, 2018). This evidence was designed to:

- Take a long-term view addressing issues related to local productivity, with a suggested time horizon to 2030;

- Set out locally distinctive strengths, weaknesses, opportunities and challenges, whilst aligning with relevant Grand Challenges and foundations of productivity identified at the national level; and
- Draw upon a robust and transparent evidence base, which provides a clear line of sight from existing opportunities/challenges to identified priorities. (TVCA, 2019a)

A summary of the key findings of that evidence base is shown at **Table 5.6** below.

Table 5.6 Summary of findings from Tees Valley evidence review



(Source: TVCA, 2019a)

The evidence base was combined with key objectives from the mayor and Tees Valley Combined Authority, as well as the direction of travel of national policy. It particularly took note of the fact that Tees Valley is home to one of Europe's largest integrated industrial complexes and energy producing and energy intensive sectors. Local officials and politicians were keen to promote the Tees Valley as representing an ideal location to pilot and demonstrate the benefits of clean energy solutions through a circular economy approach. They particularly highlighted that the area has a mix of industrial capability; agricultural production within the surrounding areas; communities located alongside the industrial base and strong existing innovation infrastructure. (TVCA, 2018)

5.7 Key findings of the Local Industrial Strategy

This LIS went through a number of different iterations, priorities and potential publications, with a near final 'pre-publication' version being produced in February 2020. There was a clear list of priorities agreed between TVCA and local government, but there was little enthusiasm for publishing at a local level without funding attached (and the LIS was explicitly designed to be a framework for funding decisions, rather than a funding agreement in itself). Despite this, in February 2020, an outline agreement was in place with key commitments from central Government agreed in the following key areas:

For clean growth, primarily the national responsibility of *the Department for Business, Energy and Industrial Strategy (BEIS)*, and, as we have seen a key priority for the mayor:

- Work towards the establishment of a nationally recognised Research and Development Centre for Hydrogen and Industrial Decarbonisation in the Tees Valley, ensuring that the development will deliver most value to the UK as a whole.
- Develop investable Carbon Capture Usage and Storage (CCUS) business models that could support the delivery of the net-zero Teesside project. This could result in the world's largest power and industry and hydrogen CCUS network in operation by the mid-2020s, in line with the government's ambitions as set out in the CCUS Action Plan to tackle climate change.

- Building on commitments set out in the Offshore Wind Sector Deal, supporting the development of a new offshore wind hub in the Tees Valley, and support the growth of the existing Tees Valley cluster and supply chain links to the wider North East region.
- Develop proposals to see the region play a critical role in delivering the first fleet of hydrogen-powered passenger trains and hydrogen fuelled vehicles.

While on digitisation and business growth, a key priority for *BEIS and the Department for Culture, Media and Sport (DCMS)*, there were commitments to:

- Develop future digital trials learning from Made Smarter pilots.
- Continue to develop proposals for the 5G Testbeds and Trials Programme,

BEIS also were in the national lead for priorities around innovation as well as research and development:

- Support the long term future of the steel and materials industry, for example by seeking opportunities developing relevant research and innovation in steel and materials at the Materials Processing Institute.

The Department for Education (DfE) and the Department for Work and Pensions (DWP) took the national lead on the skills and employment proposals:

- Ensure a better skills match between employment opportunities and the training offer based on an in-depth analysis of the current and future employment. Continue to use analysis from the Education, Employment and Skills Partnership Board to inform devolved Adult Education Budget spend to meet local skills needs.
- Support joint activity around the effective delivery of T levels and access to Industry Placements. Drive uptake of apprenticeships that meet the needs of the local and national economy and give employers the skills they need to grow their businesses.
- Ensure that views from the Tees Valley Combined Authority inform the development of the National Skills Fund to ensure that it effectively helps local people to respond to the changing labour market.

BEIS and the Department for International Trade were the national leads for the inward investment and infrastructure joint commitments:

- Maximise the potential of the South Tees Development Corporation site, with a focus on clean energy, low carbon and hydrogen. Alongside public sector commitments, a business plan will aim to secure substantial private sector investment.
- Working with BEIS, the Office for Life Science and the Department for International Trade to identify opportunities to further develop our commercialisation and scale up expertise and to maximise manufacturing opportunities in the Life Science sector
- Working collaboratively with the Department for International Trade to attract inward investment – developing and promoting global sales pitches in key sectors where the area has a globally competitive edge, and with a focus on Tees Valley as one of the UK’s leading locations for clean energy, low carbon and hydrogen. (CLGU, 2020)

These priorities reflected most of those that had been initially prioritised by the mayor in his letters to Government Ministers (Table 5.2 above), although it is notable that some of the larger transport schemes were not included, and that the skills and employment priorities had been translated to a new delivery mechanism. Crucially, however, these priorities have now been developed by an agreed evidence base between central government and the TVCA, and allowed for any funding decisions to meet ‘Managing Public Money’ principles.

5.8 The end of Industrial Strategy?

However, with the UK entering into the Covid-19 pandemic in March 2020 (for Tees Valley response to that, see chapter 9), the publication of the LIS was delayed as a non-priority activity, and was never finally published. Indeed the wider national Industrial Strategy was replaced by a ‘*Plan for Growth*’ in March 2021 (HMT, 2021), with a much more limited focus on any place based strategy or agenda. While the Secretary of State for Business was keen to publicly endorse the continuation of some aspects of the strategy in a letter to the Chief Executive of Make UK:

Industrial policy remains a major priority of ours, which is why we are transitioning the Industrial Strategy into 'Build Back Better: our plan for growth' and its supporting strategies. We will take forward the best elements of the Industrial Strategy within a new framework that responds to the new challenges and opportunities we face. Delivery of ongoing aspects of the 2017 Industrial Strategy will not be abandoned. To fit the world of the 2020s, existing Sector Deals will continue, and Grand Challenges will evolve in order to best fit HMG's current priorities.

Over the next 12 months, BEIS will support 'Build Back Better: our plan for growth' by leading work on an Innovation Strategy, as well as strategies on Net Zero, Hydrogen and Space. We will also develop sectoral visions for priority future sectors, technologies and places. These strategies will aim to put the UK at the forefront of opportunities, give businesses the confidence to invest, boost productivity across the UK and enable our transition to net zero. (Kwarteng, K.; 2021)

Despite this brave face on the potential of building on the previous work, the reality was that much of the previous long term strategy around place making appeared to have been lost, with no mention of LIS. Unsurprisingly, this was roundly criticised by the Industrial Strategy Council in their final report, just before it too was abolished:

*"The Council believes addressing regional disparities is fundamental to boosting productivity, pay and prosperity. The Plan for Growth highlights Levelling Up as the Government's most important mission. This is welcome. But the proposed approach appears over-reliant on infrastructure spending and the continued use of centrally controlled funding pots thinly spread across a range of initiatives. Evidence, historical and international, suggests this is unlikely to be a recipe for success. **Sustained local growth needs to be rooted in local strategies, covering not only infrastructure but skills, sectors, education and culture.** These strategies need to be locally designed and focussed, as with the Local Industrial Strategies drawn up under the 2017 Industrial strategy. There also needs to be investment in the local capacity and capability to then implement these strategies. The Council believes a comprehensive reorientation of the Government's approach to Levelling Up is needed, including through its forthcoming White Paper on Devolution, if it is to be successful." (ISC, 2021. Emphasis added by author).*

Despite this apparent change of approach at Budget 2021, the positive impact on Tees Valley of this combination of evidence base development and persistent lobbying has been impressive, even to seasoned and critical campaigners, such as the Centre for Cities, which highlighted the potential impact of freeports and Treasury relocation even while saying that those decisions were short sighted and rejected

that lobbying group's evidence. (Centre for Cities, 2021). Others were more obvious with their opposition and potential jealousy - with Gateshead MP Ian Mearns commenting: *'Why am I not surprised? This is political partisanship put into practice. It's a continuation of their long-term strategy of using public finances for party political gain.'* (Mearns, 2021). The next section covers these results in some detail.

5.9 Describing the results of Mayoral leadership

The sheer scale of new resources that have been provided to the mayor and Tees Valley Combined Authority are significantly in excess of any other mayoral authority or Local Enterprise Partnership. New funding commitments over the initial term of the mayor are highlighted below, with those specifically announced in budgets since the mayoral election and targeted at Tees Valley amounting to some £1.3 billion – dwarfing the £60 million that has been paid through the Tees Valley Investment Fund 'mayoral gainshare' funding of £15 million per year – the only dedicated additional funding as part of the Tees Valley devolution agreement (HMT, 2015).

Some of these funding streams were open to all Local Enterprise Partnerships (such as Getting Building Fund), whereas others (such as the Brownfield Housing Fund and Transforming Cities Fund) were targeted at all Mayoral Combined Authorities. Other funding is open to national targeting, the example of the 'Towns Fund', where all five local authorities in the Tees Valley were invited to submit proposals, whereas within the much more populous wider North East, it was only open to two towns to make proposals, showing that, even in those national schemes, there seems to have been an advantage to being in Tees Valley. However, it is in the specific funding allocations, such as the nearly £300 million devoted to the development of the South Tees Development Corporation site (of which around was to make the site safe and secure following the liquidation of the SSI steelworks in 2016), or the £52 million for Carbon Capture and Storage, where we can trace the specific influence and positive outcomes from the Mayoral impact and evidence gathering.

MHCLG is perhaps the department that shows the greatest focus on areas such as the Tees Valley, and the greatest divergence of policy ideas from those put forward by the mayor in his policy letters (table 5.2), with new areas such the focus on high streets and towns fund, as well the significant driver of a freeport, which was still an outlier in policy priorities in May 2017.

MHCLG**Total announced/allocated since 2017 = £936.55m**

Scheme	Amount
Future High Streets	Tees Valley total FHSF: £36.5m
Towns Fund	Tees Valley TF announced awards to date: £68.1m of a possible £118.1m
Brownfield Housing Fund	£19m awarded to Tees Valley MCA
Getting Building Fund	£17.4 million
Devolution deal funding	£15m annually (£450m over 30 years in “gainshare”).
South Tees Development Corporation	£56.9 million (initial funding + Prairie site funding + Budget 2020 funding) + Special Economic Area business rates growth retention
Freeport	Yes. Awarded 03 March 2021. Estimated to realise 18,000 jobs and a £3.4bn economic boost
Local Growth Fund	Local Growth Fund R3 - £21.8m Growth Deals R1&2 £104.2m
European Strategic Investment Fund	£160m

Source: CLGU 2021a

The focus for the Department for Business Energy and Industrial Strategy is the legacy and remediation costs of the South Tees Development Corporation, however 2 additional funding priorities – offshore wind and a proposal by Net Zero Teesside for a power plant linked to Carbon Capture Usage and Storage are a direct focus of opportunity and evidence, backed by persuasive mayoral lobbying. The opportunity for both these projects was only released by the wider investment on the South Tees Development Corporation site, which promised a cleared and developable site.

BEIS (excludes C19 and innovation related funding)**Total announced/allocated since 2017 = £332 million**

Scheme	Amount
South Tees Development Corporation – site company	£162m (2016- 2020)
South Tees Development Corporation – budget 2020	£71m (2020-2023)
Offshore Wind port investment	£20m (2021/22)
Carbon Capture Usage and Storage	£52m (2021/22)
Materials Processing Institute	£22m (2020–2024)
Centre for Process Innovation (vaccine library)	£5m (2021-22)

Source: CLGU, 2021a

The Department for Transport has also focussed on new investments, with a dedicated fund available to all mayoral combined authorities, as well as focus on hydrogen powered vehicles (particularly larger ones such as lorries, buses and trains).

DfT (incomplete)

Total announced/allocated since 2017 = £84.3 million

Scheme	Amount
Transforming cities funding	£76m (2018 – 2022)
Intra-city transport fund	£3.5m (2021/22)
Hydrogen transport hubs	£4.3m (2021/22)

CLGU, 2021a

This funding is only part of the picture of how central Government has prioritised policy and funding towards the Tees Valley. This was perhaps most apparent in the Chancellor’s budget speech in 2021, where he provided an unprecedented focus on the area:

Madam Deputy Speaker, Let’s take just one of those places – Teesside. In the past, it was known for its success in industries like steel. Now, when I look to the future of Teesside I see old industrial sites being used to capture and store carbon. Vaccines being manufactured. Offshore wind turbines creating clean energy for the rest of the country. All located within a Freeport with the Treasury just down the road and the UK Infrastructure Bank only an hour away. I see innovative, fast-growing businesses hiring local people into decent, well-paid, green jobs. I see people designing, manufacturing and exporting incredible new products and services. I see people putting down roots in places they are proud to call home. I see a people optimistic and ambitious for their future. That, Madam Deputy Speaker, is the future economy of this country. (Sunak, R., Budget speech. 3 March, 2021)

Within that quote, one of the major announcements was the establishment of a ‘northern economic campus’ for the Treasury in Darlington, with at least 750 new jobs, mainly officials from the Treasury – an idea relentlessly pushed by Houchen, and feeding into the need to both relocate civil service staff from expensive central London, as well as improve policy making through better cross-country engagement (BBC, 2021a). With that in mind, it is perhaps instructive to revisit the key issues that the mayor highlighted in those early letters (Table 5.2), to see where progress

has been made, across four main economic departments as well as highlight new opportunities that have emerged since the initial mayoral engagement. Areas where there has been clear progress are highlighted in green, those where there has been mixed progress in yellow, while those where there has been limited progress are highlighted in red.

Table 5.7 Progress on key mayoral priorities in the Tees Valley

Lead government department	Policy area progress	In initial mayoral letter?
HMT	Borrowing powers agreed for TVCA, allowing development of integrated long term investment plan	Yes
	Replace European funding not yet finalised. TVCA has lead role for 2021/22 Community Renewal Fund – designed to try out delivery model for UK Shared Prosperity Fund.	Yes
	New northern economic campus in Darlington with 750 senior HMT jobs.	No
	Freeport achieved for Teesside – announced March 2021	No
BEIS	Carbon Capture and Storage funding for Net Zero Teesside that builds on the work of the Teesside Collective industry partnership.	Yes
	There has been no progress on Hartlepool Nuclear Power Station site.	Yes
	No progress on delivering energy production with private wire networks on the STDC and other Teesside industrial sites.	Yes
	There has been funding for a new hydrogen transport hub, and some work with West Yorkshire on home energy.	Yes
	No significant progress on using surplus industrial heat through a district heating system, alongside energy storage and smart microgrids.	Yes
	No progress made on Atlantic Superconnector project	
	Funding agreed for new vaccine registry at CPI in Darlington	Yes
	Development and keep safe funding agreed for South Tees Development Corporation	No
	New funding for an offshore wind portside location.	No
	No	
MHCLG	No final progress on establishing a housing investment agreement, initial efforts shelved.	Yes

	No progress on review government-owned land.	Yes
	No further devolution of housing investment, land assets and powers. Brownfield Housing Fund agreed.	Yes
	Funding for South Tees Development Corporation and business rates growth retention through Special Economic Area.	No
	New funding agreed for High Streets in Middlesbrough, Stockton and Loftus	No
	New towns deal proposals for Darlington, Middlesbrough, Hartlepool, Thornaby and Redcar.	No
	Getting Building Fund allocation for capital development across Tees Valley.	No
DfT	New investments agreed to support Darlington and Middlesbrough railway station developments.	Partially
	No progress to date on the upgrade of the railway line between Northallerton and Teesport.	Yes
	Funding agreed for local transport planning.	Yes
	No final decision on funding for a new crossing of the River Tees, but development funding agreed.	Yes
	No final funding for improvements on the East-West A66 corridor.	Yes
	Some national support for the development of new airline routes.	Yes

Source: CLGU, 2021b

Areas where no or limited progress has been made, reflect the Mayor's ability to engage with the 'Political, cultural, economic and other defining dynamics at play' (Harkness et al, 2017), so that he focuses on areas where change is possible, while neatly sidestepping any issues where progress is more limited. This was aided by the relatively limited manifesto, as well as the relentless and focussed media and public relations focus of the Mayor, where he demonstrated both a deliberate intention not to engage or discuss publically areas that would be problematic for him as well as an ability to rationalise any suggestion of delivery failures as 'lack of ambition' or motivated by political opposition, rather than evidence based opposition. (Social Review, 2021)

5.10 Conclusion

With new facilities, investment and programmes, as well as considerable financial support, there has clearly been an increased focus on Tees Valley. Certainly a comparison with the rest of the North East of England (which has 3 times the population) highlights an unusual level of new investment, funding and powers. This holds true even for the North of Tyne area, which elected a mayor in April 2019, and has roughly the same population as Tees Valley, but has seen relatively sparse investment (around £100 million between 2021- 25) (NoTCA, 2021), no new Government departmental relocations, no freeport (despite an equally strong proposal as that for Tees Valley), no agreement to borrowing powers and no new investment for key transport proposals. That experience suggests some initial conclusions around ‘do Mayor’s work?’. The evidence from Tees Valley, certainly in policy impact, is that it can make a difference, but that having a mayor alone is not sufficient to show an impact. In order to produce the policy results we have seen, the mayor needed to demonstrate persistent, but agile, leadership, and show that they are alive to new opportunities (and willing to drop those that were more difficult to achieve). This agile leadership needed to be backed up with evidence that could meet the stringent requirement of Government funding guidelines, and a strong sense of the potential of Tees Valley.

This differentiation of approach is perhaps best seen in comparison with the nearest alternative model of mayoral leadership - that of the North of Tyne Mayor. While there was 2 years difference in start date, the North of Tyne has greater funding available and similar powers, but there has been limited focus on winning large projects or changing the political landscape for investment. Even in the most potential significant new investment for the North of Tyne area (a Gigafactory in Blyth), the North of Tyne Mayor was reduced to being a cheerleader for the project, while the real focus was led by Northumberland County Council. This prevarication of approach was also seen in the assessment of a potential freeport for the North East, where, although the proposal was backed by the North of Tyne mayor, this was accompanied by public worries about negative employment impacts and displacement of activity, where he was quoted as:

“..among the Labour voices who have doubted the freeport model, saying last year that some “have simply displaced economic activity from one place to

another or have been opportunities for tax avoidance” (Sunderland Echo, 2021).

This more nuanced (but potentially more accurate) approach was not seen as a strong asset to the North East freeport proposal – which wasn’t successful, despite scoring as highly as the Teesside proposal. (MHCLG, 2021a)

It is worth noting that the Tees Valley Mayor also comes in for criticism from some quarters around a ‘lack of theory’ of how to deliver real change:

“Beyond bromides about Teesside finally getting the attention it deserves, Ben Houchen lacks a theory about why it is poor and what to do about it.”
(Economist, 2021)

Of course, while the theory of change and clear evidence base are certainly important for the policy impact of the mayor, the political impact is also a crucial factor. As the cheerleader for a resurgent Conservative Party in parts of the North East, an early backer of ‘Brexit’ and a spokesman for the new breed of politicians that breeched the ‘red wall’ of the Labour party in the general election of 2019, the Tees Valley mayor has used his political influence and voice effectively to magnify his leadership and evidence based priorities to produce long term tangible results. The re-election campaign in 2021 was characterised by the emergence of a potential ‘Houchenism’ (Guardian, 2021) in national media, characterised by a relentless focus on positive messages, ruthless prioritisation of messages on jobs, investment and the economy and a refusal to get diverted onto more complex social issues. His critics (and opponent at the 2021 election) criticised this approach as spin without substance, while muttering dark warnings over the Mayor’s focus on ‘Facebook’ (Turley, A., 2021a).

This challenge is perhaps best summed up by a quote from Anna Turley, previously (Labour) MP for Redcar:

“However, there’s a balance - at what point does this divorce from reality & become a deception, when unemployment & child poverty are going up & quality of life doing down. And when does ‘talking Teesside down’ become a ruse to escape scrutiny & truth.” (Turley, A., 2021b)

In the next chapter I trace out how the mayor has used his leadership to pursue his main election manifesto of buying the local airport, while in chapter 7, I utilise

quantitative techniques to examine whether this undoubted policy success has been backed up by a change in the actual economic fortunes of the Tees Valley. In chapter 8, I return to political analysis, and trace out how the mayor has used his increasingly important political voice, examining the impact that has had on the political make up of the Tees Valley, as well as how those issues fed into the May 2021 mayoral election.

Chapter 6 – The Airport

“My manifesto contained a prominent commitment to take urgent and radical action to reverse the decline of Durham Tees Valley Airport” (Ben Houchen letter to Chris Grayling, 23rd July, 2017)

6.1 Introduction and context

We have seen that the Mayor’s key manifesto commitment was on ‘buying the airport’ in earlier chapters. In view of the importance of this commitment to the mayoralty, it is necessary to assess, in detail, the process by which he was able to turn this commitment into a reality, and for the Tees Valley Combined Authority to become the sole owners of the local airport. While it is still early days in this new management arrangement – the process of proposing ownership, developing a business plan, securing agreement from the previous owners of the airport (Peel Holdings), promoting his case to a wide variety of stakeholders, before ultimately securing the unanimous agreement of the local authority leaders – is a fascinating insight into the workings of the mayoralty within Tees Valley.

In her Financial Times article from 16th April 2019, Chris Tighe is somewhat bleak about the economic prospects of the airport:

“At five o’clock on a recent midweek afternoon, the passenger departure area at Durham Tees Valley airport was deserted. The check-in desks were unmanned and the only café in the lounge was closed.

Like many small UK airports, Durham Tees Valley is finding the going tough. In a highly competitive marketplace, airlines are mostly concentrating at larger airports serving big cities; and even some of these, such as Cardiff and Glasgow Prestwick, only survive as a result of nationalisation by the Welsh and Scottish governments

Durham Tees Valley is losing about £2m a year and has seen passenger numbers collapse from a peak of 910,000 in 2006 to 140,000 a decade later. Flights to Aberdeen and Amsterdam are its mainstay.”
(Tighe, 2019)

While I was supporting Lord Heseltine in the production of his report ‘Tees Valley: Opportunity Unlimited’, he asked me to go and meet the owners of Durham Tees Valley Airport, to find out more about their future economic plans. I was given a tour of the place, seeing at first hand some of the assets (a very long runway, world leading fire control training centre, close to a mainline railway station), as well as some warehouses for aviation related business. Despite a long and fairly distinguished history (key timeline is shown a Figure 6.1), going into the terminal was a contrasting experience – with no flights scheduled for several hours, the terminal was a ghostly shell, with only an occasional cleaner and shop worker wandering around. It was clear to me that the airport couldn’t continue to operate as a going concern on those passenger numbers. Indeed the joke was that *‘you can fly anywhere you want from Durham Tees Valley, as long as it begins with an ‘A!’* – the only scheduled flights were to Amsterdam and Aberdeen

Figure 6.1: Timeline of the airport



Source: photo taken by author 2019

6.2 Ownership by Peel Holdings

It was unclear as to what the owners of the airport, Peel Holdings, wanted to do with the airport. In a previous role, I had worked alongside the company in the late 1990s, as the then owners of the Manchester Ship Canal Company, and seen their ‘gung ho’ development-hungry approach, efficiently turning their land holdings into substantial economic assets, eventually leading the development of Salford Quays and the purchase of the Mersey Docks and Harbour Company.

In more recent years, this development and expansion still seemed to be norm for the company. The analysis by John Harrison of the company’s promotion of the Atlantic Gateway approach across the Liverpool and Manchester City regions, highlights how the company were able to turn their plans for development into a clear (if ultimately self-serving) economic narrative. The same paper highlights how the company’s senior engagement with the North West Development Agency (NWDA) was instrumental in securing public funding and investment. After the demise of the NWDA in 2011, this approach ran into more difficulty – as the company was unable to overcome distrust and suspicion – particularly within Manchester City Region. However, the company’s approach was clear – expansion and growth, maximising existing land assets, avaricious for new investment opportunities – and ensuring that their engagement with public authorities supported their corporate interests. As Harrison neatly summarises:

“... the Atlantic (Ocean) Gateway framework (their space of engagement) was initially constructed in a way that served to ensure that Peel’s corporate interests (their space of dependence) were defended and enhanced as a result. Not dissimilar to how city-regionalism as a governmentalized remapping of state space is part of the state’s spatial strategy to maintain its legitimacy for managing and regulating the economy, we can see how this alternative vision of city regionalism as a geopolitical project is similarly constructed (that is, defined, delimited and designated) to benefit its architects.” (Harrison, 2012, p2331)

In those Heseltine-inspired discussions with the airport operators of Durham Tees Valley Airport, it was surprising that there seemed to be a lack of vision and appetite for the future of the airport. Laissez-faire seemed to be the order of the day – in spite of losses mounting up year on year. Despite spending over 4 hours at the

place, having the full tour, and speaking with all the management team, in the end my report just repeated some of the key attributes of the airport:

“As a national and European gateway, Durham Tees Valley Airport (DTVA) has the potential to support the connectivity of the Tees Valley to global markets. However, as a result of national trends for airlines to consolidate at major airports, DTVA is currently loss-making with limited business connectivity – although the Amsterdam connection serves as a useful destination to a major European hub. The airport is relatively well linked to centres of population and major economic sites but needs to secure additional income to make the most of the existing facility.

The airport has established a new aviation business development team working with both new and existing airlines to expand the airport’s route network and explore opportunities for establishing other aviation services. These include air cargo, rescue and fire training, aircraft maintenance, repair and engineering services, and continued support for military aviation.

The airport is in very close proximity to the Tees Valley rail line, which connects all the main centres of population and also the major regeneration areas including the South Tees Development Corporation site. The line however lacks the identity of an up-to-date urban rapid transit system, and while infrastructure exists it is outdated and poorly used with limited train stops.

There are wider uses of the airport site that could enhance its long term viability, with improved service infrastructure, landscaping and raising the site profile as well as developing a new mixed use business/residential offer. These investment plans are set out in the Airport Master Plan and would form a useful basis of discussion for supporting development across the wider Tees Valley, including a new link road from the A67 to the Southside Business Park.” (Smyth, 2017)

This dichotomy between the expected experience of a Peel Holdings owned assets and the actual meetings with the company, did seem to point to an unclear future for the airport – with local players suspicious that the surplus land could easily be refocussed for new housing, which had the possibility to increase in value and scale if the airport eventually closed.

Lord Heseltine recognised that more work was to be done, and concluded in his recommendation 9.5.5; *“That the Tees Valley Combined Authority work with the owners and operators of the airport to agree a sustainable future for the wider*

airport site, including the station, and build this into their wider proposals for their economic development.” (Heseltine, 2017)

6.3 *Mayoral proposals to arrest decline*

So, against this context of long term decline, lack of choice, continued loss making and an uncertain future, the manifesto commitment of Houchen ‘*I will bring Teesside Airport back into public ownership*’ resonated with a confused electorate.

In embarking in this quest, there were two key challenges that the mayor faced:

- persuading the owners of the airport (Peel) to sell the airport
- convincing the other members of the Tees Valley Combined Authority to agree his proposal to purchase the airport

The details of how the mayor was able to persuade Peel to sell Durham Tees Valley Airport were subject of a year long complex arrangement. Most of the details are commercially confidential, but shortly after his election, in May 2017, the mayor met with Robert Hough, Managing Director of the airport. The report of the meeting was neutral in tone:

The private introductory meeting was held on Monday 15th May at the Mayor’s office at Tees Valley Combined Authority, Teesdale, Thornaby. In a statement following the meeting, Mr Houchen, said: “The flights and services available from our local airport are of primary importance to the people of Teesside, Darlington and Hartlepool. This meeting was a chance for the leadership of Peel Investments and my team to get to know one another and understand our respective objectives. The meeting was positive and constructive in tone and has established an early working relationship.

Mr Houchen added: “Both parties have agreed that our discussions will be held in private. The public are interested, but the public interest is best served by having confidential business-like conversations. Neither party will be conducting a running commentary on our talks but we can reassure the public that there is a mutual desire for an outcome that serves them well.”

Robert Hough, Chair of Durham Tees Valley Airport, said: “We were very pleased to meet the newly elected Mayor and for the opportunity to explain our strategy for the future growth of the Airport. We hold much common

ground in recognising the economic and regional benefits that a successful airport brings and exchanged our respective aspirations in making this happen for the wider benefit of the Tees Valley area and beyond.” (TVCA, 2017b)

This was followed by a disagreement between the mayor and the 5 local authority leaders over whether to support Peel with a £500k grant to help them develop new routes; *“Mayor promises to veto plans to give £500,000 to Durham Tees Valley Airport owners”* (Evening Gazette; 2018b). Shortly afterwards, on the 1 year anniversary of being elected, the mayor was able to announce a ‘non-disclosure agreement between the Combined Authority and Peel Holdings;

“Efforts to take Durham Tees Valley Airport back into public ownership have moved one step closer to fruition. Ben Houchen, who is marking his first year in office as Tees Valley mayor, was today announcing the signing of a “non-disclosure agreement” with Peel, the majority owners of the airport. Despite only being a technicality, the non-disclosure agreement signals talks over ownership of the airport have entered a more delicate and advanced stage.” (Evening Gazette, 2018c)

As well as the non-disclosure agreement with Peel, the mayor also announced that he was in advanced discussions with a potential new operator for the airport. Discussions continued, largely in private, between the Mayor, Tees Valley Combined Authority and Peel Holdings over the purchase price and future management arrangements, but it was clear that Peel were treating the discussions seriously.

6.4 Purchasing the airport – deal-making of the Mayor

All went quiet for several months, before on 4th December, 2018 – to a fanfare of social media activity, the mayor was able to announce: *“After months of discussions, I am delighted to confirm that I have secured a deal with Peel to buy back our airport.”* (Houchen, 2018b)

He described this as a deal to secure our airport’s long-term future, serving both the interests of the economy and people. The headline purchase price was announced as £35million, with an additional £5million to acquiring 819 acres of land around the airport, stopping a planned 350-home development outside the terminal. The funding was part of the Tees Valley Investment Fund, additional funding provided to

Tees Valley as part of their devolution deal, and highlighted the negotiation skills of the mayor and his support team. Arguably, it may have proved more challenging for a combined authority leadership, with different visions across all the leaders, to secure such an agreement after over a year of relatively confidential discussions.

The mayor was clear in his vision for the airport:

“My vision for our area, and this airport, is so much bigger than just getting flights back to Majorca. It has always been much more than that. This airport is a key part of my plan to build a high-growth, high-wage economy that works in the interests of everyone.

Regional airports are important catalysts to attract and retain economic growth. They enhance the performance of local industry, connect people, products and services to global opportunities, and drive tourism that helps our local communities to flourish.

But the reality is, inward investment doesn't come on a bus – it comes through an airport terminal. This became clear as day to me when I led the Tees Valley's first trade mission to the Far East earlier this year. Each and every investor I met – from Mitsubishi and Fujifilm, to Samsung and Lucite – asked about our international connectivity.

Our area recognised across the world as a great place to do business, and home to potentially billions of pounds worth of exciting opportunities for international investors. So to ensure that our area continues to be an excellent location to invest, grow and start a business, we need that missing piece of the jigsaw: a thriving international airport.

Taking back control of our airport presents a once in a generation opportunity for the Tees Valley to find its voice again. To be truly global, outward-looking, more confident and more visible on the international stage.

As we look to a positive future outside the European Union, we won't just be competing with Newcastle, Leeds or Birmingham – our success depends on our ability to work, trade and collaborate with old friends and new allies around the world. That means we have to be as accessible, visible, competitive, pro-active, and as 'go get-'em' as possible. And it starts with securing the future of our airport.” (Houchen, 2018a)

However, to achieve his plan, the mayor needed to secure the support of the wider leadership of the Tees Valley Combined Authority – in the face of their

scepticism and hostility to both him and the wider project. The local Labour Party view was best highlighted in a Westminster Hall debate on the future of the airport, where Phil Wilson (then MP for Sedgefield) summarised his view as: “*I will work with anyone, including the Mayor, to secure the future of Durham Tees Valley airport, **but the idea of public ownership is fanciful and I think that the Mayor knows it.** He should work with me to help the airport succeed, because I believe that Durham Tees Valley is “flying for the future” and I want the people of Durham and Tees Valley to be a part of that.*” (HoC, 2017, Volume 631).

So highlighting how the mayor was able to bring together his personal skills, his convening powers as mayor, his direct electoral mandate, his strong grasp of social media and his formal leadership of the Combined Authority, to ensure that this ‘fanciful’ plan for public ownership could be delivered, provides a clear case study on the central premise of this thesis; ‘Can metro mayors work?’.

6.5 *Securing the agreement of the TVCA leadership*

Initial reactions to the proposal to buy the airport were not positive. Other members of the cabinet for Tees Valley Combined Authority had their own £500k plans for working in partnership with Peel vetoed by the mayor (Tees Business, 2018), and it seemed that this political disagreement was set to continue.

After seeing the Mayor’s announcement, Sue Jeffrey (leader of Redcar and Cleveland Council, as well as the Labour Party candidate for Tees Valley Mayor) summarised her queries; “*this is the biggest single investment ever proposed by the combined authority and it’s got to meet some tests. Is it a robust plan? is it value for money? is it commercially viable? is it financially affordable? and most importantly of all - can it be delivered?*” (Evening Gazette, 2018e).

Andy Macdonald (Labour MP for Middlesbrough, as well as Shadow Transport secretary) was even more challenging: “*(Forty million pounds) to buy an asset that loses £2.5m a year, is that a good use of public money? That to me doesn’t sound like a good deal. I’ll wait to see the evidence before I can declare myself satisfied that this anywhere near represents good value for the taxpayer.*” (Evening Gazette, 2018d)

Alex Cunningham (Labour MP for Stockton North) raised the issue in Parliament: *“To ask the Secretary of State for Housing, Communities and Local Government, with reference to the proposal from the Tees Valley Mayor to buy Durham Tees Valley Airport, what the Government's policy is on devolved resources to Combined Authorities being used to bring airports into public ownership; and if he will make a statement.”* (HoC, 2018a)

In answer, the Minister for the Northern Powerhouse, Jake Berry MP highlighted that this was a local decision, albeit within a central framework;

“In 2015, Tees Valley Combined Authority was awarded the long term Investment Fund of £450 million over 30 years as part of its Devolution Deal and Single Pot funding arrangements. In line with other Devolution Deals agreed, places can allocate and spend Investment Funds on locally appraised projects, providing them with greater control over directing priority investment decisions.

The Combined Authority has responsibility for how it will invest these funds within the scope of an agreed assurance framework, which sets out how they will appraise, monitor and evaluates schemes to achieve value for money. This is based on Government's Single Pot Assurance Framework national guidance. To ensure value for money is achieved for the taxpayer, future release of Investment Funds are subject to five yearly Gateway Reviews which include an economic impact assessment carried out by an independent panel.” (HoC, 2018b, www.parliament.uk)

The mayor himself acknowledged that securing agreement with the rest of the leadership of the Tees Valley Combined Authority would be an issue;

“I have agreed a deal with Peel, but we still have one hurdle left to jump. My plan to save our airport will require the full support of our five local authority leaders to make this whole thing happen. I need the five leaders of our local councils to vote in favour of this plan. If they don't, we can't progress. It's as simple as that.” (Houchen, 2018b).

Securing this agreement against this unfavourable backdrop would be a further test of the Mayor's leadership approach. As we saw in chapter 2, the outworking of this leadership was critical and the 'need to quickly develop key functional capacities to govern effectively' (Harkness, 2017) was one of the key litmus tests of whether mayors could offer any form of transformational leadership, and use their soft power to ensure change.

The analysis by Sweeting (2003) in how to use soft, informal 'power to' drive this local consensus and make use of networks across businesses and civic society was covered in chapter 4. His key points form a useful perspective to analysis the mayor's leadership style and effectiveness in being able to persuade the rest of the combined authority leadership to agree to the proposed ownership and management arrangement for the airport. These four key points are:

- Cope with complexity in urban governance;
- Generate consensus;
- Identify common interest between different partners; and,
- Create the right conditions for effective coordination. (Sweeting, 2003)

6.6 *Mayoral ability to cope with complexity in urban governance*

At the time of the decision on the airport, the Cabinet (ultimate decision-making body) for the Tees Valley Combined Authority consisted of 5 leaders of the local authority – all from the Labour Party and Houchen as elected Mayor of Tees Valley – from the Conservative Party. The constitution of the Combined Authority makes clear that allocation of resources should be made through '*transparent and democratically accountable decision-making, in the best interests of the long-term economic and social benefit of the people of the Tees Valley.*' (TVCA, 2017b). It also highlights that for any decision making around the allocation of resources needs to be set out in a clear and comprehensive Investment Plan - requiring the unanimous agreement of the Cabinet.

To secure the combined authority's agreement, the mayor needed to ensure that *none* of the local authority leaders opposed his proposed purchase. He did this initially by using public announcements and social media to influence the public and local media outlets. His co-option of public pressure to secure the purchase agreement was a key ingredient in its eventual success.

As a first step in his overall plan, the mayor led with a number of well publicised teasers on social media about the date and time of his announcement. Generating a sense of excitement and anticipation around the announcement itself, the public announcement was a slick operation, with a dedicated website

(www.backbensplan.com), and extensive trails around twitter and Facebook platforms. ⁴He articulated a strong business case in that website, highlighting that public ownership '*is the only way to stop our airport from closing in 2021*', that the new plans will ensure that the airport '*will land a low cost carrier, hit 1.4million passengers in the next ten years, and generate potentially thousands of jobs for local people*'. The mayor also promised to scrap the additional use charge of £6 per passenger, and stopping a proposed new housing development. All this would be achieved with; '*Zero impact on people's council tax bills; Zero impact on local businesses; Zero impact on public services; Zero impact on local authority budgets*' and a promise that, even in a worst case scenario of the airport closing in the future, all of the initial investment would be reimbursed through banking increased land values.

In a direct challenge to the wider local authority leaders, the mayor also made a (lightly) veiled threat; '*History will not be kind to those who let emotions and personal politics get in the way of what the people voted for and rightly demand.*'

This public launch accompanied by a media blitz, with prominent business and political leaders pledging their support via social media – particularly on twitter, as well as a comprehensive Facebook engagement plan. The mayor capitalised on this support, commenting that; "*Inward investment doesn't come on a bus, it comes through an airport terminal,*" (BBC, 2019a).

Indeed, during this period, Houchen was listed by Facebook as the highest spender among any UK politician – spending nearly £16,000 on Facebook ads - three times more than Greenpeace, with the funding for this campaign from either personal funding by the mayor from his own resources or from the Conservative Party (BBC news report, 2019b). It was later revealed that political donations to the mayor were derived from a mixture of prominent local businesses, as well as bespoke political consultancies set up by wealthy supporters of the Conservative Party (Electoral Commission, 2019).

⁴ All unattributed quotations in this sector are from the political website maintained and operated by the Tees Valley Mayor and his political advisers – www.backbensplan.com.

6.7 Convincing the wider Tees Valley leadership

In the face of such a professional and media-savvy operation, the five labour leaders lost their cohesive voice, which had previously been such a feature of their dealings with the Mayor. The development plans for the airport most directly impacted on Darlington (where the bulk of the airport is situated, and where the new housing development had been approved). The, relatively new, leader of Darlington Borough Council, Stephen Harker, was initially aligned with the wider Labour group, commenting;

Cllr Harker said it is “impossible” to give a view on the buyout without being given the details. “What we’re all saying is that we think it would be wonderful if the airport was thriving; it would be a huge benefit to Tees Valley,” Cllr Harker said. “But we don’t know the detail of what Ben’s suggesting, so it’s impossible to give a view about whether it makes sense, financially and commercially, on whether it’s the right the thing to do. “Ben hasn’t said since then who the operator is that we will get in to actually run the airport; he hasn’t told us anything about what airlines would run from the airport; and the additional costs – he hasn’t said anything about. (PSE, 2018)

Just a few weeks after this, after the airport plans had already been given support by the leader of Hartlepool Borough Council (which had no land interests at stake and was relatively disinterested in the planning issues) - the Darlington leader was willing to go public with his support for the Mayor’s plans:

“I am now clearer about what’s being proposed, what it is likely to cost, what risks there are, and crucially what’s intended with regards to actual flights. I am satisfied that the economic case for purchasing the airport is worth the level of investment and risk. Everyone does need to know that this is still not without risk, and that further investment will certainly be needed for years to come. While the airport can bring economic and employment benefits, and hopefully greater options for leisure, the airport itself will still need financial support.” (Northern Echo, 2019c).

What was critical to changing the view of this key member of the Combined Authority was the development of a comprehensive business plan. This, alongside strong public support, repeated referral to a ‘direct electoral mandate’ for purchasing the airport and the inclusion of the public ownership of the airport within a Single Investment Plan were critical to the next stage of the Mayor’s

plans to secure agreement and generate consensus.

6.8 *Generating consensus*

As argued in Chapter 4, the single focus of Houchen's election campaign 'I will buy our airport', repeated throughout manifesto literature as well as in the wide public debates with the various mayoral candidates. This single, eye-catching slogan clearly had a resonance locally, and was certainly part of the slightly surprising winning margin for the 'outsider' Conservative Party candidate. This clear and direct mandate was of crucial importance to securing the consensus required for the purchase to go ahead. In a conversation with the author, one of the mayor's advisers highlighted that politically they had developed a 'win-win' situation for the mayor. Either the airport purchase was agreed, in which case the key manifesto commitment had been secured, or it was blocked by a hostile Labour leadership, in which case the mayor and wider Conservative Party would be able to point to the 'betrayal' of the electorate mandate by the Labour Party. Either case would have resulted in a stronger electoral position for the mayor – especially with the next mayoral election due in May 2020.

The Mayoral team was also successful in ensuring that there was wide public support in both the press and business community for the plans, bolstered by an unexpected confirmation from Peel that the airport would close in 2021 without this plan being agreed. Suddenly the stakes of this purchase agreement were much higher – it was not simply different visions of what sort of airport was right for Tees Valley, but rather whether there would be an airport at all. Deep Ocean – a prominent Darlington based business was most prominent at this stage and in a letter to the mayor and Tees Valley council leaders in December, Deep Ocean's Managing Director Pierre Boyde argued that "*without a secure long-term presence of a local airport, Deep Ocean may need to reevaluate our decision to stay in the Darlington area... the proximity to Durham Tees Valley Airport was a determining factor to stay in Darlington.*" (Northern Echo, 2019a).

This confirmation of the 'do nothing' – a prerequisite for the business plan being developed for the purchase agreement was also crucial in building the value for money business case – which was itself critical in securing consensus.

6.9 Securing ownership and developing a business plan

Tees Valley Combined Authority operates within an ‘assurance framework’ for using devolved funds. While the devolution deal signed between Tees Valley and HM Government provided the area with greater local control, flexibility and responsibility over funding streams and their outcomes, there is still a requirement for Tees Valley to ensure accountable and transparent decision making, appraise projects and monitor and evaluate schemes to achieve value for money and ensure that funds are spent lawfully.

As part of this assurance framework, the combined authority has to ensure that appropriate assessment of investments made is undertaken to ensure value for money. This assessment needs to be in line with the established guidance, where appropriate, as set out by HM Government, including the HM Treasury Green Book. For each investment, TVCA has to estimate a Benefit to Cost Ratio (BCR) and Net Present Public Value (NPPV) and produce an overall assessment of value for money based on these metrics and non-monetized impacts, and these should be clearly communicated in each business case and to decision makers. All projects submitting business cases will be expected to set out, in an appropriate level of detail, the strategic case, economic case, commercial case, financial case and management and legal case.

Getting that business case right would be a crucial test of the Mayor’s negotiation skills, as well as the officers within the Combined Authority. Comparing competing visions of an open airport – one requiring significant public subsidy, the other requiring little action would have made a business case almost impossible to show any significant value for money. Within the TVCA’s business plan they highlighted the crucial base ‘do nothing’ case as:

“These shareholding arrangements included a commitment from Peel to keep the Airport open and functioning up to 2026. Additional steps were also taken by the local councils to reduce DTVAl’s exposure to historical Local Government Pension Scheme liabilities. However, Peel’s “keep-open” commitment becomes conditional over the period 2021-2026, dependent on the achievement of financial benchmarks. On current performance, these are unlikely to be met and Peel would be

entitled to close the Airport from 2021..... The Combined Authority has now been informed by Peel that it intends to close the Airport as soon as it is able to under the terms of the existing Shareholders' Agreement, in 2021. As set out above, the Airport is economically important to the Tees Valley. It is therefore necessary to consider the commercial options for the Airport, including the "do nothing" option of allowing the Airport be closed by Peel with no intervention from the public sector." (TVCA, 2019c)

With the current estimate of the Airport's direct economic contribution to the Tees Valley of around £23.8 million a year (based on an updated 2012 study by Regeneris) as well as work by Transport for the North's study of the international connectivity highlighted the importance of air connectivity as an important driver of local development and potential inward investors. The TVCA estimate of increasing annual passenger numbers (to its pre-2006 peak) of 900,000 passengers would raise its annual contribution to the Tees Valley to circa £210 million per year.

Tees Valley were also able to point to the recent experience of Cardiff Airport, which was brought into public control on the principle of ensuring sustainable regional economic growth, which has shown significant improvement.

This helped the development of some nine options for assessment – as set out overleaf in Figure 6.2:

The Combined Authority business case for their preferred option (option 8) highlighted that the acquisition price was £40m to buy out Peel's 89% majority shareholding in Durham Tees Valley Airport Limited, and plans to recover the investment over a 40 year period. In addition to this capital cost, provision of an additional £34.4 million was allocated to cover anticipated losses (£19.4 million) and future capital investment (£15 million) – the period of continued loss making was anticipated until 2026 (when Tees Valley will be in its 3rd period of having a Mayor). Financing required to cover those losses would be added to the loan between Tees Valley and the airport company. Together with stamp duty, the preferred option required up to £74.6m to fund acquisition, operations and capex (before the airport becomes profitable and begins to repay this investment, with full recovery of this amount over 40 years).

Figure 6.2 Business Case options for future of Tees Valley airport

- **Option 1: Status Quo Option:** Peel continues to run the airport and it closes in 2021, with the airport continues to make a loss; the airport function closes; and the development of the former airport site as residential property.
- **Option 2: Do something:** Peel are supported to deliver a turnaround plan. This option identifies the ongoing financial problems faced by Peel and provides financial support to ensure the continued operation of the airport. The option assumes that Peel still have the inclination to operate the airport and that they have the discretion to use funds provided by the public sector.
- **Option 3: Do something:** Peel are bought out by another commercial organisation. This option assumes a third party commercial organisation recognises the potential financial viability of the airport, purchases it for the market rate and subsequently operates it without public subsidy.
- **Option 4: Do something:** Public sector becomes the majority shareholder of the airport, with Peel retaining a minority share. This option assumes that the public sector is free to purchase a controlling share of the airport from Peel, who are also minded to have a minority shareholding and to continue managing the airport. This would mean Peel ceding overall control of the airport and continuing to have to fund (at a lower rate) ongoing losses.
- **Option 5: Do something:** The Combined Authority takes lease of airport and operates it. This option assumes that Peel are minded to lease (for a defined period – circa 10 years) the airport to the Combined Authority who subsequently operate it.
- **Option 6: Do something:** The Combined Authority buys airport and operates it. This option assumes that Peel are minded to sell the airport to the Combined Authority who subsequently operate it.
- **Option 7: Do something:** The Combined Authority buys airport and sub-contracts out management to a third party. This option assumes that Peel are minded to sell the airport to the Combined Authority and that the Combined Authority has a partner who are responsible for developing the airport proposition.
- **Option 8: Do something:** The Combined Authority buys airport with a third party under a joint venture who also act as an operating partner
- **Option 9: Do something:** Allow the airport to close and establish a new airport on another site

(Source, TVCA, 2019c)

The Business Plan also set in place ambitious new growth targets, and set a worst case scenario that residual land values would cover at least the capital costs of purchasing the airport, but that additional operational costs may be at risk, with a potential loss of £8.5m arising if the airport was to close prematurely, and the Combined Authority, as majority shareholder, will be able to trigger

airport closure and seek to recoup its investment through land values. The Combined Authority paperwork summarised the business case as:

“.. this report sets out a credible proposition for the future development of the Airport under the majority ownership of the Combined Authority. It is clear that the alternative is that the Airport will close and that this would impose wider economic costs and the loss of future economic benefits for the Tees Valley.

The Acquisition offers a pragmatic approach to the future ownership and operation of the Airport, and provides the Combined Authority with the opportunity to deliver a much stronger growth prospectus than is possible under the current ownership. The opportunity for a joint venture with the preferred operator brings in a credible private sector partner, with experience as an established airport operator and with growth ambitions and new opportunities for route development and revenue enhancement. The risks are significant, but the risk analysis identifies opportunities to mitigate the financial and operational risks involved.” (TVCA, 2019c)

Overall, the business plan was able to set out a positive value for the preferred option of a benefit to cost ratio of between 1:5.21 – 1:18 (so, for every £ invested, there would be a net present value return of at least £5.21). Alongside a wider assessment of non-monetary benefits of:

- ‘Pride in the region and its institutions’; ‘Innovation – trying out new technologies in a regulated environment’;
- ‘Creating a positive investment climate – supporting trade and investment’ and
- ‘Environment and sustainability – with more sustainable travel solutions’, there was a strong business case for the proposed option.

It is not surprising that a locally produced business plan, within the clear political imperative of a mayor to take action, should produce a strongly positive benefit to cost ratio. It is rare exception that produces anything negative, or more marginal. If the case had been going to central Government for assessment and funding, the approach would have been to assess using the checklist set out in the following excerpt from the HMT guidance on assessing business cases.

Figure 6.3: [HMT Green Book Guidance for assessing business cases](#)



Checklist for Assessment of Business Cases.

What stage has the case reached, is it at the :-
Strategic Outline; Business Outline or Full Business Case stage ?
Does the case include all the elements of the 5 case model, i.e.:-
Strategic; Economic; Commercial; Financial; Management ?
Is the information in each element complete enough for the stage reached ?
Is the case Green Book compliant ?

Strategic Case: (the case for change) should cover rationale, background, policy context and strategic fit.
Are there clear **SMART objectives in terms of** outcomes and are dependencies, constraints and risks identified ?

Economic Case: (Economic Appraisal)
Is there a reasonable range of options in the long & short lists ?
Is ruling out of potential promising options clearly justified ?
Are all economic costs and benefits clearly calculated for each year covered by the proposal with NPV calculated correctly (see over) ?
Is distributional analysis needed, who benefits, who pays ?
Are all costs and benefits quantified, if not is this justified ?
Are there any decisive unquantified cost/benefits and are they clearly explained ?
Are there appropriate sensitivity analyses, including worst case scenario ?
Are results of each option presented clearly including do nothing/minimum option?
Are risks, constraints and dependencies identified and managed ?
Is optimism bias properly included and aligned with risk ?
Are wider impacts assessed e.g. sustainability, competition, regulatory impact?
Is there a Benefits register; benefits realisation (delivery) plan ?
If PFI involved is tax properly treated and is risk transfer clearly achieved ?
Is best VFM = max NPV and if not do unquantified benefits justify the cost ?
Exchequer impact calculated separately and not included in NPV!
Are **monitoring** and **evaluation** costs included ?

Commercial Case:
Is the proposal commercially feasible / deliverable ?
What procurement is required; goods, services, land, buildings ?
What is the procurement strategy ?
What are the key contractual issues ?
There must be clear contractual key milestones and delivery dates

There must be clear agreed accounting treatment
Checklist for Assessment of Business Cases.

Is risk identified and managed and allocated ?
Is there a risk allocation table?
What if any are the personnel implications and is TUPE applicable ?

Financial Case: (Financial Appraisal)
Focus on affordability; is full budget funding secured and budgeted by all parties ?
What are the impacts on income/expenditure a/c and on balance sheet if applicable ?
Are potential cost over runs provided for are the any contingent liabilities?
Any guarantees ?

Management Case (programme or project management)
Is the proposal practically deliverable and what are the delivery plans ?
Are there clear delivery dates and detailed milestones ?
Does the proposal require programme or project management techniques ?
Is there a contract management plan ?
Change management requires a change management plan !
If in a controlled environment such as ICT use of PRINCE 2 is mandatory !
Does the plan include clear arrangements for OGC Gateway peer reviews ?
Is there a contingency plan with arrangements & provision for risk management ?
There should be a benefit realisation table and plan.
Does the plan include monitoring arrangements (who when how and costs) ?
Does the plan include post implementation evaluation arrangements (including who when how and costs)?

Notes on NPV calculation key issues (if in doubt, consult an economist)
Correct discount rate (3.5% real).
Figures in real terms/constant prices at base year, sunk costs excluded.
Opportunity costs of already-owned assets included.
Residual values included.
Double counting avoided.
Transfer costs / benefits excluded.
Uses only economic resource costs (payment good/service).
Financing items/sources excluded.
Second round effects included (e.g. only genuine job creation).
Tax/subsidy treatment must be non-distorting between options.

However, while the business plan for the purchase of the airport displays a clear optimism bias, it also has a realistic view of the risks of taking on this project, and has developed an effective risk management strategy. As with many project specific business cases, it lacks a proper and robust counter-factual (i.e. what else could be achieved with this scale of investment), or developed strategic options – as we saw earlier all of the options start with the premise of needing to do something with the airport, rather than something more basic as connecting people with opportunity. But within the scale of the project vision; ‘To secure for Tees Valley an international connected airport and aviation orientated business park which will continue to *‘support indigeneous economic growth and act as a catalyst for enhanced inward investment and tourism activity’* (TVCA, 2019e), the proposals are comprehensive, well developed and present a credible call to take action. Most notably the business case was informed by a robust SWOT analysis (reproduced at Figure 6.4 below).

Figure 6.4 Extract from Full Business Case: Securing the future of our airport

Strengths	Weaknesses
<ul style="list-style-type: none"> ■ The airport has a catchment population of circa 670,000 residents within the Tees Valley and circa 2.5m in wider 1 hour drive time; ■ The airport is currently operational and with a highly recognised brand; ■ The airport has a runway of sufficient scale to be able to cope with intercontinental flights; ■ The airport is close to major road and rail infrastructure and could be a main logistics hub; 	<ul style="list-style-type: none"> ■ There are currently too few scheduled routes; ■ Freight carriage through the airport is at an all-time low; ■ The airport is viewed as having a high cost per passenger, exacerbated by high fixed costs and low passenger numbers;
Opportunity	Threat
<ul style="list-style-type: none"> ■ The airport is being sold with an experienced management team in place; ■ The attraction of one low cost carrier to the airport would be sufficient to return the airport back to profitability; ■ The propensity to fly in the North East is lower than national averages, meaning that there is significant untapped demand; ■ Terms of trade moving towards diversification out side of Europe, need for more transatlantic flights; ■ The airport is a key strategic asset in the attraction and retention of inward investment, particularly in relation to the following air freight intensive sectors: <ul style="list-style-type: none"> • Advanced manufacturing; • Biologics/Pharmaceuticals; • Logistics. ■ Sizeable inward investment opportunities across the region, which should increase the demand for international connectivity, beyond the existing Schiphol route; ■ The airport has significant land which could be utilised for wider economic development purposes 	<ul style="list-style-type: none"> ■ The airport is currently operating at a loss and is under risk of closure; ■ The current airport management have pledged to develop housing options on the site, which increase any future purchase price at the same time as diminishing the commercial viability of the site for aviation and wider economic development purposes; ■ There has been under-investment in the physical infrastructure of the airport; ■ There is increasing price sensitivity in the airline industry and its selection of airports; ■ The closure of the airport would exacerbate negative perceptions of the Tees Valley amongst potential inward investors

Source: TVCA, 2019e, p31

The business case, backed by a credible ‘worst case’ scenario of the airport closing (with an associated negative economic impact), as well as relatively benign risk environment, where the land assets of the airport were at least equal to the purchase price, provided enough evidence to support the developing consensus – and at least answered those early critics of the plan that it was a waste of public money and resources. With this plan in place, the stage was set for how this consensus could be converted into common interest, and a

successful resolution for the Mayor's plans to be achieved.

6.10 *Identify common interest between different partners*

The Mayor's challenge for his purchase proposal was that he needed unanimity among all the Labour leaders of the local authorities across Tees Valley. If just one had opposed the plan, then it would be very difficult to proceed. And it was in this aspect of securing support for the business plans that the Mayor's detailed understanding the TVCA constitution, where Houchen was able to attach his purchase plan to a much wider Investment Plan for the wider Tees Valley. Thus, any vote was not simply on the plan for purchasing the airport, but on a whole range of investment priorities across every place in the Tees Valley. Not supporting any particular element (such as the airport purchase) was not an option – it was either the whole plan – or nothing.

One of the most vocal potential critics of the airport purchase plan, Sue Jeffrey, was quick to latch on to this. In press article, her criticisms of this approach were clear:

“Cllr Jeffrey attacked mayor Houchen for his plan for refusing to separate out the various projects contained within it. During a meeting of Redcar and Cleveland's Resources Scrutiny and Improvement Committee, Cllr Jeffrey said: “You've got to laugh – here we are with absolutely crucial decisions for the Tees Valley. “Despite frequent requests for them to be separated out and voted on separately, it has been insisted that they all go together into a single investment plan so that we have no opportunity to separately consider them.” (Northern Echo, 2019b)

However, the constitution of the Tees Valley Combined Authority is clear on this point;

“Proposals for allocation of resources available to the Combined Authority shall be set out in an Investment Plan, to be adopted annually and amended as necessary through unanimous agreement by the Cabinet. The Investment Plan shall include:

- (i) Estimates of the total resources available to the Combined Authority, on a medium- term basis;*
- (ii) Identification of funding priorities;*
- (iii) Existing commitments of funding to programmes and projects;*

- (iv) Assessment of assets, liabilities, receipts and borrowing;
- (v) Assessment of co-funding from other parties for Combined Authority programmes and projects.” (TVCA, 2017b)

Therefore, under the direction of the Mayor, the combined authority set out a ten year Investment Plan, detailing how resources would be allocated. Indeed the resources available to the Tees Valley were significant, with the ten year planning figure used in the Investment Plan totalling £588.2m, on a fairly risk averse approach to future funding amounts available to the Tees Valley over that period. It is of particular note that the devolution deal funding of £15m per year enabled the Combined Authority to borrow funds. TVCA set out that a total of £241m was scheduled to be borrowed over the 10 year period – highlighting how local government borrowing powers can use long term certainty of funding to increase their scale and delivery impact.

The table reproduced here at Figure 6.5 highlights the funding allocations against each priority theme for the period 2019 – 2029. By far the largest scope of spend in the investment plan was in transport – over £256m over the ten year programme.

Figure 6.5 Tees Valley Investment Plan resources and allocation 2019

Theme	TVCA Available Funds in 2017 Investment Plan (exc ESIF) £	New funding received since the 2017 Investment Plan £	Available TVCA Funds during 2017-21 Investment Plan £	Uncommitted TVCA Funds from 2017-21 Investment Plan at Jan 2019 to carry forward to 2019 – 29 Investment Plan £	2019-29 Investment Plan Allocations £
Transport	23,000,000	9,934,298	32,934,298	7,257,762 ¹	256,700,000
Education, Employment & Skills	19,000,000	6,106,593	25,106,593	531,986 ²	55,000,000
Business Growth (including enabling infrastructure)	44,000,000	-1,007,015 ³	42,992,985	22,173,985	146,500,000
Culture & Tourism	10,000,000	1,566,669	11,566,669	5,432,299	60,000,000
Research, Development & Innovation	12,000,000	986,093	12,986,093	5,717,089	20,000,000
Place					50,000,000
Total Direct Investment	108,000,000	17,586,638	125,586,638	41,113,121	588,200,000

Source: TVCA, 2019f

Within that broad transport programme, there were key projects of interest for each of the local authorities, and crucially their leaders. Within the overall £256.7m resources for Transport for example, there were proposals covering investment in strategic roads, such as:

- New Tees Crossings (West and Eastern) – covering Middlesbrough and Stockton
- Darlington Link Road – covering Darlington and Stockton
- Improved east-west connectivity along the A66 corridor from the A1M to Teesport – covering Darlington, Stockton, Middlesbrough as well as Redcar and Cleveland
- Hartlepool Western Growth Corridor – covering Hartlepool
- A689 Wynyard Improvements – covering Stockton and Hartlepool

While investment in rail prioritised Darlington and Middlesbrough Railway Stations, and extending more routes to Saltburn (in Redcar and Cleveland), and the upgrade of freight lines to Teesport (again in Redcar and Cleveland), with smaller scale improvements proposed in Hartlepool, Eaglescliffe, Nunthorpe, Redcar, Billingham, and the development of new schemes in Durham Tees Valley Airport Station, the Nunthorpe Parkway, Morton Palms, South Tees and Teesside Park.

Tucked away at the very end of this section was the one line scheme under ‘international transport’ – *“Durham Tees Valley Airport development programme”*, and it is not until the final line of the entire document that we have the final cost of this development programme as *“£74.6m”*. (TVCA, 2019f)

It was this integrated, substantial investment plan, with key projects in each of the local authorities that are part of the Tees Valley Combined Authority that provided the right conditions for effective consensus – by combining the Mayor’s own airport priority with other key projects. This establishment of the potential common interest in working together, despite worries over individual aspects of investment plan, set the foundation for the final vote at the Combined Authority. It was in this final stage that the Mayor’s use of ‘theatre’ and publicity was effectively demonstrated –

ensuring that the vote was successful from his point of view.

6.11 *Create the right conditions for effective co-ordination*

To understand the drama associated with the vote of the TVCA on 24th January 2019, it is necessary to know that, although meetings of the TVCA Cabinet are normally held in public, they rarely attract more than a handful of observers. Meetings are normally tucked away in small rooms at the headquarters building for the Combined Authority – Cavendish House, on the south bank of the River Tees in Stockton. The 24th January vote was a very different affair.

In his press and publicity around the airport purchase, the mayor had been prominent about the ‘crunch’ meeting of the combined authority – setting it up as a ‘make or break’ decision point. This attracted huge amounts of interest from press and public alike. As a result, the meeting had to be moved to a more accessible (and larger) venue – the Jury’s Inn hotel in Middlesbrough, and the event was ‘livestreamed’ through local media. Security staff were on the door, and a large and boisterous audience were present (Coates, 2019).

Despite their official nature, the minutes of the meeting reveal some of the drama unfolding:

The Tees Valley Mayor, Ben Houchen, opened the meeting by thanking members of the public for their attendance. He then described the Combined Authority, its powers, how the Cabinet works at the Combined Authority and all those around the Cabinet table introduced themselves....He explained that the approval of the investment plan required unanimous agreement by all voting members on the Cabinet. (TVCA, 2019h)

Breaking with precedent, the mayor then invited any interested members of the public to contribute to the discussion: This was summarised as:

- There was support for the proposal to purchase the airport;
- Expansion plans for the airport and possible future routes was raised;
- Clarification on the current situation with agreeing a proposed operator was requested.

What was missed from the formal record was the nature of support from the public, with cheering, clapping and even a suggestion from the floor that the airport be renamed 'Ben Houchen Airport'. (Coates, 2019). The members of the TVCA Cabinet were in no doubt of the feeling of the public present in the room. In the end all of the leaders had a chance to speak with Councillor Christopher Akers-Belcher, Leader of Hartlepool Borough Council highlighting the proposed investments in education, employment and skills, while Mayor David Budd, Middlesbrough Council spoke of the huge opportunities in the Investment Plan including continuing to review the risks of major investments such as the airport.

Councillor Stephen Harker, Leader of Darlington Borough Council spoke about the risks associated with the airport investment and the need to continually make judgements on levels of investment throughout development and delivery of the plan, as well as noting his support for a thriving airport.

Councillor Bob Cook, Leader of Stockton-on-Tees Borough Council also highlighted his support for the airport proposal – and while he acknowledged the associated risks, he also spoke about the risks of not doing anything. With this clear majority in place, it was no surprise that Councillor Sue Jeffrey, Leader of Redcar and Cleveland Borough Council, agreed the wider plan, while highlighting that *“she had been asking a lot of questions on the airport proposal over recent weeks, and that it was her role to provide challenge as an elected member to ensure proper scrutiny of such large investments.”* (TVCA, 2019h). In a nod to the possibility of future conflict she also promised a continuation of her role of challenge and questioning, both of the airport proposal, as well as the Mayor’s wider plans.

6.12 *The outcome*

So, after an acrimonious challenging mayoral election campaign, dominated by a single issue, a complex series of discussions with an, at best opaque, private sector operator that lasted for over 12 months, a quick and slickly managed publicity campaign by the Mayor, lasting just over 7 weeks (including over the Christmas period in 2018/19), produced his desired outcome. The Cabinet

minutes record this comprehensive victory in typical public sector legalese:

The Cabinet voted unanimously to approve the Tees Valley Investment Plan 2019 – 2029.

RESOLVED that the ten-year Investment Plan 2019 – 2029, including the detailed approval of the purchase of the airport and the acquisition of the majority of developable land at the South Tees Development Corporation site, as detailed in Appendices 2 and 3, be approved. (TVCA, 2019h).

6.13 Conclusion - Can metro mayors work?

We started this chapter highlighting that the purchase of the airport was a key manifesto commitment of the Mayor, and have traced his individual influence through negotiating with the owners, to the eventual vote of the TVCA Cabinet to agree his plans. The airport is now in public ownership, and while it has several risks apparent for future operation, it is under new management (initially Esken, part of the Stobart Airport Group), new ownership (Tees Valley Combined Authority) and a new board. Flights are increasing – with Balkan Holidays committed to operating a weekly service to Bourgas in Bulgaria over summer 2019, and discussions with other leisure operators continuing. On a very basic level, therefore, the mayor had met his key manifesto commitment. In under 2 years, he has taken an eye catching, if largely discounted, economic proposal from the drawing board to reality. In doing so, he has a real and solid achievement to set against a political process that often makes commitments easily, but finds actually achieving them much more challenging.

There is no doubt that his direct electoral mandate has supported this achievement. Any challenges as to why the combined authority should progress this plan, was easily answered that it was a clear commitment made by the winning candidate, and if devolution is to work, then such commitments need to be taken seriously. As well as this direct mandate, the mayor was also able to use the levers available to him as the key leader of the combined authority. The management team were able to devote time, resources and expertise to the long negotiation with Peel Airport, and were then able to produce a credible and effective business plan to show the delivery of the manifesto commitment that demonstrated strong value for money. The Mayor's political links and funding

were also able to develop and implement a serious and well-funded social media campaign to secure public backing for this project. And he was able to use the contacts he had made as mayor within the business world to secure endorsements as he went public with his plan. His detailed understanding of the constitution of the combined authority also helped deliver his final outcome.

As well as these powers, both formal and informal, the mayor was able to use his personal charisma and media-friendly charm to meet the key challenges set out at section 6.5 as to how to be a 'transformative elected leader' (Bass, 1985).

Through the purchase of the airport, Houchen has been able to show the characteristics identified by Sweeting as to how to use soft power to achieve real change. These criteria seem to have been met in this case study, with the mayor able to navigate his way through complexity in urban governance; generate consensus among competing interests, and then identify common interest points between different partners from all political viewpoints; and then use his skills to create the right conditions for effective coordination.

Chapter 7 – Developing a model for evaluating economic change in Tees Valley

“A lot of the work metro mayors are doing across the country is quite long term. We have plans in place that really reap a huge benefit in the long term.” (Ben Houchen speaking at Conservative party conference, reported by Evening Gazette, 7th October, 2019)

7.1 Introduction

One of the key challenges in undertaking this research was in being able to provide the appropriate level of analysis to examine the central question of the thesis – ‘Can metro mayors work?’. Clearly public perception and actual use of powers have been critical – and those issues have been covered in previous chapters. But I have also been conscious of the need to demonstrate real world impact, as far as I am able, of the governance changes within the Tees Valley. This is reinforced by the work of the UK Statistics Commission – they report that the need for good quality data is key to decision makers;

‘All decision makers are strongly convinced that access to robust and reliable data underpins good decision making. They state that without knowing the full details of the context in which they are operating their ability to highlight a clear, and appropriate, way forward is hampered.’ (Statistics Commission, 2007)

Such analysis is both contested ground and difficult to achieve. In his 1990 work on the evaluation of local employment policy, Storey sets out the four main objections to doing any such evaluation activity, before answering the objections. His first argument is that diversity of local economic initiatives is so great that no evaluation system could take them all into account, so even if it is agreed that job creation was a major objective, it could still be argued that many other objectives were equally appropriate, i.e. not just employment but employment opportunities for certain groups marginalised from the labour market or those who face particular barriers of learning or accessing job opportunities. The key criticism in this approach is that overly simplistic evaluation will simply fail to handle such multiple objectives, and that

those objectives which are easily measured will take priority over the other softer objectives. Storey rejects this argument strongly;

“Firstly the prime benefit of evaluation is to encourage the implementing agency to specify exactly what objectives are.... A second ground for rejecting the argument is that there is no problem in an authority having multiple objectives provided it is clear about the relative priority given to those objectives... Finally, of course, the formal evaluation may emphasise measures such as standard ‘cost per job’. Nevertheless it is possible for those who commission the study to determine the extent to which this varies from one group of workers to another” (Storey, 1990)

Storey identifies a second argument against evaluations, namely, that the problems of local unemployment are so serious that efforts should be directed exclusively towards the solution of the problem. The argument there is that there is no merit in choosing between different interventions – instead any policy that might be effective is to be implemented.

Storey’s clear challenge to that argument is that, while they may be appropriate at times of economic crisis, they are not sustainable in more normal times, and that there is a need *‘to assess the weapons at their disposal for combating local employment’* (Storey, 1990). Only after this evaluation should long term policy changes be implemented.

The third argument against evaluations identified is that most local employment initiatives are very new and take a long period to achieve their objectives. Any evaluations tend to be undertaken too early in the project lifetime and will risk underestimating the Long-term benefits. Storey accepts this is a real risk, and it is one to which we will return later in the chapter, but counters this as an argument against doing any evaluation by pointing that that there are always some elements within any programme that are not long term in nature.

His fourth argument is that evaluation is extremely difficult, even once the objectives of the intervention are agreed, and that there is no generally agreed technique for analysis methodology used from one study to another varies widely. He summarises the challenge to effective analysis as; *‘In short, the analysts need to put their own house in order before they can be taken seriously by the policymakers.’* (Storey, 1990)

Partly in response to this challenge, Foley accepts that while evaluation is difficult, methodologies are evolving to overcome most of the complex problems which arise, and that a common framework starting to develop to ensure effective comparison between studies. In doing so he highlights three main factors that point to the need to have focussed economic development policy evaluation; (i) accountability of public sector to citizens; (ii) the need to understand the impact of policy before implementing more widely; and (iii) the need to demonstrate cost efficiency and effectiveness.

He particularly notes the challenge to policy-makers:

'[There has been] realisation among policymakers that they do not always understand the effects of policy. The range of initiatives, both formal and informal, is well known to policymakers, but much less is known about the impact of these policies the impact of these policies.... [there are] too few rigorous evaluation studies which provide answers to the questions which policymakers and now asking about the effectiveness of policy.... there is a growing body of opinion questioning whether policies work as well as claimed.' (Foley, 1992, p558)

Within that challenge the need to demonstrate efficiency of policy interventions, summarising the key challenge as:

"If central or local government is to be perceived as accountable to the electorate it will need to be seen to be acting in the most cost-effective manner possible. Equally, if the impact of a policy or more clearly understood it should be possible to spend money more efficiently to achieve particular results." (Foley, 1992, p558)

Following Hughes analysis on the evaluation of local economic development, the challenges of how to understand the basis of analysing cost effectiveness on the basis of underlying political philosophy also have to be recognised – in particular the different needs of evaluation and policy development. He draws a distinction between the two areas with evaluation essentially looking at results of past interventions while policy analysis is more future focussed and with an in-built [political] momentum to the novel and untried. He did recognise that both evaluation and policy making have '*differing manifestations in parts of the government machine and overlap considerably.*' (Hughes, 1991)

Hughes recipe for ensuring a more effective relationship between evaluation studies and policy analysis was based on agreeing effective performance measures assess efficiency and effectiveness. From a policy perspective he highlighted that;

“The desirable attributes, as specified by public meant public sector managers, are: ability to make comparisons of actual against target performance; comparison with similar departments and programs; ability to highlight key issues and areas of interest; identification of trends over time; development of specific norms or targets.” (Hughes, 1991; p911)

Against that backdrop of challenged and contested evaluation, there has been a more recent professionalisation and standardisation of evaluation techniques and methodology. However, even in 2016, in their review of area based initiatives, the UK ‘What Works Centre for Local Economic Growth’ considered more than 2100 policy evaluations and evidence reviews from the UK and other OECD countries. Of those 2100, it only found 58 (2.7%) of those impact evaluations that met the Centre’s minimum standards. (What Works Centre, 2016).

Those minimum standards seek to establish causal impact – an estimate of the difference that can be expected between the outcome for areas that benefit from support and the average outcome they would have experienced without support. That is, shortlisted studies use evaluation methods that take deadweight into account and focus on additional impacts.

Robson in particular highlights the challenges of developing a clear counter-factual analysis – i.e. what would have happened without the intervention (Robson, 2004). These calculations – known within economic literature as leakage, displacement, substitution and deadweight – are the subject of much creativity and spurious science. HMT – in their authoritative Central Government Guidance on Appraisal and Evaluation (also known as the ‘Green Book’) highlights how these factors should be used:

“The effects of these types of intervention should be appraised for:

- *leakage which is the extent to which effects “leak out” of a target area into others e.g. workers commuting into other areas to take up new employment opportunities;*
- *displacement and diversion which is the extent to which an increase in economic activity promoted by an intervention is offset by reductions in*

economic activity elsewhere. This may be relevant if the objective of an intervention is to create new employment but it leads to existing businesses from other areas moving to a target area;

- *substitution where firms or consumers substitute one activity for another as a result of intervention;*
- *deadweight which refers to outcomes that would have occurred without the intervention.” (HMT, 2018; para A3.5)*

Indeed, Robson particularly highlights the issue of self interest in these evaluations, where those promoting the evaluation have a vested interest in either downplaying or overselling the impact of the policy intervention (OECD, 2004, p215). The Institute for Government goes slightly further in their 2011 criticism of much of existing policy evaluation:

“Evaluations aim to identify ‘what works’ in policy making, and the possibility of a poor evaluation can also stimulate good practices earlier in the process. In practice, while government often commissions evaluations, our evidence shows that most politicians and civil servants are extremely sceptical about whether Whitehall takes note of their results: lessons often do not feed back into policy design or problem formulation. In other words, although evaluations are often commissioned they are often ignored. One of the main problems is that evaluations are usually commissioned and managed by the same department that carried out the policy. As a result, the department has the incentive and opportunity to tone down evaluation findings that are critical, but which could lead to significant learning. Since evaluators often depend on repeat business, they have the incentive to acquiesce in self-censorship. At same time, the evaluation often ends up focusing on a narrow departmental question, with few opportunities for cross-government learning. (Institute for Government, 2011)

These challenges are partly why the ‘What Works’ centres were established in the UK, to give a more robust and independent framework for policy evaluation – a lesson to particularly heed if the researcher has been involved in the development and implementation of the policy!

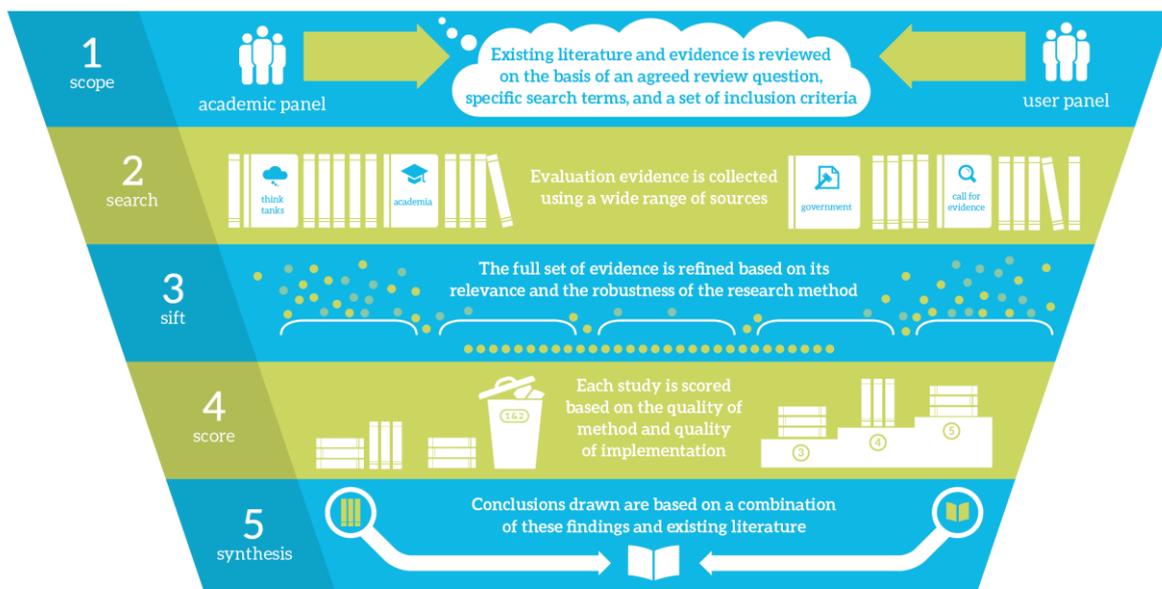
So the diagrams below (in figure 7.1) highlight where the What Works centre thinks needs to be in place to establish causal impact for local economic development:

Figure 7.1 - Extract from What Works Centre – how they establish causal impact of area based initiatives

Figure 1: Evaluating impact



Figure 2: Methodology



Source: What Works Centre, 2016.

The concept of policy evaluation is relatively straightforward. In a 2017 BEIS research paper this highlights that *'the process starts with an intervention that is designed to i) directly affect or assist individuals or firms in some way ii) indirectly affect or assist individuals or firms through some means'* (BEIS, 2017b). Mayoral devolution clearly fits with this process, and the evaluation question is simply whether or not the policy works as intended and what the scale of any impact is.

However, the BEIS report then goes on:

“Unfortunately, answering the question is not so straightforward. One issue is that it is impossible to simultaneously observe what happens to any particular individual or firm. They are either ‘treated’ (and receive assistance), or ‘not treated’, and cannot be in both states at the same point in time. Another issue is whether we can be sure that any identified difference or impact is due to the policy intervention as opposed to some other influence. It is addressing these issues that makes programme evaluation complex.” (BEIS, 2017b)

In order to meet these challenges of policy evaluation, and meet the criticisms of evaluation head on, we therefore need to be able to observe the treated/non-treated states of different areas, and the key beneficiaries in each, so that we can compare the average performance of those impacted by the policy intervention to the average performance where there is no policy impact.

7.2 Establishing a comparator area

So in establishing a causal impact of the mayoral model in Tees Valley, it will be necessary to have some sort of statistical comparator, where there is no metro mayor in place, and compare progress across key economic and social indicators. Although this approach does open up the risks of missing crucial contextual information and the impact of unknown interventions, it does enable an outline causal benefit relationship to be established.

I considered which other areas could produce a useful comparator to the Tees Valley, in order to minimise the risk of wider impacts or interventions producing a useful comparison. Firstly, I considered whether I should limit myself to just the UK – after all, one of my key inspirations for this research was the long term comparison undertaken by Emil Evenhuis, comparing the areas of South Saarland in Germany and Teesside (Evenhuis, 2016). Despite the ease of that approach, the governance systems of South Saarland at both a Länder and national level are so different to the situation within the Tees Valley as to render as to render the comparison invalid on a number of key issues – chiefly the impact of the decision of the UK to leave the European Union, which has convulsed economic policy and wider investment in the UK over most of the timescale of this research.

In rejecting international comparators, I then considered whether I should seek to cover similar areas within the UK devolved nations – with the zones around Belfast, Dundee, Swansea and Cardiff as possible examples – as areas of roughly similar size and industrial make up. However each of those areas have relatively long established devolved administrations – although they remain part of the UK for major economic issues, these locally devolved governments have wide discretion over skills, employment, education, training and infrastructure. Separating these governance impacts would again render any specific analysis tentative at best.

So, the choice was limited to similar area in England, with a shared economic history and sub regional governance structures, but without an elected mayor in place. There are a number of other areas that do emerge as similar in economic terms and recent trajectory (notably the Black Country, Cornwall and the Isles of Scilly and Cumbria), but I rejected those as useful comparators as (i) the Black Country is part of the West Midlands Combined Authority, with its own directly elected mayor, Andy Street and (ii) the industrial make up of both Cornwall and Cumbria is significantly at variance with the Tees Valley.

After further analysis, the Humber emerged as the best candidate. Although at 921,000, the population is slightly larger than Tees Valley, and the land area covered (3639 km²) is much larger, there are some clear economic parallels between the Humber and the Tees Valley – particularly in key manufacturing sectors such as energy, chemical and process industries and logistics. Prior to 2012, the areas were significant sub regions of Regional Development Agencies (Yorkshire Forward for the Humber and One North East for Tees Valley), and both established new Local Enterprise Partnerships in 2012/13, leading the economic development for their areas. Although there are now two Mayoral Combined Authorities with a full suite of powers in the sub-region of Yorkshire (Dan Jarvis in South Yorkshire and Tracy Brabin in West Yorkshire) – those areas are not intertwined with the Humber economy, and that part of East Yorkshire is a long way from making any significant progress on governance or devolution.

7.3 *The Humber*

The Humber is the largest trading Estuary in the UK (by tonnage) and the fourth largest in northern Europe, handling almost 80m tonnes of cargo in 2011 and experiencing strong year-on-year growth. As the UK's most northerly ports complex able to offer overnight services of less than 12 hours to and from continental Europe, the location of the Humber ports is nationally strategic. The Humber Estuary supports a petrochemicals/chemicals sector worth £6bn per year, provides raw materials for much of the UK's energy sector and offers international expertise in logistics (Humber LEP, 2019).

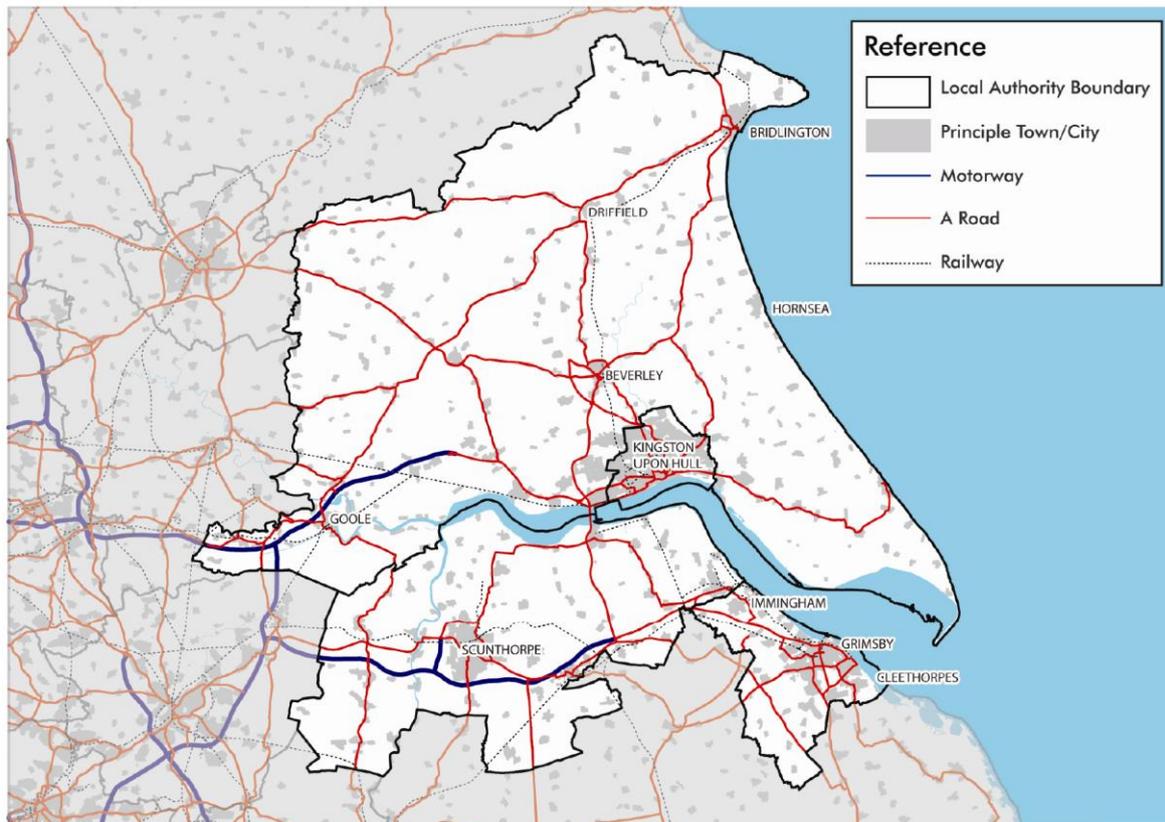
Nearly 90% of the Humber area is rural. It is located on the east coast of the UK, dominated by the Humber Estuary and its river systems and framed by a Heritage Coastline to the east, an Area of Outstanding Natural Beauty (the Lincolnshire Wolds) to the south, the Yorkshire Moors and Yorkshire Wolds to the north and the Yorkshire conurbations to the west. Contrasts between the four local authority areas which make up the Humber can be extreme. For example, whilst the East Riding has the largest land area of any unitary authority, Hull is one of the most densely populated local authority areas in England.

Hull is the largest settlement in the Humber with a population of more than 250,000 people. Other major settlements include the ports of Grimsby and Immingham, the renaissance resorts of Bridlington and Cleethorpes and the industrial 'garden town' of Scunthorpe. The predominantly rural areas of East Riding, North Lincolnshire and North East Lincolnshire look to the market towns of Beverley, Driffield, Brigg, Epworth and Barton. To the west, Goole – the UK's most inland port – is rapidly developing as a northern logistics hub. (Humber LEP, 2019)

The Humber's growth zones and corridors are not surprisingly, formed to a large extent by the path of the estuary and encompass the major ports of Grimsby, Goole, Hull and Immingham, as well as the area's extensive wharves. Port and port-related developments which add value to the area's economy constitute the most significant economic development opportunity in the Humber, particularly in relation to the development of manufacturing and servicing facilities for the offshore wind industry.

Figure 7.2 highlights some of the distinctive characteristics of the places, its major settlements and economic assets.

Figure 7.2 The Humber sub-region



Source: Humber Strategic Economic Plan, 2020

7.4 Establishing a data set

As Robson highlights in his chapter on 'Area-based Policy Evaluation' (OECD, 2004), one of the major challenges involved in any evaluation of area-based impacts of a particular policy area is the availability of a good statistical base on which to base at the right scale. The availability of these statistics was recognised as a considerable constraint at the around decisions around economic development, infrastructure, skills, health and welfare, and a greater understanding of economic, social, and cultural circumstances of individual city-region areas was required. Alongside the Centre for Cities, the Office for Statistics Regulation (OSR) convened a working group in 2016 around 'Improving Policy-making with City-Region statistics'. In their update note (OSR, 2018), the Office for Statistics Regulation highlighted the progress made so far:

- Government has highlighted the role of local growth and the importance of 'place' in developing and delivering its industrial strategy
- There is valuable collaboration between ONS and the Centre for Cities. Centre for Cities itself is producing impressive analysis by linking ONS data with data from other sources.
- Gross Value Added estimates at the regional, sub-regional and city-region levels, which had been emerging nearly 2 years after the end of the reference year are now available in just under 12 months
- New regional short-term indicators will produce quarterly GDP for the English Regions when ONS introduces them later this year
- The driver of the timeliness of economic statistics, like most statistics, is the availability of source data, often from large-scale surveys. Users of city-regions statistics acknowledged that little could be done in the short term. However, the availability of HMRC data e.g. VAT data has the potential to improve timeliness of data in the future.
- Access to 'raw' data and to small-geography data –there is better access to small geography data and more is to come in the pipeline with the best example being ONS's flexible geographies project
- ONS has addressed gaps and continues to develop the offering with plenty in the pipeline. The development of statistics in this area is impressive. (OSR, 2018)

However, there remained concern around capacity to conduct analysis in some of the new city-regions and a lack of awareness of what statistics are available. The OSR highlighted that while ONS's progress on city-regions statistics is impressive, this has not been replicated across government with a reported guardedness by some departments around data sharing and significant barriers in getting access to data. (OSR, 2018).

To provide a more coherent basis for research in the assessment of local economic development, BEIS have undertaken some detailed research in this area, publishing a LEP Economic Outlook report to bring together accessible open data that can be used to represent aspects of economic performance in LEP geographies under a single public resource, with an aim that such data can be used by the LEPs

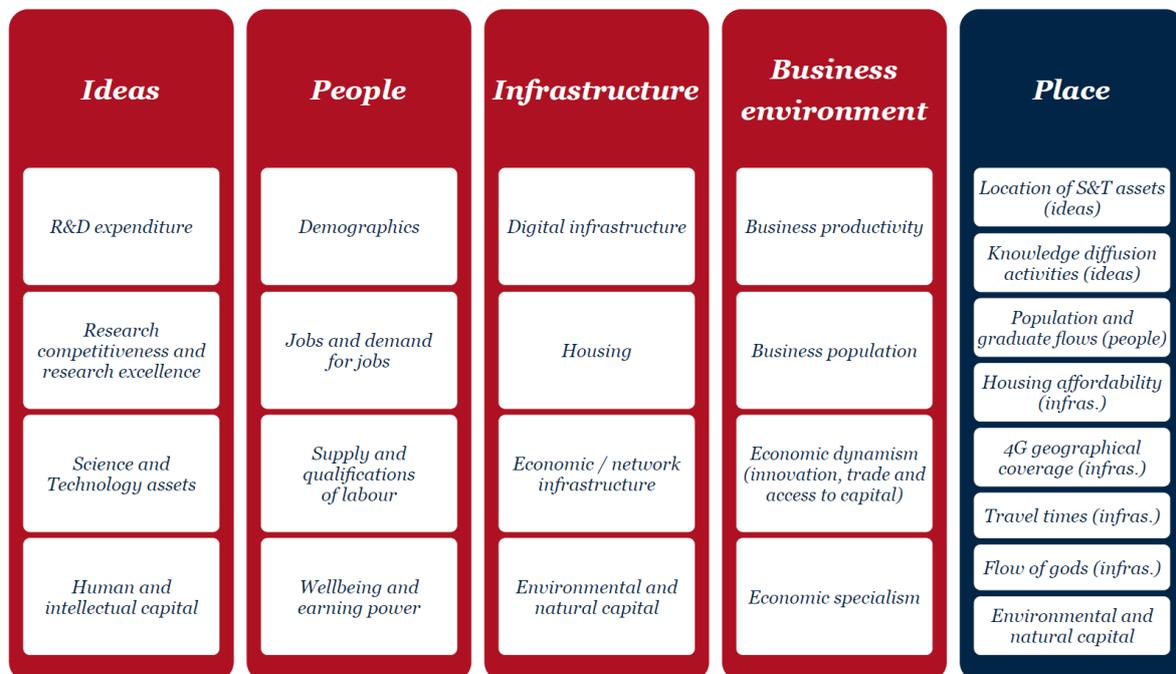
themselves in developing their economic strategies and by others interested in economic performance in LEPs. (BEIS, 2019b)

That LEP outlook developed own proposal for an indicator framework providing a snapshot and current trend information on a variety of relevant indicators for LEP area geographies, aligned with the UK Industrial Strategy. The aim for that data is:

“a living document that will evolve in response to growing data availability, changing trends in policy making, and changes in the LEP geographies. It has been developed after broad consultation with relevant stakeholders, including BEIS, the Local Industrial Strategy Analysts Panel (which contains members across Government), and several LEPs in coordination with the LEP Network.” (BEIS, 2019b)

The proposed Indicator Framework identifies five foundations strongly linked to local productivity growth: Ideas, People, Infrastructure, Business environment, and Place, providing indicators for each of those five foundations, based on available data, providing comparable baseline information. The results for Tees Valley and the Humber are shown in Appendix 3, highlighting the wide variety of the data that is available. These indicators are summarised in the figure below:

Figure 7.3 Indicator dimensions of the 2019 outlook (BEIS, 2019b)



That indicator set was of great value in developing this research, but suffers from 2 key drawbacks;

- It is snapshot data at a particular point in time, and only a few indicators have a long enough timescale to be helpful in establishing causal impact. Provided it is maintained, it will, however, provide an invaluable baseline for future research;
- The choices of indicators, while of direct relevance for Local Enterprise Partnerships, are not directly focussed on the distinct priorities and needs of Mayoral Combined Authorities.

To combat these issues (and to build in some reliability of national data sets that are not dependent on either a LEP geography or the availability of central Government research funding, this chapter will therefore be limited to the key data sets publicly available, ideally those with a long and relevant history. This will include data on the areas set out in the Figure 7.4 below.

Figure 7.4: key data sets

Overall theme	Areas compared	Data set(s) used
Transport	Bus and public transport usage	DfT passenger transport survey
	Road and Traffic congestion	DfT Traffic count data
Education, Employment and Skills	16 – 18 year olds not in education, employment of training (NEETs)	DfE dataset
	Apprenticeship starts	DfE dataset
	KS2 achievement in primary schools	DfE dataset
	Changes in employment and unemployment rates	NOMIS
	Changes in qualification levels	NOMIS
Business Growth	Scale up performance	Scale up Institute
	Regional Gross Valued Added	ONS
	New business formation	ONS
Culture and Tourism	None publicly available – STEAM model is not readily available	None available for comparison
Research, development and innovation	Enterprise Research Centre innovation benchmarks	Benchmarking local innovation – the innovation geography of England: 2015; 2017 and 2019

Place	Population trends and changes	ONS
	Wage growth	ONS

Alongside each of these longer term outcome measures, I will include data of the relevant outputs claimed by the Tees Valley Combined Authority. However, due to issues of displacement, and the wide variety of methodologies employed in defining and measuring outputs, it does have some limitations as a statistical basis for comparing progress between two similar areas.

7.5 *Timeliness of economic data*

Robson also highlights the difficulties of undertaking genuinely longitudinal analysis (OECD, 2004), especially when most impacts are long term in nature, and there is considerable population migration. (OECD, 2004) This analysis is reinforced by the UK Statistics Commission in their 2007 report into the use of official statistics. They highlight that:

Having access to data that is timely is also key. There is a strong sense that data produced by both the ONS and government departments are not released quickly enough to meet the needs of decision makers.... In many cases cases this frustration is borne out of the fact that decision makers do not always need precision – they simply need an indication of how things are changing. (Statistics Commission, 2007; p22)

As well as the time lag in the availability of proper economic statistics, there is also the challenge of making short term judgements around the impact of long term initiatives. Such challenges were clearly uppermost in Mayor Houchen’s thoughts as he was turning his mind to developing a new manifesto at the Conservative Party Conference in October 2019. Speaking about the challenges facing metro mayors, Houchen said: *“A lot of the work metro mayors are doing across the country is quite long term. We have plans in place that really reap a huge benefit in the long term.”* (Evening Gazette, 2019a)

Included in this long term work, he specifically referenced major infrastructure developments, such as the planned significant investments at two of the principal railway stations in the Tees Valley at Darlington and Middlesbrough, as well as plans for new road crossing over the river Tees, with his expectation that it would take at least 5 year, and probably longer before they would come to fruition. Summing up these challenges, Mayor Houchen highlighted:

“One of the challenges of the role is standing that up against showing delivery. Metro mayors in particular are very new creatures, we’ve only been around a couple of years. Having to justify to the public why we should be there, why its not just another layer of bureaucracy, it’s a really interesting trade off between that long term and short term prosperity.” (Evening Gazette, 2019a)

These two linked issues, the time lag in availability of statistics, as well as the fact that any impact of some of the mayoral interventions will take time to show any difference, have proved major challenges in being able to come to a satisfactory conclusion to this chapter of the report, certainly within the timeframe of this research project. Indeed my hope is that, in establishing a data set (figure 7.1 above) that is both robust and updatable, it will prove a useful concept in which to compare the performance of the Tees Valley against comparator areas in the years ahead – as well as useful focus for future academic research.

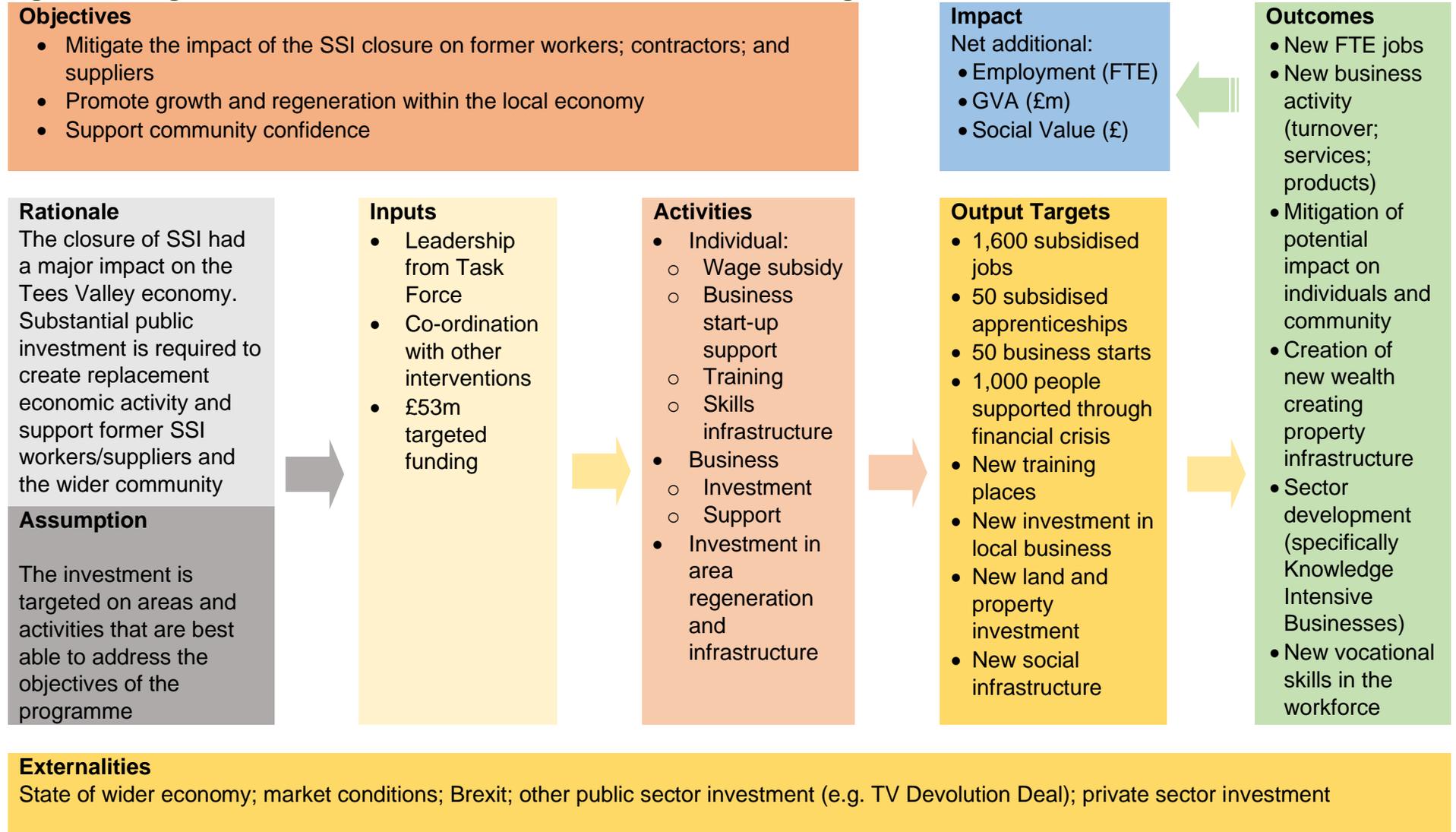
7.6 Establishing causality

Perhaps even more challenging than the issue of the timeliness of the data is the key issue of causality – essentially disentangling the policy intervention of the mayor and Tees Valley Combined Authority from the real world results. This challenge is recognised as a key issue by the OECD, who in their 2004 report highlight:

‘The fourth problem is that of disentangling causality, not least where a variety of policy interventions taken place in a limited area. This is clearly a vital component of the question of what works and of assessing value for money. It is probably fair to say that this remains the key conundrum in evaluation. In part it is an operational difficulty, of unpacking the effects of expenditures from multiple programmes. In part it is a conceptual problem; of disentangling the lines of causality.’ (OECD, 2004, p215/216)

There are a number of tools available to support the development of a causation linkages. As an early practitioner in this field, I used a Logical Framework Analysis approach, whereby you work back from a desired outcome to a preferred intervention, utilising other tools such as participatory appraisal to support project development. One example of how this was used in the Tees Valley is overleaf in Figure 7.5, highlighting how the framework applies to the operations of the SSI Task Force.

Figure 7.5: Logic Framework– SSI Task Force Economic Stimulus Package



There, the approach taken to the evaluation is informed by a Theory of Change approach i.e. one that describes the set of assumptions that explain both the steps that lead to the long-term goal as well as the connections between activities at each step of the intervention. In this particular example, the focus was on the impacts achieved through the activities, which specifically aimed to mitigate the economic effects of the closure, and deliver the desired outcomes, by:

- Supporting supply, through upskilling those affected and creating incentives for businesses to employ them;
- Creating demand, through the development of new businesses and growth in existing businesses;
- Addressing issues of place, through wider regeneration activities; and
- Stabilising the community, through advice and funding. (Centrifuge Consulting, 2019)

However, it does not lend itself to robust analysis in post intervention analysis – as highlighted by Des Gasper in his world wide analysis, routine-monitoring orientation is too narrow for an effects evaluation under the Logical Framework, since unforeseen routes and unintended impacts are typically of great importance. (Gasper, 2000). The logic model deployed for SSI Task Force recognises this by highlighting the dependence of the framework on major externalities such as the state of wider economy; market conditions; Brexit; other public sector investment (e.g. Tees Valley's Devolution Deal); private sector investment.

7.7 Summary of approach

To mitigate some of these challenges of causality, the approach taken for this research will combine the framework analysis established by Tees Valley Combined Authority in their published investment plans, highlighting established priorities, spending priorities and plans as well as any claimed outputs, before examining available wider administrative data (those outlined in Figure 7.3) for any 'mayoral' effect.

This analysis will cover the key areas set out in the Tees Valley investment plan for 2019/20, taking each priority area in turn, covering the following key themes:

- Transport – to improve connectivity within Tees Valley, across the Northern Powerhouse, the UK and the world.
- Education, employment and skills - to increase educational attainment, produce the skilled workforce that businesses need and increase lifetime opportunities for our residents.
- Business Growth - to diversify the economy, support more business start-ups, develop high growth potential businesses and key growth sectors.
- Culture and Tourism - 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.
- Research, development and innovation - to introduce new processes and practices which reduce carbon emissions, increase productivity and the availability of high value jobs.
- Place - to accelerate the supply of good quality homes across the whole housing market, revitalise our town centres and urban core, bring forward surplus public and blighted brownfield land for development and strengthen our commercial property offer. (TVCA, 2019f)

However, we must recognise that most of the information is tentative at best, and any real changes will take several years to become apparent. Any early signs of divergence will need to be taken with a high degree of healthy scepticism – what is more important is the establishment of a consistent basis for future evaluations.

7.8 Transport

Over ten years a total of £256.7m has been allocated to transport within Tees Valley. The aim is to improve connectivity within Tees Valley, across the Northern Powerhouse, the UK and the world.

Figure 7.6 Transport spending and priorities (Source: TVCA, 2019f)

Transport Allocation for 2019/20	
Investment Plan Allocation	£47.9m
Spend to Date (Q1)	£42.2m
Forecasted Spend (Q2-Q4)	£8.2m
Balance (-/+)	£2.5m
Revised Annual Profile 2019/20	£50.4m
Of which, Approved	£47m
Risk in Year	Low
Overall Investment Plan Risk	Medium

The funding allocation was £47.9 million for the acquisition and working capital for the Airport and to start delivery of the Integrated Transport Programme (ITP). The ITP is a large investment programme made up of complex projects and programmes, which are all at different stages of development and dependent in many cases on external factors, but includes major schemes such as Darlington and Middlesbrough Rail Stations, which are in the process of developing business cases and are dependent on securing significant external funding. These are part of the Tees Valley Strategic Transport Plan. A major part of the ITP is funded through the Transforming Cities Fund (TCF) which is allocated to, with strategy and implementation devolved to the Combined Authority as a consequence of having a Mayoral Combined Authority. Its purpose is to invest in projects that transform connectivity through improved public transport and active travel infrastructure, reducing congestion and enhancing air quality.

The Tees Valley has an extensive network of bus services, the vast majority of which operate commercially without any public subsidy. There are a very small number of non-commercial services that operate with financial support from the local authorities or through kick start developer funding.

Tees Valley do not currently report any transport related outcomes, other than financial and project monitoring milestones, so activity monitoring reports cover the facts that the Combined Authority finalised the purchase of the Airport in January 2019, key appointments have been made, and new flights have been announced to Palma and Majorca alongside the branding of the airport back to Teesside International Airport. Chapter 10 will bring the data on this intervention up to date,

considering both the impact of the pandemic as well as increased need for public sector investment.

The Tees Valley bus network carried 28 million passengers in 2017/18, which was 5% lower than the numbers carried in 2016/17 and 13% lower than 2013/14, but plan an investment of £70 million through the Tees Valley Bus Network Improvement project to improve the punctuality, reliability and quality of local services appeared to have slowed the rate of decreasing bus usage, but data from 2015/16 onwards appears to suggest the underlying trend of decreasing usage has continued.

In Appendix 3.1 I have attached the key data charts for Tees Valley and the Humber covering the following areas:

- Traffic vehicle growth (covering the years between 2014 and 2018). There is a rise in traffic count data for the Tees of around 14.7 million (4.8%), while for the Humber the rise is 26.2 million (5.8%).
- Bus passenger survey data covering the year 2015, 2016, 2017 and 2018. While the data is incomplete, for Tees Valley overall satisfaction rises from 90% to 91% between 2015 and 2017, while punctuality drops from 80% to 77%. Over the same period in the Humber, satisfaction drops from 90% to 89%, while punctuality drops from 84% to 76%.
- Bus usage statistics from 2014/15 – 2017/18. This shows a reduction of individual passenger journeys of 2.4 million (-7.4%) in Tees Valley, while in the Humber it shows a reduction of 3.6 million individual journeys (-8.6%).

Overall, there is no clear pattern emerging from the various transport statistics in use. Any changes are minimal. To some extent traffic journeys have not increased at the same rate in Tees Valley as they have in the Humber, while the decline in bus passenger numbers in Tees Valley have not dropped off to the same extent as they have in the Humber. There is no clear trend in bus satisfaction surveys, and the data is at too incomplete to make any robust conclusions. As the major investments have not yet occurred in Tees Valley, and with a new transport strategy expected to be in place from 2020, such negligible impact is to be expected – nevertheless, if the new funding and mayoral powers are to have any impact, it should show up in future years.

7.9 Education, Employment and Skills

Over ten years a total of £55m has been allocated to Education, Employment & Skills: £40m for the continuation of the Employment & Skills Programme of activity from April 2021 onwards and £15m to deliver capital priorities. The aim is to increase educational attainment, produce the skilled workforce that businesses need and increase lifetime opportunities for our residents. A further £29m annually, to deliver Adult Education provision across Tees Valley was devolved to the Combined Authority, as a direct consequence of mayoral devolution.

Figure 7.7 Education, employment and skills spending (Source: TVCA, 2019f).

Education, Employment & Skills Allocation 2019/20	
Investment Plan Allocation	£7.5m
Spend to Date (Q1)	£0m
Forecasted Spend (Q2-Q4)	£5.2m
Balance (-/+)	-£2.3m
Revised Annual Profile 2019/20	£5.2m
Of which, Approved	£0m
Risk in Year	Medium
Overall Investment Plan Risk	Medium

At the Tees Valley Combined Authority meeting in October 2019, their Investment Plan, summary of outputs report, claims a total number of new jobs from April 2016 to March 2019 of 10,753, made up of the following:

- Total Direct Jobs Contracted from April 2016 to March 2019 = 3,152
- Total Supported Jobs Announced from April 2016 to March 2019 = 4,213
- Total Estimated Indirect Jobs from April 2016 to March 2019 = 3,388
- From April 2019 - End August 2016 - 157 jobs and £12m of Cap Ex has been supported through inward investment.

It should be noted that forecasts only provide an estimate, as a number of assumptions have been made and a standard ONS multiplier applied. (ONS, 2018) However it provides an indicator of future jobs and indirect jobs resulting from investment by the Combined Authority.

The same report also highlights the following skills level outputs:

- Skills: Individuals Supported to Gain NVQ Level 4+ Qualifications 5,260

Tees Valley recognise some of the issues with output in this section in particular, highlighting that they have monitored outputs directly delivered from the projects and programmes as these can be measured and evidenced, however, government has identified that areas across the country are reporting to slightly different definitions. They provide this example:

“Tees Valley currently reports on direct jobs which we are confident can be measured and evidenced, as the wider outcomes can only be captured through evaluation later. However, other areas are including indirect jobs in their reporting, which means in some cases we are reporting lower numbers.”
(TVCA, 2019f)

In Appendix 3.2 I have attached the key data charts for Tees Valley and the Humber covering the following areas:

- Number of 16 and 17 year olds not in education, employment or training, covering the most recent years from 2017 - 2019. Within the Tees Valley, there has been a drop of around 120 (-15%), while in the Humber, numbers have risen by 20 over the same period (+2%)
- Apprenticeship starts data covering the years 2014/15 to 2018/19 (partial data only). For the last year for which full data is available (2017/18), apprentices starting a new course have dropped by 1870 (-24%) in the Tees Valley, while in the Humber, numbers have dropped by 3020 (-24%). For the 2018/19 year (with only partial year figures included), there is a drop of 3040 (-38%) in the Tees Valley compared to 2014/15, while in the Humber there is a drop of 4630 (-37%) over the same period.
- Progress at KS2, covering both the numbers of young people meeting the expected standard, as well as those meeting the higher standard. Data covers the years 2016 – 2019. During those years an additional 13.1% of pupils achieved the expected standard in Tees Valley, while there was no change in progress in the Humber. At the higher standard an additional 4.6% of pupils achieved at that level, while again there was no change in the figures relating to the Humber.
- There are 2 measures of unemployment included: that measured through the Annual Population Survey, and one developed from a ONS model. On the

APS model, figures are included from June 2013 until June 2019, but taking the election of the new Mayor of Tees Valley (May 2016) as a baseline shows an increase of 0.1%pt in both Tees Valley and the Humber. On the ONS model based unemployment estimates, there has been an increase of 600 (2.45%) in the Humber between April 2016 and June 2019, while Tees Valley shows an increase of 300 (1.3%) over the same period.

- Also included in the general 'employment' section is the annual population survey measure of economic activity rate. Again included are data covering July 2013 until June 2019, but taking the April 2016 as a baseline shows an increase of 1.7%pts in the Humber, and a 0.1%pt increase for Tees Valley.
- Included is one further education measure – that of 16-64 year old qualified to NVQ level 3 or above, with data included from 2014 until 2018. Over that timescale there has been a considerable variation in the figures for the Humber, with a steep rise from 2014 to 2016, then an equally steep decline, with overall little change in qualification levels. Tees Valley started from a higher base, saw a one year steep decline in 2017, before a moderate recovery in 2019.

There are a few trends that seem to be showing a divergence of outcomes between Tees Valley and the Humber in the Education, Employment and Skills theme, with a general relative improvement of Tees Valley performance relative to the Humber. This is shown within some of the education and skills related outcomes, where Tees Valley has seen the following outcomes in recent years:

- Faster decline in numbers of 16-18 year olds not in education, employment and training;
- Less decline in number of apprenticeship starts (note that England introduced a new system for apprenticeship funding and training in 2017/18, which led to a general decline in starts across the country);
- Better improvement at Key Stage 2 (end of primary phase of education), in both 'expected standard' and 'higher standard' [it is important to note that there are no official mayoral powers over either primary or secondary education, so the logic chain in this area is very weak];

- Potential increase in the gap of individuals qualified to NVQ3 or more, so that the better historic figures in the Tees Valley are growing faster than those in the Humber.

For measures of employment, the picture is more mixed. Unemployment related figures, both those under the model base system used by the Office of National Statistics and those utilising the annual Labour Force Survey, would suggest that there is a slight relative improvement in those measures for Tees Valley as opposed to the Humber, but any apparent improvement is within the confidence interval for each of the statistical sets used. In the employment rate, however, there has been a significant increase in the Humber rates as opposed to the Tees Valley – when Mayor Houchen was elected in May 2016, the Humber was 2.7% points better than Tees, while for the most recent data, the Humber is now 4.3% points better (with an employment rate of 78.3, as opposed to a rate of 74.0 in the Tees Valley).

7.10 Business Growth

Over ten years a total of £146.5m has been allocated to Business Growth: £116.5m to unlock key sites for business and £30m to support businesses. Tees Valley's aim is to diversify the economy, support more business start-ups, and develop high growth potential businesses and key growth sectors. This is set out in more detail in Figure 7.8 below.

£35.7m of this allocation was for STDC land purchases and site remediation and £3m for the Tees Valley Business Growth Programme. Other key projects include the digital cluster at the Boho Zone in Middlesbrough to ensure that the accommodation pipeline can respond to demand in a timely manner, including the proposed development of 115,000 sq ft of workspace and associated servicing, parking, public realm works and landscaping. Specific additional plans are being developed for Redcar Town Centre and Stockton Northshore developments.

Figure 7.8 Business Growth and Infrastructure funding allocations (TVCA, 2019f)

Business Growth & Infrastructure Allocation 2019/20	
Investment Plan Allocation	£38.7m
Spend to Date (Q1)	£11.3m
Forecasted Spend (Q2-Q4)	£5.7m
Balance (-/+)	-£21.7m
Revised Annual Profile 2019/20	£17m
Of which, Approved	£12.3m
Risk in Year	Medium
Overall Investment Plan Risk	Low

In their annual monitoring report, TVCA highlight the following key outputs since the beginning of their monitoring programme:

- Number of Businesses Supported 3,143
- Business Growth: Commercial Floorspace (Sqm) 128,690
- £340m of capital expenditure on business investment supported by the Combined Authority since 2016

Unfortunately, for the performance of scale up companies, there is currently no longitudinal surveys showing business growth available directly from the ONS. The Scale Up Institute have, however, developed scorecards for each Local Enterprise Partnership, showing both the number of scale up companies registered in each locality. These scorecards have now been repeated for 3 years, and results in the key metrics of number of scale up businesses, the numbers employed in those business and total turnover are shown at Appendix 3.3.

Key metrics over 2017 to 2019 show a moderate increase of 15 more scale up businesses in the Tees Valley (a rise of 6%), while, over the same period there is a rise of 65 similar business in the Humber (a rise of 11%). Numbers employed in those scale businesses show a rise of 2045 (14% increase) in the Tees Valley, while there has been a decline of 2185 (6% decrease) in the Humber. There has been a decline in turnover for scale up companies in both the Humber and Tees Valley, with a reduction of £1.2 bn in scale up companies in the Tees Valley, and a reduction of £1.1bn in the Humber.

For regional Gross Valued Added statistics, information is only available at NUTS2 level, which is coterminous with the Humber Local Enterprise Partnership area, but includes County Durham as well as the Tees Valley. Taking the GVA figures per hour worked shows a static picture in the Tees Valley, with no real change in the period from 2014 to 2017, while in the Humber, GVA per hour worked declined by £1.16 (a fall of 1.4%) from 2014 to 2017.

The final piece of data in this section is that of total business counts. Since 2016 (to 2019), there has been a rise of 665 individual businesses in the Tees Valley – a rise of 3.9%, while in the Humber there are 790 more businesses – a rise of 2.7%.

There is no clear trend emerging between the Humber and Tees Valley in the scale up business, rates of business formation or GVA data available. While we may be beginning to see stronger GVA growth in the Tees Valley, there is not enough of a time series yet in place to determine whether this is showing a clear divergence. For scale up business, there is not enough data to determine any change in performance, while for business start-ups, both areas have grown at roughly the same trajectory over the last few years.

7.11 Culture and Tourism

Over ten years a total of £60m was allocated to Culture & Tourism. £20m for a programme of activity including destination marketing, festivals & events and City of Culture development and £40m for two capital priorities: Darlington – Stockton Railway Heritage Quarter and Hartlepool Waterfront. The aim is to build cultural vibrancy in communities and change external perceptions of Tees Valley through the arts, cultural and leisure offer whilst making the area more attractive to investors, workers and visitors.

Figure 7.9 Culture and Tourism spend (TVCA, 2019f)

Culture & Tourism Allocation 2019/20	
Investment Plan Allocation	£1m
Spend to Date (Q1)	£0m
Forecasted Spend (Q2-Q4)	£4m
Balance (-/+)	+£3m
Revised Annual Profile 2019/20	£4m
Of which, Approved	£2.2m
Risk in Year	Medium
Overall Investment Plan Risk	Low

This original allocation was forecast for expansion and continuation of the culture & tourism programme. However, activity from the previous investment plan period is still in delivery, with £175,000 spend in Q1 and a further £675,000 projected to the end of the financial year.

Key projects include the development of the Hartlepool Waterfront to include a visitor attraction, further growth of the National Museum of the Royal Navy, a hotel and event space. with a Combined Authority allocation of up to £20m, as well as the development of a new visitor attraction and museum at the Railway Heritage Quarter in Darlington.

In a report by St Chad's College at the University of Durham, the impact of culture and tourism was estimated by the STEAM⁵ model as:

- Tees Valley welcomed 18.67mn visitors in 2016 up by 2% on 2011
- This was led by growth in day visits with overnight visitor numbers down by 7%
- Visitor expenditure stood at £864mn up by 17%
- Tourism employs 11,431 people up by 8% on 2011. (Tuttiet, 2018)

There is no direct publicly available comparison of the value of the visitor economy available in the Humber – an output report for skills requirements in the sector highlights recent progress, with the visitor economy generates an income of approximately £589 million per annum in North East Lincolnshire and, in North

⁵ STEAM is an economic impact model used to measure visitor numbers, expenditure and employment, and is used by most destinations in Britain. It uses local data sources where available (including occupancy data, attractions footfall, event data and local bedstock).

Lincolnshire, tourism contributes approximately £167 million a year to the local economy. (Sources: DiscoverNEL / Invest North East Lincolnshire / North Lincolnshire Council).

Doing a like for like comparison in this area is also challenged by the impact of Hull as the UK City of Culture in 2017. The University of Hull published its Evaluation of the Impact of the City of Culture on the local area. The main findings were:

- Visitor numbers rose from 4.7 million in 2013 to 6.0 million in 2017.
 - Tourism in 2017 brought £300 million into the local economy.
 - Hotel occupancy rose by an average of 10.5%.
 - There was an investment of £219.5 million in the cultural and visitor economy because of the City of Culture Year.
 - 800 new jobs have been created in the visitor economy since 2013.
- (University of Hull, 2018)

It is clear that the City of Culture had a major impact on employment with no connection to mayoral governance. In addition to the direct impact on the visitor economy, it has created employment through several key construction projects including the £12 million redevelopment of the New Theatre and the £13 million reconstruction of the city centre landscape. There has also been redevelopment of the old fruit market that has led to at least four new restaurants being opened.

There are expected to be longer-term benefits to the city and surrounding areas as a result of Hull being the City of Culture, something which has been seen in other cities after their year of culture.

7.12 Research, Development and Innovation

Over ten years a total of £20m was allocated to Research, Development, Innovation & Energy. The aim is to introduce new processes and practices which reduce carbon emissions, increase productivity and the availability of high value jobs. The original allocation was identified to begin delivery of the ten-year R, D & I investment programme.

However, the priority areas where the Combined Authority aims to focus the £20m Investment Plan allocation have not yet been identified and while several projects

are in the pipeline and the Combined Authority is working closely with key stakeholders, none are yet in delivery.

Figure 7.10 Research, Development and Innovation spend (TVCA, 2019f)

R, D & I Allocation 2019/20	
Investment Plan Allocation	£2m
Spend to Date (Q1)	£0m
Forecasted Spend (Q2-Q4)	£0m
Balance (-/+)	£2m
Revised Annual Profile 2019/20	£2m
Of which, Approved	£0m
Risk in Year	Medium
Overall Investment Plan Risk	Medium

Tees Valley Combined Authority report the following relevant inputs in their October 2019 report to cabinet:

- 70 new interactions covering Research, Development and Innovation covering 'New to Firm Products / Processes'
- Reduction of 498 Kilotonnes CO2 between 2016 and 2017. (TVCA, 2019f)

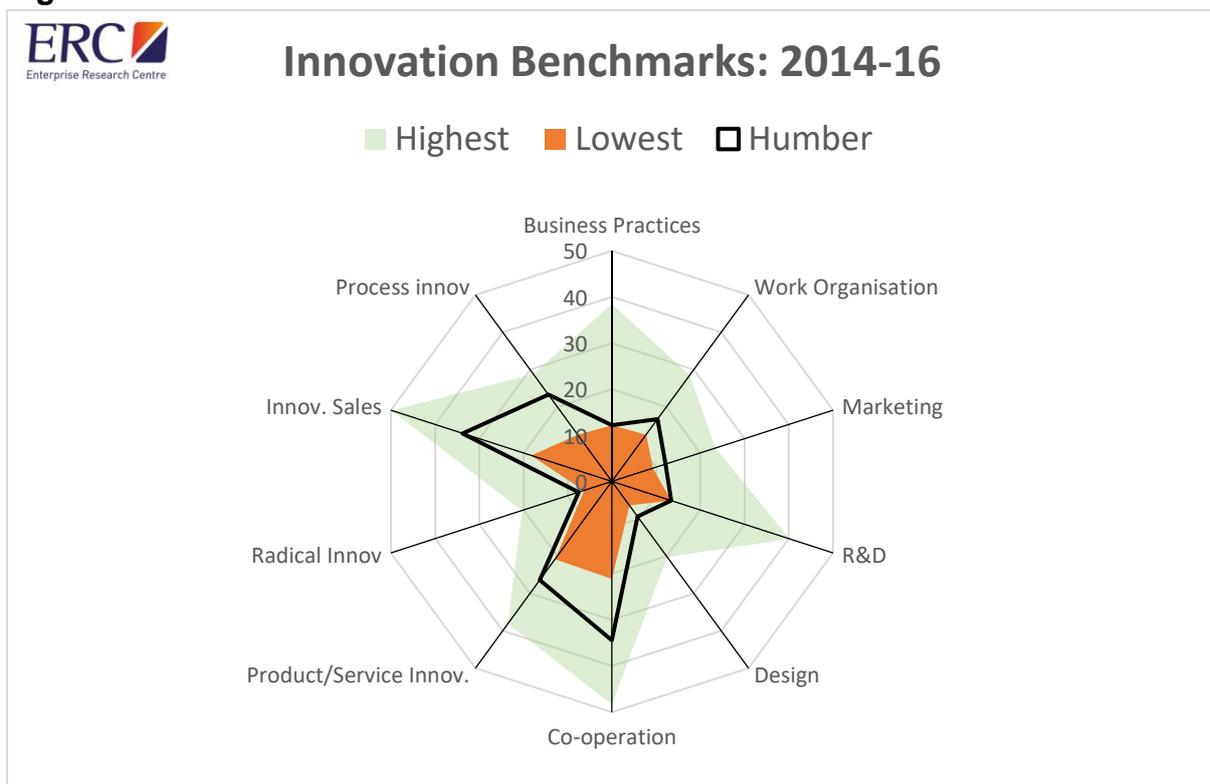
There are no readily comparable time series of changes in innovation at a sub-regional level yet developed, although Roper et al, on behalf of the Enterprise Research Centre have published a promising approach, which is based on ranking Local Enterprise Partnerships across a number of key innovation areas. These reports are based on a new analysis of the UK Innovation Survey 2013 which relates to firms' innovation activity during the 2010 to 2012 period. This has involved re-weighting survey responses to provide results which are representative of each local economic area. They focus on six benchmarks of innovative activity:

- Firms engaged in product or service innovation – measured as the proportion of firms reporting the introduction of a new or significantly improved product or service during the 2010 to 2012 period.
- Firms engaged in new to the market innovation – measured as the proportion of product or service innovators reporting that their new products or services were new to the market.

- Firms engaged in process innovation - the proportion of firms reporting the introduction of a new or significantly improved process during the 2010 to 2012 period.
- Firms engaged in strategic or marketing innovation – the proportion of firms reporting new strategic initiatives or changes to marketing concepts or strategies.
- Firms engaged in R&D – the proportion of firms reporting undertaking R&D over the 2010 to 2012 period.
- Firms that were collaborating as part of their innovation activity – the proportion of firms partnering with other organisations as part of their innovation activity. (ERC, 2019)

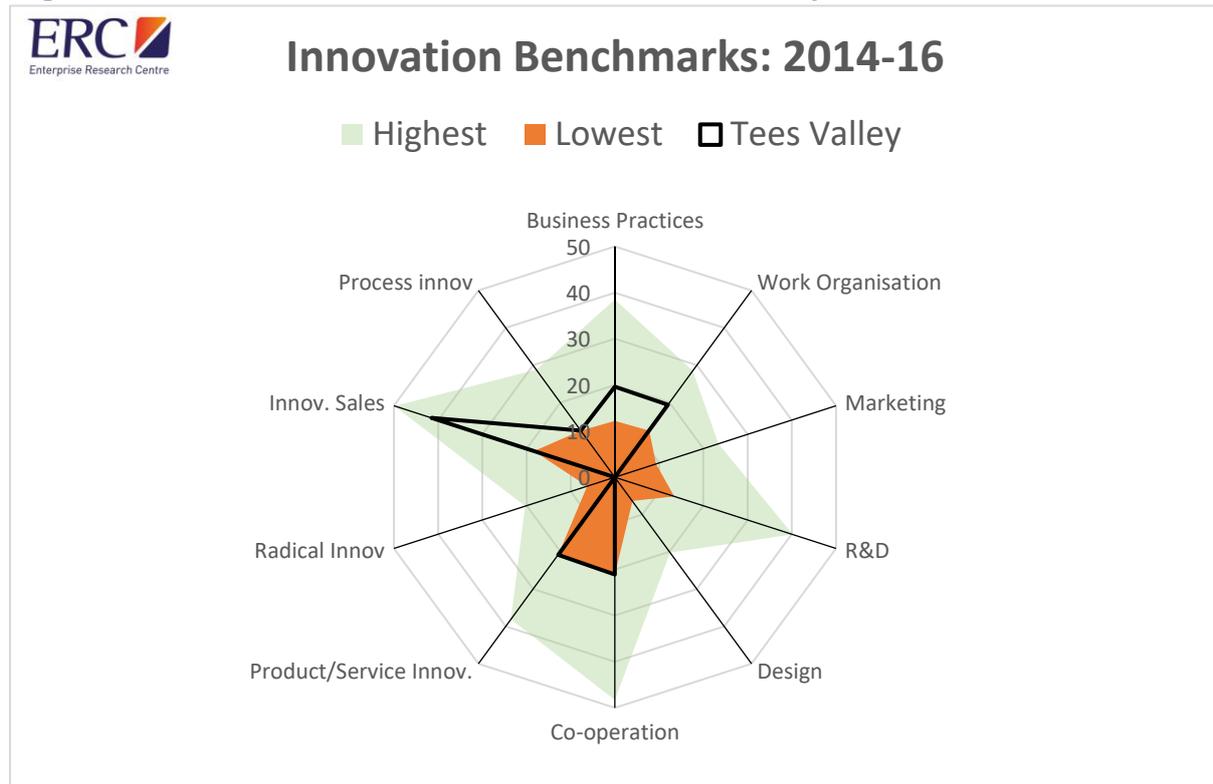
The results for the Humber (Figure 7.11) and Tees Valley (Figure 7.12) are shown below.

Figure 7.11 Innovation benchmarks in the Humber



Source, Benchmarking local innovation – the innovation geography of England: 2019; Enterprise Research Centre.

Figure 7.12 Innovation benchmarks in the Tees Valley



Source: Benchmarking local innovation – the innovation geography of England: 2019; Enterprise Research Centre

There is no longitudinal survey of innovation outcomes yet available that can benchmark performance across Local Enterprise Partnerships. The analysis undertaken by the Enterprise Research Centre is a valuable addition to the body of work on this area, but the most recent report takes a different approach to measuring what is important in innovation and research, and measures inputs as much as outputs or outcomes. However, it is interesting to note, that on nearly every measure proposed by the Enterprise Research Centre, the Humber scores more highly or similar to the Tees Valley, with the exception of ‘Innovation in Sales’.

7.13 Place

Over ten years the Tees Valley Combined Authority has allocated a total of £50m to create an ‘Indigenous Growth Fund’.

Figure 7.13 Funding for Place in Tees Valley (TVCA, 2019f)

Place Allocation 2019/20	
Investment Plan Allocation	£10m
Spend to Date (Q1)	£1.25m
Forecasted Spend (Q2-Q4)	£8.75m
Balance (-/+)	£0m
Revised Annual Profile 2019/20	£10m
Of which, Approved	£1.25m
Risk in Year	Low
Overall Investment Plan Risk	Low

The 'Indigenous Growth Fund' is designed to build on the distinct economic assets and opportunities of all of the main settlements in the Tees Valley. With an allocation of £10m for each local authority area, the aim is to accelerate the supply of good quality homes across the whole housing market, revitalise town centres and urban core, bring forward surplus public and blighted brownfield land for development and strengthen the commercial property offer.

In their October 2019 update to the TVCA Cabinet, the following key outputs are reported in this area:

- 128,690 Additional Commercial Floorspace (Sqm)
- 1449 new houses
- 3350 new additional residents since 2016

There are two key sets of data under this measure – those of population estimates, and wage growth. In population growth, we have seen an increase of 3300 (0.5%) between 2016 and 2018 in the Tees Valley, while there has been a increase of 3600 (0.4%) in the Humber over the same time period. For wage growth (gross weekly pay - £), there has been an increase £41.20 (8.3%) in weekly pay between 2016 and 2019 in the Tees Valley, while wage growth in the Humber over the same period was £45 (again, a rise of 8.3%) in weekly pay.

In the measures, there is no change relative to the Humber. Although for Tees Valley, both population growth and wages have risen relatively quickly, this is similar to the changes seen in the Humber. For population change in particular, the model used by ONS to calculate the population are unlikely to show up any significant

changes, while the wage growth is modelled on the key employment sectors within an area – again unlikely to change over a short period of time.

7.14 Conclusions

As envisaged at the start of this chapter, there are a number of challenges with measuring any changes over this timescale as a result of mayoral governance. As Henry Overman wrote in his report for the June 2017 election:

“It is too early to assess the effectiveness of devolution deals, but any new government will need to decide whether to support further devolution. When devolving powers, it is important that policies that have wide scale impacts (such as transport and housing) are coordinated across local areas.”
(Overman, 2017)

Despite 3 years of further data and information, we do not yet have any clear divergence of outcomes between the Tees Valley with its mayoral model of governance, and the Humber, with its continued distributed economic governance. This is true for most of the areas examined in this chapter. However, in the employment, education and skills data we may be starting to see some divergence in favour of the Tees Valley. To some extent that may be the result of greater timeliness in the data available, and may reflect the greater financial resources available to the Tees Valley as a result of its mayoral devolution deal. There are signs of potential improvement in skills levels, in progress in addressing young people outside the labour market and in apprenticeship, and (perhaps) the start of a trend of improvement in unemployment figures. In all these cases, however, it is simply too early to say whether a new trend has been established, or whether it is simply natural variation of a volatile data set – especially when set against a set of very uncertain economic circumstances with the UK’s negotiation and exit from the European Union having a more dramatic impact on economic activity across the entire United Kingdom than any mayoral impacts could ever hope to achieve. We may also be seeing some relative improvement in the transport data sets, with more positive experiences in bus usage and a less steep increase in car journeys in the Tees Valley.

What has been established, however, through this focussed contribution to evaluating the outcomes of mayoral governance, is the basis of future work in the

area: firstly through the identification of a control area in the Humber; and secondly through the establishment of a stable and measured data set over which to measure progress over time. These answer the challenges from those sceptical about the need for evaluation (as captured in paragraph 7.1) – developing a data set that is both timely and relevant. Although there is no distinct value for money element shown (which would involve relatively simple calculations on the value of a certain reduction in unemployment or the reduction in congestion associated with better public transport), the work lays a firm foundation to future work on showing public value, as well as setting out relevance to public policy development. It also meets most of the criteria set out in the What Works Centre for Local Economic Development for their ‘gold standard’ of evaluations – although it is not a true randomised trial, it does establish key principles and a comparator area to measure future divergence patterns. Key reports, such as those attached at Appendix 3, are easily downloadable from publicly available websites, and year on year, the picture will build up – and we are not too far off from meeting the challenge set by the Statistics Commission in 2007; *‘decision makers do not always need precision – they simply need an indication of how things are changing’*. (Statistics Commission, 2007). The need for both rigour and relative simplicity in evaluation is highlighted by Foley in his 1992 conclusions around effective evaluation studies:

“Evaluation studies should not become too sophisticated or complex in their methods of evaluation. The reason evaluation fell out of favour... was that the level of sophistication and complexity developed by the studies became incomprehensible and divorced from the policy process.” (Foley, 1992, p592)

He neatly summarises this utilitarian approach in his conclusion:

“Finally, evaluation studies can provide a useful input to the policy-making and day-to-day management process. Evaluation may not always provide the results that policy-makers would like to hear, but by learning from results it should be possible to reduce the replication of mistakes and increase the benefits identified.” (Foley, 1992, p593)

That utilitarian approach – of providing something that is useful, practical, relatively simple and relevant to the policy intervention has been the aim of this chapter. This data set, as well as the emerging, though tentative, findings supports the overall piece. While the analysis of economic data can never tell the entire story in evaluating a policy like mayoral governance, it is a necessary and important

supporting column in the development of any overall conclusion on whether the novel mayoral governance model actually works, and crucially, if it is worth it in an economic sense.

Chapter 8 – The political impact of the Mayor in the Tees Valley and across England.

“Where Ben led, Boris followed.” (Rishi Sunak, then Chief Secretary to the Treasury, at Ben Houchen’s campaign launch in January 2020).

8.1 Introduction

In the years since the initial election of Mayor Houchen in 2017, politics within the UK have been in an unprecedented turmoil. A coalition Government made up from the Conservative Party and the Liberal Democrats had been in power since May 2010. This Government was headed up by David Cameron and with a powerful Chancellor in George Osborne, and was starting to develop thinking around devolution concepts as well as the Northern Powerhouse. In 2015 there was another election – this time with an outright Conservative majority in Parliament – however with a manifesto committing the UK to hold a referendum on continued membership of the European Union. The referendum (where people voted to leave the EU) led to the resignations of both David Cameron and George Osborne as both Ministers and Members of Parliament, and the (eventually unopposed) selection of Theresa May as leader of the Conservative Party and Prime Minister.

At the first mayoral election in May 2017, the UK was still coming to terms with the result of the EU referendum (in June 2016), and a relatively untried Prime Minister in Theresa May was still in her first year of office, with a weak and fractious majority within Parliament. Beyond contested sound bites – ‘Brexit means Brexit’ – there was little common ground even within the Conservative Party around what future relationship with the European Union should look like, although the ‘2 year notice’ required under Article 50 of the Treaty on the European Union had been served in March 2017. The failure of these negotiation tactics were neatly summarised by the Times leading article on 27th February 2019:

“By bowing to the inevitable, she has bought herself another two weeks to try to win backing for her deal, still nominally the leader of a united government. In reality this U-turn has further damaged what is left of her crumbling

authority, with both wings of her party in revolt against her strategy.” (The Times, 2019)

That lack of common ground led eventually to the resignation of Theresa May in June 2019 with the selection of a new leader of Conservative Party, and, as a consequence Prime Minister. Following a tightly fought election among the members of that party, Boris Johnson was selected, taking over as Prime Minister in July 2019. This internal party election was set against the backdrop of leaving the European Union – with his campaign focussed on the key message consistent with his leadership campaign:

“..we must leave the EU on 31 October. We must do better than the current Withdrawal Agreement that has been rejected three times by Parliament—and let me clear that I am not aiming for a no-deal outcome. I don't think that we will end up with any such thing. But it is only responsible to prepare vigorously and seriously for no deal.” (Johnson, 2019)

Despite this promise, the new Prime Minister did not command a working majority in the House of Commons to enable his promise to be met. After much national political shenanigans, there was eventually agreement to dissolve Parliament and have a new general election on 12th December 2019. This resulted in a significant majority of new Conservative party Members of Parliament – including a new contingent from Durham and the Tees Valley – seen as part of the ‘Red Wall’ of constituencies with previous significant Labour majority, grown disillusioned with failure to leave the European Union and lack of economic opportunities. Writing in the Times, regional commentator Chris Lloyd summarised this shift away from certainties of labour, class and identity:

“..the Tory tsunami that swept through the Tees Valley and Co Durham, overwhelming the historical certainties of the “red wall”. In December 2019 totemic Sedgefield, which neighbours Hartlepool, elected its first Conservative MP since 1931; Bishop Auckland its first since the constituency’s creation in 1885. Even that tsunami, though, wasn’t really a surprise because the drift away from Labour has been going on for decades. Hartlepool is a Victorian port built on shipbuilding and exporting Durham coal, but those monolithic industries and dependent communities, which gave birth to the Labour movement, are now almost beyond living memory.” (Lloyd, C., 2021)

Using the analysis from opinion polling gave James Kanagasooriam (CEO of polling company Stack Data Strategy) a more nuanced understanding of this voting change:

“The median voter is tuned out from everyday politics. They are complex and hold a constellation of views. Yes, there are patterns visible from polling which suggest some relationship between views on climate change, crime, tax, Brexit and the NHS. But those who hold purely left or right views in a “straight ticket” manner is vanishingly small. Most voters don’t give a fig for the political divides constructed and discussed by pundits. Popular leaders understand this.....

This complex “cross-pressured” median voter is what’s behind the rise in popularity of certain mayors in England. Teesside’s Ben Houchen, West Midlands’ Andy Street and Greater Manchester’s Andy Burnham are in many ways post-ideological and don’t fit any particular mould. Authenticity and cakeism⁶ appear to be the order of the day here, too.” (Kanagasoorinam, J., 2021)

Whatever the cause of the change in voting patterns, this new majority paved the way for eventual full departure as a member state of the EU from 31 January 2020 and, against a backdrop of the Covid-19 pandemic, eventually allowed discussions to proceed around a new Trade and Co-operation Agreement with the European Union, which came into force from 31 December 2020.

It is against this overall picture that we trace the political impact of the Mayor, particularly on the leadership and representation of local authorities, MPs and Police and Crime Commissioners across the Tees Valley and immediate hinterland. As we saw in chapter 2, this political impact was at least as important as the stated economic impact for the establishment of city region mayors by the then Chancellor of the Exchequer, George Osborne, who was clear that he wanted to ‘de-toxify’ Tory voting in the north of England, partly by having local champions of the party with real power to deliver funding, projects and economic growth.

8.2 *Political changes*

As well as these national developments, there has been significant change at local level. As the election campaign for the May 2021 (postponed for a year due to the impact of Covid-19) mayoral election started in earnest, all of the local authorities

⁶ Cakeism is commonly defined as the belief that you can have all the benefits of a particular thing but none of its disadvantages, derived from the colloquial saying ‘you can’t have your cake and eat it’ – meaning that you can’t enjoy the benefits of two mutually exclusive events.

within the Tees Valley had changed political make up since 2017 with new political leadership in all but one local authority.

At a national level, the Government led by Prime Minister Boris Johnson had a significant majority in place, including new Tees Valley Conservative MPs Jacob Young (Redcar), Peter Gibson (Darlington), Matt Vickers (Stockton South) , joining Simon Clarke - the only pre-existing Conservative MP representing Middlesbrough South and East Cleveland. The Sedgefield constituency, which just encroaches into the Tees Valley, also had a new Conservative MP Paul Howell, while the adjacent County Durham seat of Bishop Auckland was also represented by a new Conservative MP in Dehenna Davison. The May 2021 mayoral election also coincided with a parliamentary election for a new MP in Hartlepool, after the resignation of the existing (Labour Party) MP. With the election of Gill Mortimer, Tees Valley now has 6 MPs from the Conservative party, while the Labour party has just 2 (Andy McDonald in Middlesbrough and Alex Cunningham in Stockton North).

The sheer scale of this change at local authority level is also notable, with results shown at Table 8.1. At the first mayoral election in 2017, all of the local authorities had a leader from the Labour Party, while at the second election in 2021, only one Labour party leader remains in place – veteran councillor Bob Cook in Stockton-on-Tees.

Elsewhere in Tees Valley local authorities, Conservatives are the majority party in Darlington, while independent leaders Shane Moore in Hartlepool and Mary Lanigan in Redcar and Cleveland control those local authorities, and independent directly-elected Mayor Andy Preston is in charge at Middlesbrough.

This change is also apparent in the increasingly diverse range of independents elected as ward representatives, often championing very local issues, or as a result of disillusion with mainstream politics. While there has been some growth in the number of councillors from the Conservative party across Tees Valley, the most apparent change has been a significant drop in Labour party councillors, and a rise in representatives from smaller parties and independents.

Table 8.1 Political make up of local authority councillors, Tees Valley local authorities

Local authority	Party	2015	2019	2021
Middlesbrough	Conservative	4	3	3
	Labour	33	20	18
	Other/Independent	9	23	26
Darlington	Conservative	17	23	23
	Labour	29	18	18
	Other/Independent	4	9	9
Redcar and Cleveland	Conservative	11	11	5
	Labour	28	15	14
	Other/Independent	20	33	37
Hartlepool	Conservative	3	3	13
	Labour	18	13	11
	Other/Independent	12	17	12
Stockton	Conservative	13	14	16
	Labour	32	24	24
	Other/Independent	11	18	16
Total	Conservative	49	54	60
	Labour	140	90	85
	Other/Independent	56	100	100

(Source: author's analysis from local authority election results)

There was a similar change in the election for a new Police and Crime Commissioner for Cleveland (which only covers four of the five Tees Valley local authorities – Darlington is in the Durham police force area).

While the previous incumbent (Barry Coppinger) stepped down from his role after allegations of improper conduct (Evening Gazette, 2020), and the force has been the subject of investigation and corruption allegations over many years, in 2019 this led to HM Inspectorate of Constabulary and Fire & Rescue Services rating the force inadequate across all areas and highlighting that the force was '*operating without a clear plan or direction*' (BBC, 2019b)

The change in share of the vote underlines the underlying shift in electoral allegiances across the Tees Valley. In the previous election (May 2016), Labour's Barry Coppinger was re-elected as Cleveland PCC with 41,337 votes, ahead of Conservative (and current Stockton South MP) Matt Vickers, who received 25,229, on a turnout of 19.73% of the electorate. In the May 2021, turnout was 33.7% of the electorate, with Conservative candidate and former Redcar and Cleveland borough Councillor Steve Turner winning 74,023 votes, almost double that of his nearest rival, Labour's Matthew Storey, who got 39,467. Independent candidate Barrie Cooper polled 16,667 votes, while Liberal Democrat Chris Jones got 6,540.

8.3 *Mayoral election and turnout*

Against this backdrop of a steady increase in independent voters, as well as a collapse in the votes for Labour party candidates, the 2021 Tees Valley mayoral election was just between 2 candidates – Ben Houchen – the incumbent Conservative mayor and Jessie Joe Jacobs – a local Labour party activist: ‘a *Teessider, charity founder, campaigner, regeneration leader ... proud to call the Tees Valley my home*’ (Jacobs, 2021). No independents or smaller parties were tempted to stand – perhaps drawn to the national appeal of the Hartlepool by-election, where there 12 candidates from smaller parties and independents – or put off by the deposit required for mayoral candidates (although that was reduced to £500 for 2021, rather than the £5000 required in 2017).

Perhaps taking a leaf from the successful campaign run by Houchen in 2017, Jessie Joe Jacob’s manifesto was clear and succinct – a departure from the long and complex campaign literature of Sue Jeffrey’s 2017 manifesto, covered in chapter 4. Building on her personal qualities, the key focus of the 2021 campaign was:

“I will offer the unifying leadership it will need to get us there. I have achieved a lot in my lifetime, created and run schemes that created jobs and got thousands of people into work and training, started and led award-winning charities, led and created local, regional and national policy and campaigns. But my greatest ambition is to lead the Tees Valley and give our people the future they deserve. To give people hope.

I have three main things I will commit to:

- 1. Jobs Jobs Jobs – We will create the thousands of jobs this area needs*
 - 2. People People People – Backing our people to get on and succeed*
 - 3. Places Places Places - Creating places people love to live and to visit”*
- (Jacobs, 2021)

Houchen’s 2021 campaign was equally succinct, and utilised his successful 2017 dedicated single issue focus with a key campaign slogan that was endlessly reinforced across all communication channels - ‘*a record of delivery, a promise of more*’ (Houchen, 2021a). As in 2017, his manifesto was not detailed across all of the policy areas of the combined authority, but focussed on eye-catching investments already delivered.

“Ben is delivering on his plan to turn around the Tees Valley economy by bringing new jobs and investment to the region. He has delivered his manifesto pledge to bring Teesside Airport back into public ownership, and is now working with Stobart Group to restore its fortunes.

Ben has secured the purchase of the majority of the developable land on the former Redcar Steelworks site, with negotiations to take back control of the remaining plots proceeding at an advanced stage. This site will soon be home to even more major companies.

Ben has overseen the devolution of the Tees Valley’s £30million annual adult education budget, and the creation of a world-leading work experience programme, to make sure Teessiders of all ages have the skills they need to get good jobs.” (Houchen, 2021b)

With campaign restrictions still in place due to the Covid-19 pandemic (and the Labour candidate, Jessie Joe Jacobs having to self-isolate during the campaign due to her succumbing to the illness just before election day), there was little room for public debate, or engaging with stakeholder groups, with most of the discussions online, or conducted in set piece media interviews.

Despite these restrictions, turn out for the mayoral election in Tees Valley was 33.95% (up from just over 21.3% in 2017). Houchen received 121,964 votes, as opposed to Jessie Joe Jacobs receiving 45,641 votes, and he was elected for a new term as mayor with nearly 73% of the vote. It is perhaps of note that the votes for the Labour candidate in 2021 were actually slightly up from the first preference votes in 2017 (with Sue Jeffrey receiving 39,797 first preference votes), suggesting that almost of the additional votes cast in 2021, as well as large proportion of those for the other 2017 candidates, went to the incumbent mayor. This large majority was apparent across all five local authorities in the Tees Valley, and the mayor actually achieved more than 5000 additional votes than the successful parliamentary candidate from the same party in Hartlepool. Table 8.2 highlights the voting pattern in each of the Tees Valley local authority areas.

Table 8.2 Votes cast per candidate in Tees Valley local authorities, May 2021

Local authority	Ben Houchen	Jessie Joe Jacobs
Darlington	19,876	6,799
Hartlepool	21,257	8,023
Middlesbrough	17,748	8,141
Stockton-on-Tees	38,420	14,442
Redcar and Cleveland	24,663	8,236
TOTAL	121,964	45,641

(Source: author analysis from local authority statement of results, available at <https://www.stockton.gov.uk/our-council/elections-and-voting/elections-and-past-results/tees-valley-combined-authority-mayoral-election/>)

This increase is apparent even against the backdrop of the other mayoral elections held in both May 2021 and May 2017. Although all areas recorded a significant increase in turnout, the increase in Tees Valley, of an additional 12.7% of the electorate voting, is well in excess of the rest of the voting increase pattern in similar elections. Table 8.3 shows this in more detail, comparing the voting turn out in each of the mayoral elections conducted in May 2021 to turnout in May 2017. This impressive increase, together with the large majority to the incumbent mayor, underlines the electoral transformation across Tees Valley, over and above other similar areas – even with politicians with significant national profile such as commentator styled ‘King of the North’ (NME, 2020) Andy Burnham in Greater Manchester.

Table 8.3 Voter turnout at Mayoral elections

Place	2017 turnout	2021 turnout	Change
Tees Valley	21.3%	34.0%	+12.7%
Greater Manchester	28.9%	34.7%	+5.6%
Liverpool City Region	26.1%	29.7%	+3.6%
Cambridgeshire and Peterborough	32.9%	37.0%	+4.1%
West of England	29.7%	36.6%	+6.9%
West Midlands	26.7%	31.2%	+4.5%

(Source: author analysis from local authority statements of results, May 2017 and May 2021)

8.3 Theory of change – local impacts on national voting patterns

We have clearly seen a significant change in the political landscape in the Tees Valley and at national level. Within the Tees Valley this has benefited the Conservative party, as well as locally focussed independents.

Using the ‘Theory of Change’ methodology described in chapter 7 this analysis aims to make a case that some of this change can be attributed to the political impact of the Tees Valley Mayor. However, we have already seen that, over the period between May 2017 to May 2021, there has been an extremely febrile political atmosphere in UK politics (and in other major western democracies, with the election of President Trump in the USA, and the rise of new political movements in France

with the election of President Macron, as well as the organised ‘gilets jaune’ protest movement). (Wilkin, 2020) It is therefore necessary to understand how established political norms can be impacted by local issues and priorities. Here, the 2006 analysis by Belucci - of key issues facing the UK national political parties - can serve as a useful foundation for analysis. Table 8.4 below summarised some of the key issues that impact on voting intentions:

Table 8.4
United Kingdom: impact of issues on voting choice

<ul style="list-style-type: none"> • Britain’s membership in the European Monetary Union • Britain’s relationship with the EU • Law and order • Educational standards • Environment • National Health Service • Inflation and prices • Public transport 	<ul style="list-style-type: none"> • Taxation • State of the economy • Unemployment • Standard of living • Price of petrol • Treating key issues (foot and mouth disease in this period) • Immigration and asylum seekers • Pensions
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Source: Belucci, 2006; p554

Each of the key issues identified had a perceived benefit to a particular political party (in this case either the Labour or Conservative party), and fed into a general view of the party competence – while in turn this perceived competence was translated into political vote share. There is also a perception of individual leadership style and attractiveness that also feed into the final choice in the ballot box. These issues, remarkably similar to those key characteristics of mayors identified in chapter 2 of this thesis, are (ranked in order of importance to final voting intention):

- Keeps promises
- Sticks to his principles
- Caring
- Listens to reason
- Capable
- Decisive
- Arrogant (negative indicator) (Belucci, 2006)

Clearly, the impact of any local issues on national government does not have a simple causative thread. Christopher Prosser, in his 2016 analysis of using local

elections to predict general elections highlights some key issues that need to be taken into account:

- **Local issues:** Since local elections are about local government, their results reflect local concerns rather than national trends.
- **National impact:** voters use the election in secondary electoral arenas (such as local or mayoral elections) to express their satisfaction (or dissatisfaction) with national level governments.
- **Time lag:** Long lag between local elections and national elections.
- **Data issues:** Since local and mayoral elections are undertaken to differing timescales across the UK, with a rotating combination of different councils facing election each year. This leads to wildly different national level aggregations of votes cast.

However, Prosser goes on to argue that:

“Despite these caveats... local elections are a potential source of information about future national electoral fortune.” (Prosser, 2016)

This chapter attempts to understand how that argument applies to voting patterns in the Tees Valley since the mayoral election in 2017, and what attribution can be made as a result of the perceived competence and communication priorities of the Mayor.

8.4 The Houchen effect ‘Brexit, Boris and Ben’

There has been a significant shift in voting behaviours within Tees Valley since 2017, mainly in favour of the Conservative party, but also a significant rise of independent ‘place champions’. What is less clear is what the personal impact of having a Conservative mayor in place has had on those voting patterns – particularly in a complex picture of a successful national vaccination programme (at the election date, 66.6% of the electorate had been given an initial Covid vaccination, with nearly 32% having had both vaccinations), the aftermath of leaving the European Union and the establishment of a new Trade and Co-operation Agreement, and a generally popular Prime Minister. According to you.gov polling company, 38% of the electorate had a positive view of the Prime Minister in May 2021 – a far cry from the

'none of the above' results achieved by Theresa May and Jeremy Corbyn as national political leaders in 2017 (yougov political popularity rankings, 2017 - 2021).

Against that backdrop of national optimism, however, a number of national political commentators attributed this voting change at least partly to the election of Houchen as Mayor of Tees Valley in 2017 – not just in having a Conservative foothold in a previous Labour stronghold, but also in changing the philosophy of how a Conservative government should lead.

Writing in the Sunday Times on 15 December 2019, their Northern correspondent David Collins highlighted this first point:

“Two years later, it appears to have helped trigger a seismic political change. Five out of eight seats in Tees Valley are now Tory. Four of those voted Labour in 2017. “Saving the airport was a big deal for people around here,” said Jones, 60, who voted Conservative last week after a lifetime supporting Labour. “It means I can get up to Aberdeen in less than an hour rather than a six-hour train journey. “There’s a lot of lads from Tees Valley who work on the offshore platforms up there. That’s a big difference to people’s lives . . . Most of the lads voted for Boris.” (Collins, 2019)

Collins attributes this partly to the public ownership of the airport by taking it into public ownership, but also a new brand of 'pragmatic conservatism', and, quoting the Mayor's own assessment of his impact:

“I think people have been looking for an alternative to Labour for years, but it is a generational thing. You now have people voting who are in their late thirties and early forties and don't have that Thatcher link with what happened to the coal miners.” (Houchen, 2019)

Collins also attributes some of that success to actually keeping election promises, and quotes the new MP for Darlington in support:

“They call him the Ronseal politician, because he does exactly what he says he'll do. I had people on the doorstep say, 'I don't know who you are — but I would vote for the Conservative mayor again'. There's no doubt it helped me. Ben has given us our sense of pride back.” (Gibson, 2019)

The impact of the Tees Valley Mayor on the style of government by Prime Minister Boris Johnson has also attracted national commentary. Daniel Finkelstein, who was an adviser to both the Conservative prime minister John Major and the Conservative

leader William Hague, and now writes a weekly political commentary in the Times newspaper summarised this in his February 2020 column:

“Anyone who wants to characterise the politics of this government might start with Priti Patel or by reading Dominic Cummings’s blog posts about the launch of Apollo 11. But you’re better off starting with someone who has never been an MP or worked in No 10 and who you probably haven’t heard of. His name is Ben Houchen.

Mr Houchen is the mayor of Tees Valley. The signature policies of his first term have been taking Teesside International Airport back into public ownership and using the South Tees Development Corporation, set up in the early months of his mayoralty, to purchase more than 1,400 acres of land from Tata Steel Europe. He pledges that if he wins a second term he will bring steel-making back to Teesside.” (Finklestein, 2020)

Finklestein goes on to highlight that the election of Mayor Houchen *‘helped normalise voting Conservative in all those places’*, as well as changing the political priorities of the Conservative party, not in classic terms of being ‘right wing’ or ‘centrist’, but as a party where there is a clear localist priority, with a focus on their local areas.

Partly this is attributed to the experience of Boris Johnson as London mayor, and characterised his leadership of the UK as *‘trying to be mayor of the UK’*, (Finklestein, 2020) and as a pragmatist who is judged on delivery of things that matter for their citizens, rather than a clear ideological approach to governance, as well as independence of personal relationships and having a distinct brand outside the normal party politics. Those qualities are exemplified by the Tees Valley Mayor, with a focus on celebrating any delivery and regular communications that focus on what is popular, rather than any party political messages.

This approach has been recognised in the national press, with the Spectator magazine highlighting that:

“... Mr Houchen is doing his job very differently. Soon after taking office, he promised to demand “a larger slice of the cake”, and has got one. The Treasury has showered money on towns in his patch. In March it announced that it would move hundreds of its civil servants to Darlington. Parts of Teesside will be designated a “freeport” with tax breaks. Even the Labour politician Mr Houchen defeated in 2017, Sue Jeffrey, says that a Conservative

mayor has been a boon, given how partisan the distribution of money has become.” (Men about Town, Spectator, 2021b)

That article recognised that the Tees Valley Mayor has helped steer that political shift from big cities to towns, with his focus firmly in the non-metropolitan constituencies, tapping into a rhetoric of ‘left behind places’. (Jennings et al, 2021)

The need to make a demonstrable impact has led to a focus on the levelling up agenda within UK politics. Although there have been attempts define this in more detail, and the Government has promised a ‘Levelling Up White Paper’ late in 2021, commentators highlight the strong political resonance of the phrase: *‘because it speaks directly to concerns about the uneven pattern of social and economic development that has reshaped the politics of England and Wales’*, even when highlighting *‘current thinking about levelling up is inchoate, lacking a clear ideological anchor, and is struggling to wrestle with a number of inherent contradictions’*. (Jennings et al, 2021)

There is no doubt that the focus has enabled the Conservative party to make considerable political headway – particular in areas of the north of England with relatively high levels of deprivation, and an older, less educated workforce. A similar article in the London Review of Books brought this political approach into even clearer focus:

“But the new Conservatism poses deeper problems for Labour. Best represented by Houchen, it is unafraid of spending or even a bit of strategic nationalisation, and despite his ‘war on woke’ jibes, the Tees Valley mayor sometimes sounds eerily Labour-like. His recent writing at Conservative Home suggests the ‘Green New Deal’ beloved of Labour’s left is perfectly capable of right-wing articulation and detachment from public ownership. The major feature of the new Conservatism, though, is a brazen clientelism.” (London Review of Books, May, 2021)

This powerful mix - described by the media as ‘Brexit, Boris and Ben’ - during the Hartlepool by-election in 2021, has certainly made an impact on the political make up of Tees Valley (and into County Durham, which no longer has a Labour party administration in place, for the first time in over a century). The blend of local delivery, relentless positivism, a refusal to engage in questions outside a fairly narrow economic framework, and the policy success covered in chapter 7 has not only transformed the local political outlook but also impacted on the policy direction

of national Government, and as we saw in chapter 5, effective discussions with all manner of senior Government Ministers, reinforcing the idea that the mayor has credible and regular access to the highest corridors of power, and, again as we saw in chapter 5, that this influence has produced real results in greater national funding and focus to the Tees Valley.

8.5 Conclusion and summary

The possibility of political change was certainly a key tenet of the early advocates of the current wave of mayoral elections – notably George Osborne. Within Tees Valley the Conservative brand has certainly lost much of its toxic nature – although as we saw in chapter 3 there has always been a strong link between economic intervention and political leadership within Tees Valley since its emergence as an economic entity in the Victorian era. The local Labour party has failed to make any gains recently, and while vote share has remained largely static, independents and mayoral track record has attracted new and disillusioned voters. The Conservative party continues to place under-investment and lack of ambition as a result of previous Labour party dominance and taking the place for granted – even if this involves a rewriting of history to suit that narrative.

Writing in the Hartlepool Mail, at the start of his second term, Houchen exemplified this approach:

“In my first term as Mayor, I concentrated on laying the foundations. The powers-that-used-to-be across Teesside, Darlington and Hartlepool were lethargically content to let our airport be turned into a housing estate, to see the former SSI site lie redundant, and to accept the decline of our region.

I set out to change that. I brought our airport into public ownership and saved it from closure and started delivering a 10-year rescue plan that has already landed more airlines flying to more destinations. I secured all the land at the former SSI steelworks from the Thai banks, and have set about breathing new life into the site now reborn as Teesworks, the UK’s biggest development opportunity. And I banged down the doors in the corridors of power, making the case for a Freeport stretching from Teesside Airport to the Port of Hartlepool, massive investment in our transport infrastructure, and the relocation of top civil service jobs to our amazing region.” (Houchen, 2021c)

This electoral success has also impacted on the policy framework of the Government, and Conservative Party. Despite the clear lack of driving ideology of

this new Conservatism, the success has prompted some to try and define 'Houchenism' as a political movement, with commentators such as Will Hutton commenting that:

“After Thatcherism and Corbynism, welcome to Houchenism, the doctrine of Tees Valley mayor, Ben Houchen, and endorsed by a whopping 73% of Teesside voters. This 34-year-old northern loyalist is the Tory party’s contemporary version of Michael Heseltine, the lone standard bearer at Thatcher’s zenith of a willingness to intervene “at breakfast, lunch and supper”. Houchen is today’s Tory carrying the Heseltine torch, intervening to reinvent Teesside with the massive backing of his electorate. And a generation later, this Heseltine de nos jours has the backing, not the loathing, of the prime minister. It will not have escaped Boris Johnson’s notice, a self-described Brexit Hezza, that Houchen’s intervention is working big time, economically and politically.” (Hutton, 2021)

This 'Houchenism' is described as one based on achieving economic results, no matter where in the ideological spectrum they come from, with nationalisation embraced as the only way to keep and expand Teesside International Airport, while a deregulatory free port is championed if it means jobs and inward investment. His embrace of the green agenda (Houchen, 2020f) is one that is focussed on hi-tech, well-paid, 21st-century jobs in hydrogen, offshore wind and carbon capture and storage with an aim to turn Tees Valley into a self-reinforcing virtuous circle of complementary industries in a public-private partnership, supported by the local university and FE colleges.

It is clear from the election results that Tees Valley voters have noticed that change, and seem to like what they see. Hutton ascribes this to Houchen's *'imagination, verve and vision'*.

“Whatever else, Ben Houchen is not a same old Tory, nor is any variant of socialism likely to appeal to Teesside voters who are watching a different alchemy deliver both a vision for the future and jobs alike. Houchenism is a threat to Thatcherites, Blairites and Corbynites alike. It could even win 73% of the vote across Britain.” (Hutton, 2021)

As we near the end of this phase of the thesis, and examine the central question of 'Can metro mayors work', it is clear, that from a political perspective, the Tees Valley Mayor has helped contribute to a generational change in voting patterns across the Tees Valley, as well as shaping the development of the national political party. That

this has resonated with voters across the Tees Valley is best demonstrated by the additional 64,000 voters who took part in the 2021 election as opposed to the 2017 mayoral election – and almost all of whom registered their vote with the incumbent mayor.

Challenges do remain with this approach, as with the whole levelling up agenda:

'Its success will likely depend on four factors: (i) delivering a steady supply of governing spectacles; (ii) effectively managing divisions within the parliamentary Conservative Party; (iii) preventing fraying of the party's electoral coalition (keeping on board voters in the Home Counties and suburban Britain as well as new voters in former 'Red Wall' seats); and (iv) delivering in programmatic terms - realising change in social and economic outcomes for left behind areas.' (Jennings et al, 2021).

The future success of this approach will only be seen if this progress and 'governing spectacles' is maintained, and that the mayor's promised second term focus on delivery is perceived as effective. Much will depend on national political processes and momentum, but the economic history of Tees Valley, with its focus on paternalistic capitalism (covered in chapter 3) does at least offer the possibility of focussed and sustainable change in the political choices of Tees Valley, and its unique industrial and political identity '*in the north, but certainly not of the north*' identified nearly three decades ago by Huw Beynon and Ray Hudson (Beynon et al, 1994, p3).

Chapter 9 – Dealing with the unexpected - a snapshot of Mayors in responding to the Covid-19 pandemic

*“Where the f**k are you going? Go home. That’s the order! No going out! That’s the order of Mayor De Luca and that’s it!” (Mayor Cateno De Luca via drone in Messina, NW Sicily, Italy – reported by the Independent on 26th March, 2020)*

9.1 Introduction

The Covid-19 outbreak that swept the world in the Spring of 2020 was unprecedented in modern times, resulting in widespread economic shutdowns across the developed world, high levels of illness and significant numbers of deaths, especially among the elderly and those with long term conditions. (McKinsey, 2020) This requires an unexpected development of this thesis into a new area – the role of mayors in dealing with a crisis.

The role of mayors under COVID has attracted much publicity – especially in other countries, with ‘angry Italian mayors’ trending on social media, as they sought to enforce a lock down of all but essential movements in that country, while the different responses of mayors in the United States is noticeable. At the beginning of March 2020 in New York, officials were encouraging people to go about their business, and on 2nd March, New York City Mayor Bill de Blasio tweeted he was “*encouraging New Yorkers to go on with your lives*” and “*get out on the town despite Coronavirus*” (Blasio, 2020).

The same day, San Francisco Mayor London Breed, who had already declared a local state of emergency on February 25, warned the public to “prepare for possible disruption from an outbreak,” from dealing with school closures to caring for sick family members. On the same day that Mayor de Blasio was tweeting his recommendations over what to see in the cinema, Mayor Breed had the following:

“Prepare for possible disruption from an outbreak:

- *Have a supply of essential medications for your family*

- *Make a child care plan if you or a caregiver are sick*
- *Plan for how to manage a school closure*
- *Plan for how to care for a sick family member w/out getting sick yourself.”* (Breed, 2020)

By March 23, three weeks after Breed and de Blasio’s tweets, New York state reported around 5,000 new coronavirus cases a day. California reported fewer than 500. (Nature, 2020)

9.2 Leadership role of Mayors

This chapter covers how mayors across the world adapted their role in the early days of the crisis from mid-March 2020 until the end of June 2020, as well as considering how the relatively severe impact within the UK as a whole has highlighted the continuing discourse in the benefits of centralised or localised activity until the beginning of the 2nd national lockdown in the UK in early November 2020. It will also highlight how the public debate around the effectiveness of the UK centralised model has adapted during the initial phase of the pandemic, as well as offering some reflections around how the Covid 19 debate has changed the character and prominence of the role of city region mayors, with a particular focus on the leadership and communication of the Tees Valley Mayor.

One of the key reasons for doing such a chapter is highlighted in an article by David Runciman from the University of Cambridge, writing early on in the crisis in the UK, that the lockdown and centralised policy response to the emergency reveals the essential nature of the state – that some people get to tell other people what to do, with little recourse to protest, complaint or challenge. He highlights this powerfully:

“It is the stripping away of one layer of political life to reveal something more raw underneath. In a democracy we tend to think of politics as a contest between different parties for our support. We focus on the who and the what of political life: who is after our votes, what they are offering us, who stands to benefit. We see elections as the way to settle these arguments. But the bigger questions in any democracy are always about the how: how will governments exercise the extraordinary powers we give them? And how will we respond when they do?” (Runciman, 2020)

He highlights that the character and nature of national governments really does matter – with the global pandemic ultimately based on the same viral cause,

experienced similarly in many different places, - however the impact of the disease is greatly shaped by decisions taken by individual governments. Different views about when to act and how far to go, as well as basic competence in actually delivering response measures will mean that no two nations will have the same experience.

The lack of initial impact by mayors within the UK was highlighted by early discussions on whether there should be any regional voices in the main health decision making bodies, which in the UK is known as COBR(A) – named after its usual location at the Cabinet Office Briefing Room (A). Reporting in the Sunday Times on 19th April, David Collins highlighted that senior politicians believed that a lack of input into Cobra from local government has caused critical mistakes in three key areas:

- addressing care-home infections;
- lack of personal protective equipment (PPE); and,
- a confused NHS volunteer scheme (Collins, 2020)

The article goes on to quote the Mayor of Great Manchester (and previous health secretary at a national level);

“There should be representation for the English regions on Cobra now, I’m not saying that for the benefit of Greater Manchester, or any other particular region, but for everybody’s benefit. I think certain decisions might have been made differently if Cobra had had a regional voice from the very start of this crisis.” (Burnham, 2020)

This thesis is not however looking at the what the best methods of local leadership are in mitigating to the health impacts of a novel global contagion, but instead will be focussing on two distinct periods of the pandemic - the initial period of crisis management and messaging, broadly covering the months from March 2020 until the end of June, and the start of the increased infections from September 2020 until the start of the second England-wide measures on the 5th November. In both those periods, what has been striking, is that the relative proximity of the mayor’s office to the affected population, and how their own experience and competence has made a difference to actual outcomes.

9.3 *International experiences*

Before focussing on the UK experiences, it is worthwhile highlighting aspects of disease control and economic resilience in other developed economies to capture some of the different experiences and economic responses by areas to the unique combination of health concerns, sharp and deep recession and disruption to trade and commuting flows.

In their 2020 report, the OECD highlighted that they expected the global economy to contract unprecedentedly in 2020, with a drop in GDP of 9.5% by the end of 2020 in developed countries - representing the largest economic dip since the Great Depression of the 1930s. They expected GDP to shrink in nearly every country in 2020, although with significant variation reflecting differing circumstances, and around 300 million full-time jobs lost and nearly 450 million companies facing the risk of serious disruption. (OECD, 2020).

Such an extreme impact has produced different policy responses and governance challenges – with cities in particular making projections of the consequences of the crisis on their local economies and finance. It is worthwhile highlighting some of these issues to put the UK response, and that of local leadership, into a proper international context.

- Within Canada, the Montreal Metropolitan Community published an analysis of the impact of the pandemic on the metropolitan economy showing that COVID-19 is expected to cause a marked but temporary contraction in the economy of Greater Montreal in the second quarter of 2020. The social distancing required to avoid infection and reduce mortality will slow economic activity by notably immobilising the sectors where personal contact is most pronounced: retail businesses, personal services, passenger transport (especially air and public transport). Supply chain disruptions and recessions among major trading partners will weaken exports, investment and tourism in the medium term.
- In France, Paris saw its economic activity decrease by 37% since mid-March, in contrast to the 34% at the national scale. It is estimated that the crisis will cost the city EUR 400 million, while in Spain, Barcelona estimated a drop of 14% in GDP,

- In Colombia, Bogotá's GDP was estimated to fall around 4% and unemployment reach 18%, given that its GDP depends on activities that will take longer to recover such as hotels, restaurants, tourism and concerts.
- In Washington DC (US), COVID-19 and its associated impacts have resulted in the closure of businesses, driving 70,000 workers to file for unemployment and creating a USD 700 million revenue gap in Washington DC's current 2020 budget (OECD, 2020, p7).

This clear economic impact was reflected by mayors in an OECD webinar on 14th May 2020 about mayoral responses to Covid-19 (OECD webinar, 2020). The Ljubljana (Slovenia) Mayor Zoran Janovic highlighted the city responses, primarily about redeployment of staff and leading communications to isolated and vulnerable people, while Rosannie Filato from Montreal highlighted a particular concern for the economically vulnerable, especially around the homeless (new and existing population). She described the implementation of a local state of emergency to open up new shelters, requisition 5 hotels and feeding stations, including mobile food trucks and mobile cafes, as well as the provision of emergency funds to provide basic needs to vulnerable individuals, as well as support to food banks. The Mayor used a video channel, with well known community representatives to improve messaging. In Rotterdam, Michiel Grauss (vice Mayor) again highlighted the needs of 60,000 in poverty across the city, from both a social and economic perspective, with the Covid-19 crisis multiplying the impact on the most vulnerable. He described how they had learnt lessons from the past – the sooner help arrives the better, with clear practical focus of 'no empty fridges', as well as reinforcing historic city themes, such as the recovery after the 2nd world war, as part of their plan for managing long term recovery.

9.4 City region responses across the world

These economic issues also saw a number of different responses at the city region level. The OECD categorised them into these main areas:

- Use of digital tools – primarily for city management and effective communications - with tools monitoring contagion risk and ensuring the respect of confinement and social distancing, while also enabling the

continuity of certain services and economic activity virtually. Examples cited of this approach were in Newcastle (UK) and in 2 South Korean cities (Daegu and Seoul)

- Changes to urban layout and mobility – particularly in the prioritisation of street space and less polluting modes of transport. COVID-19 did provide cities with momentum to rethink their approach towards urban space and promoting cycling as well as improved public transport safety and accessibility, and the introduction of new transport options, such as electric vehicles and scooters.
- Longer term urban design and prioritisation. Urban areas across the developed world put a significant amount of effort and funding into reclaiming public spaces for pedestrians, promoting easier access to urban services and amenities while securing safety and health for their residents. As an example of this, the OECD cite the experience of Montreal (Canada):

“using the COVID-19 crisis to pursue a reflection on the future of the urban form and urban uses in its city centre, consulting universities and businesses – which have introduced remote working during the lockdown – to define a new hybrid system between remote working and the continued need and use of physical space. Public space will play a key role in striking this balance, and will be arranged to remain attractive to citizens, while enabling social distancing, through the extension of terraces on sidewalks, and pedestrianisation of streets.”
(OECD, 2020)

As well as these practical changes to urban management design and planning, a fascinating series of articles in the French newspaper ‘Le Monde’ highlighted the changes that the pandemic had brought to governance – particularly between mayors and national governments, with a series of articles by international mayors. These mayors highlight that this conversation between with national and regional levels of government was crucial for places to both effectively respond to early stages of the pandemic, and manage healthcare capacity, as well as in the development and roll out of economic recovery packages. The following examples highlight the most relevant examples:

- Mexico City (Mexico) developing close cooperation with the state government, to coordinate the capacity of hospitals in the region. (Le Monde, 2020a)

- In Colombia, the national government allowed mayors to intervene in the health sector to coordinate their emergency response, for instance enabling Bogota to pull the 90% of Intensive Care Unit (ICU) beds from private clinics to put it at the disposal of all patients. (Le Monde, 2020b)
- Seoul (Korea) took a leadership role in the immediate crisis response, through the installation of crisis centres, social distancing, and mandatory masks in public transport. Such measures were then adopted nationally afterwards. As cities are coming out of emergency phases, and defining recovery strategies, some are further calling for more financial support from higher levels of government, as well as more budgetary flexibility, to ensure long term responses are adapted to local needs, and invest in increased resilience, sustainability, and equity. (Le Monde, 2020c)

It is in the direct role of mayors in both leading local responses and supporting national response that we see some of the clear indications of the effective role of mayors. Some of this experience is reflected in the UK’s responses, developed later in this chapter, but it is worthwhile highlighting some of the key examples of international impact in this area in Table 9.1 below.

Table 9.1 International roles of Mayors in responding to Covid-19 pandemic

Role of Mayor	Examples
Public messaging	<ul style="list-style-type: none"> • In Düsseldorf (Germany) the mayor addressed the population in a video message while calling on citizens to protect people at risk, particularly the sick and the elderly. • In Bratislava (Slovak Republic), the mayor commissioned a famous local cartoonist to visually represent how residents can keep safe. The mayor also regularly hosts live Facebook sessions to answer questions from citizens, and prepared a video with actors and public figures, motivating citizens to be responsible. • The Mayor of Paris (France) regularly provided messaging through Instagram posts and live videos to update citizens on new measures throughout the city, such as the expansion of bicycle lanes and the distribution of masks in phases as the lockdown eases.
Economic support	<ul style="list-style-type: none"> • Nice (France) launched an employment pact to support the economic recovery after COVID-19. Mayor Christian Estrosi announced an additional budget of EUR 3.5 million, aimed

	<p>at the most vulnerable entrepreneurs and public authorities, as well as strategic SMEs in the region.</p> <ul style="list-style-type: none"> • The Mayor of Milan (Italy) announced the establishment of a mutual aid fund to help those most in need and to support recovery of city activities. The fund, in addition to the allocation of EUR 3 million already approved by the City Council, is open to the economic participation of individual citizens, companies and associations.
Championing alternative travel	<ul style="list-style-type: none"> • Claudia Lopez, mayor of Bogota (Colombia), announced an additional 35 km of cycleways. • Giuseppe Sala, mayor of Milan (Italy) announced that the city would retrofit 22 miles of streets over the summer to post-COVID-19 pedestrian use for cycling and walking
Provision of safety equipment to residents	<ul style="list-style-type: none"> • Madrid (Spain), in collaboration with the national government, started to distribute masks at important nodes of public transportation. • The mayor of Paris (France) committed to distribute 2 million cloth masks to city dwellers starting from 11 May, channelled through borough town halls and pharmacies.
Supporting vulnerable adults	<ul style="list-style-type: none"> • In New York City (US), after at least 460 people experiencing homelessness tested positive and 27 have died due to COVID-19 in the city, the mayor announced that 6,000 individuals would be relocated to hotel rooms

Source: Information adapted by author from articles by international mayors series of articles in Le Monde 2020 and OECD 2020

This impact helped the OECD, working together with cities and mayors from across the industrialised world, to develop their analysis on issues related to the economic, social and environmental impacts of the pandemic, as well as bring together lessons learned and recommendations for supporting local economies in the face of extreme situations. A summary of the key recommendations is in Table 9.2 below, but key features are around the need to build “inclusive, green and smart cities” (European Commission, 2021) and to ensure that there is effective local governance in place to deliver required changes. Key ideas for that effective governance are:

- Promotion of flexible model of city governance through innovative collaborative tools, partnerships or contracts;
- Co-ordinate responsibilities and resources across levels of government to meet place-specific needs;
- Tailor strategies and public service delivery to their unique spaces and scale;

- Strengthen strategic management and innovation capabilities of local public officials;
- Foster citizen engagement to rethink social, environmental and economic measures for the recovery phase;
- Engage with the private sector in the recovery phase as well as with regulators, academia, and civil society;
- Advance sustainable public procurement and infrastructure combining economic, social and environmental objectives,
- Support open government initiatives to expand and facilitate access to public information, increased transparency and accountability of decision-makers, as well as instances of co-creation of public policies;
- Support systems and networks of cities, for example through city-to-city co-operation to learn from innovative responses at city level. (European Commission, 2021)

Much of this analysis has been part of UN Sustainable Cities recommendations for improving urban areas for many years, with little new or particularly innovative thinking – in some ways the pandemic has reinforced the needs for good governance at places- providing a lived experience with real life and immediate consequences for failure to deliver effective governance and local accountability for decision makers (United Nations, 2020).

Table 9.2 Summary of OECD recommendations for building back better cities (OECD, 2020)

- | |
|---|
| <ul style="list-style-type: none"> • To build inclusive cities that provide opportunities for all; • To build green cities that can transition to a low-carbon economy; • To build smart cities that can leverage the full potential of innovation for residents' well-being and foster inclusive growth. |
|---|

9.5 *The UK experience*

Within the UK, with a centralised health service, and well worn avenues for regional resilience based on police force areas, local authorities and regions, the health focus of mayors was initially much less pronounced than in international comparators, and even to directedly elected local authority mayors. Resilience in the UK is governed

by the Civil Contingencies Act (2004) which highlights that “*Local Resilience Forums are the principal mechanism for multi-agency collaboration and co-ordination*” and have no mention of the role of metro mayors (Cabinet Office, 2016). In the initial phase of the crisis, most of the metro mayors have instead concentrated on the particular economic needs of their community, pitching ideas for central government intervention, and bringing their own influence to bear on local employers.

Unlike other industrialised areas and nations, that economic response and support has primarily been through centralised decision making, albeit with input from across the regions and nations of the UK. Within England, there were a single set of economic support measures, based on protecting workforces from immediate threat of redundancy, and supporting small businesses.

The two largest (by value) schemes were the Coronavirus Job Retention Scheme and the Self Employment Income Support Scheme. These were both administered by central Government departments, closely monitored by the Treasury, and available to any employer, or self employed individual throughout England. Indeed, it took over 2 months for any data to be available on the impact of these schemes at anything below the England-wide level. The Office for National Statistics took until the 10th June 2020 to publish their Coronavirus Job Retention Scheme Official Statistics Estimates – covering data until from the 1st March until the 31st May of that year. Until that publication, there was no awareness of any breakdown of the support scheme into particular areas or regions. This centralised response to the economic has largely been seen as successful, with the Institute for Government highlighting the key successful features of the scheme:

“Decisions on the economic support package – the Coronavirus Job Retention Scheme (CJRS, or ‘furlough’), the Self-Employment Income Support Scheme (SEISS) and the Coronavirus Business Interruption Loan Scheme (CBILS) were taken very quickly. For instance, the CJRS was designed and announced within 48 hours, with the SEISS coming days later. The schemes were rolled out ahead of schedule and with remarkably few problems, preventing the immediate wave of job losses the government had feared. In large part, this was thanks to the steps taken by ministers and officials:

- *Decision makers were clear that delivering fast financial support to the vast majority of affected workers and businesses was preferable to taking the time to cater to every individual circumstance.*

- *The government worked closely with business and union groups, which helped secure a positive public reception when the policies were announced.*
- *Delivery was factored in from the start. Treasury ministers and officials worked closely with HMRC officials, who would be responsible for implementing key measures, and choices about how the schemes would work were guided by what could be done quickly.” (IfG, 2020)*

Although the rules for the small business grant schemes to the retail hospitality and leisure business and wider small business sector were determined at a national level, the delivery of the £12 billion scheme was at local level by local authorities. They ensured the delivery of grants of either £10k or £25k to eligible business, and provided weekly updates on spend and applications for support. As the schemes were rolled out, an element of local discretion was offered for each local authority to tailor grants to the economic circumstances of their areas. Even this discretion was heavily circumscribed by national guidance, and all the resources were provided directly by the central state. Beyond the general exhortation to collaborate reproduced below, there was no specific role for mayors or combined authorities in co-ordinating or dissemination of the scheme:

“Local authorities may wish to consider collaborating as they design their discretionary schemes to ensure there is consistency where they are working across a functional economic area (e.g. a Mayoral Combined Authority or Local Enterprise Partnership area) and may want to engage with MCAs and LEPs to ensure alignment and reduce duplication with other local discretionary business grants that may have been established.” (BEIS, 2020; para 28).

Despite this lack of mandate from central Government around providing direct support to local businesses, within the UK mayors did provide a limited convening role. As the pandemic progressed this had an initial focus on ensuring that sources of PPE, hand sanitiser and other essential health care equipment were aware of the national need, with Greater Manchester Mayor highlighting the purchase of 14.5 million items of PPE (personal protective equipment) (Burnham, 2020). As the economic impact became clearer, UK mayors made clear calls for national government support around the needs of their businesses. This culminated in a joint letter from 4 out of the 5 ‘northern’ metro mayors (Houchen, the only Conservative mayor in the north, did not sign) complaining that the financial support on offer was late and was ‘not sufficient to protect our communities through the challenging period

which lies ahead' (Burnham, et al, 2020). The non-participation of Houchen features in much of his economic dealings across the north – he later used an article in the Manchester Evening News to explain this perspective that *'it was pointless for metro mayors to club together to lobby the government because it would not deliver local results on the ground'*. (Houchen, 2021e) In the same article he expresses some of the frustration with this (lack of) wider partnership:

"All it is is posturing and discussions about politics, actually, when you drill down into the policies that they all issue joint press statements on....to be fair I've never been asked to get involved in a press statement.

They just don't bother contacting me. It's a Labour Party press release that comes out from Labour North, I just think that's not really what mayoralities should be there for." (Houchen, 2021e)

It was in the preparing for recovery phase that mayors were expected to take more of a lead by central Government. This was a key priority for both local leaders and mayors. During the DevoConnect COVID-19 Webinar: *"Response, Impact, Recovery"* held on 23rd April 2020, Mayor Andy Burnham from Greater Manchester highlighted the need to *"Build Back Better"*, and that it was essential to capture the benefits of lockdown such as cleaner air, a better work-life balance and a greater emphasis on exercise as well as ensure that the right support is given to the weakest parts of the economy that he envisaged would be hit hardest by the recession. In the write up of the seminar, Mayor Burnham was quoted:

"it is understandable that in a national emergency a highly centralised approach is taken but the Government could have done better. Rather than lessons learnt, there is a real danger that the recovery will be similarly top-down which would be a huge mistake. The recovery must be a collaborative and inclusive effort that draws on the strengths of all parts of the country, all political parties and all sectors of the economy." (Devoconnect, 2020)

In a letter on the 3rd June this pressure seems to have paid off, with Simon Clarke (then Minister for Regional Growth and Local Government) inviting elected mayors to:

"....work together to restart the economy as we begin gradually to refine the economic and social restrictions. Thank you for sharing your initial ideas and considerations on this matter. Your local leadership, as an elected Mayor, is essential here.

We are therefore clear that we expect you to lead economic recovery planning in your region. We look forward to seeing how you plan to use your powers and funding to support recovery over the coming months. We encourage you to continue to develop evidence-led thinking, collaborating closely with Local Enterprise Partnerships and other local partners.” (Clarke, 2020)

The same Minister then highlighted that there would be a new White Paper developed by Government – the Local Recovery and Devolution White Paper, which would harness local leadership across England to support economic planning.

This focus on the need to support business more effectively was a theme carried forward in the wider devolution debate. Increasingly confident and critical metro mayors, highlighted their unique local knowledge, networks and legitimacy, and pressed for greater decision making and funding. The mayor for the Sheffield City Region highlighted this in a public letter to the Government:

“Covid-19 has strengthened what was already a compelling case to give South Yorkshire the investment and powers it needs to fulfil its potential. But what we have now across England is still too often delegation, not devolution, with regions dependent on pleading for handouts that are often tied to specific projects and policies aligned with Westminster’s priorities... This must change and the Government must match the ambitions of Metro Mayors and local leaders to build back better... Together, we must ensure the Coronavirus recovery is a moment of renewal for our region and the country, in which we tackle problems and injustices that have been neglected for far too long.” (Jarvis, 2020)

This burgeoning confidence in role, understanding and leadership by local leaders has been evident throughout the initial period of responding to the pandemic. As infection rates have varied considerably across the country, and economic restrictions have been implemented on a geographical basis, this has become an even stronger focus of activity. Both metro mayors and local authority mayors have increased their profile as leaders of their place, transcending narrow powers and responsibilities to operate in a fast moving and unstable situation.

9.6 Mayoral leadership in Tees Valley

Within the Tees Valley, we have seen a much more activist approach by the metro mayor in developing economic opportunities and support packages, as well as increasing confidence to give messages on public health. There was also a

considerable reduction in political rhetoric and posturing, especially in the early days of the new infection. A number of short term measures were put in place by the mayor and Combined Authority. In his report to the Combined Authority Leadership Board of 29th May 2020, the mayor highlighted his coordinated regional response to the coronavirus pandemic. This included:

- The establishment of a Tees Valley Business Support Helpline, a 24/7 helpline for companies across the region looking for support and advice during the pandemic.
- A Buy Local Tees Valley website, which aims to connect local people with businesses that are still up and running through the pandemic.
- A business survey to understand the effects the coronavirus has had and may have on Tees Valley businesses and the short, medium and long term support they need.
- The purchase of 100,000 bottles of hand sanitiser for distribution across the region; and
- encouraging public sector organisations to shorten payment terms for businesses from the normal 30-day process with the Combined Authority and South Tees Development Corporation led the way in changing their operations to make them more efficient and further support small and medium businesses. (TVCA, 2020a)

Following this meeting and update, the mayor then used his specific mayoral powers and funding, to launch two new economic support schemes:

- A new apprenticeship support scheme, where £1million was allocated to encourage businesses to offer employment to 16-20-year-olds across Tees Valley in a bid to reverse the decline of apprenticeship creation as a result of the coronavirus pandemic. The funding will be used to fund 100% of the apprentices' wages in their first six months of employment, and 50% for the remainder of the apprenticeship, up to a maximum of two years. This initiative was developed in specific response to the business feedback from their survey, which found that 69% of businesses who responded stated that they had furloughed apprentices and 35% said they could no longer commit to employing an apprentice. (TVCA, 2020b)

- A £1million package of support for front-line hospitality and tourism businesses across the region, including a £250,000 Welcome Back Fund funds to help them reopen in time for summer. This was in response to the business survey, where 98% of local hospitality businesses said they required funding support to survive, compared with 83% across all sectors. (TVCA, 2020b). After utilising all of this welcome back funding within 1 month of opening, on the 17th June, the mayor announced the next stage of this funding with a Back to Business Fund to enable hospitality and tourism businesses to get direct professional support, advice and guidance in areas such as HR, accountancy, legal, financial, health and safety, IT and digital to aid recovery and future growth (TVCA, 2020b).

These two schemes were designed to be the first part in a comprehensive recovery and economic levelling up plan for the Tees Valley. The context for these plans was set out in the Chancellor's summer statement – where some additional funding and local schemes were set up – including a £17.4 million allocation of the 'Getting Building Fund' for projects in the Tees Valley, as well as in the invitation to submit proposals for a Comprehensive Spending Review in the Autumn of 2020. That review will set UK Government departments' budgets for the next 3 years.

Chancellor Rishi Sunak highlighted that the key priorities were to strengthen UK's economic recovery from COVID-19 by prioritising jobs and skills and the 'levelling up' of economic opportunity. He made specific reference of the need to support local recovery, highlighting that:

"The Comprehensive Spending Review is our opportunity to deliver on the third phase of our recovery plan – where we will honour the commitments made in the March Budget to rebuild, level up and invest in people and places spreading opportunities more evenly across the nation." (Sunak, 2020)

Houchen was quick to highlight the opportunities for his area in this work, prioritising work on inward investment, carbon capture storage and utilisation, his Free Port priorities, as well as a new priority area of relocating the civil service to the Tees Valley. (Houchen, 2020b)

9.7 Communications

Internationally, one of the key features of the mayoral response to the pandemic has been in public communication, with examples of that public messaging in Table 9.1. It was similar in the UK, with some mayors taking a much more public line as spokesmen (all UK metro mayors during the pandemic were male) for their areas, articulating common needs and experiences, as well as challenging central Government in its approach.

This was also true in the Tees Valley - as we have seen in earlier chapters, the Tees Valley Mayor has a sophisticated and nuanced approach to social media. This was reflected in his use of social media over the key months of the UK's initial response to the infection. Over the period from the 16th March when the mayor made his first public tweet on any matter connected with virus impact, until the end of June, when England was preparing for large scale re-opening of public spaces, restaurants and pubs, the mayor made 151 separate tweets about various aspects of the emergency. A full list of these tweets is available in Appendix 4, but the table 9.3 below highlights the number and subject area over the timescale of peak initial impact of the pandemic.

Table 9.3 Public tweets by Ben Houchen, Mayor of Tees Valley between 16th March 2020 and 30th June 2020

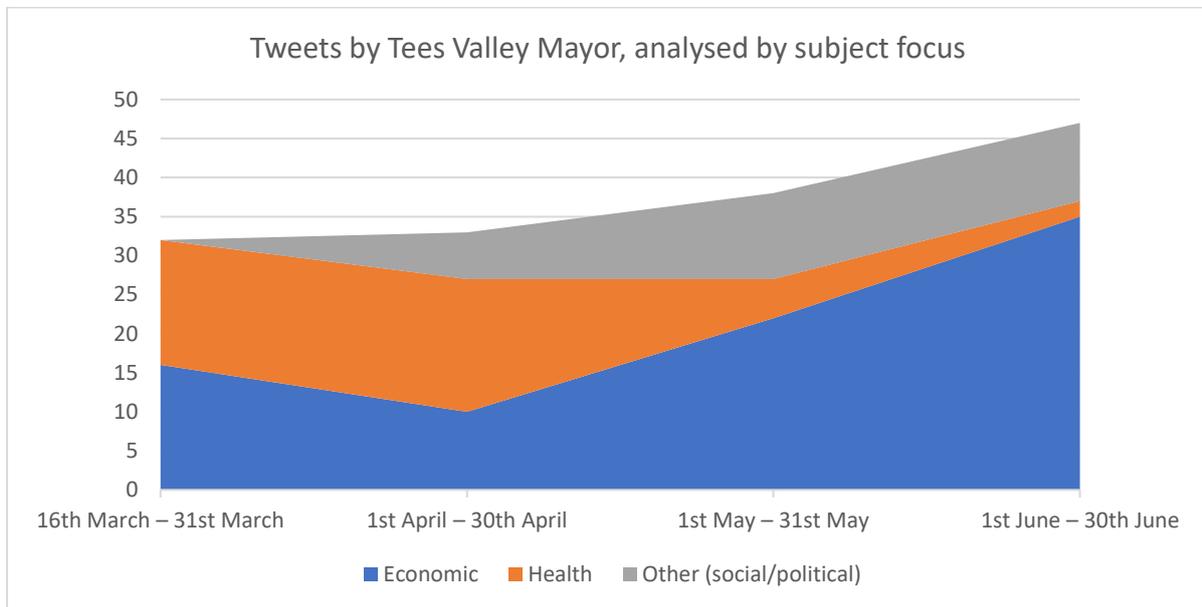
Dates	Economic	Health	Other (social/political)
16th March – 31st March	16	16	0
1st April – 30th April	10	17	6
1st May – 31st May	22	5	11
1st June – 30th June	35	2	10
TOTAL	83	40	27

Source: analysis by author

What is striking is that, from a previous position of largely commentating on economic and political matters, the mayor saw his role as providing public health advice – despite having no powers in that area, and no formal role in emergency response. Table 9.4 highlights the different perspectives over the initial crisis caused by Covid-19, showing this initial focus on health matters, and complete curtailment of any political or social commentary. From the beginning of May 2020, we start to see a lessening of the health messages, and a resurgence of political and social

commentary, but with the foundation of economic analysis and focus, returning gradually over May, and then reaching a crescendo in June.

Table 9.4 Time series by subject area of public tweets by Ben Houchen, Mayor of Tees Valley between 16th March 2020 and 30th June 2020



Source: analysis by author

Setting those communications in the international context highlighted in section 9.2 of this chapter, shows just how consistent the mayor of Tees Valley was with international experiences and communications. He displayed all of the key characteristics of the OECD analysis, and despite the powers of UK metro mayors being of a mainly economic nature, the concept of being a ‘spokesperson’ for and to an area and leading communications between the local area and central Government, acting as a convenor for their area comes across strongly. The analysis in Table 9.5 below highlights how the communications and wider activities of the Tees Valley mayor meets the key OECD identified roles.

Table 9.5 Analysis of selected public communications by Tees Valley mayor (16th March – 30th June)

Role of Mayor	Examples
Public messaging	<ul style="list-style-type: none"> • Need to follow guidance to protect the vulnerable (16th March) • Guide to social distancing (18th March) • Closure of schools (18th March) • ‘Stay at home, protect the NHS and save lives’ (20th March) • Urges people to ‘clap for carers’ (26th March)

	<ul style="list-style-type: none"> • Welcomes work at CPI on a vaccine against coronavirus (27th April) • Highlights HMG advice on virus control (11th May)
Economic support	<ul style="list-style-type: none"> • Calls on Government to support businesses for 'at least 12 weeks' (17th March) • Highlighting Job Retention Scheme (20th March) • Highlights business support through local authority grants in Tees Valley (22nd April) • Commitment of £24 million to new Tees crossing (18th May) • Local business part of new construction project (HS2) (29th May) • Welcomes extension of self employment support (29th May) • Launches £1 million fund to support apprentice wages (18th June) • Announces new 5 year deal with KLM for flights from Teesside (26th June)
Championing alternative travel	<ul style="list-style-type: none"> • E-scooter trial supported (12th May) • Welcomes new investment to Middlesbrough and Darlington stations (29th June) • Pressing the Government on permission for e-scooter trials (30th June)
Provision of safety equipment to residents	<ul style="list-style-type: none"> • Mayor sent an open letter to all businesses highlighting the need for the following: <ul style="list-style-type: none"> • Ventilator manufacturing capability • Warehousing and manufacturing space • Medical supplies (letter from Ben Houchen on 16th March, 2020, shared on twitter account) • Announcing 10,000 bottles of free hand sanitiser to 'Teesside Heroes' – local public sector workers (9th April) • Promotes additional 20,000 bottles of free hand sanitiser (13th May)
Supporting vulnerable adults	<ul style="list-style-type: none"> • Seeking volunteers to support emergency response (16th March) • Publicising NHS volunteer responders (25th March) • Supporting vulnerable people by making deliveries of essentials (18th April) • Highlights funding form Community Foundation (22nd May)

(Source: Information from publicly available tweets by Mayor Ben Houchen, analysis by author)

This widening of the key focus of the mayor was encapsulated in his update to local authority leaders at meeting of the cabinet for the Tees Valley Combined Authority in June 2020. The mayor highlighted how he had been working with partners to support businesses, charities, community groups and care settings on a range of initiatives helping thousands of people across Tees Valley, as well as establishing a Tees Valley Business Support Helpline, a 24/7 helpline for companies across the region looking for support and advice during the pandemic. This local response was developed after surveying more than 1,000 businesses to understand the effects of

the pandemic on Tees Valley businesses and the short, medium and long term support they need. The mayor highlighted his priorities as follows:

“Since day one of this unprecedented situation, the health, wellbeing and safety of local people has been my number one priority, but we also recognise the toll this pandemic is taking on our hard-working businesses, their bosses and employees. That is why I’ve been leading efforts to make sure our amazing businesses across Teesside, Darlington and Hartlepool have access to the support and resources they need to keep their doors open for years to come. We are in unprecedented times because of the coronavirus but I’m putting in place the building blocks for a stronger economy and, with my plan to attract new investment and create good quality local jobs, we will bounce back.” (Houchen, 2020a)

9.8 Responding to the 2nd wave of infection in the Tees Valley

Although over the summer months of 2020, the virus rates were low across nearly all of the UK, leading to a resumption of economic activity and calls for return to office working, pockets of increased infection remained in parts of the UK. From mid-September infections rates and impact on hospital services began again to increase across England, with a particular focus on areas in Nottingham, the North West around Manchester and Liverpool and in the North East. Initially central Government messaging on this was slightly confused with simultaneous messages to both ‘open up’ the economy and more localised restrictions.

Suspicion and distrust between central and local Government became more acute in the second phase of high infection at the end of September 2020. The Leader of Newcastle City Council pithily summarised the situation;

“While we have been in discussions with the Government on potential further restrictions the Secretary of State has once again stood up and announced changes without telling us he was about to do so. We want to work constructively with the government but the way these measures are being communicated in headlines and without detail does nothing for public confidence. We have demanded clarity on the new restrictions, testing and support for those businesses most affected.” (Forbes, 2020).

As local rates rose across parts of the Tees Valley, local restrictions were introduced, initially in Hartlepool and Middlesbrough, and then across all five local authority areas. The Mayor of Middlesbrough responded angrily in his comments:

“Govt Restrictions Are Unacceptable. We tried to communicate with gov't but they didn't listen. They're imposing restrictions that'll kill viable jobs & damage mental health. I do not accept the government's intended restrictions - they're based on ignorance.” (Preston, 2020a).

Such protests seem to have been ignored, and when the 'local covid alert level' system was introduced on 12th October, all of the five Tees Valley authorities were placed in the 'high' level. Restrictions and guidance for that level concentrating on reducing social contact with anyone outside a 'bubble', and a restriction of opening times for hospitality industry. (HMG local covid alert levels, 2020). Initially there was no funding available for businesses impacted although that was amended subsequently with the introduction of the Local Restrictions Support grant, and a Job Support Scheme.

The introduction of these alert levels, and wider restrictions on economic activity were not discussed or agreed with local leaders. Across the Tees Valley this produced an immediate negative reaction, with Mayor Andy Preston from Middlesbrough venting his anger on a youtube video that highlighted that 'he would defy the Government'. The official press notice from the local authority was slightly more circumspect, and drily commented that *'the Council wasn't aware in advance that Mr Hancock was going to make the announcement and Mayor Preston said the authority hadn't been properly consulted'* but they still included the Mayor's quotes as to demonstrate the anger felt within the town:

“I feared the government would impose these laws on us and deeply worry they will damage mental health and jobs. We were pro-active and put forward our own suggestion based on data and our public health professionals' understanding of what is actually happening here. The government has ignored us. I strongly disagree with their decision and will go on making the case that this isn't right at this moment in time for Middlesbrough. In the meantime we will start working on local measures to try and protect people's wellbeing and jobs.” (Preston, 2020b)

As infection rates gathered pace, and with increased hospitalisation of vulnerable groups was seen in the Tees Valley, discussions around intensifying economic and social restrictions intensified, with plans for Tees Valley to enter into the 'very high' covid alert level from 2nd November 2020 well advanced. While discussions between the mayor and local leaders were still characterised by somewhat chaotic practical

arrangements, there was a change in tone from local leaders in particular. The complaints about process are probably best summarised by Councillor Mary Lanigan (leader of Redcar and Cleveland council), writing privately to the Secretary of State for Communities and Local Government on 29th October, 2020, on behalf of the Tees Valley elected leaders and mayors:

“We have had two meetings, both meetings to simply to receive data presentations. Similar meetings have taken place with our officials. In addition, the recent gold meeting, which has determined that Tees Valley will be put in to the Very High level (Tier 3) has been taken without the agreement of, without the consent of, and without any communication with us as the local leaders of the Tees Valley.

Can we be very clear your letter represents the first real contact that Ministers have had with us during this whole process. This not acceptable and communications must improve, a letter stating your desire to implement in 48 hours is inappropriate, as it allows very little time to discuss these very important issues.” (Lanigan, 2020)

In contrast to the tone of that letter, the public position was represented in an almost sombre tone by Andy Preston (Mayor of Middlesbrough) in a youtube/twitter video of the 29th October 2020, where he comments:

“It seems really clear to me that (the Government) are committed to putting Middlesbrough and the rest of the Tees Valley local authorities into tier 3. The reason that they want to do this is all about the NHS... if things continue locally and nationally we’re heading for an NHS crisis – that’s really clear.” (Preston, 2020b)

In the end, these local discussions were overtaken by national events, with the Prime Minister announcing considerable restrictions over the whole of England on the 31st October (after a unauthorised discussion of plans in some national papers on that morning. These restrictions, which were implemented on the 5th November 2020, closed all non essential retail, pubs, cafes and restaurants (apart from takeaway food outlets) and limited contact between different households. These moves were broadly welcomed across the Tees Valley as a necessity, with Mayor Houchen breaking an uncharacteristic silence on the subject to issue a statement to local papers:

“I know many people will be extremely frustrated with these new national restrictions that the Prime Minister announced on Saturday, but they are

necessary.... I also know there will be many businesses and workers facing even more uncertainty because of the new regulations. I'm pleased the Chancellor has announced an extension to the furlough scheme and hopefully we'll see more clarity in the coming days for those businesses who have been required to close.

I've seen for myself the impact this virus can have with my wife and I both becoming ill in recent weeks, but I know many more people have suffered much worse than me by losing loved ones and the impact it is having on livelihoods. But by sticking together and following these new regulations, we can come out the other side.” (Houchen, 2020d)

9.9 Reflections of the impact on Mayoral governance in the UK

During key stages of the Autumn 2020's increased infection and the beginning of local restrictions, there was much public commentary on the strengths and weaknesses of the metro mayor system. The Mayor of Greater Manchester, Andy Burnham was the leading spokesman against localised lockdown measures – especially with a perceived lack of support to businesses impacted (Burnham et al, 2020). It is clear that the new role, burgeoning self confidence and higher media profile of metro mayors that was evident during the crisis will have an impact on how mayoral devolution develops, at both a national and local level.

Indeed for the North East of England, which was the first area to explicitly reject a proposed devolution deal as inadequate, resulting in the North of Tyne mayoral combined authority covering a smaller geography, the experiences of joint working to support the economy, has seen some early, tentative signs of extending devolution in the North of Tyne to the full area of the North East of England, especially as the so-called 'North East 7' led the way for discussions on public health and economic support measures for that area, with a series of joint calls for central Government action, as well a co-ordinated public health messages. (Newcastle City Council, 2020)

It is clear among some commentators that the inadequacies of overly centralised control have been highlighted through the UK (and particularly England's) response to the pandemic, and that this has fuelled an appetite for greater decentralised capacity and decision making, which has the potential to set a different future for governance in England.

Indeed, using Switzerland and England's responses to COVID, Jen Gaskell and Gerry Stoker highlight how this new, may result in a more effective strategy during a crisis. In particular they highlight:

There is growing awareness that the current crisis caused by the novel coronavirus is impacting the very foundations of many of the world's democracies, which suggests there is a debate to be had on the strengths and weaknesses of different governance arrangements leveraged in response to the crisis. It feels like it might be a profound learning opportunity – but is it?"
(Gaskell and Stoker, 2020)

In understanding these strengths and weaknesses, they have developed a helpful focus on the ways structures are arranged into working governance systems, and in particular show how some positive qualities of governance can contribute to better outcomes. In their view, the four areas most likely to promote effective government, provided there is effective communication and trust, are:

- Sufficient central capacity to deliver finances, resources and leadership;
- Decentralised capacity to understand local situations and lead thinking about effective control and support measures;
- Mutual learning and integration in a partnership, rather than an adversarial relationship;
- Celebrating differences by highlighting the strengths of a devolved model with central capacity.

In Table 9.6, I summarise the key differences in approaches identified by Gaskell and Stoker in the early stages of the pandemic within the UK, highlighting the areas of comparative weakness in the UK response measures.

It is clear that, while the UK has strong centralised capacity evident – certainly in comparison to Switzerland, there is much weaker capacity below that – certainly in England, and far from the respecting differences and learning from each other's strengths, there is considerable distrust and suspicion between central Government and more localised leadership.

Table 9.6 A comparison between UK (centralised) and Switzerland (de-centralised) responses to the pandemic.

	UK	Switzerland
Central capacity	Measures designed to mitigate the spread and impacts of the coronavirus were centrally issued on 3 March 2020 when the government unveiled its plan to tackle the outbreak.	On the 13 March an 'extraordinary situation' was declared, reclaiming the ability to adopt stringent measures designed to curb the spread of the virus. By that point, it had 1,176 cases and 8 fatalities, and was receiving heavy criticism from the medical community for its lack of coordinated action.
Decentralised capacity	Unclear what role or agency local councils or other bodies have in the UK's response to the crisis on the ground. Local authorities in England have through the austerity measures of the last decade lost a great deal of capacity. NHS bodies seemed tied up in a complex system that seems to discourage initiative in favour of regulation and performance measurement. The country's lack of decentralised capabilities at the local levels also led to confusion in how to implement central government's policy.	Three governance levels – Federal, Cantonal (regional) and Communal – have mobilised different resources to tackle the outbreak. Each 'commune' can issue its own specific guidance in line with Federal and Cantonal ones.
Mutual learning	Relationships between local and central government departments and agencies in the UK have notoriously been characterised by a lack of trust, conflict and competition. Processes of mutual learning occur on an ad hoc basis.	Mutual learning is institutionalised in the consultation processes at the Cantonal and Communal levels, which informs and is integrated into central decision-making. During the crisis, these consultation mechanisms have been accelerated rather than abandoned, and continue to feed into central decision-making albeit with a much faster turnaround.
Celebrating differences	Lack of clarity around differences characterised by political suspicion and territorialism.	Local governance has the freedom and resources to undertake what they feel is needed for their communities. The Commune of Bovernier, for instance, a small village with 900 inhabitants in the Canton of Valais, decided to call each of the 110 households with a resident over the age of 65 to arrange food and medicine deliveries.

Source: Adapted by the author from Gaskell and Stoker; Centralised or multi-level: which governance systems are having a 'good' pandemic? LSE, April 2020

9.10 *The power and pitfalls of local leadership*

The differences in the form devolution has taken across the UK have become even starker during the pandemic. Whilst the leaders of the devolved administrations in Scotland, Wales and Northern Ireland have been able to stand their ground and develop their own policy approaches to manage the crisis, metro mayors and local leaders did not enjoy the same leverage. Although local leaders generally are close to their constituents and live among the communities they represent and want to be able to do what's best for the communities they serve, their powers are insufficient to make any impact on nationally based provision and decision making. They also lacked some of the data on the wider impact of pandemic on public health, and generally supported businesses over community health needs – much to frustration of senior officials within then National Health Service. This approach drew criticism from champions of devolution and localism, such as Arianna Gioviani:

However, while we've learnt the hard way from the pandemic that Westminster does not necessarily know best, so far central government has shown very little willingness to embrace the spirit of institutional reinvention and radical redistribution of power that would be needed to 'build back better'. (Gioviani, 2020)

There were signs, however of greater public traction in the role of local leaders – with mayors featuring on the front pages of newspapers, and achieving much higher recognition in the national discourse. The leading article in the Sunday Times on 11th October highlighted this greater prominence:

"Too often the government has handed down restrictions like tablets of stone without properly consulting local leaders. This weekend northern mayors remain disenchanted about what they see as a lack of dialogue over new restrictions.

This is not a matter of ruffling a few feathers. What we would call a centralised, "Whitehall knows best" approach is also causing serious problems in France and Spain. In contrast, the countries in Europe that have done best in controlling the virus, such as Germany and Italy, have adopted a regional or local approach....

The mud-slinging between local and national politicians is unseemly and damaging to public confidence. As this crisis has demonstrated, Whitehall and Westminster don't always know best." (Sunday Times, 2020.)

This call for greater local control was amplified in a follow-on article published on the 13th October, where reporter Eleni Courea dramatized the story as a classic power struggle between the weak local mayors and powerful central Government. She was clear that “directly elected mayors lack the power to decide coronavirus measures in their areas” but also that central government was unwilling to introduce tough lockdowns without the support of local leaders. (Courea, 2020)

Unsurprisingly the architect of the metro mayor programme, former UK Chancellor of the Exchequer George Osborne also highlighted the prominence of metro mayors in the debate over regional coronavirus lockdowns. In a speech about the Northern Powerhouse he singled out the Mayor of Greater Manchester, Andy Burnham as a strong and effective advocate for his area, holding central Government to account. He summarised the position as:

“What I can see is real representation in the North. And we now have a national political conversation where representative of the North of England are heard on our national news – and that is a fantastic success story. I think we need to be more courageous in giving many more powers to these local elected leaders over decisions like transport, skills, business support and issues like healthcare.” (Osborne, 2020)

This positive reaction was not, however a universally shared view, and the contrary position was amplified in the more populist press, with the Mail on Sunday criticising ‘bully Burnham’ for his use of national media and local campaigning skills in their edition of 24th October:

“Ministers are reviewing plans to appoint more local mayors in the wake of the row with Manchester mayor Andy Burnham over the city’s lockdown. A senior party source said that anger over what the Ministers described as ‘Burnham’s bully pulpit’ performance would lead to a serious rethink of the mayor programme.....” (Owen, and Carling, 2020)

Indeed the Tees Valley Mayor, Houchen, who, in more normal times, tends to not actively work with other mayors, was drawn into openly criticising the approach of Andy Burnham in discussions with central Government. In a podcast speech, Houchen said Burnham was “politicking and grandstanding”. Mayor Houchen went on to say:

“This whole idea of Andy Burnham, trying to pit the North against the South, is nonsense. It’s the prevalence of the virus. Let’s not forget it was London that went into lockdown first and the North of England didn’t.” (Houchen, 2020e)

Proponents of more local control and devolution were clearly alarmed by the potential of this approach to undermine the overall programme of devolving control and decision making set out in the Conservative Party Manifesto of 2019. The Chief Executive of the Centre for Cities quickly went into print to highlight some of the benefits of a more localised approach:

“Dubbed by some as the “king of the north”, Mr Burnham took a stance that drew praise in Greater Manchester and beyond. He also reminded us how important it is to have local champions fighting their cities’ corners in the face of Whitehall’s typically one-size-fits-all approach to problem-solving.... The government needs powerful, proactive mayors who are passionate about their cities if it is to have any hope of delivering its levelling-up promise.” (Carter, 2020).

9.11 Conclusion

It is far too early to say what the long term impact of the emergency restrictions will have on the trust and focus of mayors within England. The Covid-19 outbreak will certainly be viewed as a major turning point, with its destructive impact and severe economic impact of a greater extent than any other recent economic and social shocks such as the financial crisis in 2008, or that caused by the terrorist attacks on the World Trade Centre in 2001. The effectiveness of leadership at both national and local levels has been under intense scrutiny, and the approach taken by the UK has attracted significant criticism, amid one of the highest death rates in the world from the virus accompanied by one of deepest economic shocks among industrialised nations.

There are, however, a number of key strands that have emerged that will feed into the future direction implementation of mayoral devolution and policy within England. These are:

- The willingness of metro mayors to stray beyond a strictly economic brief and use their platform to reinforce messages around public health;
- An increasingly visible role in both national and local political discourse;

- Greater levels of self confidence and the ability to build relationships at a local level to challenge overly centralised and ineffective national bureaucracy;
- Taking action to secure personal protective equipment for their area, and distributing to vulnerable members of the community;
- Championing alternative transport such as e-scooters, and increased public transport usage;
- Metro mayors acting as a public and critical commentators on national responses on virus suppression and economic support;
- UK mayors being part of a global shift with mayors and local leaders taking local initiatives in response to fast moving and unprecedented events.

This mixture of effective advocacy and local delivery, balanced with a role of public challenge to national Government is likely to influence the debate on the future direction of devolution in England. The promised White Paper, covered in section 9.4 of this chapter has so far failed to materialise. The Comprehensive Spending Review, launched with such enthusiasm in the summer of 2020 (and again covered in section 9.4) was downgraded to a mostly single year settlement, and the national debt had risen to new heights to cover the costs of extending income support for those in work.

Nevertheless, some of the core features of devolving and decentralisation of power has been enhanced – particularly the need for greater local decision making. So, speaking at the launch of a reporting on levelling up by the Northern Powerhouse Partnership in September 2020, the Tees Valley Mayor returned to one of his constant themes in arguing for greater localism and policy making informed by the needs of individuals based on where they live:

“Those in London are too remote from our area to understand the local healthcare priorities across Teesside, Darlington and Hartlepool. How can someone sat in Whitehall understand the health needs of someone in Hartlepool or Billingham? The Tees Valley deserves first-class health services and we must make sure that everyone can access them quickly and effectively. Devolved health powers will allow clinicians and experts to tailor budgets and priorities directly to the needs of local people and communities and improve the health and wellbeing of people who live in Teesside, Darlington and Hartlepool.” (Houchen, 2020c)

The need for better understanding of places, and their particular needs has also started to be recognised within the academic community in the Tees Valley, as there is growing recognition that the Covid-19 crisis will not end quickly and that the crisis will likely amplify long-standing problems of the area. In their blog article highlighting work of a new think tank based at Teesside University, Nick Gray and Dionne Lee highlight that “geography and knowledge of place” is vital to be able to build a more effective recovery. They comment that:

“(the understanding of) regional nuances in policymaking is the right approach. With this understanding, policy and interventions for the short and long term will need to be informed by a deep understanding of how the economic crisis has and will unfold differently across the country. The response will require effective partnership working across all levels of government and between different subnational institutions; this must include local and regional government, businesses and business representative groups, colleges and universities. It is essential that the immediate recovery policy response seeks to understand local nuance in moves to mitigate the immediate effect and minimise long-term damage. In Tees Valley, collaborative working between stakeholders within the region and beyond has a long history and the solutions-based approach to regeneration adopted by the combined authority, local anchor institutions and regional actors exemplifies positive partnership working and presents a model of how others could operate. (Gray and Lee, 2020)

This call resonates with the work that was undertaken by the mayor and Tees Valley Combined Authority, and covered in chapter 5 of this thesis ‘Policy Impact of the Mayor’. While the evidence may be shifting in an unprecedented way, the need to understand what is actually happening, and make good decisions based on that evidence remains a key priority. Even with the massive funding available at a national level, and the introduction of significant economic support measures at unprecedented speed of development and delivery, metro mayors have proved that having a good understanding, and a lived ‘inherent’ experience of their area is a valuable asset. They have also proved adept at quick decision making and effective communication, as well as a raised profile.

Chapter 10 – Do Mayors’ work?

Summary and conclusion

“[Industrial Strategy] Council research shows that strong local leadership and efficient governance are key to driving local economic growth. Local strength is founded on the strength of local institutions.” (Industrial Strategy Council, 2021 annual report)

10.1 Introduction

Chapter 1 introduced this research programme by highlighting the three key areas that would be examined in this thesis to help us determine ‘can metro mayors work’:

- The personal traits, capabilities and style of leadership of any particular elected mayor;
- The local political, social and economic situation of a particular place, including the actual powers and funding available;
- The impact of national and international events.

We are now at the end of that research programme, and ready to draw conclusions about the mayoral governance in Tees Valley, its impact across a range of different indicators and sectors within the Tees Valley and within the complexity of English governance. After analysing updates on national policy making and thinking around mayoral governance in England, I will provide a short update on each of the key areas that I examined in part 2 of this thesis, namely:

- Personal qualities and strengths of Ben Houchen, as elected mayor;
- Policy impact of the mayor
- Updating on the developments at the airport
- Updating some of the key economic indicators established in chapter 7
- Understanding the continuing political impact of the mayor
- A brief update on the course of the Covid-19 pandemic, as it relates to economic governance.

This will then lead to an assessment of the effectiveness of both the mayoral model in Tees Valley, as well as its successes and failures, and analysis of what the future may hold as Houchen begins his second term as mayor from May 2021.

10.2 Mayoral governance in England

The debate on the extent and nature of mayoral governance continues within England. There has been one notable recent addition to the ranks of mayoral leadership, with the election of Tracy Brabin as the first elected mayor of West Yorkshire in May 2021. Previously an actress, then a Member of Parliament within Wakefield (one of the local authority areas, that alongside Leeds, Bradford, Kirklees and Calderdale, makes up the West Yorkshire Mayoral Combined Authority), Tracy Brabin is also the first female metro mayor in England. The powers are similar to those enjoyed by the mayor in Greater Manchester, with specific powers on transport, housing, regeneration, finance and policing.

Elsewhere, however, there has been less progress on new mayoral arrangements. Plans for a new metro mayor covering Hull and the East Riding of Yorkshire have been developed by local stakeholders, but progressed slowly, with the proposed extension of the North of Tyne mayoral combined authority to bring in additional local authorities seemingly stalled in local discussions around leadership, funding and powers, as well as more polarised political leadership. (Chronicle Live, 2021)

Proposed 'devolution' and then 'recovery' white papers have been proposed by central Government, and then quietly dropped with a lack of political enthusiasm for new forms of governance. Current plans are for a 'Levelling Up' white paper, proposed for publication in 2021. Details remain sketchy over what this will contain, but, in July 2021, the Prime Minister alluded to his vision of more mayoral leadership in a widely covered 'levelling up' speech:

"..one final ingredient, the most important factor in levelling up, the yeast that lifts the whole mattress of dough, the magic sauce – the ketchup of catch-up and that is leadership and this brings me to the crux of the argument- this country is not only one of the most imbalanced in the developed world, it is also one of the most centralised – and those two defects are obviously connected. We are making progress... we have created metro mayors, I used to be one, and the best of them are relentless champions for their communities..." (Johnson, 2021)

This praise for existing mayors also promised a widening of this type of governance, bringing a new “*more flexible approach to devolution in England*”, with the Prime Minister offering “*new deals for the counties*”, offering the same powers that have been devolved to mayors to lead local priorities such as infrastructure, skills and inward investment (Johnson, 2021). The invitation in the speech was a broad one:

“Come to us with a plan for strong accountable leadership and we will give you the tools to change your area for the better...” (Johnson, 2021)

This was swiftly followed by a formal invitation to local authorities to put forward proposals for ‘county deals’, with a small number expected to be developed for implementation from May 2022 onwards (MHCLG, 2021b).

Until the White Paper actually emerges, however, the new powers, responsibilities and funding available to metro or county mayors remains opaque at best. New funding regimes, such as the Levelling Up Fund, largely bypass mayoral combined authorities – apart from large transport schemes - while the promised clarity of the role of Mayoral Combined Authorities in the replacement for European regional development funds – the ‘Shared Prosperity Fund’ – is well behind the proposed schedule announced in the 2020 Budget, where more details were promised by ‘Spring 2021’ – but have yet to emerge!

10.3 Is Mayoral governance really devolution?

As we saw in chapter 2, there was a key debate as to whether the powers on offer to metro mayors actually constituted any real form of devolution. That debate has continued throughout the first term of the elected English mayors. Whether the limited range of powers and funding on offers through mayoral combined authority merely acts as a smokescreen for wider austerity and cuts to local authority budgets, or whether individuals, with some power and authority can actually make a difference is neatly characterised in the analysis around decentralisation and devolution by Fenwick and Johnston who highlight:

“..responsibility for difficult decisions being passed down from central Government to quasi-regional level. Equally, it can be argued that some Combined Authorities decisions would not have happened ... if the Authority did not exist.” (Fenwick and Johnston, 2020, p79)

Interestingly, they cite the experience of the decision by Tees Valley to bring the airport into local ownership and promote its use as an example of how mayoral

combined authorities can make a difference. They conclude, however, by highlighting that the current mayoral arrangements are probably not real devolution, with 2 key challenges – that of *scale* – with most mayoral combined authorities covering too large a population and area for true devolution from their perspective – and that of *resource* – where they argue that both the relatively limited additional funding on offer through mayoral devolution deals, and the lack of any real capacity for the raising of funding on local business or individuals highlight that:

‘The Combined Authority is far removed from the model of a devolved polity raising its own resources.’ (Fenwick and Johnston, 2020, p80)

This view is challenged by champions of the mayoral devolution model, who, while agreeing that the powers and tax raising abilities of metro mayors in England is inadequate to demonstrate any real devolution, highlight the differences that metro mayors have actually made in their localities, making the most of their actual powers, as well as wider leadership characteristics as champions and advocates for their place. ippr North highlight this view in their report marking 100 days after the May 2021 mayoral elections:

“Northern mayors increasingly reach beyond formal powers to improve the lives of the people that they represent. A review of recent mayoral manifestos and announcements shows that mayors are seeking to deliver on ambitious local visions, breaking free of the constraints of the original conception of the mayoral role” (ippr, 2021).

Again the role of the Tees Valley mayor in bringing the airport into public ownership is highlighted by ippr, as well as the setting up of the Mayoral Development Corporation. Following Giovannini’s 2021 analysis of the impact in Tees Valley they go on to similarly focus on how:

“Ben Houchen used his influence in the Conservative Party and consensual negotiations to win national policy focus on TVCA, including securing freeport status and the Treasury North Campus in Darlington—though some suggest this demonstrates a blurred line between mayoral soft power and ‘pork barrel’ politics” (ippr, 2021).

Ippr recognise the impact of some of this soft power and resourcing within Tees Valley in their analysis of spending plans by mayoral combined authorities – with Tees Valley planning to spend £521.60 per person in 2021/22 – the second highest of any of the mayoral combined authorities, and even more striking when you realise

that, for Tees Valley, it excludes spending on policing, fire and wider community safety activities (ippr, 2021, table 4). Comparing like for like in terms of policy responsibility, spend per person in Tees Valley is more than double that for Sheffield City Region – pointing to both ambitious local planning, including use of borrowing power, as well as the ability to attract new funding streams from central Government.

10.4 *Does this mayoral devolution help with levelling up?*

As we have seen from the Prime Minister’s proposal on new ‘county deals’ and praise for (some) existing mayors in developing their area, there remains a congruence in the minds of government Ministers and policy makers between governance reform and creating a more equal country – the so-called ‘levelling up’ agenda that is the subject of much debate. While the term itself is more form of political spectacle (Jennings et al, 2021), there has been some significant changes as a result. As Jennings et al highlight in their compelling critique of the agenda:

“The actions might include a few big infrastructure projects in the North of England, a scattering of free ports and gigafactories, refreshed high streets, or an exodus of civil servants to the regions.” (Jennings et al, 2021)

They go on to highlight that, despite the absence of strong ideological or political foundations underlying this strategies, and the current incoherence of levelling up as a programme, it does present the chance for *‘fundamental consequences for the British state, economy and society’* (Jennings et al, 2021). Within these consequences, mayors will be major actors, influencing the policy and as key delivery agenda.

It is clear, however, that the ministerial penchant for new and increasingly complex competitively-bid central funding will limit this scope for effective co-creation between national and local actors, including mayors. It is likely to generate an unlevel playing field, and those areas without mayors, or without the capacity and capability to mount successful bids may well be excluded from this wider ‘levelling up’.

The Industrial Strategy Council highlighted this need, with their research showing that: *‘strong local leadership and efficient governance are key to driving local economic growth’* (ISC, 2021). They highlight that local strength is often founded on the strength of local institutions, and that the present large imbalances in the

capacity and capability of local institutions across the UK has actively contributed to the opening-up of regional disparities in a vicious circle for left-behind regions.

To correct this imbalance, the ISC has set out a set of policy and guiding principles that should underpin effective devolution, including clarity around the mechanism for devolution of a wide range of powers to a sub-national level, and real devolution of spending powers. In this aim, they have secured the unlikely backing of the *New Statesman*, whose political editor (Stephen Bush) highlights that:

“...the government lacks a clear idea of what it wants to devolve. It knows what it dislikes: mayors such as Burnham and Khan, who it feels are too inclined to pick fights with it. But while the government will intermittently praise Street and Houchen (and sometimes not even just to criticise Burnham and Khan) it lacks a clear sense of what powers the ideal metro-mayor should have. Indeed, sometimes in private ministers will complain when Houchen or Street are “too mouthy”. (Spectator, 2021b)

He goes on to highlight the two main problems from his perspective of the government’s commitment to giving local authorities and metro-mayors more powers. His first issue highlights that actually, while the principle of more devolution is fine in itself, the government doesn’t actually want to devolve power to anyone who might disagree with it on how to use it, which allows for political calculation and is a recipe for caution – for surely any devolution of powers comes with the inherent possibility of differences in approach, as well as the public disagreements we saw with mayors and other council leaders in chapter 9.

He also challenges the “well, you put together a proposal” as meaning an inevitable end point of an uneven and confusing devolution, and no clear strategy on how to get the most out of it. In addition, central and local Government end up in a constant feedback loop where the metro-mayors and other devolved institutions demand more powers but don't ever fully use the powers they have *now*, and in which no-one is fully clear what, exactly, is devolved and isn't. His prescription for a better chance of devolution to work effectively is, ironically, greater centralisation of the levelling up agenda:

“A centrally imposed and broadly communicated shared set of powers for all the metro mayors would probably leave voters and the country better served than a piecemeal and patchy devolution settlement.” (Spectator, 2021b)

To some extent, these criticisms and challenges of the mayoral and wider devolution agenda have been a constant throughout the research programme for this thesis. As yet, there is no resolution between the challenges of asymmetric deal making settlements with particular areas and that of the real need of communities and businesses within England. Various white papers and policy commissions have been promised, but with no clarity ever emerging over what the government's overarching vision or purpose is.

10.5 Update on key thesis areas

What we do have, however, is the evidence base of the first terms of metro mayors across England, and in this thesis I have shown how this has impacted on the area of Tees Valley, in a political, economic and social context. Through that evidence base, I will conclude my perspective on mayors, and how they can most likely have a positive impact on economic restructuring and growth in the Tees Valley.

For each section, I will provide a brief summary of the key findings of my research, ensure any information is up to date for thesis submission, and draw out key recommendations and issues for further study.

10.6 Personal qualities of the Mayor

Chapter 4 examined the perspectives of key stakeholders in the public and private sector of the then newly elected mayor, Houchen. Fieldwork and interviews were conducted between June and December 2018, and examined initial perspectives of the new mayor and his impact. We saw that reactions at that time were generally positive, although quite polarised as to the political agenda of the mayor. The key positive issues identified in that analysis about the mayor were his abilities:

- To be a single figurehead and contact for both local businesses and international investors;
- His ability to command attention within the corridors of UK power;
- His effective projection of a positive and optimistic view of the economic future of the area;
- The disruption of the status quo and cosy paternalism of the existing political structures within Tees Valley;

- Ability to focus resources and attention of key issues, and galvanise others to support improvements.

While the negative characteristics that have emerged are:

- Polarising and overtly party political approach, risking cross-party consensus and partnership working;
- A focus on the eye-catching and popular, at the expense of properly evidence based policy development.

I had planned to revisit this analysis with the same key stakeholders as the mayor came to the end of his first term. I did not foresee the seismic changes in the make-up of the senior political and public sector leadership in the Tees Valley in that time, with none of the local authority chief executives who were in post during 2018 still working in 2021, all but one of the local authority leaders or mayor changing in the same timescale, and the chair of the Local Enterprise Partnership, as well as the chief executive of Tees Valley Combined Authority, also being replaced over that period. With the tragic and untimely deaths of two of the other original participants, and the challenges involved in fieldwork during the covid restrictions, my plans needed some revision.

To some extent, I was able to compare my initial analysis with public comments about, and by, the mayor, covered through local newspapers and media. I read and analysed a daily report of any media mentions of either 'Ben Houchen' or 'Tees Valley Mayor' continually from the middle of 2018 until the 2021 election – comprising 1573 separate news reports (Google, 2021). This provided a valuable sense of what key stakeholders were prepared to say in public about the mayor. I also used my existing network of business and public sector contacts to keep my knowledge of the mayor and his personal qualities up to date, and was able to compare this with my own experiences, particularly as a member of the South Tees Development Corporation board.

The overwhelming perspective from those interactions and analysis was that the initial fieldwork and its conclusions were robust, and have been reinforced over the first term of the mayor. The political perspective of the observer leads to a generally favourable or unfavourable viewpoint of the mayor – but the one thing that is

certainly true is that he is not irrelevant, and his personal stamp and policies are of crucial importance for any economic or political issues in the Tees Valley. It is his vision of the future of the Tees Valley, the future of the airport, the development of industries that holds sway. Political opponents, although mainly without any current electoral mandate, continue to challenge that the mayor is not open to any real public scrutiny, and have now developed a website detailing key issues in the politics of Tees Valley. Their list of charges against the mayor include:

- Teesside enjoys it Palmyra moment, as Redcar Blast Furnace is Torn Down (referring to the current demolition contract on the development corporation site);
- Will the real Ben Houchen please stand up? (around the ownership of Teesside Airport);
- Ben Houchen and the Chamber of Secrets (around the lack of public scrutiny of the plans for the airport);
- A bright blue future for the Tees Valley (around the relocation of parts of Her Majesty's Treasury to Darlington);
- Who's backing Ben Houchen, Tees Valley Mayor? (a list of personal supporters and contributions to Ben Houchen). (Tees Valley Monitor, 2021)

Although written as a challenge to the mayor, it is interesting to note that the articles are mainly about the impact that the mayor is actually having on Tees Valley, and challenging his drive towards achieving his vision for the area, especially in the areas of greatest focus – the airport (chapter 6) and his wider policy impact (chapter 5). Charges of 'cronyism' and 'lack of scrutiny' do not appear to be denting the popularity of the mayor, or his ability to deliver new public investments.

After over 4 years of Houchen as Tees Valley mayor, it is clear that his personal qualities have a bearing on his impact on the economy and governance of the area. The initial assessment in 2018 would seem to hold true, and the polarisation of his opponents to the issue of his impact bears testament to a party political approach at odds with the previous more consensual make up of Tees Valley governance. His approach is changing the area – not least through driving through the demolition of Redcar Blast Furnace – which will be completed in 2022, and remove one of the most prominent landmarks of the area, visible for miles around and a reminder of

proud history of Teesside as the steel making capital of the world. Whether this will be positive or negative remains to be seen, but it is clear that the Tees Valley of the future will be one shaped in the image and personality of its first mayor – the blueprint of a powerful municipal leader, that characterised the establishment of development of Middlesbrough and surrounding area from the 1850s onward appears to have found a new template for the 21st century.

10.7 Policy impact of the Mayor

Chapter 4 analysed the policy impact of the mayor, and concluded that he had been very successful in attracting new public sector investment into the Tees Valley, especially in connection with the development of the South Tees Development Corporation. Since his re-election in May 2021, this favourable treatment seems to have continued, with investment secured for town deals in both Hartlepool and Redcar – an additional £50 million of public sector investment for these towns (Hartlepool Mail, 2021).

New investment has also been secured for hydrogen and low carbon industrial activity, with £2.5 million secured for a range of hydrogen transport pilots across the Tees Valley – with trials for supermarkets, emergency services and delivery companies to use hydrogen-powered transport to move goods and carry out local services, including the retrofit of a double-decker diesel bus with a hybrid fuel cell system (DfT, 2021a).

With progress on the demolition of redundant infrastructure on the South Tees Development Corporation accelerating, with the mayor's aim to complete demolition works across the whole site by August 2022 (5 years ahead of the previous schedule), there are clear signs of a continued push for new and additional investment across the Tees Valley, with proposals submitted to the UK's Community Renewal Fund and Levelling Up Funds, and plans well in advance for the planned spending review in autumn 2021. These priorities build on the well established economic narrative established by the mayor, and highlight how the Tees Valley could support Covid-19 recovery, build resilience and drive economic growth, deliver a net-zero future – establishing Tees Valley as an exemplar region for Clean Energy, and level-up the Tees Valley economy by delivering growth across the entire Combined Authority area (TVCA, 2021a). Ideas range from those envisaged in the

original devolution proposals, such as a replacement nuclear power station in Hartlepool and a new bridge for road traffic across the river Tees, to the more speculative, such as new finance models for carbon capture usage and storage or a dedicated PhD research facility, linking industrial development more closely with industry. The development of these proposals continue the narrative explored in chapter 5 around an ambitious mayor, championing the development of industry and infrastructure, and being a vocal advocate of both the potential of his area, as well as its investment needs.

10.8 The airport

Chapter 6 covered the implementation of the 2017 mayoral election pledge: 'Ben will buy back Teesside Airport'. The initial signs of how the airport was progressing under the new ownership arrangements were positive, with a large increase in destinations serviced from the airport – each accompanied by a mayoral press release and photoshoot. Key new destinations included:

- In January 2020, the airport announced new flights to London City, Cardiff, Southampton, Isle of Man, Dublin, Belfast, and Aberdeen with Eastern Airways.
- Later that year, announcements of new holiday flights to Alicante and Newquay were made;
- Then, after a gap of more than a decade, daily flights to London-Heathrow recommenced in September 2020
- During October 2020 it was announced TUI would be returning to the airport with a summer service to Majorca starting in 2022, while in November, the airport announced the return of low-cost carrier Ryanair. (TIA, 2021)

The underlying finances of the airport were, however, heavily impacted by the Covid pandemic and particularly restrictions on travel. New routes were suspended or subject to cancellation, and the revenues of the airport were impacted. This was a similar story across the entire airline industry with multiple job losses and reliance on financial support from central government through the furlough scheme, as well as a bespoke subsidy regime – the Airport and Ground Operations Support Scheme (DfT, 2021b).

This required a refinancing plan by the Tees Valley Combined Authority, earmarking an additional £10 million of support to the airport. The report to TVCA cabinet highlighted the key issues that had been faced in the running and operation of the airport:

“The impact of Covid-19 has been significant on the aviation industry across the country with extended periods of time without passengers and flights. UK airports are set to lose at least £2.6billion in revenue in summer 2021 alone The operational impact of Covid-19 on the Airport requires the necessary support to ensure the delivery of the 10-year business plan. This investment plan refresh proposes an additional allocation of £10m over 2 years for Teesside International Airport to enable the Airport to stay on track for its recovery plan, in spite of the ongoing global pandemic taking place over the past 18 months.” (TVCA, 2021b)

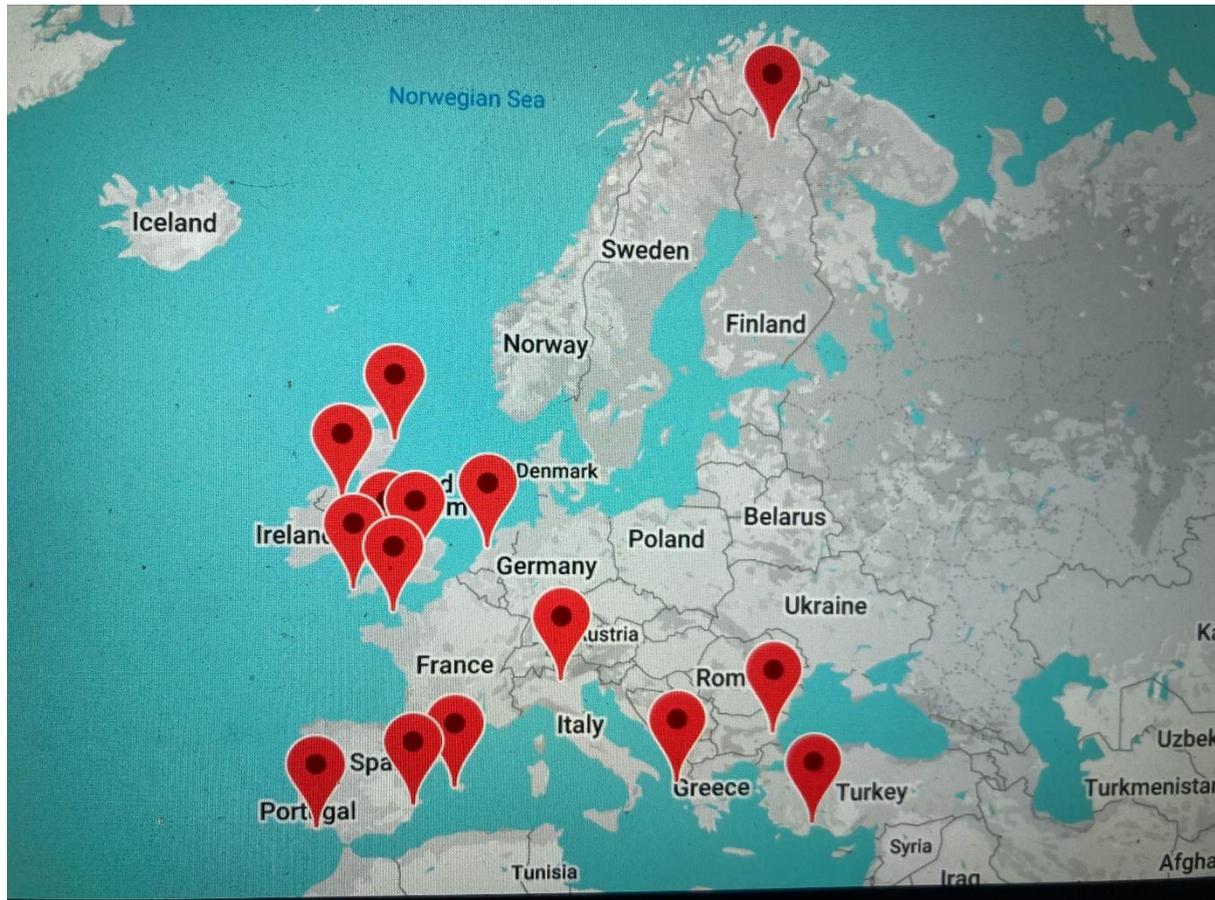
The pandemic also impacted on their delivery partners, Esken (formerly Stobart Aviation), who, as result of losses elsewhere in the group, pulled out of their partnership arrangement in running the airport only 2 years into the planned 10 year strategic plan, returning its 25% share to TVCA at a nominal cost.

Nevertheless the picture of activity at the airport in summer 2021 is generally positive, with increased passenger numbers, continued addition of new routes, the development of new passenger lounges, cafe and bar facilities and the re-opening of mothballed areas. A passenger facility fee (of £6 per person) has been scrapped, and a new duty free facility has opened. The airport also forms a small part of the Teesside freeport. As of August 2021, the airport had 50 separate flights every week (TIA, 2021), with figure 10.1 (overleaf) showing the range of destinations on offer from the airport – a far cry from the limited destinations and plans for closure before the transfer of ownership to the combined authority in 2019.

As we saw in chapter 8, the keeping of the mayoral promise to buy the airport played a prominent role in the re-election campaign in the 2021 election, and seemed to have a resonance with voters. It remains an eye-catching and unusual development by a mayoral combined authority, and is frequently referenced in articles around the benefits of mayors (ippr, 2021). The impact of covid-19, and the requirement for additional funding from the combined authority as result, highlights that it was not a risk-free proposal. While the increased flights and passenger numbers, as well as improved facilities and passenger experience, are having a result in the perception of

the airport, it remains to be seen if the business plan, and return to profitability, can be delivered in the medium term – and the fortunes of the airport will continue to be inextricably linked to the fortunes of the mayor, and his political future, either on Teesside or beyond.

Figure 10.1 Map of destinations serviced from Teesside International Airport



Source: TIA, 2021.

10.9 Updating key economic indicators

Chapter 7 examined what economic evidence could be used to determine the success or otherwise of elected mayors, working with a combined authority. That chapter analysed data against a comparator area (Humber Local Enterprise Partnership (LEP)), and proposed a range of indicators that were readily available and sufficiently timely to measure the impact of mayoral spending priorities and delivery changes. I gave an overview of the challenges of establishing any sort of causality in measuring progress, and analysed delivery and spend across a number of different themes, and set out some tentative conclusions that we may be starting

to see some real improvements in education and employment indicators in Tees Valley compared to Humber.

Since that analysis was completed, we do have some more data available for a couple of the datasets, but we also have 2 unforeseen issues to bear in mind:

- The impact of both the Covid-19 pandemic and departure from the EU single market and customs union on a wide range of economic and educational indicators;
- The decision, from May 2021, by the Office for National Statistics, to discontinue analysis of the Humber LEP as a discrete entity, reflecting the decision within the Humber to split, with a new LEP being created consisting of Hull and the East Riding of Yorkshire, with the local authorities of North Lincolnshire and North East Lincolnshire focussing on their membership of the Great Lincolnshire LEP.

The second issue was mitigated to some extent by retrospective analysis of the data for the new LEP area – Hull and East Yorkshire (HEY) – and it actually provides a slightly better comparator to the Tees Valley in terms of population, although overall HEY is more prosperous economically than the Tees.

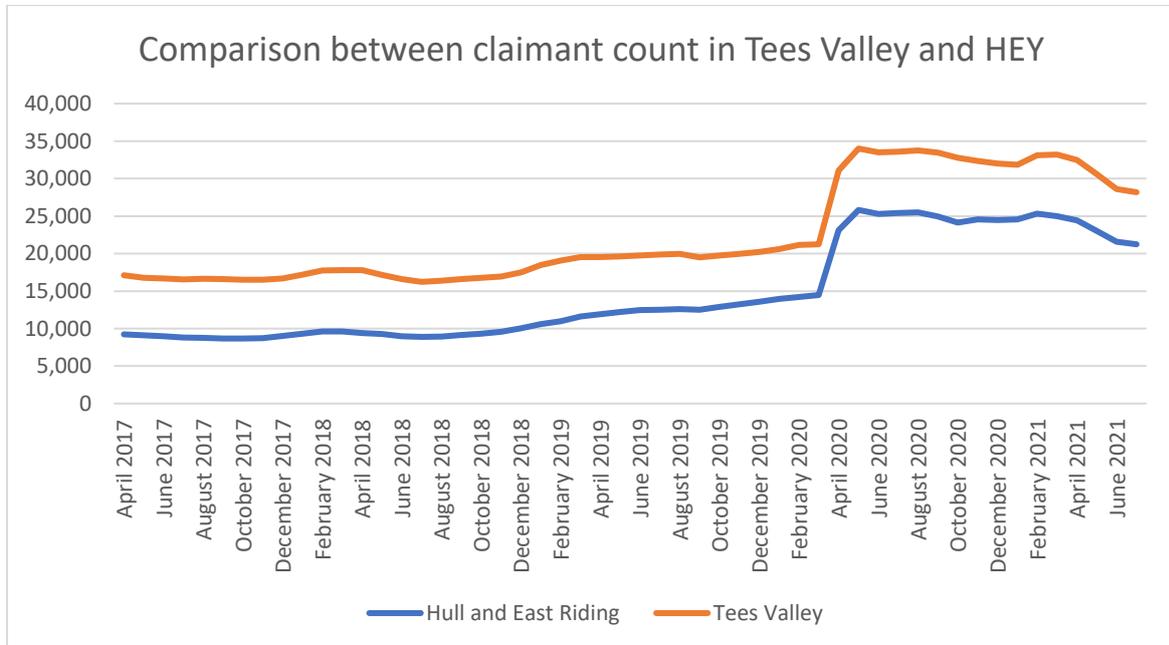
There are couple of useful updates in the data that are worth looking at in some more detail. Figure 10.2 (overleaf) highlights the changes in claimant count – most obviously this shows the economic impact of the covid-19 pandemic from April 2021 onwards – but it also shows a definite relative improvement of the situation in the Tees Valley as compared to HEY, with a decrease in the gap of claimants from 7865 in April 2017 to a gap of 6965 in July 2021. The natural variation in the data, together with the pandemic impact, again prevents a clear conclusion as to whether this improvement will be sustained, but it does suggest that my analysis in chapter 7 continues to be an acceptable, if not yet robust, analysis of the changes observed in the Tees Valley:

“..in the employment, education and skills data we may be starting to see some divergence in favour of the Tees Valley....[this] may be the result of greater timeliness in the data available, and may reflect the greater financial resources available to the Tees Valley as a result of its Mayoral devolution deal” (section 7.14 of this thesis).

continues to be an acceptable, if not yet robust, analysis of the changes observed in the Tees Valley.

Figure 10.2 Claimant count between April 2017 and June 2021

Source: ONS, 2021



The tracking of the recommended data set, outlined in figure 7.4 of chapter 7, but using HEY geography as a comparator, rather than that for the Humber, should continue provide a useful resource on any mayoral impact for Tees Valley – this will need to be revisited if HEY are successful in their proposals for enhanced governance and additional resources, either through a ‘county’ deal or more classic mayoral combined authority. This currently seems a remote possibility. (Hull Daily Mail, 2021)

10.10 Political impact of the Mayor

We saw in chapter 8 the clearest impact of having a mayor for the Tees Valley, in a complete transformation of the political make up of the local authorities and other elected politicians in place as a result of the elections up to May 2021. Although it is implausible to attribute all of this impact the mayor, his overtly and challenging political campaigning, and continual involvement in local media is clearly having a significant impact. The slogan of ‘Brexit, Boris and Ben’ was demonstrated to have real effectiveness, not so much in diminishing the vote for the Labour party candidates, but in attracting new and floating voters to the Conservative party. The

'Ronseal' (Gibson, 2019) politician who was able to demonstrate that he kept his simple May 2017 election manifesto of 'buying the airport', clearly resonated with the electorate – and the increased votes for the incumbent mayor of nearly 80,000 demonstrate this.

There does appear to be something built into the powers and responsibilities of well regarded metro mayors – with victories for 4 out of the 6 incumbents in the May 2021 elections, with the exceptions being the mayor for Cambridgeshire and Peterborough - who had been mired in local authority political in-fighting and allegations of financial mismanagement (Ely Standard, 2020) and that for the West of England - where the incumbent had decided to step down for personal reasons (BBC, 2020). The local authority mayor of Middlesbrough described part of this effect in typically colourful language:

“In truth, you get good and bad metro mayors. Across the country, they are universally popular - not because they all do a great job but because to the public, they are Father Christmas leaders who hand out money, who aren't responsible or answerable for your potholes, refuse collection, kids school or social behaviour next door” (Preston, 2021)

He contrasts this with his own '*horrible job*' as local authority mayor as the '*figurehead for everything that happens, mainly the horrible stuff*'.

It is of course too early to say whether this change in electorate fortunes across Tees Valley will be maintained. In the summer of 2021, we are starting to see a decline in the popularity of the national Conservative party, and particularly the Prime Minister, subject to personal criticism over his leadership style and lack of focus. The 'vaccination bounce' that was evident in the opinion polls through the spring is starting to wane – and that downturn in sentiment is being compounded by food shortages resulting in empty supermarket shelves and supply chain difficulties for some fast food chains. This latter is primarily due to a reduction in the numbers available to work, particularly in agriculture and logistics – and is a result of both covid based international travel restrictions and labour market restrictions as a result of leaving the EU single market and customs union. (BBC, 2021b)

With two parts of the 'Brexit, Boris and Ben' triumvirate facing issues with their popularity, at present there doesn't appear to be any sign of this impacting on the personal popularity of the Tees Valley mayor. However, if these national and

international issues are accompanied by a resurgent and more confident Labour party, and that the mayor's personal popularity is damaged by the allegations of avoiding scrutiny or cronyism that I covered in section 10.6 of this chapter, then it is certain that the current high point for Conservative politicians cannot be maintained across the Tees Valley.

10.11 Dealing with the unexpected

Chapter 9 dealt with the mayoral leadership role during the initial wave of Covid pandemic within England. In truth, there appears to be little significant added value of the Tees Valley elected mayor to the course of the pandemic or its economic impact. Other metro mayors, and particularly Andy Burnham in Greater Manchester, were much more vocal – although there is no evidence that having a national platform actually produced better health or economic outcomes in his area.

The key issue for England is the extent to which this public challenge of mayors to the central Government agenda and policies will impact on plans for future governance. It appears clear that there will be no extension of mayoral powers into the centralised health provision within the UK – and globally, even in areas with well developed federal systems, such as Australia (Times, 2021), that devolution consensus appears to be fracturing with increased restrictions at state level and issues around procurement and delivery of vaccinations. For England, it was notable that the Prime Minister's levelling up speech, although it was wide ranging in both the impact of the pandemic and entrenched health and educational inequality, made little reference to the role of mayors in handling the pandemic (Johnson, 2021).

10.12 Conclusion – Can metro mayors work?

We now come to the conclusion of this thesis on whether the mayoral governance experience has been a positive experience for the Tees Valley, particularly in economic restructuring and growth. Based on the analysis and evidence summarised above, my view is that this experience has been largely positive for economic delivery and strategic growth of the area.

I was clear at the start of this examination that I am not a disinterested party in making these observations – I led the team from central Government that introduced mayoral devolution to the Tees Valley, and continue to be intimately associated with

the area's development and growth over the last 5 years. My personal view is that any increase in good quality local decision making is a good thing, and that decentralisation is more likely to produce long term sustainable growth than any amount of central diktat, no matter how well meant or evidence based. My hope is that further evidence will develop over the next years to show that this will be the case – but want to be clear that this thesis does not prove that argument for decentralisation – merely provides a supporting signpost to how things may develop.

My basis for coming to this conclusion is based on an analysis of what would have happened without a mayor in Tees Valley over the last 4 years. While developing any sort of counter-factual runs many risks of departure from the evidence base, it is safe to examine what would have happened if governance in Tees Valley had remained as a non-mayoral combined authority.

We can take as our counter-factual example the only current non-mayoral combined authority in England – the North East Combined Authority (NECA) consisting of the local authorities in Gateshead, South Tyneside, Sunderland and County Durham. That area has no clear strategic outlook or dedicated financial resources, with strategic thinking being led through the North East Local Enterprise Partnership. The record of their decision making for July 2021 was to note activities of other delivery agencies to which they are linked, and to approve their minutes of the previous meeting (NECA, 2021). One of their members (County Durham) has expressed interest in leaving the combined authority for a so-called 'county deal', and the most eye-catching and valuable new investment – that of Nissan and Envision for battery powered vehicles – was led entirely by Sunderland City Council, with no involvement of NECA. There is of course no dedicated investment fund or borrowing power, nor is there any social media presence.

If that type of arrangement had remained within Tees Valley, with little political cohesion and a mix of hyper-local independents as leaders of 3 of the local authorities, it is hard to see how pace or focus would have been maintained on key development sites. For the South Tees Development Corporation the most likely future without a mayor would have been a mothballed site, with mounting security costs and very limited external investment. It is inconceivable that a combined authority without a mayor would have been able to purchase the airport, or put so

much resource into improving the fabric of the airport terminal. New investments in hydrogen, or a freeport, would not have happened without a championing mayor, and the borrowing powers coupled with new public sector support have contributed to the development of a £600 million capital programme (TVCA, 2019b).

As well as these developments in the economy and growth, there have been additional political consequences for the area, as we have seen earlier in this chapter. The 'Father Christmas' mayor, operating in an overtly political way, and seen to be able to successfully champion his area, coupled with a relentless and professional media operation, has undoubtedly strengthened the long term political future for the Conservative party within the Tees Valley.

10.13 What does the future hold?

The future of a metro mayor in Tees Valley appears secure in the short and medium term, with the next set of elections due in 2024. With the future of Local Enterprise Partnerships unclear, with a 'LEP review' due to report in 2021, mayoral areas will emerge as the key sub-regional economic leads. The thinking and politics inputting to levelling up white paper, again promised for 2021, appears to be in favour of locally accountable leadership and mayors to secure a long term future. Their next 5 year tranche (2021-26) of investment funding has been secured at the promised level of £15 million per year – securing a new chapter in the economic governance of the Tees Valley, as envisaged in figure 3.8. Whatever the future for Tees Valley holds, this period of mayoral leadership has secured a place as part of its 'path dependency', and much as Teesside Development Corporation has provided an economic and political legacy to current leadership and investment plans, the mayoral model will be a reference point for the next generation of policy makers.

Away from the Tees Valley, it is tempting to speculate on the political futures of the 2 most well known of the current metro mayors – Andy Burnham in Greater Manchester and (subject of much of this thesis) Ben Houchen in Tees Valley. Both are well regarded in their respective political parties, and although neither have declared themselves interested in national leadership, the bookmakers take a different perspective, with Andy Burnham the 2nd most likely 'next Prime Minister' from the Labour Party, with odds of 20/1, and Ben Houchen the 8th most likely to take up the post from the Conservative Party, with his odds running at 66/1. Both

are seen as the most likely politicians from their party who are not currently Members of Parliament to secure the leadership of the UK (William Hill, 2021).

It is probably safest, however, to rely on the stated aims of Houchen for how he sees the metro mayor work and Tees Valley development. In an article for the Manchester Evening News in August 2021, he highlights his perspective on how Tees Valley was '*ignored by governments of all colours, with the prevailing view amongst civil servants in Whitehall being that the decline of our area should simply be managed*', and gives a clear account of his work and devolution priorities:

"As Mayor of the Tees Valley, with the powers and finances I have been given, I have been able to take back control of our steel works from the Thai Banks and kick start the redevelopment of the site. We know better than anyone in Westminster the potential of the former steel works and we are getting on with delivering... When asked 'what is the point of devolution' my answer is simple. Talking up Teesside, delivering jobs and putting more money in the pockets of local workers. In prioritising the clean growth agenda we are future proofing our economy, and restoring pride in our region."
(Houchen, 2021d)

That same sense of relentless optimism, coupled with a clear strategic view of the future economy, continues to characterise his mayoralty, and is a fitting close to this thesis.

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Appendices

Appendix 1: Questionnaire template and job titles of interviewees.

'Can metro mayors work?' An examination of the initiation and implementation of the new city region mayoral governance regime within England, with a detailed focus on its implementation in the Tees Valley.

Researcher: Tom Smyth (PhD student, Northumbria University)

Semi-structured interview (version 1.0)

Interviews undertaken between May 2018 and December 2018

1. Do you think having a Mayor is a good idea?
2. What are your main reasons for saying this?
3. What do you think are the qualities that make a good Mayor?
4. Please rank the following 10 qualities as (1) most important (10) least important for a good Mayor:
 - A strong personality
 - A sense of humour
 - A pragmatic approach to governing
 - Detailed engagement in the running of Tees Valley
 - Commitment to Tees Valley as a unique entity
 - Impatience with the status quo
 - Constructive optimism
 - Risk taking
 - Cross-party approach
 - Strong relationship with other Mayors
5. What are the good points so far in the election of Ben Houchen as Tees Valley mayor?
6. What are the areas that he should develop further?
7. What is your main priority for economic development in the Tees Valley?
8. Can the Mayor help achieve this?
9. Have you seen any evidence that he has yet made an impact on your key priorities?
10. Do you think that central Government has the right approach in place for devolution of powers and funding to elected Mayors? Can you explain your answer please?

Role description	Gender and main area of business	Informed consent
Mayor or elected leader	Female, Tees Valley	Yes
Mayor or elected leader	Male, Tees Valley	Yes
Business leader and LEP board member	Male, Tees Valley	Yes
Business representative organisation	Male, wider NE	Yes
Private sector leader	Female, Tees Valley	Yes
Business representative organisation	Female, Tees Valley	Yes
Business representative organisation	Male, Tees Valley	Yes
University	Female, Tees Valley	Yes
Innovation connector	Male, Tees Valley	Yes
Private sector leader	Female, wider NE	Yes
Local business leader	Male, Tees Valley	No – interview declined
Local authority chief executive	Female, Tees Valley	Yes
Local authority chief executive	Female, Tees Valley	Yes
Senior public sector leader	Female, Tees Valley	Yes
Central government official	Female, wider NE	Yes
National business leader	Female, wider NE	Yes
Further education principal	Female, Tees Valley	Yes
Central Government official	Female, wider NE	Yes

Appendix 2: Detailed records of Ministerial meetings and Tees Valley Mayor

Cabinet Office: Register of Prime Minister's gifts, hospitality, travel and meetings: May 2017 - May 2020			
Boris Johnson	01/05/2020	Mayors of Sheffield City Region, North of Tyne, Greater Manchester, Tees Valley, Liverpool City Region, West of England, Cambridgeshire and Peterborough, West Midlands, London, Chair of the West Yorkshire Combined Authority	Roundtable with M9 Mayors to discuss COVID-19 response
Boris Johnson	27/07/2019	The Mayors of Manchester and Tees Valley	Meeting to discuss the Mayors' priorities for their combined authorities and transport investment in the north.
Boris Johnson	13/09/2019	The Northern Metro Mayors of Greater Manchester; Tees Valley; Sheffield City Region; Liverpool City Region; (by phone) North of Tyne	During visit to Rotherham to discuss Mayoral powers and transport
Theresa May	19/06/2018	Enterprise M3, Greater Manchester LEP, Lancashire Enterprise Partnership,	Local Enterprise Partnership Roundtable to discuss local industrial strategies, skills, and diversity in leadership
Theresa May	23/08/2017	South Tees Development Corporation Board	Formal launch of Board

Meeting with Tees Valley (May 2017 - September 2020) as recorded in BEIS: ministerial gifts, hospitality, travel and meetings registers		
06/11/2017	Chemistry Industry Association, Croda, Synthomer, Contract Chemicals, INEC	To discuss the Chemicals sector
08/02/2018	Climate Investments, CF Fertilisers, Lotte Chemicals, Tees Valley Combined Authority	To discuss clean growth projects and opportunities
08/02/2018	Climate Investments, CF Fertilisers, Lotte Chemicals, Tees Valley Combined Authority	To discuss clean growth projects and opportunities
08/02/2018	Materials Processing Institute, The Welding Institute, Northern Rail, Tees Valley	To discuss Hydrogen economy
19/06/2018	Enterprise M3, Greater Manchester LEP, Lancashire Enterprise Partnership, Local Enterprise Partnership Chairs Roundtable	
25/06/2018	Croda International, Contract Chemicals, Tees Valley Unlimited LEP, BASF, TI	To discuss chemicals industry
11/09/2018	Mayor of Tees Valley	To discuss industrial strategy
10/07/2018	Tees Valley Mayor, Materials Processing Institute, TWI, Tees Valley Local Enterprise Partnership	To discuss Hydrogen
15/10/2018	Croda International, Contract Chemicals, Tees Valley Unlimited LEP, Victrex,	To discuss chemicals
20/09/2018	Teesside University, Tees Valley Combined Authority, TWI, Square One Law,	To discuss Industrial Strategy
20/09/2018	Bloomberg	To discuss Industrial Strategy
20/09/2018	Northern Echo	To discuss Industrial Strategy
20/09/2018	Prosperity UK Conference	Speech
10/07/2018	Tees Valley Mayor, Materials Processing Institute, TWI, Tees Valley Local Enterprise Partnership	To discuss Hydrogen
10/09/2018	Tees Valley Combined Authority, Materials Processing Institute, The Welding Institute	To discuss local industrial strategy
11/09/2018	Mayor of Tees Valley	To discuss industrial strategy
03/06/2019	Humber Local Enterprise Partnership, North Lincolnshire Council, Lord Jitesh	Meeting of the British Steel Support Group
17/06/2019	Humber Local Enterprise Partnership, North Lincolnshire Council, MP for Scarborough	Meeting of the British Steel Support Group
29/07/2019	Humber LEP, North Lincolnshire Council, Ernst & Young, Tees Valley Combined Authority	Meeting of the British Steel Support Group
08/08/2019	Humber LEP, North Lincolnshire Council, Ernst & Young, Tees Valley Combined Authority	Meeting of the British Steel Support Group
19/08/2019	Humber LEP, North Lincolnshire Council, Ernst & Young, Tees Valley Combined Authority	Meeting of the British Steel Support Group
10/09/2019	Humber LEP, North Lincolnshire Council, Ernst & Young, Tees Valley Combined Authority	Meeting of the British Steel Support Group (by teleph
01/07/2019	Humber LEP, North Lincolnshire Council, Ernst & Young, Tees Valley Combined Authority	To discuss British Steel
08/07/2019	Humber Local Enterprise Partnership, North Lincolnshire Council, Nic Dakin	To discuss British Steel
15/07/2019	Humber LEP, North Lincolnshire Council, Ernst & Young, Tees Valley Combined Authority	To discuss British Steel
22/07/2019	Humber LEP, North Lincolnshire Council, Ernst & Young, Tees Valley Combined Authority	Meeting of the British Steel Support Group
29/07/2019	Humber London Enterprise Partnership, North Lincolnshire Council, Federation of Small Businesses	To discuss British Steel
08/08/2019	Humber LEP, North Lincolnshire Council, Ernst & Young, Tees Valley Combined Authority	Meeting of the British Steel Support Group
19/08/2019	Humber LEP, North Lincolnshire Council, Ernst & Young, Tees Valley Combined Authority	Meeting of the British Steel Support Group
08/07/2019	Humber Local Enterprise Partnership, North Lincolnshire Council, Nic Dakin	Meeting of the British Steel Support Group
16/10/2019	Federation of Small Businesses, North Lincolnshire Council, Make UK, UK Steel	Meeting of the British Steel Support Group (by teleph
05/11/2019	Federation of Small Businesses, North Lincolnshire Council, Make UK, UK Steel	Meeting of the British Steel Support Group (by teleph
05/11/2019	Federation of Small Businesses, North Lincolnshire Council, Make UK, UK Steel	Meeting of the British Steel Support Group (by teleph
22/01/2020	British Steel, EY, Make UK, Unite, FSB, UK Steel, Tees Valley Combined Authority	British Steel Support Group
27/02/2020	Humber LEP, North Lincolnshire Council, Tees Valley Mayor, Make UK, Federation of Small Businesses	Meeting of the British Steel Support Group
06/02/2020	South Tees Development Corporation	To discuss Teesside
13/02/2020	South Tees Development Corporation, Theakston Musgrave	To discuss Teesside
02/03/2020	Tees Valley Mayor	To discuss Teesside
25/06/2020	Wilton Engineering, South Tees Development Corporation	To discuss offshore wind projects
29/06/2020	Tees Valley Mayor	To discuss regional challenges and recovery
11/09/2020	North of Tyne Mayor, Mayor of Greater Manchester, Local Government Association	To discuss COP26
17/07/2020	Net Zero Teesside, Alpek Polyester UK Ltd, BOC Ltd, CF Fertilisers, Ensus, Luc	To discuss decarbonising industry
17/07/2020	Net Zero Teesside, Alpek Polyester UK Ltd, BOC Ltd, CF Fertilisers, Ensus, Luc	To discuss decarbonising industry
29/07/2020	Tees Valley Mayor	To discuss local growth
03/09/2020	Tees Valley Mayor	To discuss local growth
23/09/2020	Mayor of Tees Valley	To discuss investment & the Strength in Places Fund

DCLG/MHCLG: Register of ministerial gifts, hospitality, travel and meetings April 2017 - October 2020			
Luke Hall	22/09/2020	Greater Manchester Combined Authority, West Midlands Combined Authority, Tees Valley Combined Authority, Sheffield City Region Combined Authority, Cambridgeshire and Peterborough Combined Authority, North of Tyne Combined Authority, Greater London Authority, Liverpool City Region Combined Authority, West of England Combined Authority, West Yorkshire Combined Authority	Discuss devolution and the English Devolution and Local Recovery White Paper and the Spending Review
Simon Clarke	14/04/2020	Greater Manchester Combined Authority, Tees Valley Combined Authority, Greater London Authority, Cambridgeshire and Peterborough Combined Authority, West Midlands Combined Authority, Liverpool City Region Combined Authority, Sheffield City Region Combined Authority, West Yorkshire Combined Authority, West of England Combined Authority, North of Tyne Combined Authority	
Simon Clarke	29/04/2020	Greater Manchester Combined Authority, Greater London Authority, Tees Valley Combined Authority, West Yorkshire Combined Authority, West Midlands Combined Authority, Local Government Association, Hertfordshire Local Enterprise Partnership, Gloucestershire Local Enterprise Partnership	
Simon Clarke	01/05/2020	Greater Manchester Combined Authority, Tees Valley Combined Authority, Greater London Authority, Cambridgeshire and Peterborough Combined Authority, West Midlands Combined Authority, Liverpool City Region Combined Authority, Sheffield City Region Combined Authority, West Yorkshire Combined Authority, West of England Combined Authority, North of Tyne Combined Authority	Covid-19 response and economic response
Simon Clarke	13/05/2020	Greater Manchester Combined Authority, Greater London Authority, Tees Valley Combined Authority, West Yorkshire Combined Authority, West Midlands Combined Authority, Local Government Association, Hertfordshire Local Enterprise Partnership, Gloucestershire Local Enterprise Partnership	Discuss Economic Recovery from Covid-19
Simon Clarke	15/05/2020	Greater Manchester Combined Authority, Tees Valley Combined Authority, Greater London Authority, Cambridgeshire and Peterborough Combined Authority, West Midlands Combined Authority, Liverpool City Region Combined Authority, Sheffield City Region Combined Authority, West Yorkshire Combined Authority, West of England Combined Authority, North of Tyne Combined Authority	Discuss regional Covid-19 levels
Simon Clarke	27/05/2020	Greater Manchester Combined Authority, Greater London Authority, Tees Valley Combined Authority, West Yorkshire Combined Authority, West Midlands Combined Authority, Local Government Association, Hertfordshire Local Enterprise Partnership, Gloucestershire Local Enterprise Partnership, District Councils Network, County Councils Network	Discuss Economic Recovery from Covid-19
Simon Clarke	10/06/2020	Greater Manchester Combined Authority, Greater London Authority, Tees Valley Combined Authority, West Yorkshire Combined Authority, West Midlands Combined Authority, Local Government Association, Hertfordshire Local Enterprise Partnership, Gloucestershire Local Enterprise Partnership, District Councils Network, County Councils Network	Discuss Economic Recovery from Covid-19
Simon Clarke	24/06/2020	Greater Manchester Combined Authority, Greater London Authority, Tees Valley Combined Authority, West Yorkshire Combined Authority, West Midlands Combined Authority, Local Government Association, Hertfordshire Local Enterprise Partnership, Gloucestershire Local Enterprise Partnership, District Councils Network, County Councils Network	Discuss Economic Recovery from Covid-19
Robert Jenrick	01/05/2020	Mayor Sadiq Khan Mayor Andy Burnham Mayor Steve Rotherham Mayor Andy Street Mayor Tim Bowles Mayor Ben Houchen Mayor Dan Jarvis Mayor James Palmer Mayor Jamie Discroll Clr Susan Hinchcliffe	Covid-19 Response
Simon Clarke	25/02/2020	Tees Valley Combined Authority	Introduction/discuss the Tees Valley Combined Authority
Jake Berry	06/01/2020	Tees Valley Combined Authority	To discuss Devolution
Robert Jenrick	12/03/2020	Greater London Authority, Cambridgeshire and Peterborough Combined Authority, Greater Manchester Combined Authority, Liverpool City Region Combined Authority, North of Tyne Combined Authority, Sheffield City Region Combined Authority, Tees Valley Combined Authority, West of England Combined Authority, West Midlands Combined Authority	To discuss Covid-19
Jake Berry	10/10/2019	Tees Valley Combined Authority, Mayor of Middlesbrough, Welding Institute	To discuss the work of Tees Advanced Manufacturing Park
Jake Berry	07/01/2019	Tees Valley Mayor (Ben Houchen)	To discuss regeneration
Jake Berry	05/03/2019	Ben Houchen (Tees Valley Mayor)	To discuss United Kingdom Shared Prosperity Fund
Jake Berry	2018.01.30	Tees Valley Combined Authority	To discuss devolution
Sajid Javid	16/10/2017	Tees Valley council	To discuss South Tessa Development Corporation
Jake Berry	16/10/2017	Tees Valley Combined Authority	To discuss devolution and SSI
Jake Berry	22/11/2017	Tees Valley Combined Authority	To discuss devolution
Parliamentary Under-Secretary of State, Jake Berry	Jun-17	Tees Valley Combined Authority	to discuss devolution

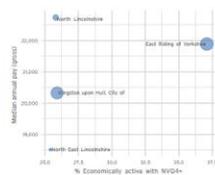
Appendix 3: 2019 LEP indicators for the Humber and Tees Valley

Humber

People

Economies with a larger share of qualified population and good earnings tend to be more dynamic and with more opportunity. The graph below shows the relationship between economically active qualified population and median earnings in the LEP's Local Authorities. The size of the bubbles gives an idea of the size of these economies in terms of number of jobs.

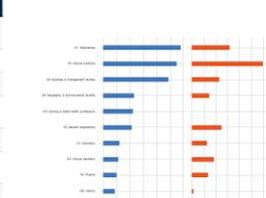
Indicator (Yr growth rates)	Humber	England
Population, 2017	529,654 (+0.1%)	55,619,430 (+0.1%)
Working age population, 2017, 16-64	568,655 (+0.7%)	34,950,948 (+0.8%)
Ageed dependency ratio (%), 2017	20.6% (+1.7%)	18.0% (+1.7%)
Unemployment 16+ (%), 2017	5.3% (+0.5%)	4.5% (+0.5%)
Jobs density, 2017	0.79 (+6.8%)	0.87 (+3.6%)
Job vacancy rates (%), 2017	2.12%	3.57%
HE Qualifiers, 2017-18	4,955 (+1.4%)	644,265 (+4.7%)
% of workforce with NVQ4+, 2018	29.8% (+0.8%)	43.5% (+2.8%)
Gross disposable household income (GDHI) per head (£), 2017	£15,647 (+0.4%)	£19,988 (+1.5%)



Ideas

Evidence shows that the generation of new knowledge contributes to long-term economic growth. The graph below shows the main topics (HESA cost centres) where national and international R&D funding has been awarded to Higher Education Institutions in the LEP. The ability to secure funding from competitive research funding sources is an indication of both research output and research excellence.

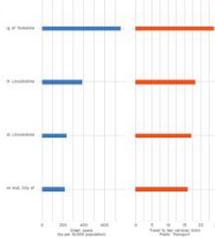
Indicator (Yr growth rates)	Humber	England
Firms undertaking R&D activities (% of firms), 2019	13.4% +3.1%	21.0% +23.5%
Value of grant funding national, 2017	£7568,000 +25%	£3,855,381,000 +5.4%
Value of grant funding international, 2017	£2,495,000 +30.2%	£1,204,459,000 +18.7%
Number of active grants from UKRI and Innovate UK, 2018	154 +5.5%	27,993 +29.9%
Researcher staff in HE institutions, 2017	2,350 +4.9%	303,750 +4.7%
Employment in science, engineering and technology (%), 2018	6.4 +6.7%	7.8 +5.4%
Cumulative patent portfolio of HEIs, 2017	100 +47.9%	16,454 +4.2%
Income from contract research in HEIs, 2017	£3,043,000 +32.5%	£1,611,590,000 +6.3%
Active spin-offs from HEIs, 2017	85 +5.6%	12,758 +15.6%



Infrastructure

In terms of infrastructure, good places to live are those where there is a presence of amenity and key services, but there can be a trade-off between access to green spaces and close conveniences and employment centres. The graph below shows some of these main metrics for the LEP's Local Authorities. Average travel times also give an overall idea of the transaction costs involved when moving people and goods in the region.

Indicator (Yr growth rates)	Humber	England
Premises with full fibre broadband (%), 2018	36.0% (+13.3%)	6.1% (+89.9%)
4G service, indoors (% premises), 2018	73.4% (+32.5%)	78.2% (+29.3%)
Housing stock, including vacant, 2017	422,330 (+1.9%)	2,395,000 (+1.7%)
Average minimum travel time to key services in minutes (cycle, public transport / car), 2016	17 / 19 / 11 (+5 / 3 / 1%)	15 / 18 / 11 (+10 / 4 / 3%)
CO ₂ emissions (t per capita), 2016	13.8 (+0.8%)	5.3 (+10.3%)
Public green spaces (ha per 10,000 population), 2019	443.5	660.3
Air pollution, population weighted mean levels PM2.5, 2017	8.3 (+0.5%)	9.4 (+0.3%)
Number of properties at risk of flooding, 2019	242,298	2,549,499

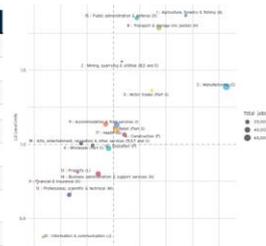


Of the indicators in the framework, in Humber LEP the following stand out as positive developments: Percentage of premises with full fibre broadband (36.0%), 4G service, indoors (73.4%), percentage of startups reaching £3m turnover (2%), percentage of firms implementing process innovation (23.3%), job vacancy rate (2.12%). On the other hand, the following indicators show potential areas of concern: CO₂ emissions (13.8 t per capita), percentage of firms undertaking R&D activities (13.4%), number of properties at risk of flooding (242,298), percentage of workforce with NVQ4+ (29.8%), percentage of high growth firms (5.2%).

Business Environment

LEP economies have different specialisation profiles. The graph below shows the location quotients of major SIC sectors in the LEP in terms of employment and business concentration, with respect to the England average. The size of the bubbles gives an idea of the size of these sectors in terms of number of jobs.

Indicator (Yr growth rates)	Humber	England
GVA per hour worked (£), 2017	£296 +3%	£341 +6.7%
Regional GVA (all sectors, £ millions), 2016	£18,378 +5.7%	£1,498,232 +7%
Business count, all sectors, 2018	36,525 +1.6%	2,697,205 +1.4%
Startups per 10K, 2017	38 +17.9%	53 +8.2%
Startup 3-year survival rate (%), 2017	55.5% +2.3%	54.8% +2.2%
Startups reaching £3m turnover (%), 2017	6% +9%	8% +10.3%
High growth firms, 2017 (%)	5.2% +8.2%	6.4% +5.9%
Product or service innovators (% firms), 2019	26.4% +10.3%	25.2% +32.6%
Process innovators (% firms), 2019	23.3% +32.9%	17.0% +54.5%

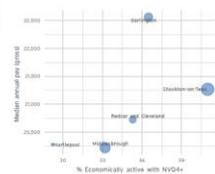


Tees Valley

People

Economies with a larger share of qualified population and good earnings tend to be more dynamic and with more opportunity. The graph below shows the relationship between economically active qualified population and median earnings in the LEP's Local Authorities. The size of the bubbles gives an idea of the size of these economies in terms of number of jobs.

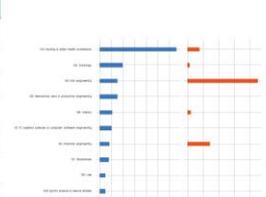
Indicator (Yr growth rates)	Tees Valley	England
Population, 2017	672,497 (+0.0%)	55,619,430 (+0.1%)
Working age population, 2017, 16-64	415,551 (+0.3%)	34,950,948 (+0.8%)
Ageed dependency ratio (%), 2017	18.8% (+2.3%)	18.0% (+1.7%)
Unemployment 16+ (%), 2017	6.9% (+9.8%)	4.5% (+0.5%)
Jobs density, 2017	0.70 (+2.8%)	0.87 (+3.6%)
Job vacancy rates (%), 2017	2.43%	3.57%
HE Qualifiers, 2017-18	6,445 (+19.9%)	644,265 (+4.7%)
% of workforce with NVQ4+, 2018	35.9% (+0.3%)	43.5% (+2.8%)
Gross disposable household income (GDHI) per head (£), 2017	£15,469 (+1.3%)	£19,988 (+1.5%)



Ideas

Evidence shows that the generation of new knowledge contributes to long-term economic growth. The graph below shows the main topics (HESA cost centres) where national and international R&D funding has been awarded to Higher Education Institutions in the LEP. The ability to secure funding from competitive research funding sources is an indication of both research output and research excellence.

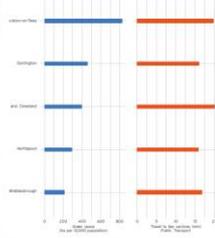
Indicator (Yr growth rates)	Tees Valley	England
Firms undertaking R&D activities (% of firms), 2019	14%	21.0% +23.5%
Value of grant funding national, 2017	£1,662,000 (+29.7%)	£3,855,381,000 +5.4%
Value of grant funding international, 2017	£68,000 (+6.7%)	£1,204,459,000 (+18.7%)
Number of active grants from UKRI and Innovate UK, 2018	171 (+5.6%)	27,993 +29.9%
Researcher staff in HE institutions, 2017	1,665 (+3.5%)	303,750 +4.7%
Employment in science, engineering and technology (%), 2018	6.3 (+8.7%)	7.8 +5.4%
Cumulative patent portfolio of HEIs, 2017	8 (+42.9%)	16,454 (+4.2%)
Income from contract research in HEIs, 2017	£566,000 (+50.0%)	£1,611,590,000 +6.3%
Active spin-offs from HEIs, 2017	299 (+18%)	12,758 +15.6%



Infrastructure

In terms of infrastructure, good places to live are those where there is a presence of amenity and key services, but there can be a trade-off between access to green spaces and close conveniences and employment centres. The graph below shows some of these main metrics for the LEP's Local Authorities. Average travel times also give an overall idea of the transaction costs involved when moving people and goods in the region.

Indicator (Yr growth rates)	Tees Valley	England
Premises with full fibre broadband (%), 2018	11% (+8.0%)	6.1% (+89.9%)
4G service, indoors (% premises), 2018	78.9% (+2.4%)	78.2% (+29.3%)
Housing stock, including vacant, 2017	305,290 (+1.4%)	2,395,000 (+1.7%)
Average minimum travel time to key services in minutes (cycle, public transport / car), 2016	15 / 18 / 10 (+4 / 9 / 6%)	15 / 18 / 11 (+10 / 4 / 3%)
CO ₂ emissions (t per capita), 2016	10.8 (+0.2%)	5.3 (+10.3%)
Public green spaces (ha per 10,000 population), 2019	476.2	660.3
Air pollution, population weighted mean levels PM2.5, 2017	7.1 (+3.8%)	9.4 (+0.3%)
Number of properties at risk of flooding, 2019	8,872	2,549,499

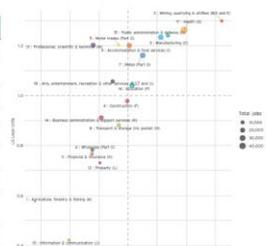


Of the indicators in the framework, in Tees Valley LEP the following stand out as positive developments: Job vacancy rate (2.43%), ratio of median house price to median gross annual earnings (5.83), ratio of lower quartile house price to lower quartile gross annual earnings (6.89), air pollution (population-weighted mean levels PM2.5) (7.1). Percentage of premises with 4G service indoors (78.9%), percentage of startups reaching £3m turnover (2%), percentage of firms implementing process innovation (2.5%), job density (0.70), percentage in employment who are self-employed (6.7%).

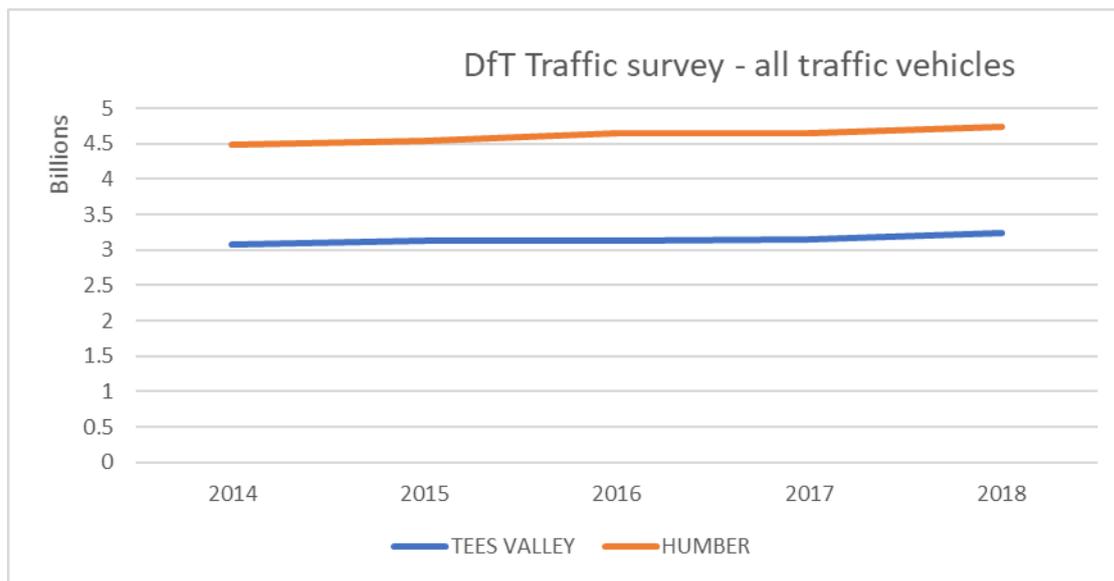
Business Environment

LEP economies have different specialisation profiles. The graph below shows the location quotients of major SIC sectors in the LEP in terms of employment and business concentration, with respect to the England average. The size of the bubbles gives an idea of the size of these sectors in terms of number of jobs.

Indicator (Yr growth rates)	Tees Valley	England
GVA per hour worked (£), 2017	£305 +3.5%	£341 +6.7%
Regional GVA (all sectors, £ millions), 2016	£12,804 +2.6%	£1,498,232 +7%
Business count, all sectors, 2018	21,970 +0.3%	2,697,205 +1.4%
Startups per 10K, 2017	34 +2.6%	53 +8.2%
Startup 3-year survival rate (%), 2017	54.7% +0.1%	54.8% +2.2%
Startups reaching £3m turnover (%), 2017	6% +20.4%	8% +10.3%
High growth firms, 2017 (%)	6.3% +6.5%	6.4% +5.9%
Product or service innovators (% firms), 2019	20.8% +13.3%	25.2% +32.6%
Process innovators (% firms), 2019	12.5% +21.9%	17.0% +54.5%



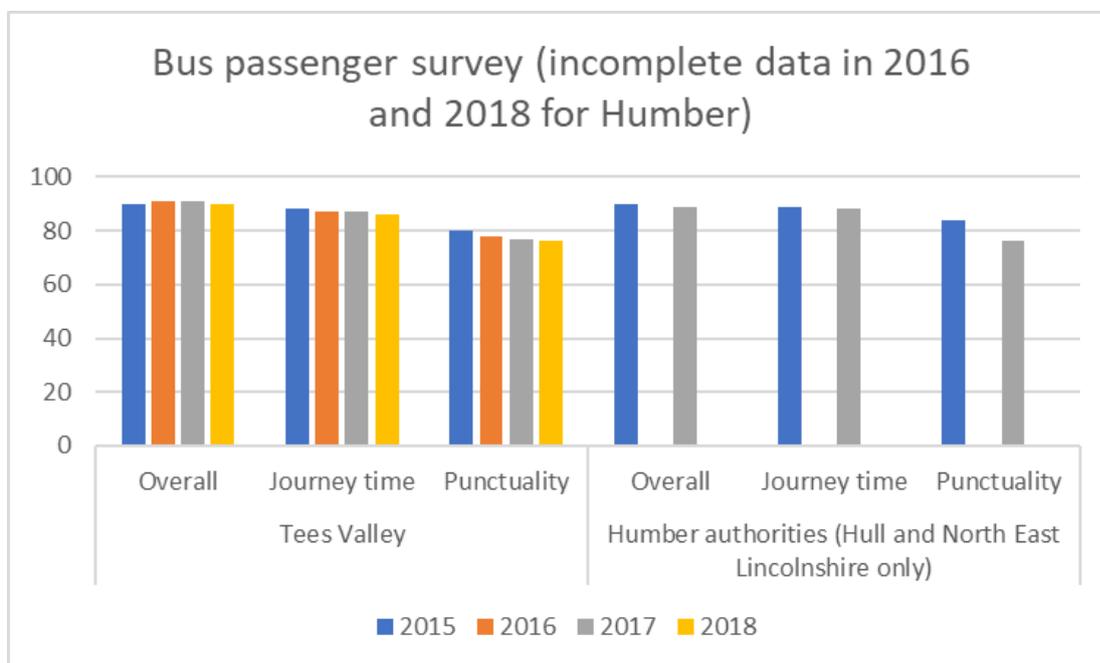
Traffic vehicle growth in Tees Valley and Humber



	2014	2015	2016	2017	2018
TEES VALLEY	3082263458	3123542615	3126901306	3153693704	3228959486
HUMBER	4478262995	4539679086	4645147683	4638211422	4737978104

Source: DfT Traffic Count data 2014 – 2018: All Traffic (summative of local authority counts)

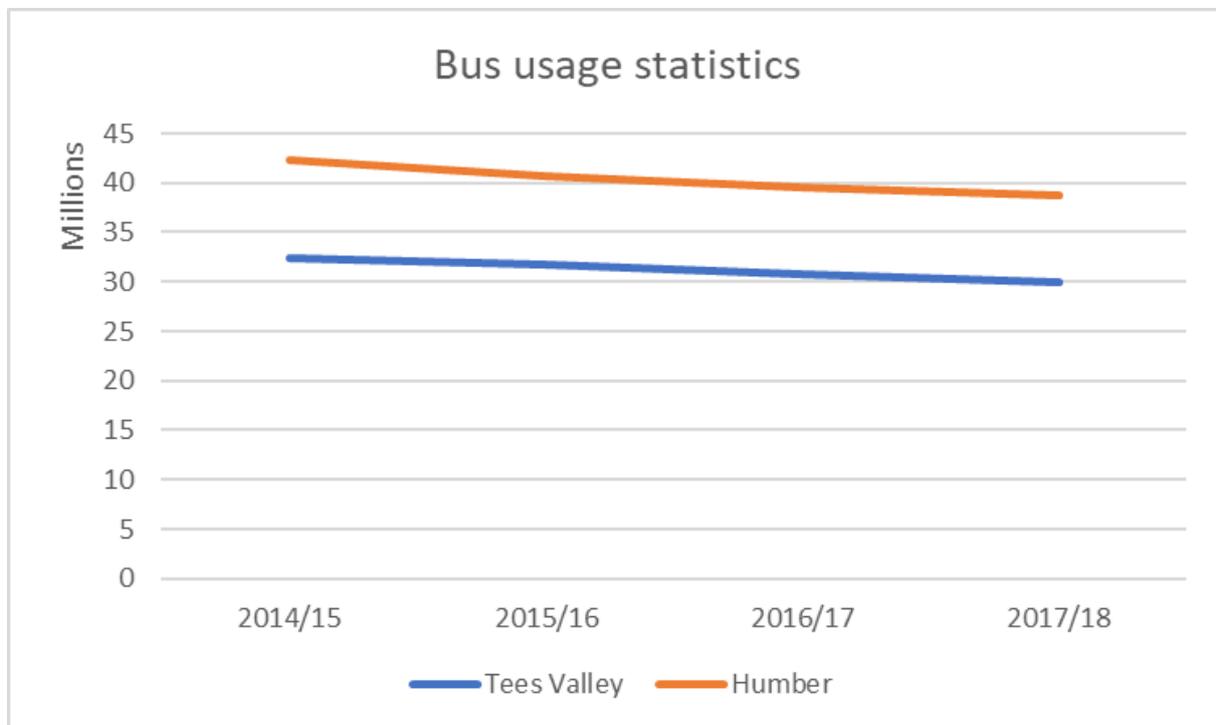
Figure 7.5: Bus passenger survey information in Tees Valley and Humber



	Tees Valley			Humber authorities (Hull and North East Lincolnshire only)		
	Overall	Journey time	Punctuality	Overall	Journey time	Punctuality
2015	90	88	80	90	89	84
2016	91	87	78	-	-	-
2017	91	87	77	89	88	76
2018	90	86	76	-	-	-

Source: DfT Bus Passenger survey

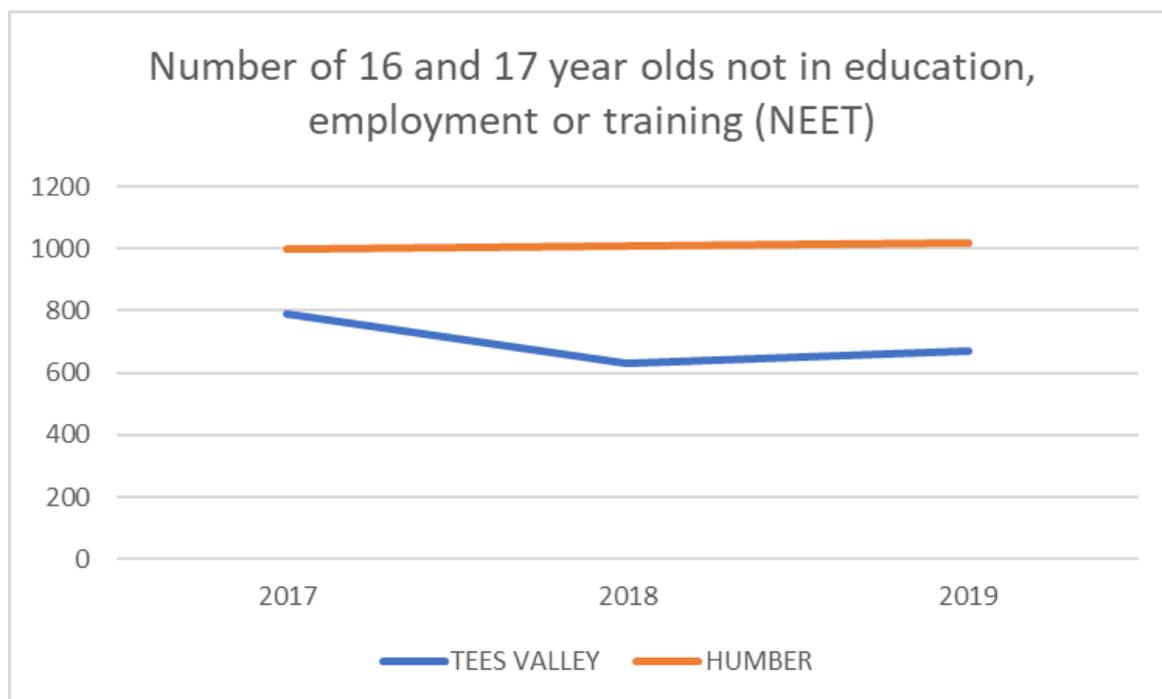
Bus usage in Tees Valley and the Humber



	2014/15	2015/16	2016/17	2017/18
Tees Valley	32353350	31789059	30801711	29964793
Humber	42352209	40684769	39502407	38706852

Source: DfT Bus Passenger Survey (number of individual bus passenger journeys)

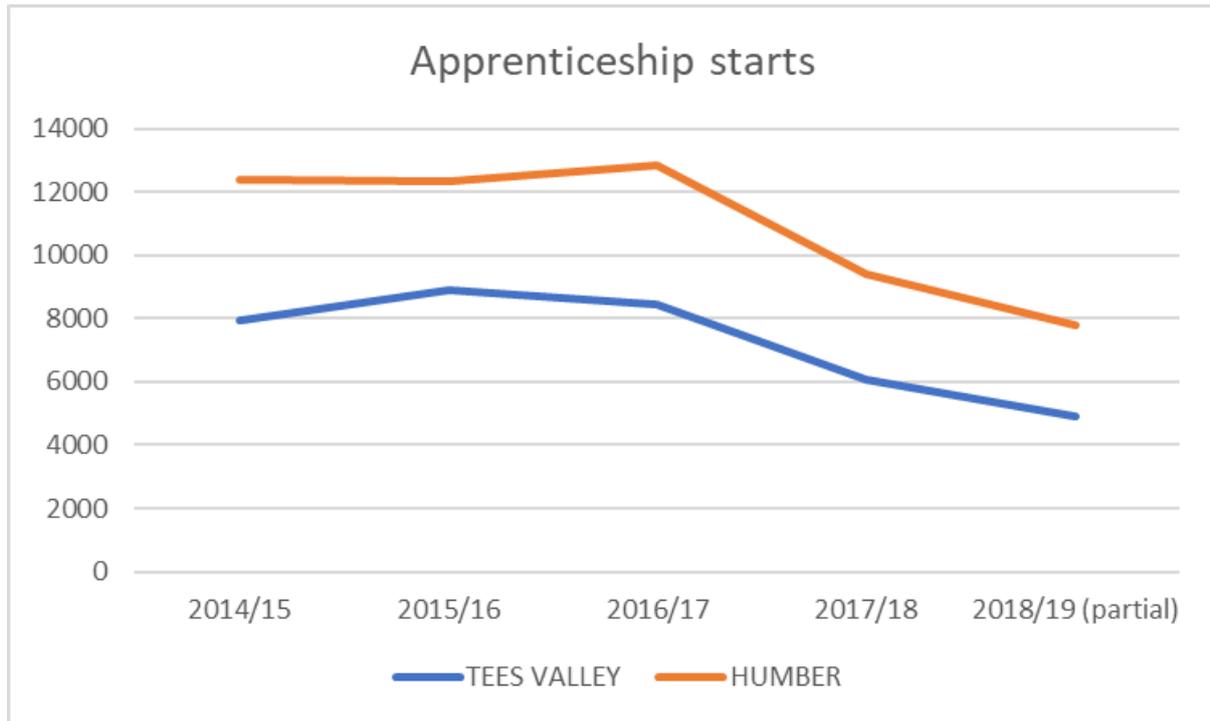
Number of 16 and 17 year olds not in education, employment or training



	2017	2018	2019
TEES VALLEY	790	630	670
HUMBER	1000	1010	1020

Number and proportion of 16 and 17 year olds not in education, employment or training (NEET) or whose activity is not known in each local authority. Average of December, January and February, end 2016, end 2017, end 2018. Source Department for Education

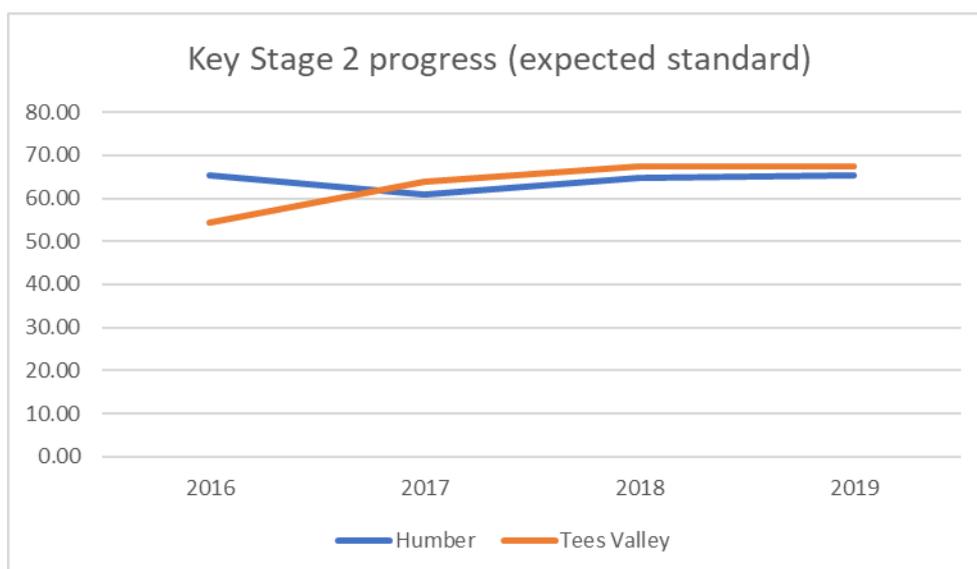
Apprenticeship starts



	2014/15	2015/16	2016/17	2017/18	2018/19 (partial)
TEES VALLEY	7940	8910	8430	6070	4900
HUMBER	12410	12370	12860	9390	7780

Source: DfE statistical analysis of apprenticeship starts by local authority

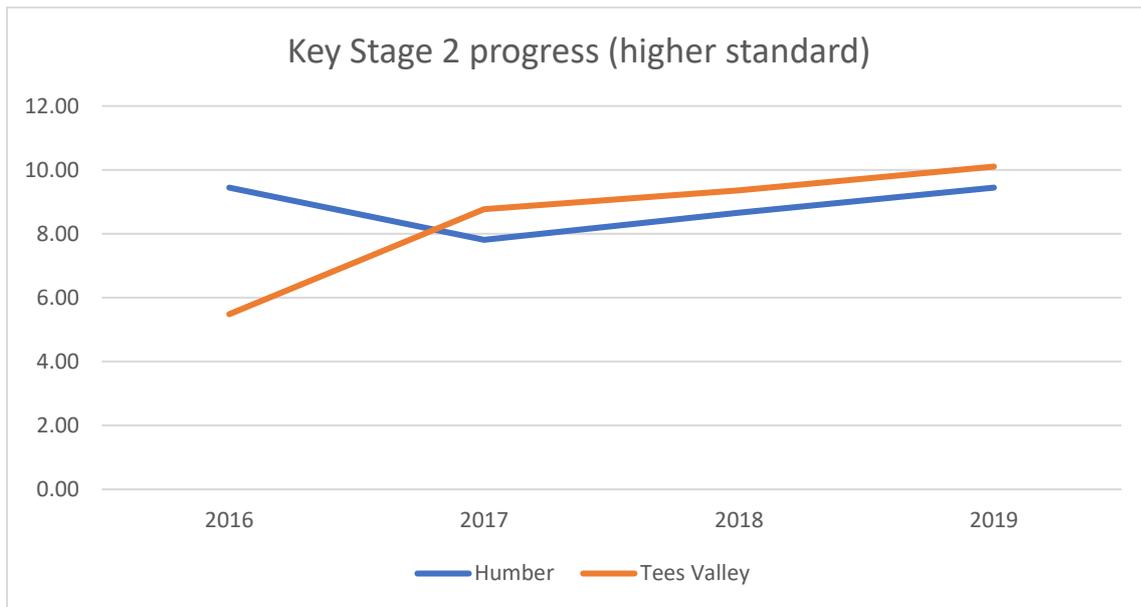
KS2 progress (expected standard)



[Percentage of pupils reaching the expected standard in reading, writing and maths: Source Department for Education – local authority progress]

	2016	2017	2018	2019
Humber	65.26	60.85	64.63	65.26
Tees Valley	54.24	64.01	67.33	67.35

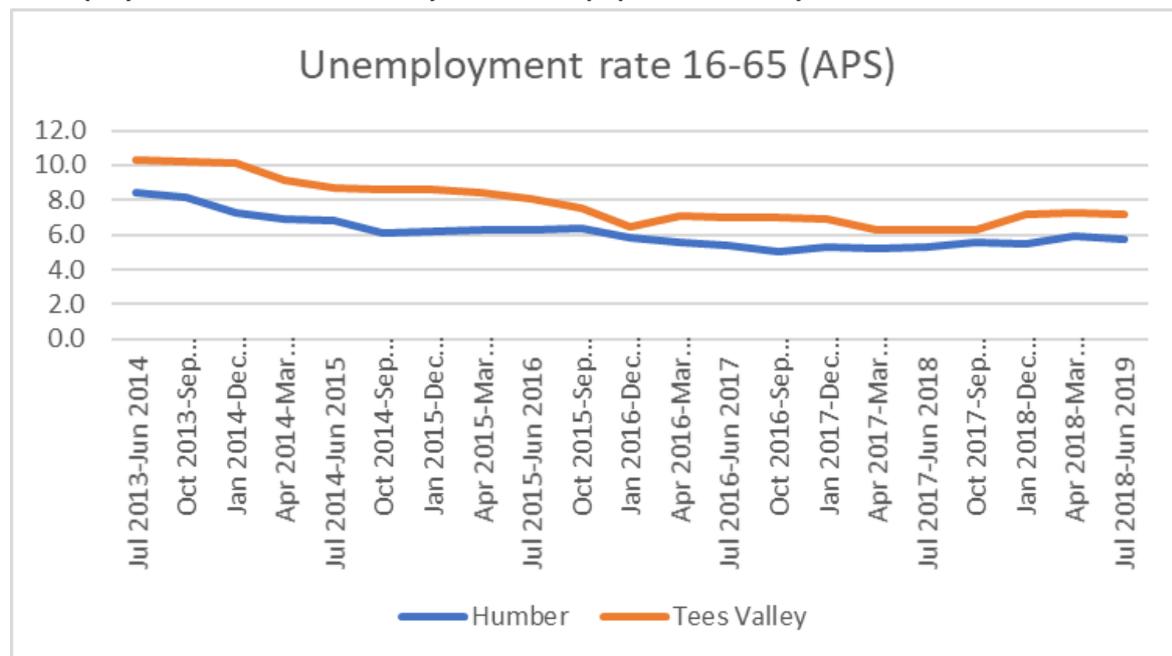
KS2 progress (higher standard)



KS2 progress (higher standard)	2016	2017	2018	2019
Humber	9.44	7.81	8.66	9.44
Tees Valley	5.48	8.77	9.36	10.10

Percentage of pupils reaching a higher standard in reading, writing and maths: Source: Department for Education – local authority progress

Unemployment rate as measure by the annual population survey



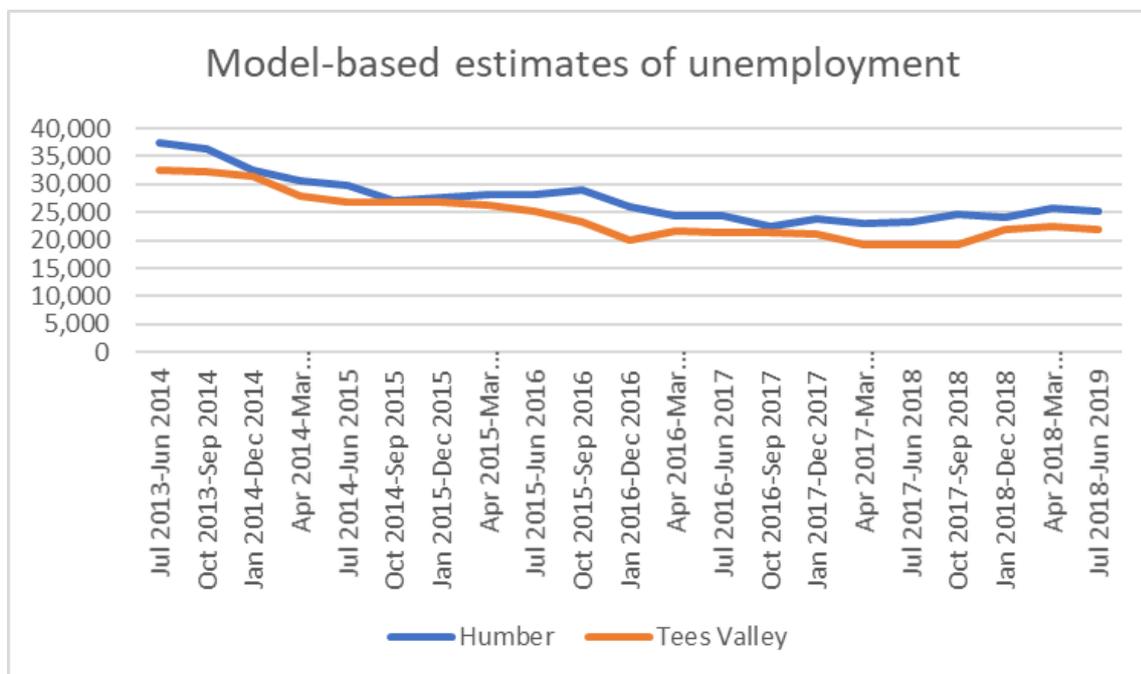
Unemployment rate aged 16-65

	Humber	Tees Valley
Jul 2013-Jun 2014	8.4	10.3
Oct 2013-Sep 2014	8.2	10.2
Jan 2014-Dec 2014	7.3	10.1
Apr 2014-Mar 2015	6.9	9.1
Jul 2014-Jun 2015	6.8	8.7
Oct 2014-Sep 2015	6.1	8.6
Jan 2015-Dec 2015	6.2	8.6
Apr 2015-Mar 2016	6.3	8.4
Jul 2015-Jun 2016	6.3	8.1
Oct 2015-Sep 2016	6.4	7.5
Jan 2016-Dec 2016	5.8	6.5
Apr 2016-Mar 2017	5.6	7.1
Jul 2016-Jun 2017	5.4	7.0
Oct 2016-Sep 2017	5.0	7.0

Jan 2017-Dec 2017	5.3	6.9
Apr 2017-Mar 2018	5.2	6.3
Jul 2017-Jun 2018	5.3	6.3
Oct 2017-Sep 2018	5.6	6.3
Jan 2018-Dec 2018	5.5	7.2
Apr 2018-Mar 2019	5.9	7.3
Jul 2018-Jun 2019	5.7	7.2

Source: annual population survey

Model based unemployment estimate

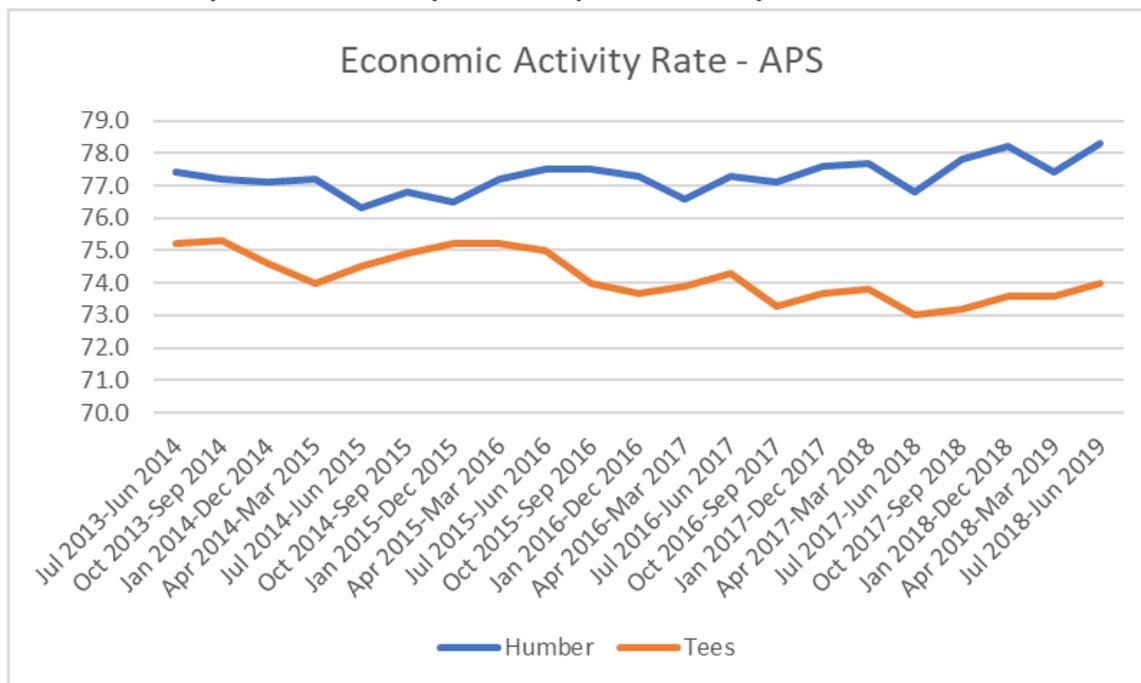


Date	Humber	Tees Valley
Jul 2013-Jun 2014	37,500	32,400
Oct 2013-Sep 2014	36,400	32,200
Jan 2014-Dec 2014	32,600	31,500
Apr 2014-Mar 2015	30,700	27,900
Jul 2014-Jun 2015	29,700	26,900

Oct 2014-Sep 2015	27,100	26,700
Jan 2015-Dec 2015	27,500	26,800
Apr 2015-Mar 2016	28,100	26,300
Jul 2015-Jun 2016	28,200	25,200
Oct 2015-Sep 2016	28,900	23,200
Jan 2016-Dec 2016	25,900	20,000
Apr 2016-Mar 2017	24,500	21,700
Jul 2016-Jun 2017	24,300	21,500
Oct 2016-Sep 2017	22,400	21,400
Jan 2017-Dec 2017	23,900	21,100
Apr 2017-Mar 2018	23,100	19,300
Jul 2017-Jun 2018	23,300	19,300
Oct 2017-Sep 2018	24,700	19,200
Jan 2018-Dec 2018	24,200	22,000
Apr 2018-Mar 2019	25,800	22,400
Jul 2018-Jun 2019	25,100	22,000

Source: ONS model-based estimates of unemployment [from Nomis on 20 November 2019]

Economic activity rate measured by Annual Population Survey

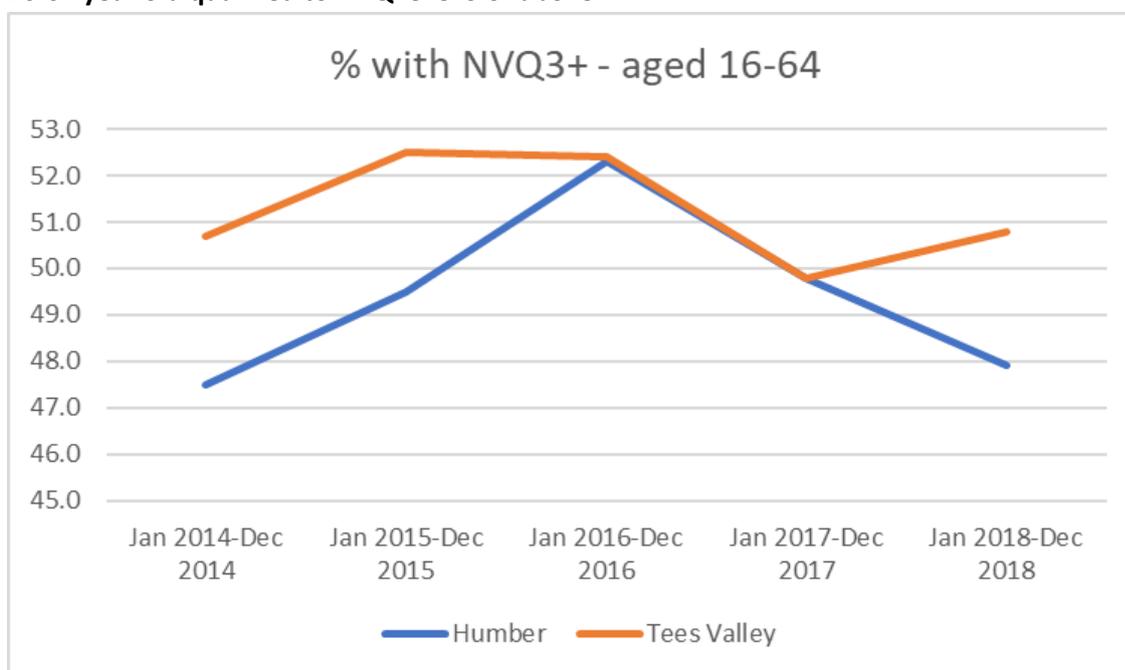


	Humber	Tees
Jul 2013-Jun 2014	77.4	75.2
Oct 2013-Sep 2014	77.2	75.3
Jan 2014-Dec 2014	77.1	74.6
Apr 2014-Mar 2015	77.2	74.0
Jul 2014-Jun 2015	76.3	74.5
Oct 2014-Sep 2015	76.8	74.9
Jan 2015-Dec 2015	76.5	75.2
Apr 2015-Mar 2016	77.2	75.2
Jul 2015-Jun 2016	77.5	75.0
Oct 2015-Sep 2016	77.5	74.0
Jan 2016-Dec 2016	77.3	73.7
Apr 2016-Mar 2017	76.6	73.9
Jul 2016-Jun 2017	77.3	74.3
Oct 2016-Sep 2017	77.1	73.3

Jan 2017-Dec 2017	77.6	73.7
Apr 2017-Mar 2018	77.7	73.8
Jul 2017-Jun 2018	76.8	73.0
Oct 2017-Sep 2018	77.8	73.2
Jan 2018-Dec 2018	78.2	73.6
Apr 2018-Mar 2019	77.4	73.6
Jul 2018-Jun 2019	78.3	74.0

Source: annual population survey

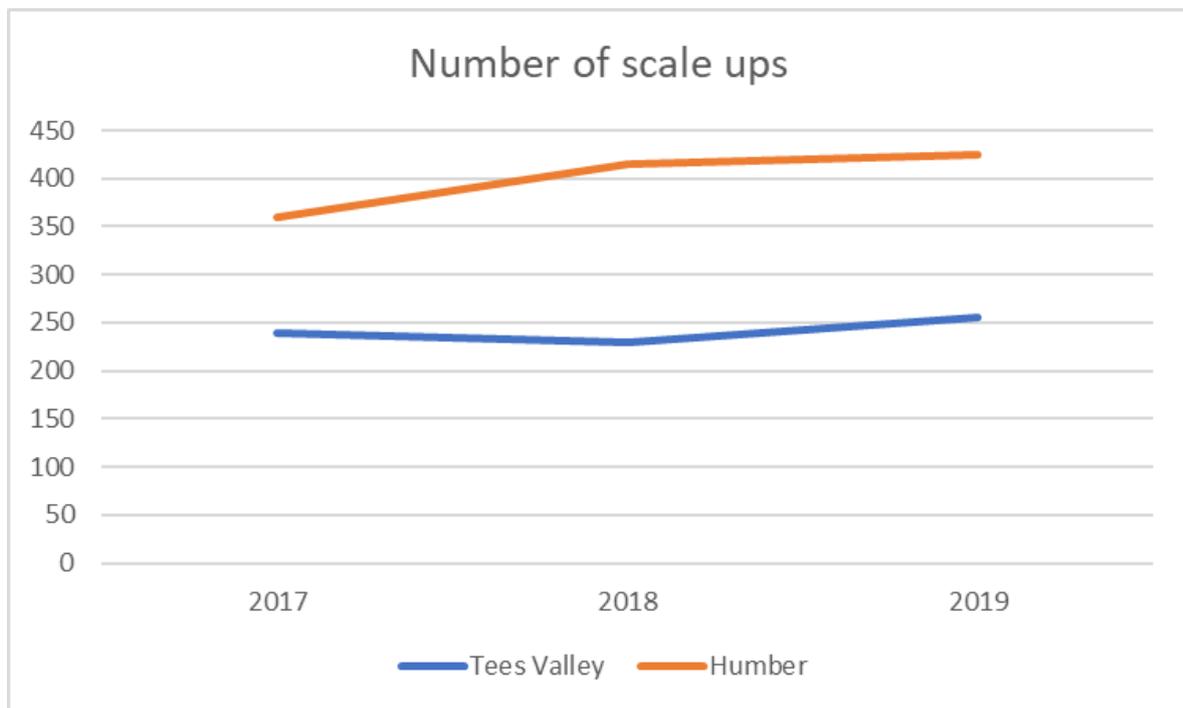
16-64 year old qualified to NVQ level 3 or above



	Humber	Tees Valley
Jan 2014-Dec 2014	47.5	50.7
Jan 2015-Dec 2015	49.5	52.5
Jan 2016-Dec 2016	52.3	52.4
Jan 2017-Dec 2017	49.8	49.8
Jan 2018-Dec 2018	47.9	50.8

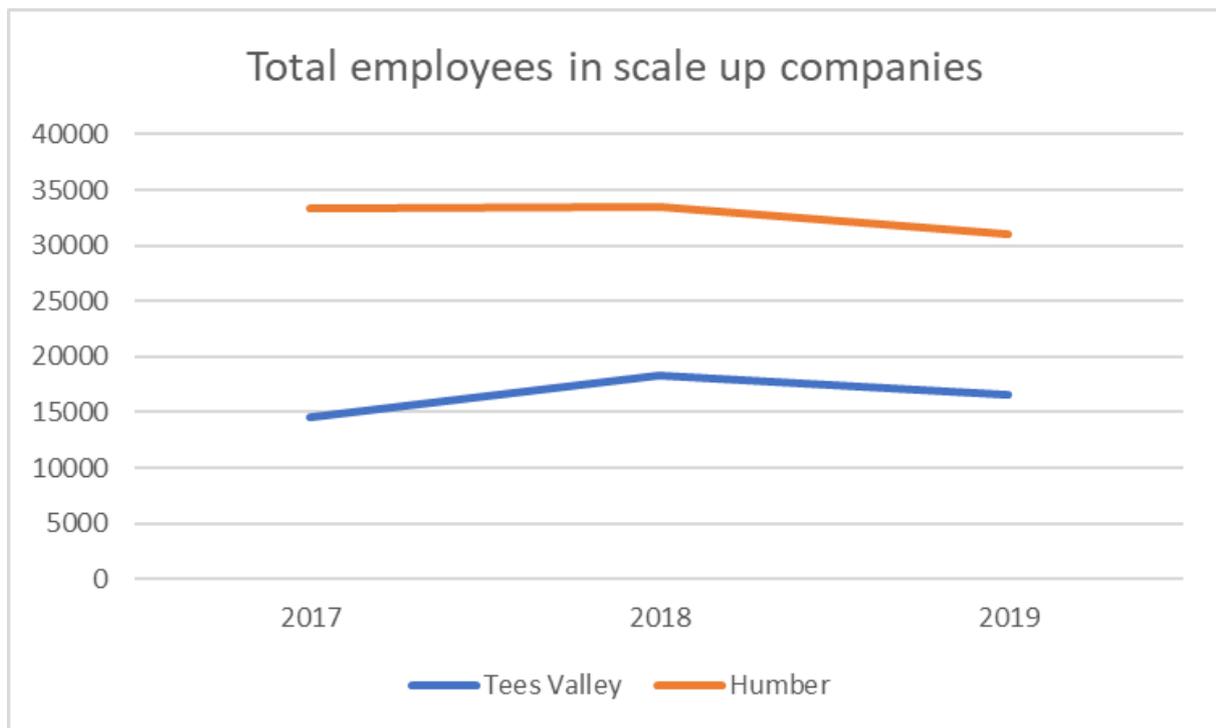
Source: Annual Population Survey

Number of scale up businesses



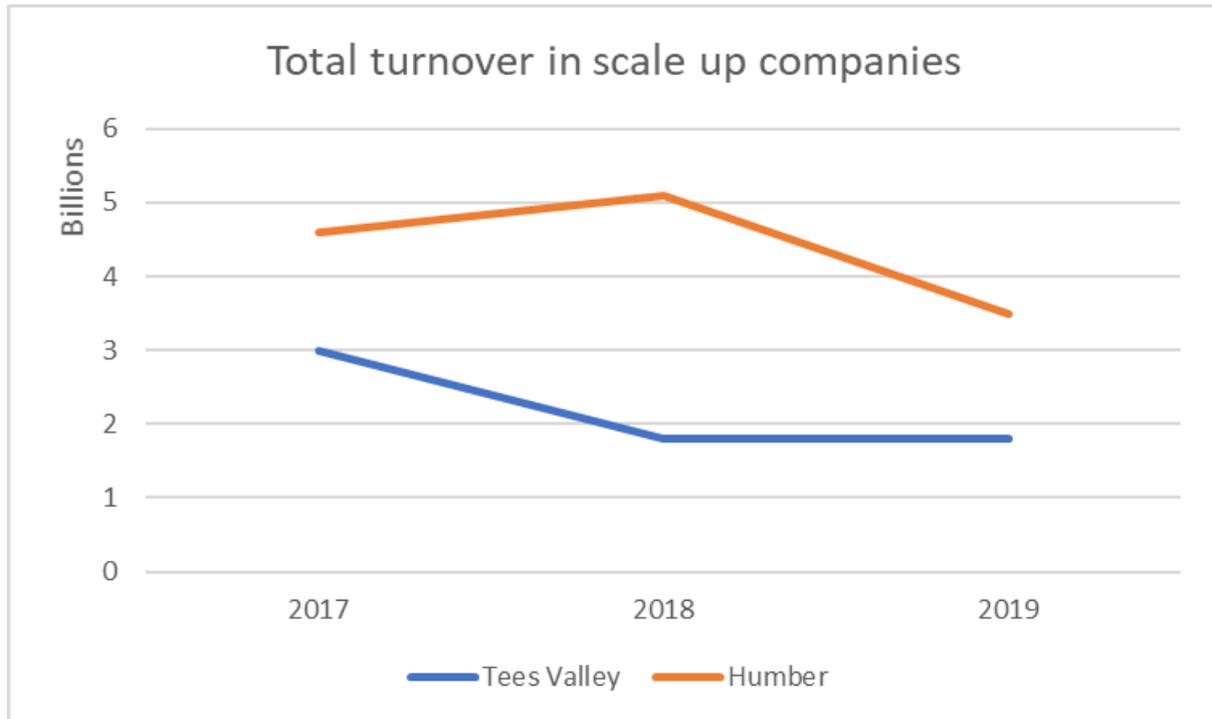
	2017	2018	2019
Tees Valley	240	230	255
Humber	360	415	425

Total number of employees in scale up companies



	2017	2018	2019
Tees Valley	14547	18326	16592
Humber	33269	33491	31084

Turnover in scale up companies

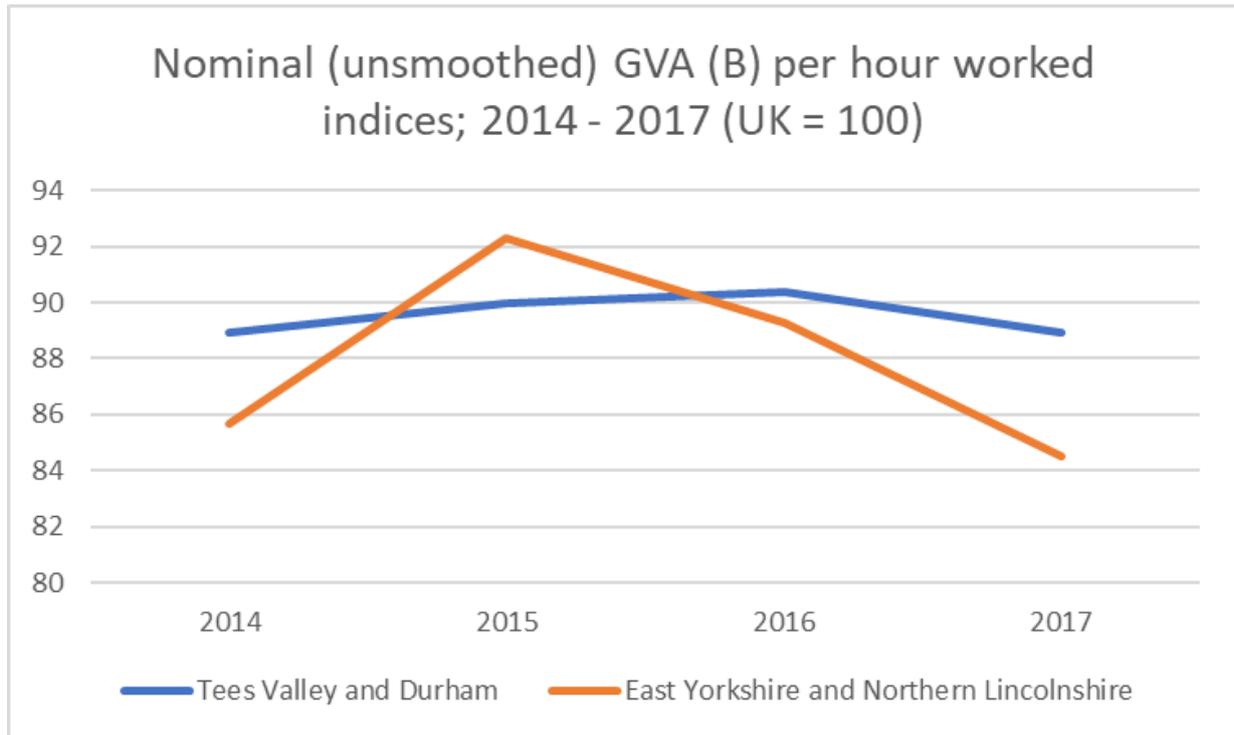


£millions	2017	2018	2019
Tees Valley	3000	1800	1800
Humber	4600	5100	35000

[Source for all tables: Scale Up Institute: Annual Scale Up Review 2017, 2018 and 2019]

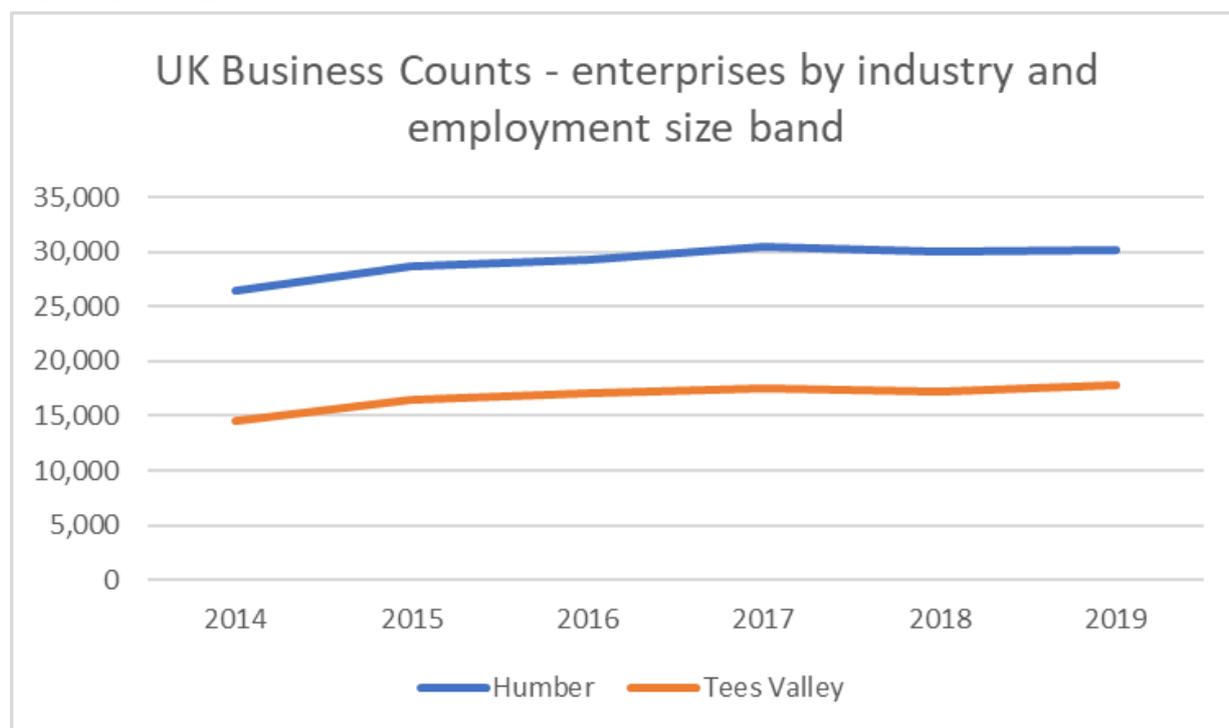
For regional Gross Valued Added statistics, information is only available at NUTS2 level, which is coterminous with the Humber Local Enterprise Partnership area, but includes County Durham as well as the Tees Valley.

GVA per hour worked



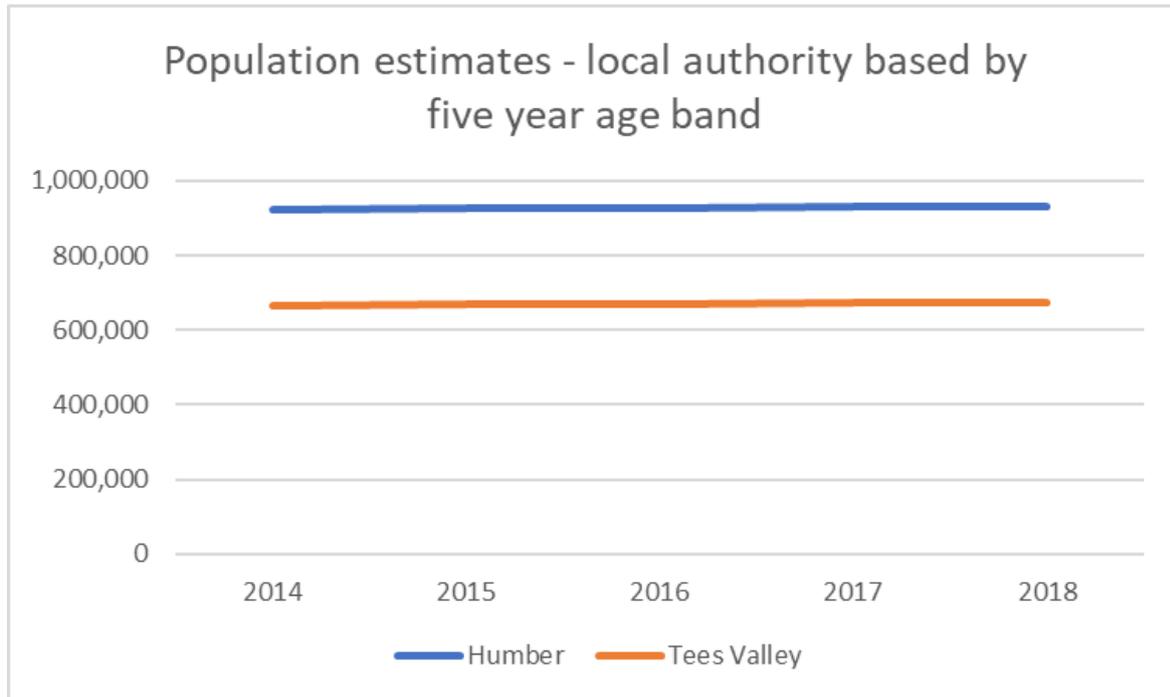
Nominal (unsmoothed) GVA (B) per hour worked indices; NUTS 2 sub regions				
	2014	2015	2016	2017
Tees Valley and Durham	88.91	90	90.4	88.9
East Yorkshire and Northern Lincolnshire	85.68	92.28	89.27	84.52

UK business counts



	Humber	Tees Valley
2014	26,415	14,580
2015	28,720	16,500
2016	29,340	17,100
2017	30,505	17,500
2018	29,970	17,230
2019	30,130	17,765

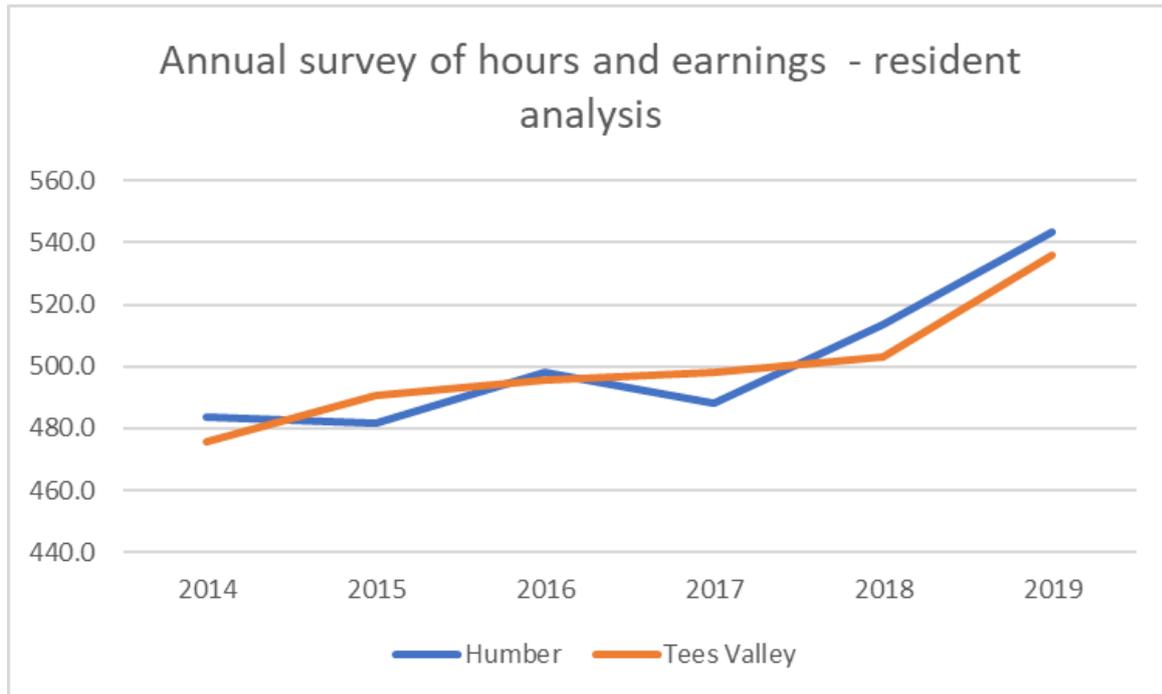
Population estimates



	Humber	Tees Valley
2014	923,900	667,000
2015	925,200	668,300
2016	928,500	671,000
2017	929,900	672,500
2018	932,100	674,300

[Source NOMIS: ONS annual population estimates]

Wage growth (gross weekly pay - £)



	Humber	Tees Valley
2014	483.5	475.9
2015	481.6	490.5
2016	498.3	495.7
2017	488.1	498.2
2018	513.6	503.2
2019	543.3	535.9

[Source NOMIS: ONS annual survey of hours and earnings]

Appendix 4: Analysis of Mayoral communications during initial wave of Covid-19 pandemic

Number	Date	Issue	Key text
1	16 th March	Health	Open letter seeking business support for ventilators and PPE. Seeking volunteers to support emergency response.
2	16 th March	Health	Email address publicised
3	16 th March	Health	Need to follow guidance to protect the vulnerable
4	16 th March	Health	Ventilator support
5	17 th March	Economic	Support businesses for 'at least 12 weeks'
6	17 th March	Economic	Highlighting HMG support for business and individuals
7	18 th March	Economic	Supporting self employed
8	18 th March	Health	Guide to social distancing
9	18 th March	Health	Public sector response and youtube video
10	18 th March	Healthcare and education	Closure of schools except for vulnerable children and those of key workers
11	19 th March	Contact details - health	Publicising national helplines
12	19 th March	Economic	Urges caution for 'Coronavirus scammers'
13	20 th March	Economic	Launch of Tees Valley helpline
14	20 th March	Economic	Youtube video on essential numbers
15	20 th March	Economic	Highlighting Job Retention Scheme and facebook post
16	21 st March	Economic	Publicising helpline number
17	23 rd March	Health	'Stay at home, protect the NHS and save lives'
18	23 rd March	Economic	Suspension of Teesside Airport flights
19	23 rd March	Health	Stay at home

20	24 th March	Economic	Update on MGT construction site (sending staff home)
21	24 th March	Health	Highlighting Redcar and Cleveland helpline
22	25 th March	Health	Publicising NHS volunteer responders
23	25 th March	Economic	Highlighting inability of some construction and manufacturing sites to social distancing and calling for HMG action
24	25 th March	Economic	Accuses Brand Energy of laying employees off
25	25 th March	Economic	Retracts statement and apologises to Brand Energy
26	26 th March	Economic	Highlights HMG economic support
27	26 th March	Health	Urges people to 'clap for carers'
28	26 th March	Economic	Highlights HMG support for self employed
29	26 th March	Health	Highlights support for 'clap for carers'
30	27 th March	Health	Wishes PM well after contracting CV19
31	28 th March	Health	Calls for new temporary hospital site in Middlesbrough
32	30 th March	Economic	Highlights self employment support

Number	Date	Issue	Key text
1	3 rd April	Economic	Highlights local conversations with business leaders around economic support
2	3 rd April	Economic	Highlights support given by Steve Gibson to staff employed at his companies as a good example
3	5 th April	Political	Welcomes ‘humbling and inspirational’ speech by HM the Queen
4	6 th April	Political	Wishes Prime Minister speedy recovery
5	9 th April	Health	Announcing 10,000 bottles of free hand sanitiser to ‘Teesside Heroes’ – local public sector workers
6	10 th April	Health	Urges people to ‘Stay Home. Protect the NHS.’
7	11 th April	Health	Highlights local business distributing hand sanitiser
8	12 th April	Health	Highlights HMG write off of debt for South Tees Hospital
9	12 th April	Health	Highlights teacher making face shields
10	13 th April	Health	Highlights company making face masks
11	14 th April	Health	Highlights school making face shields
12	15 th April	Health	Offers Teesside International Airport as a drive through testing centre
13	16 th April	Health	Highlights company supplying face masks
14	16 th April	Health	Supporting key workers with display at Teesside Airport
15	17 th April	Health	Supporting vulnerable people by making deliveries of essentials
16	17 th April	Social	Shares video from Swissport team at airport on how they are coping with lockdown
17	18 th April	Health	Delivering food parcels to people self-isolating or shielding
18	20 th April	Economy	Publicises how to claim job retention scheme payments
19	20 th April	Economy	Highlights success of local company in getting HMG loan support
20	21 st April	Health	Thanks NHS staff
21	21 st April	Health	Gives blood

22	22 nd April	Economy	Highlights business support through local authority grants in Tees Valley
23	23 rd April	Social	Happy St Georges Day
24	23 rd April	Health	Thanks NHS staff
25	24 th April	Health	Welcomes testing facility being set up in Teesside
26	24 th April	Economy	Welcomes restart of British Steel at Lackenby
27	26 th April	Social	'The Beautiful North'
28	27 th April	Economy	Launches new website encouraging business to business sales within Tees Valley
29	27 th April	Health	Welcomes work at CPI on a vaccine against coronavirus
30	27 th April	Economy	Highlights the Chancellor's launch of 'Bounce Back Loans'
31	28 th April	Social	Keep up challenge
32	29 th April	Economy	Highlights successful CPO for the South Tees Development Corporation
33	30 th April	Economy	Highlights full local ownership of SSI steelworks

Number	Date	Issue	Key text
1	1 st May	Health	Stay at home and support the NHS
2	2 nd May	Social	1987 cup final (his uncle scored in the final)
3	2 nd May	Economy	Highlights additional funding to support small businesses
4	5 th May	Economy	Highlights local business survey to ensure support is available
5	6 th May	Economy	Highlights contractor appointed to start work on South Tees Development Corporation
6	7 th May	Economy	Promotes local business survey
7	8 th May	Social	VE Day celebrations
8	8 th May	Social	VE day and Union flag
9	8 th May	Social	'God Save the Queen'

10	9 th May	Economy	Promote buy local website
11	11 th May	Health	Highlights HMG advice on virus control
12	12 th May	Economy	Promotes Amazon's 1000 new job in Darlington
13	12 th May	Economy	E-scooter trial supported
14	12 th May	Economy	Delivering NetZero Teesside project
15	13 th May	Health	Promotes additional 20,000 bottles of free hand sanitiser
16	14 th May	Health	Re-promotion of hand sanitiser
17	14 th May	Health	Thanks to key workers
18	15 th May	Economy	New company base at Teesside Airport
19	17 th May	Economy	Supporting local suppliers and businesses
20	18 th May	Political	Opposes Andy Street representing Mayors on COBRA
21	18 th May	Political	Highlights opposition to other Mayors on COBRA, focusses on the different challenges of their places.
22	18 th May	Political	'The North is not one place'
23	18 th May	Political	Highlights importance of towns, villages and rural areas, not just cities
24	18 th May	Economic	Commitment of £24 million to new Tees crossing
25	19 th May	Economic	The need to bounce back and promoting commitment to new Tees crossing
26	19 th May	Economic	Highlights benefits of new Tees crossing to business and local jobs
27	19 th May	Economic	Welcomes restart of employees and new jobs at Wilton Engineering
28	19 th May	Social	Celebrating knighthood for veteran
29	20 th May	Economic	Highlighting investment opportunities and progress
30	20 th May	Social	Football skills
31	21 st May	Economic	Celebrating new jobs at British Steel
32	21 st May	Economic	Welcomes resilience at Cleveland Bridge

33	22 nd May	Economic	Highlights funding form Community Foundation
34	22 nd May	Political	Reminder of election promised to bring steel making back to Teesside
35	28 th May	Economic	Nominate local business hero
36	29 th May	Economic	Local business part of new construction project (HS2)
37	29 th May	Economic	Welcomes extension of self employment support
38	30 th May	Economic	Highlighting Freeport plan for river Tees

Number	Date	Issue	Key text
1	1 st June	Economic	Nominate local business hero
2	1 st June	Economic	Highlights planning application for South Tees Development Corporation
3	2 nd June	Health	Supporting volunteers raising money for NHS
4	3 rd June	Economic	Highlights work of subsea firm in mineral extraction
5	4 th June	Economic	Announces resumption of flights from Teesside Airport
6	6 th June	Social	Anniversary of D-Day
7	7 th June	Economic	Welcomes practical completion of Teesside Advanced Manufacturing Park
8	7 th June	Political	Criticising negative comments around completion of the advanced manufacturing park
9	8 th June	Social	Ridicule of US advice on how to make tea in a microwave
10	9 th June	Economic	Highlights work being done at the Materials Processing Institute
11	9 th June	Health	Welcomes new testing facilities for virus
12	9 th June	Economic	Start of work at Middlesbrough station
13	10 th June	Economic	Publicising Rugby League World Cup in 2021
14	10 th June	Economic	Welcomes Cook Islands using Tees as their world cup base
15	10 th June	Economic	Highlights direct Middlesbrough – London train from 2021

16	11 th June	Economic	Welcomes Cook Islands
17	12 th June	Social	Support to local family after flooding
18	12 th June	Economic	Welcomes Cook Islands and Rugby League World Cup
19	16 th June	Economic	Highlights growth of Middlesbrough games developer
20	16 th June	Economic	Highlights reopening of Teesside Airport
21	18 th June	Economic	Launches £1 million fund to support apprentice wages
22	18 th June	Social	Sympathy at death of Dame Vera Lynn
23	19 th June	Economic	Highlights new drive through concerts at Teesside Airport
24	19 th June	Economic	Repeats new drive through concerts announcement
25	20 th June	Economic	Highlights funding for 100 apprentices
26	20 th June	Social	Start of professional football
27	20 th June	Social	Disappointment at Middlesbrough losing football match
28	20 th June	Social	Supporting local talent show competitor
29	21 st June	Economic	Short video on key economic achievements
30	21 st June	Economic	Highlights changes at Teesside Airport
31	22 nd June	Economic	Publicises drive through gigs at airport
32	22 nd June	Economic	Welcomes start of airport and safety steps in place
33	22 nd June	Economic	Highlights airline seat sale from Teesside Airport
34	24 th June	Economic	Welcomes new investment by Teesside company
35	24 th June	Economic	Highlights reopening guidance for social venues
36	25 th June	Economic	Highlights support for local firm expansion
37	25 th June	Economic	Welcomes start of demolitions on development corporation site
38	25 th June	Economic	Launches financial support for business to reopen
39	26 th June	Economic	Announces new 5 year deal with KLM for flights from Teesside
40	26 th June	Economic	Publicity for financial support to reopen

41	26 th June	Economic	Application form and guidance for support package in place
42	27 th June	Economic	New flights from Teesside Airport
43	27 th June	Social	Thanks to armed forces (Armed Forces Day 2020)
44	27 th June	Social	Comment on new Middlesbrough's manager approach to squad selection
45	29 th June	Economic	Announces new 'drive in' musical
46	29 th June	Economic	Welcomes new investment to Middlesbrough and Darlington stations
47	29 th June	Economic	Welcomes improved connectivity as a result of station improvement
48	30 th June	Economic	Pressing the Government on permission for e-scooter trials