

Tees Valley Industrial Programme Update

This ebulletin from [One North East](#) gives you the latest information about the Tees Valley Industrial Programme.

March 2010



Real help for businesses now

Business

Dear colleague,

In the last 10 days, One North East and its partners have unveiled the first of a number of investments via the £60m [Tees Valley Industrial Programme \(TVIP\)](#).

These investments will support [engineering apprentices in the Tees Valley](#), help workers with [business start up opportunities](#), and [help businesses in the Tees Valley be more energy efficient](#). These investments, amounting to around £10m, are the first results from TVIP, and we have also allocated around £30m for business and infrastructure investments to help businesses invest in new opportunities, create and safeguard jobs for the Tees Valley.

The Tees Valley Industrial Programme cannot be delivered without the support of partners – and particularly the private sector. I'm contacting you today to update you on the Programme as a whole and tell you more about our initial investments, and the opportunities to get involved.

What is TVIP?

TVIP is designed to accelerate industrial transition in the area and seize the emerging opportunities in low carbon and advanced manufacturing. Working with a wide range of industry and public partners, we are

committed to building on the Tees Valley's unique industrial strengths and opportunities. We will use TVIP funding to catalyse and accelerate company investments, as part of a long-term plan to transition the Tees Valley into a new low carbon future.

TVIP has been jointly agreed by One North East, the Department for Business, Innovation and Skills (BIS) and Department of Energy and Climate Change (DECC). TVIP recognises the significant commitment of businesses and partners in the Tees Valley, through approaches such as the NEPIC 10 Point Plan, and TVU's North/South Tees Study and is being managed by One North East, in partnership with BIS and DECC.

Project approval and monitoring will follow the One North East business processes.

TVIP is designed to:

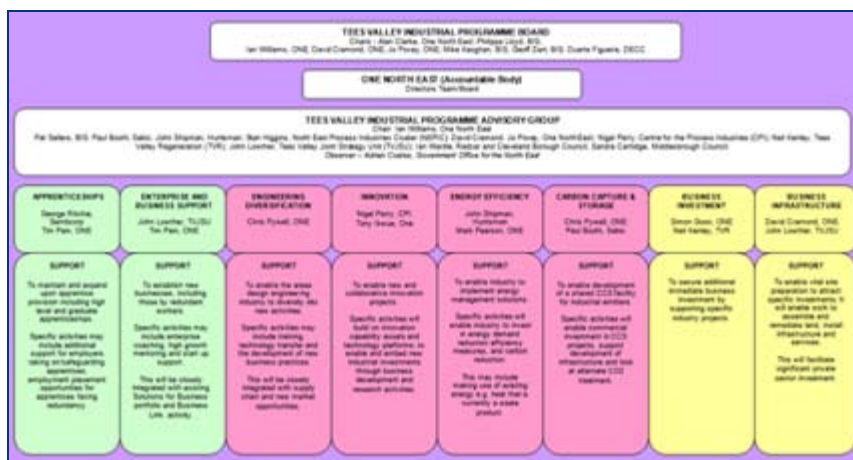
1. Address immediate issues by providing further support to sustain apprenticeships and encourage enterprise, including support for people to start their own business.
2. Support the area's process industry asset base by accelerating private investment, measures to reduce energy use and initiatives on carbon capture and storage, develop bio-based materials, support for technology transfer and new business practices.
3. Diversify the Tees Valley economy through the development of significant business opportunities for investment and transition into new low carbon industries and advanced manufacturing. This includes investment in the redevelopment of industrial land and infrastructure.

The overall package will create an estimated 3,000 new jobs in the short to medium term and sustain over 10,000 jobs in the longer term.

How the programme will be delivered

A programme advisory group has been established, chaired by me to support and oversee programme development, made up of industrialists, the North East Process Industry Cluster, Centre for Process Innovation, Tees Valley Regeneration, Tees Valley Joint Strategy Unit and local authorities, alongside One North East and BIS.

TVIP Structure and Leads Diagram



[Click here to enlarge the diagram](#)

TVIP is prioritising investment in:

- Apprenticeships
- Enterprise & Business Support
- Engineering Diversification
- Innovation
- Energy Efficiency
- Carbon Capture & Storage
- Business Investment & Infrastructure

Public and private partners are developing activities for each workstream, building on our investments to date. For more information on each workstream, please click the links above.

We have already made some initial announcements ([see here](#)) and further announcements will be made in the coming weeks, for which we will keep you regularly updated. However, there will continue to be a range of opportunities for partners to get involved in workstream development, and for businesses to work with us to develop their ideas.

How will funding be allocated?

TVIP builds on One North East's existing £130m investment on business support and skills in the Tees Valley (2009-12). There is a range of Solutions for Business available to businesses, such as Manufacturing Advisory Service, Innovation Advice and Guidance and Intensive Start Up Support. Business Link can provide a range of high quality, impartial advice and support to any business to sustain, grow and develop and exploit new ideas.

We will enhance these products to deliver additional support for Tees Valley. However, it is vital that TVIP demonstrates a catalytic effect on the Tees Valley economy and enhances its competitiveness as a business location.

TVIP investments must result in a medium or long term industry impact through structural change and tackle proven market failure. We must also ensure that investments such as infrastructure enhancements or land remediation are used to catalyse significant private investment by removing barriers to investment.

Full information on the agreed criteria we are using to allocate TVIP funding is available [here](#).

The programme is designed to accelerate the transition to a low carbon economy and to help Tees Valley seize the opportunities in advanced engineering. Businesses in the Tees Valley, in particular those in process, chemicals and associated sectors that have potential investment projects are encouraged to outline their plans and to discuss how TVIP and other support mechanisms can assist with their implementation.

For more information, please contact [Simon Goon](#) on 0191 229 6315, or [Neil Kenley](#) at Tees Valley Regeneration on 01642 632 005.

What have we announced so far?

We have already unveiled the first of a number of investments. These investments will support engineering apprentices in the Tees Valley, help workers with business start up opportunities, and help businesses in the Tees Valley be more energy efficient. These investments, amounting to around £10m, are the first results from TVIP, and we have also allocated around £30m for business and infrastructure investments to help businesses invest in new opportunities, create and safeguard jobs for the Tees Valley.

Some recent stories include:

1. £2.4m Apprenticeship Fund launched

A £2.4m package of support is to be allocated to engineering apprentices in the Tees Valley including those who may be affected by the partial mothballing of Corus and its supply chain.

Around 150 apprentices in the Tees Valley will receive help over the next two years - including the Corus apprentices - to allow them to continue their engineering training.

Support will take the shape of training allowances for individuals and support for employers to enable engineering apprentices to:

- be supported whilst they gain the work experience they need to complete their apprenticeships;
- be retained at the company or move to a new employer to complete their apprenticeship;
- receive help to gain relevant post apprenticeship work experience; or
- enter further training to develop relevant future skills and employability.

For more information, please contact [Tim Pain](#) on 0191 229 6640.

2. £1.5m for Enterprise Coaching in Redcar and Cleveland and Darlington

£1.5m, matched with funding from Redcar and Cleveland and Darlington Councils, will assist 1,800 more people with start up ideas through Enterprise Coaching and generate hundreds of new business referrals to the Business Link service over the next three years. As a result, individuals now have access to Enterprise Coaching across the whole of the Tees Valley.

The initiative will help increase the number of new start up businesses in local areas by 300 per annum and ensure that more than 80% of these new start up businesses survive more than 12 months.

It will target people who would not normally consider self employment as a career option and those who need intensive support to fulfil their aims of starting their own business.

The project is part financed by the European Union's ERDF Competitiveness Programme 2007-13, through One North East. Read more [here](#).

3. £1.4m for new business start ups

An additional £1.4m has been allocated to help business start ups and existing firms in the Tees Valley , by raising the public subsidy for support for Intensive Start Up Support from 70% to 90%, and support for existing businesses to diversify to 50%. The funding aims to create 90 businesses and create or protect 400 jobs.

The package will be administered by the North East of England Investment Centre and will be available through [Business Link](#).

4. Assessing the business support needs of Engineering Maintenance companies

We are currently assessing the business support needs of Engineering Manufacturing companies in Tees Valley and the wider North East.

This work, which will be delivered by Tees Valley Engineering Partnership and NEPIC, will map out existing support, gaps in provision and opportunities to enhance the existing Solutions for Business available for Engineering Maintenance companies. The work will be completed in April 2010.

5. Tees Valley gets £5m energy efficiency boost

One North East has announced a £5m package to help Tees Valley companies improve their resource efficiency by reducing their energy use.

The project will save companies millions of pounds by helping them reduce energy demand, explore the potential of low carbon technologies as well as reducing the amount of potentially harmful CO2 emissions in the region.

The scheme will be targeted at energy intensive businesses in the Tees Valley particularly those in the process industry and their supply chains. Grants will help businesses to invest in technology and energy management systems to provide real energy consumption reductions, make cost savings and make firms less susceptible to energy price volatility.

Tees Valley companies in the process industry and its supply chain wishing to apply can find out more [here](#).

[Link to news article »](#)

Alongside our new TVIP investments, One North East continues to support the Tees Valley economy, investing over £130m in business support and skills over the period 2009-12.

Recent initiatives that are helping to support Tees Valley businesses include:

6. North East carbon capture storage prospectus published

One North East has published a prospectus for the development of a Carbon Capture and Storage Cluster

(CCS) in North East England - pioneering technology which offers major investment and job creation potential for the North East.

The document identifies the region's strengths and future plans for CCS, whilst making a strong case for further investment in the North East. CCS is necessary for a number of industrial processes to reduce their greenhouse gas emissions and is particularly vital in North East England due to the presence of the Chemical and Process Industries, which employ an estimated 26,000 people across the region. [Read more »](#)

7. Artenius buyer found

The Joint Administrators of Artenius UK Limited ("AUK") have announced the sale of assets to Lotte Chemical UK Limited ("LCUK"), a UK based subsidiary of KP Chemical Corporation, an affiliate of the Lotte Group based in Korea.

The asset sale, which is subject to European Commission competition clearance, will result in the transfer of all the operational assets of AUK, including both the PTA and PET manufacturing facilities at Wilton, Teesside. Under the asset transfer agreement the employment of the remaining AUK workforce will transfer to LCUK, safeguarding the jobs of 41 employees.

One North East has approved a Grant for Business Investment of £1.8m to help LCUK acquire the AUK assets, which could also create 132 new jobs at the Wilton plant. [Read more »](#)

TVIP builds upon existing multi-million investments being supported by One North East, in partnership with public and private sector partners, for the long-term development of the Tees Valley. There is a whole range of support available, so I would encourage all those looking for support to contact [Business Link](#) or [click here](#) for information on TVIP.

If you have any further questions about the programme, please contact [Jo Povey](#), Head of Business Programming and Planning at One North East on Tel: 0191 229 6566, or [Chris Taylor](#), Business Planning Senior Specialist on Tel: 0191 229 6607.

Media enquiries can be directed to [Abi Kelly](#), Head of PR at One North East on Tel: 0191 229 6308.

Thank you for your continued support.

Ian Williams



One North East Director of Business and Industry.

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