

**AGENDA ITEM**

**REPORT TO CABINET**

**12 October 2023**

**REPORT OF THE CORPORATE  
MANAGEMENT TEAM**

**CABINET DECISION**

**Regeneration and Housing - Lead Cabinet Member – Councillor Nigel Cooke**  
**Health, Leisure and Culture – Lead cabinet Member – Councillor Steve Nelson**  
**Adult Social Care – Lead Cabinet Member – Councillor Ann McCoy**

**Care and Health Innovation Zone**

**SUMMARY**

This report sets out a draft Vision to develop a Care and Health Innovation Zone at Teesdale and the adjacent Marshalling Yards. This exciting, once in a generation opportunity can deliver a nationally significant cluster that realises benefits for the whole of the Tees Valley.

The draft Vision has four main aims:

- To breathe considerable new life into Teesdale Business Park and ensure all 50 hectares are fully utilised. We will create the buzz and dynamic environment that Teesdale has always promised but has, as yet, not fully delivered.
- To bring forward the holistic regeneration of the 60 hectares Tees Marshalling Yards site for both employment and housing and other ancillary uses.
- To grow all aspects of the health, public-health and social care sector, and their supply chains, in Teesdale and the Marshalling Yards and make us a recognised UK cluster
- To integrate the new Care and Health Innovation Zone with Stockton-on-Tees Town Centre and enhance connectivity through transport and active travel links.

Achievement of our draft Vision has the potential to deliver 9,000 direct jobs at the site, generating annual Gross Value Added (GVA) worth £470 million to the Tees Valley economy. At the same time, it will reduce health inequalities, improve connectivity, drive innovation and deliver skills that the sector needs to succeed.

The Vision has been developed in partnership, and core partners have identified the following workstreams to drive forward our shared ambitions:

- Masterplanning and Infrastructure
- Health and Social Care Integrated Clinical Facilities and Capital Delivery
- Innovation and R&D
- Commercial / Business Growth
- Education and Skills.

Further detail is provided in the report.

**REASONS FOR RECOMMENDATION(S)/DECISION(S)**

Cabinet is recommended to agree the proposed approach to:

- Demonstrate place leadership and our commitment to working with partners to deliver Care and Health Innovation Zone ambitions
- Drive forward the regeneration of a key site for Stockton-on-Tees and Tees Valley
- Stimulate growth of a key sector, creating employment opportunities, increasing economic growth and prosperity
- Reduce health inequalities and better meet population need for Health and Social Care
- Leverage inward investment, based on a public sector commitment to site regeneration and sector growth
- Enhance the connectivity of Stockton-on-Tees Town Centre.

## RECOMMENDATIONS

Cabinet is recommended to:

1. Agree the draft Vision (paragraph 8) and approach to develop the Care and Health Innovation Zone
2. Agree the partnership arrangements set out at paragraphs 10-12
3. Agree the workstream areas and packages of work set out at paragraphs 14-19
4. Agree to begin discussions with Middlesborough Council to develop and implement the Vision as part of a Tees Valley-wide opportunity.

## CONFIRMING THE OPPORTUNITY

5. In July 2023, Cabinet agreed to develop a Masterplan and business case for regeneration at Teesdale and the Marshalling Yards, based around potential for a Care and Health Zone.
6. Following Cabinet agreement, the Council has worked closely with a number of core partners to shape and test thinking, and to develop a draft Vision for the Zone.
7. Discussions with partners identified a significant scale of potential, based around three mutually reinforcing and major opportunities:
  - Teesdale Business Park – at 50 hectares was one of the UK's biggest brownfield regeneration schemes of the late 1980s / early 1990s. It is now underutilised and in need of fresh momentum.
  - Tees Marshalling Yards - At 60 hectares, one of the largest remaining brownfield regeneration sites in the UK, adjoining Teesdale Business Park and at the heart of the Tees Valley.
  - Care and Health Sector – a significant employer and a cornerstone of UK innovation and R&D. A growth sector with substantial needs for modernisation/reorientation of its estate.

## DRAFT VISION

8. Seizing the opportunities identified above, a draft Vision has been developed with four main aims:
  - To breathe considerable new life into Teesdale Business Park and ensure all 50 hectares are fully utilised. We will create the buzz and dynamic environment that Teesdale has always promised but has, as yet, not fully delivered.
  - To bring forward the holistic regeneration of the 60 hectares Tees Marshalling Yards site for both employment and housing and other ancillary uses.
  - To grow all aspects of the health, public-health and social care sector, and their supply chains, in Teesdale and the Marshalling Yards and make us a recognised UK cluster.
  - To integrate the new Care and Health Innovation Zone with Stockton-on-Tees Town Centre and enhance connectivity through transport and active travel links.

## IMPACT

9. Successful delivery of the Vision has significant potential for Stockton-on-Tees and Tees Valley, including:
- Grow economic prosperity – it is estimated 9,000 jobs will be located directly on-site<sup>1</sup>. This level of job creation could generate annual Gross Value Added (GVA) worth £470 million to the Tees Valley economy, with more through multiplier effects.
  - Drive down health inequalities – by using the site for leading edge health provision, promoting new models of health and social care integration and establishing Stockton-on-Tees at the forefront of advances in service delivery.
  - Deliver homes that people need – with the potential to accommodate a further 3,600 houses and a range of new residential care facilities.
  - Establish greater visibility for the Tees Valley as a national player in the health and social care sector, by developing a focal point that will attract national interest and nationally significant occupiers.
  - Address skills shortages - which are currently impacting service delivery and mean we are hampered in our efforts to address health inequalities.
  - Support our fiscal base – through the capture of significant Business Rates and Council Tax, which can allow us to finance a range of essential services for our residents, at a time of unprecedented strain on public sector finances.
  - Promote Pride in Place – enhancing the attractiveness of Stockton-on-Tees as a place to live, work and grow a business.
  - Successfully develop brownfield land in sustainable locations – with potential to deliver 110 hectares of brownfield development, in a central location that has the potential to be extremely well served by the public transport network.

## PARTNERSHIP

10. The Council has worked with key partners to develop our draft Vision for the site, and to understand anticipated impact. A strong partnership approach will also be needed to as we move to delivery.
11. A Partnership Board has been established to:
- Drive delivery.
  - Attract investment.
  - Develop innovative approaches to meet infrastructure requirements.
  - Provide strategic direction for workstream activity (further detail below).
12. Alongside the Council, the Board comprises representation from:
- Teesside University.
  - Tees Esk and Wear Valley NHS Trust.
  - North Tees NHS Trust.
  - Education Training Collective (Stockton Riverside College).
  - Tees Valley Combined Authority.
13. A portion of the Marshalling Yards sits in Middlesborough Local Authority area, and it is therefore proposed that a discussion takes place with Middlesborough Council to develop and implement the Vision as part of a Tees Valley-wide opportunity.

## WORKSTREAMS

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<sup>1</sup> We anticipate that the majority of these 9,000 jobs will be net new jobs for the Tees Valley, however some will inevitably be relocations. Relocations will add to overall economic activity through more effective clustering and innovation

14. Five complementary workstreams have been identified to drive forward the Vision and turn our ambitions into reality. These are:

#### Masterplanning and Infrastructure

This workstream will:

- Develop a Masterplan for Teesdale and Marshalling Yards (covering ambitions for: care & health provision, education and skills, business premises and support for innovation, residential provision).
- Build investor confidence and attract investment to deliver the Masterplan.
- Improve public transport and active travel links.

#### 15. Health and Social Care Integrated Clinical Facilities and Capital Delivery

This workstream will:

- Confirm service delivery needs across organisations and capital requirements to enable this.
- Confirm timescales for future capital and service needs as part of a regional approach
- Make the case to Government for a state-of-the clinical facilities on the site.

#### 16. Innovation and R&D

This workstream will:

- Identify opportunities for Innovation / R&D aligned as part of a Stockton-based approach to building a Care and Health Cluster.
- Identify opportunities for business incubation and accelerator hubs.

#### 17. Commercial / Business Growth

This workstream will:

- Identify opportunities for sector growth and supply chain development.
- Confirm business requirements for commercial premises.
- Identify opportunities for multi-occupier buildings.

#### 18. Education and Skills

This workstream will confirm education and skills needs to deliver the Care and Health Innovation Zone, and explore funding solutions.

19. This will include working with Teesside University and Stockton Riverside College to explore growth of healthcare education provision.

### **COMMUNITY IMPACT IMPLICATIONS**

20. Successful delivery of the Care and Health Innovation Zone will result in employment opportunities for local residents, with potential to house 9,000 direct jobs. It will also meet local housing need, with potential to accommodate 3,600 houses and a range of new residential care facilities.

21. Activity will also reduce health inequalities and directly address population need for Care and Health provision.

22. A CIA will be undertaken for individual projects as they are brought forward.

### **CORPORATE PARENTING IMPLICATIONS**

23. There are no direct implications for Corporate Parenting as a result of this report.

## **FINANCIAL IMPLICATIONS**

24. There are no direct financial implications at this stage. Details of financial implications associated with delivery will be included in future reports relating to individual workstreams as appropriate.

## **LEGAL IMPLICATIONS**

25. There are no immediate legal implications. The legal requirements associated with partnership arrangements, planning, financing and delivery will be included in future reports.

## **RISK ASSESSMENT**

26. At this stage of the development, the Care and Health Innovation Zone is categorised as low to medium risk. Creation of the Partnership Board will mitigate risks. Alongside this, existing management systems and daily routine activities are sufficient to control and reduce risk.

27. A project risk register will be developed and maintained as the project develops.

## **WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS**

28. The Care and Health Zone falls within the Mandale and Victoria Ward, and proposals have been discussed with Ward Members. It should also be noted that the Zone will have an impact across Stockton on Tees and the wider Tees Valley.

## **BACKGROUND PAPERS**

29. Background papers include:

- Vibrant and Thriving Town Centres – regeneration update (Report to Cabinet, July 2023)
- Tees Valley Care and Health Innovation Zone – Initial Vision Statement (attached at apx 1)

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