

Tees Valley Vision

- To create an integrated carbon efficient industrial hub
- Such a hub would attract significant Foreign Direct Investment particularly relating to new 'green' industries
- Such a hub would make a significant extra contribution to the UK economy by boosting GDP (current contribution £10 bn) and Exports (current contribution £4 bn)
- To complement these activities other sectors of our economy will create 25000 net new jobs by 2024

Our Industrial Strength

- Already has one of the largest 'heavy' industrial complexes in UK that underpins country's manufacturing/exports from other sectors
- Our 3 major industrial complexes comprise X hectares of brownfield land and offer the UK a unique opportunity to develop an integrated carbon efficient industrial sector with new complementary green industries
- Key to success is the ability to attract significant private sector investment and world class communication assets
- To achieve success there needs to be a concerted effort to tackle carbon emissions and wasted heat/opportunities for greater synergy

Creation of a Globally Significant Industrial Hub

- Successful 'heavy' industrial/manufacturing sites globally depend upon integration of demand and supply of feedstocks and power
- This approach is exemplified by Rotterdam in Europe but can now be seen in China, India and Saudi Arabia
- A current top six world location is Jurong Island Industrial Park in Singapore which is home to 95 major global chemical companies with £16bn of assets and upwards of 8000 jobs
- Tees Valley 3 major industrial complexes offer a unique opportunity to become one of the 5/6 globally significant hubs
- Exploitation of resources through fracking and coal gasification could supply syngas and national gas liquids as feedstocks giving the complex a real economic advantage

Ask of Government

- Success will depend upon attracting significant private sector investment and occupiers
- The basis of such attraction will be to give confidence to private sector investors by providing certainty on planning, integrated feedstocks and power and available financial incentives
- **ASK**
- Because of the national importance of the opportunity we need Government
 - a) to enact a new Instrument of Planning Consent to cover all three sites to give planning certainty
 - b) designate the sites as one of its preferred locations for establishing green technologies in the UK
 - c) delay the start date to 2014 of the enhanced capital allowances incentive for the Enterprise Zone parts of the sites
 - d) encourage exploitation of national resources through fracking and coal gasification

Local Commitment and Outcome

- **Local Commitment**
 - TVU and its private and public sector partners will produce and implement a framework for integration of feedstocks/power and promote a package to secure the necessary private sector investment utilising European Structural Funds and Tees Valley Investment Funds
- **Outcome**
 - 10 new large foreign inward investments involving more than £2 bn capital expenditure and 500 jobs together with increased contributions to GVA and exports

Low Carbon Action Plan

- A Low Carbon Action Plan will address 4 specific issues:
 - **Carbon Capture and Storage** leading to the delivery of the first industrial CCS network in the world
 - **Heat** by using industrial heat more efficiently to reduce emissions and improve competitiveness
 - **Syngas** by incentivising the use of waste and biomass to produce chemicals/feedstock here in Tees Valley to create greater benefit for UK economy
 - **Hydrogen** by incentivising production and storage of green hydrogen as a building block for products of the future

Ask of Government, Local Commitment and Outcome

- **ASK**
 - Because of the national importance of the opportunity we need the Government to deploy its expertise and support the formulation and implementation of the Tees Valley Low Carbon Action Plan
- **Local Commitment**
 - TVU has gained the commitment of the major CO² emitters in the area to work under its leadership to formulate and secure the necessary investment required to implement the Plan
- **Outcome**
 - The development of a plan that sets out a clear set of actions to establish an integrated low carbon industrial hub
 - Implementation of the Plan will lead to a significant reduction in emissions and increases in GVA, Exports and Jobs

More Private Sector Jobs

- Area has 259500 jobs for working age population of 424000
- Higher levels of unemployment and youth unemployment in particular (6.4% against 3.5% and 12.3% against 6%)
- Independent research shows that Tees Valley needs 25000 net new jobs by 2024
- To be achieved by stimulating entrepreneurs and growth of existing SMEs via a Business Growth Hub piloting the Accelerator model from the USA
- Another key element is the establishment of an Open Technology Centre to support the commercialisation of products and processes which are currently being lost overseas

More Private Sector Jobs Cont...

- The Centre will host a Technology Accelerator to derisk and accelerate growth of SMEs together with an Industrial Doctoral Centre to deliver engineering programmes in areas such as sustainable manufacturing and advanced materials
- An example of a successful commercialisation centre is VDEh-Betriebsforschungsinstitute GmbH Institute for Applied Research (BFI) in Germany. This complex integrates commercialisation with incubation and high level skills provision. It is home to X companies employing 130 people, turning over €15m annually and contributing €X to GDP (working on data)

VDEh-Betriebsforschungsinstitut GmbH



Ask of Government, Local Commitment and Outcome

- A partnership has been formed between CPI, two major companies and TVU to convert an existing Technology Centre in Middlesbrough into the new Open Technology Centre
- **ASK**
 - Because of the national importance of the opportunity we need the Government via TSB to designate the Centre as a Catapult for Sustainable Manufacturing to help establish the facility
- **Local Commitment**
 - The partners will provide direct funding/assets including monies from ERDF and TV Investment Fund to ensure the success of the Centre
- **Outcome**
 - The Centre will create 150 new jobs by 2024, additional GVA and exports of £Xm respectively

Skills

- Longer term growth needs to be underpinned by companies' ability to recruit and upskill the workforce
- £7m awarded from RGF4 to tackle some of our deep-seated issues is much welcomed
- More could be achieved with the same expenditure if there were a limited number of flexibilities introduced into the skills funding system particularly for FE Colleges and their use of their Adult Skills Budget

Skills cont...

- **ASK**
- To allow the FE Colleges and other providers in the Tees Valley area to run a pilot scheme for a period of 3 years with 10% of their existing Adult Skills Budget being used to fund loan free level 3 courses for students who can demonstrate an inability to repay a loan in subject areas that will meet future demand for skills in the area and on provision for unemployed adults leading to work
- TVU will work with employers through the Tees Valley Skills Hub to identify job opportunities and skill needs that will be met by the flexibilities
- TVU and its FE College partners will ensure that some 660 adults will benefit from the loan free level 3 courses and some 1500 unemployed adults will obtain work following provision

World Class Communications

- World class communications are necessary to attract significant private sector investment

Ask of Government

- DfT to fund the upgrade of Bank Top Station in Darlington;
- secure the electrification of the Trans-Pennine line between Northallerton and Middlesbrough and the same or improved frequency of stops between Darlington/London and Middlesbrough/Manchester through the renegotiations of the respective franchises
- part fund infrastructure works to create Southside Commercial Park at the Durham Tees Valley Airport

We will

- TVU will work with the Port and other private sector companies to increase the amount of freight coming to and from Tees Valley

Outcome

- freight movements east/west and particularly to and from the Port will be improved dramatically and lead to an increase of £x in GVA (*working on data*)
- the electrification of lines will lead to there will be an increase in GVA of X in Tees Valley (*working on data*)

Tees Valley City Deal & Other Initiatives



Skills Hub & Funding Regime Impact (2014-2017)

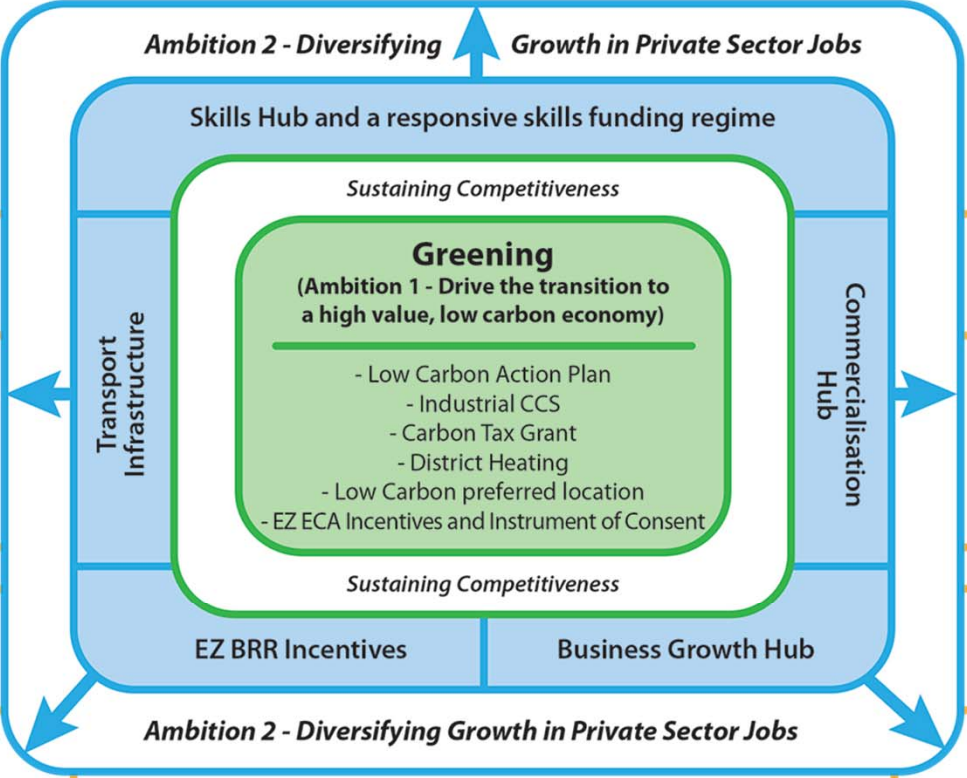
2,225 People Trained/Supported
 811 Businesses Assisted
 935 Net Jobs
 Net GVA £48m
 Cost per Net Job £31,550
 ROI £1:£1.6

Transport Infrastructure

Currently being Green Book appraised

EZ Incentives Impact (2017-2022)

Currently being Green Book appraised



Commercialisation Hub Impact (2014-2017)

Proposals (tbc via appraisal)
 100 new jobs
 Increase in exports £xm
 additional GVA of £xm

Business Growth Hub Impact (2014-2017)

1,301 Businesses Assisted
 1,007 Net Jobs
 Net GVA £46.39m
 Cost per Net Job £13,902
 ROI £1:£3.3

NOTES: Impacts are based on current Green Book Appraisals and will be subject to amendments as the City Deal and Growth Plan develop.



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